11. LABOUR AND EMPLOYMENT SERVICES
11.1

EMPLOYMENT SERVICES, SKILL DEVELOPMENT AND TRAINING

Who strive with undismayed, unfaltering mind,
At length shall leave opposing fate behind

- Thirukkural 620

Introduction

The Union Planning Commission, GoI, Eleventh Plan recognized the need for skill creation outside the formal education system and launched the National Skill Development Mission, laying down a co-ordinated action Plan for skill development. The Twelfth Plan hopes to consolidate this momentum, underlining that “improved training and skill development is critical for providing decent employment opportunities to the growing youth population and necessary to sustain the high growth momentum”. With the national goal of producing 500 million workforce by the year 2022, the Twelfth Plan hopes to build on the foundation laid under Eleventh Plan by identifying and fixing the gaps in the skill ecosystem. The Plan mandates that State Skill Development Mission becomes completely operational during this Plan Period. The targeted skill formation and initiatives can be undertaken at the State level, especially focusing on the unorganized sector.

Box 11.1.1: Skill Development Mission

“To ensure the effectiveness of the Skill Development Mission, this Government has decided to integrate various skill building programmes implemented by different departments. The Government will bring in a centralized system of selecting and monitoring skill upgradation courses and Institutions besides tracking the trainees till they get employed. The Tamil Nadu State Skill Development Mission Society will be the nodal agency for this purpose. This would ensure a common standard framework of programmes and fee structures, which the beneficiary departments can utilize without overlapping or duplication of efforts on wastage of resources.”

Source: His Excellency Governor’s Address, GoTN, Jan 2012.

1. Draft Approach paper to the Twelfth Five Year Plan of the Union Planning Commission
This national context lends considerable significance to the employment and skill development interventions that can be taken by our State. Tamil Nadu is a growing industrial, economic powerhouse and boasts of a strong, skilled workforce, housing 38,655 industrial units. The State has witnessed a rapid industrial growth in sectors such as manufacturing, textiles, automotive, retail, Information Technology and financial services.

With rapid industrial growth, there is a shortage of skilled manpower, underscoring the need for targeted action by the State towards demand-driven skills formation. According to Confederation of Indian Industry (CII) estimates, Tamil Nadu will have an estimated incremental skilled manpower requirement of about 130 to 150 lakh by the year 2015, in the secondary and tertiary sectors. National Association of Software and Services Companies (NASSCOM) estimates that only 20 percent of the 3.5 lakh students graduating annually are employable due to poor soft and IT skills.

### Box 11.1.2: Vision 2023 – Skill Development Training

The single most important resource for the success of Vision Tamil Nadu 2023 is the availability of trained, knowledgeable and skilled manpower in Tamil Nadu. Without a body of sufficiently skilled and balanced workforce, no economy can hope to develop its potential. Vision 2023 envisages training and skilling 20 million persons over the next 11 years. This will include 15 million people entering the job market and 5 million who are already part of the working population. 65 percent of the persons targeted for skill development (these persons would have studied until secondary school) would be provided with training for basic skills for a variety of livelihoods, about 33 percent would be persons who have undergone formal education as part of vocational training programmes or in colleges, while the top 2 percent would be top echelon professionals. Vision 2023 aims to achieve universal secondary education and more than 50 percent enrolment in higher education (comprising of vocational and college education). The objective of Tamil Nadu Skill Development Mission (TNSDM) is to confer basic skills to the persons at the bottom of the pyramid, numbering approximately 10 million as on date and increasing by about 0.8 million each year for the next 11 years. In addition to this, about 5 million people who are already in the workforce would be subject to re-skilling (upgrading of skills). These “minimal” skills would be aimed at making the concerned persons suitable for large number of entry level jobs in various sectors and industries that will open up as the economy grows at high rates. The job openings in the middle layer of the pyramid are meant for persons with formal education, including vocational and/or college education, while in the highest layer, the openings are targeted towards specialists and experts. The total investments envisaged in the Skill Development sector are about ₹11,000 crore.

*Source: Vision Tamil Nadu 2023, GoTN*
system of selecting and monitoring skill upgradation courses and institutions besides tracking the trainees till they get employed. The Tamil Nadu State Skill Development Mission Society under the guidance of the State Skill Development Mission will be the nodal agency for this purpose. This will involve adopting flexible and innovative approaches to deliver skill training, certification, combining continuing education with work in co-ordination with industry. The Tamil Nadu Skill Development Mission which is currently being implemented through a society will be reorganised as a Special Purpose Vehicle (SPV) with participation from the private sector as well.

The Tamil Nadu Twelfth Five Year Plan under Labour and Employment Services proposes to introduce targeted measures which will collectively address the linkages between poverty, skills development, employment and inclusive growth.

The Employment Services Division of the Labour Department in the State has been effectively delivering its roles and responsibilities via:

- Employment Exchanges which primarily match the registered candidates with potential employers who have registered their vacancies with the exchanges and also periodically gather employment related data from establishments and extend vocational guidance, private placement activities and specialized services for the differently abled persons in the State. As on 31/3/2012, 75,03,767 candidates were registered in the employment exchanges in Tamil Nadu.

- The Training wing offers various skill-training programmes through a network of Government Industrial Training Institutes (ITIs) and Private ITIs to ensure a steady flow of skilled manpower to different trades to the industry. Some of the major skill development training programmes in the State include the Craftsman Training Scheme, Apprenticeship Training Scheme, Industrial Schools, Skill Development Initiative and Centres of Excellence.

Eleventh Five Year Plan Performance and Financial Review

The main objectives of the Eleventh Five Year Plan with regard to Employment and Skill Development were to promote inclusive development by expanding the reach of ITIs to cover rural and urban areas such that technical skills and employment opportunities are made available to all segments of the society. The Plan proposed to work closely with the industry, especially manufacturing and service sectors, to understand the skill needs and to strengthen the infrastructure and training programmes offered by the ITIs according to emerging needs. To this end, some of the highlights of the Eleventh Plan include:

- Establishing new ITIs and industrial schools in areas that did not have ITIs
- Considerable investment on upgrading the infrastructure of existing ITIs
- Upgrading the select Government ITIs into Centres of Excellence with assistance from GoI
- Setting up of Modular Employable Skill (MES) cells
- Introduction of new courses in existing ITIs
- Infusing additional funds into the Apprenticeship Training Scheme.

One of the key initiatives of the Eleventh Plan Period was the introduction of the “Skill Development Initiative – Modular Employable Skills (SDI-MES)” by Government of India (GoI) in 2008. This scheme offers MES courses which are short term training programme that impart minimum skill sets required in an area to make the trainees employable. GoI extends 100 per cent funding, in the form of reimbursement of training cost to the training providers. The State has implemented this scheme with help of 61 Government ITIs, 327 private bodies including private ITIs and 126 corporate bodies and nearly 1300 courses have been developed. Under this
scheme, the students have to pay ₹ 500/- as training fee and ₹ 800/- as assessment fee. In order to reduce this burden on poor students, the State Government bears this cost on their behalf and has allotted ₹ 8 crore annually for the purpose. In 2010-11, 70,514 candidates were trained under this scheme in Government ITIs at an expenditure of ₹ 7.58 crore.

The sector wise details with regard to initial outlay and corresponding expenditures in Employment Services, Training and Skill Development are given in Table 11.1.1.

**Table 11.1.1: Eleventh Plan Outlay and Expenditure** (₹ crore)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Schemes</th>
<th>Outlay</th>
<th>Expenditure</th>
</tr>
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<tbody>
<tr>
<td>I</td>
<td><strong>Employment Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Payment of relief to unemployed youth</td>
<td>175.00</td>
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<td>Strengthening of Employment Exchanges</td>
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<td>4</td>
<td>Employment Exchanges Land and Building</td>
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<td>5</td>
<td>Purchase of Jeeps for Directorate and others</td>
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<td>0.21</td>
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<td>II</td>
<td><strong>Training Wing</strong></td>
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<td></td>
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<tr>
<td>1</td>
<td>Skill Development Programme for Unemployed Youth (3,50,819 beneficiaries)</td>
<td>33.50</td>
<td>27.87</td>
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<tr>
<td>2</td>
<td>Modernisation and Infrastructure Development, Improvement Measures of it is</td>
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<td>94.68</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>489.50</strong></td>
<td><strong>403.42</strong></td>
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</table>

**Challenges and Issues in Skill Development**

Some of the major challenges affecting skill development and training in the current scenario include inflexible and outmoded curriculum, mismatched fee structure, weak admission criteria, mismatch in the trainer capacities as against current requirements in various sectors.

A key challenge is that the skill development system is non-responsive to the labour market, owing to demand – supply mismatch on several counts: numbers, quality and skill types. Further, inflexibilities in the course/curriculum leads to excess supply in some trades and shortages in others. Of the trained candidates, the labour market outcomes as seen from placement/absorption rates are reportedly very low.

The institutional spread in the Vocational Education and Training (VET) system shows an acute regional disparity with over half of the ITIs/Private ITIs located in the urban areas, both in terms of number of institutions as well as the number of seats. Around 68 blocks, mostly backward areas, are still uncovered either by a Government or a private ITI.
The quality of the training system is also a matter of concern, as the infrastructural facilities (working space, class rooms, laboratories, workshops, computational and networking facilities, libraries, hostel, playground, canteens, associated facilities like safe drinking water, sanitation services toolkits, faculty, curriculum) of Government ITIs need to be improved. The existing institutions also lack financial and administrative autonomy too.

The testing, certification and accreditation system is reportedly weak and since the deliverables are not precisely defined, there is no effort at evaluating outcomes and tracking placements. The problem is further complicated with lack of industry-faculty interaction on course curricula and other factors.

The training systems for capital-intensive sectors and hi-tech areas have always received a highly preferential treatment in contrast to those working in the informal sector. Further, there is no certification system for a large chunk of workers in the informal sector, who do not have any formal education but have acquired proficiency on their own or through family tradition and/or experience. In the absence of a proper certificate, these classes of workers in the informal sector are unable to expand their employment prospects and their mobility is very restricted.

The quality offered by the private ITIs is not better than Government ITIs. They have poor fee structure due to low paying capacity of students.

The private sector does undertake in-house training programmes and to a very limited extent, train ‘outsiders’. However, such programmes are limited to catering to their own felt needs, in the nature of captive skill development. Low-paying capacity of learners and reluctance of industries to train workers for fear of losing them to competition has resulted in chronic deficiency in private investment in this area. The Twelfth Plan aims to address a majority of these challenges.

**Twelfth Five Year Plan : Objectives and Strategies**

**Objectives**

Following the Vision and Development priorities outlined by the Hon’ble Chief Minister during the budget session 2011-12 and more recently, by His Excellency the Governor in his address to the Legislative Assembly in January 2012, this Twelfth Plan recognizes the enormity of the demands on the State to provide equitable access to employment opportunities and the corresponding need to build a skill development system of adequate capacity, particularly to those engaged in the unorganized sector. The State Government has demonstrated its commitment towards employment and skill development by setting up the Skill Development Mission in the mission mode project and setting up sectoral councils for 15 high priority sectors.

The Plan will focus heavily on expanding the ITI network within the State, to ensure equitable access to all segments of the State’s population – including poor, the youth, disadvantaged groups, minorities, women, dropouts, people with disabilities.

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**Box 11.1.3: New Government ITIs**

“With the demand for skilled workforce prevailing strongly in Tamil Nadu, there is an urgent need to start more Government ITIs. This year 10 new ITIs will be started. Our aim is to eventually cover all uncovered blocks / unions with an ITI”.

*Source: The Hon’ble Minister for Finance, GoTN, 2011-12*

“The issue of poverty is intricately linked to unemployment. This Government has already spelt out a two pronged strategy of imparting skills to make youth employable, while simultaneously focusing on entrepreneurship development to promote new ventures to generate employment”.

*Source: His Excellency Governor’s Address, GoTN, Jan 2012*
and those in the unorganized sectors. To encourage more youth to join the pool of skilled workforce, skill development activities will be focused at the grass root level. The Plan outlay will be targeted towards setting up Skill Development Centres that will serve as mini ITIs in rural areas and will impart skill training to rural youth.

GoI had introduced the MES scheme in April 2007 to meet the demand for skilled manpower in core industrial sectors. This scheme has so far leveraged the existing infrastructure in Government ITIs. The Twelfth Plan will focus on strengthening the implementation and monitoring of this scheme within the State.

There is an urgent need for improving the quality and quantity of training faculty. The success and sustainability of any training scheme depends, amongst other factors, the availability of qualified instructors. Recognizing that skill up-gradation of faculty has a strong bearing on the quality of workforce produced from government programmes, the Twelfth Plan will lay considerable emphasis on strengthening the capabilities of the trainers.

The Plan will also focus on stepping up the infrastructure of the training institutes to meet industry demands.

**Strategies**

The State will explore several strategies to address the key challenges in skill development that were expounded upon earlier. Some of these strategies would include:

- Formation of State Level “Modular Employable Skills” Cell
- Establishment of Finishing Schools at regional level to fill up the skill gap
- Starting of additional units in trades like Fitter, Turner etc. in the existing 30 Government ITIs.
- Starting of new trades in needy areas in the existing Government ITIs.
- Introduction of hands-on experience to students to make them industry ready.
- Introduction of the private employer incentive and stipend scheme
- Formation of Skill Registry and issue of smart card to the registered candidates

**Box 11.1.4: Skill Development**

“Skill Development is an important focus area of the Government. The limitations of the National Skill Development Programme have led to under-utilisation of existing infrastructure in ITIs in the States and more focus on financing Private Sector initiatives, some of them have doubtful efficacy. This has urged Tamil Nadu to launch its own Skill Development Mission with strong industry linkages for training and skill development. The emphasis will be on flexibility to ensure that students going to vocational streams can eventually link up with the academic stream and realize their aspirations to obtain technical degrees through “learn while you work” programmes. The Centre should refocus the National Skill Development Programme to make it more practical by incorporating such initiative to produce the desired outcome”

*Source: Hon’ble Chief Minister of Tamil Nadu, NDC Meeting at New Delhi dt.22.10.2011.*

There is an urgent need for improving the quality and quantity of training faculty. The success and sustainability of any training scheme depends, amongst other factors, the availability of qualified instructors. Recognizing that skill up-gradation of faculty has a strong bearing on the quality of training
Quality of Infrastructure

- Due to the acute shortage of funds, the maintenance of buildings and infrastructure in ITIs has been inadequate. Certain ITIs need urgent repair and renovation in workshop classrooms, office, provision of hostel facility and compound wall, separate toilet for women etc. The buildings are to be constructed as per National Council of Vocational Training (NCVT) norms to have adequate space and basic amenities. The Plan will address these deficiencies in infrastructure.

- Presently, in ITIs, theory and practical instructions are given to the trainees using a blackboard, figures and wall charts. The Plan period will look into introducing e-modules which will give all the technical details as a live demo and provide a better understanding and knowledge.

- Training simulators (such as welding simulator) may be introduced for imparting practical training in Government ITIs to reach out to more number of youth within a short duration. This will create a modernized training environment at reduced training cost and will be scalable.

- The NCVT periodically reviews the syllabi of trades and brings out changes in the curriculum in consonance with the changes in trends and technologies. The revision of syllabus necessitates the provision of additional tools and replacement.

Quality of Teachers/Faculties

- It is proposed to start a Staff Training Academy to give orientation / refresher training to the instructional staff of Government ITIs as well as Private ITIs to improve the standard of training and to bridge the mismatch between Vocational training and the market demand.

- A Faculty Training Institute may be set up in the State in a PPP mode to ensure large pool development of high quality trainers across the State. This institute will primarily focus on curriculum standards, content design, teaching pedagogy. Faculty development in growth sectors like automotive, manufacturing and electronics may be given focus initially.

- The teaching positions which are vacant in Schools/Colleges all over the State will be filled up. The qualifying conditions for teachers will be made stringent and computer literacy will become mandatory for College teachers together with a Doctorate degree in the relevant subject as stipulated by the University Grants Commission (UGC). The teachers will be required to update their knowledge through research, refresher courses, seminars and conferences. Awareness programmes will be conducted to impart knowledge on the availability of different schemes from various funding agencies.

Regional Disparity in ITI Spread

Tamil Nadu is one of the leading States in implementing various Skill Development activities and shares the responsibility in achieving National target of 500 million skilled workforces by 2022. Planning Commission of India, under its new scheme “New Initiatives in Skill Development” has selected Tamil Nadu as one of the State to initiate a pilot project for setting up of Skill Development Centres (SDCs) in five unserviced blocks to address...
the training needs of young population of the area. In these training centres, training will be given through short term courses under Modular Employable Skills. The industrial partner or the training institute will run the courses in the selected demand driven modules. Training will be provided to all age groups, both for boys and girls as per the requirement. It is proposed to undertake this new initiative through TNSDM. The skilled persons at present are issued with a certificate of merit in the acquired skill. To instill a sense of pride in skilled persons and to give them Government recognition, a Smart card system may be introduced. The State hopes that this system will attract youngsters to join the pool of skilled work force and impart a sense of pride. The cost of the smart card and associated works will be around ₹ 200 per card. About 30,000 candidates will benefit from this scheme.

Other Strategies

- To promote placement, the Twelfth Plan will look into the formation of Placement Cells in Government ITIs with adequate manpower.

- A World Class Vocational Training College with foreign collaboration may be set up since Tamil Nadu is the destination of attracting talent pool globally. A unique world class training institute on Hi-Tech trades with a willing Industry partner in PPP mode may be started in the State.

- In case of Higher Education, project work in all PG courses will be introduced to make higher education more application oriented and to kindle research interest in students and will help tap the innovative potential of students.

- Communication skills in English are crucial for employment today. It has been planned to improve communication skills of Government Arts and Science college students. The expansion of existing English language laboratories in all UG and PG colleges to make them accessible to all students and teachers has been planned. Imparting of soft skills at both UG/PG levels would be taken up in all Government Arts and Science Colleges.

- Computational work, laboratory work and community work will be encouraged to facilitate students acquire skills in problem-solving and skills in facing real-life challenges.

- Skill Development is not only for industrial labour but also covers the Services Sector, Self Help Groups, Youth Skill training etc., Youth skill Training will be imparted through reputed industrial houses and institutions like, Nokia, TVS, IL & FS etc.

Schemes for Twelfth Five Year Plan

The Ongoing and New schemes proposed below for Twelfth Five Year Plan under Employment and Training sector are based on the above strategies to achieve this sectors proposed objectives.

Employment Wing

Ongoing Schemes

Payment of Relief to the Unemployed Youth

Unemployment Assistance will be given to those who are waiting on the Live Registers of Employment Exchanges without a job for at least 5 years. An amount of ₹ 247.00 crore is proposed for the Twelfth Five Year Plan under this scheme.

Setting up of Coaching- Cum-Guidance Centres (CGC) for SC/ST under Special Component Plan

There are five Coaching-cum-Guidance Centres meant for Scheduled Castes / Scheduled Tribes youth functioning at Coimbatore, Cuddalore, Tiruchirapalli, Tirunelveli and Vellore. Hence, a sum of ₹ 3.67 crore is proposed for this scheme for Twelfth Five Year Plan.
**New Schemes**

**Construction of own Building for Employment Offices**

During Twelfth Five Year Plan, an outlay of ₹ 45.79 crore is proposed to the Department of Employment and Training for Construction of Own Buildings for 25 Employment Offices in a phased manner (five Offices per year).

**Purchase of Vehicle and Machineries for Employment Exchanges**

It is proposed to purchase vehicles and machineries for the use of Employment Exchange Offices during Twelfth Five Year Plan at a cost of ₹ 2.91 crore.

**Establishing the Private Sector Placement Assistance Cells**

It is proposed to establish 37 district level Private Sector Placements Assistance Cells in all 32 districts during the Twelfth Plan. Hence, a sum of ₹ 1.93 crore is proposed.

**Training Wing**

**Ongoing Schemes**

**Skill Development Programme for Unemployed Youth**

Providing opportunities of Skill Development to all sections of society including women and disadvantaged sections such as SCs, STs, OBCs, minorities and economically challenged and disabled persons of society is necessary to achieve faster and inclusive growth. Providing skill development opportunities in rural, hill, border, naxal affected, remote and difficult areas of the State enhancing their access to training, improving employability while simultaneously enhancing employment opportunities for them is essential for development of a just and equitable society. A sum of ₹ 40.00 crore is proposed for this scheme during twelfth five year Plan.

**Upgradation of Government ITIs, Modernisation, Starting of New Courses Introduction of Knitwear Courses and Development of Land and Buildings**

During Twelfth Five Year Plan, an amount of ₹ 49.90 crore is proposed for the ongoing schemes of Upgradation of Government ITIs into centres of Excellence, modernisation of existing ITIs, Apprenticeship Training, starting of new courses for women and short term training courses including knitwear training. Development of Land and Buildings of ITIs will be taken up in twelfth Plan.

**New schemes**

**Establishment of New ITIs**

Apart from the objective of meeting the skilled manpower needs of the industry, the Government has a social obligation towards uplifting the economically backward sections of the society. ITIs also cater to the needs of the poor school dropouts and more finishing school. There are 62 Government ITIs in the State with a capacity of 21,736. Every year 51,000 students apply for admission and 30,000 have to be turned away. These numbers are also not adequate to meet the skill demand of the State. There is a strong need to start more Government ITIs in the State to augment the skilled workforce. The present strength of ITIs needs to be doubled in the next 5 years. Starting Government ITIs with a capacity of about 200 trainees requires ₹ 500 lakh. Hence, the estimated cost for setting up 30 ITIs is ₹ 150.00 crore.

**Formation of Skill Development Centres in Rural Areas**

This proposal can be extended to 68 blocks where there are no ITIs. It is proposed to undertake this new initiative through Tamil Nadu Skill Development Mission (TNSDM), as desired by the Planning Commission. It is proposed to ensure convergence of skill Development initiatives available under
all the Rural Development Programmes of State and Central Government schemes. The estimated cost for setting up 30 Skill Development Centres is ₹ 30.00 crore.

**Starting of Additional Units in Existing Trades**

Growth in the manufacturing and service sector has stepped up the demand for skilled manpower, particularly in trades like Fitter, Turner, Machinist, Wireman, Welder, Mechanic, Refrigeration and Air-Conditioning etc. Hence, it is proposed to start additional units in these existing trades in all 30 Government ITIs with the required infrastructure, at an estimated total cost of ₹ 22.50 crore.

**Starting of New Trades in ITIs**

To meet the growing industry needs in emerging areas, new trades like Interior Decoration and Design, Financial Services, Retail, Marine Fitter, Architectural Assistant etc., are proposed in the 20 Government ITIs at an estimated cost of ₹ 20.00 crore.

**Formation of State Level MES Cells**

Though GoI bears the cost of training for this scheme, for effective implementation and monitoring at the State level, MES Cell may be formed in Headquarters with required staff at an estimated cost of ₹ 0.25 crore.

**Setting up of Staff Training Academy**

A Staff Training Academy for orientation/refresher/on-going training to the instructional staff of government ITIs and private ITIs to improve the standard of training is proposed to be established. Faculty Development Institute will be set up to ensure continuous availability of quality instructors. The estimated establishment costs for setting up the academy are ₹ 10.00 crore.

**Soft Skill Training**

It is proposed to strengthen the soft skills of trainees, especially language communication and IT skill, by setting up of a soft skill lab in each ITI and employing a computer instructor and a soft skill instructor. The estimated cost for setting up this lab in all Government ITIs is ₹ 15.00 crore.

**Infrastructure Development of Existing ITIs**

29 out of 62 Government ITIs do not have hostel facility and 37 Government ITIs do not have adequate classrooms as per NCVT norms. A sum of ₹ 144.40 crore is proposed for the following infrastructure facilities in the existing ITIs such as hostel facility, additional classrooms and furniture, repair and renovation of existing Government ITIs, strengthening the library facilities, creation of IT literacy labs, Smart class rooms.

**Modernisation of ITIs**

To keep up with the changes in curriculum owing to technological changes, it is also required to upgrade the existing tools and equipment being used for practical training. Replacement of deficient tools and equipment is required some Government ITIs. An estimated outlay of ₹ 150.00 crore is proposed for this purpose.

**Formation of Placement Cell in ITIs**

To promote placement of trainees from Government ITIs, formation of Placement Cells with trained staff is proposed at an estimated cost of ₹ 1.80 crore.

**“Skill with Pride”- Issuance of Smart Cards to Students**

The trained students are currently issued with certificate of merit in the acquired skill and now a smart card system is proposed. About 30,000 candidates will benefit from this scheme. An estimated outlay for this proposal is ₹ 3.75 crore.
Simulator Based Training in ITIs

Training simulators (such as welding simulator) may be introduced in imparting practical training in Government ITIs to speed up the training process and to provide a modernized training environment at a reduced training cost. The estimated project cost will be ₹15.00 crore.

Creation of “Tamil Nadu State Skill Registry”

The State does not have any database on skilled manpower and a Skill Registry is proposed to address this gap by capturing and monitoring skill data in vocational training. Such databases will also help identify employment skill gap. This may be initially opened to ITI and Modular Employable Skills (MES) passed candidates. The cost involved will be development of software and issue of smart card to the registered candidates. Estimated cost for initial IT infrastructure is ₹0.15 crore and recurring cost related to the number of smartcards issued.

World Class Hi-Tech Vocational Training Institute

It is proposed to set up a world-class Vocational Training Institute, Centre of Excellence in skill training in the State under the PPP mode with willing industry and established foreign partners, particularly for skill development in hi-tech trades. The estimated project cost will be ₹15.00 crore.

Formation of Research & Development Cell

To understand the changing industry needs and skill requirement and to bridge the gap between the skill training and market demand, it is proposed to set up an exclusive Research and Development Cell at the department headquarters. The estimated project cost will be ₹0.30 crore.

Establishing Finishing Schools at Regional Level

To understand the changing industry needs and skills requirement and to bridge the gap between the skill training and market demand, it is proposed to set up finishing schools at regional level in the State. The estimated project cost will be ₹15.00 crore.

Special Stipend Scheme to ITI Trainees

It is proposed to give special stipend to ITI trainees in order to attract the students to join the ITI course in the State. The estimated cost will be ₹500.00 crore.

Bicycles and Laptops

It is proposed to give bicycles and laptops to ITI trainees during the Twelfth Plan Period. The laptop and bicycles scheme is expected to open up a new world of knowledge-based opportunities to the new generation of ITI students.

State to bear part of poor students’ fee in private ITIs

It is planned to hold district-wise counseling for poor during the Twelfth Plan Period, eligible students to fill the 50 percent seats lying vacant in 627 private ITIs in Tamil Nadu. The students will not be charged. The Government will pay the fee to the private ITIs. In the first year, 18,000 students and in subsequent years 30,000 students will be trained each year. The estimated cost of ₹140 crore for this scheme during the Twelfth Plan Period.

Twelfth Five Year Plan Outlay

The total outlay for Employment Services, Skill Development and Training is ₹1,624.35 crore as given in Table 11.1.2.
### Table 11.1.2: Twelfth Plan Outlay - Employment Services, Skill Development and Training

<table>
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<tr>
<th>S.No.</th>
<th>Name of the Scheme</th>
<th>Outlay (₹ crore)</th>
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<tbody>
<tr>
<td>I</td>
<td>Employment Wing</td>
<td></td>
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<tr>
<td></td>
<td>A Ongoing Schemes</td>
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<td>1</td>
<td>Setting up of CGC for SC/ST under Special Component Plan</td>
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<td>Payment of Relief to Unemployed Youth General/SC/ST</td>
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<td><strong>Total (A)</strong></td>
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<td>B</td>
<td>New Schemes</td>
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<td>Construction of Own Building for Employment Offices and Purchases</td>
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<td>Skill Development Programme for Unemployed Youth /TSP/SCSP</td>
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<td>2</td>
<td>Up-gradation of Government ITIs into Centre of Excellence</td>
<td>14.14</td>
</tr>
<tr>
<td>3</td>
<td>Modernisation of existing ITIs</td>
<td>35.16</td>
</tr>
<tr>
<td>4</td>
<td>Starting of short term training courses in ITIs</td>
<td>0.10</td>
</tr>
<tr>
<td>5</td>
<td>Introduction of Knitwear Training Courses under Assistance to States.</td>
<td>0.50</td>
</tr>
<tr>
<td></td>
<td><strong>Total (A)</strong></td>
<td><strong>89.90</strong></td>
</tr>
</tbody>
</table>
### Table 11.1.2: Twelfth Plan Outlay - Employment Services, Skill Development and Training (Contd.)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Scheme</th>
<th>Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Establishment of new ITIs</td>
<td>150.00</td>
</tr>
<tr>
<td>2</td>
<td>Formation of Skill Development Centres in Rural Areas</td>
<td>30.00</td>
</tr>
<tr>
<td>3</td>
<td>Additional units in existing trades and new trades &amp; State level MES Cell</td>
<td>42.75</td>
</tr>
<tr>
<td>4</td>
<td>Setting up of Staff Training Academy under PPP mode and soft skill Training</td>
<td>25.00</td>
</tr>
<tr>
<td>5</td>
<td>Infrastructure Development of existing ITIs &amp; Modernisation of ITIs</td>
<td>294.40</td>
</tr>
<tr>
<td>6</td>
<td>Formation of Placement Cell in ITIs</td>
<td>1.80</td>
</tr>
<tr>
<td>7</td>
<td>“SKILL with PRIDE” Issue of Smart Card to the Govt ITI Passed Students</td>
<td>3.75</td>
</tr>
<tr>
<td>8</td>
<td>Simulator based training in ITIs for improving the knowledge base</td>
<td>15.00</td>
</tr>
<tr>
<td>9</td>
<td>Creation of Tamil Nadu State Skill Registry</td>
<td>0.15</td>
</tr>
<tr>
<td>10</td>
<td>World Class Hi-Tech Vocational Training Institute</td>
<td>15.00</td>
</tr>
<tr>
<td>11</td>
<td>Research &amp; Development cell at State Directorate</td>
<td>0.30</td>
</tr>
<tr>
<td>12</td>
<td>Establishing finishing schools at regional level</td>
<td>15.00</td>
</tr>
<tr>
<td>13.</td>
<td>Special stipend Scheme to ITI Trainees</td>
<td>500.00</td>
</tr>
<tr>
<td>14.</td>
<td>State to bear part of poor student’s fee in private ITIs</td>
<td>140.00</td>
</tr>
</tbody>
</table>

**Total (B)**

<table>
<thead>
<tr>
<th>Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1233.15</td>
</tr>
</tbody>
</table>

**Training Wing Total – (A)+(B)**

<table>
<thead>
<tr>
<th>Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1323.05</td>
</tr>
</tbody>
</table>

**Grand Total (I+II)**

<table>
<thead>
<tr>
<th>Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1624.35</td>
</tr>
</tbody>
</table>
11.2. LABOUR POLICY AND LABOUR WELFARE

Introduction

Labour is widely acknowledged as a key driver of industrial and economic growth. As one of the early industrialized States, Tamil Nadu has a well-developed labour market and sound industrial relations characterized by a long history of union movement and collective bargaining. The State is an attractive investment destination primarily due to its rate of urbanization, high literacy rates and availability of highly skilled workforce. The State has leveraged these strengths quite well to develop the industrial sector and has adopted pro-active policies which have enabled the State to attract significant investments, particularly in the manufacturing sector. The unprecedented growth of these sectors has led to the generation of tremendous employment opportunities within the State. With the rapid growth of the economy, the role of the Labour Department has expanded to include not only workers in organised sector but also those in the unorganised sector. The State Plans to address a majority of these challenges during the Twelfth Five Year Plan period.

The State proposes to undertake a number of measures and schemes to improve the conditions and social security of workers engaged both in the organized and unorganized sectors, marginalized labour and to eradicate child labour.

Labour Laws and Reforms

Tamil Nadu has long endorsed the position of a labour policy that balances favourable industrial relations while adequately protecting the interests of the workers engaged both in the organized and unorganized sectors. To this end, the State has implemented various Acts to maintain good industrial relations, promote welfare of workers, enforce labour laws and to protect consumer interests. Some of the Acts and legislations governing the various functions of the Labour Department include Industrial Disputes Act for maintenance of good industrial relations, Legal Metrology Act 2009 and corresponding Rules which govern and protect consumer interest, legislations such as Tamil Nadu Shops and Establishments Act, 1947, Tamil Nadu Catering Establishments Act, 1958 which regulate work conditions in these establishments and several more that govern the welfare, work conditions, employment conditions, social security and wages of workers in both the organized and unorganized sectors employed within this State.

The State has also enacted a number of laws and legislations that aim to eradicate

Box.11.2.1: Welfare measure to unorganized sector

“The Government of Tamil Nadu will revamp all welfare boards to improve their performance. Welfare measures will target the unorganized sector. The government will enhance the present old age pension of ₹ 450 per month and family pension of ₹ 550 per month to ₹ 1000 per month in both cases.”

Source: The Hon’ble Minister for Finance, Tamil Nadu Budget Speech 2011-12
child labour within the State. The State is steadfastly working towards a goal of a “Child Labour free” State status in the country. While child labour statistics definitely shows a declining trend in Tamil Nadu, the State recognizes that much needs to be done particularly to address the prevalence of child labour, particularly in the unorganized sector.

The State government’s reform proposals and measures in recent years include liberalisation of Labour inspection system especially with regard to units in small scale sector other than those engaged in hazardous operations, providing concessions to establishments in the IT sector such as flexibility in hours of work, holidays and self-certification with regard to selected Labour Laws.

**Eleventh Five Year Plan Performance and Financial Review**

The main objective of the Eleventh Plan with regard to labour included promotion of labour welfare, introducing reforms in labour laws in keeping with growing industrialization needs and eradication of child labour and mainstreaming of these children into society. To meet the objectives, the Plan proposed to strengthen the labour welfare boards with adequate financial resources, and to tighten the industrial relations policy. Some of the Eleventh Plan’s achievements are:

- Implementation of e-Governance and Provision of infrastructural facilities
- Initiatives towards Eradication of Child Labour
- Social Security for Unorganized Labour
- Beedi Workers Integrated Housing Scheme
- Strengthening of Weights and Measures Machinery
- Rashtriya Swasthya Bhima Yojana Scheme (RSBY)

The sector wise details of the Eleventh Plan outlay and expenditure are given in Table 11.2.1.

**Table 11.2.1: Eleventh Plan Outlay and Expenditure (£ crore)**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the scheme</th>
<th>Outlay</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Labour welfare</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Grants to Labour Welfare Boards for Unorganised Labour</td>
<td>125.80</td>
<td>251.23</td>
</tr>
<tr>
<td>2</td>
<td>Assistance to the State Child Labour Rehabilitation-Cum-Welfare Society - towards issue of Free Bus pass to the children of NCLP and Indus Special Schools</td>
<td>12.00</td>
<td>3.42</td>
</tr>
<tr>
<td>3</td>
<td>Grant under Revised Integrated Housing Scheme 2005 for Beedi Workers</td>
<td>2.50</td>
<td>3.65</td>
</tr>
<tr>
<td>4</td>
<td>Replacement of Physical Standard Balances in the Working Standard Laboratories by digital</td>
<td>2.20</td>
<td>0.79</td>
</tr>
<tr>
<td>5</td>
<td>Constitution of Monitoring Cell</td>
<td>0.91</td>
<td>0.50</td>
</tr>
<tr>
<td>6</td>
<td>Implementation of E-Governance in Headquarters Commissioner of Labour</td>
<td>0.15</td>
<td>1.08</td>
</tr>
<tr>
<td>7</td>
<td>Administrative improvement (Rashtriya Swasthya Bima Yojana (RSBY))</td>
<td>1.93</td>
<td>2.95</td>
</tr>
<tr>
<td>II</td>
<td>Chief Inspector of Factories</td>
<td>1.61</td>
<td>0.53</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>147.10</td>
<td>264.15</td>
</tr>
</tbody>
</table>
Challenges and Recommendations

Industrial Relations, Conciliation and Dispute Resolution

There is a growing emphasis on prevention of disputes with a focus on mutual gains by collective bargaining and labour-management co-operation. The absence of an effective dispute settlement system and procedures in the State can result in widespread industrial conflict with adverse effects on worker-employer relations and also on the collective bargaining process itself and on economic growth in general. Conciliators must be equipped with appropriate role, authority commensurate with responsibility, provided with infrastructure and other facilities for effective functioning. Structured, continuous training is also needed to build the technical capacities and skill sets of conciliators to enable them to adequately fulfil their roles and responsibilities.

<table>
<thead>
<tr>
<th>Alternate Dispute Resolution Mechanism</th>
<th>Grievance Redressal Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive mechanisms must facilitate harmonious relations between labour and management so that disputes do not arise.</td>
<td>Effective grievance redressal mechanism at enterprise level is to be created. Two-way communication and encouragement to bipartism will go a long way in promoting mutual trust and cooperation which are conducive to amicable and voluntary resolution of disputes. The IR machinery should rely heavily on a streamlined grievance procedure, regular meetings with the unions/associations and the Works Committees</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Participative IR Systems</th>
<th>Arbitration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resource oriented approach will largely help the growth of mutual understanding and confidence which have firmly cemented the IR (Industrial Relations) system and reduce the incidence of grievances and facilitate amicable dispute settlement. The conforming ambience of human relations created by the employees’ cooperative spirit and responsive behaviour on the part of the management will render the task of dispute settlement relatively simpler and facilitate such settlement at an early stage</td>
<td>Arbitration is a quasi-judicial process under which one or more persons render a binding decision based on the merits of the dispute. Voluntary arbitration is initiated by the consent of the parties, which leads to a final and binding award. Voluntary arbitration is suited to any type of dispute including those involving basic terms of employment, interpretation of existing agreement, inter-union controversies and the like. Since it is established by the parties themselves, is informal and flexible in nature and based on mutual consent, both parties have good faith in the process which helps in building healthy industrial relations. It is speedy and the arbitration award is mutually acceptable</td>
</tr>
</tbody>
</table>
Digitization and documentation of dispute cases/court judgments/settlements are also the measures to enable easy access of legal documents and ready reference to similar cases.

**Recommendations:**
(i) Focus from conciliation may be shifted to arbitration to render binding decisions on disputes providing authority to arbitrate for settlement of disputes, (ii) Bringing amendments to Laws to apply arbitration to Industrial disputes and Quasi-Judicial Proceedings and (iii) Update the skills in vertical level by imparting training.

**Labour Legislation**

The prevailing labour laws have considerable rigidities. Simplification of labour laws and infusing flexibility are necessary to generate employment and investment opportunities within the State.

**Recommendations:**
(a) Separate enactments should be made for small and medium sized industries such that they will provide for the security of employment to marginalized workers who are normally employed in industries, (b) The process of self-certification has to be introduced, (c) Inspections should be random and complaint based, (d) Market-based wages must be fixed in both organized and unorganized sector and determined by labour skills, (e) Wages must provide not ‘merely for the bare sustenance of life, but for the preservation of the efficiency of the worker’. For this purpose, the minimum wage must also provide for some measure of education, medical requirements and amenities. In organised industry, the concept of fixation of wages must be based on “Living Wages” as there is economic growth and updation of skills and (f) Amendment to Acts providing for registration, fees enhancement, widening the coverage of laws shall be considered.

Fig. 11.2.1: Child Labour Rehabilitation Measures
## Marginalised Labour

<table>
<thead>
<tr>
<th>Issues</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most industries employ contract labour in different occupations. Though Contract Labour (Regulation and Abolition) Act, 1970 regulates employment of contract labour and aims to provide some amount of security for them, many provisions of the Act aimed at safeguarding their rights are not followed. One of the consequences of globalization is the reduction in permanent workforce and a corresponding increase in contract labour. However, the potential for exploitation of contract workers exists and hence, there is a demand to revisit the provisions of the Act and to make it more effective and practicable. Consequently, a new policy on contract labour that could protect the interests of contract labour and to meet the requirements of the industries is needed.</td>
<td>Contract Labour needs to be abolished in core activities of an establishment, on similar lines as that of Andhra Pradesh Amendment Act, 2003. The Act should be amended to provide automatic absorption of Contract Labour in the event of prohibition of employment of Contract Labour in any core activities and to allow engagement of Contract Labour in non-core activities such as watch and ward, sanitation etc. In order to extend legal protection and welfare measures under the Act to a large number of Contract workers, the Act may be made applicable to establishments or contractors employing 10 or more contract workers, as against 20 now. In order to make the Act, more deterrent and to ensure compliance the penal provisions under the act may be made more stringent. At present, contravention of the provisions of the Act, is punishable with 3 months imprisonment and a fine up to ₹500 to ₹1,000, This may be enhanced to one year imprisonment and a fine up to ₹50,000 or ₹1 Lakh. Further to discourage the system of employment of contract labour, the fees for registration of the principal employers and the fees for the contractor labour licence may be enhanced more than 10 times.</td>
</tr>
</tbody>
</table>
Women Workers

Certain existing laws provide for the employment of the women and also special welfare measures like maternity benefit and equal pay for equal work to women employees. However, discrimination of women worker continues to prevail in the unorganized sector such as construction, agriculture etc.

Special emphasis needs to be given to women workers in these sectors to improve their conditions.

Maternity benefit for State Government Women Employee has been enhanced to 180 days since May 2011.

Marriage assistance was provided to registered women workers under Unorganised Welfare Boards.

Inter-State Migrant Labour

There is a huge influx of men and women, sometimes along with children into Tamil Nadu to primarily work in construction sector, brick kilns, rice mills, textiles, catering and hospitality sector, etc. The conditions of migrant labour are quite vulnerable, with low wages, poor working and living conditions, insufficiently organised, poor bargaining capacity, alien language and culture, etc. They enjoy very limited protection from labour laws.

The Act may be amended to apply to every establishment employing migrant workers irrespective of the number of workers or even in the absence of agreement between the contractor.

Registration of migrant workers may be made mandatory at both the originating State as well as the host State.

A convergence based approach may be followed for extension of social protection and welfare measures to migrant workers irrespective of place of stay may be implemented.

A separate State level society/agency may be created to comprehensively address all issues of migrant workers such as registration, enforcement, providing social security measures, etc.

Child Labour

Child labour is on the decline in the State owing to the concerted efforts taken by the State Government. However, it is still apparent in unorganized sectors such as agriculture, domestic work, rag picking, hospitality industry and so on.

Recommendations: (a) National Child Labour Project needs to be aligned with the Right to Free and Compulsory Education Act, 2009 and RTE State Rules, 2011, as the responsibility of rehabilitation of rescued children lies primarily with Education Department; (b) Awareness programme may be carried out through mass media, advertisements, short films, radio jingles, leaflets, poster and sticker campaign, rallies, human chain etc., and (c) Child Help Line (1098) should be extended to all districts to protect the rights of children.
**Children of Migrant Labour Families**

There has been a large inflow of migrant workers from the States of Andhra Pradesh, Orissa, Madhya Pradesh, Chattisgarh, West Bengal and Bihar into our State. The children of these migrant workers suffer a great deal as they are deprived of their basic rights. Consequently, the issues relating to migrant labour and especially children of migrant labour should receive special attention.

**Recommendations:** (i) Inter-State Coordination Committee on Migrant Labour: An Inter-State Coordination Committee on Migrant Labour may be set up to focus exclusively on problems of such migrant workers and their children; (ii) Education to children of migrant labour: Under RTE, 2009, Department of Education and SSA will be responsible to ensure that all children of migrant labour are able to access schooling and Toll free helpline: A toll free helpline exclusively for migrant workers and their children may be set up.

**Social Security for Unorganized Workers**

The Government of Tamil Nadu has so far established 17 separate unorganized workers Welfare Boards which extend welfare schemes relating to natural death, accidental death/injury, marriage, maternity, monthly pension to the registered workers and their dependants, reimbursement of cost of spectacles, etc.

**Recommendations:** (a) Establish special schools and professional colleges with hostel facilities for the wards of unorganized workers, (b) Extend ESI Hospital facilities to registered unorganized workers. (c) Encourage skills development programmes for workers, (d) Target grants/allocations in the budget for providing relief/financial assistance to the registered workers, (e) Enhance the amount of relief/financial assistance provided under existing schemes and (f) Devise strategies to achieve efficiency in administration and transparency and accountability in the process of implementation of the Scheme and timely delivery of relief assistance to the registered workers. Electronic transfer of relief assistance to the bank account of the worker and issuing of a smart card with biometric details of the worker, etc. will be considered.

**Tamil Nadu Institute of Labour Studies**

The Tamil Nadu Institute of Labour Studies was established in the year 1973 by Government of Tamil Nadu.

**Recommendations:** (a) As enunciated in Clause 3(2) (j), two branches of the Institute may be opened at Hosur and Coimbatore in order to develop the industrial hubs in Tamil Nadu (b) Upgrade this Institute to the status of ‘Autonomous Institution’ with multi-disciplinary departments of Industrial Relations, Human Resources Development, Industrial and Occupational Health, Industrial safety and hygiene, Legal Metrology and Executive Education; (c) A separate research wing can be started in the Institute for research in recent developments in Human Resource Management to suit the changing global economy and (d) Certain collaborative programmes are to be conducted for the Officers of the Labour and Factories Inspectorate Department in collaboration with the V.V.Giri National Labour Institute, Noida. Several other programmes may be conducted in collaboration with the International Labour Organisation.

**Weights and Measures Machinery**

To protect consumer interest, the Labour department of Government of Tamil Nadu enforces the laws of Legal Metrology pertaining to the standards of weights and measures.

**Recommendations:** (a) Modernization of working standard laboratories (b) Provision of Pliers for
sealing the electronic weighing machines,
(c) Formation of consumer protection cell
(d) Training programme may be imparted to
the Assistant Controllers of Legal Metrology
(e) Mobile stamping verification unit would be
provided for better services to the trading
community and also to avoid or reduce
defaulters of re-verification, (f) To enforce the
Legal Metrology Act and allied rules in the State
effectively, a Flying Squad may be created
(g) To enable the verification of Secondary
Standard weights and measures in Chennai itself, a
centralized lab may be constructed on par with Regional Reference Standard Lab, Bangalore with all infrastructure.

**Twelfth Five Year Plan : Objectives and Strategies**

**Objectives**

The State desires to sustain its rapid industrial growth and maintain a healthy industrial climate in the State. To this end, it seeks to effectively balance peaceful industrial relations with a concern for the well-being of the work force. During this Plan period, the State proposes to undertake definitive measures to strengthen the industrial and labour relations by establishing an effective dispute settlement system.

The unprecedented growth of workers engaged in the unorganized sector requires that the State gives adequate importance to the social welfare of these workers while promoting measures that will help sustain the economic growth of the State. Recognizing this challenge, one of the main thrusts of the Twelfth Plan is to step up efforts and investments to strengthen the Unorganized Labour Welfare Boards that cater to the welfare and social security of unorganized workers and workers belonging to SC/ST categories.

The State Government lays considerable emphasis on the eradication of child labour in the State in the forthcoming years and will strive to achieve a “Child Labour Free” status. To this end, the Twelfth Plan proposes several schemes and more outlays to achieve this objective.

The State Government has placed an emphasis on achieving transparency through e-governance in the administration, enforcement and conciliation sections of this department. The technology infrastructure in this department has been stepped up under various schemes over the past few years. The Twelfth Plan will continue the efforts of the previous Plans and will offer new initiatives to strengthen the infrastructure, with ample infusion of financial resources.

The Government will take care of effective implementation of Labour laws.

Another objective during the Plan period is to invest and strengthen the physical infrastructure of the department, which is crucial to the effective functioning of the department.

**Strategies**

The State proposes to adopt several strategies to address the challenges faced in Labour Welfare and related aspects.

The Plan period will explore amending the Contract labour Act with a view to prohibit employment of contract labour in core activities of an establishment and to allow their engagement in non-core activities such as watch and ward, sanitation etc. Obligation may be placed on the principal employers to give preference to regular employment of the contract labour employed continuously for sufficient duration.

The State will examine and address labour issues related to interstate migration. One of the initial steps would be strict enforcement of Minimum Wages Act and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act 1979 and Tamil Nadu Rules, 1983. Mechanisms to trace track and follow up with the labour that migrates within the
State and to the other States will be devised to understand the rate and patterns of intra-State and interstate migrations and a database will be created for this purpose.

Total eradication of child labour and making the State “Child Labour Free” is the cherished goal of the State. The State Action Plan for eradication of child labour formulated in 2003 needs to be revised in the context of “Right of Children to free and Compulsory Education, 2009”. A survey on child labour might help to know the exact number of children employed in labour force and to address the problem effectively. The enforcement in the field of eradication of child labour has to be intensified. The parents of child labour may be covered by poverty alleviation schemes of the districts. Awareness on eradication of Child Labour may be generated among the public.

The Plan period will explore technologies to carry out direct disbursement of Welfare Assistance to unorganized labour to the Bank Accounts of the beneficiaries through Electronic Clearance System (ECS). Biometric Identity Cards will be issued to the unorganized workers registered with various boards. The State will study best practices in terms of welfare schemes for unorganized workers in other State and will attempt to replicate them within our State. 'Swavalamban Scheme’ introduced by the Government of India and, with the approval of the Tamil Nadu Government, encourage the unorganized workers to voluntarily participate in the scheme, so that the financial burden of the State in providing pension to unorganized workers in future would significantly be reduced.

There are 38,655 registered factories employing 15,38,404 workers as on 31/3/2012. The number of factories is likely to increase further. Hence, for the effective functioning of Factories Act, in almost all the sphere of activities the following schemes are proposed.

### Schemes for Twelfth Five Year Plan

The Ongoing and New schemes proposed below for Twelfth Five Year Plan under Labour Policy and Labour Welfare sector are based on the above strategies to achieve this sectors proposed Plan objectives.

#### Ongoing Schemes

**Grants to Unorganised Labour Welfare Boards (General/SC/ST/Women)**

The State recognizes the enormous requirements of these boards to meet the expenditure towards - pension payments, welfare schemes payments to registered eligible workers and administrative expenses. During the Twelfth Plan, an outlay of ₹ 645.00 crore for grants to the unorganised labour welfare boards, of which 10 percent allocation is proposed for women specifically.

**Monitoring Cell Controlled by the Commissioner of Labour**

An outlay of ₹ 1.22 crore is proposed for the Twelfth Plan period towards salaries of the staff Monitoring Cell which monitor the progress in eradicating child labour in various occupations and the performance of the 16 National Child Labour Projects in this State.

**Assistance to State Child Labour Rehabilitation–Cum-Welfare Society**

An amount of ₹ 9.12 crore is proposed under the Twelfth Plan for various welfare schemes of children studying in the Special schools run by the National and Indus Child Labour Projects. These projects are now functioning in 17 districts of Tamil Nadu.

#### Implementation of e-Governance Initiatives

e-Governance software applicable for this department is being handled by ElectronicsCorporationofTamilNadu (ELCOT) with the primary objective of strengthening IT systems, networking (Broadband) with all subordinate offices in this State, Wide Area
Network (WAN) connection up to the level of district offices, maintenance of all systems - peripherals, server, software updates, antivirus etc. Currently, software is being developed for areas including - Enforcement Management, HR Management, Section Management, Budgeting and Accounting, Case Management. Further, the department needs to be adequately networked to enable workers and traders to file their claims under various Labour, Weights and Measures Act and also to track cases pending with this department. On-line registration and filing of Annual returns related to various Acts would be undertaken. MIS reporting whenever required in a timely manner and ensure paperless office.

The department requires networking via a central server, while installation of one server was sanctioned to the department. Two more servers are required for improved storage capacity. Additionally, since only 395 out of the 479 offices have computers, it is proposed to purchase computers for the remaining 84 offices and replace outdated computers. The estimated outlay of ₹ 2.22 crore is proposed to the department for Twelfth Five Year Plan.

Grants under Revised Integrated Housing Scheme for Beedi Workers

During the Twelfth Plan, assuming construction of 200 houses per annum under this scheme and the estimated outlay for the Plan period is ₹ 6.00 crore at the rate of ₹120 lakh per year. The Government has proposed to increase the State share to ₹ 60,000 per beneficiary from ₹ 5000/-.  

Strengthening of Weights & Measures Machinery

The Weights and Measures wing of this Department is maintaining Working Standard Laboratories throughout the State equipped with various denominations of weights and measuring instruments such as balances, weights and measures, etc. A sum of ₹ 0.36 crore is proposed for the Twelfth Plan.

New Schemes

Construction of Integrated Labour Complex in Madurai and District Headquarters

As a major step towards improving the infrastructure of labour department, it is proposed to construct an Integrated Labour Complex in Madurai and District Headquarters during the Twelfth Plan period. The complex will accommodate the offices of Labour Department situated at Madurai and two laboratories for Legal Metrology. The decision to construct a centralized building was taken because 21 offices of this department are located in private buildings, paying an annual rent of ₹ 7.38 lakh, subject to an annual increase of at least 5 percent of rates that are market-driven than adhering to government norms. Additionally, these buildings lack the infrastructure facilities required for day-to-day activities such as stamping of weights and measures. As a quasi-judicial authority, this department also handles conciliation activities and is frequented by workers, family members of the deceased workers, management, their representatives and union representatives. GoI has sanctioned ₹1.00 crore to construct Secondary Standard and Working Standard Laboratories at Madurai and Coimbatore to strengthen the weights and measures infrastructure of the State in the Twelfth Plan. Hence, the estimated outlay for construction of Labour complex at Madurai and district headquarters during the Plan period is ₹ 57.52 crore.

Strengthening of Weights & Measures Machinery

The estimated total outlay for the new schemes undertaken during the Twelfth Plan period to strengthen the weights and measure machinery is ₹ 10.54 crore. The schemewise outlay and details are as follows:
Pliers for Sealing Electronic Weighing Machines to Avoid Malpractices by Traders

Stamping of Weights and Measures is handled by 101 Stamping Inspectors, who verify and calibrate the electronic weighing machines. Ministry of Consumer Affairs, Government of India has stipulated norms for sealing these machines, a step that is required to prevent malpractices by traders. However, a shortage of pliers has prevented the Inspectors from sealing these machines. The pliers would also be useful to calibrate Auto/Taxi meters. Hence, the department proposes to purchase 101 pliers during the Twelfth Plan.

Formation of Consumer Protection Cell

In order to conduct periodic meetings with the Consumer Forums, awareness creation programmes and for the effective implementation of the Legal metrology Act and allied Rules, it is proposed to form a Consumer Cell during the Twelfth Plan.

Training to Assistant Controllers of Legal Metrology in the Field of Fuel Dispensing

Technological advances in fuel dispensing require that technical capacity-building is stepped up for the Assistant Controllers of Legal Metrology/Deputy Inspectors of Labour who handle the fuel dispensers. The training will be imparted by the faculty members of the Indian Institute of Legal Metrology, Ranchi and FCRI, Palakkad.

Mobile Stamping/Verification Unit to the Legal Metrology Officers to Avoid or Reduce Defaulters in Re-Verification of Weights and Measures

The Legal Metrology Officers functioning as Stamping Inspectors will be provided with mobile stamping/verification unit to improve the services of the trading community and also to prevent default in re-verification of weights and measures. Therefore, purchase of Mobile Stamping /verification unit to the 101 Legal Metrology Officers in a phased manner has been included in the Twelfth Plan.

Creation of Flying Squad

It is proposed to create 41 Flying Squad with 41 vehicles to carry out the following functions relating to enforcement of the Legal Metrology Act and Allied Rules in the State are: (a) Carry out random checking of the weights and measures to ensure correctness, (b) random inspection of the Manufacturer, Dealer and Repairing of Weights and Measures, (c) Conduct Net Content Checking and Manufacturer and Packer premises and (d) surprise visits to the offices of the Stamping Inspectors with 1 Deputy Inspector of labour; 2 Assistant Inspector of labour; 1 Driver and 1 Office Assistant. Separate building will be constructed for the Laboratory in the land 180 Sq.m provided by the Government with laboratory equipment.

Construction of Regional Reference Standard Laboratory in Chennai

The Secondary Standard Weights and Measures are currently sent to the Regional Reference Standard Laboratory, Bangalore for fee-based verification every two years. Hence it is proposed to construct a centralized laboratory for this purpose in Chennai and equip it with the required infrastructure during the Twelfth Plan period.

Eradication of Child Labour Practice

The State does not have a comprehensive, reliable database on child labour which could indicate the magnitude and forms of child labour prevalent in various sectors within the State and take policy measures to eradicate the practice. In order to know the exact number of children employed in various sectors, a comprehensive survey on child labour such as awareness generation, training, monitoring, evaluation and documentation is necessary. It is proposed to conduct the above survey programmes on
Child Labour in Tamil Nadu at an estimated outlay of ₹ 9.79 crore.

**Re-Organisation and Strengthening of Conciliation through Arbitration**

The Regional Offices of Chennai, Trichy, Madurai and Coimbatore will be reorganized and staff strength enhanced to strengthen the process of arbitration, resolving industrial disputes and leading to conciliation. The offices would have improved coverage as the additional staff would be equipped to deal with additional responsibilities and the estimated outlay for this proposal is ₹ 0.25 crore in the Twelfth Plan period.

**Changes in Labour Legislations**

A sum of ₹ 0.10 crore is proposed for Twelfth Plan for bringing in modifications to the labour laws. They would be made in consonance with the changing times with a customer friendly orientation in tune with the current industrial environment, growth and development of the sector.

**Tamil Nadu Institute of Labour Studies**

Two branches of Tamil Nadu Institute of Labour Studies would be opened during the Twelfth Five year Plan at Hosur and Coimbatore to develop alternate industrial hubs in Tamil Nadu. During the Twelfth Plan, a sum of ₹ 52.22 crore is proposed for the up gradation of the status of this ‘Autonomous Institution’ into a multi-disciplinary institution with representatives from the disciplines of Industrial Relations, Human Resources Development, Industrial and Occupational Health, Industrial safety and hygiene, Legal Metrology and Executive Education.

**Twelfth Five Year Plan Outlay**

The total outlay for Labour Welfare is ₹ 794.34 crore. The details are as given in Table 11.2.2.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Scheme</th>
<th>Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Ongoing Schemes</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Implementation of e-Governance</td>
<td>2.22</td>
</tr>
<tr>
<td>2</td>
<td>Grants for Beedi Workers to 'Build Your Own House Scheme'</td>
<td>6.00</td>
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<tr>
<td>3</td>
<td>Grants for Unorganised Labour Welfare Boards (General/SC/ST/Women)</td>
<td>645.00</td>
</tr>
<tr>
<td>4</td>
<td>Constitution of Monitoring Cell under the control of COL</td>
<td>1.22</td>
</tr>
<tr>
<td>5</td>
<td>Assistance to State Child Labour Rehabilitation cum Welfare Society</td>
<td>9.12</td>
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<tr>
<td>6</td>
<td>Strengthening of Weights &amp; Measures Machinery</td>
<td>0.36</td>
</tr>
<tr>
<td><strong>Total Ongoing Schemes</strong></td>
<td></td>
<td><strong>663.92</strong></td>
</tr>
</tbody>
</table>

Table 11.2.2: Twelfth Plan Outlay - Labour Welfare (₹ crore)
Table 11.2.2: Twelfth Plan Outlay - Labour Welfare (Contd.)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Scheme</th>
<th>Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>New Schemes</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Construction of Integrated Labour Complex in Madurai and Districts.</td>
<td>57.52</td>
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<tr>
<td>2</td>
<td>Strengthening of Weights &amp; Measures Machinery</td>
<td>10.54</td>
</tr>
<tr>
<td>3</td>
<td>Eradication of Child Labour Practice</td>
<td>9.79</td>
</tr>
<tr>
<td>4</td>
<td>Re-organisation and Strengthening of conciliation through arbitration</td>
<td>0.25</td>
</tr>
<tr>
<td>5</td>
<td>Changes in Labour Legislations</td>
<td>0.10</td>
</tr>
<tr>
<td>6</td>
<td>Tamil Nadu Institute of Labour Studies</td>
<td>52.22</td>
</tr>
</tbody>
</table>

**Total New Schemes** 130.42

**Grand Total - A+B** 794.34

Abstract of Twelfth Five Year Plan

The total outlay for Labour Welfare, Employment Services and Training is ₹ 2,418.69 crore. The details are given in Table 11.2.3.

Table 11.2.3: Twelfth Plan - Labour and Employment Services Abstract

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Department</th>
<th>Outlay</th>
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</thead>
<tbody>
<tr>
<td>I</td>
<td>Labour Department</td>
<td>794.34</td>
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<tr>
<td>II</td>
<td>Employment Services, Skill Development &amp; Training</td>
<td>1624.35</td>
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<td>(a)</td>
<td>Employment Wing</td>
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<tr>
<td>(b)</td>
<td>Training Wing</td>
<td>1323.05</td>
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**Total** 2418.69