
A Unique Pattern of Informalization of Laborers in Tamil Nadu

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ABSTRACT:

Paper originates from the interest of standard of labours in India especially in Tamil Nadu. Government wanted to fill the bridge between developed and developing countries by adopting reforms in various sectors. Economic reforms of 1991 have given an excellent boost to Indian Economy. But adverse impact has been observed on structure of labour market of this growing economy which was unpredicted by policy makers. Paper originates from the interest of standard of labours in India. Initially paper describes the socio-economic profile of Tamil Nadu in a glance. Further this research paper provides the wide range of secondary data related to total labour force, workforce participation rate, employment, involvement of laoburs in formal sector and informal sectors, unemployment rate etc. Besides, Present paper unearth some facts about Tamil Nadu which makes it different from other states as Tamil Nadu shows minimum growth rate in case of infromalization of labours in India except J & K with very high HDI. Besides, it is a first state in India where welfare and benefits for labours of informal sector stared and have been implementing since 1930s. In current scenario of informalization of labours, Tamil Nadu provides a unique insight for informal sector in new pattern which organizing the status of informal workers. But in this process, labours also have taken active part and fight for their social security and welfare in way of strikes and lockouts in Tamil Nadu. Paper appreciates of the present political parties of Tamil Nadu for their economic strategy towards status of labours to handle informalization in Tamil Nadu. Finally paper gives a long series of welfare schemes of the government and several attempts which were made by the labours to organize the informalization of labour market.

A Unique Pattern of Informalization of Labors in Tamil Nadu

INTRODUCTION:

Since independence Government of India wants to fill the bridge between developed and developing countries by adopting reforms in various sectors. Economic reforms of 1991 have given an excellent boost to Indian Economy. Economic reforms of 1991 have given an excellent boost to Indian Economy. The economy of India experienced of GDP growth of 9.4% during 2006-07 and became fourth largest economy in the world in term of PPP.

But after 20 years of reforms it has been observed that these reforms have given a different shape to Indian labour market with advent of globalization. The demise of class politics in India can be commonly explained that liberalization policies encourage firms to hire informal labour, because it is cheap and flexible and thus helps firms remain competitive in the increasingly liberalized and globalised marketplace which has supported informalization process in all states at great extent. Reform policies have reduced social and legal protection of workers and made weakens worker's bargaining power as well as induce workers to accept jobs with low wages. Increasing involvement of workforce in informal sector has been making Jobless Growth. Informal workers comprise 92% of the national labour force, and this percentage is rapidly growing as part of the reform agenda. (NSSO 2001).

This is necessary to mention here that economic reforms and citizenship rights are managed at the national level while labour laws are managed at the state level. Under liberalization, as the state recedes its control of industrial and financial capital markets including labour, the state's role in relies on the state's commitment to a liberalization agenda in India which have made flourished informalization in all states including Tamil Nadu. Thus, The most effective state for the informal workers will be who has effective organizations located in state where the political context is supporting liberalization, and the leadership is populist. Tamil Nadu is a populist state with two large regional political parties AIDMK and DMK and embarked on liberalizing Economic Policy. Their effective organizations have been providing welfare and benefits to informal workers in a unique way.

ESTIMATION OF INFORMAL SECTOR OF LABOUR MARKET IN INDIA

From the two segments i.e. formal market and informal market New, Economic Programme (NEP) reports that formal market in India accounts only 9% of the economically active population and over 90% of workforce finds in informal market. As per 2004-05 in the informal sector the female employment was 96% and the male employment was about 91% whereas formal sector accounted for less than 6% of the total employment. In other hand, National Commission for Enterprises in the Unorganized Sector (NCEUS) prepared estimates of employment in informal sector in January, 2005, found that in Indian Economy, total employment was 458 million, of which the informal sector accounted for 395 million i.e. about 86% of the total worker. Data related to informal sector in India are miserable as 29.1 million workers are applying the criterion of social security benefits out of 62.6 million workers of organized sector whereas out of 395 million workers of informal sector avail of social security benefits. Therefore, they are classified as organized workers. The table evident that since five years Indian labour market has increased the informalization as 341.3 million were in 1999-2000 which became 393.5 million but interesting to mention here that per cent of informal workers did not increased it means the population which increased in India between in these five years with the approximately growth rate of 2%, has made labour market more informalized. Paper compares these data, with 1999-2000; it is revealed that though during 1999-00 and 2004-2005, total employment in the Indian labour market increased from 397 million to 458 million. In other words an increase by 61 million workforces during 5 years, the number of formal workers remained stagnant at 35 million and the entire increase of employment was in the category of informal workers. Paper analyses that the entire increased workforce during this period has been informal in nature; without any job security or social security. This the major study of informalization of labours in India. Further, present paper explains the major to minor and limits itself to only the informalization of labours in Tamil Nadu. Thus following description will give the details of informalization of labours in Tamil Nadu but before that it is necessary to provide some note about Tamil Nadu as a “state”.

SOCIO-ECONOMIC PROFILE OF TAMIL NADU

Tamil Nadu is one of the developed states in India. With 1,30,000 sq. km., Tamil Nadu occupies 3.95% of India’s geographical area whereas it has 6.60% of India’s population. It is

divided into 32 districts with 10 city corporations and 125 municipalities. It has 529 town Pancyats and 12,524 village Panchayats. Chennai is the state capital. The present government runs by All India Anna Dravida (AIAD) As per 2001 census, total population of Tamil Nadu was 62.4 million persons. Rural population is 34.9 million and urban population is 27.2 million. Tamil Nadu is one of the highly urbanized states in India with 44% of the population living in urban area compared to an all India average of 27.7%. More than 50% population is Hindu in Tamil Nadu. Its sex ratio is 987 females to 1000 males. perIts population density is higher at 480 compared to India's 325. Its literacy rate is increased from 73.47% as per 2001 census to 80.3% as per 2011 estimates. Some important economics facts show that Tamil Nadu is considered as one of the developed states in India. Officially recorded growth rate of it at 2001 was 11.72%. The growth rate among females was 12.50% and among males was 10.96%. The state was ranked 3rd in terms of Human Development Index among the states of India in 2001. Its PCI has remained mostly above the national average in the post – reform period since 1991 but at state level per capita income of Tamil Nadu has declined from nearly 22% above the national average to below 16% below it.

ESTIMATION OF INFORMAL SECTOR OF LABOUR MARKET IN TAMIL NADU

In the post reform period, India's economic growth rate has improved significantly. This situation is applicable to Tamil Nadu also. Size of the informal sector is based on total population, total workforce, workforce participation rate and then involvement of workforce in various form of employment. Labour force in Tamil Nadu gives warped nature of economic development over the last 6 decades. The percentage of employment and unemployment rate of Tamil Nadu among 15 major states was studied for the year 2004-2005. From the NSS 61st results, in terms of providing employment in the rural areas, Tamil Nadu stood in third position with 52.8%. Whereas the urban employment provides graceful picture as the state tops the list with 41.8 per cent. The Labour Force Participation Rate (LFPR), obtained by dividing the number of persons in the labour force by total population, is an important parameter in employment projections and formulation of employment strategies. The crucial issue, however, is the basis, or the decision rule, on which a person is classified as belonging to the labour force. There are four different concepts used in India in this regard. These are Usual Principal Status (UPS), Usual Principal and Subsidiary Status (UPSS),

Current Weekly Status (CWS) and Current Daily Status (CDS). National Commission for Enterprises in the Unorganised Sector provides the parameters for labour force classification which is as follows:

Table – 1 Parameters for Labour Force Classification

Sr. No.	Concepts	Reference Period	Classification Rule
1	UPS	Last 365 days	Major time criterion
2	UPSS	Last 365 days	Major time priority criterion with a minimum threshold of 30 days in work
3	CWS	Last 7 days	Priority criterion with a minimum threshold of 1 hour in labour force
4	MCWS	Last 7 days	Major time criterion
5	CDS	Eachday of last week	Persons are not classified but mandays are classified

Source: National Commission for Enterprises in the unorganized sector

There is a continuing debate about the measure of labour force in India among economists, planners and policy makers on the best method or parameter for it Planning Commission chaired by Dr. Moontek Singh Ahluwalia in 2011 adopted above concepts for labour force measurement which was developed by Dantwala Committee for NSS.

LABOUR FORCE, WORKFORCE PARTICIPATION RATE AND EMPLOYMENT IN TAMIL NADU:

This section provides the growth of labour force and workforce in Tamil Nadu. In all India, the pace of growth of labour force was 2.93% per annum and exceeded that of workforce recorded at 2.89% per annum. Likewise, Tamil Nadu's labour force and work force had exhibited an annual growth of 0.17% per and 1.16% respectively. As per Ninth Five Year Plan Tamil Nadu 1997-2002, the workforce which had grown at the rate of 2.58% per annum in 1971-1981 had decelerated to 1.83% per annum in 1981-1991. During the period, the work participation in agriculture and allied activities had declined from 2.45% to 1.48%. In manufacturing sector also, the growth of workforce declined from 3.92% to 1.00% per annum which shows dismal picture of employment in Tamil Nadu. Whereas growth of workforce in

construction activities remained constant at 3.75% but increase in workforce in other service sector was substantial. As per the Plan documents of Tamil Nadu, the labour force in Tamil Nadu stood at 285.49 lakhs in 1996-1997, out of which 257.22 lakhs were employed. In 2004-2005 the labour force was 646.23 lakhs, out of which work force was 306.95 lakhs. In 1991, the worker participation ratio in Tamil Nadu was 43.31%, which was higher than the Indian average ratio of 37.49%. As far as workforce participation rate is concern in Tamil Nadu, it is lower in urban areas though higher in rural area of Tamil society. Apart from this, sex wise workforce participation also shows a different scene as the percentage female workers has increased more than male worker.

UNEMPLOYMENT IN TAMIL NADU: The unemployment rate defines as the number of persons unemployed per 1000 persons in the labour force which includes both employed and unemployed. NSS 61st round results on “Employment and Unemployment Situation in India”, 2004-2005 presents the unemployment rates according to three statuses viz. Usual Status, Current Weekly and Current Daily. Unemployment and underemployment are becoming constant features of Tamil Nadu Planning Commission estimates placed Tamil Nadu as among the 6 states in India to face the prospect of an increase in unemployment due to differences between the growth of labour force and employment opportunities during 2000s. In Tamil Nadu employment opportunities have grown only in service sector whereas agriculture and Industry have been languishing. The labour force was calculated as 285.49 lakhs in 1996-97 in Tamil Nadu, out of which 28.27 lakhs were unemployed. Further, in 2004-2005, labour force grown at 313.95 lakhs, out of which 44.10 lakhs were said to be unemployed. The past and current employment and unemployment scenario in Tamil Nadu is depicted in following table:

Table – 2 Total Population, Labour force, Employment & Unemployment in Tamil Nadu

In lakhs	1993-1994	1999-2000	2004-2005
Population	578.10	617.79	646.23
Labour Force	292.51	297.51	313.95
Work Force	285.60	289.60	306.96
Unemployed	40.39	43.67	45.20

Source: NSSO reports of 55th and 61st Rounds

Even the sample data from the NSSO provides the workforce in correspondence with the change in the composition of various sectors as below:

Table – 3 Sectoral Composition of Workforce in Tamil Nadu

Sectors	1999-2000			2004-2005		
	Persons	As % to total	Growth rate	Persons	As % to total	Growth rate
Primary	145.61	50.24	1.02	127.42	41.55	2.64
Secondary	68.53	23.65	1.57	84.87	27.67	4.37
Tertiary	75.56	26.07	1.68	94.37	30.77	4.55
Total	289.80	100.0	0.24	306.66	100.00	1.14

Source: NSSO reports of 55th and 61st Rounds

By looking the criteria of definition of unemployment rate in India by NSSO, on the basis of Usual Principal and Subsidiary Status (UPSS), Current Weekly Status (CWS) and Current Daily Status (CDS), unemployment rate in Tamil Nadu is highlighted as below:

Table – 4 Unemployment Rates in Tamil Nadu: 2004-2005 in Tamil Nadu

	Rural	Urban	Total
Usual Principal & Subsidiary Status (UPSS),	12 (17)	35 (45)	47 (62)
Current Weekly Status (CWS)	30 (39)	49 (60)	79 (99)
Current Daily Status (CDS),	151 (82)	86 (83)	237 (165)

Source: NSSO reports of 55th and 61st Rounds

N.A.: Figures in brackets relate to all

India unemployment rates

From the above tables, the points which emerged are population has been continuously increasing, labour force is also increased by with the less growth rate compared to population but workforce increased even less than labour force growth. The participation of workforce is still highest in primary sector but growth rate of workforce is the highest in service sector. At the same time overall unemployment rates are not high, urban rates are higher than that of rural areas. Most important point among all is the rank of Tamil Nadu in Employment and Unemployment status compared to major states of India as Tamil Nadu has 3rd rank in case of

rural employment with 52.8% and on top in case of urban employment with 41.8%. In rural unemployment Tamil Nadu's position is 8th rank and in case of urban unemployment rate, it ranks 6th in India with 3.5% unemployment rate as per 2004-2005 record of NSS 61st Round Results, CSO.

FORMAL (ORGANISED) SECTOR EMPLOYMENT IN TAMIL NADU: The employment of labours in Tamil Nadu in the organized sector accounts only 9.7% according to 1991 census as similar to on an average in India in the total employment. The organized sector of Tamil Nadu provided employment to 23.35 lakhs labours in 2008 whereas in 2009 it could only increase 23.62 lakhs. Department of Employment and Training, Chennai mentions that public sector indicates that the Central and State Governments shed the employment to only two thousand persons in 2008-2009. Besides, some other categories like local government absorb the new employees which are shown in table below:

Table – 5 Public sector Employment: Category Wise (In Lakhs) in Tamil Nadu

	2007 - 2008	2008-2009
Central Government	2.25	2.23
State Government	5.86	5.84
Quasi Government	5.12	5.13
Local Bodies	1.75	1.77
Total Public Sector	14.98	14.97

Source: Department of Employment and Training, Chennai

Further according to Employment Market Information Programme (EMIP) of Chennai as on 31st March 1997, formal sector provided employment to only 25.55 lakhs persons. In which public sector contributed 16.45 lakhs and private sector 9.09 lakhs. These data shows that contribution of private sector to provide formal jobs to labours in Tamil Nadu is very significant. The absorption capacity of public and private sector categories of only Industries was analyzed by EMPI for the year 2008-2009 and listed below:

Table – 6 Absorption Capacity of Public and Private Sectors in Tamil Nadu

Public Sector	%	Private Sector	%
Public Administration, Defence and Compulsory Social Security	21.5	Manufacturing	47.8
Transport, Storage & Communications	19.9	Education	22.6

Health and Social Work	15.8	Real Estate & Business Activities	8.7
Education	14.3	Wholesale & Retail Trade & Repair	5.1
Financial Intermediation	7.6	Health and Social Work	3.4

Source: Employment Market Information Programme EMIP, Chennai.

Above table shows that Public administration, Defence and Compulsory social work has more capacity to provide informal jobs to labours whereas in private sector, manufacturing group offered more formal job to labours in Tamil Nadu.

INFORMAL (UNORGANISED) SECTOR EMPLOYMENT IN TAMIL NADU: It has been observed that since 2 decades, Labour market structures have been de-stabilized and reorganized in Tamil Nadu. Perhaps liberalization and new economic policies have led to deep changes in job creation and the generation of new forms of employment which has increased informalization of laoburs in Tamil Nadu. As per the 1991 census, 90.60% workers were in informal sector. Only 9.4% of the laobur force was in formal sector in India. In Tamil Nadu, the formal sector accounted for only 9.7% employment for workers and rest of the 93% workers were involved in informal sector as per 1991 census. On the basis of population growth rate and growth of job opportunities, paper estimates that public sector provides the formal jobs only to 9.91% labours as on 2011 by both public and private sectors. A broad guideline regarding the coverage of informal sector and informal employment as enunciated in the 15th International Conference of Labour Statisticians (ICLS) in 2012, Extracts of the resolutions and guidelines concerning informal sector and informal employment are given in Annexure II and Annexure III respectively, at the end of Chapter Two. As per in Tamil Nadu proportion per 1000, 825 persons are informalized in both public and private sector.

One has to accept that the pace and pattern of informalization varies across major States of India. NSSO, 2012 estimated the share of informal sector “Gross Value Adding” has increased to “Total Gross Value Adding” in manufacturing sector within the states from 2000-2001 to 2005-2006. It is seen to have registered an increase from 20.8% in 2000-2001 to 22.1% in 2005-2006 for India as a whole and in Tamil Nadu it increase from 19.9% in 2000-2001 to 23.4% 2005-2006. In order to identify the share of informal enterprises by type of their establishments, the various sources have been referred viz ASI, CSO and NSSO,

Govt. of India. These enterprises provide 100% informal job to Tamil Nadu labors including few migrants.

Table-7 Share of Informal registered enterprises & non-registered enterprises in Tamil Nadu

Region	Registered Enterprises (’00)		Non-Registered Enterprises (’00)	
	2000	2005	2000	2005
India	170241	170708	90	90
Tamil Nadu	15281	14819	89	91

Source: NSSO, 61st Round, Govt. of India.

The most significant part of this section is to estimate number of Informal Sector Workers per thousand population, percentage share of informal sector Workers to Total Workers and Average Annual Growth Rate by Tamil Nadu between 1999-2000 and 2004-2005 including Indian States is listed as below:

Table-8 Estimated number of Informal Sector Workers per thousand population, percentage share of informal sector Workers to Total Workers and Average Annual Growth Rate by Tamil Nadu between 1999-2000 and 2004-2005 and in all states of India

States	Estimated number of informal sector workers (in thousand Population)		Share of informal sector workers to total (in %)		Growth Rate (in %)
	1999-2000	2004-2005	1999-2000	2004-2005	
Andhra Pradesh	420	443	88.28	88.28	1.01
Assam	267	326	76.70	84.41	7.17
Bihar	313	315	93.71	93.59	1.53
Gujarat	380	386	85.06	82.83	2.32
Haryana	279	334	82.44	83.45	6.82
Himachal Pradesh	437	438	88.47	83.66	2.85
J & K	368	322	87.69	81.65	-2.87

Karnataka	378	424	84.51	86.58	2.88
Kerala	258	250	67.56	63.40	1.98
Madhya Pradesh	384	398	90.47	89.24	2.52
Maharashtra	344	380	81.51	82.00	3.05
Orissa	362	393	89.62	90.08	3.25
Punjab	331	355	85.60	85.23	3.68
Rajasthan	373	393	91.04	91.16	5.51
Tamil Nadu	381	391	81.85	80.76	0.39
Uttar Pradesh	306	338	90.95	92.20	3.91
West Bengal	312	327	86.79	85.42	3.65
Other North Eastern States	314	346	85.13	83.73	5.83
Other states & UTs	197	210	60.39	60.85	1.46
Total in India	341	362	86.36	86.31	2.88

Source: NSSO 55th Round (1999-2000) and 61st Round (2004-2005) Round Survey on Employment-Unemployment.

Above data gives a graceful picture of Tamil Nadu As far as Tamil Nadu is concern in term of infirmalization of workers and its growth rate, **Tamil Nadu shows minimum growth rate of informalization of labour in India** except J & K. It is very significant features of Tamil Nadu Economy as they a unique pattern of informalization which has been organizing slowly.

Issues associated with informalization of labour market in India may be correlated with Globalization, liberalization and privatization. Then economic reforms introduced in mid-1980s and accelerated since 1991 with LPG programmes. After LPG reforms, the industries restructured their economic activities to reduce their dependency on internal permanent workers. For which they started downsizing their enterprises and adopted technological upgrading for more automation. The prime aim behind automation and downsizing the enterprises is to shrink core labours to cut the cost to compete with the market. These results job losses for the permanent workers in the large-sized enterprises in organized sectors. The view of formal forms of employment disappears with higher level of GDP. However, as

noted in India, informalisation of labours has increased in all over India as shown in table – 8. This paper found that the liberalism has dominated Indian economy policies and even the expansion of FDI and global production network has supported informalization process in India. Liberalism has involved privatization which cut sharp in public expenditure. The most stable source of formal employment – is public sector in India. As liberalization and privatization reduces the size of public sector, this correspondingly means that government workers have been losing their jobs and the new added employees every year are not getting employment in public sector. Both those lose the job in public sector or do not get the job in public sector, increase the informalization because they get involve in informal sector. Workers those lose their jobs should consider ‘displaced workers.’ The casual factors for the continuation of the declining trend in the rate of growth of employment in the formal sector during the decade of 1990s i.e. after the introduction of LPG programmes.

Liberalism strategy attracts FDI to promote export market. The single dominant element of this strategy is to maintain low labour cost for increasing investment in export market and even in multinationals. These policies reduce social and legal protection of workers and made weakens worker’s bargaining power as well as induce workers to accept jobs with low wages. This has given a different shape to Indian labour market with advent of globalization; objective of every enterprise became profit maximization. In order to make huge profits, jobs are outsource, workers are kept on contract to save on social security measures of the worker\’s. Temporary or contract workers have become more relevant even in education sector of India. To cope up with the economic crisis, lay off of workers became a tool of the enterprises has supported informalization process in India.

Birth of Multinational Company is also the result of LPG. Increased investment in new multinationals is also responsible for informalization in India. Young generation with high professional skill, attract towards these MNCs because they provide desirable job with handsome salary and enjoy better than formal working conditions. But these are employed by MNCs on the basis of sub-contracting way. As workers get better salary and working conditions with desirable job, they compromise with working hours and even with job security. These workers should consider ‘flexible workers’ because as their contract gets over they want to switch over their salary and do not like to stay in the same enterprises as other

MNCs offer them better. This flexible employment relative produce cost reduction while they undermine labour protections and social security. Few other internal aspects are also responsible for informalization in labour market of India that is unskilled labours, poverty and industrial sickness. Policy makers must give increased attention to improving labor standard. Negative relationship between economic development and informalization has become a challenge on a number of fronts for India and for all states.

This challenge has been accepted by Government of Tamil Nadu. It is necessary to mention here that economic reforms and citizenship rights are managed at the national level while labour laws are managed at the state level. Under liberalization, as the state recedes its control of industrial and financial capital markets including labour, the state's role in relies on the state's commitment to a liberalization agenda in India which has flourished informalization of labour in Tamil Nadu. As state's commitment increases, informal workers' bargaining power, these workers are flexible, low cost labour plays a vital role in the state's economic project. The political parties also have interest for their administered benefits through the organization members in mobilizing votes and member's power as a large vote bank for local politicians. The most effective state for the informal workers will be who has effective organizations located in state where the political context is supporting liberalization, and the leadership is populist. Tamil Nadu is a populist state with two large regional political parties AIDMK and DMK and embarked on liberalizing Economic Policy. Effective organizations provide welfare and benefits to informal. Tamil Nadu provides a unique insights for informal sector in new pattern which organizing informal workers in Tamil Nadu. These ruling political parties may have their political interest as these labours are vote bank for them but they have different strategy which has made a unique pattern of informalization of laoburs in Tamil Nadu. Apart from these many welfare schemes have been implemented by Tamil Nadu Government.

The Growing Challenge For Labour Administration Role of Social Dialogue, by A. Sivananthiran and C.S. Venkata Ratnam, Indian Industrial Relations, Association, (IIRA), New Delhi, provides various course of provision of welfare to the unorganised sector in Tamil Nadu has been different from other states of India. **The first enactment came in 1982 in the form of the Tamil Nadu Manual Workers (Regulation of Employment and**

Conditions of Work) Act, which was a comprehensive piece of legislation for workers in the unorganized sector —the first and only one of its kind in the country. Further, TNCWU encouraged labours to keep continue this process of welfare in Tamil Nadu.

Further, this process of welfare was continued by TNCWU but Rina Agarwala mentions in his publication that much before that informal labour fought for their rights from 1930s to 1960s several attempts were made in Kerala and Tamil Nadu, to organize construction workers. After that The Beedi and Cigar Workers (Conditions of Employment) Act, 1966 was enacted in Tamil Nadu which started the provision of welfare fund, the welfare schemes like health, and housing, educational, social security for unorganized workers. In this regard, it is important to mention here that while process of organizing their informal jobs, maximum number of strikes and lockouts have been registered by Tamil Nadu labours among all Indian States except West Bengal published by India Labour Year Book and Besey and Burgess regarding Industrial disputes in India in 2000-2001. One would connect a direct relation between informalization and strikes and lockouts in Tamil Nadu which mention the active and awareness among labours regarding their lives. This process was continued in Tamil Nadu as the Government set up the Tamil Nadu Manual Workers' Social Security Welfare Board on 17March, 1999. Besides, various boards at state level, district level and regional level have been working for welfare of informal workers in Tamil Nadu. Tamil Nadu Auto Rickshaws and Taxi Drivers Welfare Board 20.07.2000, Tamil Nadu Washermen Welfare Board 20.07.2000, Tamil Nadu Hairdressers Welfare Board 20.07.2000, Tamil Nadu Tailoring Workers Welfare Board 20.07.2000, Tamil Nadu Handicraft Workers Welfare Board 18.10.2000, Tamil Nadu Palm Tree Workers Union 18.10.2000, Tamil Nadu Handlooms and Handloom, Silk Weaving Workers Welfare Board 14.03.2001, Tamil Nadu Foot Wear and Leather Goods Manufacturers, and Tannery Workers Welfare Board 14.03.2001, Tamil Nadu Artists Welfare Board 14.03.2001. This series of welfare scheme of the government in Tamil Nadu is unending while this paper invites two more paper to write on “Industrial disputes and its relation with Informalization of Labours” and “Welfare Schemes of Tamil Nadu for Infromal Wrokers”.

Conclusion: Informalization of labours in Tamil Nadu has flourished with the new economic reforms after 1991. But Tamil Nadu provides a unique picture of informal workers. The combination of various welfare schemes of local political parties through their effective organization and awareness of labours for their situation in informal sector has made a

different scene of informalization in Tamil Nadu. In that case, famous slogan of Karl Marks, “The workers unite; They have world to win and lose nothing.” has helped to Tamil Nadu labours and have given space to labors to live with informal conditions.

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