

ADM College for Women (Autonomous)

(Accredited with 'A' Grade by NAAC 4th Cycle)

(Affiliated to Bharathidasan University, Thiruchirappalli)

Nagapattinam – 611 001

Department : Economics

Course Name : Tamil Nadu Economy

Class : I BA

Submitted by : Dr. P. Sujatha

Tamil Nadu Economy

UNIT I PROFILE OF TAMIL NADU

Profile of Tamil Nadu – Area – Population – Forest – Economic Development of the State – Human Resources – Infrastructure – Rural and Urban – Education – Power.

(Content-15Hrs, Assessment-3 Hrs) (18 hrs)

UNIT II AGRICULTURE

Agriculture – Principal Commodities – Irrigation –Blue & White Revolution - Animal Husbandry and Fisheries – Uzhavar Sandhai

(Content-15Hrs, Assessment-3 Hrs) (18 hrs)

UNIT III INDUSTRY

Industries - Major Industries – Automobile – Cement Industry – Government role I industrial development –Industrial Promotional Agencies of Tamil Nadu - Industrial Finance – DIC, THIC, SIDCO, SIPCOT.

(Content-15Hrs, Assessment-3 Hrs) (18 hrs)

UNIT IV STATE FINANCE AND ECONOMIC ISSUES IN TAMILNADU

State Finance – Revenue and Expenditure –Tamil Nadu Current Budget – Anti – Poverty strategies – Unemployment problems Strategies with Reference to Tamil Nadu – Unemployment Problems- Tamil Nadu Vision 2020-23

(Content-15Hrs, Assessment-3 Hrs) (18 hrs)

UNIT V WOMEN IN TAMILNADU

Women Development in Tamil Nadu – Micro Finance – SHGs –Problems faced by Women in Unorganized Sectors, Women Empowerment Measures in Tamil Nadu.

(Content-15Hrs, Assessment-3 Hrs) (18 hrs)

Text Books:

1. Dr. Sankaran S. - Indian Economy, Margham Publications, 2015.
2. Leonard .S.J -Tamil Nadu Economy MacMillian New Delhi, 2006.

Reference Books:

1. Kurien .C.T - A Profile of TamilNadu , TamilNadu Orient Publishing House 1996.
2. Rajalakshmi. - Tamil Nadu Economy, Business Publishers, Chennai Publications, 1999.
3. Ruddar Dutt and K.P.M Sundaram - Indian Economy S Chand and Co, Ltd, New Delhi, 2015.
4. TamilNadu Development Report - Tamil Nadu Economic Appraisal

Tamil Nadu Economy

.UNIT I

- Profile of Tamil Nadu - Area
- Population
- Forest
- Economic Development of the State
- Human Resources
- Infrastructure
- Rural and Urban
- Education
- Power

Profile of Tamil Nadu - Area

Tamil Nadu Tamil Nadu literally is one of the 29 states of India. Its capital is Chennai (formerly known as Madras), the largest city. Tamil Nadu lies in the southernmost part of the Indian Peninsula and is bordered by the union territory of Pondicherry and the states of Kerala, Karnataka, and Andhra Pradesh.

It is bounded by the Eastern Ghats on the north, by the Nilgiri, the Anamalai Hills, and Kerala on the west, by the Bay of Bengal in the east, by the Gulf of Mannar and the Palk Strait on the southeast, and by the Indian Ocean on the south.

- Tamil Nadu's GSDP in 2012-13: US \$ 145 billion (7.8% of India's GDP). On PPP basis, GSDP: US \$ 371 billion.
- It is the second largest economy and one of the fastest growing states in India.
- On Global scale, Tamil Nadu will be ranked 35th largest economy on PPP basis). – bigger than Romania, Ukraine, Vietnam, Bangladesh, New Zealand, Norway, Finland, Denmark, Sri Lanka, Bulgaria, Uzbekistan, Afghanistan, etc.
- One of the fastest growing State economies with an average growth rate of 9.75% in the last 9 years
- One of Top Three FDI destinations among Indian states.
- First in number of factories – 40,354
- First in number of workers employed in factories sector – 2.23 million

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- First in annual turn-out of Engineering graduates and technicians
- One of Top Three FDI destinations in India – More than 3000 Foreign companies in Tamil Nadu - 523 Japanese companies in Tamil Nadu
- Some of Fortune 500 companies in Chennai are: Ford, Delphi, Visteon, Hyundai, Daimler, Nokia, DELL, Flextronics, Nissan, Toshiba, Yamaha, Mitsubishi, Komatsu Sriperumpudur - India's largest Electronics cluster
- Tamil Nadu Vision 2023 target to place Tamil Nadu in the league of Upper Middle Income countries
- Tamil Nadu is the eleventh largest state in India by area and the sixth most populous state in India. The state was ranked sixth among states in India according to the Human Development Index in 2011. The state has the highest number (10.56 per cent) of business enterprises and stands second in total employment (9.97 per cent) in India, compared to the population share of about 6 per cent.
- The region has been the home of the Tamil people since at least 1500 BC. Its official language is Tamil, which holds a status of being a classical language. Tamil has been in use in inscriptions and literature for over 2500 years.
- Tamil Nadu is home to many natural resources, classical arts, classical music, classical literature, Hindu temples of Dravidian architecture, hill stations, beach resorts, multi-religious pilgrimage sites, and eight UNESCO World Heritage Sites.

Population:

The availability of the human resources is an absolute requirement to initiate and sustain economic development

The human labour is a primary agent of population and it participates at the economic activities undertaken primarily with the view to fulfilling human wants. The source of supply of the human labour is the population. It comprises both male and female workers belonging to different age groups, endowed with a variety of skill and talents, interests obtained and nourished by education and training it operates both in rural settings and urban environment.

Size and growth of population

Current population of Tamil nadu in 2019 - 81,565,834 (8.1 crores)

population of Tamil nadu in 2018 -80,351,195

Sex ratio in Tamil Nadu – 995 females per 1000 males

Tamil Nadu Economy

Literacy Rate - 81%

The quantum of population in any economy is the combined effect of the economy is the combined effect of the two rates, viz, birth rate and death rate

Birth Rate:

In 2015, Birth rate for Tamil Nadu was 15.2 birth per 1000 inhabitants. Birth Rate of Tamil Nadu fell gradually from 16.3 birth per 1000 inhabitants in 2009 to 15.2 births per 1000 inhabitants in 2015.

Death Rate:

In 2015, Death rate for Tamil Nadu was 6.7 Death per 1000 inhabitants. Death Rate of Tamil Nadu fell gradually from 7.6 deaths per 1000 inhabitants in 2009 to 6.7 deaths per 1000 inhabitants in 2015.

Sex Ratio:

The sex Ratio refers to the number of females per one thousands males in the population.

Density of Population:

Density of population refers to the average number of persons living per square kilo metre. It represents the human – land ratio. The density of Tamil Nadu state is 555 per sq km.

India maintains 15 percent of the world's population in 24 percent of the world's land area. Tamil Nadu maintains within India the sixth position in India's population and the eleventh position in India area wise.

Forest

Forest constitutes a major part of the renewable natural resources. They contribute substantially to economic development. The flora –fauna found in them form a rich bio – diversity.

In 2002-03 , Tamil Nadu has a forest area of 2,132,00 Which constitute 16.4% of the total geographical area in Tamil Nadu. The district that have the least forest are: Tiruvarur, Thoothukudi. Cuddalore, Ramanathapuram and Chennai.

Forestry during ninth & Tenth Plan

Targets:

To increase the Percentage of the Reserved forests

To treat the balance 3,500 sqkms of area under Tamil Nadu Afforestation project

To involve under Tamil Nadu Afforestation project.

Tamil Nadu Economy

To carry out effectively the western Ghats Development programme.

To implement afforestation works.

- Forest Cover of the State as per 2017 assessment is 26,281 sq.km which is 20.21 percent of the Geographical Area (GA) of the State.
- Area under forest cover within recorded forest area is 17,581 sq.km, forest cover outside recorded forest area is 8,700 sq.km.
- Area under Very Dense Forest (VDF), Moderately Dense Forest (MDF) and Open Forest (OF) is 3672 sq.km (2.82% of GA), 10,979 sq.km (8.44% of GA) and 11,630 sq.km (8.94 % of GA) respectively.
- Recorded Forest Area of the State as per 2017 assessment is 22,877 sq.km which is 17.59 percent of the Geographical Area (GA) of the State.
- Tree cover of the State is 4,671 sq.km.
- District-wise forest cover shows districts like Erode (2,307 sq. km.), Coimbatore (1,975 sq. km), Dindigul (1,876 sq.km), Vellore (1,813 sq. km), The Nilgiris(1,719 sq.km) and Dharmapuri (1,698 sq.km) covers higher forest cover.
- The forest and tree cover of the State now is 30,952 sq km which constitutes 23.80% of the total geographical area of the State.

Measures towards Forestry Development

Afforestation: This means plantation of quick growing species, of economic species and this in degraded forests this measures increase the extent the forest

Social Forestry: To increase green coverage, to produce and supply firewood, fodder, small timber and minor forest produce to the marginalized rural population. To increase raw materials to forest based industries.

To generate employment and to meet the fuel requirement of the urbanities. The social forestry projects are set up as recommended by the national commission on Agriculture. Subsidies provided, farm forestry is developed.

The forest department undertaken to plant in public lands and canal banks and the roadside, the planting of trees. The national wasteland development board is established in 1985.

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Rural Development:

Rural development needs to complement urban development so that balanced growth can be ensured and growth in each sector will be reinforcing. The total number of persons living in rural areas increased from 34.92 million in 2001 to 37.23 million in 2011.

However, its proportion to total population was on the decline from 56 percent to 51.6 percent, implying that the process of urbanization in the State has been on the increase. Tamil Nadu accounted for 4.5 percent of the total population living in rural areas in the country. Tamil Nadu accounted for 5.4 percent of the total rural workers at all India. Between 2001 and 2011 the total number of rural workers in the State increased from 17.56 million to 18.86 million.

The share of rural workers to total workers was 57.0 percent. The composition of main and marginal workers was in the ratio of 81:19. The proportion of marginal workers was higher in rural areas as compared to urban (10.1%) indicating that workers mostly engaged in seasonal activities.

The work participation rate at 50.7 percent in rural areas was higher than that of urban areas (40.2%). The proportion of cultivators and agricultural labourers to total workers declined from 70 percent in 2001 to 65.2 percent in 2011.

The literacy rate in rural areas at 73.5 percent was lower than the urban literacy rate (87.0%).

Thanks to the various welfare measures taken by the Government both at the Centre and in the State, rural poverty ratio had declined from 37.5 percent in 2004-05 to 15.8 percent in 2011-12.

There are 12,524 village panchayats spread over in 31 districts and 385 blocks. About 7 percent of the village panchayats have population below 1000, 55 percent between 1001 and 3000, 22 percent from 3001 to 5000 and 16 percent more than 5000. Of the total budgetary allocation the share of rural development in Tamil Nadu was 9.8 percent. The percapita public expenditure incurred towards rural development in Tamil Nadu at Rs.3,207 12 was the highest among the major States and well above the all India average of Rs.1228 in 2012-13.

A slew of programmes are being implemented for creating sustainable livelihood opportunities, providing basic amenities, promoting sanitation, reducing poverty, minimizing the rural-urban divide, conserving natural resources and ensuring the improvement in the

Tamil Nadu Economy

quality of life of the people in rural areas. However, the lack of adequate public involvement in identification of works, execution and maintenance is a cause for concern.

Urban Development:

The urban local bodies in the State include 12 Corporations, 124 Municipalities and 528 Town Panchayats. The degree of urbanization in Tamil Nadu has been progressively on the increase. There was a rise in the proportion of urban population in the State from 44.0 percent in 2001 to 48.5 percent in 2011. The average density of population in urban area worked out to 3521 persons per sq. Km.

The faster pace of urbanization creates stress on the access to and quality of basic amenities. Apart from this, it has resulted in growth of slums. About 16.3 percent of the urban households were located in the slums in the State. The proportion of slum population to urban population was 16.6 percent.

With the implementation of urban poverty programmes and the effective functioning of Public Distribution System, the urban poverty ratio in the State had declined from 19.7 percent in 2004-05 to 6.5 percent in 2011-12.

As per the Ministry of Housing and the Urban Poverty Alleviation the housing shortages in urban areas was 28.24 lakh in 2012. Besides the poor-land-man ratio, lack of purchasing power, security of tenure of land, unavailability of flexible housing finance schemes etc., resulted in the shortage of houses mainly for the poor and economically weaker sections in urban areas. Of the 8.93 million households in urban areas 80.3 percent received tap water. Besides with limited water resources in urban areas being depleted at a faster rate, there was a mismatch between demand and supply of water in urban areas.

As against the total demand of 2604 MLD of water, the total supply during the year 2013-14 was 2010 MLD. As high as 96.1 percent of the urban households had electricity connection for lighting purpose. The total number of street lights provided by the urban local bodies was 13.12 lakh in 2013-14, of which Sodium Vapour Lamps and Fluorescent Tubular Lamps accounted for the major share. 75.1 percent of the urban households had toilet facility within their premises. Only 8.6 percent availed the service of public toilets. Frequent shifting of utilities including electric cables, water pipe lines, sewerage lines and tele-communication lines continue to pose threats to longevity and maintenance of roads.

Education

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Education in terms of knowledge, qualities, skills, attitudes and capabilities plays a pivotal role in promoting economic development as well as the growth of the country and thereby helps to reduce poverty and other related social debilitation.

During the past five decades the literacy rate in Tamil Nadu had more than doubled from 36.4 percent in 1961 to 80.1 percent in 2011. Among the major States, in terms of literacy rate the State ranked third. The literacy gap between males and females and rural and urban was lower in Tamil Nadu as compared to all India. These gaps need to be eliminated.

Accessibility of primary and upper primary schools is viewed as a corner stone of a sound education policy. Tamil Nadu has already achieved cent percent access at the primary level in 2002-03 and at the upper primary level in 2004-05. However, with the growing population and new habitations springing up, the need for new schools is constantly on the increase.

During 2012-13 there were 35,185 primary schools and 9,656 middle schools in the State. The number of primary schools per thousand children population in the State was 9 and in the case of upper primary schools it was 7. The total number of students enrolled in elementary education during 2012-13 in the State was 96.79 lakh accounting for a share of 4.8 percent at all India. The proportion of child with special needs enrolled in the State was 1.1 percent. Total teacher strength in the elementary schools was 2.15 lakh.

The pupil-teacher ratio the most important measures of educational quality revealed that at the primary level in 2012-13 was 24 as against the stipulated norm of 30 and the all India average of 28. At the upper primary level it was 19 as against the norm of 35. The net enrolment rate of girls was higher than boys at the primary level (99.70% as against 99.68%) and at the upper primary level (99.05% as against 98.95%). The transition rate from primary to upper primary level (94.89%) in the State was highest among the southern States and higher than the all India average (86.74%). There was a decline in repetition rate both at the primary (1.67% in 2010-11 to 1.34% in 2012-13) and upper primary (5.08% percent to 4.47%) levels

Eventhough, the dropout rate was on the decline, it was considered to be on the higher side in the upper primary level (1.70%) as compared to the primary level (0.93%). The major reasons were the lack of interest in studies which translates to either the lack of interest of the parents to educate the children or the children were lured/forced into work to earn money due to poor economic status of the households.

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Going by the Educational Development Index, Tamil Nadu occupied the first place with regard to primary level, second place at the upper primary level and first place in the overall elementary education among southern States

Turning to higher education, Tamil Nadu with 59 universities ranks first at all India. The total number of colleges and institutions was 3445 as of 2012. On an average in Tamil Nadu there were 27 colleges per lakh population as compared to the all India average of 23.

In terms of management, Tamil Nadu is dominated by private unaided colleges as they accounted for 88.5 percent of the total followed by government 5.8 percent and private aided 5.6 percent. The total enrolment in these institutions stood at 24.09 lakh, of which the ratio of male and female was 57:43. Of the total enrolled student, 65.4 percent were in under graduate courses.

The overall gross enrolment ratio in higher education was 38.2 percent in Tamil Nadu which is significantly higher than all India average of 20.4 percent in 2011-12. Among major States, Tamil Nadu ranked first in gross enrolment ratio. However, in recent times, there is a dilution in the quality of higher education mainly because of the mushrooming growth of private self-financing colleges with poor infrastructure and lack of qualified faculty. Increasing gross enrolment ratio in higher education, upgradation of infrastructure facilities, creating better research infrastructure environment and developing a sound database on higher education are areas requiring attention.

Power

Reliable supply of electricity is essential for achieving a higher economic growth and social development in the State. The performance of the energy sector during the year 2013-14 was rated as good. The hydel sources which were at a low ebb in the beginning of the year had picked up subsequently and complemented the thermal sources. Apart from this, there was a significant contribution from wind power projects this year even beyond the usual season.

Thermal plants functioned to their full capacity in spite of technical problems. Uninterrupted supply of coal to the thermal power stations was ensured. Apart from this, to bridge the gap between supply and demand, the State's initiatives by way of effecting short term (tenure less than 1 year) purchase of power from the local generators in Tamil Nadu ensure timely solutions.

In addition to this, procurement of 500 MW power from other States through medium term (tenure 1 to 7 years) purchase 6 agreements came in very handy at the right time. With

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the concerted efforts of the State, the commissioning of new thermal power projects viz., the TNEB-NTPC joint venture project at Vallur in August 2013, the Mettur Thermal power project in October 2013, the North Chennai Thermal Power Station stage – II in March 2014 and hydel projects viz., Bhavani Kattalai Barrage – III and Renovation, modernization and uprating works in the Periyar Power House helped to improve the total installed capacity in the State from 10515 MW in 2012-13 to 11884 MW in 2013-14.

State towards the promotion of nonconventional sources of energy, the total installed capacity of this source improved from 7,999 MW in 2012-13 to 8076 MW in 2013-14 (upto July 2013) and also lent its supporting hand to augment the power supply during the current year.

The State Government has also encouraged domestic consumers to set up solar power installations by providing incentives. With all these, gross power availability in the State improved from 74,872 MU in 2012-13 to 85,830 MU in 2013-14 and was able to meet the all-time high peak demand of 12,764 MW in March 2014.

During the year, the maximum grid consumption attained was 279 million units at the far end of March 2014. Taking the relatively favorable circumstances during the year 2013-14, the power shortage in the State had been significantly reduced and supply of quality power throughout the State was ensured. The State resorted to some restriction and control measures to bridge the gap between demand and supply. Consequently, the load shedding in the State during the year 2013-14 was minimal and infrequent.

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Unit III

- Industries
- Major Industries -Automobile
- Cement Industry
- Industrial Promotional Agencies of Tamil Nadu
- Industrial Finance – DIC, THIC, SIDCO, SIPCOT.

Industry

Rapid industrial development coupled with modernization of agriculture is a necessary condition for launching the State economy into a self sustaining economic growth. The multiple roles of industry are: a huge employment provider, a mechanism for breaking the vicious circle of poverty, a sizable foreign exchange earner, a source of productivity and diffusion of proven technologies and efficiency gains, a trigger for bringing about the structural changes and as an engine of ratcheting economic growth. Considering the immense benefits that flow to the State from the process of industrialization, the Government has been fostering and nurturing the industrial sector with commitment and resourcefulness.

Over a span of 10 years, the industrial GSDP in the State increased from Rs.45,066 crore in 2004-05 to Rs.90,664 crore in 2013-14 (at 2004-05 prices) registering a Compound Annual Growth Rate (CAGR) of 8.08 per cent. Moreover, the growth rate of industrial GSDP during the period of 2005-06 and 2013-14 had been much oscillating from year to year. It ranged between the highest growth rate of 28.66 per cent in 2009-10 and the lowest of 0.60 per cent in 2007-08. Negative growth rates of 1.33 per cent and 1.17 per cent during 2008-09 and 2012-13 respectively were also noticed. In tune with varying growth performance, the share of industrial income to overall GSDP increased from 20.58 per cent during 2004-05, then declined to 18.81 per cent during 2008-09 and again increased to 21.19 per cent in during 2013-14. What the State needs vibrancy and sustained high growth in the industrial sector.

The degree of industrialization is mediated by a slew of factors such as adequate supply of skilled manpower, availability of sound social and economic infrastructure, a well established banking network with a copious supply of financial products, formulation of a proactive and dynamic industrial policy markets for the goods produced, availability of warehousing facilities, competitiveness for commodities in the domestic and overseas

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markets, mass production of high quality products, uninterrupted supply of raw materials and advancement in cutting edge technologies.

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Automobile

Automobile Industry shows a steady performance in the State with Governments constant support which has nurtured Chennai as a very cost-effective manufacturing hub for automobiles. The capital city, Chennai, dons the ubiquitous name of Detroit of Asia due to the presence of the top Global Automobile majors like Ford, Hyundai, BMW, Renault, Nissan and Mitsubishi HM. Chennai producing over 40% of the country's auto parts and vehicles have an installation capacity to produce 1,280,000 cars and about 350,000 commercial vehicles each year which translated to 3 cars output every minute and one commercial vehicle every 75 seconds by 2010-11.

The reasons for the successful performance of Automobile Industry are Attractive Package of Incentives depending on the size of Investment and employment as per Industrial Policy 2007.

Super-mega Policy - Government offers special incentives for projects with investments between Rs.1500 to 4000 Crores.

Government brought out a very innovative Policy "Ultra Mega Policy for Integrated Automobile Projects" that offers a very attractive package of support to automobile projects investing more than Rs.4000 Crores. The total employment potential in these new projects is 1.20 lakhs (direct + Indirect). Single window facilitation through Guidance Bureau.

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Infrastructure support in the form of power, water, connecting roads, drainage, etc. Government of India is currently implementing a project "National Automotive Testing R&D Infrastructure Project" (NATRIP) in Oragadam near Chennai at a project cost of about Rs.450 crores. This project aims at facilitating introduction of world-class automotive safety, emission and performance standards in India as also ensure seamless integration of our automotive industry with the global industry.

Cement Industry

Production and marketing of cements through distributional channels are well defined for the growth of cement industry in the State. In the open market forces of demand and supply of cement are guided and motivated by the strong cartel system operating among the cement industries. Due to increased boost in construction activities both by the public and private sectors uninterrupted demand for cement makes the cement industries buoyant. Amalgamation and expansion of capacity of existing industries and establishment of new industries have taken place in the State. However, both at the State and national levels, the cement industries reported that operational cost of cement industries are increasing owing to increasing raw material cost, cost of coal, freight charges by the railways (dual freight charging policy for movement of cement for domestic with government intervention to control the price. All the back cement production.

Tamil Nadu is one of the leading and largest cement producers in the country after Andhra Pradesh and Rajasthan. The annual capacity of cement industries in the State increased marginally from 35.56 million tonnes in 2011-12 to 36.76 million tonnes in 2012-13 recording a growth rate of 3 per cent.

India's cement production capacity, with current estimates around 307 lakh tonnes, emerges out 148 large and 365 mini cement plants, including public sector facilities. The Cement Manufacturers Association (CM cement industry to reach a capacity of 550 million tonne per annum by 2020, which will involve adding a further 230 million tonne per annum. With the cement industry due to install, around 25 million tonnes in new cement production capacity will reach approximately 345 million tonnes by the end of the year 2013-14.

At the national level, the cement production expanded from 180.59 million tonnes in 2011-12 to 214.89 million tonnes in 2012 stood at 12.00 per cent at the national level, its share in cement production accounted for 11 per cent in the 2012-13.

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The Indian cement industry, struggling with oversupply, falls in capacity utilization to 83.9 per cent for 2010-11, according to the Cement Manufacturers Association.

Industrial finance:

The state Government on its part had stressed in the New Industrial policy (1992) the absolute need for promoting the small scale sector in the overall context of achieving a faster rate of industrial growth. Besides the special schemes of assistance covering development of infrastructure and supply of scarce raw-materials, the state had initiated a number of steps to speed up the spread and growth of this sector. These include:

- 1) The creation of a 'venture capital fund' and a 'technology development fund' and
- 2) The introduction of a system of monitoring the prompt payment of dues to SSI units by the 'state public sector undertakings' and Boards.

In the District Industries Centres (DICs), the SSI units have a nodal agency for securing all types of assistance. The Tamil Nadu Small Industries Development Corporation (SIDCO) and the Tamil Nadu Industrial Investment Corporation (TIIC) also pay exclusive attention to the development of the small sector through schemes specially designed to suit its requirements.

District Industries Centre

The main objectives of 20 District Industries centres functioning in the State include SSI registration, helping entrepreneurs in identifying projects, in getting scarce raw material and in arranging for finance and marketing facilities. As a result of the various steps taken by the DIC, not only has the pace of development in the small scale sector quickened but this development has also spread to comparatively less developed areas from the implementation of DIC programme in June 1978, the number of permanently registered units in the state has gone from 14914 in 1990-91 to 17419 in 1991-92, generating employment for more than 1,88,125 persons during 1991-92.

Under the 'Self-employment programme' financial assistance was provided to 5032 educated unemployed youth. Training was given to 800 women under the 'Entrepreneur development programme' during 1991-92, the very first year of its implementation. Of these, 196 beneficiaries had established their own enterprises.

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TAMIL NADU INDUSTRIAL INVESTMENT CORPORATION LTD. (TIIC):

TIIC is the first State level financial corporation in the country catering to the needs of MSMEs, especially first generation entrepreneurs. It also provides financial support to major industrial units in the State. Portion of financial support by the TIIC in recent years is given to Sugar, Cement, Textile, Textile Machinery and Aluminum Industries. It has its role in promotion of Industrial Clusters like Hosiery in Tiruppur, Textiles and Foundries in Coimbatore, Sericulture and Sago in Salem and Dharmapuri, wind mills in Tirunelveli, Palladam, Udumalpet etc.

As of March 2013, it extended financial assistance to 1.14 lakh units with a cumulative sanction of Rs.10,382.52 crore, out of which MSMEs sector had alone availed about 90 per cent of the cumulative assistance.

The financial performance of the TIIC in terms of sanctioning, disbursing and recovery is increasing from year to year. During 2012-13, disbursement was to the tune of Rs.789.05 crore out of sanctioned amount of Rs.969.53 crore. Of which 60 per cent of the total financial assistance was made available to Engineering, Auto Components, Textiles and Food Processing Sectors. For the year 2013-14, it was programmed to disburse Rs.950.00 crore to the needy.

TAMILNADU SMALL INDUSTRIES DEVELOPMENT CORPORATION LIMITED (SIDCO)

Tamil Nadu Small Industries Development Corporation Limited popularly known as SIDCO was started in 1970. This was converted into a public Limited Company in 1971. The corporation aim to accelerate the growth of small scale and tiny sector industries under various programme initiated by it.

SIDCO was established with the main objective of assisting and promoting the interests of Micro, Small, and Medium Enterprises in the State.

Its Vision is “to forge sustainable partnership with the MSMEs for enhancing their competitiveness” in the market structures.

To achieve the Vision, SIDCO is also taking pro-active steps towards the development of Industrial Estates and Associated Social Infrastructure, Promotion of Cluster and Common Facility Centres for MSMEs.

Further, it is rendering its help in purchasing of industrial inputs and provides best managerial and manufacturing practices, acquire capital and assist in marketing of manufactured products for MSMEs in the State.

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Currently, SIDCO is maintaining 35 Industrial Estates created by Government of Tamil Nadu and 59 Industrial Estates established on its own. Out of 15 Industrial Estates proposed to be established during 2011-12 and 2012-13, two Industrial Estates were set up each one at Rasathavalasu (Tiruppur district) and Venmanathur (Villupuram district) and remaining 13 are in different stages of progress.

Vision Tamil Nadu 2023 envisages that SIDCO shall ensure that the common facilities and utilities are adequately provided in the industrial estates for development of SMEs as a strategic initiative to make SMEs more vibrant.

In 2012-13, SIDCO had built up infrastructure facilities in four new industrial estates (Palayapatti -Thanjavur dt, Vaniyambadi-Vellore district, Mathur-Pudukottai district and Virudhunagar – Urban) at the project cost of Rs.11.10 crore shared both by the Government of India and SIDCO at the rate of Rs.6.66 crore and Rs.4.44 crore respectively.

The upgradation of infrastructure facilities in one existing industrial estate was also taken up in 2012-13 at the cost of Rs.2.0 crore sharing Rs.1.13 crore by Government of India, Rs.0.60 crore by Government of Tamil Nadu and the remaining Rs.0.27 crore as beneficiaries contribution. In 2013-14, the SIDCO proposed to create infrastructure facilities in four new industrial estates and upgrade infrastructure facilities in two existing industrial estates at a cost of Rs.26.68 crore and at Rs.6.32 crore into existing industrial estates respectively.

Assistance by the SIDCO: SIDCO helped to supply raw materials like iron and steels, wax, potassium chlorate and TNPL paper 909 MSMEs units to the value of Rs.57.14 crore during 2012-13 and extended marketing assistance to 14 units to facilitate selling their finished items to the value of Rs.1.26 crore and programmed to sell raw materials to 920 units at the targeted value Rs.84.66 crore in 2013-14.

STATE INDUSTRIES PROMOTION CORPORATION OF TAMIL NADU LIMITED- (SIPCOT):

SIPCOT caters to the needs of large-scale industries, The Government of Tamil Nadu have set up the SIPCOT in March 1971 and it started operations in January 1972. It has been extending financial assistance to the needy units and maintaining industrial complexes with basic infrastructure facilities to large industries. In the post reform period, the developed industrial complexes of SIPCOT have housed various manufacturing industries viz. Daimler, Hyundai, Saint Gobain, Dell, Renault and Nissan, Ashok Leyland, Nokia etc

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It also act as a Nodal Agency for implementing industrial assistance schemes announced by the Government of Tamil Nadu and by extending its various incentive measures to mega industries established in the State with high investment and employment potential. As of 2012-13, SIPCOT developed 19 Industrial Complexes including seven Special Economic Zones (SEZs) in 12 districts by acquiring 27000 acres of land for this purpose. Out of which, 20806 acres of land had been allotted to 2184 industrial units, thereby attracting Rs.1.00 lakh crore of investment in the production of manufacturing products and creating direct and indirect employment opportunities to 5.55 lakh persons.

It is aimed to promote more number of industrial parks in Southern districts to make it an industrially focal point. It was proposed to create a Land Bank of 20,000 acres to fulfill the goals of Tamil Nadu Vision 2023. It also identified another 25,000 acres to spur the industrial development in backward districts.

In order to attract Foreign Direct Investment, promote exports, create more employment opportunities, SIPCOT had promoted seven Sector-specific Special Economic Zones (SSSEZs) over an extent of 2231 acres in the State viz. Hi-Tech SEZ in Sriperumbudur and Oragadam, Engineering Sector SEZ at Perundurai, Transport Engineering SEZ at Gangaikondan, Sector Specific SEZ for Engineering at Ranipet, Granite Industries SEZ at Bargur and Leather and Footwear Product SEZ in Irungattukottai. Many industrial giants like Dell, Samsung Electronics, Motorola, Sanmina, Moser Baer have established their industries in the Special Economic Zones.

Between 2011-12 and 2012-13 this Government signed 17 MoUs with leading industrial leaders, out of which 12 set-up their industries in SIPCOT Industrial Complexes with an investment of Rs.20000/- crore and to create employment potential to 1.02 lakh persons.

To attract foreign investment from multinational corporate, Government of Tamil Nadu have issued orders for 100 acres of land each to be allotted by SIPCOT for setting up of separate industrial parks for investors from countries like Japan, Korea, Finland, Germany and France. SIPCOT is taking bold initiatives to establish new project like Truck Terminal Facility over an extent of 12.48 acres with an investment of Rs.8.65 crore on BOOT (Build Own Operate Transfer) basis at Irungattukottai Industrial Park in order to reduce traffic congestion in this area. Another Truck Terminal Facility on the same mode will be established at Vallam-Vadagal for the industries in Oragadam Industrial Growth Centre.

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Unit – 4

STATE FINANCE AND ECONOMIC ISSUES IN TAMILNADU

- State Finance
- Revenue and Expenditure
- Tamil Nadu Current Budget
- Anti – Poverty strategies
- Unemployment problems Strategies with Reference to Tamil Nadu
- Unemployment Problems
- Tamil Nadu Vision 2020-23

STATE FINANCE

Public finance is the study of the role of the government in the economy. It is the branch of economics that assesses the government revenue and government expenditure of the public authorities and the adjustment of one or the other to achieve desirable effects and avoid undesirable ones. The purview of public finance is considered to be threefold, consisting of governmental effects on:

1. The efficient allocation of available resources;
2. The distribution of income among citizens; and
3. The stability of the economy.

Revenue

State revenue receipts are those receipts for which the State has no re-payment liability and which are used to finance items of revenue expenditure. They consist of State tax revenues, non- tax revenues and grants from the Central Government.

Revenue sharing is a built-in feature of the Indian fiscal scene. The Indian Constitution assigns to the State and Central Governments specific expenditure responsibilities - Irrigation, Power, and Agriculture, among others, are the sectors of State responsibility, while Defence, Posts and Telegraphs, Railways etc. fall in the Center's domain.

Similarly, a breakdown has been made in the case of tax revenues, where many taxes, in the interests of efficiency and uniformity, are assigned to the Central Government and they are States enjoined from tapping these sources.

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Share in Central Taxes represents the automatic revenue sharing, known as devolution, which all States receive. The States receive percent of the net tax revenues of the Centre. The proportion, in which these taxes are to be shared between the Centre and the States and amongst the States, is determined by the Finance Commission, a statutory body.

Expenditures

Expenditures are classified under two headings:

- a) Revenue expenditures and
- b) Capital expenditures.

Broadly speaking, the terms ‘revenue expenditures’ and ‘current expenditures’ are used interchangeably just as the terms ‘capital expenditures’ and ‘investment’. The correlation, however, is not exact. There is some investment expenditures on revenue account (basically capital expenditures), which are required for carrying out general administration of the State, such as housing for civil servants. Likewise, current expenditures shown up on the capital account. Formally, the difference between revenue and capital expenditure is determined on the basis of whether the expenditures are financed from revenue or capital receipts.

Plan expenditures may be either revenue or capital expenditures, since the expenditures of a non-capital nature are financed through Plan during the Plan period (they become Non-Plan committed expenditures at the termination of the Plan); but they are always “developmental”.

Tamil Nadu Current Budget:

The Finance Minister, Mr. O. Panneerselvam, presented the Budget for Tamil Nadu for financial year 2020-21 on February 14, 2020.

Budget Highlights

- The Gross State Domestic Product of Tamil Nadu for 2020-21 (at current prices) is projected to be Rs 20,91,927 crore. This is 13% higher than the revised estimate for 2019-20.
- Total expenditure for 2020-21 is estimated to be Rs 3,00,390 crore, a 11.2% increase over the revised estimate of 2019-20. In 2019-20, total expenditure is estimated to increase by 2.2% (Rs 5,699 crore) from the budget estimates.

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- Total receipts (excluding borrowings) for 2020-21 are estimated to be Rs 2,24,739 crore, an increase of 13.9% as compared to the revised estimate of 2019-20. In 2019-20, total receipts (excluding borrowings) are estimated to fall short of the budgeted estimate by Rs 5,455 crore (2.7% of the budgeted estimate).
- Revenue deficit for 2020-21 is targeted at Rs 21,618 crore, or 1.03% of the Gross State Domestic Product (GSDP). Fiscal deficit is targeted at Rs 59,346 crore (2.84% of GSDP).
- In 2020-21, the sectors of Energy (37%), Transport (27%), and Water Supply, Sanitation, Housing and Urban Development (25%) saw the highest increase in allocations over the revised estimate of previous year.

Policy Highlights

- **Urban Development and Infrastructure:** The government has proposed the Tamil Nadu Urban Flagship Investment Programme to support the state in developing urban and environmental infrastructure. The programme will cost of Rs 8,156 crore and will be financed with assistance from the Asian Development Bank. Further, 179 projects at a cost of Rs 8.6 lakh crore relating to Tamil Nadu have been included in the National Infrastructure Pipeline. These projects will be implemented in the next five years.
- **Agriculture and Irrigation:** During 2020-21, crop loans of Rs 11,000 crore will be provided by co-operative institutions. Further, Rs 200 crore has been allocated as interest waiver for repayment of loans.
- **Disaster Management:** A comprehensive flood mitigation project for Greater Chennai has been proposed at a cost of Rs 3,000 crore. This will be undertaken with assistance from the World Bank and Asian Infrastructure Investment Bank. In 2020-21, Rs 1,360 crore has been provided for disaster management.
- **Stamp duty:** Stamp duty for rental agreements will be reduced from 1% to 0.25%.

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Further, registration charges on such agreements will be reduced from 1% to 0.25% (subject to a maximum of Rs 5,000).

Anti Poverty Strategies:

Removal of poverty has been one of the major objectives of Indian developmental strategy. The current anti-poverty strategy of the government is based broadly on two planks, being, promotion of economic growth and targeted anti-poverty programmes. Awareness is being spread across the nation specifying the importance of education, which has resulted in the increase of literacy level. Various schemes like Mahatma Gandhi National Rural Employment Guarantee Act, 2005, Swarnajayanti Gram Swarozgar Yojana (SGSY), Pradhan Mantri Gramodaya Yojana (PMGY) and Prime Minister Rozgar Yojana (PMRY) have been introduced by the government with an aim to abolish poverty from the country.

1. Prime Minister Rozgar Yojana (PMRY) It provides financial assistance to set up any kind of enterprise. It generates employment opportunities to the educated unemployed from low income families in rural and urban areas.
2. Rural Employment Generation Programme (REGP) It is implemented through the Khadi and Village Industries Commission to assist eligible entrepreneurs to set up village industry units. It creates employment opportunities in villages including small towns with a population of up to 20,000.
3. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) In this scheme, the state governments provide at least 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. If work is not provided within a 15-day period, then the applicant is eligible for unemployment allowance by the state governments.
4. Swarna Jayanti Gram Swarozgar Yojana (SJGSY) This was launched in 2000 to reduce the levels of poverty in India. The central government provided financial assistance to the states for the fulfilment of necessities such as primary health and education. It also aims to provide clean drinking water in the rural areas and to provide shelter to the poor.

Underemployment problems Strategies with Reference to Tamil Nadu:

Unemployment drives Tamil Nadu graduates to hard labour: The Tamil Nadu Public Service Commission (TNPSC) received more than 20lakh applications — when it called for

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applications for 9,351 vacancies in Group-IV category in the year 2018. This means that 213 applicants were competing for each vacancy, which sheds a light on the desperate status of unemployment in the state.

What's more, 84lakh people are registered in the employment exchanges. The number of registrations has been coming down in the recent years, due to a decreasing possibility of job appointments through the government agency. Youngsters are left with no option but to sell their skills for very low wages.

Early this year people with professional qualifications such as M.Tech, B.Tech and MBA, postgraduates, graduates as well as diploma holders were in the race to bag the work of sweepers and sanitary workers in the Tamil Nadu Assembly Secretariat. The only qualification was that the aspiring candidates should be able-bodied. The minimum age limit was 18 years completed. The maximum age differed. A total of 4,607 applications were received, including from the Employment Exchange.

The Coimbatore Corporation had called applications for 549 grade-I sanitary worker posts which had evoked response from about 7,000 applicants many of whom were qualified engineers, graduates and diploma holders.

Unemployment Problem:

As mentioned earlier an underemployed person works beneath their abilities and qualifications. There can be several reasons a person may be underemployed.

1. **Mismatch of Skills** Recent graduates or workers who have immigrated and are re-establishing their careers in a new country might suffer from this under-utilization of skills. Also, if an older worker reentered the workforce or wanted to change careers they may find that their skillset no longer matches what is required for a position they feel they are qualified to hold.

2. **Lack of Experience** Recent graduates may find themselves struggling to secure their first job after college. Even entry-level jobs sometimes require more experience than students may have to offer right after graduation. Job seekers who find themselves in this position might have to take part-time work while doing additional internships, taking classes, or networking their way to a new position. The experience gained from internship is one of the greatest benefits that a graduate can gain from these programs.

3. **Poor Economy** In addition, anyone can find themselves in trouble if the economy takes a turn for the worse. During a recession, many skilled workers who would ordinarily

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have little trouble landing a good job in their field may wind up unemployed or underemployed.

4. Market Changes Underemployment can also be caused by larger market changes. For example, automation has affected workers in industries ranging from retail to manufacturing to transportation and warehousing. While we tend to talk about these changes in the context of increased unemployment, underemployment is also a problem, as employers cut hours and workers lose bargaining power in the market.

5. Technological changes Sometimes technology takes the job of a worker who would have previously been employed in a position that has since become automated. For example, vending machines have taken the jobs of some cafeteria workers and cashiers, and ATMs have replaced some bank tellers.

6) Effects of Underemployment: Underemployment is a social problem that affects job growth, business growth, poverty levels, and the emotional and psychological health of the underemployed.

1. Poverty levels When a person is forced to take up jobs that do not match their skills, they typically receive an income that is below their pay grade. With inadequate income, families do not consume as many goods and services as before. The reduction in demand leads to slow business growth, pushing the economy toward a recession or depression due to low Gross Domestic Product (GDP) and little to no job growth. Many families who previously enjoyed a comfortable standard of living begin to struggle financially.

2. Structural unemployment With underemployment, workers who no longer work in their chosen field lack the ability to update their skills with on-the-job training. Some people acquire skills in different industries while others drop out of the workforce altogether. This phenomenon is commonly known as structural unemployment.

3. Psychological problems Underemployment can cause poor mental health. The stress and anxiety are a result of not being able to make ends meet, which creates a sense of inadequacy. Relationships with a partner can also suffer as a result of underemployment. Underemployment can seriously affect an individual's mental and emotional health.

Prevention from underemployment:

1. Know the difference between underemployed and paying your dues: To get the career you want, you may have to start at the bottom of the food chain. If, however, your

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current position has nothing to do at all with your ultimate career goals, you may be underemployed. For example, if you want to be a marine biologist but your current job finds you folding shirts at The Gap, you might want to look into internships.

2. Network like crazy: In today's competitive job market, finding the gig you want is often more about who you know than what you know. Take advantage of social media, attend networking events in your chosen field, and get your face out there.

3. Volunteer in your chosen field: If your dream is to be the social media manager for a large brand, start small. Offer to set up the social media for a local company or a small business just starting out. Build your skills on the side and keep your resume updated.

Conclusion: Youthful workers in the labor force tend to experience more underemployment as a result of switching jobs and moving in to and out of the labor force. Many public policies can also discourage the creation of employment, such as a high minimum wages, high unemployment benefits, and a low opportunity cost associated with terminating workers. Employment is the primary source of income for a person and hence, it is the source of economic growth. It is considered a lagging economic indicator. High underemployment suggests a low GDP and low demand for labor.

TAMIL NADU VISION 2020-23

Tamil Nadu identifies ten themes for the state as follows:

1. Tamil Nadu will be amongst India's most economically prosperous states by 2023, achieving a six-fold growth in per capita income (in real terms) over the next 11 years to be on par with the Upper Middle Income countries globally.
2. Tamil Nadu will exhibit a highly inclusive growth pattern – it will largely be a poverty free state with opportunities for gainful and productive employment for all those who seek it, and will provide care for the disadvantaged, vulnerable and the destitute in the state.
3. Tamil Nadu will be India's leading state in social development and will have the highest Human Development Index (HDI) amongst all Indian states.
4. Tamil Nadu will provide the best infrastructure services in India in terms of universal access to Housing, Water & Sanitation, Energy, Transportation, Irrigation, Connectivity, Healthcare, and Education.

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5. Tamil Nadu will be one of the top three preferred investment destinations in Asia and the most preferred in India with a reputation for efficiency and competitiveness.
6. Tamil Nadu will be known as the innovation hub and knowledge capital of India, on the strength of world class institutions in various fields and the best human talent.
7. Tamil Nadu will ensure Peace, Security and Prosperity for all citizens and business, enabling free movement and exchange of ideas, people and trade with other Indian states and rest of the world.
8. Tamil Nadu will preserve and care for its ecology and heritage.
9. Tamil Nadu will actively address the causes of vulnerability of the state and its people due to uncertainties arising from natural causes, economic downturns, and other man-made reasons and mitigate the adverse effects.
10. Tamil Nadu will nurture a culture of responsive and transparent Governance that ensures progress, security, and equal opportunity to all stakeholders.

Unit 5

WOMEN IN TAMILNADU

- Women Development in Tamil Nadu
- Micro Finance
- SHGs
- Problems faced by Women in Unorganized Sectors,
- Women Empowerment Measures in Tamil Nadu

Women Development in Tamil Nadu

The empowerment of women is one of the central issues in the process of development of countries all over the world. Tamil Nadu has a glorious tradition of recognizing the importance of empowering women over several centuries now.

The contribution of writers and social reformers has been well documented. The Government of India has made Empowerment of Women as one of the principal objectives of the Ninth Five Year Plan (1997-2002) and also declared 2001 as the year of '*Women's Empowerment*'.

Concept of Empowerment of Women:

Empowerment is a multi-faceted, multi-dimensional and multi-layered concept. Women's empowerment is a process in which women gain greater share of control over resources - material, human and intellectual like knowledge, information, ideas and financial resources like money - and access to money and control over decision-making in the home, community, society and nation, and to gain 'power'.

According to the Country Report of Government of India, "*Empowerment means moving from a position of enforced powerlessness to one of power*".

Status of Women in Tamil Nadu:

Demographic features:

Tamil Nadu population growth has been stabilized and growing slowly over the years, thanks to the welfare measures taken by the Government. Female population constitutes nearly half of the total population in the State. The status of women with regard to population over five decades is given in Table -1.

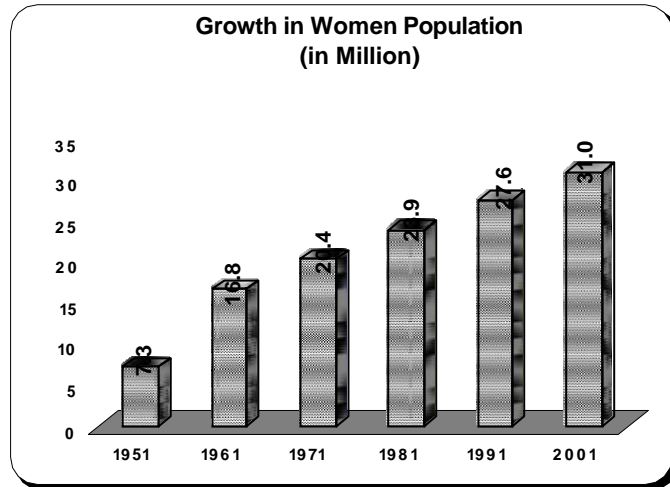


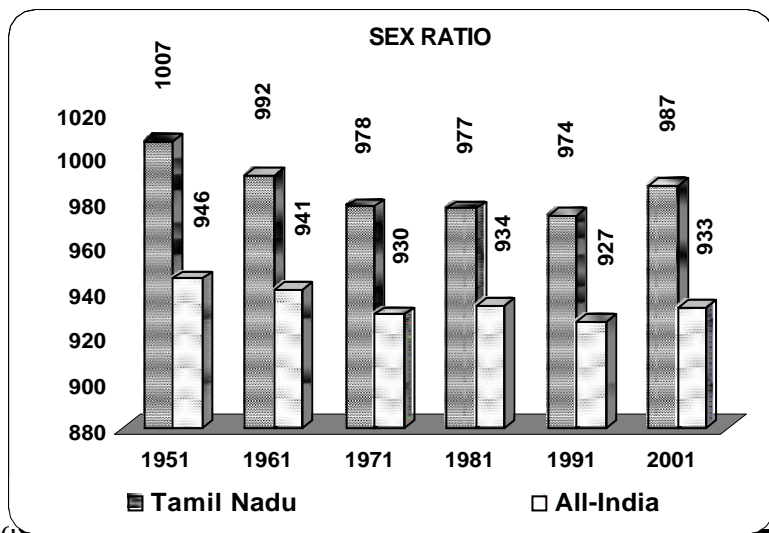
Table -1: Growth in Women Population(in million)

Census Years	Tamil Nadu			All India		
	Male	Female	Persons	Male	Female	Persons
1951	22.8	7.3	30.1	186	175.6	361.1
1961	16.9	16.8	33.7	226	212.9	439.2
1971	20.8	20.4	41.2	284	264.1	548.2
1981	24.5	23.9	48.4	353	330.0	683.3
1991	28.3	27.6	55.9	439	407.1	846.3
2001	31.4	31.0	62.4	531	495.7	1027.0

Source: Directorate of Census Co-operations, Tamil Nadu.

Sex Ratio:

Sex ratio, (i.e.) the number of female per thousand males - is a significant indicator of the status of women. In Tamil Nadu, the ratio has registered a continuous decline except in 2001. According to the 2001 Population Census, the sex ratio for the State stood at 987 as against 974 in 1991 Census. The rural sex ratio is relatively Favourable at 992 compared



Tamil Nadu was consistently better than all-India average. The following table depicts the sex ratio in Tamil Nadu and All - India.

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Table -2: Sex Ratio in Tamil Nadu and All-India

Year	Tamil Nadu	All - India
1951	1007	946
1961	992	941
1971	978	930
1981	977	934
1991	974	927
2001	987	933

Source: Director of Census Operations, Tamil Nadu.

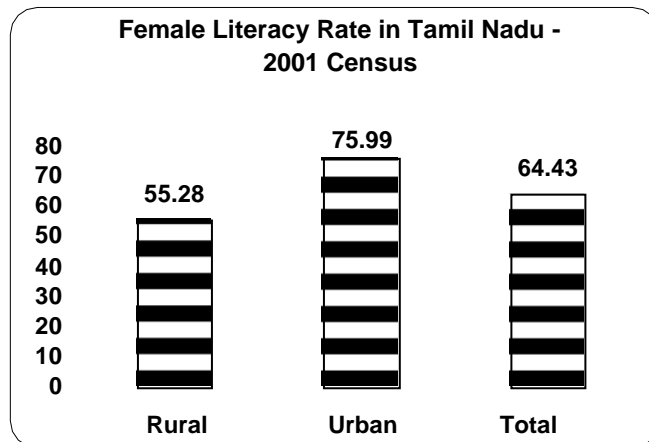
Life Expectancy At Birth:

Life expectancy at birth tends to be a good summary measure of women's health status. Normally women outlive men. In countries with high income women on an average live longer by six years than men. In countries with lower income they live only two years longer. The life expectancy at birth for female has shown a steady increase in the State, from 39.74 years in 1961 to 69.75 years in 2001-06 reflecting the achievements made in health sector.

Women Literacy:

Education is a potent remedy for most of the ills of the society. Education is the main instrument for transformation in any society. The economic and social returns to education for women are substantial. By educating its women, a country can reduce poverty, improve productivity, ease population pressure and offer its children a better future. A '*package approach*' is required for developing female education.

There is a wide disparity between male and female literacy rates. As per 2001 Census, the literacy rate was 64.4 per cent and 82.4 per cent for females and males respectively in the State. There also exists a rural-urban gender divide in literacy rate across Tamil Nadu. The rate was 76 for urban female where as it was 55 per cent for its rural counterparts. Compared to urban female literacy rates, the rural rate was lower by



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20.71 percentage points, where as the percentage point difference among males in urban and rural areas was only 11.82. The differences in the levels of literacy between males and females was significantly higher in rural areas than in urban areas. This indicates that specific intervention may be required for developing the literacy rates of the female population especially (less privileged classes) in rural areas.

Table -3: Female Literacy Rate in Tamil Nadu - 2001 Census

Region	Male	Female	Persons
Rural	77.15	55.28	66.21
Urban	88.97	75.99	82.53
Total	82.42	64.43	73.45

Source: Director of Census Operations, Tamil Nadu.

Strategies Adopted by Government of Tamil Nadu for Women Empowerment:

It was recognised that the main obstacles to empowerment has been the low level of educational attainments as well as poverty among women. Taking into account this fact, the Government of Tamil Nadu have framed various policies, designed specific interventions and implemented many programmes to eradicate poverty and to provide education to the vulnerable sections of the society.

Education of Women:

Education to women is the most powerful instrument of changing their position in the society. Education also brings about reduction in inequalities and also acts as a means to improve their status within the family. In order to encourage education of women at all levels and to dilute gender bias in the provision and acquaintance of education, schools, colleges and even universities were established exclusively for women in the State. To bring more girl children, especially from marginalized BPL families, into the main stream of education, Government has been providing a package of concessions in the form of free supply of books, uniform, boarding and lodging, clothing for hostilities, mid-day meals, scholarships, free by-cycles and so on. The Mother Teresa Women University has been established for the development of Women Studies and to encourage higher education among women and their social mobility.

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Periyar EVR Nagammai Scheme:

Periyar EVR Nagammai Free Education Scheme has been implemented in the State from 1989-90 to women students irrespective of caste, creed and community to encourage their education and to reduce dropout rate. As per the scheme those students' whose parental annual income is less than Rs.24,000/- are exempted from payment of tuition fees in under - graduate courses. During 2005-06, 8936 women students were benefited under this scheme. In 2006-07, a sum of Rs.65.00 lakhs has been allocated for this scheme.

Free Coaching Exclusively for Women Students:

To encourage and enable the women students to appear for the IAS/IPS examinations, the Government established two free coaching centers –one at Queen Mary's College, Chennai and the other at Arulmigu Meenakshi Government College for Women, Madurai. In each center, 60 women students are being given free coaching. During the current year, the government has provided a sum of Rs.1.00 lakh for implementing this scheme.

Entrepreneurship Awareness Programme (EAP):

In order to empower women, Science city has been organising Entrepreneurship Development Programme (EDP) and Entrepreneurship Awareness Programme (EAP) to bring out the talents of women and to make them stand on their own feet. To ascertain the status of women scientists, Science city has embarked upon the task of creating a data-base of women scientists in the entire State of Tamil Nadu. To encourage the women scientists, Science city has instituted Life Time Achievement Award and Young Women Scientist Awards. During 2005, five women scientists were awarded the Young Women Scientists Award.

Tamil Nadu Corporation for Development of Women:

Tamil Nadu Corporation for development of women was established in 1983 which aims at the socio-economic empowerment of women. As a prelude, the Corporation is implementing the Mahalir Thittam among poor rural women to promote saving habits, nurture entrepreneurial skills and aptitudes, promote exposure to banking transactions and to free them from the clutches of local moneylenders. The scheme is

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being implemented in partnership with Non-Governmental Organisations (NGOs) and Banks. Under the scheme, SHGs are formed and monitored through NGOs affiliated with the Tamil Nadu Corporations for Development of Women, Ltd.

SELF HELP GROUPS:

Self Help Groups are small homogenous groups consisting of 12-20 women from BPL families voluntarily organised to promote savings. They are self-managed groups of poor women which primarily came into existence to mobilise financial resources through their own savings and lend the same amongst themselves to meet the credit needs of their members. The specific objectives of SHGs are to:

- improve saving habits among women;
- increase the total family income;
- fulfill the economic needs through self-employment of women;
- utilise bank loan and government welfare schemes;
- help the members to escape from the clutches of moneylenders; and
- mobilise financial resources.

The SHG movement has emerged as a powerful and vibrant movement spread over the length and breadth of the State. As on 30.6.2006 there were 3,19,713 SHGs under Mahalir Thittam with a total savings of Rs.1,127.89 crores in Tamil Nadu. The position of this vibrant movement is depicted below:

Table -7: Status of SHGs in Tamil Nadu

Particulars	Status
Total number of SHGs	3,19,713
Total number of Group Members (lakhs)	51.68
Number of Rural Groups	2,62,270
Number of Rural Group Members	42,68,195
Number of Urban Group	57,443
Number of Urban Group Members	9,00,067
Total Savings (Rs. in crores)	1127.89
Credit Linked Groups	2,29,562
Amount of Loan disbursed (Rs. in crores)	1837.61

Source: Policy Note, Rural Development Department, 2006-07.

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Capacity Building and Skill formation:

In order to improve the entrepreneurial ability and skill of the women, Government has been imparting various types of training designed to promote self and wage employment.

Skill Up-gradation Training Programme:

Provision of skill training to women in SHG has been given recognition so as to enable them to start their own income generating activities. The duration of the training and the cost depends on the nature of the trade selected by the members. Till March 2006, 60957 women have been provided skill training. The Government have proposed to train another 23000 women in 2006-07.

Entrepreneurship Development Training Programme for Women (EDP):

EDP training is conducted by TNCDW to expose the SHG women to various business opportunities and to motivate them to start economic activities. Up to March 2006, the Corporation has trained 6,34,991 women in co-ordination with other Government departments such as Rural Development, Agriculture, Industries and Commerce, Backward Classes, TAHDCO, Slum Clearance Board, etc. In 2006-07, 22000 more SHG women will be provided EDP Training by TNCDW.

MICROFINANCE AND WOMEN EMPOWERMENT

In India one out of every four women in Tamil Nadu is a Self Help Groups member and the groups were ushering in a silent revolution. Poverty and unemployment are the major problem of and under developed countries like India. The role of women in the development of nation is very important. Poor women are engaged in different activities at various times of the years, for this survival, usually it is a combination of land based, live stock based and manufacturing based, trade based and service based activities.

The strategy for strengthening women's economic status is to address the objectives of increasing income and removal of poverty. Self Help Groups is a small voluntary association of poor people, preferably from the same socio-economic background. They come together for the purpose of solving their common problems through self help and mutual help usually the number of members in one Self Help Groups does not exceed twenty, the formation of self groups is not ultimately a micro credit project, but an

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empowerment process. So that it gradually it empowers women through interaction with group members through awareness of capacity buildings. The alleviation of the rural poverty of a Self Help Groups member leads to benefits not only to the individual women but also the family and community as a whole through collective action for development. 129 The Self Help Groups provide credit to remove poverty. They encourage women to participate in decision making in the household, community, local democratic sector and prepare women to take up leadership position with this above background an empirical study attempted to analyse the various economic statuses of women Self Help Groups members after their entry in to Self Help Groups in the study area are taking the lead and playing an important and pivotal role in social transformation, welfare activities and infrastructure building ad they have served the cause of alleviating poverty social solidarity and socio economic betterment of the poor. Microfinance and Women's Empowerment are viewed as optimistic, limited by design, cost effective in eliminating poverty, and a misplaced diversion of resources.

Microfinance programs range from small scale self-help groups to large poverty-targeted banks. There could be three contrasting approaches to microfinance and women's empowerment: the financial sustainability approach, the integrated community development approach, and the feminist empowerment approach.

Micro Finance Empowers Women Micro finance has been seen as contributing not only to poverty reduction and financial sustainability, but also to a series of „virtuous spirals“ of economic empowerment, increased wellbeing and social and political empowerment for women themselves, thereby addressing goals of gender equality and empowerment. Empowerment through micro finance is identified and measured in various dimensions: impact on decision-making, on self-confidence of women, on their status at home, on family relationships and the incidence of domestic violence, on their involvement in the community, on their political empowerment and rights. Although it is difficult to measure the exact impact of access to microcredit on different dimensions – such as impact on decision-making and on self-confidence – studies have shown that MFIs indeed have a positive effect on each of these different dimensions of women’s empowerment.

Micro finance plays a significant role in the economic empowerment of women. Through the provision of loans to women, particularly to the poor, uneducated

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and who are not able to fulfil the collateral requirements laid down by other lending institutions, microfinance enables them to be self employed. Consequently, some of the women have managed to increase their incomes, although in small amounts, and improve savings. The above findings indicate that the delivery of microfinance had positive impacts in the economic empowerment of the clients, although the income increases were small.

Women in Unorganized Sector

The employment of women in unorganized sector is rising due to several reasons. The process of globalization, export oriented industrialization and relocation of industries from the developed to developing countries lead to increase in women workers in unorganized sector. There is decline in traditional sectors of employment such as coir, handloom and other home based small industries, and branded products have substituted it. Overall economic pressures compel households to take recourse to various survival strategies. The burden of adjustment process falls disproportionately on the shoulders of women. Women have been drawn into direct economic role as wage earners in factories, construction sites, homes and even in farms.

They are employed as cheap substitute manual labour where the situation is pitted heavily against women workers and in favour of their employers. They work in a situation's which is sometimes not bearable but they are forced to do their job for the better life style. Unfortunately they are illiterate and unaware about social status and reluctant to protest against the misconduct or prevailing situation at the workplace.⁴

The majority of women works for the same reason as men do because of economic need. Their earnings provide self-support. Many women are remaining single or marrying later. Many are forced to work either on the death of their spouses, through divorce or separation. Many provide the sole support for a family. In many families women are forced to work because a second wage is required to meet basic economic needs.

PROBLEMS OF WOMEN WORKERS IN UNORGANIZED SECTOR

- There is no sustainability of employment of women workers in unorganized sector.
- They are not getting proper training in unorganized sector.
- Women belonging to lower caste and communities face more disparity in social terms.
- They don't get right to raise their voice and interrupt in financial decision in their own family.
- Exploitation is the main problem of female workers in unorganized sector.
- In unorganized sector women are exempted from maternity benefit and child care facilities.
- Women workers frequently face discrimination due to gender inequality.
- In unorganized sector women workers do not have benefit of minimum wage act or factories Act.