Chapter-2

Literature Review

2.1. Introduction

Kerala's labour market is constituted by features like, high unemployment rate especially among female, labour shortage, lower economic participation of females and higher propensity for migration. The labour market outcomes of economic systems should be studied in the context of the development experience of that economy. Naturally, Kerala's labour market outcomes are closely linked with its development experience. A lot of literature is available which studied labour market issues in connection with development experience of Kerala in general and there are specific studies which limit the focus on certain sections.

In an open economy, migration of labourers (outside the internal market) is really important. As labour market is constituted both by male and female, the household economics, gender division of labour, etc is unavoidable factors in labour studies. This chapter classifies the studies into three sections; (i) those which link labour market issues with development experience (demand and supply within an economy), (ii) those which link labour market issues with migration, and (iii) those which deals with female labour market specifically. Present study tries to put together all these three sections to develop a framework for the analysis.

This chapter is intends to critically evaluate the existing analytical and empirical studies. The first part throws light upon the existing important theories related to development, international migration and female labour market. The second section analyses the empirical studies related with labour market in connection with internal development, migration and gender.

2.2. Theories of Development

The basic issue in labour market, ie., unemployment, is studied by economists as a part of development theories. Different theories exist in literature connecting labour market issues with the nature of development.
Nurkse in 1953 propounded a theory which explained how development could be initiated in developing countries by forming capital through the use of disguised unemployed of the farm in public works. The theory argued that the shift of such labour to non-farm tasks does not contribute to fall in agriculture output with the assumption of organizational changes within agriculture so that there will be no reduction of agricultural output. But it ignores the importance of the requirement of capital to modernize agriculture to increase its output. Hence the theory went wrong with the experiences of developing countries.

In 1954, Lewis developed the theory of “economic development with unlimited suppliers of labour”. He put forward the duel sector model where the capitalist sector will grow by drawing upon the labour from non-capitalist sector at a subsistence wage. The surplus of capitalist sector is reinvested. And the theory argues that with an increase in capital investment in capitalist sector there is increase in marginal productivity. Due to surplus labour the wage rate is constant and the increased marginal productivity increased the surplus in capitalist sector and this will go on until the surplus labour is fully absorbed. This theory also went wrong from the experiences of developing economies, where the labour supply increases more than the increase in demand.

Ranis and Fei in 1961 developed another theory explaining a detailed model of the process of modernization of a labour surplus economy within a neo-classical framework. Their model showed that a process of excess labour transfer from the traditional sector to the modern sector results in the full development and commercialization of a developing economy. They followed Lewis by assuming both the presence of surplus labour and the exogenous determination of wages, but they extended the analysis to give agriculture a greater role in promoting industrialization. They introduced the possibility of innovation and technical progress in agriculture which serve to shift the production function upward in agriculture. The technical progress rises output, thereby pointing to the importance of agriculture productivity even before the transfer of surplus labour to industry.
Unlike Lewis, they connected the upgrading of technology in agriculture sector to provide capital for industries. They realized the importance of agriculture industry interlinkages.

In 1967, Jorgenson extended the boundaries of neoclassical growth theory to analyse the problems of developing countries. His dual economy model assumed the existence of surplus labour, the marginal product of labour is not necessarily zero. He assumed that neutral technological progress takes place in agriculture. His policy conclusions pointed to the importance of both accelerating the rate of technological progress in agriculture and of measures to lower the rate of population growth in reducing poverty and unemployment.

Harris and Todaro in 1970 developed a theory which explains the causes of rapid rural to urban migration in the context of high rates of urban unemployment. The theory point out that migration is not only a function of urban-rural wage differentials, but also, the expectations of the migrant over the employment opportunities and wages.

Kerala achieved social development without economic transition. Rural urban difference was not that much visible in education, health and other human development indicators as in India or other agrarian countries. Hence, the conventional theories of development are not suitable to Kerala's situation.

According to Ravenstein (1885) migration was in effect caused by economic development. Development theories discussed above deal with migration of traditional rural sector to urban sector, an under developed to developed regions. In present day Kerala's context, without considering the influence of international migration, labour market studies remained incomplete. Hence we need to have a brief review of international migration theories.
2.3. Migration Theories

A variety of theoretical models has been proposed to explain why international migration begins, and although each ultimately seeks to explain the same thing, they employ radically different concepts, assumptions, and frames of reference.

Migration is not a recent phenomenon. It is regarded as a natural response to the existence of brighter opportunities in places other than the place of birth or the place of usual residence of persons (Kumar P 2007). The causes of migration are often regarded as 'push' factors like poverty and unemployment that impel people to move out of a region, and 'pull' factors like better job and income prospects that attract people into a region (Kurian 1978). Migration may be across nations or within nations. When migration takes place across various regions of a country, it is normally known as internal migration. When migration takes place across nations it is known as international migration.

2.3.1. Neoclassical economics: Macro theory

Probably the oldest and best-known theory of international migration was developed originally to explain labour migration in the process of economic development (Lewis, 1954; Ranis and Fei, 1961; Harris and Todaro, 1970; Todaro, 1976). According to this theory and its extensions, international migration, like its internal counterpart, is caused by geographic differences in the supply and demand of labour. Countries with a large endowment of labour, relative to capital have a low equilibrium market wage, while countries with a limited endowment of labour, relative to capital are characterized by a high market wage. The difference in wages causes workers from the low-wage country to move to the high-wage country. As a result of this movement, the supply of labour decreases and wages rise in the capital-poor country, while the supply of labour increases and wages fall in the capital-rich country. This led to a change in international wage difference as the sum total of the costs of international movement, pecuniary and psyche. The theory mentioned above is quoted in the context of interpreting Kerala's labour market issues of labour shortage and high wages.
2.3.2. Neoclassical economics: Micro theory

Corresponding to the macroeconomic model there is a micro economic model of individual choice (Sjaastad, 1962; Todaro, 1969, 1976, 1989; Todaro and Maruszko, 1987). In this scheme, individual rational actors decide to migrate because a cost-benefit calculation leads them to expect a positive net return, usually monetary, from movement. International migration is conceptualized as a form of investment in human capital. People choose to move where they can be most productive, given their skills; but before they can capture the higher wages associated with greater labour productivity they must undertake certain investments, which include the material costs of traveling, the costs of maintenance while moving and searching for work, the effort involved in learning a new language and culture, the difficulty experienced in adapting to a new labor market, and the psychological costs of cutting old ties and forging new ones. This theory is also relevant in Kerala's context as a household decision of an individual to migrate while considering cost and benefit assessment.

2.3.3. The new economics of migration

In recent years, a "new economics of migration" has arisen to challenge many of the assumptions and conclusions of neoclassical theory (Stark and Bloom 1985). A key insight of this new approach is that migration decisions are not made by isolated individual actors, but by larger units of related people—typically families or households—in which people act collectively not only to maximize expected income, but also to minimize risks and to loosen constraints associated with a variety of market failures, apart from those in the labour market (Stark and Levhari, 1982; Stark, 1984; Katz and Stark, 1986; Lauby and Stark, 1988; Taylor, 1986; Stark, 1991). Unlike individuals, households are in a position to control risks to their economic well-being by diversifying the allocation of household resources, such as family labour. While some family members can be assigned economic activities in the local economy, others may be sent to work in foreign labour markets where wages and employment conditions are negatively correlated or weakly correlated with those in the local area. In the event that local economic
conditions deteriorate and their activities fail to bring in sufficient income, the household rely on migrant remittances for support. This theory is also relevant in Kerala's context for many reasons. Kerala's job market is predominant in causal category, which is having high risk factor and lacking security. Moreover, female labour power is mainly channelized for domestic duties and household production. To overcome the risk element the only way open before male is migration which offers comparatively high income.

2.3.4. Dual labor market and world systems theory

Dual labour market theory and world systems theory generally ignore such micro-level decision processes, focusing instead on forces operating at much higher levels of aggregation. The former links immigration to the structural requirements of modern industrial economies, while the latter sees immigration as a natural consequence of economic globalization and market penetration across national boundaries. This theory is to be linked with the modern system which increases the supply of educated labourers to meet international demand. Present day Kerala educational sector is channelized for the production of technically qualified labourers and efficient service oriented worker (eg. nurses, teachers, medical transcriptions) to fill the international demand.

All the above mentioned theories are one way or other relevant in Kerala. Neoclassical and new economic theories are relevant in the case of gulf migration of less educated which started during the seventies, and dual labour market and world system theories are important in explaining the nature of present day physical or non-physical migration of highly educated. Migration to gulf countries may not be an intentional one, but the present day migration is really intentional and the supply of labourers of Kerala are formed through educational reforms and revisions to satisfy the expected international demand. These theories may help us to interpret the present day high level unemployment of female, because majority got education meant for foreign labour demand and unable to migrate due to family responsibility related in reproductive role and higher levels of male migration.
As it has already been found, the study of female labour market problems are really important in a state like Kerala, which shows higher Gender Development Index. In this context it is really useful to have a brief review of the theories related to female labour market.

2.4. Theories on female labour market

Studying female labour market theories are certainly a broad subject which has different dimensions. Here the study intends only to have a peripheral look on the neoclassical theories of household production, the feminist criticisms and Marxian patriarchal concepts.

2.4.1. Neoclassical Theory: Theory of household economics:

Theories related to household economics initiated by Mincer(1962), Becker(1965), Cain(1966) and Gronau(1977) tried to explain female labour force participation in terms of household characteristics. It is an extension of neoclassical theory, which is based on the assumption of rational choice. They believed that household is a single entity, which maximizes a joint welfare function, subject to the household production function. In this model family labour time is treated like any other factor of production, which can be flexibly allocated on the basis of its comparative costs in market and non-market activities. Thus each family member specializes in those activities which give them the highest relative returns. If women specialize in unpaid domestic chores within the household, it is because returns to their market activities are lower than those of men. Thus an increase in women's market earnings will lead to their increased participation in market work.

Mincer (1962) attempted to answer the question related to the characteristics of married women. He argued that the participation decision of a married woman in labour force not only depends upon the income and substitution effect of market work and leisure, but also on the income and substitution effect of market work verses unpaid house work. Becker (1965);
Bowen and Finegan (1969) and Berk and Sarah Fenstermaker Berk (1983) later elaborated this basic theory of choice. All these theories rest upon the assumption that the household is a consuming as well as decision-making unit. In this household model, known as 'new household economics' there are three categories of consumerism: market goods, (goods and services purchased for a price), home goods (goods and services produced and consumed at home) and leisure (time not spent in market or home work). In a collective decision-making process aimed at maximizing the well being of the household, they face two constraints, time and financial resources. Participation of women in the labour force thus becomes an outcome of decision-making of family regarding income and leisure.

By the late seventies researchers in the field of development began questioning the adequacy of focusing on women isolation, a practice which seems to be dominant in research. Many influential writings appeared in the seventies on the distinction between biological sex and social gender (Edholm., F.O. Harris and K., Young., 1977). The propagators of this school wanted to develop a theory of gender, which was integrated into and informed by the general analysis of the world economy.

The new theoretical approach illustrates an innovative and systematic way of thinking about gender using economic tools of analysis. The insights gained from the way gender works at the micro economic level are in turn linked to macro economic policy concerns. The theoretical underpinning for this framework is provided by the 'sex role theory which treats households as systems in resource allocation.

The inter relationship among economies, gender, and household variables has only recently begun to receive the attention of researchers, though the topic of intra-household economic relationship had received the attention of sociologists much earlier. Neoclassical economists following the Becker's model of new home economics failed to consider what husband-versus-wife may control or do within
the household. Accordingly they treat the household as a unitary entity for which a single production function is sufficient. Thus according to the neo-classical paradigm, it does not matter who works and who brings in the income. But as early as 1960, the US sociologists had argued that what goes on within the family does matter. Feminist economists, like Elson (1993) and others, are less optimistic than neoclassical economists about the ability of the markets to provide gender equity.

2.4.2. Theory of patriarchy

The feminist framework is strongly rooted in the theory of patriarchy. The central idea behind this approach is that the position of women in the labour market is governed by patriarchy, or rather, male dominance. The main point of departure from traditional Marxism for this group was its refusal to accept that class was prior to gender and its instance that men as well as capital benefited from woman's relegation to unpaid substance work. To justify this position, Mies (1986) grafted the concept of patriarchy on to the mode of production framework arguing that the contemporary position of women should be seen as the product of a far older system of male dominance over women, nature and later, the colonies.

Marxists regarded patriarchy as an instrument of woman's oppression in the capitalist society. In the patriarchal society the institution of private property, family lineage and inheritance are all passed on from father to son. Thus power, dominance, force and strength in the community are vested in men. When one particular sex possesses excessive social, political and economic power it naturally follows that the other sex is deprived of it. With unequal opportunities inequality is perpetuated. A study in 1980 revealed that women form a third of the world labour force did most of the unpaid work but received only a tenth of world's income and owned less than one per cent of the total property (United Nations 1980).
2.4.3. Sex role stereotypes

Sex-role stereotypes are societal expectations about what women and men should like and what they should do in the society. Men are expected to perform predominantly the role of breadwinners and women are supposed to primarily perform the role of wife and mother (Mischel I.W 1970). Sex-role stereotypes lead to division of work on the basis of sex. Accordingly some tasks are considered to be appropriately performed by men while some others by women.

Division of labour in any society by sex is not one to one complementary arrangement. It is hierarchical. It is so rigid that it confines women to certain tasks regardless of context or changes in condition. This division further influences the rewards available to women (Krishna Raj 1986). The two sexes thereby are stereotyped in terms of tasks, privileges, traits and role patterns that are traditionally assigned to them. Sex stereo-types refer to different traits, activities, values and behavioral characteristics attributed to and used to describe and differentiate sex groups in a socio-psychological setup.

If the domestic duties are assigned to females and the economic duties to male, is due to sex stereo-typing, then through economic participation it should increase the status of women. The finding of Sanday (1973) reveals that participation of women in production may not always increases their status. It is pointed out that women may not improve their inferior position by economic participation. The boundaries and style of their participation are profoundly influenced by their classic role as mothers and preservers of the race. Most women go into fields in addition to the tasks they perform at home. This shows that in certain cases sex-role stereotype will be relaxed for women. This is supposed to increase the status of women but does not happen. It needs further explanation.

Moreover, these theories are not able to answer the finding of Presser and Baldwin (1980) that presence of young children adversely affected married women's labour force participation. They explained that strong cultural values
restrain women from labour force activities when they have small children. Re-entry to work is difficult; and often women end up in low paid jobs. The reason for the influence of child and the responsibilities cannot be put upon patriarchy or sex stereo-typing explanations. It is impossible for the father to conceive and give birth to a child. Moreover, the mental and physical presence of the mother is a must for a child for its better development. This role cannot be substituted by father. This part is not identified in the existing theories. Domestic duties are not only care work but also it is the time for biological role. Close scrutiny of the nature of care work will give us an idea that almost all the care works are closely linked with the biological role of women. That is the reason, in developed economies also, majority of the care work (Non-SNA) are undertaken by females, and SNA work by male (See Table 5.1 and 5.2 in chapter-5). Then the question may arise, how female participation is high in an agrarian economy. It is really answerable on the basis of the nature and place of work. In an agrarian society, there is no need for females to go away from the child. Mobility is the first and foremost restriction which will come with the reproductive role. In an agrarian economy, with the presence of more children and the existence of a feudal setup, females will be freer from child care. They can perform the domestic duties along with agricultural duties. That is the reason for the increased women's participation in self employment in agriculture.

Every culture manipulates biological differences of sex into a system of gender classifications and thereby creates and sustains a particular view of place for men and women (Oakley 1972). Though the sexual division of labour is universal it varies enormously across culture, thereby making it difficult to attribute anyone set of differences (other than child bearing and lactation) to biology. The biological distinction between the sexes exists everywhere and provides the basis for an asymmetrical system of classification. In some societies it is more elaborate than in others (Fried 1967). The definition of femininity and masculinity differs from culture to culture. In Haiti there is a home based world of men and a market based world of women. A woman is judged socially (and hence

1. SNA means System of National Accounts, explained in chapter-5.
comes to judge herself) by the criterion of success in trade. Thus, in effect, rural Haitian definition of femininity includes as a central component of notion of economic skill and productivity (Murray and Alvarez 1975).

The main idea which emerges from the theoretical review is that, the economic role of men and women should be analysed separately by considering the biological role. A cross-cultural study observes that data prelude the notion of biological determined incapability for any sort of work. At the same time it acknowledges that this diversity of economic roles does not eliminate a universal constant of being female (Hammond and Alta 1973).

In the male dominated and male created modern world, females face a lot of restrictions in the search for a job with the child. Child bearing reduces women's capacity to move freely and opt for better paid work. From this it is evident that the labour market theories definitely address the sexual difference and related gender roles in analysis. Moreover, it is found that the male labour market decisions are considered to be a household decision rather than an individual decision. But while addressing the labour market participation decision, men will have a trade off between market time and leisure, but at the same time, women, have a trade off between market time, domestic time and leisure time. Without identifying this basic difference in between male and female, the labour market studies will not be able to provide correct solutions to the existing problems.

2.5. Empirical studies

Empirical studies on labour market can classified on the basis of their focus. Here the studies are classified as those which link labour market issues with development experience (macro perspective), those which link labour market issues with migration, and lastly those which deal with female labour market specifically.
2.5.1. Labour market and development experience of Kerala.

Kerala's development experience is entirely different from India and the other agrarian economies. The reason lies in the peculiarity of its culture, sociopolitical and economic conditions, history, geography, and so on. Though Kerala experienced the problem of unemployment from the beginning of the 20th century ((Franke and Chasin 1992), it was only during the sixties that it was considered to be a social issue. It became a matter of academic discussion only after UN/CDS study (1975). It has been discussed in the background of the peculiar development experience of Kerala. A number of studies have addressed the general labour market issues as a problem of low economic growth along with high social development.

Kannan (1990), with a political framework analyse the slowdown of economic growth during the seventies onwards and to find out the reason for slow economic growth. In this study the social development and progress related with political awareness in human development is clearly mentioned. At the same time it throws light on the other aspect, how political awareness became a cause of economic tragedy. Through highlighting the importance of technology in the small manufacturing units in connection with productivity and surplus, the study really weaves a network which clearly shows the inter linkages in the product market and factor market. It touches almost all the segments of economy, but it failed to address the heterogeneity of labour market, which is considered to be a very important element in labour market studies.

The study by Oommen (1992) analyses the unemployment problem of Kerala, and comes out with the following findings: the educated unemployment cannot be solved by the improvement in demand but it is the problem related to the education system which produced job seekers rather than job creators; the non-educated unemployment can be solved through the creation of job opportunities; unionization is responsible for most of the labour problems of
Kerala; the preference for soft jobs has made manual work less attractive and less respectable. Though the study highlighted the importance of structural change in education in order to solve the problem of unemployment, it neglected the importance of demand in terms of the aspirations of the educated.

Francis (1993), studied about the labour shortage problem of Kerala by using primary data collected from Kuttanad and found that the ownership of assets, education level and the dependency ratio were in favour of a reduction in hiring of labour. It was observed that the labour shortage in paddy was due to the reduced involvement of the educated youngsters between the age of 15 and 30. They preferred to be unemployed than working in paddy fields since education changed their expectations about the type of work they would undertake. The study highlighted the point that the behaviour of the workers in the labour market is equally determined by cultural and social factors as it is by wage rate. This study lacks the historical understanding of the living condition of peasantry in Kuttanad. The labour relations and the nature of job (seasonal) played a very important role in shaping the present labour market situation. The labour decisions are not only depending upon the present wage, but the conditions in the past and future play a very important role. Moreover, labour decisions are not only an individual decision; primarily it is a household one which in turn depends upon the social decision.

Eapen (1994), by using NSSO data, explains the reasons of the change in the labour demand structure from agriculture to service sector on the basis of the development experience of Kerala. The study gives more emphasis to the migration impact on demand for commodities and connects it with the labour demand. It points out that the change in consumption pattern and the break in agriculture manufacturing linkage are responsible for lack of investment in industries, and that result in a slow down in labour demand and leads to high unemployment. Though the study addresses some elements in the labour market, it is not a comprehensive one. Moreover, it is not able to provide a reasonable
explanation to the existing labour market issues in Kerala, like labour shortage and high level unemployment and low level economic participation of female. Eapen (1995) studied the rural non-agricultural employment in Kerala and its inter district variation. Prakash (1998) also examines the relevance of the tertiary sector employment generation hypothesis in the context of Kerala's development experience by using census data. These studies are also inadequate in addressing the labour market issues in gender perspective.

Mathew (1995) studied about the causes of educated unemployment by using NSSO data for macro level analysis and primary data collected from the sample of salaried employees from Trivandrum district for micro analysis. He identified proliferation of general higher education, changing expectations of job, and a faulty educational system as responsible for high unemployment. The statement, “Kerala people are looking for jobs and not for employment” indicates that it was not the demand but the supply constraints that were responsible for the unemployment in Kerala. The subsidized education is blamed in this study as the main reason for large scale unemployment in Kerala. Knowingly or not this view ignores social justice and on behalf of it aims at the emergence of an elite class in the area of higher education. Moreover, it is a fact that education has increased the chance of getting employed in high salaried jobs in and out of Kerala and that has helped our state to achieve first place in average per capita consumption expenditure in India. In spite of the spirit which corresponds to the vision of these studies, Kerala became a storehouse of educated youth which could be used to satisfy the job demand from abroad. The study also neglects the demand aspects of the economy along with the specific issues of female labour market.

Nair (1997) studied the issue of rural labour market by using primary survey data collected from the households of Pathanamthitta district of Kerala. This study pointed out the mismatch between the demand and supply of labourers in Kerala. It is argued that the labour shortage was the main reason why the paddy fields remained baron in the sample village. This study also did not address the history of labour demand. It ignored the fact that the present supply of labour depends upon the past demand.
Kannan (1998), examines the three dilemmas related to Kerala economy; (i) technological choice in the face of high and rising labour costs in labour-intensive activities for maximizing long-term growth and employment, (ii) mismatch between labour-supply and labour demand as a result of changing job expectations of the younger generation in a technologically stagnant economy, and (iii) lack of new investment despite growing loanable funds and declining resistance to technological change. The failure of labour unions to agree to productivity improvements through technological changes and increasingly resorting to ‘closed shop’ strategies has been particularly emphasized. This study also suffers certain drawbacks in considering the entire labour market as a homogenous one. It gives more importance to the demand side of labour market, but there is a lot of supply constraints not mentioned except 'the reluctance or attitude'. The male migration, an important factor in Kerala's labour market, and its impact on female labour force are not duly addressed in this study. In case of females, though demand matters, supply matters more than demand in the case of females.

Sasikumar and Raju(2000) tried to connect the relationship between social development and unemployment of Kerala by using NSSO data. The study pointed out an interesting fact of mismatch between demand and supply in the labour market. It identified that labour shortage was an important issue in Kerala's labour market since there existed high level unemployment among educated and less educated since the 1980's. Above all it has been argued that the excess demand in certain sectors were not due to low level wages since the wage rate shows an increasing trend in Kerala. The study states that change in the wage rate may not bring equilibrium in Kerala's labour market because job preference seems to be an important determinant in labour supply decision-making. This study does not incorporate all the elements in demand and supply aspects and neglects the female labour market issues.
George (2003) conducted a study related to the changing scenario of rural labour market in Kerala. The study collected data from agricultural labourers from Idukki district. It found that lack of economic compulsion among SC/ST due to government welfare measures like land distribution and self employment ventures were responsible for the unemployment issues of Kerala. It is argued that the reduction in the dependency ratio and the high level of wage rates reduce the need for wage employment. This study does not provide adequate details to establish the argument that the economic status of agricultural labourers is high. It ignores the socioeconomic and historical elements of the labour market. Moreover, it neglects the importance of female labour issues.

Zacharia and Rajan (2005), studied about the unemployment problem in Kerala by using Migration Monitoring survey data. The paper concluded with the observation that unemployment in Kerala was much more a social problem than an economic one. It highlighted the importance of supply than demand which causes unemployment. They argued for educational reform rather than economic development for solving unemployment situation. They are of the view that reluctance of the educated youth to do hard manual jobs seems to be the main reason for unemployability. This study also deserves the criticism for its lack of comprehensiveness. Here the peculiarity of female labour market and the household work burden are totally ignored. Statements like “the nonresident Keralites are flush with money”, and the labour force on the whole is academically "well educated" do not seem to be the outcome of an in depth analysis.

There are studies which have analysed the Kerala economy and its labour market in relation with international migration and remittance. In Kerala, international migration started only after 1940 (Zacharia et al, 1999). The impact of this type of migration is of greater importance in Kerala's present economy. The extensive migration from Kerala to the Middle East has attracted the attention of economists and demographers during the past three decades. There are a lot of studies which have addressed the impact of migration on economy and thereby the
labour market (Prakash 1998; Eapen 1994; Zachariah and Rajan 1999; 2004;2007). The primary concern of all these studies has been the assessment of the magnitude of migration and the remittances and their impact on the home economy. A few analysed the socioeconomic impact upon the families (Nair 1989; Gulathi 1993) and no study analysed the impact upon the female labour market within a household decision-making frame.

Nair (1989) pointed out the negative and positive impact of migration on the families left behind. The important positive thing is the exposure, which the migrant received due to migration which increases the educational investment for girls and boys. However, this study failed to assess the economic impact of migration upon female labour market and the household production decision.

Gulati (1993) studied about the impact of migration on female family members and found that the increased responsibilities in the absence of their men enabled females to enter the social field. It increased her mobility and confidence level. But this study also did not consider the impact of female labour market outcome due to male migration.

Prakash (1998) analysed the impact of migration on the labour market of Kerala. It examines how the structure of labour market changed, in the light of remittance and its socioeconomic impact on demand and supply of labour. But this study neglects the female labour force. Zacharia, Mathew and Rajan, (1999), studied about the impact of migration on the economy in a detailed manner. They used migration monitoring survey data. Though they identified the consequence of migration they failed to link the impact of migration on female labour market, in a household production framework

2.5.2. Studies related to Female Labour Market

Most of the studies used female economic power and control over resources as a proxy for their status (U.N. 1975). It has been argued that labour force participation enhanced woman's domestic autonomy by giving them
independent source of income. Economic independence in turn leads to greater sense of personal autonomy and improves their capacity to exercise control in shaping their own destiny (Cain, Syeda and Shamsun 1979). Societies where women play an economically active role and have control over what they produce enjoy higher status and better access to social services like, health care than in societies where women's economic role is not visible or where women do not have any control over fruits of their labour (Whyte 1978). This clearly identifies the importance of female economic participation. Moreover, in a family decision-making context, the economic invisibility of females will influence the male participation decision. Hence, it can be argued that the labour market of an economy can be seen in gender perspective.

Several studies have been conducted in developed countries to identify the factors that determine female labour force participation (Morgan et al 1976; Michigan. 1982; Jaumotte 2003). These studies recognized the strong influence of household characteristics on the labour force participation of women.

Morgan et al, (1976), analysed the determinants of employed wives and found that three variables; husbands’ income, wife’s education and wife's age were overwhelmingly important. It is found that husbands’ income negatively influences the work participation and the other two positively influence. The study is notable in clearing the doubts about the influence of the variables in different socioeconomic context but it fails to incorporate the non-economic work burden of female in determining economic participation.

Manson and Palan (1981) shows that the household economic structure was a major determinant of female labour force participation. Women from high economic status were found to be less likely to participate in the work force than women from poor households. This study is also not able to connect domestic work burden of female in determining economic participation. Lustig and Rendon (1979) found that high economic status of the household may promote wife’s employment partly as a result of egalitarian attitude and their higher educational
attainment. Michigan (1982) reported that large scale entry of women into labour force in industrialized countries has been the result of both economic monetization of household economy, rise in female wage and rapid development of the service sector- and non-economic-educational demographic and social factors.

Nam (1991) using 1970 and 1980 Korean population census found that women's education and economic status determine their labour force participation. Women with middle school education or above will be more economically active than those with no education. Women from lower economic backgrounds are almost two to three times more likely to be employed than those in high status families.

Tansel(2001) provides econometric estimates of determinants of female labour force participation across 67 provinces in Turkey for the years 1980,1985 and 1990. The study specifically investigates the hypothesis of U shaped relationship that exists between female labour force participation and the level of economic development. The results seem to affirm the U shaped relationship. The rate of economic growth and the level of female education were both found to have a strong positive effect on female labour force participation. But unemployment had a considerably discouraging effect on woman's labour force participation. Pscharopoulos and Tzannatos (1991); and Sultz (1990) found that education is a key variable that affects labour force participation of women. The impact of income on the labour force participation of educated females seems to be positive.

Smith and Ward (1985) in US and and Kottis (1990) in Greece found that education is having negative relationship with labour force participation. Smock (1981) in a comparative study of five developing countries reported a curvilinear relationship between educational attainments and female labour force participation. Women with high school education had lower participation rates than women with lower or higher levels of education. However, the study concluded that education facilitates entry of women into the modern sector
activities outside agriculture or petty trade. Standing (1978) reported that in developing countries education improves the competitive power of women in the labour market, provides them with more complete information regarding work opportunities, and expands their horizons in the search for better economic condition. In different socioeconomic conditions the determinants of economic participation of female are also different and therefore, the importance of a separate study about the female labour market issues of Kerala is relevant. Let us examine the Indian studies that have analysed female labour market before examining Kerala studies.

2.5.2.1. Studies on female labour market: Indian context

A few studies are available which have analysed the determinants of female labour market on all-India basis. Kingdon's study (1995) found that women and men have markedly different rates of participation in paid employment and a large gap in particular rate remains even after controlling education and other characteristics. This appears to be not due to the burden of child care. A likely cause is the people's deep rooted beliefs about woman's gender role in society. Another explanation is that women face substantial labour market discrimination which dampens their inclination for market work. The result of her study shows that only education at the secondary level or above raises woman's chances of being in paid work because the income earning capacity will be higher for higher educated. It ignores the fact that the reproductive stage of a female is at an age when she could search for market work and prove her productive efficiency. Females in their more productive age are forced to leave from the job market due to reproductive responsibilities and this in turn reduces their future earning capacity.

Unni (1998), using NSSO data of 1987-88 analyse the influence of education on the difference in labour market outcome of male and female urban India. The study suggest that women's education has a ‘U’ shaped relationship with wage work participation and that only schooling beyond the junior/middle level enhances their wage work participation. Education has strong and
substantially significant relationship with wage for both the sexes, with wages increasing with schooling at an increasing rate. Women's returns to education are significantly higher than men's with each extra year of schooling raising women's wages (or productivity) by about 10 percent and men by 8 percent. The study suggests that women do suffer high levels of wage discrimination in Indian urban labour market and but that education contributes little to this discrimination. The study has not taken into consideration the problem of voluntary unemployment of females. The finding that the earning capacity of females increases when the schooling is higher may be misleading due to high level under-employment of men and the voluntary unemployment of urban educated females. Moreover it has not taken into consideration the difference between the opportunity cost of female and male. Male will be ready to accept a lower income job up to a period when they get another high income job which suits their qualification. But due to the high opportunity cost of females because of the domestic work burden, they may not be ready to accept a job which is less remunerative. This is very important while analysing the male female labour market.

Achah, Clement &Ama(2009) studied about the determinants of female labour force participation in Ghana. The study found that both educational status and fertility status determines the labour force participation of females in Ghana. The study carried out in the frame work of neo-classical household production and found that the presence of children at home significantly reduces the labour force participation of female and the level of schooling significantly influences positively for the same. This study highlighted the importance of government initiatives to increase the education of female along with the provision of child care substitutes as a measure for increasing the economic participation of female in Ghana.

2.5.2.2. Studies on female labour market: Kerala context

Sebastian (2005) studied about the female educated unemployment problem by using CDS study on employment-unemployment in 2003 using data from three districts, Kannur, Ernakulam, and Trivandrum. She used two logistic
regression models to analyse the factors that influence female labour supply one for the entire females and after including the household characteristics, another model for married females. For the first model the study had taken female labour supply as a dependent variable and educational status, age, marital status, religion and place of residence, as independent variables. In the second model, the study added certain household variables to the existing model. They are economic status, husband’s employment and husband’s education.

The study found that education, age, marital status, place of residence and economic status are significantly related with the female employment. The educational status is the most important factor that influences the economic participation of females. When the educational qualification increases, the work participation rate also increases. The 40-59 age group is having 13 times more probability to work than women in the age group of 15-24. This interpretation is misleading because it ignores the fact that when age increases those who are unemployed will have the tendency to become discouraged workers and they become housewives rather than employed. Hence, in labour force, the proportion of employed among elder category will be more, compared to the young. Another significant factor is the marital status. The study shows that single women have two times more probability than married women to have employment. The probability to become an employed is two times more in Ernakulam district than the other districts. This shows that the availability of job and the economic status of the household are very important determinants in employability. Though the study throws light upon some important issues, it does not consider the impact of migration on the female labour force participation decision. Moreover, the study has not addressed the supply and demand mismatch and does not connect the female labour market with male labour market as a part of family decision making.

Mazumdar’s(2006) study tries to identify the various determinants of work force participation of females in Kerala. The study conducted a multivariate analysis by using census data and used a model where female work
force participation rate was a dependent variable and male work force participation rates, area under paddy cultivation, female literacy rate, time, were independent variables. Though it mentioned the impact of migration on female labour market, it failed to identify the issue of domestic burden and related restrictions which reduced the work participation of females due to male migration. Moreover, it was not able to connect the male labour market with female within a family decision making context. It does not address the demand supply mismatch in the peculiar development experience of Kerala.

Devi (2008) examines the factors influencing female labour market by using the primary survey data collected from Thrissur district. The study used marital status, family size, number of children below five years of age, and presence of relatives and dependents in the households as well as the socioeconomic status of husbands as the explanatory variables affecting economic participation of female. The extent of the influence of these variables is examined using multiple regressions. The dependent variable is participation in the labour force. The study had taken labour supply as dependent variable and twelve other independent variables. The independent variables are location of residence, educational level, marital status, and presence of relatives in the household, father’s educational level, number of years of schooling, father’s employment status, husband’s employment status, and the number of children under the age five. From these twelve variables, only five are found to be significant, they are location of residence, marital status, and presence of relatives, mother’s employment status, and family income.

It is found that location (urban) is having negative correlation with labour force participation. The same way marital status and family income (excluding husbands) have negative correlation, but the presence of relatives is having positive relation. The education of mother is given as another factor having positive relationship with work participation. Though the study examined the supply side of female labour market issues in a detailed manner; it neglected the demand side. Moreover, though it addresses the issue of domestic burden of
females, it does not connect it with the female job search boundary and unemployment. The study found high level job preference for unemployed ladies but it had not given the reason for the job preference and related domestic work burden.

2.6 Conclusion

From the review of literature, it is found that there is enough scope for a study in the female labour market participation. The existing studies are not able to provide a clear cut connection between labour force participation of female and male. Both are connected in a household decision-making context. Moreover, the impact of male migration on the female labour force participation related domestic work burden is not at all mentioned in the existing studies. The domestic duties and related gender division of labour are not duly identified and established. From all the available literature, it is not able to trace out a study which has analysed all the interconnected variables in a comprehensive manner to answer reasonably the highlighted issues of Kerala's labour market. Hence, it is not able to get correct policy suggestions for the present day situation. All these reasons necessitated the importance of a comprehensive study, which enables us to find out reasonable explanations and solutions.