Chapter-3

Analytical framework

3.1. Introduction

Kerala's development experience and its impact upon labour market is a widely discussed topic. It is argued that the neglect of production sectors due to the over importance given to social sectors hampered the industrial growth and in turn created long run deficiency in labour demand (Kannan 1990, 1998). The inter relationship between social development, real production and labour market are serious discussion topics in development literature (Drez and Sen 1995; Franke and Chasin 1991; Kannan 1990, 1998; Nair P.R.G 1997; Prakash 1994; Sreekumar 1990; Ramachandran 1997; Ram Mohan 1991, 1997; Subrahmanian 1990) and all agree that the development experience of Kerala influenced the labour market in a massive scale. Most of the studies addressed the issue of behavioral change among labourers. Some pointed on to change in the attitude leading to supply problems (Oommen 1992; Mathew 1995; Farcis 1993; Sukumaran 1997; Sasikumar and Raju 2000; George 2003) while others highlighted the impact of trade union action and resultant resistance towards modernization of production technology, for the long run demand constraint in the industrial sector. (Kannan 1998; Tharamangalam 1998; George 1998).

It is a fact that Kerala, a state without economic growth achieved social development which can be compared with developed economies (Drez and Sen 1995; Franke and Chasin 1991; Kannan 1990, 1998; Nair P.R.G 1997; Ramachandran 1997; Ram Mohan 1991, 1997). This point was also criticized, saying that the way we look development is a matter of discussion because, Kerala stands first in suicides and mental problems, the number of persons going to hospital and these things are not a sign of development (Sasikumar and Raju 2000; Ram mohan 2000). Whatever be the indicators of development it has a fact that it created some long run impact upon the labour market of Kerala. The impact of Kerala's development experience on labour market is two sided. One, how it
influenced the demand side and the other, how it influenced the supply side of labour market.

3.2. Development experience and demand for labour

As it is a known fact that demand for labour is a derived demand created from the demand for the commodities which is produced by the labour. The economic growth of Kerala shows that sixties onwards especially during seventies the state domestic product showed a structural change from primary sector to tertiary sector (Kannan 1990; Kannan and Pushpangathan 1988). The growth in agriculture sector remained stagnant during the seventies (Kannan and Pushpangathan 1988) due to the reduction in profitability (Kannan 1990). The stagnation in agricultural sector reduced the demand for labour in the sector. On the other side, the secondary sector also did not gain momentum. High wage cost due to unionization, and lack of improvement in productivity depressed the profitability of secondary sector. It is argued that the productivity was not enhanced, due to lack of modernization in the sector. The involvement of trade union in standing against the modernization in order to protect their jobs in the short run, led to long term decline in job opportunities (Kannan 1998). The demand for labourers in secondary sector therefore declined. The only sector sustained is the tertiary sector (Prakash 1988; Mathew1996) which relaxed our economic growth. The main reason for increased growth in the tertiary sector was due to increased demand for construction and consumption goods as a result of the increased remittance from gulf countries, which started during seventies (Kannan1990; Eapen 1994; Zachariah et al 1999). But, it did not create the general demand for labour in our state as expected. The trade, transport and communication for the flow of commodities from outside the state increased, as the stagnant industrial sector within the state could not meet the increased demand. Hence the main sectors demand labour were construction,(Eapen 1994) trade, commerce, transport and communication (Kannan 1990; Prakash 1988). This shows that seventies onwards the demand for labour in agriculture and industry declined and the only sector that gained momentum is the service sector.
Due to this change, tertiary sector become a residual sector absorbing labour in the absence of an adequate growth in non-agricultural employment opportunities (Eapen 1995). The increased flow of money first manifested itself in construction boom but it did not lead to industrial growth because of the weak linkages existing in the industrial structure. It also increased the demand for health and educational services and that is manifested in the tremendous growth in the number of private health care as well as educational institutions. The increase in the production and circulation of goods and services in the tertiary sector was also striking as manifested in the growth in cinema theaters, hotels, bars and restaurants, printing and publishing, etc. It also led to increased demand for consumer durables. All these contributed to an increase in the overall service sector activity including trade, commerce, banking, transport and other services (Kannan 1990; Prakash 1998). The change in the structure of demand for labour should be looked from gender perspective. An economy where the agriculture sector is stagnating and the manufacturing sector characterized by slow growth the initial losers had been females (Kumar 1993). Stagnation in the industrial sector depressed demand for labourers, the badly affected group being women (Kannan 1998). During the period 1961-91, the women industrial workforce declined from 5.2 to 2.6 percent compared to decline of male workforce from 6.9 to 5.5 (Kumar 94 p.3252). In Kerala, women labour activity is primarily confined to cultivation of food crops, in particular paddy. Their domination in tasks such as transplanting, weeding and post-harvest activities like threshing have made these occupations gender specific. Thus, in Kerala where paddy cultivation requires around 90 per cent of hired labour, roughly 75 per cent is provided by women. It is pointed out that reduction in area under rice, exhibits statistically significant negative correlation with female work participation in Kerala (Mazumdar and Guruswamy 2006). Moreover the demand which is created within the economy and outside economy possess different characteristics. Migration increased the demand for certain categories of workers, especially construction workers. The major share of workers that migrated to the Gulf is construction related workers including skilled workers like carpenter, mason, etc. A good part of the remittances received from gulf was spent by the households for constructing new houses, buildings and
boundary walls, repairing houses, improving land, etc, resulting in steep increase in the demand for construction workers (Prakash 1998). The increased demand for construction labourers created a labour shortage in this sector (Prakash 1998) and there was a shift which happened from the agricultural labourers to casual construction labourers (Mathew 1996). The reduction in the male labourers in agriculture sector created labour shortage in cultivation (Farcis 1993, Sukumaran Nair 1997, Sasikumar and Raju 2000, George 2003) and in turn reduced the profitability of agriculture. This reduced the demand for female labourers who were primarily confined to cultivation. This is evident from the study that during 1972-73 to 1987-88 the proportion of usual principal status workers among the male population has been on the increase, where as among the female, it declined slightly. There was a steady decline of usual subsidiary status workers among, both male and female (Mathew 1996). In the three decades (1961-91) the female workforce has been more adversely affected than the male workforce. In case of overall employment, the total and female employment has fallen (by 2.7 and 14.2 per cent, respectively) while overall male workforce during this period has actually registered a marginal increase of 1.3 percent (Kumar 1994 p.3251). This shows that there happened a shift in the structure and nature of job favorable to men and that adversely affect the demand for women unskilled labourers, who already suffering due to agricultural stagnation. While there has been a marginal increase of women 'cultivators' in 1981 and 1991, there is reason to attribute this to hired women labourers having gone back to their status as 'non active' joint owner-cultivator from where they were originally drawn.

Thus we can conclude from the above analysis, two things happened in the demand side of labour market, one there was a decline in job opportunities in the agricultural and industrial sectors. Second the structural change in the labour demand was in favour of men. Both the structural change in demand for labourers and the overall decline in job opportunities adversely affected demand for women in the labour markets.
3.3. Impact upon Supply

During seventies, the reorganization of the reproductive cycle closely associated with increased motivation, resulted in the high level labour force participation of women (Bhat and Rajan 1990; Eapen 1992). Lowering of fertility has gone hand-in-hand with increasing age of marriage, improving literacy, rise in use of contraceptives, appropriate spacing between births and greater expectancy of life has, in turn, meant an overall impact on the female life cycle. Reduction in birth rates reduced the dependency ratio. In case of men, the ratio has declined from 0.97 to 0.74 whereas for women the dependency ratio declined from 1.05 to 0.72 (Rachal 1994). Not woman's biological life was altered; the attendant social patterns had also been duly shaped. With the number of children lower and reproductive intervals shorter, the length of the working period is increased. By 1981, most of the major events of the life cycle had been crammed into the ages 20-26, allowing greater flexibility for entry of the labour force. It was also seen that there has been an increasing willingness on the part of women to enter the workforce as a result of the benefits that have accrued to them through social development. However, the entry of this segment into active work force participation was thwarted by the existing economic structure which has reduced the demand for female labour.

The change in the structure of demand and the increased educated labour supply created an imbalance in the labour market while the demand for labourers in the traditional sectors declined (Sasikumar and Raju 2000; Kannan 1998; Mathew 1995), the demand for male labourers for manual jobs (construction) increased both within and outside the state (Prakash 1998). In the service sector jobs, equally qualified men and women started competing against each other. The jobs in the government sector were the only ones somewhat matching the aspirations and wage expectations of educated labourers. The supply of educated labourers are very high compared to the jobs created, leading to tight competition. The “white collar preference” (Mathew 1995; Farcis 1993, Sasikumar and Raju 2000) become a serious matter of discussion in academics. Due to lack of jobs
within the state and high economic expectation, average educated male members migrated\(^1\) to gulf counties as emigrants and highly educated migrated to other states as out migrants. Mostly it was the male members that migrated from Kerala which comprised only 9.3 percent of female (Zacharia, Mathew and Rajan, 1999). The male dominated migration and out migration had impact on female labour market.

Migration reduced the work participation of women through income effect wherein higher amount of household income discourages the participation in economic activity by the female members of the household (Mazumdar and Guruswamy, 2006). Present study tries to incorporate the domestic work burden and its impact upon the work participation to the analytical framework of labour market issues of Kerala. The household production model is to explain its impact on female labour market.

### 3.4. Married women in a household production model

Household production models, an extension of neo-classical theory, initiated by economists such as Mincer (1962), Becker (1965), Cain (1966) and Gronau (1977) tries to explain female labour force participation in terms of household characteristics which is based on the assumption of rational choice, so that all human behavior is explained in the context of maximizing individual utilities in the face of economic scarcity. They believed that household is a single entity, which maximizes a joint welfare function, subject to the household production function. In this model, 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

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1. Migrants are, on the average, better educated than the general population. One measure of the level of education is the average years of schooling. According to this index, emigrants on an average, have 8.9 years of schooling compared with 7.7 years of schooling among non-migrants (general population). About 58.5 per cent of out-migrants have completed at least the secondary level of education as against 34.7 among the general population (Rajan 2010 pp.3).
activities are lower than those of men (Evans 1991). The simple household time spending model shows how male members of the family turned out to be bread winners while female members remained as domestic workers.

The traditional analysis of labour supply views the individual as a decision maker who divides his time between two mutually exclusive uses: market work time and time not paid for, latter often being referred to as leisure (Killings, 1983). Present study takes total time, which constrained for labour supply decision, as a day’s time, 24 hours. The labour supply equations of male and female before marriage are taken as equation (1) and (2). It is assumed that the domestic work before marriage is negligible, or zero, because these persons stay in their parental house before marriage and therefore domestic duties are mostly undertaken by their parents. It is also assumed that wages are given.

Labour supply equation of male, (LSm), (before marriage)

\[ MTm = TTm - LTm = 24 - LTm \]  

where, \( MTm \) is the Market time allocated by men, \( LTm \) is the Leisure time allocated by men, \( TTm \) is the Total time available to men.

Labour supply equation of Females (Lsf), (before marriage)

\[ MTf = TTf - LTf = 24 - LTf \]  

Where, \( MTf \) is the Market time allocated by women, \( LTf \) is the leisure time allocated by women, \( TTf \) is the total time available to women.

Recent studies have sought to improve on traditional analysis by explicitly recognizing the decisions about who enters the labour force and the allied question of how many hours to work are made in the context of the family or household as part of its decision about the optimum allocation of its members time between alternative uses (Ashenfelter and Heckman 1974; Gronau 1973) and that non market activity composed not only of leisure in the everyday sense but also of household work, which is one input in the production of a variety of home produced goods and services, such as home cooking, child care and tidy house (Mincer 1962). So after marriage, domestic duties time (DTm for men and
DTf for women) is also included. Here we assume the nuclear family concept, where the household duties are not shared with others except partner. After marriage, labour supply equations turn out to be

\[ LS_m, \]
\[ MT_m(m) = 24 - (LT_m + DT_m) \] \hspace{1cm} (3)

\[ LS_f, \]
\[ MT_f(m) = 24 - (LT_f + DT_f) \] \hspace{1cm} (4)

MTf(m) and Mtm(m) are the market time allocated to married female and male.

Taking the household as their unit of analysis, Bowen and Finegan (1969) argued that the allocation of members time in between work in the market and all other non-market uses, is determined by three classes of variables: its tastes, expected market earnings rates and productivity in non-market activities (Killings 1983). According to Heckman’s (1974) model, women work if their market wage exceeds their shadow wage at zero hours of market work. In Kerala, the expected earnings from market by females are very low (expected wf is less than expected wm), due to the above mentioned development experience (stagnation in industry and declining of agriculture production and the change in the structure of labour demand in favour of men), and the non market care economy system (scarcity in substitutes for household production from the market and high cost\(^2\)) the existing culture and tradition which increases the shadow price of females at zero hours of work, male members of the family concentrate more on market work and females remain in household production activities. Due to this, in normal situation,

\[ DT_f = DT_m + K \] \hspace{1cm} (3i)

where K is always positive. Hence DTm is strictly less than DTf\(^3\) and in case of

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2. Though the micro level data is not available to show the scarcity of domestic servants and care substitutes, it can be logically deduce from the double work burden of women employee. It is documented that paid work outside home does not reduce family responsibilities of women. On the other hand, it only increases their work burden; and for majority, employed outside home results in double burden (Devi Lakshmi, 2008). If cheaper care substitutes are available, employees can use it, but evidence shows it is not happening. Hence it is enough logic to assume the cost of care substitutes is high or scarce.

3. Chakraborty (2007) Time Use Survey results of India in 1998-99 shows that out of total SNA (system of National Accounts, calculated as market work) and Non-SNA (Care work, domestic work) time, male uses 42 percentage of the time for SNA(Market time) while that of female uses only 19 percentage of time. Female spends 34.6 percentage of the time for Non-SNA(care work) while of male is 3.6 percentage. Moreover, in SNA work male spends 50.52% of time for unpaid work, while that of male is 33.15 percentage. This clearly supports our argument of DTm strongly less than DTf. (DTm can be assumed to be zero because, the TUS shows that male uses only 3.6 percentage of the time for domestic work).
situation where male members are staying away from home (male migrated houses),

\[ \text{DTm} = 0 \] \hspace{1cm} (3ii)

from (3), (4), (3i) and (3ii) we get after marriage \( \text{LTm} > \text{LTf} \)

if \( \text{MTm} = \text{MTf} \), hence in order to keep \( \text{LTf} \) more or less equal to \( \text{LTm} \), family decides to keep \( \text{MTm} > \text{MTf} \)

It is evident that after marriage, there is a reduction in the allocation of time for market work by female\(^4\). This creates a vicious circle, due to lack of market work and low expected earnings, females enter into domestic work, which reduces their efficiency in market. Coupled with low level of efficiency and lack of market work experience females failed to compete for high wage jobs\(^5\), leading to further reduction in expected earnings and job opportunities. This situation worsened when the family enters into reproductive role. Then \( \text{LSm} \) remains the same as (3) i.e.,

\[ \text{MTm(mr)} = 24 - (\text{DTm} + \text{LTm}) \] \hspace{1cm} (5)

while, the \( \text{LSf} \) becomes:

\[ \text{LSf, MTf(mr)} = 24 - (\text{LTf + DTf + RTf}) \] \hspace{1cm} (6)

where, RT is the time for reproductive role (pregnancy care and breast feeding and the time required for child care by mother).

\( \text{MTf(mr)} \) is the market work time allocated to a married female entered in reproductive role.

The peculiarity of RT is that it is non substitutable by male.

\[ \text{RTm} = 0 \] \hspace{1cm} (7)

\[ \text{RTf} = K \] \hspace{1cm} (8)

\( K \) is positive.

from (3i), (5), (6) it is evident that

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\(^4\) From census data Eappen Mridul (1992) shows that there is wide gap in the WPR of married and never married, in particular in the prime working age groups 20-24 and 25-29. The WPR is 14 per cent for married women in the age group 20-24 it is 22 per cent for never married women; it rises to 19 per cent for married women in the age group 25-29 and to 32 per cent for never married women. This shows that the market time is affected after marriage.

\(^5\) It is found that the average earning for the entire sample work out to be Rs. 1836 for women and Rs. 2452 for men. Except for government service, the average monthly earnings are found to be low, and in all occupational categories average male earnings are higher than average female earnings (Devi, 2008, p.143). Lower earnings by females at same can be considered due to the inefficiency to compete with male in high level job. Moreover it is found that women enter the work force much later than male (Alice, 2008). Moreover, most of the highly educated are unemployed because of their strong preference of proximity to the home (Devi Lakshm, 2008).
$MTm(mr)$ should be greater than $MTf(mr)$ if it is needed to keep $LTf$ more or less equal to $LTm$, because it is given in (3i) and (3ii) that $DTm<DTf$, and (7),(8) that $RTf$ is positive and $RTm$ is zero.

Hence, for females, when entered in reproductive role, market participation again reduces and there by further reduction in expected $wf$ made majority as discouraged workers$^6$ and concentrate more on domestic work.

As noted by Folbre, Yoon, Finnoff & Fuligni (2005), Folbre & Yoon (2007) and others, children cannot be ‘turned off’ in order for their parents to do other things. This shows that full time parental care is required for child’s development. This is usually done by mothers through multitasking (Charlene 2010). Moreover, it restricts the mobility of women, because, physically and mentally they remain bonded to the child. It turns out to be a 24 hours job for the mother, reduces her leisure time ($LT$), there by her competitiveness in searching for high potential jobs get reduced. More over, most of the domestic works are related with reproductive role, a female is not able to get away from care work. The work participation rate of prime age married female is found to be lower while desire to work is strong and their withdrawal appears to be more involuntary in nature (Eapen 1992) Evidences shows that this problem exists not only in Kerala, but also in developed economies. “In EU-25, the employment rate for women aged 20-49 is 60 percent when they have children under 12, compared with 75 percent when they do not. Moreover part-time work is much more common for women than men. There the part-time work accounts for 27 percent of total employment in the case of women, and 4 percent for men”$^7$.

In this context it is relevant to examine the lack of participation in care work by male. That may be due to several economic and non-economic reasons. The formidable reason being the welfare of house hold which is related with market earnings. Biological role, the condition of labour demand in the economy,

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6. lack of job search because of the belief that no work is available for them (Elliott and A. M. Dockery pp.4)
migration, cultural reasons etc also contribute towards male non participation in care work.

Labour supply decisions affect the well being of individuals in two ways, firstly, labour being a factor of production, labour supply decisions in conjunction with the demand side of the labour market, affect the amount of goods and services available for consumption at any given time. Secondly, labour time itself or its complement leisure, directly affects an individuals well being (Fallon and Donald Verry, 1988). Thus it is reasonable to assume that an individual or a family that can consume a given amount of goods and services at a lower cost in terms of labour time is better off than an individual or family producing and consuming the same quantities of goods and services with more labour. An individual’s utility function (See Fallon and Donald Verry, 1988, page 10, Killings1983) is given as

\[ U = U(X, L) \]

where, \( U \) is the individual's utility

\( X \) is the composite of all consumer goods and services consumed by the individual,

\( L \) is the individual's leisure time.

This can be extended to include family welfare function where there are two adults, male and female.

\[ U = U(X,L) \] as \( U \) is the family's utility, \( X = XD + XM \)

\( XD \) = domestically produced goods and services

\( XM \) = Market produced goods and services.

\[ L = LTm + LTf \]

We can re-write the utility function as,

\[ U = U(XM, XD, LTm, LTf) \]

\( XM = XMm + XMf \)

\( XD = XDm + XDf \)

\( XMm = f(MTm, wm, p) \)

\( XMf = f(MTf, wf, p) \)

where \( XMm \) and \( XMf \) are the total amount of market produced goods and services can be purchased by the remuneration from market work by male and female.
respectively.

\[ U = U(MT_m, UM, MT_f, WF, XD_m, XD_f, LT_m, LT_f) \] (17)

where \( XD_m \) is the domestic production by men by using \( DT_m \) and \( XD_f \) is the domestic production by women by using \( DT_f \).

Thus

\[ XD_m = f(DT_m, MPdm) \] (18)
\[ XD_f = f(DT_f, MPdf) \] (19)

\( MPdm \) and \( MPdf \) stand for the marginal productivity of domestic work by male and female respectively.

As it is found that \( WF < WM \) and due to the compulsory entry of female in domestic work, it can be assumed that \( MPdm < MPdf \) (20)

From (3) it is given that if it is needed to increase \( DT_m \), to increase \( MT_f \) either \( LT_m \) or \( MT_m \) should reduce.

Given \( LT_m \), one unit increase in \( DT_m \) reduces one unit \( MT_m \) and the loss in \( Xmm \) increase in \( Xmf \) and the increase in \( XD_m \) loss in \( XD_f \) due to (20).

Hence, it is better for male to concentrate more on market work and female to domestic work.

Reproductive and domestic role difficulties force the women to confine their job search boundary to the locality or the household premises increases supply pressure. Due to limited job opportunities resulted by low level economic growth in the locality and resultant lower wage rate, the unavailability of cheaper substitutes for domestic products, one unit increase in \( MT_f \) reduces \( LT_f \) rather than \( DT_f \). The dis-utility occurred due to a reduction in \( LT_f \) is very high compared to \( LT_m \), because, already \( LT_f \) is small due to reproductive role and domestic duties. The price of the substitute for domestically produced goods and services (PD) is high, which increases the shadow price of female labour. On average, women are able to spend less time for commuting to work place than men. This leaves the female labour smaller pool of jobs to choose from. Women demand for work in the same location near to where they live (due to reproductive and related domestic work burden) resulting in lower wage rates. As the wage rate becomes lower than the supply price or shadow price or opportunity cost of
MTf, females are withdraw unwillingly from market work and stays back at home to carry out domestic work. At the same time, because of education, they have aspirations to enter in to gainful employment, but are unable to search efficiently, and after some time, they become discouraged workers and full time house wives. The aim of the family is to maximize the welfare, ie, maximize 'U'. The value of MTf * wf is very low or most cases zero, married male members are compelled to render their maximum time on market work (for higher earnings they migrate to other countries). MTf * wf is very low, the only source of income is income from market work by men, so they offer maximum time for market work and while the women spend maximum time for domestic work. Because the marginal earnings from market work by women, is less than the loss of the value of domestic goods there is no substitution of DTf for MTf. It creates division of labour between the gender, market work for men and domestic work for women. It can be termed as vicious circle of domestication. Due to lack of supply of care substitutes in the market, females are compelled to engage in domestic work. Due to this, neither the demand for domestic products nor the supply increase. Since there is no supply of domestic substitutes, the market entry becomes a forbidden fruit for women. The Work Participation Rate is 14 percent for married women in the age group 20-24, it is 22 percent for never married women; it rises to 19 percent for married women in the age group of 25-29 and to 32 percent for never married women. The curve rises very slowly after the age group 15-19 for the married women whereas the increase is quite sharp for the never married women” (Eapen 1992, page, 2185). It can be concluded that the importance of reproductive role and related household burden is the main reason which is creating a vicious circle to keep females within household premises.

3.5. Married male in a household production model

Marital status (Eapen 1994) and husbands income (Morgan et all, 1976) seems to be a very important determinant of female labour force participation decision. Analysing US census data of 1960, Bowen and Finegan(1969) concluded

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8. It is showed that preference for jobs near home(due to lack of spacial mobility ) explain some part of the male female unemployment rates(Finn, 1983)
that the most important factor determining the labour force status of prime age male is marital status. In the census week of 1960, the work participation rate of married prime age males (living with their wives) was 97.6 percent, compared to 79.1 percent for the separated, 81.3 percent for those who had never married. (David 1981). It can be argued that due to the increased domestication and low level of expected earning of female members, the married male members are compelled to spend much of their time in the market and are in search for high earning jobs. Thus most of the male members will be ready to move to other places for better jobs, and are not ready to compromise with the low paid jobs available within the locality. They accept low paid jobs, only in anticipation of good opportunity in future. When male members migrate, the domestic work burden of female increases and thereby reduces their market time. This in turn again leads to male concentration in market.

3.6. Never married male and female

The division of labour on gender has impacts on the labour market of unmarried. The family welfare depends on the market participation of male and the household production of females. So the male members turned out to be selective in their jobs. Rather than present wage they consider future wage and security more important because after marriage, they are expecting an increase in the cost of living and expected earnings from females to be nil. They wait for a job which provides a steady income in future or a highly paid job which is capable of creating an asset for expected level of satisfaction in future life time. The main attraction is the higher level of payment or a steady income, from which they expected to achieve a high standard of life. This naturally creates high unemployment among unmarried male in the younger age groups.

While seeing for a long period of domestication of married females, the never married expected to become house wives in near future search for a job which suits them to render their upcoming reproductive role and related domestic

9. That is the reason, why there are higher levels of unemployment in the lower ages. It is found that 62.4 percentage of unemployed male belongs to the age group of 21 to 25 age group (Sebastian Alice, 2008).
work, they are tend to be more selective than their elder category females. That is why the labour force participation is high but due to job preference most of them are unemployed.

3.7. Education and Labour market participation

It is a fact that the work participation rate of higher educated females are high and their domestication is low\(^\text{10}\) (Sebastian 2008), and among average educated (secondary/higher secondary) unemployment rate is higher\(^\text{11}\) will be able to find explanation by using the analytical frame by using the \(LS_f\) equation (6),

\[
LS_f, \quad MT_f(m,r) = 24-\left(LT_f+DT_f+RT\right) \quad \ldots (6)
\]

\[
= 24-(Hp) - LT_f \quad \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots (21)
\]

Were \(Hp = (DT_f + RT)\)

If it is necessary to increase \(MT_f\), there should be a corresponding reduction in \(Hp\). It is possible when \(wf\) is greater than \(PD\). When education increases, expected \(wf\) will be greater than \(PD\), women will enter in labour force and they will be ready to accept a job. Till then they remain unemployed. The one way of increasing the work participation rate of educated female is through increasing \(wf\), or through increasing job opportunities or by reducing \(PD\). This is having greater policy implications in gender perspective.

The expected \(wf\) of less educated will be low so that most of them prefer to stay home until they have some income to purchase \(XM\). Those who are very poor will enter in labour market due to poverty by reducing their \(LT_f\).

The averages educated that have an average level of standard of living will be ready to enter in labour market provided their \(wf\) is greater than or at least equal to \(PD\). They won't be able to get a high \(wf\) due to their educational

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\(^{10}\) By using NSSO unit level data it is showed that the WPR among higher educated is 38.5 percentage and the percentage of persons doing domestic duties accounts only 15.9 Percentage(op.cited).

\(^{11}\) It is showed by Zachariah & Rajan, by using migration monitoring survey data, that in 2007 the unemployment percentage is 46.8 among secondary/higher secondary group and it is the highest.
restrictions. They end up as housewives and will be able to enter market only if XD is available at cheaper price.

Due to very low wf, poor will not be able to reduce DT, so that they reduce LTF and enter in labour market. This results in reduction in welfare. To counter the adverse results of reduced welfare, it is advisable to ensure supply of cheaper XD at subsidized rates.

3.8. Conclusion

Without considering the role of family decision making, it is impossible to understand the actual cause and effect relationship in the labour market issues. Each individual is a decision maker, taking decisions in the family context. The family context decision is influenced by education, social status, economic status, regional difference, geography, production structure of the economy, politics, history and so on. Hence, while addressing the labour market issues, one has to be cautious in reaching at conclusions. Gender role, is very important in deciding the labour market participation decision of female and in turn male decision also influences female decision. Households take decision within a macro socioeconomic frame.

Next chapter analyses Kerala’s labour market in a detailed manner. It gives a general profile of labour market of Kerala in comparison with India, which helps in analysing the labour market situations prevailing in the state.