7.1 Introduction

Labour market decisions form an important aspect of human life and existence. While labour markets could be understood as a mechanism for matching the demand for and supply of labour as a factor of production, the functioning of the labour market involves greater complexities as compared to the market for other factors of production. An important aspect in the labour market behaviour is the supply decisions of the various agents in the labour market. The supply decisions in the labour market attain significance largely due to the inseparability of the factor of production labour from its supplier. This inseparability becomes very decisive in determining the decision whether or not to work for pay, compensating wage differentials, occupational preferences, investments such as education that determine the conditions of work and remuneration, etc. In addition, both the demand for and supply of labour depends on the general economic conditions prevailing in the economy. With all these factors inherent to the labour market working out differently for the various agents in the labour market (especially the suppliers of labour), differentiated by skill, location, gender and so on, it is necessary to understand the labour market outcomes for different agents in the labour market as specific cases.
While the fact that economic policies and rate of growth of the economy largely determines the labour market behaviour is well established, an aspect that has received lesser attention is the varied response of the diverse actors in the labour market to the largely identical economic environment. In other words, the complexity revolving the labour market decisions and behaviour in an economy is intensified by the heterogeneity of the agents (more importantly, the suppliers of labour) in the labour market. With regard to women (potential) workers, in addition to all the above factors, the societal and cultural considerations with regard to women’s economic activities become an additional determinant of the labour market decisions. With these aspects influencing the labour market decisions either directly by determining the decision either to work or not, or indirectly through the decisions on the investment in human capital such as the level and type of education, skill development, etc., which also gets transferred inter-generationally, the labour market participation of women demands to be studied as a specific case.

The present study has carried out an evaluation of the labour market trends for women workers in Kerala, the southernmost state in India, as a specific case, based on the following considerations. First, the study acknowledges that the markets are socially constructed, with the links to the market being historically different for men and women, influencing their choices and behaviour (Benería, 2003: 122). Secondly, the state of Kerala had presented a unique development experience where the human development achievements in the state stood on par with developed countries, without, in fact, a matching progress in economic growth generally expected as a necessary condition for human development. In addition, the development experience of Kerala presents another paradox with regard to women, where the achievements in basic human capabilities have failed to get translated into economic gains for women, if the employment in paid market activities could be considered as an indication of economic gains. Thirdly, the state of Kerala, mostly since the 2000s following the opening up of the economy and the embracing of neoliberal policies, started embarking on a high economic growth. Also, the period of a change in the economic policies, as well as the growth of the economy took place at a later period in Kerala, since the 2000s, as compared to the economic environment in the rest of India. The study therefore, looks at the labour market behaviour of women in Kerala during a
period of high growth phase of the economy. It is at the confluence of the economic growth and opening up of the economy, social construction of labour markets and the unique development experience of Kerala and the paradoxes it presents that the present study examines the female labour market behaviour of women in Kerala as well as the select regions within the state.

Preliminary analysis of the labour market trends in Kerala has pointed to a significant departure in the labour market behaviour of women during the period following 2004-05. The state of Kerala, which had the highest levels of urban female labour force participation among the states in India started to exhibit reduced interest in labour market activities among women in the state post-2004-05. With this marking a significant departure from the traditionally high urban female LFPR in the state, this also marks a departure from what had defined the female labour market in Kerala as distinct from the country. The exercises towards unravelling the factors shaping these processes form an important focus of the present study. The preliminary analysis has also pointed to regional variations in the labour market variables within the state. These regions, identified as administrative districts within the state, have also been differentiated by their access to and openness to global capital, as well as by the prevailing domestic economic conditions. Taking two districts – Ernakulam and Kasargod- as case studies, an analysis of the forces shaping the employment patterns in the region forms an important part of the present study.

7.2 **Major Findings**

The focus of the study has been on the falling female LFPRs in the urban sector in the state, as well as the regional variations in the employment and labour market outcomes in the two select districts in the state.

The study has firstly addressed the falling labour force participation rates among women workers, especially in the urban sector in Kerala during the period since 2004-05. As the falling LFPR goes against the hitherto observed higher rates of labour force participation rates, especially among the educated women in the state, the present study has examined the reasons for the decline in labour force participation
rates in urban Kerala in a period which corresponds to a phase of greater economic growth and rising opportunities for employment in the state. The general argument of the income and substitution effects of a rising income enabling women to free themselves from paid market activities fail to conclusively explain the trends in the female labour market in Kerala. The detailed examination points to increased participation among women belonging to the lower income households, even as it falls among those from higher income households. The evidences from the labour market in the state has also been observed to be not adhering to the explanations mooted in the existing literature such as the mismatch between labour demand and supply, the oversupply of women with general education and an undersupply of women with technical education, relatively reduced employment opportunities in the state etc. With the detailed examination of the labour market activities for different levels of education and household incomes revealing a ‘discouragement’ in labour market activities among women belonging to higher income deciles and also among those with higher levels of education, the study has looked for the reasons for the observed discouragement in the labour market rigidities confronting the (potential) women workers in the state of Kerala. Given the nature of female labour market in Kerala, during a period of economic growth led by the services sector, the natural trajectory should have been an increase in labour force participation rates, especially among the higher educated, seeking work in the regular, organised employments in the services sector.

The study has identified the discouragement in labour market activities observed among women as stemming from ‘occupational gender segregation’, which limits the opportunities for employment among women to a narrow range of occupations, leading to higher unemployment and overcrowding in these occupations. This overcrowding which discourages the (potential) workers from the labour market activities have been assessed both through a tabular examination of the occupational categories in which women are over-represented, as well as using aggregate indices such as Duncan and Duncan Dissimilarity Index and Size-Adjusted Index of Dissimilarity. The types of occupations employing the female workers in Kerala also indicate that women have largely been absorbed in occupations that are in conformity with the traditional gendered division of labour. These occupations included
elementary service occupations such as domestic work, textiles, garments and related works, personal care and service works etc. Thus, as stated by Charles (1992), the study has pointed to the employment scenario in Kerala as ‘deepening institutionalization of gender within the occupational structure’.

The district of Ernakulam has been taken as a case for testing the correlation between female employment and economic growth in general, and its sectoral composition in particular. The study has examined the incongruities in the sectoral composition of the income and employment outcome in the district of Ernakulam, amidst the general optimism surrounding the services-led growth of the economy. However, confirming the scepticism surrounding the growth of service sector employment in the less developed countries that these types of occupations arise out of scarcity of employment in other sectors (Bhalla, 1970; Freeman, 2010; Ghosh, 1991; Thimothy, 2010), the detailed industrial and occupational distribution of women workers in the district has pointed to a deterioration in the nature of employment being carried out by women workers in the district. The study has pointed to a significant increase in the share of women workers in industries with relative ease of entry and exit, and in elementary occupations that demand less skill and education. The rise in employment was substantial in sectors demanding moderate skills and education, say, secondary education and lesser. In addition, the largest increase in employment took place among women belonging to lower income households, together pointing to a distress sale of labour by women and their absorption into services sector activities. The moderate rise in employment among higher educated women, coupled with a substantial rise among less educated women in elementary occupations also pointed to dualism in the services sector employment in the district, circumventing the moderate effects of economic development and employment generation in select few buoyant sectors. The increase in employment in the usual principal and subsidiary status, coupled with the nature of employment being carried out by women also points to informalisation of the services sector jobs, though a detailed exercise in this regard is beyond the scope of the present study. On the whole, the evidences from the district lead to the argument of a distressed nature of employment, and failure of economic growth to provide gainful employment to the largest sections of the population.
With the changes in the sectoral composition of income pointing to a distressed nature of employment in the tertiary sector of Ernakulam, the most prosperous district in the state, the study further examined the unprecedented rise in female employment and labour force participation rates in the district of Kasargod, a predominantly agrarian and low income economy in the state. With the recent developments in the labour market in Kasargod (post-2004-05) pointing to a contradiction, as this substantial rise in employment and labour force participation among women in the district came about during a period of agrarian crisis in the region, the study has traced the factors shaping the observed labour market trends to the economic distress prevalent in the region. The employment rate among women in Kasargod post-2004-05, which also stands in contradiction to the rest of the state, has been observed to have been emanating from the survival strategies of the households towards earning a subsistence income during a period of agrarian crisis and falling household incomes. With the evidences from the labour market in the district observed to be in coherence with the ‘S-shaped’ labour supply curve, the chapter has pointed out that the ‘joint labour supply’ decisions of the households have resulted in the phenomenon of a ‘feminisation of labour’ in the district. This feminisation of labour, taking place mainly through the participation of hitherto non-working women in the households in labour market activities to substantiate the household income to subsistence level, have also been observed to present inferior conditions of work for these new women workers, in terms of the nature of work and type of job contracts. The additional women in the workforce are drawn from women belonging to the lowest income households, and with lowest levels of education. Consequent to these adjustment processes, women have been absorbed in low paying occupations that provide the least employee benefits and worst conditions of work, such as elementary occupations and casual employment.

To sum up, the employment scenario in the state of Kerala, especially during the high growth phase of the economy presents an overall bleak picture. The study has pointed towards the increased segregation and segmentation in the labour market discouraging higher educated women and those from relatively well-off households from labour market activities. On the other hand, the period saw substantial increase in labour market activities among women belonging to lower income households and
those with lower educational attainments. And in cases where the work force participation rates have increased among women, the participation of women workers has been observed to increase in such occupations and industries that are in conformity with traditional gendered division of labour, pointing to deepening institutionalization of gender within the occupational structure. Despite the differences in the channels through which the change have been brought in the state and in the select districts, an aspect that has been observed is the deterioration in the employment conditions of women workers. Either in the sunrise sectors like services employment or in traditional activities like agriculture, women are increasingly taking up jobs that require least skill and education and those that ensure least security for jobs. This is seen in their increased employment in elementary occupations, jobs in services, sales and domestic households, which are also largely casual in nature. Women are getting absorbed in occupations that are under-remunerative and those that require minimal education and skills.

The recent developments point to an irony, where the increased participation in paid work is generally thought of as increasing the agency and well being of women, the recent changes in the labour market that points to a distress sale of labour are in fact, challenging the very same notions. The trends from the labour market also raises concerns whether in the context of Kerala, the recent changes point to the emergence of a different paradox, where the well-being of women is in question due to their increased employment activities during the high growth phase of the economy, as opposed to their comparatively lesser employment during the previous years. The present study leaves these questions open, to be taken up in greater detail using additional macro variables, to examine whether the embracing of the neoliberal policies in the state is setting the stage for a different paradox where the economic growth is contributing lesser to human development as opposed to a period when human development in the state was independent of economic growth.
7.3 Limitations of the Study and Scope for Further Research

The present study has carried out a district level analysis using the NSS data. The sampling techniques adopted in earlier rounds of NSS did not allow for district level analysis. Modifications were made to the NSS sampling techniques from the 61st Round that enabled unit level analysis at the district level. However, at the level of the district, the question of small sample size persists, making detailed disaggregation of the qualitative aspects of the employment behaviour in Ernakulam and Kasargod, as carried out at the state levels, unfeasible. The fact that the developments in the labour market that have garnered the greatest attention in the thesis - the period since 2004-05 - is relatively short, and therefore, it is necessary to examine whether these patterns remain in the coming years as well.

The study has pointed to a significant rise in the elementary occupations in the state, and more importantly, among the select two districts. The present study could, therefore, be extended to an examination of the informal sector jobs, as well as the informalisation of jobs. A few studies have pointed to rising economic inequality in the state, corresponding to the high rates of economic growth in the state. The labour market outcomes could be extended and studied along with the distribution of the gains of economic growth, especially during the periods of economic growth, when vulnerable sections of society displaying trends of distress sale of labour. This could also help in understanding the ‘inclusiveness’ of the economic growth, from a labour market perspective.