Synopsis

Female Labour Market in Kerala:
A Study of Patterns and Trends in the Post-Reform Period

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1. **Introduction**

It is generally accepted that the working of the market for labour is intimately connected with the structure of society and economy, with historical, cultural and political factors shaping the employment relation and the concomitant structure of the workforce. The heterogeneity of agents in the labour market and their varied responses intensifies the complexity revolving around labour market decisions and behaviour. The ‘social construction’ of the market is particularly true of the market for female workers. Thus, it is necessary to study female labour markets not only in the context of their social and cultural underpinnings, but also of the larger policies of the state, and the underlying structural orientation of the economies that decide these policies.

In recent past, the most important policy changes that influenced the labour market outcomes have been the ‘stabilisation’ and ‘structural adjustment’ policies. There have been several studies on the structural adjustment policies’ bearing on the women workers in Latin American and African countries but enquires into the influence of economic reforms on the employment and wellbeing in India are limited. These early studies (Bhattacharya and Mitra, 1993; Mahadevia et.al, 1994; Papola, 1994; Papola and Sharma, 1996; Shariff and Gumber, 1999) were too early to bring out the long term impact of the economic restructuring in the country, and more importantly, it’s bearing on the women workers. This study is a small attempt to fill the lacuna.

2. **Women and Labour Market In Kerala**

The state of Kerala presents an interesting case for examining the gendered labour and employment trends and patterns for the following reasons. 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. Further, mostly since the 2000s, following the opening up of the economy and the embracing of neoliberal policies, the state of Kerala 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, has taken 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.

The labour market trends and patterns of women in Kerala in the post-reform period could be considered as two phases - from 1993-94 to 2004-05, and post 2004-05 – which stand in contradiction to each other. The period up to 2004-05 was a phase of heightened interest in labour market activities (as represented by high Labour Force Participation Rate - LFPR) and a low rate of employment, leading to soaring unemployment rates. This aspect of the female labour market, along with the human development indices in the state, in fact, distinguished Kerala from the rest of the country. These trends in the labour market variables came to an end by 2004-05. In the period following 2004-05, the unemployment rates among the women in the economy eased. However, this development came about not on account of an increase in employment among women, but by reason of a reduced interest in labour market activities (as represented by falling LFPR). Also, this period coincided with the highest growth rate of the Kerala economy. With this marking a significant departure from the traditionally high urban female LFPR in the state, and also marking a departure from what had defined the female labour market in Kerala as distinct from the rest of the country, the exercises towards unravelling the factors shaping these processes form an important focus of the present study.

The evidences from Kerala also point to the significant divergence in the labour market outcomes in certain regions 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. The thesis attempts to examine the variations in labour market outcome in districts within Kerala that differ in economic characteristics. Two such regions are the districts of Ernakulam and Kasargod. The district of Ernakulam, the largest contributor to the state gross domestic product, alongside its secondary and tertiary sectors projecting major economic growth, has been exhibiting an incongruity in the sectoral distribution of income and employment in the tertiary sector. On the other hand, the district of Kasargod, a predominantly agrarian economy with one of the lowest per capita income in the state, started showing an unprecedented increase in labour and employment rates of women. The immediate reasons for selecting these two districts lie in their labour market variables, which appears paradoxical to the conventional relationship between economic development and employment. The performance of these districts necessitates a detailed probe.

Against this backdrop of a significant growth of the Kerala economy and the changed economic environment in the state involving vigorous embracing of the neoliberal policies, as well as the regional variations within the state, this study examines the factors underlying the labour market outcomes of women in the state of Kerala. A disaggregated analysis of the impact of the fast economic growth under the neo-liberal policies on different sections in the society gains importance also from the fact that the high-growth phase of Kerala economy is also characterised by increasing inequality in income distribution and retardation in poverty-reduction (Subrahmanian and Prasad 2008).

3. Research Questions

The study examines how the gendered outcomes of the developmental policies of the state have been different for various segments of women in Kerala. In this regard, the research first examines the disconnection of the labour market behaviour of women in the immediate past from the trend that had continued over the years in the state, and proposes to analyse the factors fundamental to this phenomenon. Second, the research looks at how the differential outcomes of economic changes for the outwardly homogenous group- women- got transmitted into the labour market behaviour in varying dimensions and magnitude. In this regard, taking two regions within the state as the case studies, the study also appraises how the experiences in these two regions
have been different, and also have been concealed by the macro picture emerging from the state as a whole. Thus, in addition to exploring the gendered developmental outcomes for the women in the state as a whole, the study also appraises the gendered outcomes of development at a micro level, using the administrative district as the unit of analysis. This enables the research to make a comparative analysis of the outcomes of developmental policies on women experiencing two different economic scenarios in the state. The broad objectives of the study could, therefore, be summarised as follows:

(i) To examine and explain the female labour market trends in Kerala in the post reform period, with specific reference to the labour force participation rates during the phase of highest economic growth in the state; and the differences in these across different sections of women differing in income and levels of education

(ii) To bring out the differences in the labour market variables in the regions within the state of Kerala during the phase of high economic growth and opening up of the economy by drawing out the different trends in the labour market variables in the two select districts in the state, Ernakulam and Kasargod; and to examine these differences through the diverse forces shaping the economy of these two districts.

4. Data Sources and Methodology

The study makes use of the unit level data of the Employment and Unemployment Surveys (EUS) of the NSS for carrying out the above stated research objectives. The study utilises the Employment and Unemployment Surveys (EUS) of the NSS from the 50th to 66th Rounds, spanning more than a decade and a half, from 1993-94 to 2009-10. These include 50th (1993-94), 55th (1999-2000), 61st (2004-05), 64th (2007-08) and 66th (2009-10) Rounds of the EUS. However, in the assessment of the labour market behaviour towards the stated objectives, data from the 61st Round are studied in greater detail. While annual rounds are generally avoided from the estimations, the 64th round is included in the estimations following the fact that the sample size and methodology used in this round are similar to the quinquennial rounds of the NSS. However, the study places only less emphasis on the results derived from the 64th
Round, placing greater emphasis on the results of the 61st and 66th Rounds. This research also make estimations of the female labour market outcomes at the district level, from the 61st Round (2004-05) onwards, as the change made to the sampling design from this round has made the district level analysis feasible.

The study examines the labour market outcomes of females for different levels of education, both general and technical education, following the categorisations as carried out in the EUS of the NSS. As the question whether the income of the household is a significant determinant of the changes in the work and labour force participation rates among women in the state is examined, the activity statuses of women for different levels of monthly per capita consumption expenditure (MPCE) is also estimated. The study attempts to make inroads into the type of occupations and industrial activities that houses the usually employed females in the state as well as the select districts. For this, the study puts to use the National Industrial Classification (NIC) and National Classification of Occupations (NCO), as provided in the unit level data of the EUS.

Based on these data, the study mainly carries out a tabular analysis of the trends in the labour market variables for these aspects of the workers towards arriving at the explanations for the observed labour market behaviour in the state as well as in the two select districts. In addition, using the occupational classification of the workers both at one- and two-digit levels, occupational gender segregation has been estimated using the Duncan and Duncan Index of Dissimilarity and size-adjusted Index of Dissimilarity (Duncan and Duncan, 1955; also see Swaminathan and Majumdar, 2006).

5. Major Findings of the Study

The research begins with a brief overview of the variations in the labour market outcomes in the state of Kerala against the trends observed for the country as a whole, especially in the ‘high growth’ regime of the economy since the beginning of the new millennium. The trends in the labour market outcomes in the country set the background for the closer scrutiny of the region in question – Kerala, and the select districts in the state. The major interest of the study lies in the unprecedented
developments in the labour and employment scenario in the state, during the period of the ‘high growth phase’ of the economy. The focal point, therefore, is the gendered outcomes of the alterations in the economic environment in a state in India, which has been depicting a unique developmental experience involving women as significant partakers and beneficiaries.

The research is organised as follows. The trends in the employment scenario in the country in the post-reform period are observed, and this serves as a basis for understanding the varied employment scenario in the state of Kerala. This forms Chapter II of the study. In Chapter III, the study scrutinises the labour market outcomes facing the women (potential) workers in the state. Here, the trends and patterns in the employment, unemployment and labour force participation of women in the state during the period from 1993-94 to 2009-10 are examined. In this regard, the research throws open certain recent and unprecedented developments in the employment scenario in the state. Based on empirical and theoretical grounds, the present investigation offers explanations for observed phenomenon in the state. The in-depth scrutiny of the data in Chapter III also point to different trajectories of economic and developmental incidence in the sub-regions within the outwardly homogenous Kerala, with these elements feeding into the employment decisions of women in these regions. With the objective of dissecting the developmental experience, and the subsequent employment outcomes, two administrative districts in the state are chosen. The economic and employment scenarios, in these districts, which are distinct from each other, are analysed in detail. The main arguments and findings of the study for labour market outcomes of women in Kerala as a whole, as well as for the two select districts, have been organised as three core chapters of the thesis, which forms Chapters IV to VI of the study. The study, thereby contributes to the existing literature by evaluating the hitherto unprecedented trends in the labour market in Kerala, as well as by carrying out a disaggregated analysis of the socio-economic forces shaping the micro realities that are often concealed by the macro representations.

Chapter IV examines the reduced labour force participation rates among women in the state post-2004-05. The general argument of the income and substitution effects of a rising income enabling women to free themselves from paid
market activities fails to conclusively explain the trends in the female labour market in Kerala. 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.

The study identifies 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 the 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, the study has pointed to the employment scenario in Kerala, as ‘deepening institutionalization of gender within the occupational structure’ (Charles, 1992).

The district of Ernakulam is taken as an ideal ground for testing the correlation between female employment and economic growth in general, and its sectoral composition in particular. In Chapter IV, 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 are examined. However, given 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 points to a deterioration in the nature of employment being carried out by women workers in the district. The study also points 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 point 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 the most prosperous district in the state - Ernakulam, Chapter VI examines 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 points 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, has also been observed to present poor conditions of work for these new women workers. 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 have 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 has 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 such as 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 do not provide conducive work atmosphere.
The recent developments of women’s increased participation in paid work which is generally thought of as enhancing the agency and well-being of women, in fact, point to an irony, where the heightened participation presents a distress sale of labour. The trends from the labour market also raise 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.

References


