

# Belittled and Marginalized: Women in Kerala's Informal Sector: A Pragmatic Study

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## Abstract

This study explores the socio-economic conditions of women employed in Kerala's informal sector, a critical component of the state's labor market. Despite Kerala's remarkable achievements in literacy, especially among women, the state faces a paradoxical rise in educational unemployment and underemployment. With a growing number of highly educated women entering the workforce, many find themselves relegated to low-wage, insecure jobs within the informal economy, particularly in sectors such as retail, healthcare, education, and hospitality. This study aims to examine the working conditions, wage disparities, and the challenges faced by female workers in this sector. Primary data was collected from 250 female employees in Kozhikode district, using a structured questionnaire to assess monthly wages, family income, educational qualifications, and employment conditions. Secondary data was gathered from published reports and articles to contextualize the findings. The study reveals significant issues such as low wages, lack of job security, gender discrimination, and limited access to social security benefits. Despite the implementation of various state initiatives like Kudumbashree and MGNREGA, these interventions have not sufficiently addressed the structural issues plaguing the informal sector. The study highlights the urgent need for policy reforms that align educational outputs with market demands, improve worker protections, and ensure better wage standards for women. By addressing these challenges, the study contributes to the broader discourse on gender, labor, and economic development in Kerala, aiming to promote a more equitable and sustainable labor market for women in the informal sector.

**Keywords:** Educational Unemployment, Gender Discrimination, Informal Sector, Wage Disparity, Women.

**JEL Codes:** E29, E24, J46, J30, J31.

## 1. INTRODUCTION

The development history of various countries around the world illustrates a structural transformation where sectorial dominance transitions from the agricultural sector to the industrial sector in the second phase, and later, from the industrial sector to the service sector. However, the historical development of Kerala's economy demonstrates a unique direct shift in sectoral dominance from the primary sector to the tertiary or service sector. This remarkable phenomenon can be attributed to several factors, including land reform laws, Gulf migration, demographic shifts, land scarcity, the white-collar aspirations of youth, education, and social and cultural transformations driven by the renaissance movement. Notably,

the renaissance and political awakening in Kerala have resulted in a high literacy rate, especially among women, with the female literacy rate reaching 92.07%, significantly higher than other regions in India. However, the rise in educational attainment has not been matched by a proportional increase in employment opportunities in Kerala. As a result, educational unemployment in the state continues to grow. Unfortunately, there has been little effort by successive leaders, despite their varying ideologies, to address this issue effectively. While initiatives such as Kudumbashree, MGNREGA, Mudra loans, and self-employment schemes have positively impacted women's employment opportunities, they have not sufficiently addressed the deeper challenges. Kerala currently faces a severe crisis of educational unemployment, underemployment, and low wage packages. Adding to this challenge is the mismatch between education and the demands of the labor market. While Kerala boasts a highly educated workforce, the economy has not generated sufficient jobs in productive sectors to absorb this talent. This mismatch has forced many, especially women, into low-paying and precarious jobs in the informal sector, perpetuating a cycle of economic vulnerability. Understanding these dynamics is crucial for crafting policies that promote equitable and sustainable economic growth, particularly for women who remain disproportionately affected. This study aims to shed light on the challenging conditions faced by women working in Kerala's informal sector.

## **2. STATEMENT OF THE PROBLEM**

The informal sector in Kerala, comprising a significant portion of the labor market, faces severe challenges, particularly regarding the socio-economic conditions of female workers. Despite Kerala's high literacy rate, especially among women, the state's rapid shift to a service-based economy has resulted in a mismatch between educational qualifications and available employment opportunities. This issue has led to a rise in educational unemployment, underemployment, and precarious work conditions for women in the informal sector. Despite various governmental initiatives aimed at improving employment opportunities for women, the structural issues within the informal sector persist, leaving many women marginalized and economically vulnerable. Addressing these challenges requires a comprehensive understanding of the socio-economic conditions of women in Kerala's informal sector, the identification of key barriers to better employment, and the formulation of policy interventions to improve their working conditions, wages, and overall economic empowerment. This study aims to examine these issues and provide insights that can inform policies and reforms to enhance the socio-economic status and labor rights of women in Kerala's informal sector.

## **3. OBJECTIVES OF THE STUDY**

The study is based on the following objectives:

1. To analyze the socio-economic conditions of female employees in the informal sector.
2. To provide suggestions for improving their current occupational environment.

## **4. METHODOLOGY**

The methodology of this study combines both primary and secondary data to gain a comprehensive understanding of the socio-economic conditions of female employees in Kerala's informal sector. Primary data was collected through a structured questionnaire distributed to 250 women working in various informal sector establishments in Kozhikode district, including textile shops, private hospitals, malls, and amusement parks. Secondary data was sourced from government reports, academic articles,

and relevant publications, providing a contextual backdrop for the primary data. To analyze the collected data, both descriptive and comparative statistical methods were employed. Methods such as tables, percentage calculations, averages, graphs, and diagrams were used for data analysis and interpretation.

## 5. DATA ANALYSIS AND INTERPRETATION

To examine the socio-economic conditions of female employees in unorganized workplaces, we use the following indicators:

### a. MONTHLY WAGE RATE OF EMPLOYEES

Table 1 shows the wage structure of 250 female employees employed in various informal establishments across different areas of Kozhikode district.

**Table 1: Monthly Wage Distribution of Female Employees**

Monthly Wage (₹)	No. of Employees	Percentage (%)
7000-8000	23	9
8000-9000	55	22
9000-10000	47	19
10000-11000	39	16
11000-12000	32	13
12000-13000	24	10
13000-14000	16	6
14000-15000	09	3
15000-16000	05	2
<b>Total</b>	<b>250</b>	<b>100</b>

Source: Survey Data

The above table illustrates the low wage structure of female laborers in the informal sector. The wage categories range from ₹7,000 to ₹16,000. The highest number of employees (55) earn between ₹8,000 and ₹9,000, accounting for 22% of the total. As the wage level increases, the number of employees decreases significantly. Only 5 employees earn wages in the highest category of ₹15,000–₹16,000, highlighting the prevalence of low wages in this sector.

**Figure 1**



The monthly average wage rate for 55 employees is ₹5500. Calculating the daily average income of an employee gives just ₹283.3. This daily wage of ₹283.3 highlights the marginalized status of female laborers in Kerala's labor market. For comparison, the daily wage under the Employment Guarantee Programme (MGNREGA) is ₹347, while a guest worker from West Bengal earns ₹900 per day. These stark disparities in wage rates reflect the undervaluation of female labor in Kerala's informal sector.

**Table 2: Daily Wage Comparison**

Wage Category	Daily Wage (₹)
MGNREGA Labour	347
Female Employees (Informal Sector)	283
Guest Labourer (West Bengal)	900

The significant disparity in daily wages among these three categories reflects the undervaluation of female labor in the informal sector in Kerala. This disparity highlights a critical research gap and the urgent need for policy interventions.

## b. FAMILY INCOME

Most families of the employees consist of four members, typically the employee, their spouse, and two children. In some cases, there may be three children. While the primary income contributors are usually the husband and wife, many women are compelled to work due to the financial responsibilities of their families. The major components of expenditure include daily necessities, children's education, medical expenses, house construction, and the purchase of home tools. Additionally, some families receive financial support from their parents. Based on the data collected, the family income distribution is summarized in Table 3.

**Table 3: Monthly Family Income**

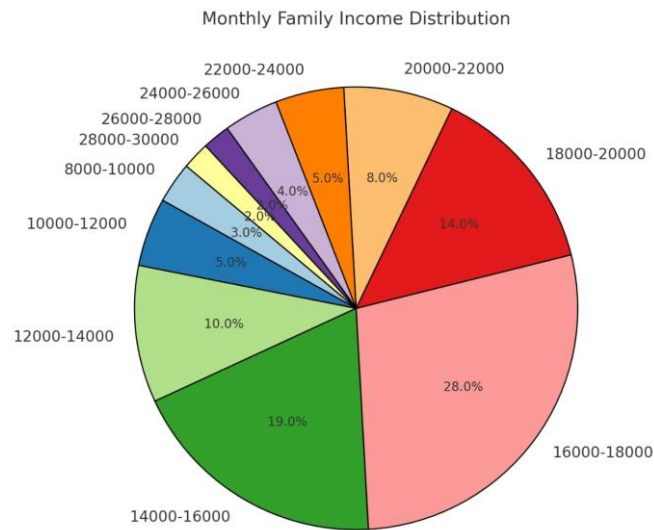
Family Income (₹)	No. of Employees	Percentage (%)
8000 - 10000	7	3
10000 - 12000	13	5
12000 - 14000	26	10
14000 - 16000	48	19
16000 - 18000	71	28
18000 - 20000	34	14
20000 - 22000	21	8
22000 - 24000	12	5
24000 - 26000	9	4
26000 - 28000	5	2
28000 - 30000	4	2
<b>Total</b>	<b>250</b>	<b>100</b>

Source: Survey Data

The table reveals that the highest proportion of families (28%) have an average income of ₹16,000–₹18,000 per month, with ₹17,000 being the average family income for most households. In comparison, according to the Ministry of Statistics and Programme Implementation (state-wise data on per capita income, 24 July 2023, PIB Delhi), the per capita net state domestic product at current prices (base year 2011-12) for Kerala was ₹1,94,322 in 2020-21 and ₹2,28,767 in 2021-22.

The corresponding monthly per capita income for Malayalees was approximately ₹16,194 in 2020-21 and ₹19,064 in 2021-22. This analysis reveals that the average family income of many households in the study is nearly equivalent to the per capita domestic product in Kerala, highlighting the financial challenges faced by these families.

**Figure 2**



The figure illustrates the percentage distribution of monthly family income among employees. The largest segment (28%) falls in the ₹16,000–₹18,000 range, reflecting the highest concentration of families in this income bracket. Other significant ranges include ₹14,000–₹16,000 (19%) and ₹18,000–₹20,000 (14%), while smaller proportions are seen in higher and lower income ranges. This visual highlights the income disparity among the employees.

### c. EDUCATIONAL QUALIFICATIONS OF EMPLOYEES

The educational qualifications of the female employees are presented in Table 4.

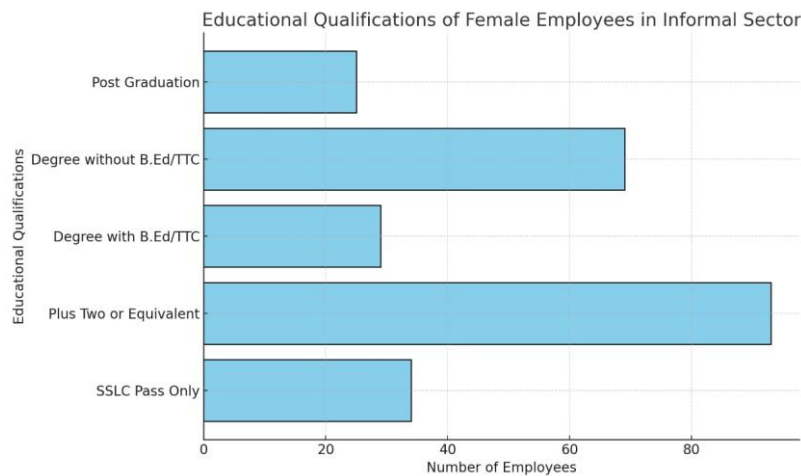
**Table 4: Educational Qualifications of Female Employees**

Qualifications	No. of Employees	Percentage (%)
SSLC Pass Only	34	14
Plus two or Equivalent	93	37
Degree with B.Ed or TTC	29	12
Degree without B.Ed or TTC	69	27
Post-Graduation	25	10
<b>Total</b>	<b>250</b>	<b>100</b>

Source: Survey Data

The qualifications of female employees in the informal sector reveal that 37% are qualified with Plus Two or an equivalent certification, while 27% hold a degree without B.Ed or TTC. Those with degrees and additional professional qualifications like B.Ed or TTC constitute 12%, and only 10% have completed post-graduation.

**Figure 3**



The figure highlights the prevalence of underemployment in the informal sector. Despite being highly qualified, a significant proportion of women are employed in low-wage jobs, as shown in Table 1. This situation underscores the challenges faced by educated women in Kerala's informal labor market.

#### d. CASTE-WISE CLASSIFICATIONS

The caste-wise classification of the collected data indicates that 90% of female employees belong to the Other Backward Classes (OBC) category, particularly from the Thiyya and Ezhava communities. In addition to this, the sector faces several severe issues. Female employees often have to work overtime without additional payment, are denied wages during leave, and can be dismissed from their jobs without prior notice. These challenges highlight the precarious nature of employment in this sector and the urgent need for regulatory interventions to safeguard workers' rights.

### 6. SUGGESTIONS

The analysis in this study highlights the dismal working conditions of female employees in the informal sector. For sustainable development in Kerala, structural changes in the informal job market are imperative. While several labor laws, trade unions, and regulations exist, they largely overlook the challenges faced by female laborers in this sector. To address these issues, the following suggestions are proposed:

- **Education Sector Reforms:**
- The education sector must closely monitor and understand the evolving nature and potential of jobs in the economy.
- College curricula should align with the needs of productive sectors, ensuring a balanced focus on theoretical and practical learning. A model combining forenoon classroom teaching with afternoon practical sessions in industrial, agricultural, or service sectors can help address underemployment, educational unemployment, and exploitation of female workers in the informal sector.
- **Skill Development:**
- Educational institutions should provide skill development programs to better prepare students for opportunities in the labor market.
- **Policy Integration:**
- The state should introduce policies to create mutual dependency between the education sector and



the labor market. An apex authority must be established to oversee and regulate both sectors effectively.

- **Worker Protections:**

- The government should implement laws to standardize working hours, ensure overtime allowances, establish job security, provide annual increments, and maintain fair working conditions.

- **Social Security Schemes:**

- Initiatives such as Employee Provident Fund (EPF), group insurance, and health insurance schemes should be introduced for all informal sector employees.

- **Complaint Redressal Mechanism:**

- A dedicated government authority should be established to handle complaints and address violations of labor laws in the informal sector, ensuring justice for employees.

## 7. CONCLUSION

The analysis reveals the severe exploitation of female employees in Kerala's informal sector. Despite the state's commendable development model, significant limitations persist in addressing educated unemployment and underemployment among the youth, particularly women, after completing their education. To overcome Kerala's financial challenges, it is crucial to channelize educated female youth into productive sectors with access to decent job opportunities. Ensuring this requires structured efforts to reduce exploitation, enhance workplace conditions, and establish a fair minimum wage.

Furthermore, raising the minimum age of marriage from 18 to 25 and implementing policies that focus on improving workplace conditions can significantly uplift the living standards of young women in the informal sector. These measures would not only benefit individual workers but also contribute to the overall development of Kerala's economy. Additionally, it is essential for the state to invest in skill development and vocational training programs tailored to the needs of the labor market. By aligning educational curricula with the demands of the economy, the state can help bridge the gap between education and employment opportunities, thus empowering women to secure better jobs and improve their socio-economic status. Furthermore, implementing robust labor laws and social security schemes for informal sector workers will safeguard their rights and ensure that they have access to basic welfare benefits, contributing to a more inclusive and equitable society. These comprehensive reforms will be vital in creating a sustainable and fair labor market for women in Kerala.

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