

## **Employment challenges in Kerala**

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This article spotlights on some comparative estimates of labour and employment in Kerala and the whole of India. The evidence used is from the most recent round of the Periodic Labour Force Survey (PLFS) 2018-19 held by the Government of India. The PLFS is a large-scale yearly national survey meant to provide quarterly estimates of labour and employment in every state. The latest survey was held under conditions of normalcy that prevailed before the onset of the COVID- 19 pandemic in India.

The resident population of Kerala estimated at 30.1 million was less than the total population of the state (34.5 million) derived from the Census projections (Row 1). The PLFS has estimated the population and labour force in the working-age groups, i.e., those above the age of 15 years. The total population in the working-age groups is 24.1 million - 11.1 million men and 13 million women - which includes the employed, the unemployed and those outside the labour force. The labour force, which consists of the employed and the unemployed taking part in remunerative work, came to a total of 11.4 million. Among them, 7.8 million were men and 3.4 million women, according to the data.

The labour force participation rates (LFPR) is the percentage share of the employed plus the unemployed out of the population in the working age groups. It is an important ratio that figures prominently in all discussions of the employment situation. We look at the LFPR separately for men and women. It was 69 per cent for men and 28 per cent for women (Rows 5,6). The rates are not strikingly different from the national averages; only marginally higher for women in comparison to the all India average. What is distinct at this stage is that Kerala, despite the higher level of the urban population - 48 per cent compared to the all India average of 31 per cent (Row 4) - has not had much success in reaping a demographic dividend through increased absorption of women in the labour force. In all developed

countries, such uptake has been instrumental for raising the aggregate earning strength and income mobility of all households.

The marginally higher LFPR of women in Kerala has occurred along with a diversification of the labour force into the non-agricultural sectors. The percentage shares of men and women engaged in the primary sector - agriculture, animal husbandry and fisheries - in Kerala are among the lowest in India (Rows 7,8) and the shares of men and women in the tertiary sector - trade, transport and services - are among the highest (Rows 11,12). In the secondary sector, including manufacturing and construction, women are quite visibly present (Row 10).

**Table 1.** Estimates of population, labour force, employment and unemployment in Kerala and India, 2018-19.

Sl. No		Kerala	India
1	Estimated Resident Population (million)	30.1	1078.1
2	Population aged 15 + years - Million - Men	11.1	404.2
3	Population aged 15 + years - Million - Women	13	398.4
4	Percentage of urban population in 2011	47.7	31.2
5	Labour force participation (%) of Men (15+ years)	69.8	74.9
6	Labour force participation (%) of Women (15+ years)	28.3	21.6
7	Share of workers (%) in Primary Sector - Men	19.7	37.4
8	Share of workers (%) in Primary Sector - Women	18.3	49.7
9	Share of workers (%) in Secondary Sector - Men	33	27.1
10	Share of workers (%) in Secondary Sector - Women	26.5	20.5
11	Share of workers (%) in Tertiary Sector - Men	47.2	35.4
12	Share of workers (%) in Tertiary Sector - Women	55.2	29.8
13	Share of workers (%) regular wage/salary - Men*	27.1	25.2
14	Share of workers (%) regular wage/salary - Women*	46.4	25.3
15	Regular workers with social security (%) Men**	55.7	51.2
16	Regular workers with social security (%) Women**	52.5	54.4
17	Unemployment rate (%) among Men (15+ years) *	8	8.7
18	Unemployment rate (%) among Women (15+years) *	19.8	8.7
19	Unemployment rate (%) Men, Secondary edu.&above) **	9.1	9.7
20	Unemployment rate(%) Women, Secondary edu.&above)***	28.3	17.1

Source: Rows 1 to 3: (PLFS 2018-19 A-5); Row 4: Census of India, Government of India (2017); Rows 5 to 6: A-217; Rows 7- 12: A-225; Row 13: A-251; Row 14: A-252; Row 15-16: A-255; Row 17,18: A-221; Rows 19,20: A-144, A-145 all from PLFS 2018-19.

\*Percentages based on current weekly status estimates;

\*\* Access to PF/ pension, gratuity, health care and maternity benefit;

\*\*\* Percentages based on yearly usual status estimates

The status-wise distribution of workers into three broad categories - self-employed, regularly paid and casual labour - gives interesting information. Regularly paid workers receiving wages or salaries account for 27 per cent of all male workers; the corresponding proportion among women is 46 per cent (Rows 13,14). The share of women with regular jobs in Kerala is among the highest in Indian states. The total number of regular workers came to 3.8 million - 2.1 million men and 1.7 million women - just about a third of the entire labour force in the state. More than half of these regular workers - 56 per cent of men and 53 per cent of women - were entitled to some social security benefits including pensions, gratuity, health and maternity benefits etc (Rows 15,16). Included in this crowd are the 1.3 million workers formally employed by the government and private corporate sectors, mostly for service-related activities (Government of Kerala, 2020, Appendix 7.2.9).

The rest of the labour force (two-third of a total of 11.4 million as estimated in 2018-19) are incumbents of the informal economy. They belong to different status groups like the self-employed, regular wage earners in small establishments, casual workers or the unemployed. Many of them fall outside the purview of social security provisions mandated by the state. The situation is just the same in other Indian states, where the relative proportions of workers with regular jobs and access to social security are similar and often lower too (Rows 13-16).

The inadequacy of jobs for aspiring workers gets reflected in the higher rates of unemployment among women. The unemployment rate among women of working age groups in Kerala (20 per cent) was more than twice the corresponding average for men (Rows 17,18). The ratio goes up as women move up the ladder of skill development. The unemployment rate among women with secondary education and above was three times the corresponding rate for men (Rows 19,20). The difference was sizeable but less sharp at the all India level. The educated labour force is always in the lookout for formal jobs, which offer better wages and working conditions. The State Planning Board of Kerala estimated that in 2019, there were 3.8 million such job seekers in the state, among whom 63 per cent were women (Government of Kerala 2020, Appendix Table 7.2.10).

The track record of the state with the creation of formal sector jobs has so far been unremarkable. The growth of such jobs was slow in the organised manufacturing industries. As per estimates of the Annual Survey of Industries (ASI, 2020), total factory employment of establishments hiring more than ten workers in Kerala was 0.3 million in 2017-18, less than 3 per cent of the total employment in the state. Big manufacturing establishments have never

been robust sources of jobs in Kerala. Currently, there are more workers absorbed into manufacturing establishments outside the formal sector. In 2019 there were 0.42 million workers employed in smaller factory establishments outside the organised domain. Their numbers have increased in recent times (Government of Kerala, 2020 Appendix Table 2.1.4).

Based on the evidence furnished above, one can surmise that on the employment front, there are three main challenges before the policymakers: i) Raise the labour force participation rates of women, ii) Bring more workers into the status category of the regular employees, and iii) Ensure that all workers become entitled to social security benefits. There is a long way to go before Kerala can claim any tangible progress on all fronts.

## References

Government of India, (2020) *The Annual Survey of Industries*. Ministry of Statistic and Programme Implementation, New Delhi available at <http://mospi.nic.in/annual-survey-industries>

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