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Precarity, Dignity, and Wellbeing: Dissecting Economic Identity Factors Among Young Adult Unorganized Sector Workers in Kerala

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ABSTRACT: This study explores the determinants of economic identity among young adults employed in Kerala's unorganized sector through a social work lens. Identity, shaped by cultural, social, and structural economic systems, is examined here through a qualitative thematic analysis of twelve participants aged 18–35. Using the Person-in-Environment (PIE) perspective, the findings reveal that incomplete education constrains upward career mobility and social recognition, while aspirations increasingly focus on information technology, accounting, and medical services as pathways out of precariousness. Income–expense disparities, particularly post-marriage, highlight the severe burden of inflation and the structural necessity of secondary income sources. Sudden financial emergencies—including accidents, illnesses, and property disputes—destabilize families both economically and psychologically, underscoring the fragility of financial security in informal employment. Despite limited savings and systemic wage dependency, workers actively aspire to maintain bank balances and secure property ownership as vital markers of dignity, self-esteem, and stability. The study concludes that educational attainment, occupational aspirations, income management, and risk-handling strategies collectively construct the economic identity of young adults in unorganized establishments. These insights emphasize the critical need for financial social work interventions, localized skill-development hubs, and macro-level policy protections to strengthen financial resilience among youth in informal labour markets.

Keywords: economic identity, unorganized sector, Kerala, young adults, financial social work, Person-in-Environment

Identity depicts how individuals and groups understand and express who they are, as well as how they are acknowledged and validated by others. It encompasses complex components such as culture, gender, nationality, social roles, and personal beliefs, reflecting both internal self-perception and external societal positioning (Hall, 1966). From the contemporary analysis of ancient Greek philosophy to modern sociological frameworks, the term identity possesses a long

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history of conceptual analysis. In daily discourse, the term often carries an ambiguous and slippery meaning (Buckingham, 2008). In recent decades, inquiries linking identity to economic realities have emerged as a vital area of academic interest, focusing primarily on the construct of "economic identity."

Theorists Akerlof and Kranton (2000) proposed a foundational explanation for economic identity, constructing its meaning based on tastes, preferences, and social categories that deviate from formal neoclassical economic pathways. These ideas intersect with earlier observations by economist Vilfredo Pareto (1920), who noted that while "taste" traditionally influences utility, behavioural "norms" dictate how people believe they and those around them should behave. This conception carries profound meaning for social work practitioners: individual behavioural patterns are deeply contingent upon structural and situational environments. A person's utility function and self-worth shift because social norms of appropriate and inappropriate behaviour differ across geographic spaces and over time. These norms are internalized through secondary socialization agents, including parents, spiritual leaders, and educators, and ultimately serve as an internal guide for individual behaviour.

From a psychosocial and social work standpoint, economic identity is not merely an abstract market mechanism; it is a psychological and relational phenomenon representing the sum of an individual's attitudes, self-efficacy, and emotional experiences concerning their economic activities. Antonova (2014) and Khashchenko (2004) argue that an individual's socio-economic status is subjectively assessed through the matrix of economic self-consciousness. Every aspect connected to the tangible properties of economic life and material wellbeing is accounted for within this consciousness. Significant manifestations of an individual's subjective economic consciousness include property ownership, income, money management, exposure to economic risks, perceptions of wealth and poverty, and future life aspirations. These psychological structures are acquired through life-course socialization and professionalization across numerous human interactions. Crucially, this economic self-consciousness solidifies during young adulthood-a developmental period fraught with systemic transitions.

Sociologists and social workers consistently observe that the nature, behaviors, and mental health of youth adapt continuously to shifting macro-social contexts, particularly class, gender, and ethnicity. Social historians note that "youth" as a distinct developmental stage is a relatively modern construct. Culturally and structurally, this age period is universally marked by the conclusion of formal schooling, entry into waged labor, and the acquisition of independent

income (Buckingham, 2008).

In developing economies like India, the unorganized or informal sector serves as the primary labour absorber. This sector is visible across cottage industries, village handicrafts, small-scale commercial businesses, agriculture, retail, and service domains across rural and urban borders (Sundaram, 2000). Unorganized labour is characterized by a stark absence of social security, institutional backing, and legal wage protections. To understand the youth entering this space, this study examines the major economic factors influencing the identity of young adult workers in Kerala across a spectrum of demographic, social, and economic indicators.

Review of Literature

Socioeconomic Status, Class, and the Person-in-Environment Perspective

Socioeconomic status (SES) and social class share deep conceptual similarities but operate differently within an individual's subjective identity. SES typically refers to an objective position within a socially ranked system based on measurable components such as formal education, income level, and occupational prestige. Conversely, social class operates as a psychological social identity, representing the felt significance, sense of belonging, and self-categorization within a specific group, such as the working class. An individual's objective SES does not always run parallel to their subjective social class identity (Ward et al., 2012).

This misalignment often produces profound psychological distress. Research indicates that individuals from lower socioeconomic or marginalized backgrounds frequently navigate hostile institutional cultures that lack structural inclusivity, resulting in a diminished sense of belonging and lowered institutional persistence (Langhout et al., 2007). In social work, this interface is understood through the Person-in-Environment (PIE) perspective, which posits that individual psychological well-being cannot be separated from the oppressive or supportive nature of surrounding social and economic systems.

Working-Class Consciousness and Identity Transformation

Drawing on a working-class perspective, Kaufman (2003) explained how social location and group alignments anchor individual self-concept, illuminating the micro-analytical processes of social reproduction and identity transformation. Constructing a preferred economic or social identity is not an unconstrained individual choice; rather, identity work is deeply bound by structural validation. A desired social identity cannot be fully actualized unless significant social networks and institutions validate the individual's personal identity.

For an economic identity to transition from a state of marginalization to one of dignity, the

broader social group must affirm the individual as an accepted, valued member (Kaufman, 2003). This is closely supported by structural identity theories, which argue that social identity and role enactments are deeply intertwined (Burke & Tully, 1977). An individual must engage in specific role behaviours to be recognized by society, yet systemic exclusions within the labour market often deny informal workers the structural scripts necessary to enact identities of economic security.

LeCourt (2006) framed the class and identity differences of the working class around economic reality and structural power dynamics. The dividing line between social classes is ultimately based on an individual's power over the means of production and the material circumstances of labour. Class functions primarily as a disparity of power-the power to regulate operations within manufacturing units, banks, and the wider political sphere. The alienation experienced by the working class is therefore shaped directly by material circumstances and institutional habits designed to maintain structural divisions.

Precarity in the Unorganized Sector

The expansion of the unorganized sector in developing countries reflects complex macroeconomic shifts. Sanyal and Bhattacharyya (2009) challenged traditional economic assumptions that developing economies transition cleanly from traditional, pre-capitalist structures to modern capital economies by absorbing surplus labour. Instead, contemporary capitalist expansion often transfers raw material resources while leaving a vast pool of surplus labour stranded in traditional livelihoods or informal, non-traditional manufacturing and service jobs. This surplus workforce is frequently restricted to home-based manufacturing, retail labour, and low-wage service sectors, heavily reliant on community specializations and kinship networks.

Two defining characteristics characterize workers within this sector: profound precarity and extreme income unpredictability (LeCourt, 2006). The absolute absence of stable employment contracts, regular wages, and institutional safety nets creates high levels of systemic debt. This structural vulnerability directly threatens the peaceful state of the family unit, chips away at individual self-esteem, and alters the formation of economic identity among young adults.

The Issue

The economic identity of young adult workers in Kerala's unorganized sector is shaped by a critical imbalance between low wage resources and a high cost of living. While macro-economic studies track informal labour statistics, there is a shortage of research exploring how these structural realities alter the internal psychological and social identity of youth. Fluctuations in

financial security directly affect household peace, individual dignity, and self-esteem. This study addresses this gap by analyzing the specific factors-educational boundaries, income-expense disparities, and financial risk-handling-that dictate economic identity formation among this vulnerable cohort, providing actionable insights for social work practice and advocacy.

Methodology

Research Design and Objectives

This study adopted a qualitative descriptive research design to capture the lived experiences and subjective meanings undergirding economic identity. The primary objective was to analyze the key determinants shaping the economic identity of young adults engaged in unorganized sector establishments in Kerala, India. The specific sub-objectives sought to explore:

1. The role of educational achievements in shaping social recognition and self-confidence.
2. The psychological and relational impacts of income-expense disparities.
3. The coping mechanisms utilized to handle major financial risks and emergencies.

Participants and Sampling

A sample of twelve (N=12) young adult workers was selected via purposive sampling to ensure diverse representation across major informal employment segments in Kerala, including construction, retail services, micro-enterprises, and self-employment. The inclusion criteria restricted participation to individuals aged 18 to 35 years residing in Kerala and actively employed in the unorganized sector for a minimum of one year.

Data Collection and Analysis

Data were gathered using in-depth, semi-structured interview guides. The interviews focused on personal economic histories, experiences with financial crises, income utilization patterns, and subjective perceptions of social dignity. All interviews were conducted in Malayalam, audio-recorded with participant consent, transcribed verbatim, and translated into English. The data were processed using qualitative thematic analysis, involving open coding, axial coding, and the crystallization of overarching themes directly corresponding to the research objectives. To protect participant confidentiality, alphanumeric codes (e.g., C130 EL, C427PL) are used throughout the presentation of data.

Analysis and Interpretation of Data

Understanding Educational Achievements and Structural Barriers

The narratives of the participants strongly indicate that formal education is viewed not merely as a functional tool but as a primary pillar of social honour and self-worth. A young worker

employed in a construction company reflected on his forced withdrawal from higher education due to severe household poverty. He shared:

In my case, if I had higher education, I could have received a better job than this. (C130 EL)

This reflection highlights the deep psychological burden of unfulfilled educational aspirations. The participant explicitly linked the level of social recognition he receives within his community to his incomplete academic qualifications. All twelve participants emphasized that educational attainment is fundamentally tied to self-confidence and personal dignity across all layers of interaction within the social environment. A 29-year-old male service staff member at a local shopping center reinforced this, noting that formal education serves as a key distinguishing marker in the identity-building process. This aligns with Luttrell's (1996) assertion that educational institutions function as powerful environments for socialization, where interpersonal interactions and structural feedback directly mold a student's emerging self-concept and psychosocial identity.

The study further explored participants' awareness of career opportunities and modern labour trends. Approximately half of the interviewed workers identified the information technology (IT) sector as the most prestigious and lucrative career path, viewing it as a rapid vehicle for securing well-paid employment. This perception mirrors the findings of Dey and Cruzvergara (2014) regarding the evolution of career services, which highlight how the digital and technological revolutions transformed the labour market into a dynamic network of highly compensated fields, shaping the career aspirations of youth globally.

Additionally, several participants expressed strong desires to transition into accounting and clerical roles, citing the safety and security of indoor office environments. Others emphasized the high societal value and resilience of the medical services sector, noting from personal observation that governments consistently prioritize health infrastructure due to public accountability. These aspirations highlight that while these young adults are trapped in precarious manual labour, their economic identity is oriented toward formal, secure, and digitally advanced employment sectors.

Handling the Disparity Between Income and Expenses

Balancing daily household expenses against unpredictable informal wages remains an exhausting, continuous struggle for families living at or below the margin. Systematic financial planning is virtually impossible due to the irregular nature of their cash flow. A married participant described how his baseline financial anxiety escalated dramatically following his marriage, while his wage rate remained stagnant:

> I was getting a favourable income, and it helped me to cover most of my expenses earlier. But, after my marriage, I felt that the income was not sufficient to meet my family's needs. A request for an immediate salary hike was made by employees, including me towards the company. It was necessary to look for a second source of income, and I have already started searching for it. The poor people cannot afford the prices of the goods needed for daily usage, especially the continuing hike in fuel prices. (C427PL)

This narrative illustrates how shifting family structures interact with macroeconomic inflation to disrupt individual peace of mind. The financial strain generated by wedding expenses and expanding household needs forces workers to seek secondary income sources, such as part-time weekend assignments or secondary manual gigs, to avoid severe debt. Participants unanimously pointed to macro-level inflation, specifically fluctuating fuel prices, as a direct threat to their daily survival. The structural reality that wages do not scale alongside life-cycle progressions (such as marriage or child-rearing) creates a persistent deficit, forcing workers into survival strategies that consume their health and leisure time.

Handling Financial Emergencies and Systemic Vulnerability

Given the low-wage structure of the unorganized sector, accumulation of substantial liquid savings or property assets remains an elusive goal for most. Workers survive almost exclusively on immediate wage dependency. A self-employed woman shared how intra-family conflicts regarding property inheritance stripped her of her financial cushion, pushing her into immediate economic precarity:

> I had a little amount as savings, which I saved from the wages earned from my previous jobs. However, it was enough for managing my little needs. The share of family properties meant for me was lost due to a conflict that happened after my marriage, and that incident put my life at some economic risk. Now the issues are resolved, and I am slowly recovering from them. (C1229SE)

When institutional savings are absent, microcrises rapidly cascade into macro-systemic shocks. Participants reported that unforeseen physical crises, such as severe illness or sudden accidents, represent the most destructive threat to their socioeconomic stability. An accident affecting the primary breadwinner simultaneously cuts off income while introducing catastrophic medical costs. A female micro-enterprise operator detailed how her husband's road accident, combined with the subsequent loss of her own job as a retail sales assistant, thrust her household into absolute crisis:

> A few years before met with an accident, and a good amount of money had been spent on medical care and other expenses. Before the complete recovery, I had lost my job as a sales assistant in a shop. These conditions put the family in a big crisis. (C1215CW)

Unorganized workers are often trapped in a cycle of compounded vulnerability: low wages prevent savings, a lack of savings leaves them exposed to health crises, and health crises destroy their capacity to work. Unmarried bachelors in the study frequently relied on the liquid assets of their parents (e.g., family gold) to cope with emergencies, displaying less immediate interest in independent banking. Conversely, older youth with growing families expressed a deep, burning aspiration to secure a stable bank balance and independent property titles, viewing these assets not merely as economic tools but as essential instruments for claiming social dignity, security, and psychological peace.

Implications for Social Work Practice

The findings of this study demonstrate that economic identity is an active, psychosocial construct shaped by the transaction between young adults and oppressive economic landscapes. To fulfill the core mission of professional social work, interventions must be deployed across micro, mezzo, and macro dimensions.

Micro-Level Practice: Financial Social Work (FSW)

Social work education and practice in India must integrate the specialized framework of Financial Social Work. Practitioners operating within family counselling centers and community settings should transition away from treating financial distress merely as a secondary symptom of psychological friction. Social workers should implement clinical financial behaviour assessments, train informal youth in structured budgeting, debt mitigation, and navigating formal banking spaces. Empowering young adults to manage limited income and build small-scale credit profiles directly enhances their economic self-efficacy, helping them achieve the "dignity of a bank balance" highlighted in the narratives.

Mezzo-Level Practice: Localized Asset and Skill Development Hubs

At the community level, social workers should collaborate with local self-governments (Kudumbashree units and Grama Panchayats in Kerala) to establish dedicated Youth Economic Empowerment Hubs. These hubs can directly answer the aspirations of informal workers by providing accessible, evening-hours vocational upskilling in digital literacy, basic accounting, and clinical auxiliary services. Furthermore, community social workers can establish localized mutual-aid support networks and peer-led micro-insurance groups, creating an immediate cushion against

the devastating health shocks and accidents that currently destabilize informal households.

Macro-Level Practice: Advocacy and Social Security Policy Reform

On a macro scale, social work professionals must utilize this empirical evidence to advocate for structural policy revisions within the Kerala Unorganized Workers' Welfare Fund Board. Social workers can lead legislative campaigns demanding universal, non-contributory accident compensation and comprehensive health insurance covers tailored specifically for youth aged 18–35 in informal spaces. By transforming these findings into policy white papers, social work advocates can push the state to mitigate the precarious labour conditions that currently damage the economic identity, dignity, and long-term mental health of the state's younger workforce.

Conclusion

This study demonstrates that the economic identity of young adults in Kerala's unorganized sector is constructed through a complex interplay of educational histories, occupational dreams, income deficits, and systemic vulnerabilities. These youth face structural barriers that limit their career growth, expose them to chronic inflationary stress, and leave them vulnerable to sudden health shocks. Despite these challenges, their drive to secure bank savings and property ownership highlights a resilient pursuit of social honour and personal stability.

To support this population, professional social work must step up. By implementing targeted financial counselling, establishing accessible community skill hubs, and advocating for stronger macro-level labour safety nets, the social work profession can help bridge the gap between systemic economic precarity and the universal right to human dignity.

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