

# **Income Inequality Among Transgender Individuals In India: With Data Evidence And Case Study From Chandigarh Tri-City**

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## **Abstract:**

*This research paper explores the Income Inequality experienced by transgender individuals in India. Despite legal recognition and progressive reforms, the transgender community continues to be victimised due to socio-economic marginalization. This paper examines income inequality within the transgender population in Chandigarh Tri-City through primary data collection and analysis. The research explores factors such as educational attainment, employment opportunities, and access to social services that contribute to income inequality. By identifying these issues, the research aims to provide a comprehensive understanding of how economic inequalities exist and what measures are needed to bring inclusivity and equality for transgender individuals.*

**Keywords:** *Income Inequality, Employment, Transgender Individuals*

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## **I. Introduction**

Income Inequality is a problem that transcends global boundaries and creates economic stratification. Specifically, the transgender community is one particular community that has, for long, been affected deeply due to income inequality. For generations, access to basic resources like education and employment for transgender individuals has remained limited, if not entirely out of reach. This exclusion worsens the already existing income inequality for them, weaving a vicious cycle of poverty and marginalization for them.

In India, the transgender community continues to experience severe economic challenges, despite the Supreme Court's recognising them as a "third gender" in 2014 (NALSA v. Union of India). While this legal recognition was supposed to open doors for transgender people, allowing them to access education, healthcare, and employment opportunities-in reality, the change has been slow.

Years of exclusion, discrimination, and neglect has resulted in a majority of transgender individuals to rely on informal/low-paying jobs, or begging to make ends meet. Despite the required talent, skills, and the potential to contribute to the workforce, they are often denied access to mainstream employment opportunities. Their exclusion from mainstream employment has resulted in a severe economic stress for them.

Moreover, research on the transgender community in India is limited, especially on how income inequality plays out in smaller urban centres like the Chandigarh Tri-City. Understanding how income inequality arises in these smaller urban centres is necessary for initiating solutions that can genuinely help them improve their socio-economic condition.

This research aims to address this gap by providing primary data evidence on income disparity within the community. The objective of this research is to analyse the level of income inequality among transgender individuals in Chandigarh Tri-City and identify the key factors contributing to this inequality, such as educational attainment, access to employment, and the impact of social discrimination.

By focussing entirely on the largely unexplored research topic of income inequality among transgender individuals in the country, this research paper fills a crucial gap in the current understanding of transgender economic issues in India. Additionally, by using firsthand accounts directly from transgender individuals in Chandigarh Tri-City, the research provides a more grounded and intimate understanding of their economic experiences and aims towards providing valuable insights that can serve as the foundation for meaningful policy changes and further research in this critical area.

## **II. Literature Review:**

While research on the present topic is limited, there are some sources that have effectively been able to provide with relevant insights into the critical condition of transgenders in India. As per the Indian Census of 2011, the transgender population in India is a marginalized group of society and has created their own way of

developing their community. As per the national census data, this community has low literacy levels. Around 43% of transgender people are literate, compared to the 74% literacy rate in the general population. Poverty and economic exclusion have led to livelihood deprivation and prevented access to healthcare facilities. Adding to these, gender discrimination in the community, particularly at the hospitals, is bringing their morale down. Because of this, about 20% of the transgender community has specific healthcare needs that are not being met (Chettair, 2015; Khan, 2009).

Furthermore, a study by Humsafar Trust (2018) provided a revelation that nearly 50% of transgender respondents had dropped out of school due to discrimination, further contributing to unemployment and underemployment in low-paying, informal sectors. Thus, unwillingly, several transgender individuals are pushed into sex work or begging, perpetuating poverty (Chakrapani et al., 2017).

All of these researches provide us with critical insights into the extent of marginalisation faced by the trans community in India.

### **III. Methodology**

This research paper uses a combination of primary data and secondary for a comprehensive understanding of the issue at hand. It incorporates the use of real-life case study for providing practical examples in order to support the research question. Additionally, via a thorough analysis of existing reports, articles, and scholarly publications, the paper suggests crucial changes which are important to be implemented in a developing country like India to ensure equity.

The rest of the research paper has been structured as follows:

Educational Challenges

Employment Challenges

Prejudice faced by transgender individuals

Microeconomic Impact of Trans Businesses: Case Study from Chandigarh

Suggestions and Conclusion

References

### **IV. Educational Challenges**

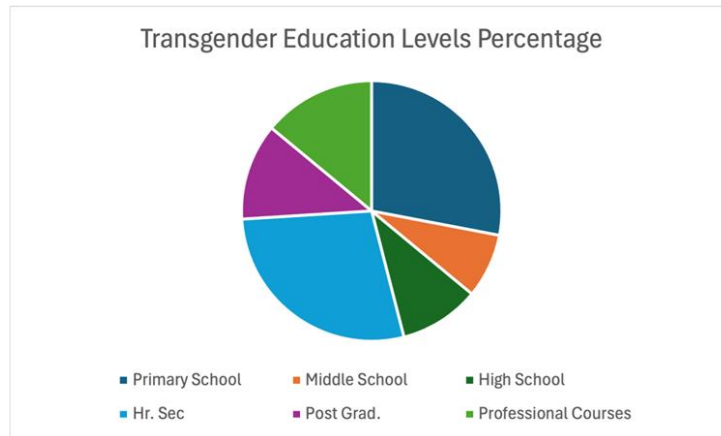
Majority of the transgender population in India is illiterate and uneducated and is 'seriously lagging on the human development index mainly in the area of education.' The community and its members has been categorized under the 'disadvantaged group' as defined by the Indian Right to Education Act (Indian Express, 2014).

Due to limited data availability on the topic, the approximately decade-old Indian Census of 2011 is the only credible source till now that provides with credible Educational-Data surrounding the transgender community. According to the census of 2011, the literacy rate among transgender persons is significantly lower compared to the national average, with only about 56.1% literacy compared to 74% of literacy in the general population. This stark contrast represents the marginalisation faced by the community in the country, with several students opting out of education due to factors like exclusion from family/society, poverty, social stigma and discrimination, insensitive attitude of teachers/staff, violence, and sexual abuse. Another major reason for this is due the stark unavailability of unisex/ trans-friendly washrooms, with the National Council for Transgender Persons (NCTP) continuously raising the issue of building unisex toilets, shelter homes with government. It is also worth noting that out of the 1,889,878 students who appeared for Class 10 CBSE exams and the 1,206,887 students who appeared for the Class 12 CBSE exams in 2020, the number of transgender students stands at just 19 and 6 for Class 10 and 12 respectively in this count.

These numbers are alarming and a serious cause for concern regarding the lack of education for the differently-abled

While there have been continuous legal reforms in the country like the landmark NALSA judgment, for example, which upheld the right to education for transgender people, the real-world implementation continues to lag, leaving many transgender students feeling unsupported and excluded from the educational system. Furthermore, there is a severe lag in the legislations passed by the government and their implementation.

In order to dive deeper into the education levels of trans individuals in Chandigarh Tri-City specifically, a primary-data collection survey was conducted on 50 trans individuals out of the approximate population of 150. The results of which are as follows:



(Fig 01)

This data shows how only 28% trans individuals are able to complete primary school, highlighting a concerning dropout rate at early stages of education. Participation percentages drop sharply as education level progresses, with only 8% passing middle school and 10% completing high school. These low numbers reflect the societal challenges and systemic discrimination faced by transgender individuals.

Interestingly though, 30% of respondents have passed higher secondary education, suggesting that while some manage to overcome obstacles up to this stage, few progress beyond. 12% have completed postgraduate studies, indicating the severe challenges in pursuing higher education. Lastly, 14% have undertaken professional courses, possibly due to alternative career paths or vocational training being more accessible than formal academic progression.

Overall, the data underscores the urgent need for interventions to support transgender individuals' educational journeys.

Research papers like the “Critical Analysis of Transgender Persons (Protection of Rights) Act, 2019” (Aishwarya Bhi Malli) point out exactly how an effectiveness of initiatives like the Transgender Persons (Protection of Rights) Act, 2019 remains to be seen. The situation of trans individuals can and will only be improved once such measures are implemented properly.

## V. Employment Challenges

The employment challenges transgender individuals face are mainly due to the deeply rooted societal prejudice and stigmas against them, and a lack in the execution of inclusive policies. These are only some of the many barriers that hinder their ability to access employment, depriving them of the opportunity to improve their economic status. Some major ideas can be drawn from a study conducted by McKinsey & Company. Even though the study is focused on the United States of America, the results can also be applied to the Indian context.

- Transgender adults are twice as likely as cisgender adults to be unemployed.
- Cisgender employees make 32 percent more money a year than transgender employees, even when the latter have similar or higher education levels.
- Greater transgender inclusion in the workforce would benefit everyone. A concerted effort to increase employment and wage equity for transgender people could boost annual consumer spending by \$12 billion a year.

This reveals that the employment challenges faced by the transgender community is not only a situation unique to India but is ubiquitous around the globe.

According to a National Human Rights Commission (NHRC) report from 2018, nearly 92% of transgender individuals in India are unable to participate in any form of economic activity, forcing many into begging or sex work. Moreover, International Labour Organization (ILO) in 2022 revealed that transgender individuals have an unemployment rate of 48%, significantly higher than the national average of 7-8%. It is because of such employment challenges that many transgender individuals end up begging, dancing at weddings, blessing newborns, asking for alms, etc.

These roles are unsustainable and push them further into poverty due to their unstable and unreliable nature.

It is important for a developing country like India to make use of its young and dynamic population. A 2021 World Bank report estimated that India's GDP could increase by 1.7% if transgender individuals were integrated into the workforce, reflecting the untapped economic potential of this marginalized community.

What is needed is active efforts from the government to improve the condition of this community because despite government efforts such as the Garima Greh Scheme aimed at creating employment opportunities for

transgender individuals, only 5% of the transgender population has been able to benefit from it due to poor implementation.

Another issue is the stereotypes held by the general population against trans individuals. This leads to them feeling de-moralised and excluded from the broader society and further contributes to several of the already existing challenges they face. Out of the 50 transgender respondents for this study, all 100% agreed that they felt exclusion and feelings of demoralisation.

### **VI. Biases And Stereotypes About The Transgender Community**

In India, biases, stereotypes, stigmas, and prejudices against the trans community highly affect their social and economic well-being. These attitudes undermine advancements and result in widespread discrimination and marginalization.

Traditionally, the presence of transgender individuals in India is not a new occurrence, for they have been part of the Indian culture for centuries.

Our primary conversations with transgender individuals from a transgender temple in Sector 26 East, Chandigarh revealed how the prejudice against this community has been prevalent since pre-colonial times in India, stating how the community members were forced to leave villages and told to settle ‘on the other side of the river.’

This reveals how this community has been viewed through a lens of ridicule or as subjects of curiosity since several hundred years, not only dehumanizing them but also creating a hostile environment that limits opportunities for them.

These historical causes of discrimination against transgender individuals in India are further catalysed due to myths and stereotypes which often portray transgender people in a negative light, forcing their exclusion from the society. As a result, the stigma attached to this identity of the community leads to discrimination in various areas such as education and employment. Several transgender individuals face bullying and harassment leading to a high dropout rate and lack of educational qualifications as discussed previously. Such conditions obstruct their opportunities for securing stable employment.

Moreover, feelings of depression, self-harm, self-hate, anxiety, depression and other mental problems tend to arise among transgenders due to the lack of acceptance and support from their own families, most of them being disowned. Such burden can lead to a vicious cycle of despair reinforcing barriers to their economic independence.

### **VII. Microeconomic Impact Of Trans Businesses: Real-Life Case Study And Data Evidence From Chandigarh Tri-City**

Transgender-owned businesses in the Chandigarh Tri-City area play an important role in generating economic activity and promoting inclusivity within the local economy. A closer look at the microeconomic impact of these businesses reveals the extent of their contribution to the economy.

Upon obtaining insights from a Trans-run food-truck named ‘*sweekar*’ operating in Zirakpur, a direct spending of approximately ₹90,000 was reported. Direct spending refers to costs associated with running the business and covering operational expenses. Moreover, the business also contributes to the local economy through indirect spending, which is estimated at ₹20,000 per month.

Indirect spending refers to the amount spent on suppliers and services that support the business. Lastly, the induced spending—the consumption generated by employees and business owners—is approximately ₹10,000 per month. This reflects how wages and profits earned by transgender individuals are spent locally on goods and services, creating further economic activity.

From these numbers, we can calculate the income multiplier of the *sweekar* food truck as follows:

$$\text{Total Economic Impact} = 90,000 + 20,000 + 10,000 = ₹120,000$$

$$\text{Income Multiplier} = \frac{\text{Total Economic Impact}}{\text{Direct Spending}}$$

$$\text{Income Multiplier} = \frac{120,000}{90,000}$$

$$= 1.33$$

The income multiplier is calculated to be 1.33. This means that for every ₹1 spent by the *sweekar* food-truck, an additional of ₹0.33 is generated within the local economy.

Moreover, this business provides employment to 8 individuals, each earning an average wage of ₹18,000 per month, providing direct livelihood opportunities to members of the community. The total wage spending is approximately ₹144,000 monthly, highlighting the significant purchasing power of its employees. These employees further support local consumption and growth.

Moving on from the direct economic impact of trans businesses, we must also consider the positive externalities that arise due to the encouragement of transgender businesses. Below are some positive externalities:

**Social Inclusion and Reduced Discrimination:**

These businesses challenge the societal biases and stereotypes by integrating of transgender individuals into mainstream economic activities. By running businesses, transgender entrepreneurs can help change perceptions and reduce stigmas surrounding their community.

**Reduction in Unemployment and Poverty:**

Businesses will provide for a stable and reliable source of income and employment for several transgenders. This will result in their upliftment and withdrawal from activities like begging, sex work or other menial and odd jobs.

**Strengthening of Local Economies:**

By moving money across the community, transgender-owned businesses support local economic development. Because local economic development is driven by a wider range of customers and enterprises, this promotes economic resilience.

**Cultural Enrichment:**

Transgender businesses frequently contribute distinctive viewpoints and diversity to their goods and services, enhancing the local cultural environment. By providing products or services that represent transgender culture and experiences, they encourage creativity and innovation, boosting social cohesion and cultural variety.

**VIII. Conclusion**

Through this research, we can conclude that income inequality among transgender individuals in India is a result of a complex combination of historical, social, and economic factors – all of which have equally contributed to the community’s marginalization. Transgender individuals face discrimination despite being an important part of the Indian society. This hinders their access to education, employment, and other opportunities. This research highlights the importance of better implementation of government policies in India to combat these problems.

By using primary data evidence from 50 trans individuals from Chandigarh Tri-City and a case study to understand the microeconomic impact of a trans business in the Chandigarh Tri-City area, this research on the ground-level reveals how transgender-owned businesses don’t only serve as a means of economic empowerment but also lead to social change. These businesses contribute significantly to the local economy, create jobs and develop a spirit of entrepreneurship. The positive externalities generated by these enterprises—such as social inclusion, improved mental health, and cultural enrichment—highlight their immense potential to drive a broader societal change.

It is important to note that despite the link of positive outcomes with transgender businesses, many barriers still exist. Stigmas and discrimination limit the proper working of these businesses. Moreover, educational challenges due to a lack of access to financial resources further aggravate the vicious cycle of exclusion. Therefore, it is important for effective implementation of government policies focused on education, employment, and support for entrepreneurship and raising public awareness around transgender issues to uplift this marginalised community.

In conclusion, income inequality among transgender individuals in India is not only a matter of economic necessity but also a human rights issue worth addressing. Together, we can pave way for a more inclusive society, where every individual, regardless of gender identity, can thrive and contribute meaningfully to the nation’s progress.

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