



EXPENDITURE PATTERN OF MIGRANT WORKERS AT ALANG SHIP BREAKING YARD

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Abstract:

Ship-breaking is the process of dismantling an obsolete vessel's structure for scrap. In India, the Alang ship-breaking yard is one of the active yards, which is also considered to be the world's largest ship-breaking yard. In developing countries like India, the ship-breaking activity is labour-intensive and is also considered as one of the hazardous industries. In ship breaking yard at Alang 90 percent labours are migrants from different rural and under developed areas of the country. These migrant are moving from their native place to Alang ship breaking yard to earn sufficient income. The main aim of this paper is to examine the living conditions workers at Alang ship-breaking yard with regard to expenditure incur and also to identify the various associated factors therein. The findings show that workers expenditure is more on food items i.e. 71 percent as compare to non-food items which is 29 percent.

Key Words: Migrants, Expenditure, Income & Ship Breaking

Introduction:

Ship breaking is the process of dismantling of old ships to recover steel scrap and other materials. Ships breaking industry is a recycling industry which recover steel from the ship which is expected to constitute 90 percent in terms of value. The other materials constitute the remaining 10 percent and consist of machines and equipment, furniture and fittings, asbestos, wood panels, oil, chemicals, electrical fittings etc. These items can at best be considered as by-products of this industrial activity. Ship breaking is a challenging process involving a complexity of issues like ecology environment, labour health and safety. Thus it has been recognized as one of the hazardous industries and this activity is mainly concentrated in developing countries of Asia.

The ship breaking activity shifted gradually from high-income countries to middle income countries and then to low income countries due to growing environmental concern and stringent regulations in developed countries. During this process the ship breaking industry has transformed from being a capital-intensive industry to labour intensive industry. Although Ship breaking industries produce the potentiality for economic growth, it also brings with it dangers of environmental imbalances. Until the 1970's ship breaking activities were concentrated in developed countries. But after 1980, due to availability of cheap labour, a shift of these activities from the developed countries to developing countries is witnessed. Countries like India, Bangladesh, China and Pakistan have less stringent norms or legislation pertaining to environment and also the availability of huge labour force.

It is estimated that on an average 700 ships are taken for decommissioning every year world over. Out of these 350-450 ships are scrapped in India. The ship breaking activities are carried out at various places in India along the sea coast of the country Viz, Alang in Gujarat, Sachana in Gujarat, Dharukhana near Bombay, Tadri in Karnataka, Maipen in Karnataka, Baypore in Kerala, Vishakhapatnam in Andhra Pradesh, Valinokan in Tamil Nadu and at Tuticorin in Tamil Nadu. However, the main ship breaking centre is located on the west coast at Alang, Gujarat. The ship breaking activity at Alang began in 1982 and currently, 141 plots are in operation and Alang is considered to be the largest ship-breaking yard in world. India has the world's largest ship breaking facility in terms of volume. According to Basel convention report of 2003, 38 percent of ship breaking activities are concentrated in India, followed by China 25 percent, Bangladesh 19 percent and Pakistan 7 percent.

Problem of the Study:

The people's living conditions can be judge by the level of expenditure per month and pattern of expenditure. The main aim of this paper is to examine the expenditure pattern workers at Alang ship-breaking yard and also to identify the various associated factors therein. There are only few studies done on the income and expenditure of workers at Alang Ship breaking industry. The present study fills the gap of expenditure pattern and associated factors.

Data and Methodology:

The study is based on the data collected by the researcher personally from the workers using a structured questionnaire. Out of 30,000* unskilled and skilled labours working inside yards, a stratified sample of 300 respondents, which accounts for about 1 percent of the population, is selected for the survey. These 300

* Figures are collected from GMB reports on ASSBY.

respondents are from different states viz, U.P, Orissa, Bihar, Jharkhand and Gujarat. The researcher directly contacted the respondents at site and at their living place in Alang to collect the information.

Besides primary data the researcher has also made use a secondary data such as reports, studies and information available at Gujarat Maritime Board and Gujarat Ship Breakers Association. A number of reports and surveys containing information of ships dismantled and environment conditions are available. These studies have been conducted both at individual and Government levels but comparison of the results of these studies is difficult and results have to be treated with certain amount of caution due to variation in the data and definitional differences.

Expenditure Pattern:

The people’s living conditions can be judge by the level of expenditure per month and pattern of expenditure. The primary need of living includes nutrition, clothing, housing, medical and education etc. Among the secondary needs component are comprise of leisure, security and environment. However, the analysis in this section is confined to primary needs. Information regarding the expenditure of different respondents is collected and is analysed. The analysis given below presents the consumption expenditure of different groups working at Alang ship breaking yard.

Table 1 presents the expenditure and income of the 300 respondents from whom detailed information has been collected. The 300 respondents have been categorized based on their expenditure pattern. More than 80 percent of the respondents spend less than Rs. 2000 per month. It can be seen from the table 6.9 that there are 12.7 percent of respondents having the per capita consumption expenditure per month less than or equal to Rs. 1000 whereas respondents enjoying the highest bracket of expenditure group viz Rs. 3001 and more is 0.7 percent. The high concentration of respondents is observes between the expenditure level of Rs. 1001-2000. That is to say that majority (80 percent) of the respondents are having monthly expenditure between Rs. 1001 to Rs. 2000. Moreover, the modal value of their per capita expenditure falls in the expenditure group of Rs. 1501-2000 because approximately 60 percent of the respondents are clustered in this expenditure group, which is highest among all other expenditure groups. The table brings out one important fact that 72.7 percent of the respondents at Alang ship breaking yard are having the monthly expenditure of less than Rs. 1501, whereas only 27.3 percent of respondents are having the consumption expenditure of more than Rs. 1501 per month. The share of expenditure varies from one group to another. The average share of expenditure is 48 percent of the income. This is low but taking into consideration the fact that most of the respondents stay alone and save money, so as to send to native place, the finding is of significance. From the income earned by the respondent’s part of it is consumed at Alang. The rest of income is categorized as unspent income. The unspent income is 52 percent, which is used for remittances as well as for saving purpose by the respondents. The workers at Alang control their expenditure so as to maximize their unspent income, which is used for their families residing at their native place and for their future.

Table 1: Expenditure Pattern of the Respondents

Expenditure Pattern	Number of Workers	Average Expenditure per Month	Average Income per Month	Share of Expenditure as a Proportion of Income (in %)	Unspent Income (in Percentage)
500-1000	38 (12.7)	948.95	2465.26	38.49	61.51
1001-1500	180 (60.0)	1270.39	2692.52	47.18	52.82
1501-2000	61 (20.3)	1706.23	3290.66	51.85	48.15
2001-2500	15 (5.0)	2246.67	3873.33	58.00	42.00
2501-3000	4 (1.3)	2787.50	4500.00	61.94	38.06
3001-3500	2 (0.7)	3325.00	5750.00	57.83	42.17
Total	300 (100.0)	1401.03	2888.89	48.50	51.50

Source: Filed Survey, May 2014-15.

Note: Figures in brackets are in Percentage.

Per capita expenditure on food and non-food items are calculated in absolute and in terms of percentage. While calculating the per capita expenditure value of food and non-food items provided by the respondents are considered. Food and non-food expenditure per capita per month is presented in table 2.

The total expenditure among the 300 respondents works out to be Rs. 42,4,134.34. Table 2 brings out the significant fact that a major portion of the consumption expenditure is on food items. The expenditure on food items is as high as 71.09 percent. The NSSO estimates show that the proportion of expenditure on food is 60 percent in urban areas whereas the corresponding figure for rural areas is placed around 70 percent. It is also known that the proportion of expenditure on food declines with rise in income. That is to say that, poor families spend higher proportion on food items than that spent by the better off families. But from the available figures in the table, the workers at Alang reveal that their standard is at par with their counterparts in rural areas. The expenditure on non-food items accounted for 28.91 percent out of which respondents spent 11.31 percent on travel whether to their native place to meet their kith and kin. Expenditure on rent (5.27 percent), beverages (6.18 percent), entertainment (2.46 percent) and water (0.94 percent) are all significant items of expenditure.

Table 2: Expenditure Pattern of the respondent at Alang Ship Breaking Yard

Expenditure	Total Amount of Expenditure (in Rs)	Percentage of Expenditure
Food	301500.73	71.09
Rent	22350.09	5.27
Entertainment	10449.94	2.46
Water	4000.04	0.94
Beverages	26199.81	6.18
Travel	47979.82	11.31
Miscellaneous	11654.0	2.75
Total	424134.34	100.00

Source: Field Survey 2014-15

After discussing the expenditure of the workers on food and non-food items, now an attempt is made in this section to using various variables to fit an expenditure function. Various alternative regression models are fitted using both qualitative as well as quantitative variables. Though, many variables are included in the model but it is found that some variables do not explain any variations in expenditure significantly. Therefore, for analysis of expenditure pattern simple regression function have been fitted for the total sample and for different states. The following expenditure function is considered for explaining variation in expenditure

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Where,

Y = Expenditure per month (Rs.)

X₁ = Marital Status of the respondents

X₂ = Income per month (Rs.)

X₃ = Dependent members in family

Total Expenditure = f (Marital Status, Present Income, Dependent Members)

It is found from the table 3 that the expenditure function is best explained through the variable, present income of the respondents. In all models for different states present income, marital status and dependent member are the explanatory variable. The model for Uttar Pradesh explains 48 percent of variations in the dependent variable. The model is good fit as indicated by F-ratio. The coefficients of the variables have expected sign in the model. All the models in the table reveal that there is a tendency of the migrants to increase expenditure with the increase in income. Other two variables marital status and dependent members have negative sign which suggests that married are spending less as compared to unmarried and those who have more dependent members in their native place spend less as compared to those who have less number of dependent members. Only in case of migrant labours from Orissa more dependent members in their native place shows high expenditure but the coefficient is not significant. The model for Gujarat state does not explain variation significantly. This may be due to limited respondents in the survey.

From the regression model for all the respondents together, it is revealed that the marital status and dependent member are important variable in analysis but does not explain variations significantly. Therefore, the present income of the respondent is the most important variable, which explains variation in expenditure significantly. The F-ratio for all the models is high and significant except Gujarat state. All three variables together explain variation in expenditure pattern at site and this can be seen by high R-square value of the models. It is concluded from the table that income is the significant variable, which explains the expenditure pattern of the workers.

Table 3: Total Expenditure of the Respondent at Site

Variables	Uttar Pradesh	Bihar	Orissa	Jharkhand	Gujarat	All States
Constant	344.089	-10.247	17.136	431.799	634.274	270.450
Present Income	0.386 (9.939)*	0.630 (11.504)*	0.437 (7.375)*	0.329 (7.793)*	0.438 (1.619)	0.403 (16.933)*
Marital Status ^a	37.168 (0.579)	427.846 (1.967)	-85.939 (-1.128)	-167.806 (1.531)	--	-46.200 (-1.017)
Dependent Member	-6.690 (-0.636)	-34.948 (-1.882)	21.397 (1.548)	1.818 (0.113)	-74.112 (-0.647)	-0.891 (-0.128)
N	113	31	74	72	10	300
R ²	0.48	0.84	0.47	0.54	0.28	0.50
F	33.519*	46.092*	19.954*	26.487*	1.374	99.611*

* Significant at 1%

** Significant at 5%

*** Significant at 10%

Note: ^aDummy Variable

Marital Status

Married = 1 and Unmarried = 0

Conclusion:

It is concluded from the study that the living conditions of the migrants at Alang are unsatisfactory. The average expenditure of the total respondents in a month is Rs. 1401.03. The high concentration of respondents is observed between the expenditure levels of Rs. 1501-2000. The share of expenditure in income is 48.50 percent for all respondents. It is found from the data majority of the expenditure on food i.e. 71.09 percent and 28.91 percent expenditure on non-food items. The regression analysis indicates that income of the respondent is a significant variable explaining the variations in expenditure pattern of respondents at Alang. This is found from the study that the expenditure is more than income of the respondents.

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