

A Financial Assessment Of Semi Skilled Construction Workers In Tirunelveli District

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Abstract

This study the building sector is important to the country's economy in terms of gross capital production activities. Construction should be regarded as the mother of productive activity since it is interconnected with most other economic sectors. Considering the time allocated for the study and the need for a large enough sample to allow for statistical analysis, 711 homes owned by construction workers were selected at random. Examining the financial assessment of semi-skilled construction workers in the research area is one of the study's main objectives. Construction sector is an important in gross capital formation activity in the country's economy. It is a productive activity as it results in creation of assets. These assets will be further used for productive purposes. Therefore, construction should be regarded as "the mother of Productive Activities" and it is inter-linked with most of the other sectors in an economy. Practically, all the sectors have construction components in them of varying degrees such as 40 per cent in transport and communications, 75 per cent in power, 80 per cent in irrigation and flood control to 100 per cent in housing....

Keywords Income, Age, Construction workers, Semi-skilled

Introduction

Income of the Construction Workers

Income is one of the important factors which influence the standard of living of a person or members in the family. In general, the term income can be defined as the money which a person has to earn in a given period of time and this amount of money is to be spent by him during that period. In the present study, the income includes not only the income earned by the respondents but also receipts from other family members and their activities. Data relating to the gross income from each construction workers respondent's household are added up to arrive at a total income from all sources. From this, the annual average per capita income has been calculated for further analysis. In the present chapter, the analysis of respondents' household income, expenditure, savings and debt has been discussed.

Semi-skilled labour requires more skills than unskilled labour, but it does not require advanced training or specialised talents. Semi-skilled workers typically possess more education than a high school diploma but less than a college degree. The abilities required for this are not complicated, but they typically need the capacity to oversee and carry out repetitive operations. These kinds of abilities are more likely to be applicable and helpful in different occupations. Truck drivers, retail salespeople, bartenders, flight attendants, taxi drivers, waiters, and equipment installers are a few occupations that fall under this category.

2. Annual Household Income of the Construction Workers

Income is one of the important factors which influence the standard of living of a person or members in the family. In general, the term income can be defined as the money which a person has to earn in a given period of time and this amount of money is to be spent by him during that period. In the present study, the income includes not only the income earned by the respondents but also receipts from other family members and their activities. Data relating to the gross income from each sample respondent's (construction workers) household are added up to arrive at a total income from all sources such as wages, salaries, rent, interest, agriculture and other family members income. From this, the annual average per capita income has been calculated for further analysis.

3. Average Annual Gross Income by Source

Collecting information regarding the income earned from all sources is an essential pre-requisite to analyse the pattern of income distribution among the sample construction workers. Table 5.1 present the source-wise gross income of the sample construction workers in the study area.

Table: 1.1 – Average Annual Gross Income by Source

(in `)

Source	Construction Workers			Overall
	Skilled	Semiskilled	Unskilled	
Wages & Salaries	94,800 (62.08)	75,500 (57.39)	78,400 (66.87)	83,900 (63.11)
Other Family Members Earnings	48,750 (31.93)	48,600 (36.94)	34,550 (29.47)	44,200 (33.25)
Agriculture & Allied Activities	2,400 (1.57)	1,200 (0.91)	0 (0.00)	1,400 (1.05)
Rent, Interest and the like	6,750 (4.42)	6,250 (4.75)	4,300 (3.67)	3,450 (2.59)
Total	152,700 (100.00)	131,550 (100.00)	117,250 (100.00)	132,950 (100.00)

Source: Field Survey

Note : Figures in parentheses indicate the percentage to total.

It is observed from Table 5.1 that, earnings by wages and salaries constitute a major source of income for all the group of construction workers. Next to this, earning from other family members, income from rent, interest and the like and income from agriculture and allied activities give a considerable amount of average annual income to the construction worker households. Among the construction workers, the skilled workers earned higher average annual income which accounted for `1,52,700 and it was followed by earnings by semiskilled worker and unskilled workers groups which amounted to `1,31,550 and `1,17,250 respectively. Thus it is inferred from the analysis that earnings by wages and salaries constitute a major source of income followed by self-earning.

4. Distribution of Respondents by Annual Income

Income is one of the important factors that determine the financial condition of a construction workers family. Under normal circumstances a sustained flow of a reasonable income ensures the family a decent standard of living. On the other hand, when the income of the family is not sufficient to get the bare necessities of life, the family is said to be below poverty line. The annual income earned by the respondents before and after joining the construction work in the study area is presented in Table 5.2.

Table: 1.2 – Distribution of Respondents by Annual Income

Annual Income (in `)	Before Joining Construction Work			After Joining Construction Work		
	No. of Respon- dents	Mean Income	%	No. of Respon- dents	Mean Income	%
Below 20,000	171	11,864.45	24.05	33	15,485.65	4.64
20,000 – 40,000	151	23,584.25	21.24	87	30,450.25	12.24
40,000 – 60,000	132	47,950.26	18.57	196	52,478.69	27.57
60,000 – 80,000	168	68,457.85	23.63	220	73,658.24	30.94
80,000 – 1,00,000	53	95,645.28	7.45	104	103,456.58	14.63
Above 1,00,000	36	113,456.58	5.06	71	121,478.96	9.99
Total	711	59,456.32	100.00	711	67,587.15	100.00

Source: Field Survey

Before joining the construction work, the mean annual income of the income groups are less than `20,000, `20,000-40,000, `40,000-60,000, `60,000-80,000, `80,000-1,00,000 and above `1,00,000 per family is about `11,864.45, `23,584.25, `47,950.26, `68,457.85, `95,645.28, `1,13,456.58 respectively. The first three categories are less than the average annual income. The average annual income of the construction workers before commencing the business is about `59,456.32.

After joining the construction works, the mean annual income of the income groups are less than `20,000, `20,000-40,000, `40,000-60,000, `60,000-80,000, `80,000-1,00,000 and above `1,00,000 per family is about `15,485.65, `30,450.25, `52,478.69, `73,658.24, `1,03,456.58 and `1,21,478.96 respectively. The first three categories are less than the average annual income of `67,587.15.

Before joining the construction works, the annual average income of the respondents was `59,456.32 but after joining the construction works, the annual average income is increased to `67,587.15. This is due to the differences in the wages and salaries in different categories of construction work.

Estimated Results of Determinants of Per Capita Income for Semiskilled Construction Workers
Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.638	0.407	0.323	7907.854

a Predictors: (Constant), Age, Size of Family, Earning Members, Dependent Ratio, Type of Work and Experience

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.759E9	6	4.598E8	7.353	.000
Residual	7.942E9	127	6.253E7		
Total	1.070E10	133			

a Predictors: (Constant), Age, Size of Family, Earning Members, Dependent Ratio, Type of Work and Experience

b Dependent Variable: Per capita Income

Coefficients

	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
Intercept (β_0)	29258.99	5793.13		5.051	.000
Age (β_1)	13.54	86.37	0.012	0.157	.007
Family Size (β_2)	-1043.26	863.16	-0.093	-0.221	.026
Number of Earning Members(β_3)	1582.46	892.82	0.164	1.209	.022
Type of Construction Work (β_4)	623.56	966.99	0.049	0.645	.520
Experience (β_5)	329.22	283.05	0.008	1.163	.018
Dependency Ratio (β_6)	-3414.12	636.64	-0.574	-6.340	.000

Dependent Variable: Per capita Income.

It is observed from the results in Table 5.7 that all the six explanatory variables jointly accounted for 40.70 per cent (R^2) variation in per capita income of the semiskilled construction workers. The co-efficient of all the explanatory variables are statistically significant at 5 per cent level except type of construction workers. Among the significant variables, age, number of earning members and experience are positively related to per capita income. It implies that one unit increase in these variables may lead to an increase in per capita income of the households in semiskilled construction workers by 13.54 unit, 1582.46 unit and 329.22 per cent respectively. In the case of family size and dependency ratio, it is significant and negatively related to per capita income of the construction workers households. It means that an addition made to these variables could affect 1043.26 unit and 3414.12 unit respectively decline in per capita income. Thus it is inferred from the analysis that the variable, experience had a greater influence on the per capita income followed by the variable number of earning members. As per F value (7.353), the fitted regression model was found to be significant at one percent level.

5. Findings:

It is further observed from the study that the skilled, semiskilled and unskilled construction workers spent the major portion of their income on food items that is 54.22 per cent, 52.71 per cent and 52.91 per cent respectively. The study reveals that, the annual average savings of overall construction workers is `40,900 whereas, for skilled, semiskilled and unskilled

Construction workers is `42,915, `40,950 and `39,450 respectively. It is inferred that the average annual savings of skilled workers is higher than that of other group of workers. The overall analysis showed that variation prevails in savings pattern among various workers.

6. Conclusion

The development of infrastructure and economic expansion are greatly aided by semi-skilled construction workers. However, because of their inconsistent work, poor savings, reliance on unofficial loans, and lack of financial literacy, their financial situation is still precarious. According to the report, workers' financial security is threatened by changes in the availability of work and growing living expenses, even while they make moderate earnings during times of regular employment. Their financial well-being can be greatly increased by expanding access to formal financial institutions, bolstering welfare programs, raising financial literacy, and offering ongoing skill development. To provide long-term financial stability and an improved standard of living for semi-skilled construction workers in Tirunelveli District, policymakers, employers, financial institutions, and labour welfare organisations should cooperate...

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