



The Impact of Consumption and Saving on Migrant Labour in Construct Sector with Special Reference to New Panvel

Dr. K. B. Dhore¹ & Prof. K. N. Dhawale²

¹Assistant Professor, Department of Economics,

Changu Kana Thakur College of Arts, Commerce and Science, (Autonomous) New Panvel

²Assistant Professor, Department of Economics,

Changu Kana Thakur College of Arts, Commerce and Science, (Autonomous) New Panvel

Corresponding Author – Dr. K. B. Dhore

DOI - 10.5281/zenodo.15108648

Abstract:

This study explores the dynamics of migrant labour in the construction sector, focusing on the New Panvel region of Navi Mumbai. The construction industry in India heavily relies on migrant workers, who are often employed in low-wage, unskilled, and informal sectors. These workers, mainly from rural and underdeveloped areas, face various challenges, including poor living conditions, inadequate wages, lack of social security, and limited access to healthcare and education. This research examines the socio-economic profiles of migrant labourers, their working conditions, and the impact of migration on their lives. Additionally, it investigates the role of government policies and labour laws in safeguarding the rights of these workers, and how effectively these are implemented. The study also looks at the role of intermediaries in facilitating migration and their influence on wages and working conditions. By focusing on New Panvel, a rapidly developing urban locality, this research aims to provide insights into the specific needs and vulnerabilities of migrant construction labourers in such regions. The findings highlight the need for better policy implementation, enhanced labour rights protection, and initiatives to improve the living and working conditions of migrant workers, ultimately contributing to more sustainable and equitable urban development. A study about migrant labour in the construction sector, specifically in New Panvel, and the challenges they face in terms of living conditions, rights, and economic welfare.

Keywords: *Migrant Labour, Construction Industry Informal Sectors, Government Policies, Development, Welfare.*

Introduction:

The construction sector is a cornerstone of urban development in India, playing a pivotal role in the country's economic growth. It is a labour-intensive industry that depends heavily on migrant workers, especially in rapidly developing urban regions. New Panvel, a growing locality within Navi Mumbai, has seen significant infrastructural expansion, leading to an increased demand for labour. The migrant labour force, predominantly hailing from rural and economically disadvantaged areas, forms the backbone of this growth.

Migrant workers in the construction sector often come from states such as Uttar Pradesh, Bihar, Odisha, Madhya Pradesh, and others, seeking better opportunities in cities. These workers, typically engaged in unskilled and semi-skilled labour, face various socio-economic challenges. Despite their critical role in urbanization, they often work under precarious conditions, with limited access to basic amenities such as housing, healthcare, and education. Furthermore, their

rights are often overlooked due to the informal nature of their employment and the lack of effective implementation of labour laws.

New Panvel, like many other urban centres, has experienced a boom in construction projects, ranging from residential complexes to commercial buildings and infrastructure developments. This growth, however, has also exacerbated the challenges faced by migrant labourers, including overcrowded living conditions, inadequate wages, and exploitation by intermediaries. Many workers live in temporary shelters near construction sites, with little regard for their health and safety. Additionally, the migrant workforce is often excluded from the social welfare benefits available to local workers, further marginalizing them.

This study aims to explore the socio-economic conditions of migrant labourers working in the construction industry in New Panvel. It seeks to understand their working conditions, the reasons behind their migration, the challenges they face in terms of wages, accommodation, and social security, and the role of intermediaries in facilitating migration and employment. Moreover, it examines the implementation and effectiveness of labour laws and government policies designed to protect these workers. By focusing on New Panvel, this study will shed light on the specific issues faced by migrant construction workers in urbanizing regions, with a view to suggesting policy improvements and strategies for enhancing their welfare. The ultimate goal is to ensure that the rights and well-being of migrant labourers are better protected and that they receive a fair share of the benefits from the urban development they help create.

Statement of Problem:

The construction sector in India relies heavily on migrant labour, especially in urbanizing regions like New Panvel, which has experienced rapid infrastructural development. Migrant workers, typically from rural areas, form the backbone of the construction industry, but they often face a range of challenges, including poor working conditions, exploitation, inadequate wages, lack of job security, and limited access to basic services like healthcare and education. Despite their critical role in urbanization, these workers are frequently marginalized, living in overcrowded, substandard conditions, and often deprived of their rights and social benefits. The primary problem in this context is the vulnerability of migrant labourers in the construction sector, particularly in New Panvel, which has a large number of ongoing construction projects. These workers often suffer from exploitation by contractors and middlemen, with little to no regulation or enforcement of labour laws. Additionally, while New Panvel is experiencing rapid growth and infrastructural development, there is little research focused on the specific issues faced by migrant workers in this region. This study aims to examine the socio-economic challenges faced by migrant labourers in New Panvel's construction sector and assess the effectiveness of existing policies and protections designed to improve their conditions. The findings will provide valuable insights into the need for better governance, labour law enforcement, and welfare programs that can help uplift this marginalized workforce.

Objectives:

The following are the focus points of this research:

1. To assess the socio profile of migrant labourers in the construction sector
2. To assess the economic profile of migrant labourers in the construction sector
3. To examine the effectiveness of government policies and labour laws

Hypothesis:

1. H₀: There is no an effect on savings & expenditure of migrant labour of construction sector in New Panvel.

2. H1: There is an effect on savings & expenditure of migrant labour of construction sector in New Panvel.

Review of Literature:

Bhave and Pawar (2022): Labor migration significantly influences global investment patterns, as skilled workers often move to countries with robust job opportunities, prompting businesses to allocate resources in those regions. This influx of talent not only bolsters economic growth but also attracts foreign direct investment (FDI), as companies seek to establish operations in areas with a qualified workforce. Furthermore, the remittances sent back by migrant workers contribute to the economic development of their home countries, fostering local investments that can enhance infrastructure and create new job opportunities, thereby creating a cyclical effect on both labor migration and investment dynamics.

Dighe (2017): Local Studies on New Panvel and Migrant Labour: While much of the existing literature focuses on larger metropolitan areas, few studies have specifically examined the migrant construction labour force in rapidly developing regions like New Panvel. Offers insights into the urban development in Navi Mumbai, noting the growing demand for construction labour as a result of expanding residential, commercial, and infrastructural projects. However, the study also acknowledges that migrant workers in the region often face challenges similar to those in other urbanizing areas, such as poor living conditions and exploitation by contractors.

Harale and Pawar (2024): Labor migration plays a crucial role in the economic landscape of Viksit Bharat (Developed India), as it facilitates the movement of skilled and unskilled workers across regions, thereby addressing labor shortages in various sectors. This migration not only contributes to the overall GDP by filling critical gaps in industries such as construction, agriculture, and technology, but also allows migrants to acquire new skills and experiences that can be beneficial when they return to their home regions. Additionally, fostering a supportive environment for labor migration through policies that ensure fair wages, social security, and integration can enhance productivity and development, ultimately driving the nation towards its goal of becoming a developed economy.

NSSO (National Sample Survey Organization: Migrant Labour in the Construction Sector: Migrant labour is integral to the construction industry in India, with millions of workers migrating from rural areas to urban centres in search of employment opportunities. According to NSSO (National Sample Survey Organization) reports, migrant workers constitute a significant proportion of the construction workforce, primarily engaged in unskilled and semi-skilled labour. Most of these workers come from economically underdeveloped regions, especially from states like Bihar, Uttar Pradesh, Odisha, and Madhya Pradesh. The migration is often driven by poverty, lack of employment opportunities in rural areas, and the promise of better wages in cities.

Sharma (2014) and Chandrashekhara (2012) This study provides economic analyses that migrant workers in the construction industry typically engage in low-wage, unskilled, and semi-skilled labour, such as bricklaying, plastering, and other manual tasks. These workers often work in precarious conditions with little regard for their safety or well-being. Despite contributing significantly to the region's economic growth, migrant workers face several challenges, including inadequate wages, unsafe working conditions, lack of social security, and poor living arrangements.

Rath (2000): In this study, it has been investigated the construction sector across India relies heavily on migrant workers, particularly those from economically disadvantaged regions in states like Uttar Pradesh, Bihar, Odisha, and Madhya Pradesh. Panvel is no exception, with many

workers migrating to the area for short-term employment opportunities in the booming construction industry.

Rathod et al., (2024): Labor migration plays a crucial role in shaping sustainable business models, as it allows companies to access a diverse talent pool that can drive innovation and adaptability in an increasingly globalized economy. Furthermore, integrating migrant workers into sustainable practices can enhance productivity and promote social equity, as their unique skills and perspectives contribute to more resilient organizational structures. By fostering inclusive labor environments and supporting the integration of migrant workers, businesses can not only comply with ethical standards but also enhance their long-term viability, ensuring that their operations align with broader goals of environmental stewardship and social responsibility.

Research Methodology:

The method used for collecting data for this research work is primary means of data using survey method. Also, the research design used for this research is exploratory research design. Primary data is a type of data that is collected by researchers directly from main sources through interviews, surveys, experiments, etc. Primary data are usually collected from the source, where the data originally originates from and are regarded as the best kind of data in research. The sources of primary data are usually chosen and tailored specifically to meet the demands or requirements of particular research. Also, before choosing a data collection source, things like the aim of the research and target population need to be identified. A survey method is a process, tool, or technique that you can use to gather information in research by asking questions to a predefined group of people. Typically, it facilitates the exchange of information between the research participants and the person or organization carrying out the research. Survey methods can be qualitative or quantitative depending on the type of research and the type of data you want to gather in the end. Exploratory research is defined as a research used to investigate a problem which is not clearly defined. It is conducted to have a better understanding of the existing problem, but will not provide conclusive results. For such a research, a researcher starts with a general idea and uses this research as a medium to identify issues that can be the focus for future research. An important aspect here is that the researcher should be willing to change their direction subject to the revelation of new data or insight. Such a research is usually carried out when the problem is at a preliminary stage. It is often referred to as grounded theory approach or interpretive research as it used to answer questions like what, why and how.

Data Analysis:

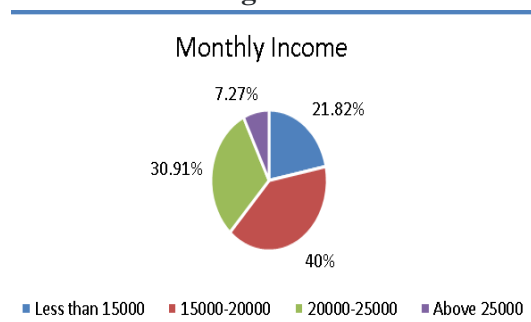
Monthly Income:

This section analyses the monthly income of the respondents.

Table: 1

Sr. No.	Income Group	No. of Responses	Out of	Percentage
1	Less than 15000	12	55	21.82%
2	15000-20000	22	55	40%
3	20000-25000	17	55	30.91%
4	Above 25000	4	55	7.27%
Total		55		100%

Figure:1



The data in table 1 concludes that most of the respondents, i.e., 7.27% get more than 25000 rupees as their monthly income, while 21.82% of respondents get less than 15000 rupees as their monthly income.

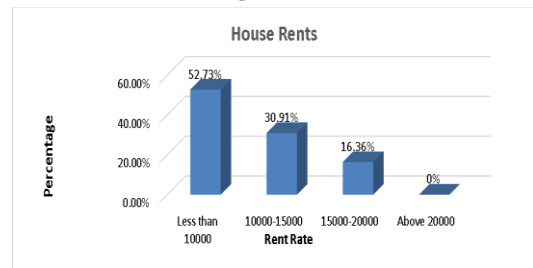
Monthly House Rates:

This section analyses the monthly rent rate of the respondents.

Table: 2

Sr. No.	Rent Rates	No. of Responses	Out of	Percentage
1	Less than 10000	29	55	52.73%
2	10000-15000	17	55	30.91%
3	15000-20000	9	55	16.36%
4	Above 20000	00	55	00%
Total		55		100%

Figure: 2



Conclusion drawn from table 2 and figure 2 is that in Panvel region, the rent rates prevailing seems to be less than 10000 per month as around 52.73% of respondents have selected the same option.

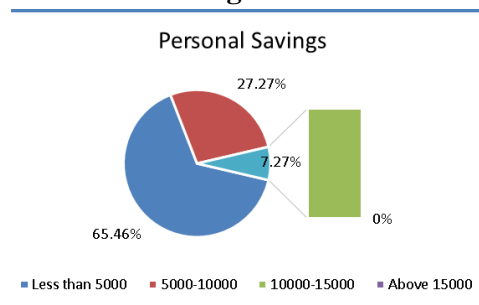
Monthly Personal Savings:

This section analyses the monthly personal savings of the respondents.

Table: 3

Sr. No.	Personal Savings	No. of Responses	Out of	Percentage
1	Less than 5000	36	55	65.46%
2	5000-10000	15	55	27.27%
3	10000-15000	4	55	7.27%
4	Above 15000	00	55	00%
Total		55		100%

Figure: 3



We can see in table 3 and figure 3 shows that 65.46% of respondents are on the scale of less than 5000 in case of personal savings in Panvel region.

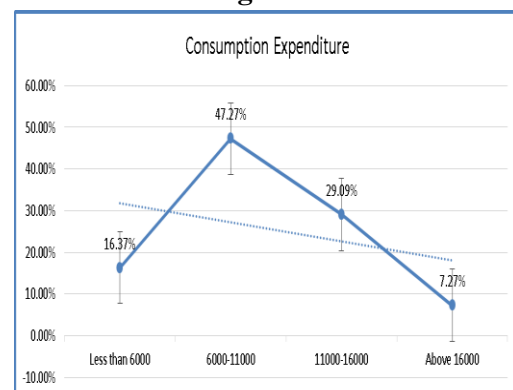
Monthly Consumption Expenditure:

This section analyses the monthly consumption expenditure of the respondents.

Table: 4

Sr. No.	Consumption Expenditure	No. of Responses	Out of	Percentage
1	Less than 6000	9	55	16.37%
2	6000-11000	26	55	47.27%
3	11000-16000	16	55	29.09%
4	Above 16000	4	55	7.27%
Total		55		100%

Figure: 4



The data in the above table and figure shows a bit of different scenario than the other responses. The responses for the options of monthly consumption expenditure being less than

6000 and 6000 to 11000 were different. While the other two options were on the scale of approximately 29.09% and 7.27%.

Results:

High rent rates might affect an individual or a family's income, savings or consumption expenditure in highly standardised regions like Panvel where owning a residential seems almost impossible due to skyrocketing estate prices. Even in such regions, there still persists a high rental rate as reference to during a downfall period in the economy.

Limitations:

- The savings mentioned in here considers personal savings and no other type savings and investments.
- All expenditures except for consumption expenditure are excluded for the purpose of carrying out this research.
- Not much research has been carried out on the aforementioned topic. So the information and data obtainment became quite difficult.

Conclusion:

In a nutshell, the research was about the Impact of Consumption and Saving on Migrant Labour in Construct Sector with Special Reference to New Panvel. The data collected was divided into two parts, one being respondents' characteristics to get an insight of respondents' view on age, income, housing location, preference and ownership preference. The second part was focused on the main objectives of the research, i.e., to know the effect of rent rates on personal savings and consumption expenditure of the respondents. It was known from the data that most of the responses were from the age category of 40 to 45, although the age category chosen for this research was 25 to 60, i.e., the working class. The monthly income category which received more attention was of higher than 25000. Another question which was asked in the questionnaire was factors one looks while getting an apartment on rent which is explained with the help of table and figure. The options given were as follows: Affordability, Facilities, Surroundings and others. Almost 52.73% of the respondents went for first out of four as options provided to them.

References:

1. Bhave, A. V., & Pawar, G. G. (2022). Accounting for Investments and Investment Avenues Selected by Investors in the Ratnagiri District of Maharashtra. *Journal of Positive School Psychology*, 6(11), 487–495. https://www.researchgate.net/publication/365617611_Accounting_for_Investments_and_Investment_Avenues_Selected_by_Investors_in_the_Ratnagiri_District_of_Maharashtra
2. U. S. Rathod, S. A. Thomas, F. S. Maruti, P. Balasaheb Kadam, H. L. Jadhav and M. Jamal Bdair, "Reinforcement Learning for Sustainable Business Model Development in Social Entrepreneurship," *2024 Second International Conference Computational and Characterization Techniques in Engineering & Sciences (IC3TES)*, Lucknow, India, 2024, pp. 1-5, doi: 10.1109/IC3TES62412.2024.10877619.
3. Harale, G. D., & Pawar, G. G. (Eds.). (2024). *Viksit Bharat @2047: Challenges and Opportunities* (1st ed., Vol. 1) [Online]. Rayat Shikshan Sanstha's, Abasaheb Marathe Arts and New Commerce, Science College, Rajapur Dist. Ratnagiri. https://www.researchgate.net/publication/378610404_Viksit_Bharat_2047_Challenges_and_Opportunities.

4. Malik, P.L. Industrial Law : Eastern Book Company Publishing Pvt. Ltd. Lucknow pp1351, 1352, (1996)
5. Adjudicating Bodies- Central Government Industrial Tribunal Com. Labour Court No.1 Dhanbad and No.1 Mumbai
6. Journal (2013) Sampada, Special issue of Contract Labour
7. Malik P.L.- Industrial Law (1996) Eastern book company, Lucknow pp.226,260
8. Report on 41st Session of the Indian Labour conference held on 27-28 April 2007
9. Population census abstract 2011 New Delhi pp. 2.11.15
10. Eden Hatzvi, Glenn Otto, (2008), Prices rent and rational speculative bubbles in Sydney housing Market,
11. Arend Jonkman, Leonie Janssen-Jansen, Frans Schilder, (2017), Rent increase strategies and distributive justice: the socio-spatial effects of rent control policy in Amsterdam,
12. Vidhya Alakeson , (2011), Making a Rented House a Home: Housing solutions for ‘generation rent’,
13. Jean Bosvieux, Rent control: a miracle solution to the housing crisis?,
14. Todd Sinai, Nicholas Souleles, (2001), Owner occupied housing as Insurance against Rent Risk,
15. Johannes Hoffman, Claudia Kurz, (2002), Rent Indices for housing in West Germany,
16. Sudipto Banerjee, (2012), Own-to-Rent Transitions and Changes in Housing Equity for Older Americans,
17. Glenn Otto, Nigel Stapledon, (2017), How Predictable? Rent Growth and Returns in Sydney and Melbourne Housing Markets,
18. N. Edward Coulson, Thao Le, Lily Shen, (2020), Tenant Rights, Eviction, and Rent Affordability,
19. Raul Berto, Giovanni Cechet, Carlo Antonio, Stiva Paolo Rosato, (2020), Affordable Housing vs. Urban Land Rent in Widespread Settlement Areas,

External links:

<https://www.mdpi.com/2071-1050/12/8/3129>

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3641859

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3545185