

INCOME AND EXPENDIATURE OF DAILY WAGE LABOURS

Y.Ananda Reddy,M.Sc(Statistics);M.Sc(Mathematics)*1., Mayuri Odela,MSc;BED ,*2 , V.Sandhya Rani M.Sc, *3

*1 HOD in statistics, Siva Sivani Degree college, Kompally, Sec'Bad-100

*2 Faculty in Mathematics, Siva Sivani Degree college, Kompally, Sec'Bad-100

*3 Faculty in Mathematics, Siva Sivani Degree college, Kompally, Sec'Bad-100

Abstract: This study delves into the dynamics of income and expenditure patterns among daily wage laborers. Daily wage laborers constitute a crucial segment of the workforce, often characterized by financial volatility and economic vulnerability. The research aims to comprehensively analyze the income sources, financial challenges, and expenditure trends within this demographic. By investigating the intricacies of income generation and how it aligns with daily expenditures, the study provides valuable insights into the economic realities faced by daily wage laborers. The findings contribute to a better understanding of the financial landscape of this workforce, enabling policymakers and stakeholders to formulate targeted interventions and support mechanisms for improved economic well-being.

Introduction:

The **Minimum Wages Act 1948** is an Act of Parliament concerning Indian labour law that sets the minimum wages that must be paid to skilled and unskilled labors. The Indian Constitution has defined a 'living wage' that is the level of income for a worker which will ensure a basic standard of living including good health, dignity, comfort, education and provide for any contingency. However, to keep in mind an industry's capacity to pay the constitution has defined a 'fair wage'.^[1] Fair wage is that level of wage that not just maintains a level of employment, but seeks to increase it keeping in perspective the industry's capacity to pay. To achieve this in its first session during November 1948, the Central Advisory Council appointed a Tripartite Committee of Fair Wage. This committee came up with the concept of Minimum Wages. A minimum wage is such a wage that it not only guarantees bare subsistence and preserves efficiency but also provides for education, medical requirements and some level of comfort.^[1] India introduced the Minimum Wages Act in 1948,^[2] giving both the Central government and State government jurisdiction in fixing wages. The act is legally non-binding, but statutory. Payment of wages below the minimum wage rate amounts to forced labour. Wage Boards are set up to review the industry's capacity to pay and fix minimum wages such that they at least cover a family of four's requirements of calories, shelter, clothing, education, medical assistance, and entertainment. Under the law, wage rates in scheduled employments differ across states, sectors, skills, regions and occupations owing to difference in costs of living, regional industries' capacity to pay, consumption patterns, etc. Hence, there is no single uniform minimum wage rate across the country and the structure has become overly complex. The highest minimum wage rate as updated in 2012 is Rs. 322/day in Andaman and Nicobar^[3] to Rs. 38/day^[4] in Tripura.

Objective:

The primary objective of this research is to investigate and analyze the income and expenditure patterns of daily wage laborers. By examining the sources of income, financial challenges encountered, and the allocation of funds for daily expenditures, the study aims to paint a comprehensive picture of the economic realities faced by this demographic. Furthermore, the research seeks to identify key factors influencing income and expenditure variations, providing valuable insights for policymakers, researchers, and organizations involved in labor welfare and economic development.

Methods:

The study employs a mixed-methods approach, combining surveys and interviews to gather quantitative and qualitative data. A sample of daily wage laborers across diverse sectors and geographical locations will be selected to ensure a representative overview. The survey will capture details on income sources, the frequency of work, challenges faced, and typical daily expenditures. Additionally, in-depth interviews will be conducted to gain a nuanced understanding of the personal experiences and financial decision-making processes of the daily wage laborers.

Significance:

This research holds significance in shedding light on the intricate relationship between income and expenditure among daily wage laborers. The findings are anticipated to contribute to the existing body of knowledge on labor economics and provide actionable insights for policymakers, non-governmental organizations, and other stakeholders. Ultimately, the research aspires to inform targeted interventions and support mechanisms that can enhance the economic well-being of daily wage laborers.

Analysis:

dailywagesoftheentirefamily * theamountofmoneyspentonhealthcareperyearCrosstabulation

Count

| | theamountofmoneyspentonhealthcareperyear | | | | Total |
|------------|------------------------------------------|----------|-----------|-----------|-------|
| | 500below | 500-1500 | 1500-2500 | 2500above | |
| 100 below | 0 | 2 | 3 | 1 | 6 |
| 100 to 300 | 6 | 19 | 10 | 7 | 42 |
| 300 to 500 | 5 | 10 | 16 | 7 | 38 |
| 500 above | 3 | 25 | 24 | 22 | 74 |
| Total | 14 | 56 | 53 | 37 | 160 |

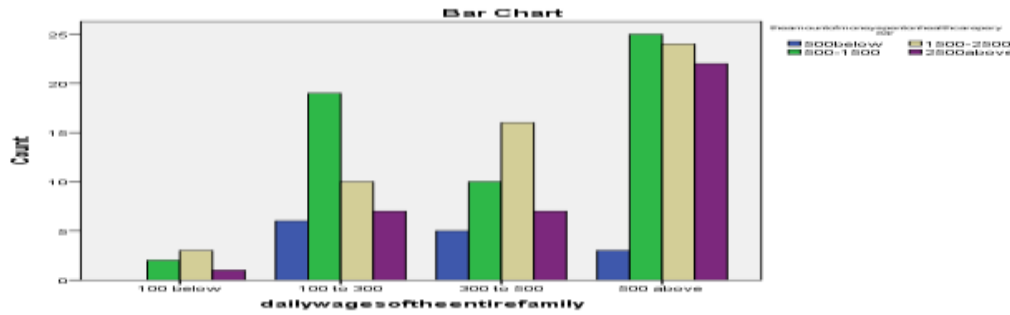


Fig. 1

dailywagesoftheentirefamily * theamountofmoneyspentonclothingperyearCrosstabulation

Count

| | | Theamountofmoneyspentonclothingperyear | | | | Total |
|-----------------------------|------------|----------------------------------------|-----------|-----------|------------|-------|
| | | 1000 below | 1000-2000 | 2000-3000 | 3000 above | |
| dailywagesoftheentirefamily | 100 below | 1 | 2 | 3 | 0 | 6 |
| | 100 to 300 | 9 | 14 | 9 | 10 | 42 |
| | 300 to 500 | 3 | 18 | 5 | 12 | 38 |
| | 500 above | 1 | 18 | 22 | 33 | 74 |
| Total | | 14 | 52 | 39 | 55 | 160 |

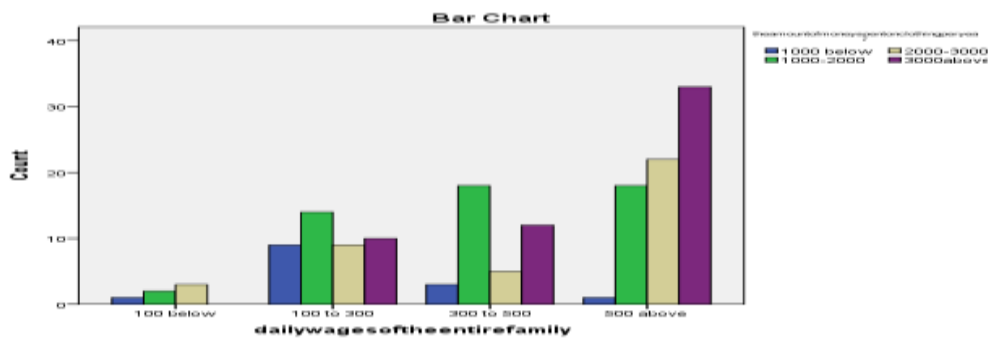


Fig.2

dailywagesoftheentirefamily * howmuchmoneydoyouspendonfoodpermonthCrosstabulation

Count

| | | howmuchmoneydoyouspendonfoodpermonth | | | | Total |
|-----------------------------|------------|--------------------------------------|-----------|-----------|------------|-------|
| | | 1000below | 1000-2000 | 2000-3000 | 3000 above | |
| dailywagesoftheentirefamily | 100 below | 1 | 4 | 0 | 1 | 6 |
| | 100 to 300 | 7 | 23 | 9 | 3 | 42 |
| | 300 to 500 | 3 | 16 | 12 | 7 | 38 |
| | 500 above | 2 | 16 | 36 | 20 | 74 |
| Total | | 13 | 59 | 57 | 31 | 160 |

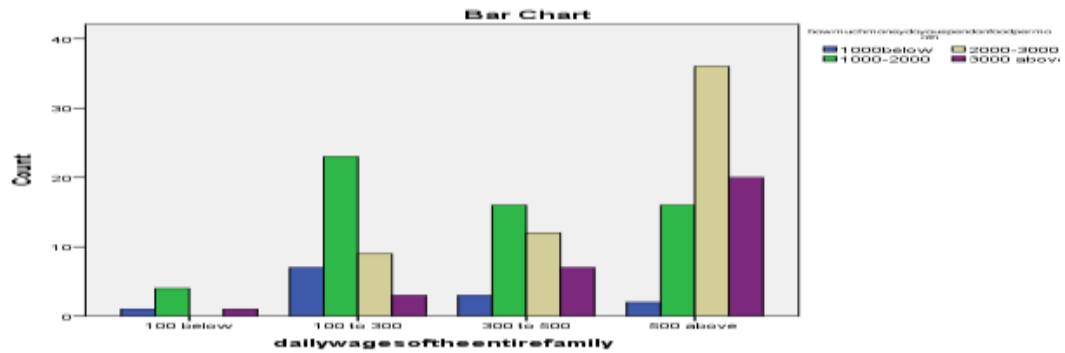


Fig. 3

dailywagesoftheentirefamily * theamountofmoneyspentonthedishbillpermonthCrosstabulation

| Count | | theamountofmoneyspentonthedishbillpermonth | | | | Total |
|-----------------------------|------------|--------------------------------------------|----------|---------|----------|-------|
| | | no connection | 100below | 100-200 | 200above | |
| dailywagesoftheentirefamily | 100 below | 1 | 1 | 3 | 1 | 6 |
| | 100 to 300 | 5 | 13 | 22 | 2 | 42 |
| | 300 to 500 | 4 | 15 | 16 | 3 | 38 |
| | 500 above | 3 | 12 | 46 | 13 | 74 |
| Total | | 13 | 41 | 87 | 19 | 160 |

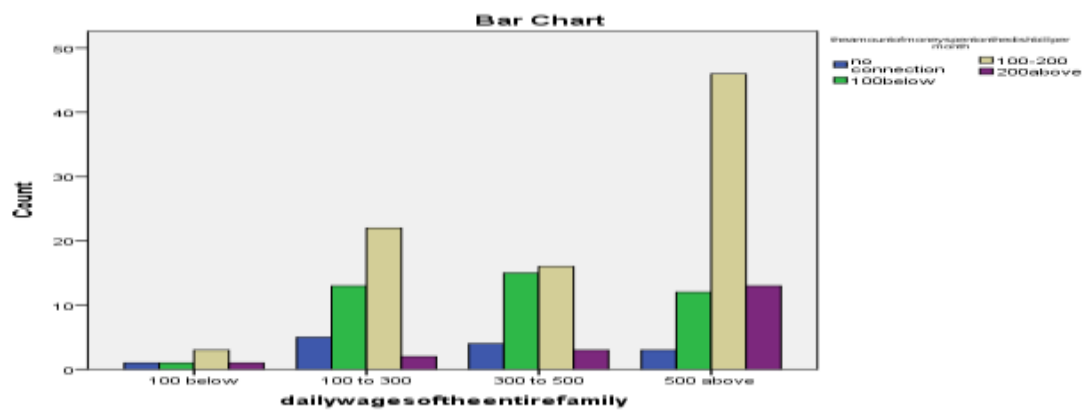


Fig.4

dailywagesoftheentirefamily * theexpendituretowardentertainmentpermonthCrosstabulation

| Count | | theexpendituretowardentertainmentpermonth | | | | Total |
|-----------------------------|------------|-------------------------------------------|---------|---------|----------|-------|
| | | 100below | 100-300 | 300-500 | 500above | |
| dailywagesoftheentirefamily | 100 below | 1 | 3 | 1 | 1 | 6 |
| | 100 to 300 | 10 | 19 | 9 | 4 | 42 |
| | 300 to 500 | 6 | 13 | 12 | 7 | 38 |
| | 500 above | 3 | 30 | 31 | 10 | 74 |
| Total | | 20 | 65 | 53 | 22 | 160 |

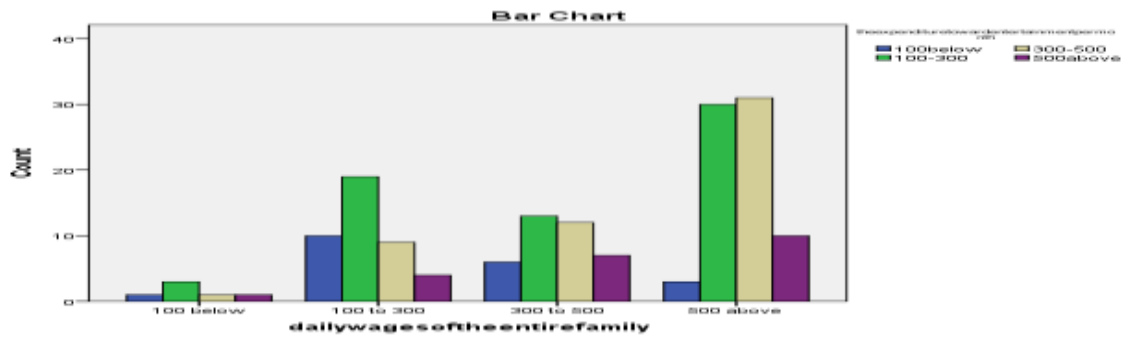


Fig. 5

dailywagesoftheentirefamily * theamounttheyspentontravellingpermonthCrosstabulation

| Count | | theamounttheyspentontravellingpermonth | | | | Total |
|-----------------------------|------------|----------------------------------------|---------|---------|----------|-------|
| | | 100below | 100-300 | 300-500 | 500above | |
| dailywagesoftheentirefamily | 100 below | 0 | 3 | 1 | 2 | 6 |
| | 100 to 300 | 7 | 20 | 13 | 2 | 42 |
| | 300 to 500 | 6 | 23 | 6 | 3 | 38 |
| | 500 above | 8 | 32 | 24 | 10 | 74 |
| Total | | 21 | 78 | 44 | 17 | 160 |

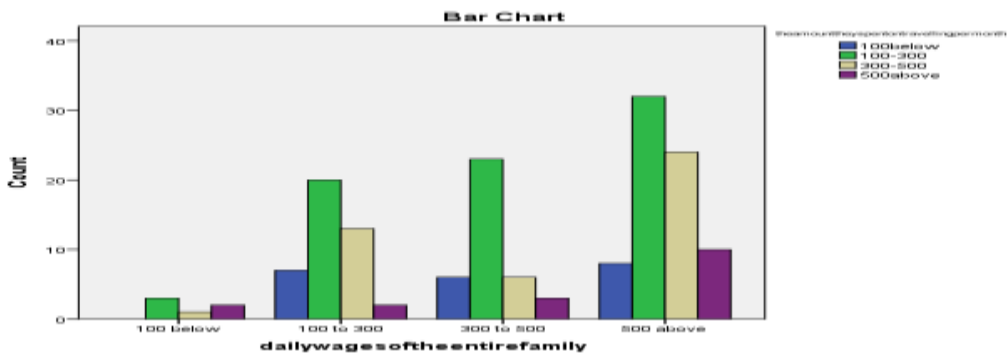


Fig.6

dailywagesoftheentirefamily * doyouhavemicrofinanceloansCrosstabulation

| Count | | doyouhavemicrofinanceloans | | Total |
|-----------------------------|------------|----------------------------|-----|-------|
| | | yes | no | |
| dailywagesoftheentirefamily | 100 below | 0 | 6 | 6 |
| | 100 to 300 | 5 | 37 | 42 |
| | 300 to 500 | 4 | 34 | 38 |
| | 500 above | 16 | 58 | 74 |
| Total | | 25 | 135 | 160 |

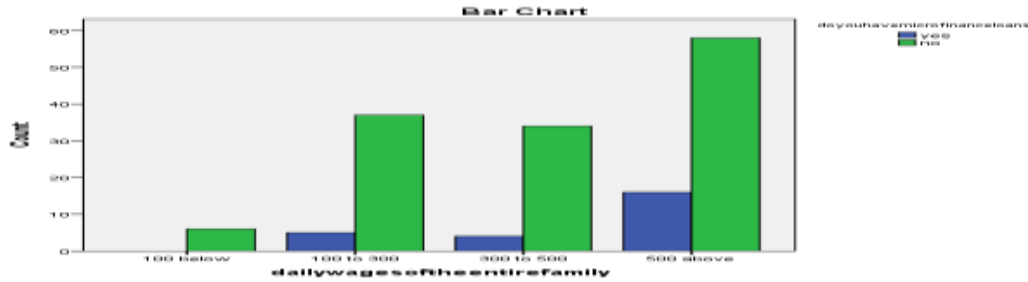


Fig. 7

dailywagesoftheentirefamily * areyouamemberofselfhelpgroupCrosstabulation

| Count | | areyouamemberofselfhelpgroup | | Total |
|-----------------------------|------------|------------------------------|-----|-------|
| | | yes | no | |
| dailywagesoftheentirefamily | 100 below | 1 | 5 | 6 |
| | 100 to 300 | 1 | 41 | 42 |
| | 300 to 500 | 0 | 38 | 38 |
| | 500 above | 9 | 65 | 74 |
| Total | | 11 | 149 | 160 |

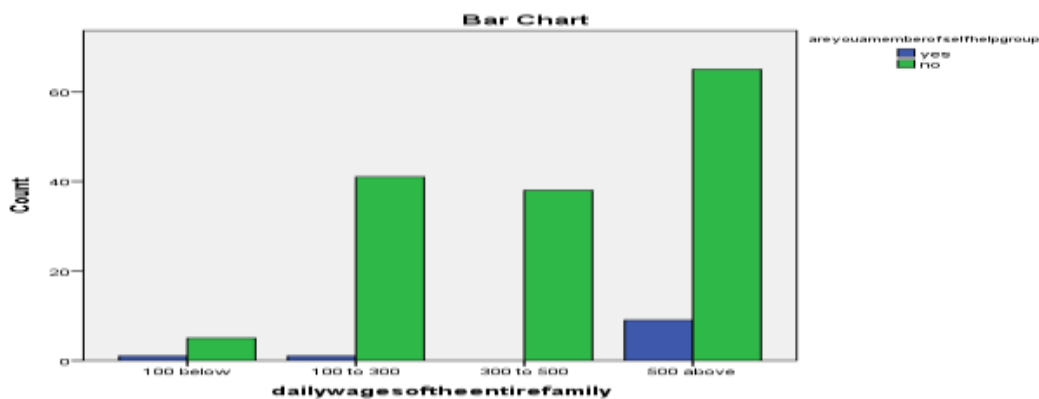


Fig. 8

Conclusion:

In a study involving 160 families, various aspects of household expenditure were examined to gain insights into their financial patterns and priorities. For health care, it was observed that 14 families spent below 500 units, while 37 families allocated sums above 2500. Similarly, in clothing expenses, 14 families spent below 1000, contrasting with 55 families spending beyond 2500. In terms of monthly food expenditure, 13 families spent below 1000, whereas 31 families surpassed 3000. The presence of television connections was investigated, revealing that 13 families lacked such connections, while 19 families spent over 200 per month on cable connections. Entertainment and traveling expenses were also scrutinized, with 20 families spending

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below 100 and 22 families spending above 500 on entertainment, while 21 families spent below 100 and 17 families spent above 500 on traveling. Moreover, 25 families had microfinance loans, and 135 families did not. Additionally, 149 families did not have a self-help group, while 11 families were affiliated with one. This comprehensive exploration of household expenditures among 160 families provides valuable insights into their financial behaviors and priorities.

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