

Determinants of Remittances: A Case Study of Migrant Labourers in Alang Ship-Breaking Yard

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Migrants often save some part of their income to remit to their place of origin, which may be used to meet the current consumption needs of the remaining members of the households or for productive purposes provided that there is an opportunity for investment. Therefore, remittances may induce significant changes in socio-economic development of the families of migrants in their native place. The aim of this paper is to examine the remittance pattern of migrant labour at Alang ship-breaking yard. This paper also examines the various determinants and factors, which are responsible for the remittance. The result shows that remittances account for 38 per cent of the monthly income of the labourers. The majority of migrants send money on monthly basis and various determinants, such as marital status, ownership of land and family sizes etc., are important variables in the decision to remit.

I Introduction

Ship breaking is the process of dismantling of old ships to recover steel scrap and other materials. Ship breaking industry is a recycling industry which recovers steel from the ship which is expected to constitute 90 per cent in terms of value. The other materials constitute the remaining 10 per cent 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. Hence, 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 itself from being a capital-intensive industry to labour intensive industry.

Alang has grown from small coastal village with a small population of fishermen and farmers to become world's largest ship breaking yard. Upto 1980's ship breaking activities were limited to the breaking of small-sized ships

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