

Earnings Determination, Earnings Differential and Settlement Behaviour of Migrant Industrial Workers : Amritsar City

A. S. Dhesi and A. K. Gumber

Investment in human capital is now generally recognized as an important source of accelerated development in LDCs. This does not only enhance the productive capacity of workers in the traditional activities but also makes it possible for some of them to enter the highly remunerative modern wage sector. The important components of such investment are formal education, on the job training, health and migration etc. The reason for the failure of the neo-classical wage theory to explain the persistent wage differentials between and within narrowly defined occupations is the neglect of the role of human capital and other factors like motivation and discrimination etc.

This paper analyses the determination of earnings of migrant industrial workers, earnings differential between migrants from Punjab and those from other states and their settlement behaviour. Migrants move to seek fortune at destination and some of them may succeed and decide to settle there. The settlement behaviour at destination and return of migrants to native places is the least investigated aspect of migration.

Data and Methodology

The study is based on primary data, collected through sample survey method from the migrant industrial workers in medium and large scale industries in Amritsar city. To have a fair cross-section of migrants in the sample, these industries were divided into three categories - textile units, engineering units and chemical and food processing units. About 28.8 per cent of the total work force in these industries were migrants out of which a sample of 197 (15 per cent) was drawn randomly, giving representation to each industry in proportion to its share in the total migrant work force. The survey covered only 155 individuals and the remaining either refused to give any information or could not be traced out.

For analysis, multiple regressions are fitted with migrant's earnings as the dependent variable. Three