University of Amsterdam

Amsterdam Institute for Advanced labour Studies

Invitation AIAS conference

KIT Amsterdam, *Friday 1 September 2017*

Wages in Global Perspective

Monitoring Wages Worldwide through WageIndicator

Friday 1 September 2017
Royal Tropical Institute, Amsterdam

Wages in Global Perspective

Monitoring Wages Worldwide through WageIndicator

This year the Yearly Conference of AIAS is entitled 'Wages in Global Perspective', referring to the achievement and potential of a global data tool with which AIAS is closely connected, that is, the WageIndicator. This Internet-based tool of comparing and sharing wages resulted from a joint initiative of WageIndicator Foundation director Paulien Osse and AIAS research coordinator Kea Tijdens back in 1999. Over the years, AIAS has played its role in the Foundation's Supervisory Board.

Currently, WageIndicator has websites in 92 countries, and in 2016 nearly 40 million unique visitors consulted these websites.

The sites present detailed information on various kinds of wages and salaries, putting them in their national context: real wages, bargained wages, minimum wages, living or decent wages. The response of the thousands of visitors filling out the related, continuous WageIndicator web survey allows a massive amount of analyses of the connection between wages on the one hand and personal and structural characteristics on the other, such as union membership, industry, occupations, skills, migration patterns, and much more. Such analyses have already resulted in over 450 books, reports and journal articles. At the conference a range of researchers will present outcomes of WageIndicator-based research. Improving the representativeness of a voluntary web survey like that of WageIndicator represents a challenge in itself, and presentations will also deal with this issue.

Finally, a forum of internationally reputed researchers will question 'What's next for WageIndicator-based Research?', focusing on research perspectives and challenges. During the conference techniques will be used as to optimize audience participation, such that presenters and forum members can consider questions and remarks from the audience at an early stage.

The 2017 AIAS conference will in particular be of interest for graduates and students in the social sciences, in particular in labour economics, sociology of labour markets and labour relations, organisation studies, international law, international strategy, and political science. be English. The conference will take place at KIT / Meetings & Events, Mauritskade 63, 1092 AD Amsterdam.

Programme Chair Paulien Osse (director WageIndicator Foundation)

Morning programme

09:30 hrs Registration

10:00 hrs. *Opening* by Paul de Beer / Maarten Keune

10:15 hrs. *Wages in Global Perspective*
Maarten van Klaveren (researcher AIAS)

10:30 hrs *The WageIndicator and AIAS research*
Paulien Osse (director WageIndicator)
Kea Tijdens (researcher AIAS)

11:15 hrs. Break

11:45 hrs. *Minimum wages in India and worldwide*
Biju Varkkey (professor Indian Institute of Management Ahmedabad)
Kea Tijdens (researcher AIAS)

12:15 hrs. *Wages and collective bargaining*
Nadia Pralitasari
(WageIndicator Indonesia office)
Daniela Ceccon
(data manager WageIndicator)

12:45 hrs. Lunch

After lunch programme

13:45 hrs. *Living Wages worldwide and Asia*
Martin Guzi (Masryk Uni Brno / CELSI Bratislava)
Maarten van Klaveren (researcher AIAS)

14:15 hrs. *Occupations, skills and wages*
Martin Kahanec (professor Central European University, Budapest / CELSI Bratislava)
Stefano Visintin (professor Universidad Camilo José Cela, Madrid)

14:45 hrs. *Creative but solid use of WageIndicator data*
Stephanie Steinmetz (researcher University of Amsterdam)
Pablo De Pedraza (JRC, Ispra, European Commission and former EDUWORKS fellow)

15:15 hrs. Audience participation time: Q&A
s

15:30 hrs. Break

16:00 hrs. *Forum: What's Next for WageIndicator-based Research?*
Klaus F. Zimmermann (professor Bonn University; Global Labor Organization (GLO) and UNU-MERIT); Rafael Muñoz de Bustillo Llorente (professor Universidad de Salamanca); Biju Varkkey; Martin Kahanec; Kea Tijdens; Paul de Beer/Maarten Keune.

17:00 hrs. *Conclusion*

17:10 hrs. Reception

18:30 hrs. End of conference

See for more information and registration

www.uva-aias.net/events

#AIASconf

WageIndicator.org

Wages in Global Perspective

Yearly AIAS Conference

KIT Amsterdam

September 1, 2017

Maarten van Klaveren

AIAS

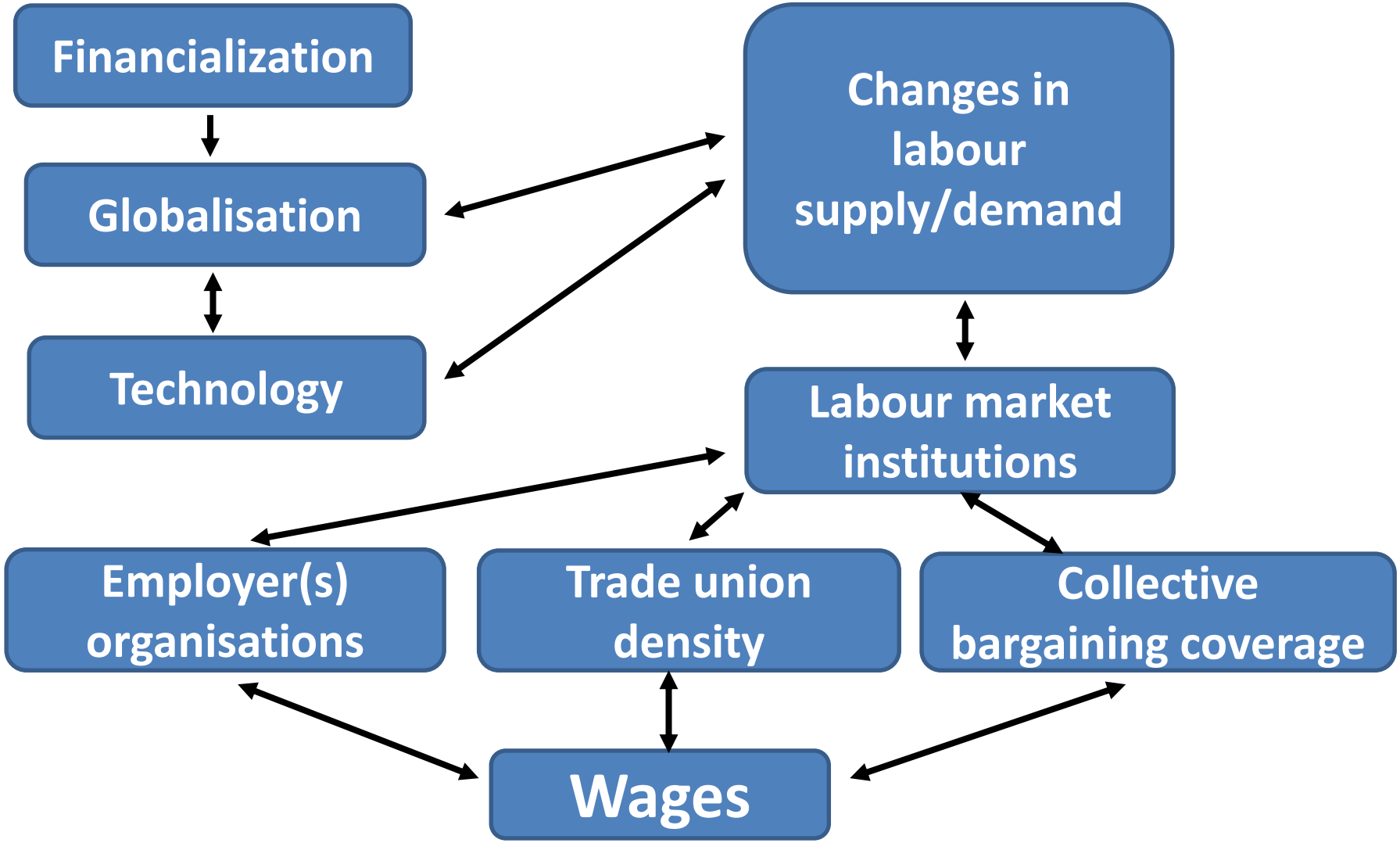
Amsterdam Institute for Advanced labour Studies

University of Amsterdam

Contents

- **Wages matter**
- **Stagnation in wage development worldwide**
- **Major trends influencing development of wages**
  - -- Industrial relations
  - -- Globalisation
  - -- Development of new technology
  - -- Financialization
- **Potential consequences of the 'wage gap'**
- **Labour market institutions matter**

Contents in scheme



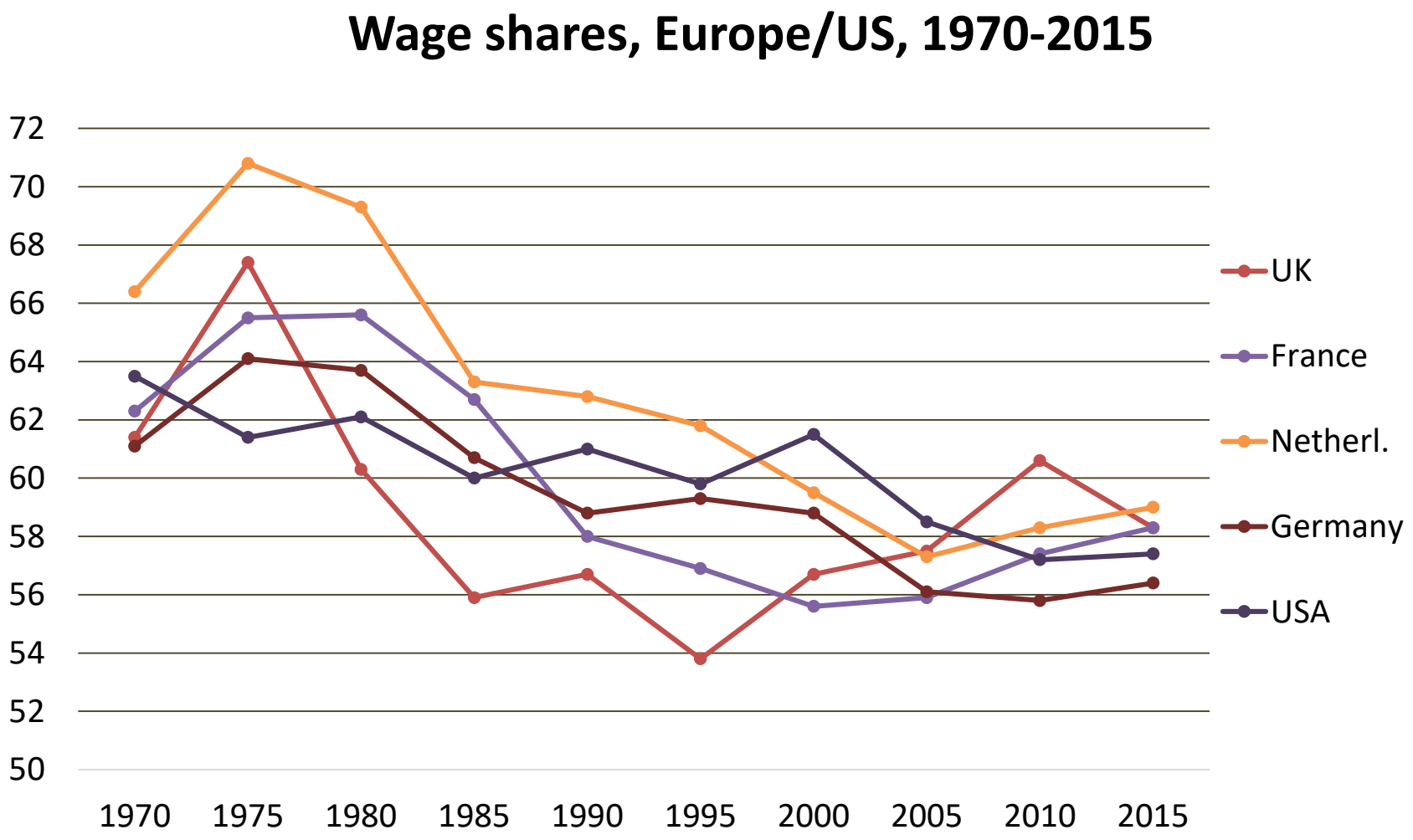
WAGES MATTER

1. **Vital source of personal and household income**
   - ***Yet, not the only source: informal employment, self-employed***
2. **Central to maximize aggregate demand and maintain economic growth**
3. **Contribute to fairness and human dignity, in particular through minimum wages and workers' voice: collective bargaining and own choices**

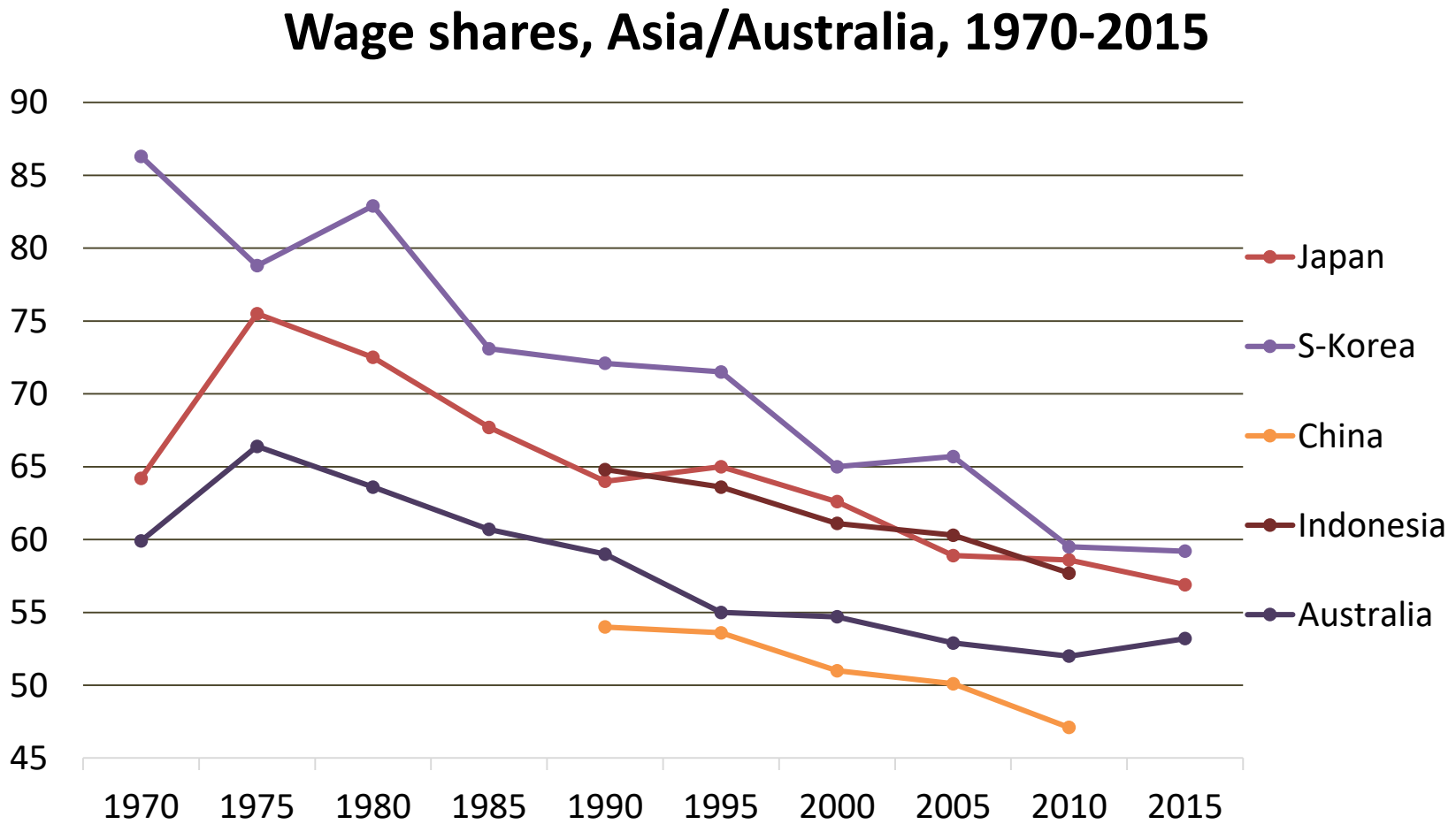
STAGNATION IN WAGE DEVELOPMENT WORLDWIDE

1. **Measured by wage (labour income) share**
   - ***Complications in calculating income of informally and self-employed***
   - **For 133 countries in 2014 median value of wage share 0.53 = 2%points lower than in 1995 (ILO 2016/17)**
2. **Measured by development of real wages**
   - **In EU28 over 2010-15 in half of all countries decrease of real wages (own calculations based on OECD/Ameco)**
3. **Measured by distance between average real wages and labour productivity increases**
   - **for 36 developed countries if 1999=100, wage index 2015=109 and productivity index 2015=119 (ILO 2016/17)**

STAGNATION IN WAGES WORLDWIDE:
Wage shares Europe / US



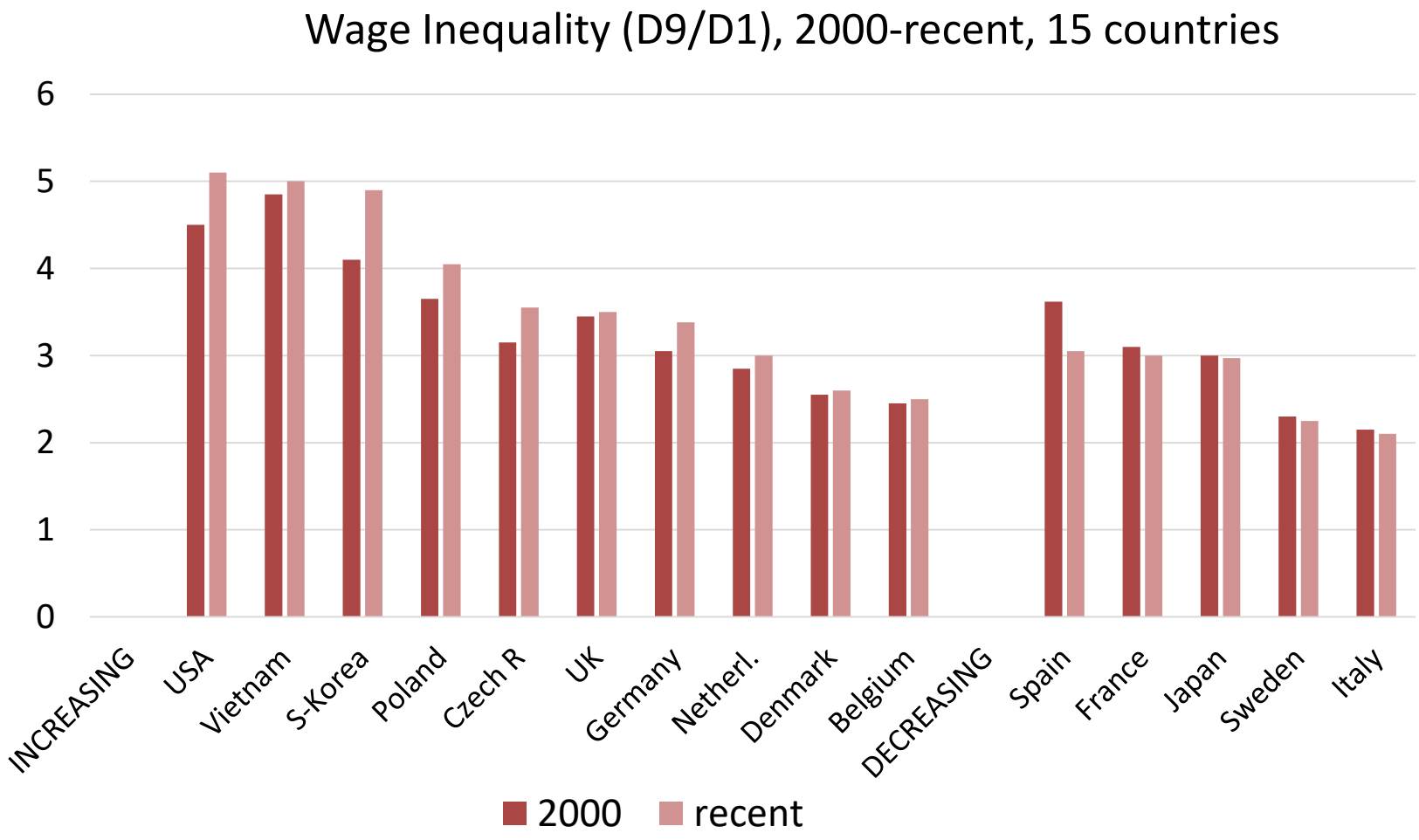
STAGNATION IN WAGES WORLDWIDE:
Wage shares Asia / Australia



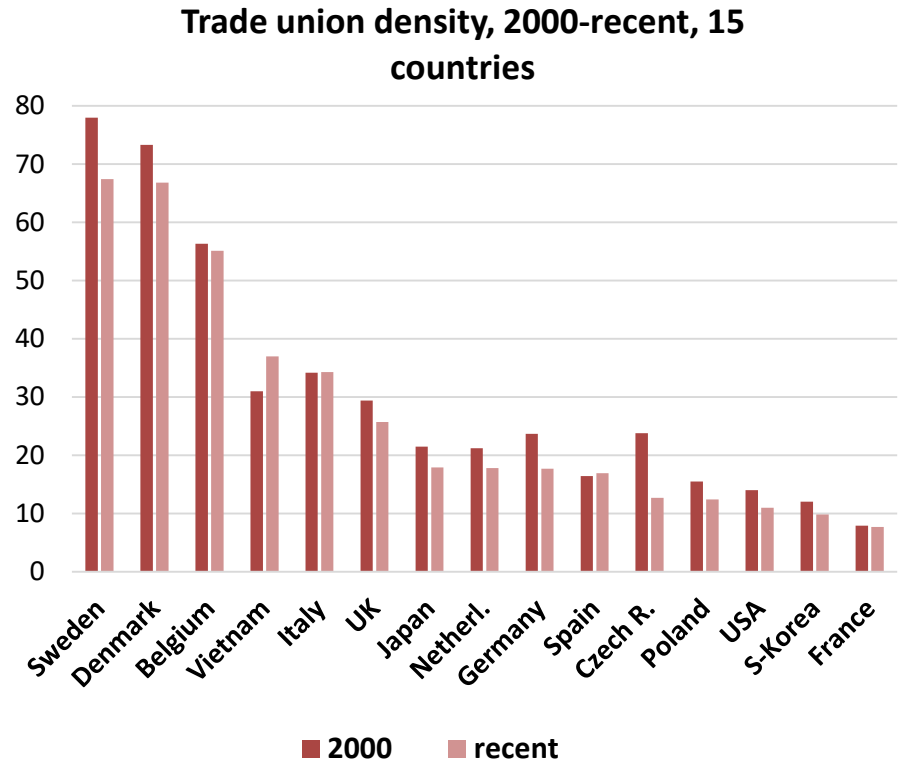
MAJOR TRENDS INFLUENCING DEVELOPMENT OF WAGES

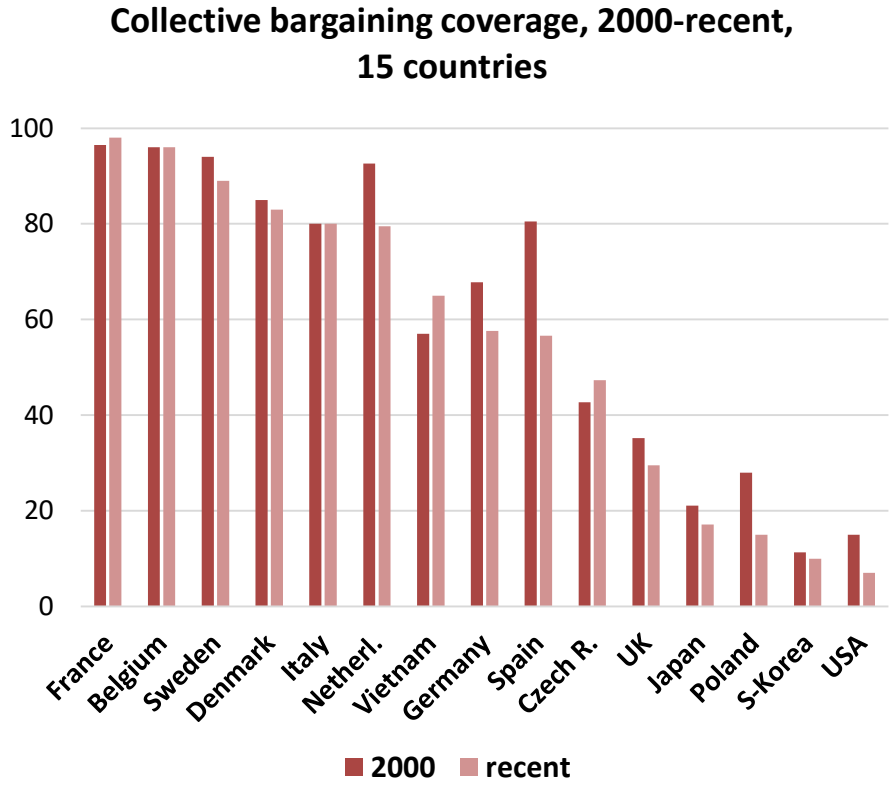
- **Industrial Relations: weakened position of labour**
- **Globalisation**
  - Speeding up in 1980/90s: entry of China and India to liberalised world markets, 'doubling of global workforce'
  - Multinationals developing as 'efficiency seekers'
  - Development of global value chains for retailer brands
  - Growing penetration of foreign direct investment in EU
- **Development of new technology**
  - Closely related to globalisation: advances in transport and IT, fragmenting of production processes
  - Newest waves implemented worldwide (robots in Foxconn factories)
- **Financialization**
  - Empowered shareholders align with excessively paid managers
  - Short-term decision-making, quarterly financial outcomes
  - Serious disconnect between profits and productive investment

WAGE INEQUALITY, 2000-recent



INDUSTRIAL RELATIONS: TRADE UNION DENSITY (& POWER), COLLECTIVE BARGAINING COVERAGE





Correlations:

Wage Inequality – Trade Union Density: 2000 *R*=-.565; recent: *R*=-.513

Wage Inequality - Collective Bargaining Coverage: 2000 *R*=-.630, recent *R*=-.687 (mandatory extension!)

Trade Union Density - Collective Bargaining Coverage: 2000 *R*=-0.500, recent *R*=0.583

Trade Union Density - Collective Bargaining Coverage: development 2000-recent: *R*=0.228

POTENTIAL CONSEQUENCES OF THE 'WAGE GAP'

- **First, two caveats:**
  - Declining wage share does not always imply large(r) wage inequality: in many developing countries wage compression, notably around MW level
  - Also, declining *wage* share does not always relate to larger *income* inequality (larger Gini coefficient), research outcomes contradictory
- **Economic consequences**
  - Put brakes on aggregate domestic demand, hampers growth
  - Makes (revival) of export-led strategies based on relatively low wages seductive road for governments and large firms
  - Jointly with financialization in non-regulated context: larger debt problems for households and firms, economic instability, 'waiting for the next crisis'
- **Social and political consequences**
  - Impedes achievements in health and education, less facilities to maintain / sttrengthen labour market institutions upright, fight effects of polarization of occupational structures (LM intermediairies, vocational training)
  - Hampers position and perspectives of girls and women
  - Less social cohesion, excessive inequality is threat to democracy
  -

LABOUR MARKET INSTITUTIONS MATTER

- **Return to correlation coefficients: labour market institutions do matter**
- **Addition 1**
  - **In many developing countries trade unions quite weak (union density < 5%) and oppressed, as are labour market institutions**
  - **→ strong efforts needed to improve their situation: capacity building, pressure on freedom of organisation and CB**
- **Addition 2**
  - **In EU from 2001-14 the (non)existence of employer organisations from 2001-2014 had stronger influence on collective bargaining coverage (and outcomes) than trade union density and power (own research)**
  - **→ importance of revival of social dialogue at industry, national and European levels, as recently advertised by European Commission**

THANK YOU … AND FURTHER READING

Thank you for your attention!

Own sources:

Maarten van Klaveren and Kea Tijdens (2012) *Empowering Women in Work in Developing Countries.* Basingstoke: Palgrave Macmillan

Maarten van Klaveren, Kea Tijdens and Denis Gregory (2013) *Multinational Companies and Domestic Firms in Europe*. Basingstoke: Palgrave Macmillan

Maarten van Klaveren, Denis Gregory and Thorsten Schulten (eds) (2015) *Minimum Wages, Collective Bargaining and Economic Development in Asia and Europe.* Basingstoke: Palgrave Macmillan

Maarten van Klaveren and Denis Gregory (2017) *Restoring Multi-employer Bargaining in Europe: prospects and challenges.* Brussels: ETUI (forthcoming)

WageIndicator.org

InGRID
Integrating expertise in inclusive growth

WageIndicator for worldwide data-collection and research

AIAS
Amsterdam Institute for Advanced labour Studies
University of Amsterdam

AIAS annual conference
Wages in Global Perspective

Kea Tijdens
University of Amsterdam/AIAS

1 September 2017

Outline

- WageIndicator home page and national websites
- WageIndicator global data-collections
- Results of WageIndicator research

Outline

- **WageIndicator home page and national websites**
- WageIndicator global data-collections
- Results of WageIndicator research

www.wageindicator.org/main

WageIndicator.org

You Share, We Compare

Salaries

Salaries

- Wages in Context, Global
- Actual Wages by Occupation, 63 Countries
- Living Wages, 49 Countries
- Global Gender Pay Gap
- How to avoid a Gender Pay Gap. Improved Collective Agreements in Europe. A WageIndicator Project

Labour Law

Labour Law and Collective Agreements

- Collective Agreements, 25 Countries
- Labour Law in detail, 76 Countries
- Statutory Minimum Wages, 74 Countries
- Collective Agreements and how to avoid the Gender Pay Gap
- Labour Rights for Women - an overview

WageIndicator Foundation

WageIndicator Foundation

- WageIndicator - 15 years
- WageIndicator Conference book
- Publications
- Researchlab
- Data Access
- About the organisation

Magazine.WageIndicator.org/15 years

Wages in Context for 80 Countries

WageIndicator Publications

WageIndicator Researchlab

Cost of Living Survey in 85 Countries Living Wage Calculations for 49 Countries

Salary Checker in 63 Countries for your Job or Occupation

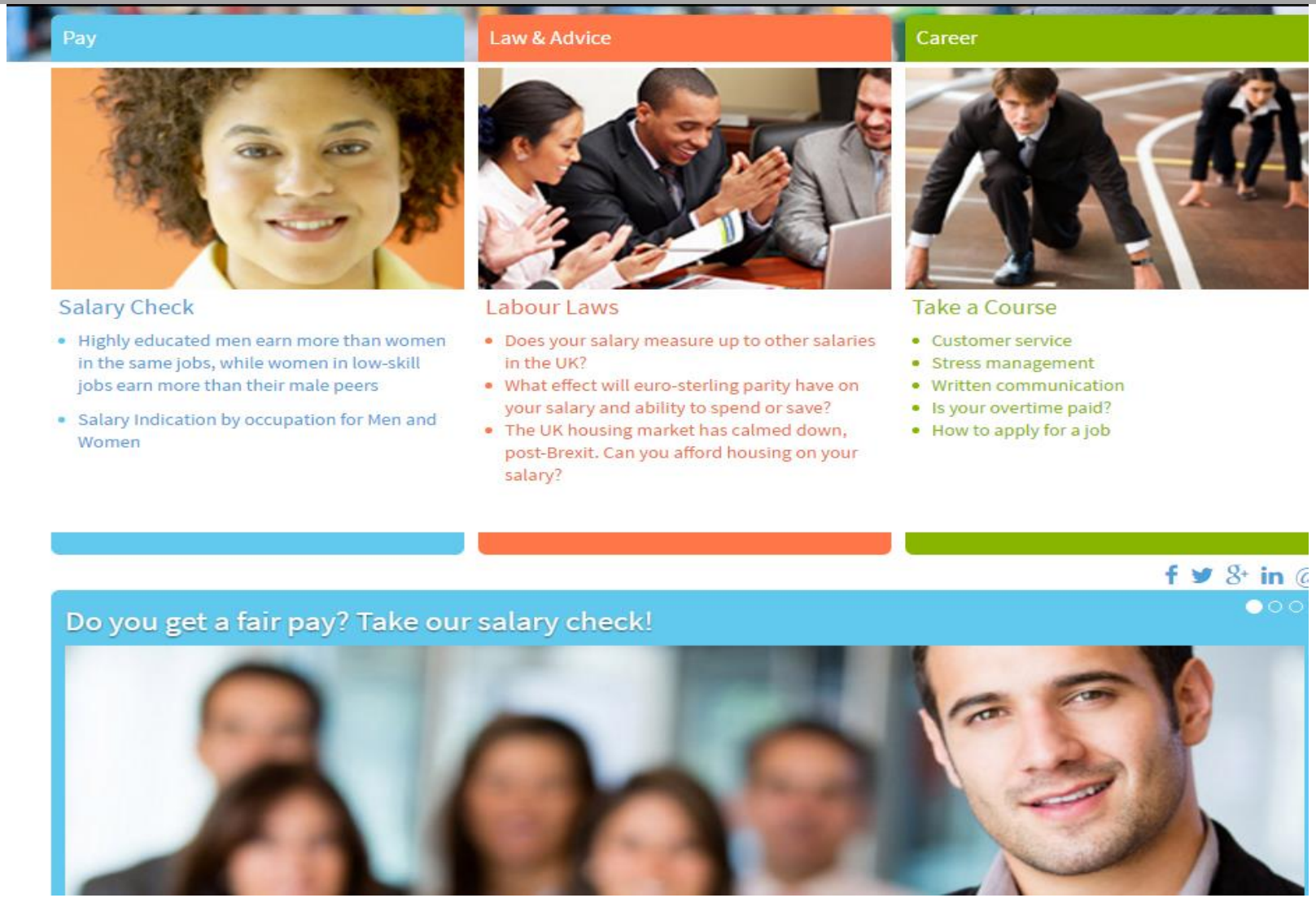
Collective Bargaining Agreements - Database

magazine.wageindicator.org/15years

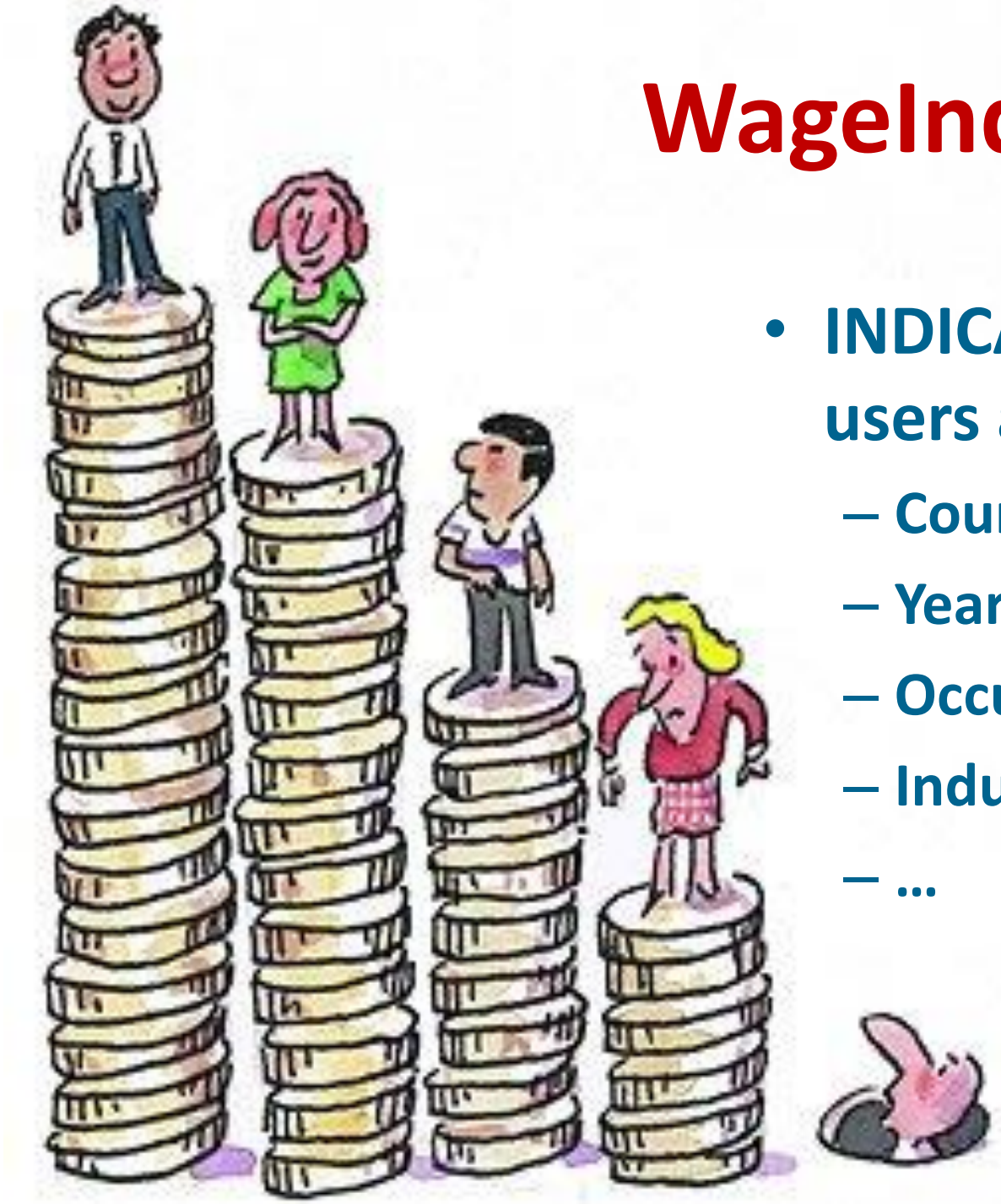
WageIndicator websites

- In 2000 start: one website for work and wages in Netherlands
- In 2004 expansion to neighbouring countries and other continents
- In 2017 national websites in 92 countries, and 40 million visitors

Content of the websites: Home page Paywizard.uk



And even in Chinese …..



WageIndicator

- **INDICATES WAGES to users according to**
  - **Country**
  - **Years of service**
  - **Occupations**
  - **Industries**
  - **…**

- **Offers**
  - Salary check with reference salaries
  - Information on labour law (minimum wages, collective agreements, working hours …)
  - Cost of living
  - VIP wages
  - …

Salary Checker in 63 Countries for your Job or Occupation

Salary Survey in 85 Countries

Collective Agreements in 24 Countries

Minimum Wage Database in 74 Countries

Labour Law Database in 76 Countries

WageIndicator Projects

Wages in Context for 80 Countries

WageIndicator Publications

WageIndicator Researchlab

Cost of Living Survey in 85 Countries Living Wage Calculations for 49 Countries

Elizabeth II
Queen of the United Kingdom, Canada, Australia, New Zealand, and the other Commonwealth realms
Born: 1926 United Kingdom
Married
Children: 4
Annual: GBP 39,900,000.00
Monthly: GBP 3,325,000.00

Outline

- WageIndicator home page and national websites
- **WageIndicator global data-collections**
- Results of WageIndicator research

Need for global data

- **In a globalising economy …**
  - we need worldwide comparative and up-to-date data for understanding global trends in national wage-setting institutions and industrial relations, f.e. trend towards greater wage/income inequality
  - we have to focus on collecting micro-level data for capturing the effects of national wage-setting institutions
- **Internet allows for global data-collection**
  - global surveys, managed from one IT system,
  - local data entry in global databases
- **WageIndicator maintains six global data collections**

Global data collections nr 1 - 3

- **Real Wages Database (Kea Tijdens)**
  - web-survey on work and wages: continuous, multi-lingual, volunteer survey
  - posted on all 92 WageIndicator websites: 100 000's of observations per year
  - data web-survey is used in Salary Check which in turn is used to collect data
  - offline data-collection using survey app
- **Cost of Living Database (Martin Guzi)**
  - cost-of-living survey asking for prices of 300 items, since 2014
  - posted on all 92 WageIndicator websites: 100 000's of price observations py
  - data is used for calculation living wages
  - offline data-collection using survey app
- **Minimum Wage Database (Khushi Mehta)**
  - collecting information about minimum wage rates and mechanism
  - global and national teams collect this information since 2010
  - posted on 82 national WageIndicator websites and on the home page

Global data collections nr 4 - 6

- **Labour Law Database (Iftikhar Ahmad)**
  - information available as text in English and in national language(s) on national WageIndicator websites and home, since 2008
  - database with coded information of 50 labour law topics for 152 countries
- **Collective Agreements Database (Daniela Ceccon)**
  - collecting full-text agreements from social partners, since 2013
  - growing number (700s) of agreements, currently from 57 countries
  - text is coded according to more than 100 variables
  - full text and codes are presented in the national WageIndicator websites
- **Database on industrial relations (Janna Besamusca)**
  - update of ICTWSS database (Jelle Visser, AIAS/U. Amsterdam)
  - on industrial relations and union density for 47 countries, since 1960
  - part of InGRID2 project, EU funded H2020 project for social research infrastructures (2016-2020), UvA partner, headed by Stephanie Steinmetz

THE SALARY SURVEY

2006-2015 result: 2.7m online surveys!

>125 million visits

2.7 million surveys!

* Overall measured online surveys 2006-20015/ including mini surveys since 2012 - WI data 2006-2015

Outline

- WageIndicator home page and national websites
- WageIndicator global data-collections
- **Results of WageIndicator research**

Economic crisis in Germany and Netherlands

- **WageIndicator web-survey**
  - Six survey questions about the impact of the economic crisis were included in German and Dutch web-surveys (Aug. 2009 - Dec. 2010)
- **Results: Workforce or wage adjustments?**
  - Workforce adjustments continuous strategy in both countries
  - No evidence of wage concessions being traded-off for job protection
  - Collective bargaining ensured that wage-setting was more robust than employment protection
  - Low-educated and low-wage employees reported wage reductions more often -->> economic crisis increased wage inequality
  - Labour hoarding was reported predominantly by young, male employees with a permanent, full-time contract

Article

European Journal of Industrial Relations

Wage and workforce adjustments in the economic crisis in Germany and the Netherlands

European Journal of Industrial Relations
2014, Vol. 20(2) 165–183

DOI: 10.1177/0959680113516181
ejir.sagepub.com
SAGE

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Fikret Öz
Institut Arbeit und Technik, Gelsenkirchen, Germany

Abstract
This study uses data from a continuous employee web-survey to investigate the trade-off between wage and workforce adjustments and the role of industrial relations in firm-level responses to the economic crisis in Germany and the Netherlands. Workforce adjustments seemed to be a continuous organizational strategy, but wage adjustments were less often reported. We found no large-scale evidence of wage concessions being traded-off for job protection in the two countries. Collective bargaining ensured that wage-setting was more robust than employment protection: employees covered by collective agreements reported workforce adjustments more often than wage adjustments. Low-educated and low-wage employees reported basic wage reductions more often: the economic crisis increased wage inequality. Labour hoarding was reported predominantly by young, male employees with a permanent, full-time contract.

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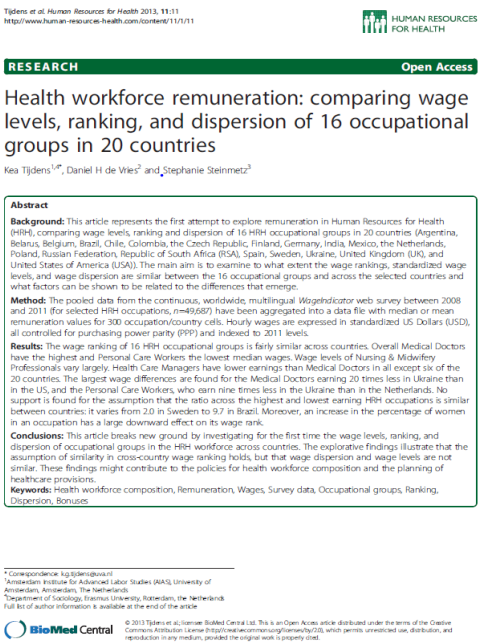
Health workforce remuneration (2013)

- **A 20 country comparison for 16 occupational groups**
  - **Do 16 occupational groups in health workforce have similar wage rankings, standardized wage levels, and wage dispersion in 20 countries?**
    Argentina, Belarus, Belgium, Brazil, Chile, Colombia, Czech Rep., Finland, Germany, India, Mexico, Netherlands, Poland, Russia, South Africa, Spain, Sweden, Ukraine, UK, USA
  - **data from WageIndicator web-survey (2008-2011)**



Tijdens et al. Human Resources for Health 2013, 11:11
http://www.human-resources-health.com/content/11/1/11

HUMAN RESOURCES FOR HEALTH

RESEARCH Open Access

Health workforce remuneration: comparing wage levels, ranking, and dispersion of 16 occupational groups in 20 countries

Kea Tijdens[1,4*], Daniel H de Vries[2] and Stephanie Steinmetz[3]

Abstract

Background: This article represents the first attempt to explore remuneration in Human Resources for Health (HRH), comparing wage levels, ranking and dispersion of 16 HRH occupational groups in 20 countries (Argentina, Belarus, Belgium, Brazil, Chile, Colombia, the Czech Republic, Finland, Germany, India, Mexico, the Netherlands, Poland, Russian Federation, Republic of South Africa (RSA), Spain, Sweden, Ukraine, United Kingdom (UK), and United States of America (USA)). The main aim is to examine to what extent the wage rankings, standardized wage levels, and wage dispersion are similar between the 16 occupational groups and across the selected countries and what factors can be shown to be related to the differences that emerge.

Method: The pooled data from the continuous, worldwide, multilingual *WageIndicator* web survey between 2008 and 2011 (for selected HRH occupations, *n*=49,687) have been aggregated into a data file with median or mean remuneration values for 300 occupation/country cells. Hourly wages are expressed in standardized US Dollars (USD), all controlled for purchasing power parity (PPP) and indexed to 2011 levels.

Results: The wage ranking of 16 HRH occupational groups is fairly similar across countries. Overall Medical Doctors have the highest and Personal Care Workers the lowest median wages. Wage levels of Nursing & Midwifery Professionals vary largely. Health Care Managers have lower earnings than Medical Doctors in all except six of the 20 countries. The largest wage differences are found for the Medical Doctors earning 20 times less in Ukraine than in the US, and the Personal Care Workers, who earn nine times less in the Ukraine than in the Netherlands. No support is found for the assumption that the ratio across the highest and lowest earning HRH occupations is similar between countries: it varies from 2.0 in Sweden to 9.7 in Brazil. Moreover, an increase in the percentage of women in an occupation has a large downward effect on its wage rank.

Conclusions: This article breaks new ground by investigating for the first time the wage levels, ranking, and dispersion of occupational groups in the HRH workforce across countries. The explorative findings illustrate that the assumption of similarity in cross-country wage ranking holds, but that wage dispersion and wage levels are not similar. These findings might contribute to the policies for health workforce composition and the planning of healthcare provisions.

Keywords: Health workforce composition, Remuneration, Wages, Survey data, Occupational groups, Ranking, Dispersion, Bonuses

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[4]Department of Sociology, Erasmus University, Rotterdam, the Netherlands
Full list of author information is available at the end of the article

- **Results: Wage ranking**
  - **Wage ranking of 16 occupational groups is fairly similar across countries: Medical doctors have highest and Personal care workers lowest median wages**
  - **Medical doctors earn 20 times less in Ukraine than in US**
  - **Personal care workers earn 9 times less in Ukraine than in NL**
  - **Wage dispersion: ratio across highest and lowest earning occupationa; group varies from 2.0 in Sweden to 9.7 in Brazil.**
  - **A higher percentage of women in an occupational group is associated with lower wages**

Comparing collective bargaining agreements for developing countries (2015)

- **What is agreed in collective agreements?**
  - Hardly any studies, need to fill a knowledge gap
  - Data from WageIndicator Collective Bargaining Agreement Database: coded content of 249 collective agreements in 11 developing countries
    Benin, Brazil, Ghana, Indonesia, Kenya, Madagascar, Peru, Senegal, Tanzania, Togo, Uganda

The current issue and full text archive of this journal is available on Emerald Insight at:
www.emeraldinsight.com/0143-7720.htm

IJM
36,1

86

Comparing collective bargaining agreements for developing countries

Janna Besamusca and Kea Tijdens
University of Amsterdam,
Amsterdam Institute for Advanced Labour Studies (AIAS),
Amsterdam, The Netherlands

Abstract

Purpose – The purpose of this paper is to fill several knowledge gaps regarding the contents of collective agreements, using a new online database. The authors analyse 249 collective agreements from 11 countries – Benin, Brazil, Ghana, Indonesia, Kenya, Madagascar, Peru, Senegal, Tanzania, Togo, Uganda. The authors research to what extent wage and other remuneration-related clauses, working hours, paid leave arrangements and work-family arrangements are included in collective agreements and whether bargaining topics cluster within agreements.

Design/methodology/approach – The authors use the web-based WageIndicator Collective Bargaining Agreement Database with uniformly coded agreements, that are both collected and made accessible online. The authors present a quantitative multi-country comparison of the inclusion and contents of the clauses in the agreements.

Findings – The authors find that 98 per cent of the collective agreements include clauses on wages, but that only few agreements specify wage levels. Up to 71 per cent have clauses on social security, 89 per cent on working hours and 84 per cent of work-family arrangements. The authors also find that collective agreements including one of these four clauses, are also more likely to include the other three and conclude that no trade off exists between their inclusion on the bargaining agenda.

Research limitations/implications – Being one of the first multi-country analyses of collective agreements, the analysis is primarily explorative, aiming to establish a factual baseline with regard to the contents of collective agreements.

Originality/value – This study is unique because of its focus on the content of collective bargaining agreements. The authors are the first to be able to show empirically which clauses are included in existing collective agreements in developing countries.

Keywords Developing countries, Social security, Collective bargaining agreements, Wage setting, Work-family arrangements, Working hours

Paper type Research paper

1. Introduction

In a globalised world comparative and up-to-date data on wages and wage setting institutions are needed to understand the global economy in relation to national labour markets and industrial relations systems. Collective bargaining is considered an

This research is in part funded by the Labour Rights for Women project of the Dutch Ministry of Foreign Affairs (FLOW grant no. 23634), in which the first author is involved. The initial plan for the Collective Bargaining Database came from Paulien Osse, director WageIndicator Foundation (< underline > www.wageindicator.org < /underline >). The systems design was developed by the second author; the technical design was made by Huub Bouma and Duco Dokter; team leaders are Daniela Cecon and Godius Kahyarara; team members are Arcade Ndoricimpa, Ngeh Ernest Tingum and Nadia Pralitasari. The authors thank Prof Ruth Milkman, City University New York and the participants of the INTEGRIM PhD workshop of the Institute for Migration and Ethnic Studies (Amsterdam, 09/10/2014) for comments on earlier versions, as well as the anonymous referee and editors for their valuable comments.

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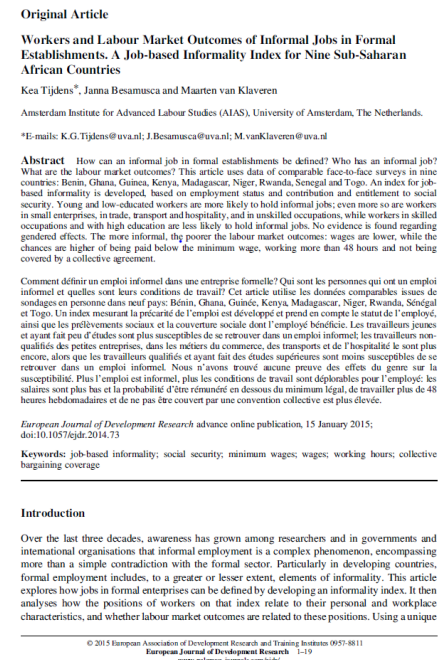
- **Results**
  - 98% include clauses on wages, but only few specify wage levels; 50% contain an indexation clause;
    only 15% refer to pay scales as a means of wage setting
  - 71% have clauses on social security, 89% on working hours, 84% on work-family arrangements
  - clauses about social security are accompanied with wage and working hours clauses (no trade off)
  - collective agreements are more than a mere reiteration of national legislation, but an integral part of improving wages and working conditions in developing countries

Labour Market Outcomes of Informal Jobs in Formal Establishments (2015)

- **Informal jobs in nine Sub-Saharan African Countries**
  - How can informal jobs in formal establishments be defined?
  - data from WageIndicator face-to-face surveys in nine countries
  - Benin, Ghana, Guinea, Kenya, Madagascar, Niger, Rwanda, Senegal, Togo
  - An index for job-based informality, based on
    - employment status * contribution to social security* entitlement to social security



Original Article

Workers and Labour Market Outcomes of Informal Jobs in Formal Establishments. A Job-based Informality Index for Nine Sub-Saharan African Countries

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Abstract How can an informal job in formal establishments be defined? Who has an informal job? What are the labour market outcomes? This article uses data of comparable face-to-face surveys in nine countries: Benin, Ghana, Guinea, Kenya, Madagascar, Niger, Rwanda, Senegal and Togo. An index for job-based informality is developed, based on employment status and contribution and entitlement to social security. Young and low-educated workers are more likely to hold informal jobs; even more so are workers in small enterprises, in trade, transport and hospitality, and in unskilled occupations, while workers in skilled occupations and with high education are less likely to hold informal jobs. No evidence is found regarding gendered effects. The more informal, the poorer the labour market outcomes: wages are lower, while the chances are higher of being paid below the minimum wage, working more than 48 hours and not being covered by a collective agreement.

Comment définir un emploi informel dans une entreprise formelle? Qui sont les personnes qui ont un emploi informel et quelles sont leurs conditions de travail? Cet article utilise les données comparables issues de sondages en personne dans neuf pays: Bénin, Ghana, Guinée, Kenya, Madagascar, Niger, Rwanda, Sénégal et Togo. Un index mesurant la précarité de l'emploi est développé et prend en compte le statut de l'employé, ainsi que les prélèvements sociaux et la couverture sociale dont l'employé bénéficie. Les travailleurs jeunes et ayant fait peu d'études sont plus susceptibles de se retrouver dans un emploi informel; les travailleurs non-qualifiés des petites entreprises, dans les métiers du commerce, des transports et de l'hospitalité le sont plus encore, alors que les travailleurs qualifiés et ayant fait des études supérieures sont moins susceptibles de se retrouver dans un emploi informel. Nous n'avons trouvé aucune preuve des effets du genre sur la susceptibilité. Plus l'emploi est informel, plus les conditions de travail sont déplorables pour l'employé: les salaires sont plus bas et la probabilité d'être rémunéré en dessous du minimum légal, de travailler plus de 48 heures hebdomadaires et de ne pas être couvert par une convention collective est plus élevée.

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Keywords: job-based informality; social security; minimum wages; wages; working hours; collective bargaining coverage

Introduction

Over the last three decades, awareness has grown among researchers and in governments and international organisations that informal employment is a complex phenomenon, encompassing more than a simple contradiction with the formal sector. Particularly in developing countries, formal employment includes, to a greater or lesser extent, elements of informality. This article explores how jobs in formal enterprises can be defined by developing an informality index. It then analyses how the positions of workers on that index relate to their personal and workplace characteristics, and whether labour market outcomes are related to these positions. Using a unique

European Journal of Development Research 1–19

- **Results**
  - Young and low-educated workers are more likely to hold informal jobs; and so are workers in small enterprises, in trade, transport and hospitality, and in unskilled jobs
  - no evidence is found for gender differences here
  - the more informal, the poorer the labour market outcomes: wages are lower, while chances are higher of being paid below the minimum wage and working more than 48 hours

Migrants' incidence of skill mismatch (2015)

- **Are migrant workers ore often overeducated?**
  - Data from WageIndicator web-survey on work and wage 2008–2013: employed persons from 86 countries: 673,898 observations
  - This large number allowed to differentiate between countries of origin and countries of destination

Visintin et al. IZA Journal of Migration (2015) 4:14
DOI 10.1186/s40176-015-0040-0

IZA Journal of Migration
a SpringerOpen Journal

ORIGINAL ARTICLE Open Access

Skill mismatch among migrant workers: evidence from a large multi-country dataset

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Abstract

This article unravels the migrants' incidence of skill mismatch taking into consideration different migration flows. Mismatch is the situation in which workers have jobs for which lower skill levels are required compared to their education. We use a dataset (from a large multi-country web survey) particularly suited to investigate differences in skill mismatch between native and migrant workers. The main advantages are its ample size and the large variety of country of origin and destination combinations, which allows for detailed analysis of different migration flows. This provides an innovative multi-country perspective, including nations and migrants from all continents. We also identify the relation between overeducation and some of the most widely accepted theoretical explanations for the phenomenon among native workers and test whether it holds for migrants. These results are achieved by fulfilling three research objectives, which are to investigate (1) the factors affecting overeducation and whether migrants are more often overqualified, (2) the relation between overeducation and different country of origin and destination combinations, and (3) whether a range of theoretically based assumptions affect the incidence of overeducation and the extent to which they are relevant in the case of migrant workers. Skill mismatch is found to be more common among migrants compared to native workers, although the incidence differs across migrants depending on the country of residence. Differences in the incidence of overeducation between native and migrant workers are not only related to the country of residence but also to the combination of country of origin and destination. When theoretically based assumptions are used to explain overeducation, the relation found for the total population does not always hold in the case of migrants. All these findings are confirmed by both an explorative and a in-depth analysis.

JEL codes: J24; J61; J15

Keywords: Overeducation; Mismatch; Migration; Workers; Job-skill match; Job-mobility

1. Introduction

Is overeducation more common among migrants compared to native workers? If so, is the overeducation incidence alike across migrants from various home countries and across various host countries? Are the arguments behind overeducation the same for native and migrant workers? This article unravels the migrants' incidence of skill mismatch, defined as the situation in which workers have jobs for which lower skill levels are required compared to their current educational level. The focus is on the skill mismatch of almost 700,000 native and migrant workers in 86 countries' over the period

Springer

- **Results**
  - Overeducation is more common among migrants compared to native workers
  - The incidence differs across migrants and depends on country of residence and country of origin
  - Sharing the same mother language with native workers reduces the chances of overeducation

More research

- **And many more research has been done …..**
- **Research in progress**
  - The Price of Motherhood
  - The interrelation between task sex segregation and the gender wage gap
  - The relation between bargaining coverage and trade union density
  - Life satisfaction and labour market matching
- **See the list of publications**
- http://www.wageindicator.org/main/Wageindicatorfoundation/publications

Thank you for your attention

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Minimum Wage in India, and role of WageIndicator Foundation

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Introduction

- **Minimum Wages (MW) crucial for developing developing countries**
  - Protection for low-wage workers
  - Ensure payment of fair wages
  - Provide a basic floor wage
  - Instrument of macroeconomic policy

Minimum Wage Act, 1948 India

The Minimum Wage Act enacted

It enables workers in the informal sectors & agricultural occupations to receive protection against low wages

Discussions

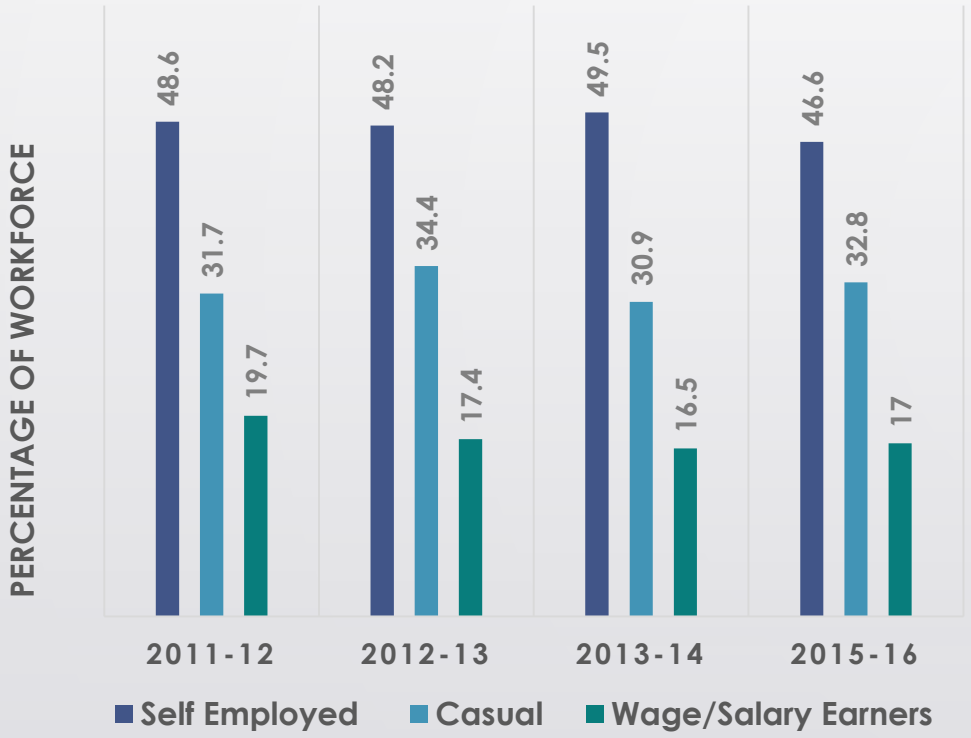
The issue of MW was discussed along with the social, political & legal debates

Wage Code Bill

The Union Cabinet approved this bill which will ensure MW across all sectors by integrating 4 labour related laws

An Overview of the Indian Labour Market

Employment Activity by status, all India (2011-12 to 2015-16)



Labour Force Participation Rate, Unemployment Rate & Worker Population ratio(2011-12 to 2015-16)

Labour Employment

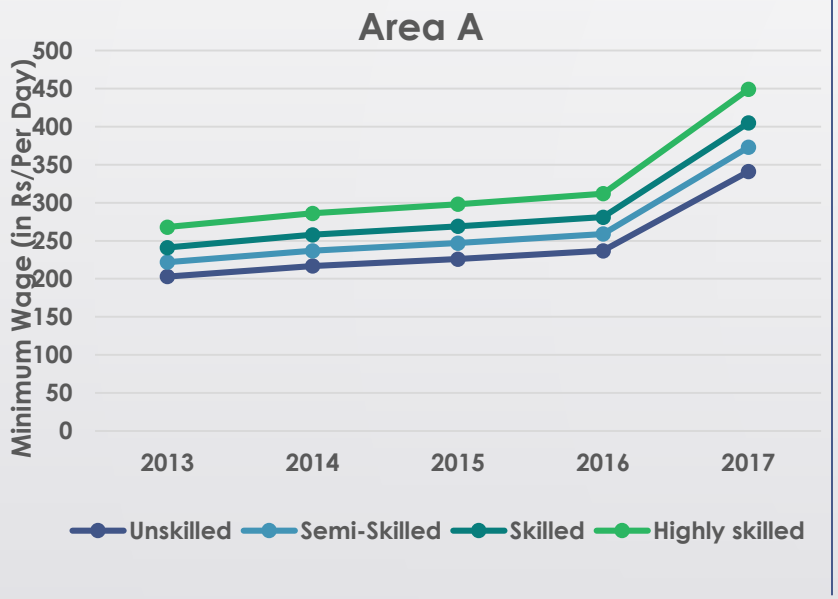
Formal Sector ~34 million

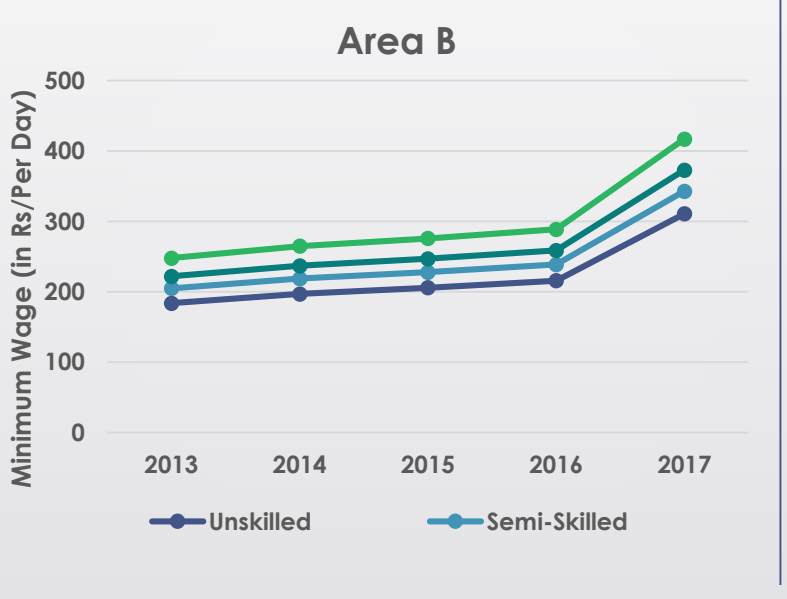
Informal work within formal sector

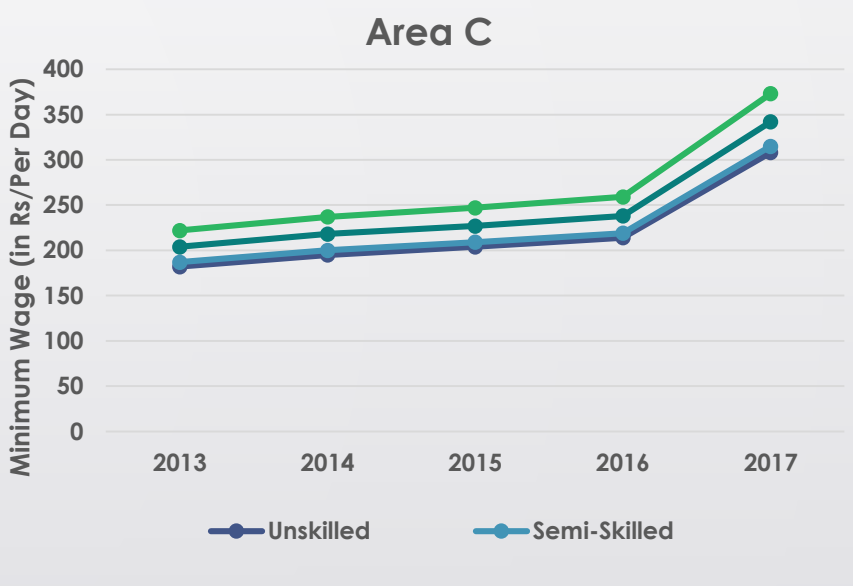
Informal Sector ~ 484 million

Source: NSSO various rounds, Labour Bureau & CMIE Economic Outlook

Minimum Wage for Schedule Employment in Agriculture (as on July 30, 2017) (in Rs.)

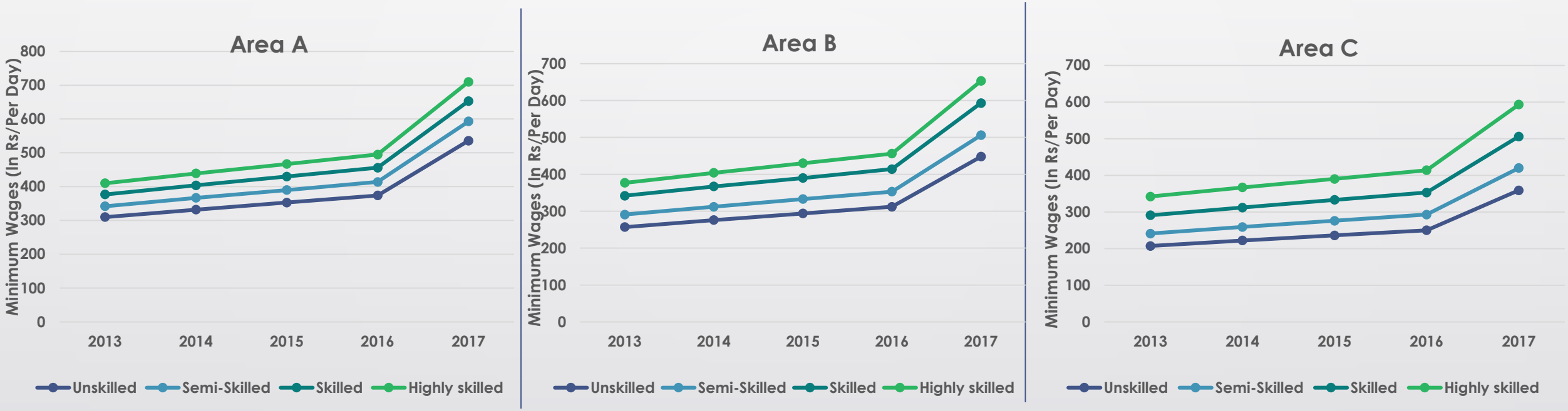






Source : Paycheck.in (2017)

Minimum Wage for Schedule Employment in Construction & Maintenance (as on July 30, 2017) (in Rs.)



Source : Paycheck.in (2017)

Current Minimum Wages (Central Sphere)

Scheduled Employment	Category of Workers	Area A		Area B		Area C	
		Old	Revised	Old	Revised	Old	Revised
Agriculture	Unskilled	237	333	216	303	214	300
	Semi-skilled/Unskilled Supervisory	259	364	239	335	219	307
	Skilled/Clerical	281	395	259	364	238	334
	Highly-skilled	312	438	289	407	259	364
Sweeping and Cleaning	Unskilled	374	523	312	437	250	350
Watch and Ward	Without Arms (Upgraded to skilled with training)	414	637	353	579	293	494
	With Arms	456	693	414	637	353	579
Loading & Unloading	Unskilled	374	523	312	437	250	350
	Unskilled	374	523	312	437	250	350

Source : Paycheck.in (2017)

Current Minimum Wages (Central Sphere)

Scheduled Employment	Category of Workers	Area A		Area B		Area C	
		Old	Revised	Old	Revised	Old	Revised
Construction	Semi-skilled/Unskilled Supervisory	414	579	353	494	293	410
	Skilled/Clerical	456	637	414	579	353	494
	Highly-skilled	495	693	456	637	414	579
Non – Coal Mines		Above Ground			Below Ground		
		Existing	Proposed		Existing		Proposed
	Unskilled	250	350		312		437
	Semi-skilled/Unskilled Supervisory	312	437		374		523
	Skilled/Clerical	374	523		436		610
	Highly-skilled	436	610		495		683

Source : Paycheck.in (2017)

Revision of Basic Minimum Wage Rates in Indian States

Last MW revised more than 5 years ago

States	Minimum Wages	
	Effective from	Effective till
Arunachal Pradesh	Feb 2009	Till date
Manipur	Feb 2011	Till date

Last MW revised 2 to 5 years ago

States	Minimum Wages	
	Effective from	Effective till
Jammu & Kashmir	Jan 2013	Till date
Jharkhand	Oct 2014	March 2015
Sikkim	Nov 2014	Till date
Odisha	May 2015	Till date

MW revised last year

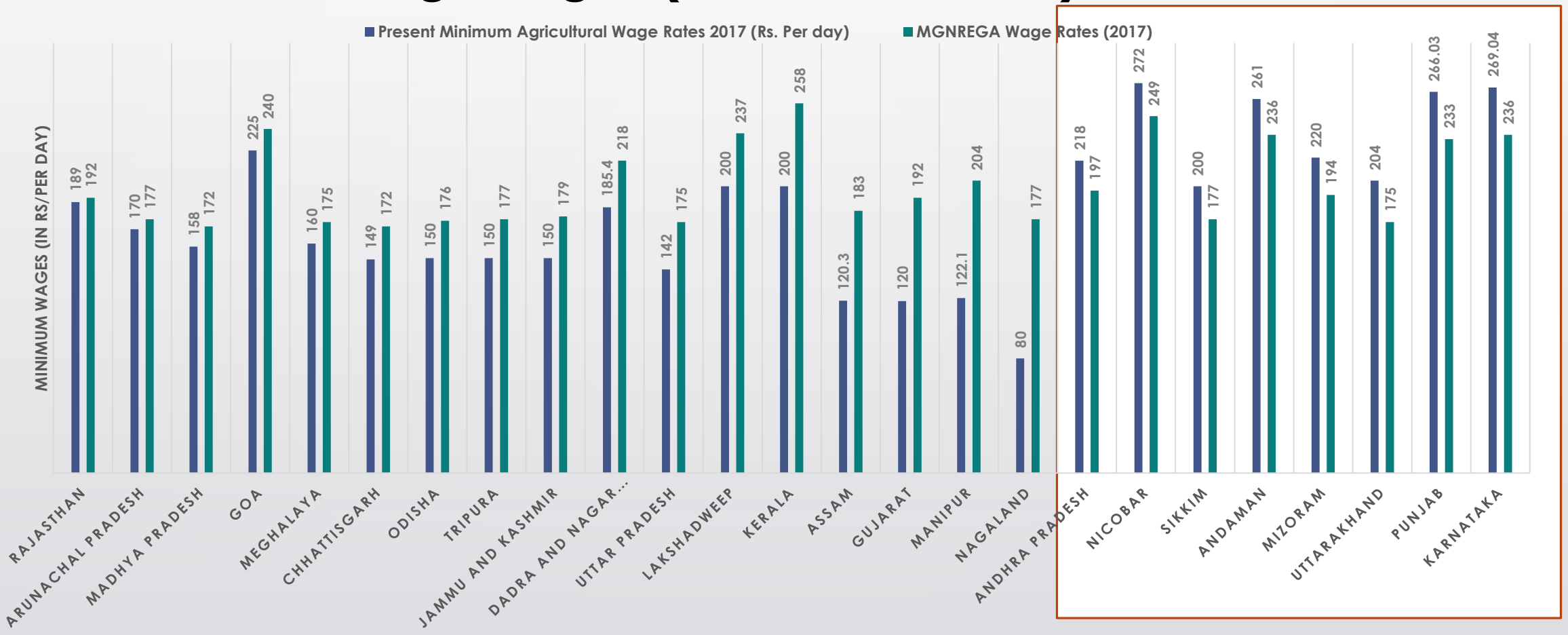
States	Minimum Wages	
	Effective from	Effective till
Lakshadweep	Jan 2016	Till date
Assam	Jan 2016	Till date
Mizoram	April 2016	Till date
Goa	May 2016	Till date
Himachal Pradesh	July 2016	Dec 2016
Chandigarh	Oct 2016	March-2017
Dadra & Nagar Haveli	Oct 2016	March-2017
Daman & Diu	Oct 2016	March-2017
Meghalaya	Oct 2016	Till date
Nagaland	Oct 2016	Till date
Kerala	Dec 2016	Till date

MW revised this year

States	Minimum Wages	
	Effective from	Effective till
Haryana	Jan 2017	June 2017
West Bengal	Jan 2017	June 2017
Rajasthan	Jan 2017	June 2017
Maharashtra	Jan 2017	June 2017
Punjab	Feb 2017	July 2017
Delhi	March 2017	Aug 2017
Uttarakhand	April 2017	Sept 2017
Uttar Pradesh	April 2017	Sept 2017
Madhya Pradesh	April 2017	Sept 2017
Karnataka	April 2017	March 2018
Gujarat	April 2017	Sept 2017
Bihar	April 2017	Sept 2017
Chhattisgarh	April 2017	Sept 2017
Andhra Pradesh	April 2017	Sept 2017

Source : Paycheck.in (2017)

State wise comparison of MW rates (w.e.f. April 2016) & MGNREGA Wage Rages (as on Feb. 2017)



Source : Paycheck.in (2017)

Impact of MNREGA

Budget allocation	Job Creation	Wages	Coverage	States
• *'Highest allocation ever'* in Union Budget 2017 • INR 48,000 crore (€ 6.2 billion)	• Availability of jobs in rural areas • Control over rural-urban migration	• Workers have started demanding and obtaining higher wages • Improved agricultural wages • Average wage earned per beneficiary has increased from INR 65 in 2006 to INR 150 per person/day in 2017	• Ensured increased coverage of MW • 13 crore (130 million) households have job cards which covers close to 28 crore (280 million) workers	• Successful in empowering women in the age group of 30-50 (Assam, Maharashtra) • 75% of work done under MNREGA is agricultural work and has proved very useful to small & marginal farmers

Challenges in Implementation of MW in India

- Norms for fixing MW
- Coverage
- Multiple MWs
- Implementation
- Enforcement
- Lack of coordination between trade unions & unorganized sector

Wage Code Bill, 2017 and its impact

Aims

- To ensure a universal MW for all industries & workers.
- To improve the living standard of workers

Coverage

- All industries & workers, including those getting higher than INR 18,000 (irrespective of workers' pay)
- 40 crore (140 million) workers will be covered

Implementation

- 44 different labour laws will be condensed into 4 sections
  - wages
  - industrial relations
  - social security & safety
  - health & working conditions

Amalgamation

- Bill seeks to amalgamate 4 laws
  - Payment of Wages Act 1936
  - Minimum Wages Act 1948
  - Payment of Bonus Act 1965
  - Equal Remuneration Act 1976

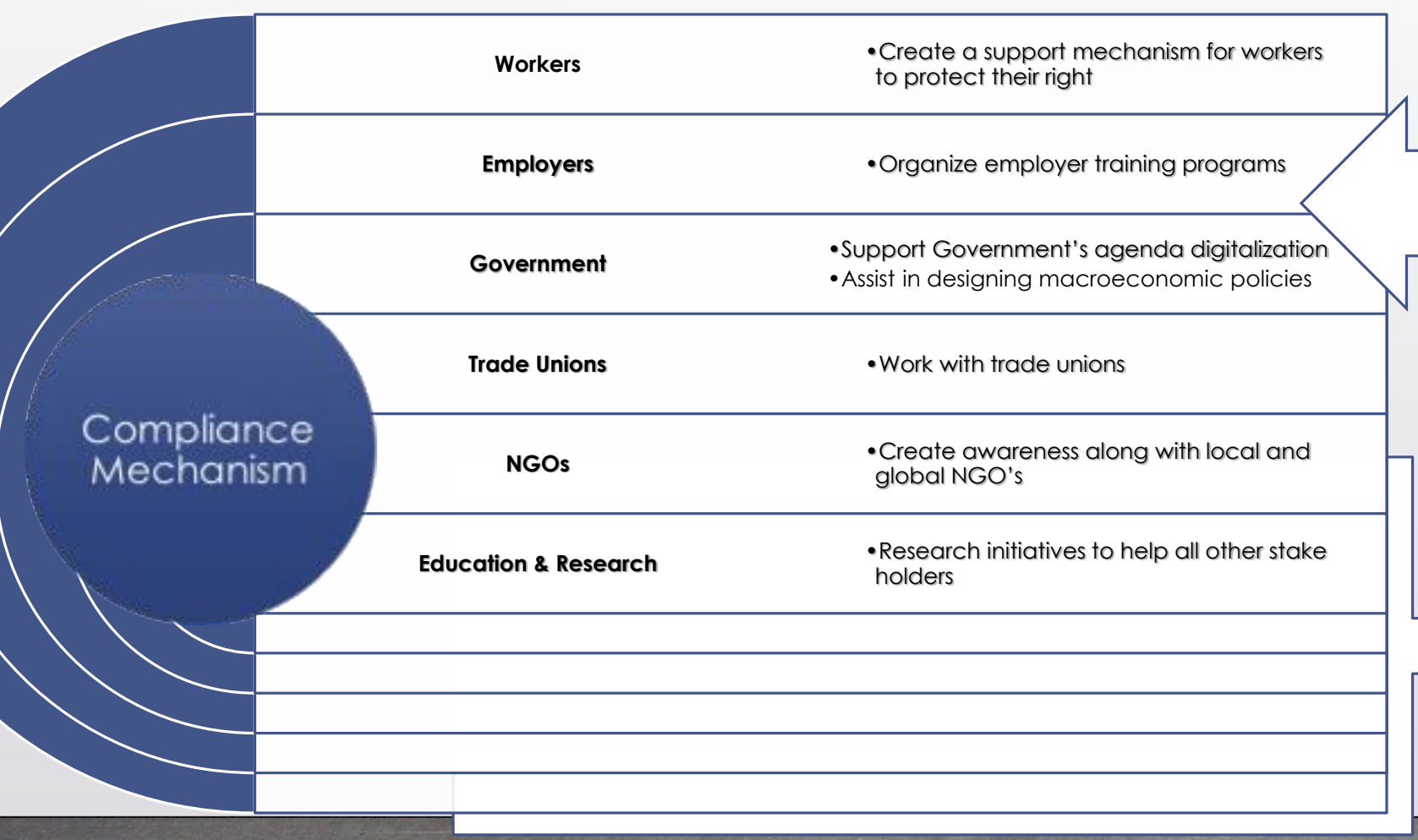
(+) Impact

- Will generate employment & attract entrepreneurs
- Simplify understanding of MW in India

(-) Impact

- Steep hikes in wage rate might have a negative impact on hiring in tier II & tier III cities
- Hiring at entry level might be hindered due an increase in compensation cost to the companies

Potential contribution by WageIndicator Foundation



WI contributes towards labour market & wage transparency, which is a precondition for a healthy economy

Paycheck.in has been able to evolve as a single point source for MW information for a country like India which has more than 1200 MWs

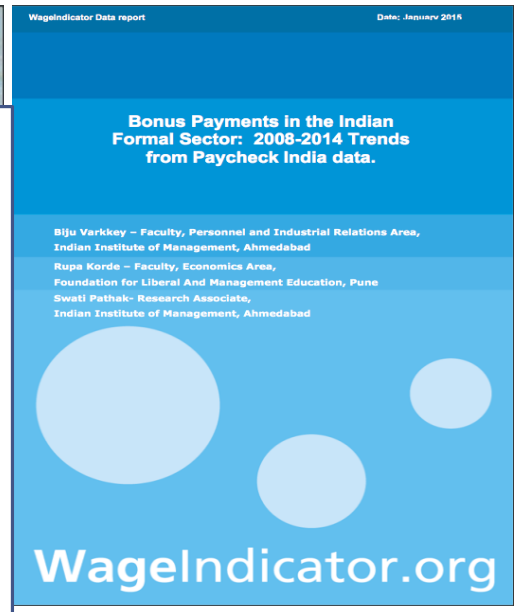
Wherever union involvement is important & its independent functioning is essential, WI can provide support to unions by making necessary information available

WI's analyses of compliance with MWs in practice can and should put pressure on employers, governments and unions

Select Research Contribution by Paycheck.in

Select Research Contribution by Paycheck.in

2015



2016

2017

Paycheck.in reports making newspaper headlines

THE TIMES OF INDIA

MURDER CASE REGISTERED AGAINST MUSHARRAF OVER LAL MASJID OPERATION 9

CONG PREZ SONIA GANDHI FLIES TO US FOR MEDICAL CHECK-UP 8

IS GARETH BALE WORTH THE $132M REAL MADRID HAS SPLURGED ON HIM? 14

NEWS DIGEST

Governor returns Lokayukta bill

DIVINE SAVIOUR WHO SUNK XAVIER'S

Potency test cleared by Asaram sans drugs

Godman's Consent For Test Surprises Docs

Asaram sent to jail for 14 days

Air fares set to rise as ATF prices soar

At 3.1%, core sector shows slow recovery

Manufacturing shrinks for 1st time since 2009

Journo moves SC with sting on BJP MPs

TULSI ENCOUNTER

'Petrol pumps not to be closed at night'

Parliament passes food security bill

Govt resumes I-T refunds of up to ₹50K

PM relief fund faces risk of losing PAN

Passport alone no proof you are Indian: HC

Woman wants cops to find her stolen pooch

'Single or married, women get paid less than men'

GENDER BENDER

SUNDAY TIMES OF INDIA

HAPPY DIWALI

For women, more degrees mean less pay

With Masters, Gender Wage Gap Hits 40%

SALARY SLIPS

BANG-GALORE: ROHIT'S FIREWORKS GIVE INDIA SERIES WIN

SUNDAY SPECIAL

Out of the (idiot) box

A healthy relationship

Mum for the meal

Ramayana gets racy

NEWS DIGEST

Sr college teachers to get pay arrea

JP Morgan hiring practices in India under lens

Actress cries molestation, Cong MP denies

Fired White House aide in Indian-American

China, Pak help CAG win UN audit gol

Taliban get new chief, Pak fears reprisals

Dengue outbreak worst in 6 yrs, but fatality rate down

STINGING STEADILY

10 passengers jump off train, run over in AP

Posing as top neta's aide, he made off with jewellers' lakhs

HAPPY DIWALI

Cong urges EC to ban opinion polls

'PILs must prove utmost good faith'

दीया और बाती
यूको बैंक है सबका साथी

UCO BANK

Results and Conclusion

- A complex system of MW implementation has made its MW administration difficult. However, the New Labour Code on Wages Bill (passed by the parliament in August,2017) seeks to empower the Government to fix a universal minimum wage for workers across the country. The new law is expected to benefit over 4 crore employees across the country
- The Minimum Wages Act is poorly implemented, particularly in rural areas, and a large proportion of agricultural workers continue to get less than the prescribed minimum wages.
- The indexation of MGNREGA wages in order to meet the inflationary pressures has shown positive results. In most states, the inflation adjusted MGNREGA wages are above the lowest official MW are below the MW with only few exceptions- Andhra Pradesh, Andaman & Nicobar, Sikkim, Punjab, Mizoram, Uttrakhand and Karnataka.
- The law insist that MW rates have to be reviewed and revised every 5 years or earlier if required, but the revisions do not follow a regular pattern in some states (Arunachal Pradesh and Manipur)
- WageIndicator has contributed significantly for creating awareness about MW in India through it's various research studies on Wages and working conditions in the Indian -ICT sector, Finance Sector, manufacturing sector, garment industry, women's work and employment conditions, Status of Minimum wage in Asian countries , official representation of MW in Asian countries.
- Paycheck India, part of the worldwide WageIndicator foundation, provides the single dissemination point of MW in India and is widely consulted by different stakeholders.
- A situation in which all workers in India are eligible for the right MW and are assured its receipt has to be attained, if India is to become an economic powerhouse and ensure sustainable development

WageIndicator.org

InGRID

Supporting expertise in inclusive growth

Minimum wages worldwide

AIAS

Amsterdam Institute for Advanced labour Studies

University of Amsterdam

AIAS annual conference

Wages in Global Perspective

Kea Tijdens

University of Amsterdam/AIAS

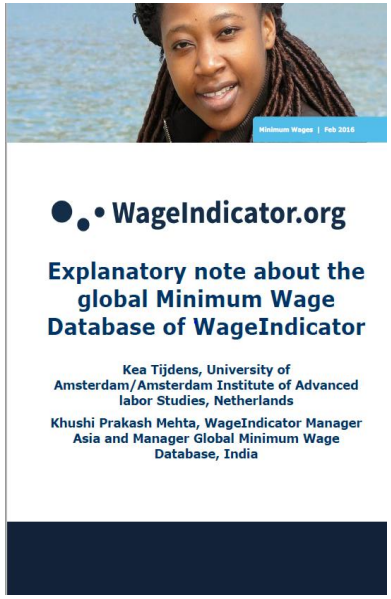
1 September 2017

ILO conventions Minimum Wage Fixing

- **ILO Conventions challenge countries to implement minimum wage-fixing mechanisms**
  - **ILO Convention C026 (1928): Members will take measures to ensure that MWs are paid (in 2015 ratified by 104 of 186 ILO members (56%))**
  - **ILO Convention C131 (1970): Minimum wage shall have the force of law (in 2015 ratified by 52 of 186 ILO members (28%))**
- **ILO monitoring**
  - **ILO monitors ratification, but not implementation of a Statutory Minimum Wage (SMW), apart from a few once-only studies, showing that many more countries apply SMW than have ratified**
- **Minimum wages are important for wage-setting**
  - **In any country MW is important for wage-setting processes**
  - **They provide a floor in wage-setting**

What do we know about minimum wages worldwide?

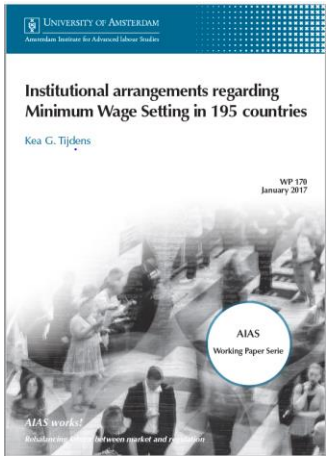
- **Institutions with databases about MW rates**
  - Worldbank: MW rates per year for 180 countries (one rate per country)
  - WSI about MW rates per year for European countries
  - WageIndicator Minimum Wages Database



- **Institutions with databases about MW fixing**
  - ILO databases about countries with MW fixing mechanisms (irregularly updated, mostly 100+ countries)
  - ICTWSS/Eurofound about (51 – 28) countries with MW fixing mechanisms
  - WageIndicator Minimum Wages Database, see http://www.wageindicator.org/main/salary/minimum-wage

Research objective 1
Collecting and merging databases

- **Databases with MW information**
  - We found 12 databases with scattered information about minimum wage-fixing mechanisms, coverage and rates
  - Scattered: not for all countries/years, not the same definitions
  - The 2010s best covered: we merged the databases for 2011 – 2015



- **Merged database**
  - In total for 195 countries, for 97 countries observations in all five years
  - In case of inconsistent codes we applied coding rules
  - We merged the databases to study how many countries worldwide applied a Statutory Minimum Wage in 2011 – 2015

How many countries apply SMW

- **Minimum wage setting through legislation**
  - For 195 countries: 86% - 93% apply minimum wage-fixing mechanism
  - For 97 countries: 91% had SMW in 2011, 94% had so in 2015

- **Minimum wage setting through Collective bargaining**
  - For 195 countries: 3% - 13% have MW fixing through collective bargaining
  - For 97 countries: 8% had MW_CB in 2011, 6% had so in 2015

Which countries apply MW by CB?

- **MW setting through Collective Bargaining in Europe**
  - Predominantly found in Scandinavian countries:
    - Denmark, Iceland, Norway, Sweden, Finland plus Estonia
  - Middle-European countries:
    - Austria and Germany, but not from 2015 on
    - plus Italy, Belgium (mixed coding), Greece (scattered data only)
- **MW setting through Collective Bargaining outside Europe**
  - Four African countries according to very scattered data:
    - Chad, Gambia, Madagascar and Namibia
- **In countries without a SMW**
  - If employee covered by a collective agreement, minimum wages are set
  - If not covered, it is fully market-driven wage-setting

Differentiated versus single MW

- **Do counties have single MW fixing mechanisms and rates**
  - Worldbank and ILO databases suggest one MW fixing mechanism and one MW rate per country, but ….
- **or differentiated MW fixing mechanisms and rates?**
  - If a country applies SMW, is this applied to the entire dependent labour force, or are some groups in- or excluded or are MWs differentiated?
  - WageIndicator MW database shows 40 of 76 countries differentiated MW breakdowns by 9 characteristics: Industry, Geo, Occupation, Age, Skill, Grade, Tenure, Firm size, Education
  - India applies differentiated MWs, but is not yet included in the database
- **Findings**
  - Differentiated MWs most frequent in North America, least so in Europe
  - Differentiated by industry most common, less so by region

Differentiated MW in 40 countries

- **Industry – typical divisions (18 countries)**
  - Agriculture vs non-agric.
  - Specific industries, eg garment
- **Geo – typical divisions (11 countries)**
  - Capital city vs rest, urban vs rural
  - Economic zones
- **Occupation (11 countries)**
  - Specific MWs for drivers, foremen, gardeners, general workers, housekeepers, lashers, merchandisers, order pickers, etc
  - Supplement MWs for teachers, skilled workers, domestic workers (5 cntrs)
- **Multiple characteristics**
  - 4 countries apply so (2+): Madagascar by 3, Ethiopia by 4, Kenya by 5 and South Africa by 7

WageIndicator Minimum Wage Database

Salaries + | Labour Law + | WageIndicator Foundation +

Home > Salaries > Minimum Wages > Hungary

Minimum Wages in Hungary with effect from 01-01-2017 to 31-12-2017

Last update: 28-12-2016
Currency: HUF (HU Forint)

National Minimum wage

Minimum Wage per Hour	Minimum Wage per Day	Minimum Wage per Week	Minimum Wage per Month
725.28	5,802.27	29,026.35	127,650.00

'Guaranteed Minimum Wage' for Professional Workers

Minimum Wage per Hour	Minimum Wage per Day	Minimum Wage per Week	Minimum Wage per Month
916.19	7,329.55	36,647.73	161,250.00

Notes / Footnote

1. In Hungary the official working time is 8 hours/5 days.

Conclusions

- Many institutions collect scattered MW data
- No single insitution is fully responsible for global data collection and for maintaining time series concerning MW-fixing mechanisms, MW rates and MW coverage
- More than nine in ten countries apply a SMW (N=97)
- When applying differentiated MWs by occupation, grade or industry, countries mimic collective bargaining
- When applying differentiated MWs by geo-characteristics, countries adapt MW to cost-of-living differences within countries
- WageIndicator Minimum Wages database provides detailed insides in MW setting, elsewhere not available

Thank you for your attention ☺

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Amsterdam Institute for Advanced labour Studies

Enabling apparel workers and employers to check, debate, negotiate and publish wages and working conditions online

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You Share, We Compare

To give better life for workers through improvement of their working condition

WageIndicator.org
You Share, We Compare

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What Gajimu did

Databases
- Labour Law Database – Decent Work Check
- Minimum Wage Database
- Collective Bargaining Agreement (CBA) Database

Total visitors 2016 : 4.007.609

Total CBA online 2017 : 117 CBAs

Total survey + mini survey 2016 : 6.826 surveys

Surveys
- Salary Survey and Salary Check
- Cost of Living Survey

Compliance
- Minimum Wage Compliance Form
- Online Legal Help Desk
- Debates

Compliance Form : +/- 10.000 (2012 – 2015)

Legal Help Desk : +/- 10 questions/week

Regular use of Decent Work Check PDF

Trainings

Network
- Relations with Trade Union (TU), employer association, and NGOs

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What Gajimu will do

- Expanding our service to a specified sector – Garment Sector
- The garment sector involves female workers more than any other sector
- Female workers in garment sector tends to face more violence against their rights

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How?

Decent Work Check Survey Application

- Enables Workers to check compliance on minimum wages and labour law – online and face to face
- Face to face interview done by Team (Gajimu + Trade Union + Student) – 1.800 surveys in 7 weeks
- Increasing worker's knowledge on Labour Law and Minimum wage
- Reporting the results to trade unions and to employers
- Publish result of Decent Work Check Survey in Gajimu Garment Factory page

Factory Page

- Publish factory pages online
- Summarizing results from decent work checks and current CBA pre factory
- Enabling more effective monitoring of working conditions by workers, employers, brands, and buyers

Collective Bargaining Agreement Database

- Collecting Collective Bargaining Agreement (CBA) of garment factories
- Analyze and assess clauses in CBA
- Offer model CBA
- Compare result of Decent Work Check Survey with current CBA in place in Factory Page

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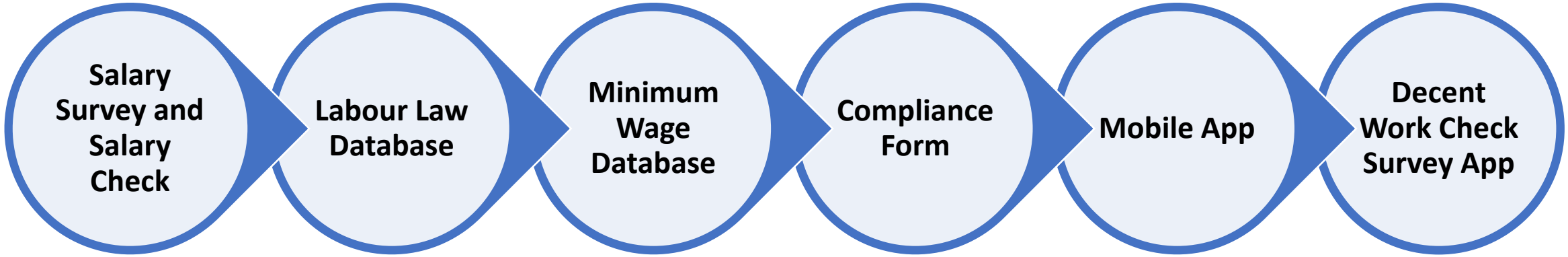
Decent Work Check Survey Through Mobile App



1. Employment Security
2. Working Hours
3. Minimum Wage
4. Maternity and Work
5. Health and Safety
6. Social Security
7. Fair Treatment
8. Right to Organise

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The teams

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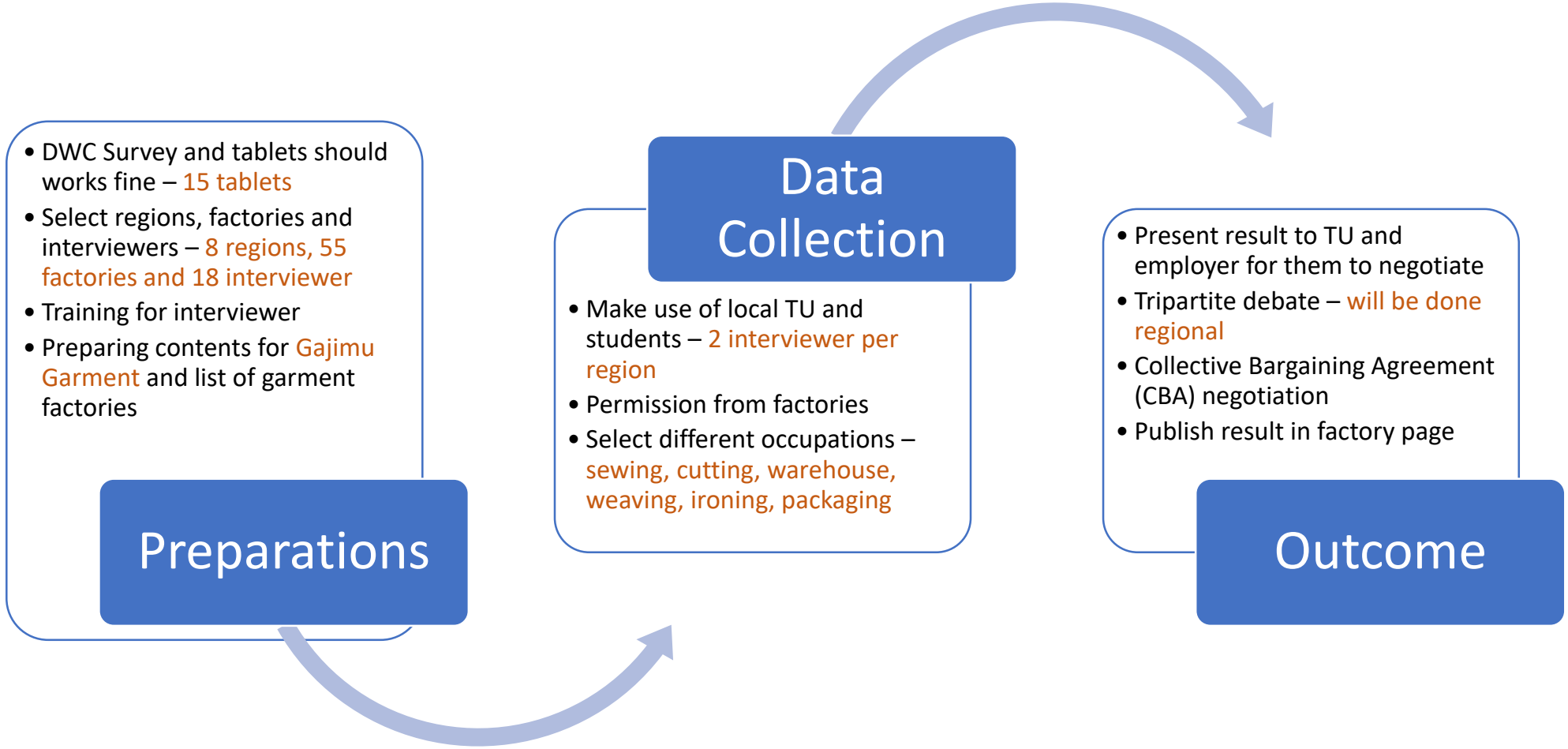
What are the stages?



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Summary Result of Decent Work Check

Jaminan Kerja

Pengusaha memberikan perjanjian kerja tertulis	✔
Pengusaha mengatur mengenai masa percobaan dalam perjanjian kerja	✖
Pengusaha membayar uang pesangon untuk pekerja jika terjadi pemutusan hubungan kerja (yang bukan disebabkan oleh kesalahan pekerja)	✔
Pengusaha tidak mempekerjakan pekerja perjanjian kerja waktu tertentu/pekerja kontrak untuk melakukan pekerjaan yang bersifat permanen	✖
Pengusaha tidak mempekerjakan pekerja paksa	✔

Jam Kerja

Di perusahaan, total jam kerja termasuk waktu kerja lembur tidak melebihi 40 jam per minggu	✔
Di perusahaan, pekerja tidak dipaksa untuk bekerja lebih dari jam per minggu di bawah ancaman atau hukuman	✔
Pengusaha membayar upah lembur	✔
Pengusaha memberikan hari istirahat mingguan	✔
Pengusaha memberikan hari libur berbayar saat hari libur nasional	✔
Pengusaha memberikan kompensasi apabila pekerja bekerja pada hari libur nasional atau hari istirahat mingguan melalui pemberian upah lembur	✔

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Experiences and Findings

Findings

- Minimum wage is paid accordingly to regulations, however there is no payscale
- Discrimination between permanent and contract workers - contract workers are tend to be dismissed during maternity leave or no extension to their working contract
- Most workers are aware about the labor inspector official visit but almost never been involved with the inspection, unless there is a strong union within the company

Experience

- Interview can be done faster if we have consent from employer and do it in their workplace
- There are different workplace knowledge of each workers
- Employers hope that by giving real conditions can attract more buyers
- Some employer complaint that the educational level of the workers have become boundaries to build and effective social dialogue

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Factory Page

PT. Bandung Indah Gemilang

Situs:	http://www.gajimu.com/garmen/home/gaji-pekerja-garmen/gaji-minimum/ump-umk-jawa-barat
Alamat:	Jl. Caringin No.439N Margahayu Utara, Babakan Ciparay - 40224 Bandung Kota Bandung Jawa Barat Indonesia (022) 5421788
Bidang usaha:	Industri pembuatan tekstil/pakaian Produsen Tekstil - Kain Tenun Pabrik, Kain katun

Di halaman ini

Kondisi kerja dan Upah

Upah Minimum:
http://www.gajimu.com/garmen/home/gaji-pekerja-garmen/gaji-minimum/ump-umk-jawa-barat
Perjanjian Kerja Bersama:

Serikat Pekerja/Serikat Buruh

FSB Garteks - KSBSI
http://www.ksbsi.org/index.php/page/link/116/116
(021) 85903319

Mengenai halaman pabrik garmen ini

Proyek: www.gajimu.com/garmen/home
Jumlah survey yang telah dilengkapi: 38

Apakah Anda bekerja di pabrik ini?

Perbaiki kualitas dari halaman ini dengan mengisi survey kelayakan kerja

Survey Pekerja

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Factory Page

Upah Minimum

Pengusaha membayar pekerja sesuai dengan Upah Minimum yang ditetapkan pemerintah	35 patuh 3 tidak patuh
Pengusaha membayar gaji secara teratur	38 patuh 0 tidak patuh

Kehamilan dan Cuti Melahirkan

Pengusaha memberikan setidaknya 13.0 minggu cuti melahirkan bagi pekerja yang hamil	38 patuh 0 tidak patuh
Pengusaha membayar setidaknya % dari gaji bulanan karyawan selama cuti melahirkan	38 patuh 0 tidak patuh
Pengusaha memberikan waktu untuk menyusui bagi pekerja yang sedang menyusui anaknya	24 patuh 14 tidak patuh
Pengusaha memberikan pilihan waktu kerja yang fleksibel atau kerja paruh waktu bagi pekerja yang memiliki balita atau pekerja dengan tanggung jawab keluarga lainnya	0 patuh 38 tidak patuh
Pengusaha memberikan perawatan medis gratis sebelum dan sesudah bersalin bagi pekerja yang hamil	28 patuh 10 tidak patuh
Pengusaha tidak mengikutsertakan pekerja hamil dan menyusui dalam pekerjaan berbahaya	34 patuh 4 tidak patuh
Pengusaha melindungi pekerja dari pemutusan hubungan kerja selama masa kehamilan dan cuti melahirkan	31 patuh 7 tidak patuh

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Conclusion

- This survey is done by workers for workers
- By reporting the result to Trade Union and Employer, WageIndicator is not interfering both of their roles
- Effective monitoring in factory page – workers, employers, buyers, brands
- The outcome of Decent Work Check and Collective Bargaining Agreement (CBA) database analysis can be used as a basis of CBA negotiations and/or improvement
- CBA Database – Negotiators can compare clauses → model (sample CBAs) → improve CBAs
- Tripartite debates will be done based on the result of Decent Work Check
- High sustainability – Cheaper, however external funding is still needed to keep it going

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This project is possible thanks to our international and national team and the support of

C&A Foundation

To learn further about the project, visit :

- http://www.wageindicator.org/main/Wageindicatorfoundation/projects/
- http://www.gajimu.com/garmen/home

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THE WAGEINDICATOR COLLECTIVE AGREEMENTS DATABASE

Daniela Ceccon

WageIndicator Foundation – University of Amsterdam
danielaceccon@wageindicator.org

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Discrimination – violence – sexual harassment in the workplace. Where is this prohibited in the highest percentage of collective agreements?

- ☐ COSTA RICA
- ☐ KENYA
- ☐ INDONESIA
- ☐ CROATIA
- ☐ PORTUGAL
- ☐ BRAZIL

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Discrimination – violence – sexual harassment in the workplace. Where is this prohibited in the highest percentage of collective agreements?

CLAUSES VS DISCRIMINATION: 68% (Europe 51%, Africa 8%).
CLAUSES VS VIOLENCE: 83% (Europe 26%, South America 4%)
CLAUSES VS SEXUAL HARASSMENT: 35% (Europe 30%, South America 3%).

- [ ]
- [ ]
- [x] INDONESIA
- [ ] BRAZIL

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THE SAMPLE USED IN THIS ANALYSIS

- 700 collective agreements, from 46 countries, valid in 2010 or later
- Around 70 variables about work and family balance arrangements and equality
- 35% of the CBAs are from manufacturing sector (mostly textile)
- Other most represented sectors are: retail trade, agriculture, transport, public administration
- 80% are enterprise level CBAs, but there is a 19% of sectoral and multiple employers CBAs. There are also 5 inter-professional agreements from West Africa

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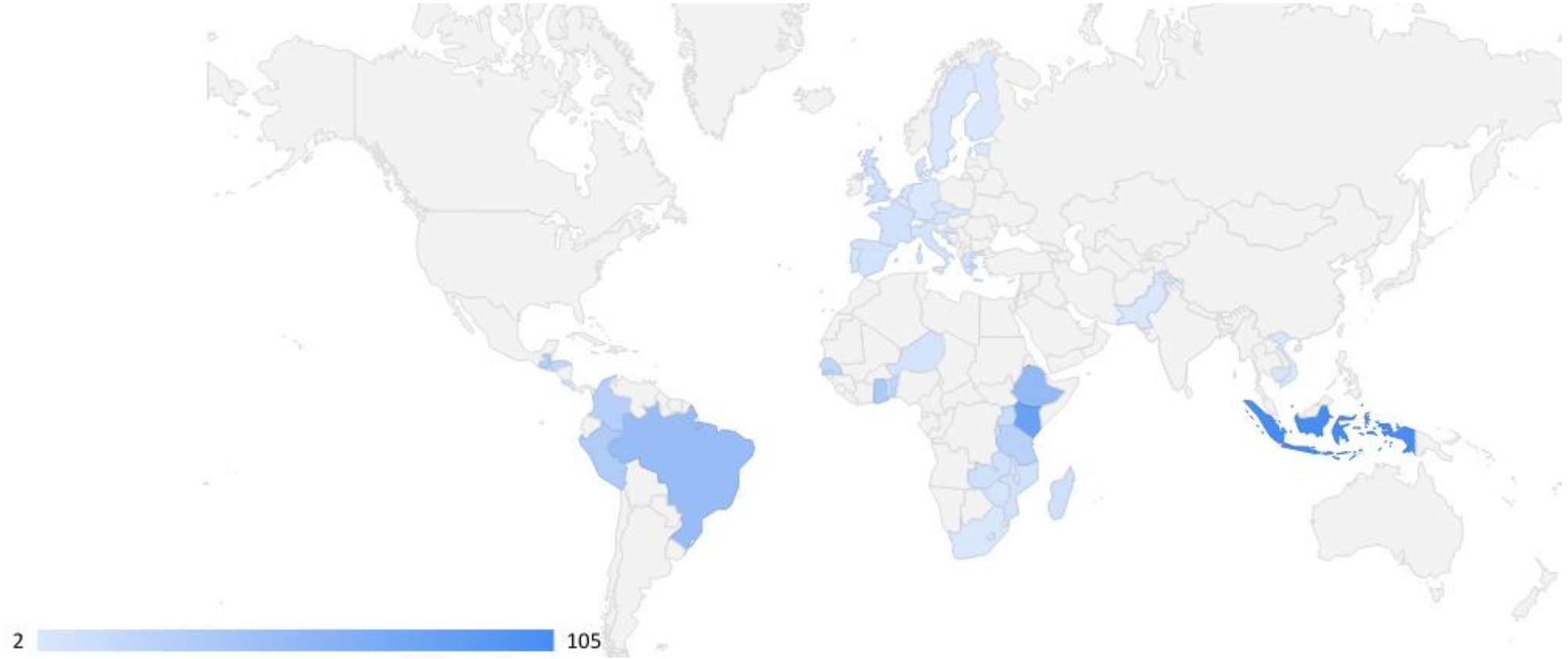
WHERE ARE THE CBAS FROM?



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WHERE ARE THE CBAS FROM?

COUNTRY	Number of CBAs	COUNTRY	Number of CBAs	COUNTRY	Number of CBAs	COUNTRY	Number of CBAs
Indonesia	105	Uganda	14	Croatia	6	Finland	4
Kenya	81	Madagascar	11	Denmark	6	Germany	4
Ethiopia	52	United Kingdom	11	Niger	6	Malawi	3
Brazil	49	El Salvador	10	Portugal	6	South Africa	3
Ghana	35	Zambia	10	Austria	5	Sweden	3
Peru	33	Costa Rica	9	Italy	5	Belgium	2
Guatemala	31	France	9	Lesotho	5	Estonia	2
Colombia	28	Mozambique	9	Netherlands	5	Pakistan	2
Tanzania	26	Togo	9	Zimbabwe	5	Slovakia	2
Benin	21	Greece	9	Netherlands	5	Vietnam	2
Honduras	20	Spain	8	Zimbabwe	5		
Senegal	19	Burundi	7	Cambodia	4	All	700

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Maternity leave duration. Which country is providing more than others? Where does collective bargaining provide more than the law?

- ☐ COSTA RICA
- ☐ KENYA
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MATERNITY LEAVE DURATION BY LAW: 30 WEEKS
MATERNITY LEAVE DURATION IN CBAS: 30 WEEKS

MATERNITY LEAVE DURATION BY LAW: 17 WEEKS
MATERNITY LEAVE DURATION IN CBAS: 20.6 WEEKS

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Considerations on maternity leave

- ILO standard for maternity leave is of 14 weeks minimum
- In Europe and South America the average number of weeks in CBAs is more than 14.
- In Africa, South Asia and Central America the average is around 13.

BUT

- 92% of CBAs comply with their national legislation.
- 14% of CBAs provide more than the law, but the majority of them don't reach the 14 weeks of maternity leave. → In many countries (in Africa, Latin America and Indonesia) the law does not comply with ILO minimum AND among these only Burundi fills the gap.
- 8% of the CBAs provide less than the national legislation. This is more frequent in Latin America.

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How many agreements contain wages tables?

Europe	37%	32/87
Africa	12%	38/320
Asia	6%	7/113
Latin America	2%	4/120

Europe:

Of the 32 CBAs with wages, around 30% have simple tables, 70% have more complex tables. Most of the agreements (75%) have wage tables related to skill levels. Other variables determining pay scales are tenure, age, geographical location and job type. 34% of the agreements have more than one variable.

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How can these data improve the lives and wages of workers?

- CBA texts are published in the sites → increase awareness
- Good practices → model (sample CBAs) → better / new provisions
- Negotiators can compare clauses → improve CBAs → reduce the gender pay gap
- Annotation of wages → compare CBA wages with minimum wages and living wages → improvements in wages and/or wage-related clauses

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All the collective agreements can be found at
www.wageindicator.org/cbadatabase

The paper can be found in WageIndicator under Publications

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MASARYK UNIVERSITY

WageIndicator.org

CELSI

Estimating Living Wage Globally

Martin Guzi

Masaryk University, CELSI, GLO and WageIndicator

Yearly AIAS Conference
Amsterdam 2017

A Living Wage = A Human Right

- Human right (since 1919 defined by ILO)
  "…ultimate objective is to ensure to workers a minimum wage that will provide a satisfactory standard of living to them and their families."
- The Living Wage is based on the concept that work should provide an adequate income to cover the necessary living costs of a family.
- However there is no accepted definition of what a Living Wage is and no agreed methodology on how to measure it.

- **The Mexican Constitution** (1917) states: *the general minimum wage must be sufficient to satisfy the normal necessities of a head of family in the material, social and cultural order and to provide for the mandatory education of his children.*
- **The Brazilian Constitution** (1988) stipulates: *national minimum wage be capable of satisfying their basic living needs and those of their families with housing, food, education, health, leisure, clothing, hygiene, transportation and social security, with periodical adjustments to maintain its purchasing power*.

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Definitions of Living Wage

- **Global Living Wage Coalition:** "A remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events".
- **Asia Floor Wage** "proposes a wage for garment workers across Asia that would be enough for workers to live on".
- **New Zealand** defines a living wage "as the income necessary to provide workers and their families with the basic necessities of life".
- Campaign in **Vancouver** defines living wage "on the principle that full-time work should provide families with a basic level of economic security, not keep them in poverty".

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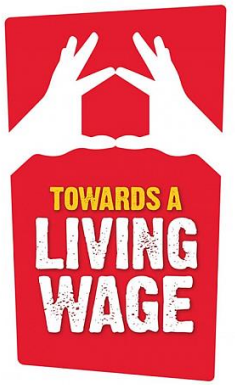
Clean Clothes Campaign



GLOBAL
LIVING WAGE
COALITION

UoR
Living Wage
Campaign

living wage
for families campaign

Living Wage vs Minimum Wage, 2017

	Minimum Wage per hour	Living Wage per hour	Gap
Ireland	9.25	11.70	26%
New Zealand	15.75	20.20	28%
United Kingdom	7.50	8.45	13%
London	7.50	9.75	30%
University of Reading	5.60	8.45	51%
Vancouver, CA	11.35	20.62	82%
City of Durham, US	7.25	13.35	84%

- Note: Rates are stated in national currency.

Living Wage estimation (Engel's law)

- Households budget divided to food and non-food spending.
- *Ernst Engel* (1857) was the first to notice that poorer families spend a higher share of their budget on food.

Living Wage calculation:

1. Estimate the food expenditure for a family
2. Estimate non-food spending using Engel's law
3. The cost of living is the sum of food and non-food spending
4. Living Wage is determined such that total income earned by family members is equal to the cost of living.

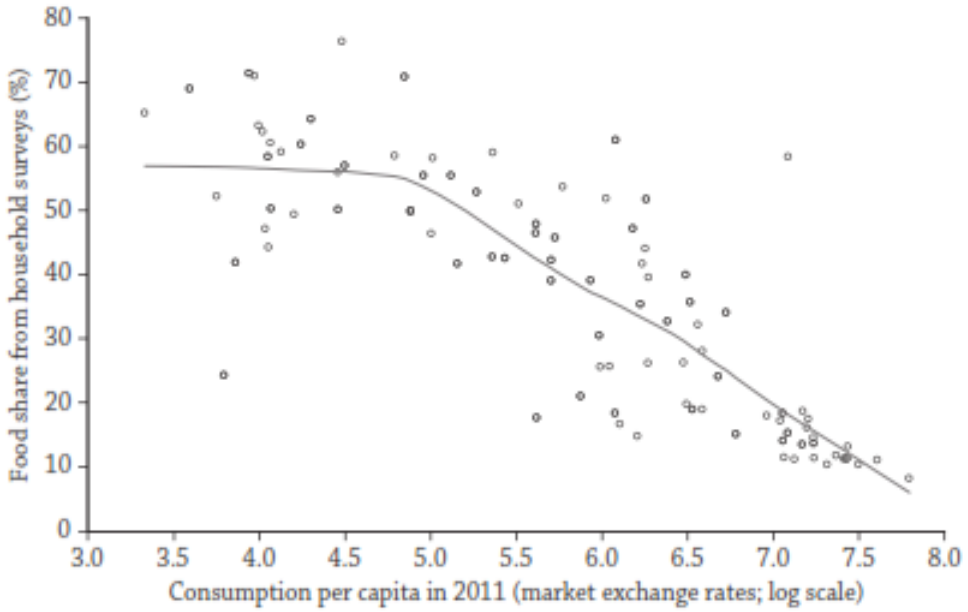


Figure B1.16.2 Empirical Engel Curve for Food across Countries. *Source:* Ravallion and Chen (2015).

Living Wage estimation (Engel's law)

Clean Clothes Campaign

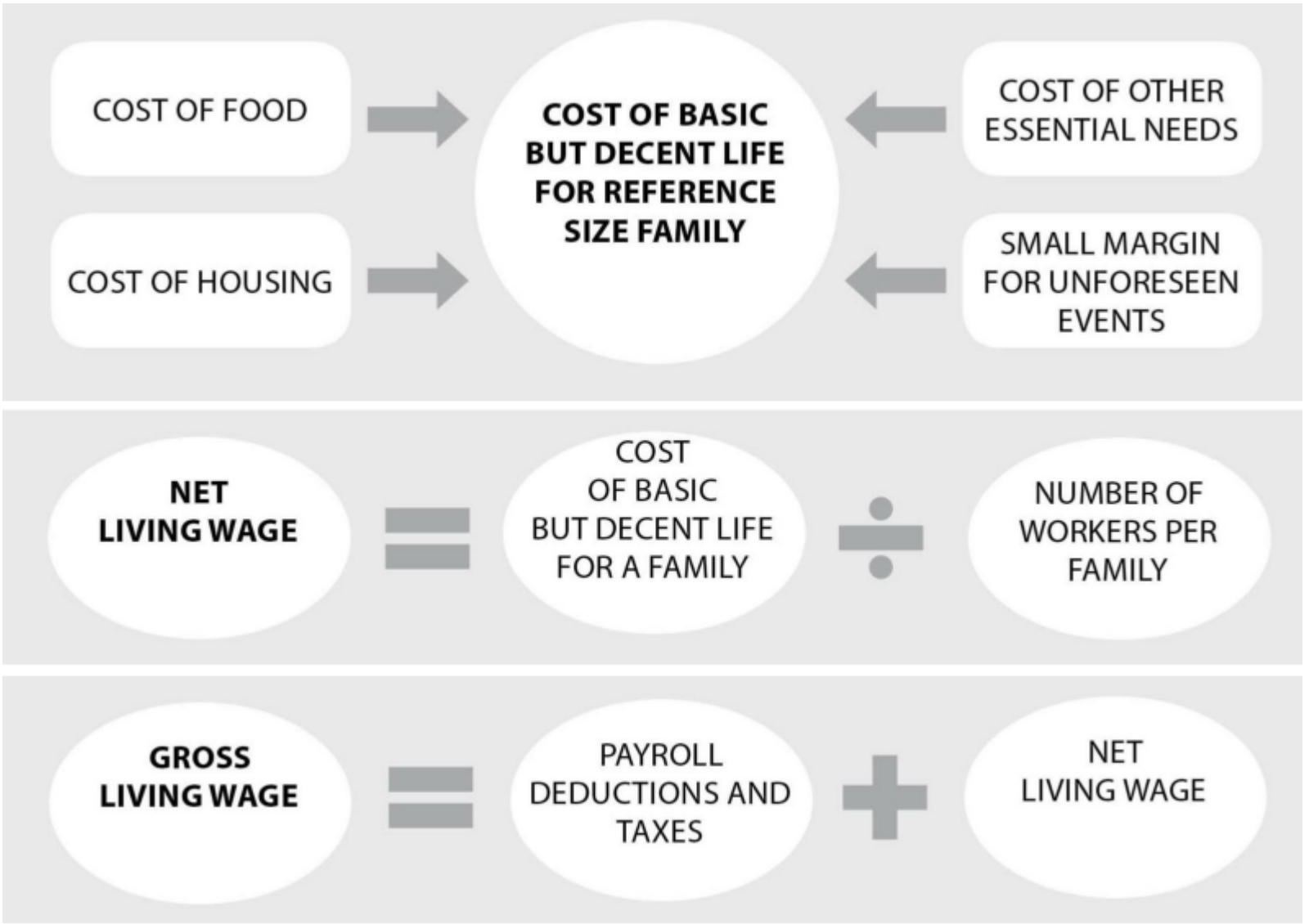
stitching a decent wage across borders

Asia Floor Wage

Estimates the cost of living for a family of 2+2

1. Estimate the cost of food basket (3,000 kcal) in markets around capital cities in Asia.
2. Multiply monthly food cost by three 'consumption units'.
3. Double the amount to cover non-food costs.
4. In 2015 the estimated cost of living was 1021 PPP USD.

Living Wage estimation method developed by Richard Anker



WageIndicator Living Wage

- The Living Wage is composed of seven parts: food, housing, transport, health, education, tax and other costs.
- Living wage is calculated for different household types and under different assumptions about working hours
- Based on transparent principles and assumptions
- Easy to update regularly (prices are collected continuously)
- Estimates published online at

Data used in the calculation

WageIndicator Cost-of-Living survey started in January 2014.

- Prices are reported by web visitors, via Cost-of-living app, via offline surveys.
- Prices on 50 food items, rental prices, public transport, education and health expenditure
- Today we have sufficient data to calculate living wage for 57 countries (almost 2 million prices)
- Employ external databases (e.g. Numbeo,national surveys)

FAO food balance sheets are used to construct a food basket in every country.

World Bank data on fertility and employment rates.

Example of food basket in Brazil

- Food basket is scaled to 2,100 cal/person/day
- Adults and children have same consumption

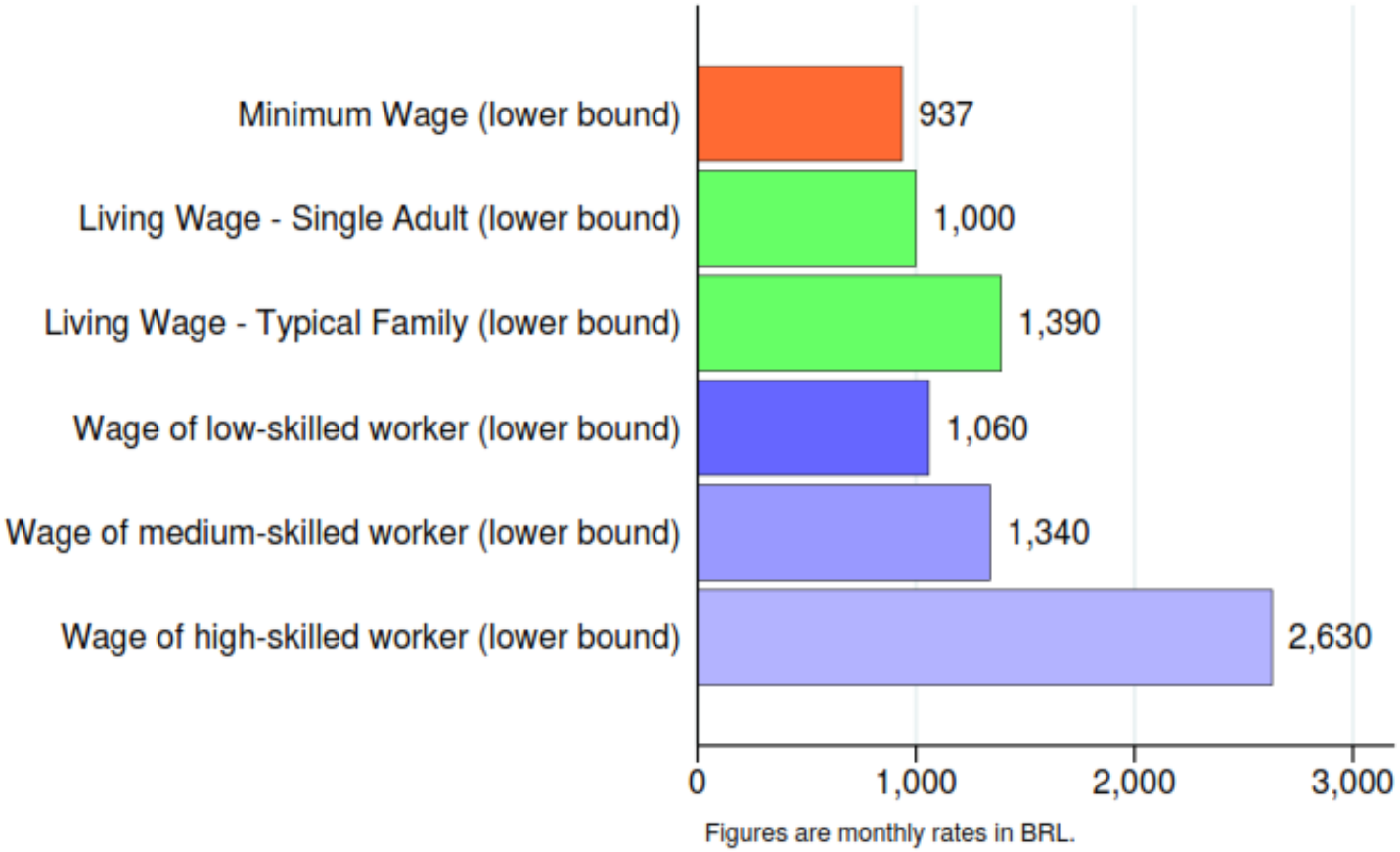
Food group	Food costs per month		Grams	Food kcal	Price per kilo	
	from	to	per day	per day	from	to
Beer	25.1	35.8	119.4	42.7	7.0	10.0
Meat (pigmeat, poultry, bovine, others)	50.1	65.8	168.8	279.7	9.9	13.0
Seeds and kernels	0.0	0.0	0.0	0.6	5.0	8.0
Roots, Other	0.0	0.0	0.0	0.0	3.0	5.0
Sugar (Raw Equivalent)	11.9	18.8	104.3	273.8	3.8	6.0
Sunflowerseed Oil	0.1	0.1	0.5	5.2	4.0	5.0
Cassava and products	4.6	6.9	76.4	64.7	2.0	3.0
Oranges, Mandarines	6.2	9.3	103.0	27.8	2.0	3.0
Onions	0.7	1.1	12.4	5.2	2.0	3.0
Groundnuts (Shelled Eq)	4.1	5.7	27.1	42.1	5.0	7.0
Grapefruit and products	0.0	0.1	0.5	0.0	3.0	4.1
Citrus, Other	0.0	0.0	0.0	0.0	2.5	3.5
Rice (Milled Equivalent)	4.5	5.5	60.7	224.6	2.5	3.0
Cream	0.0	0.0	0.0	0.0	3.0	8.0
Milk - Excluding Butter	16.7	20.1	267.5	164.4	2.1	2.5
Lemons, Limes and products	0.4	0.7	7.3	1.3	2.0	3.0
Yams	0.1	0.2	1.1	1.3	4.0	5.2
Peas	0.0	0.0	0.4	1.3	3.0	4.0
Pulses, Other and products	0.0	0.0	0.4	1.3	2.6	4.0
Butter, Ghee	0.7	0.9	6.0	42.7	4.0	5.0
Apples and products	1.0	1.3	9.9	5.2	3.5	4.5
Plantains	0.0	0.0	0.0	0.0	2.0	3.0
Olives (including preserved)	0.1	0.2	0.9	0.6	5.0	9.0
Wine	1.8	2.7	3.7	2.6	16.0	24.0
Sweeteners, Other	0.0	0.1	0.7	2.6	2.0	3.0
Bananas	4.1	5.0	55.2	35.0	2.5	3.0
Maize and products	4.1	5.2	43.1	134.6	3.2	4.0
Coffee and products	1.0	1.2	5.5	2.6	6.0	7.5
Wheat, barley and cereals	11.9	22.9	99.1	258.3	4.0	7.7
Beans	3.1	3.8	29.1	97.7	3.6	4.4
Oils (soyabean, olive, palm, other)	2.7	3.6	30.3	269.9	3.0	4.0
Sweet potatoes	0.2	0.3	2.1	1.9	3.0	4.0
Tomatoes and products	3.8	4.6	36.2	7.8	3.5	4.2
Eggs	0.1	0.2	15.6	20.7	0.3	0.3
Soyabeans	1.0	1.4	6.7	12.3	5.0	7.0
Honey	0.1	0.1	0.2	0.6	10.0	15.0
Potatoes and products	2.6	3.4	34.1	22.7	2.5	3.3
Vegetables, Other	4.2	5.6	47.0	11.7	3.0	4.0
Fish products	8.5	11.3	18.8	10.4	15.0	20.0
Tea (including mate)	0.4	0.6	3.5	1.3	4.0	6.0
Total	176	244	1461	2100	169	243

Expenditure and Living Wage calculation, in Brazil (BRL)

	Typical family		Standard family		Single-adult	
	from	to	from	to	from	to
Food	650	915	680	960	170	240
Housing	750	900	750	900	500	715
Transport	240	290	240	290	120	145
Health	150	300	150	300	38	75
Education	165	500	165	500	0	0
Other costs	98	145	99	150	41	59
Total Expenditure	2053	3050	2084	3100	868	1234
Net Living Wage	1210	1800	1160	1720	870	1240
Gross Living Wage	1390	2070	1330	1980	1000	1420

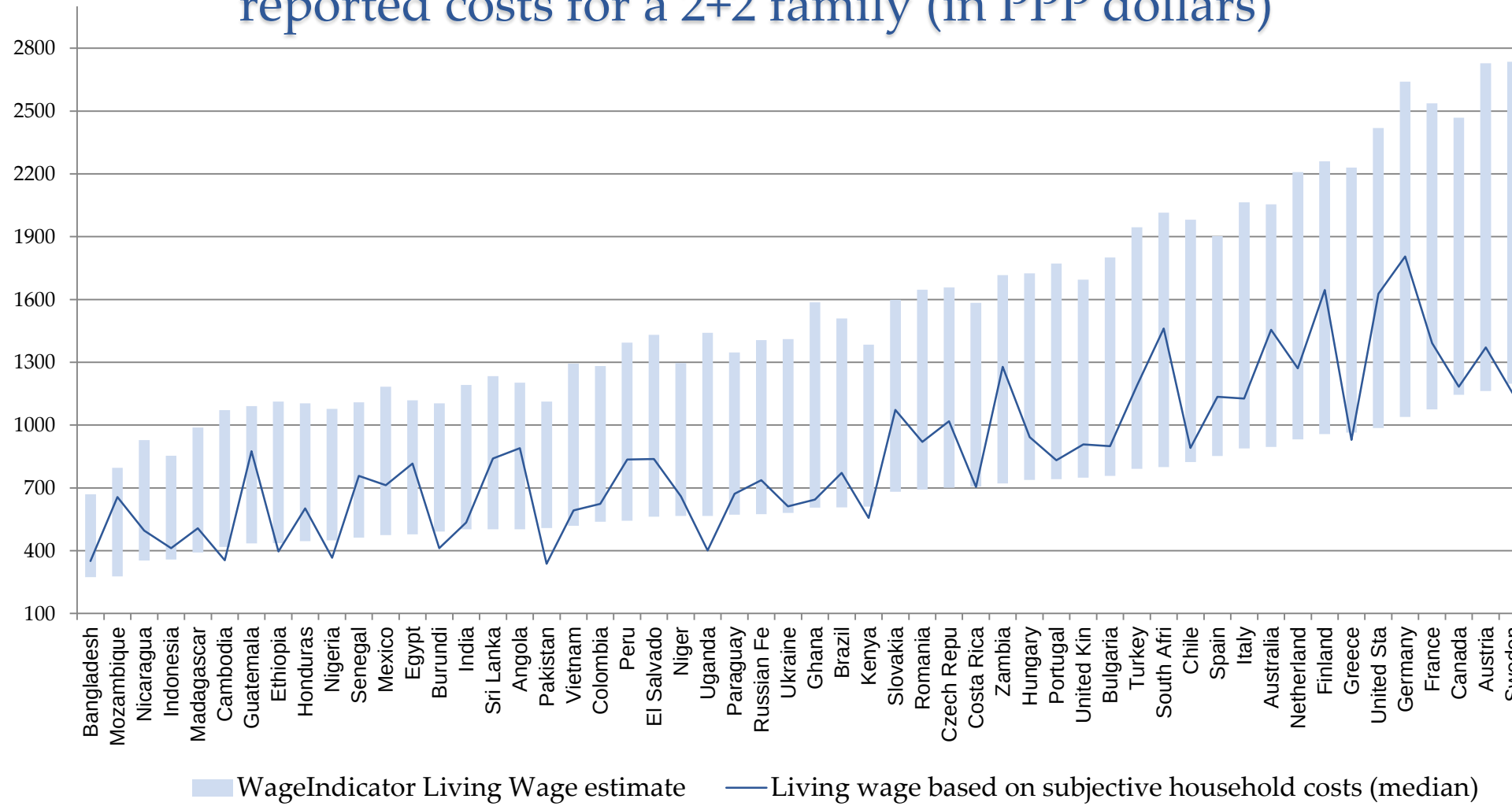
Typical family Living Wage is estimated for two adults and the 1.8 children (fertility rate in Brazil). One parent is working full-time and the working hours of second parent are approximated by national employment rate (69% in 2017). **Standard family Living Wage** is estimated for a family composed of two adults and two children. One parent is employed full-time and the second parent works 4 days a week it means family employment rate is 1.8. **Single-adult Living Wage** represents an acceptable standard of living for a single individual working full-time with no dependents.

Living Wages in context, Brazil 2017



Note: Prevailing wages of workers are taken from WageIndicator global dataset on work and wages.

Living Wage estimate in comparison with (subjectively) reported costs for a 2+2 family (in PPP dollars)



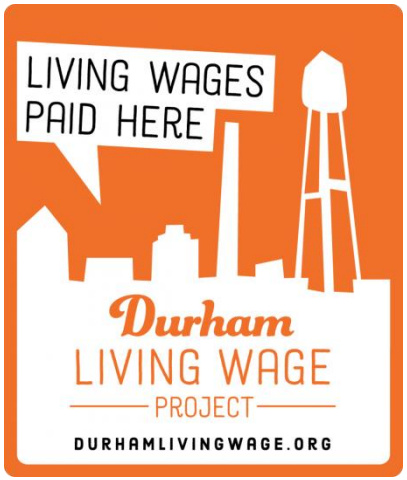
Note: Respondents report average monthly minimum living expenditure for family of 2 adults and 2 children. Calculation of living wage assumes family employment rate of 1.8. Rates are converted to PPP dollars.

Conclusions

- We proposed the method to calculate the Living Wage for the large number of countries (currently 57 countries).
- All estimates are published at *www.wageindicator.org*.
- The calculation is sensitive to country characteristics (e.g. food consumption, price variations, family composition, labor market conditions)
- Living Wage could serve as an indicator of economic adequacy and a practical basis to set minimum wages.
- When information on prices is sufficient we can also calculate Living Wage at the regional level (currently 220 regions).

Comments are welcome:

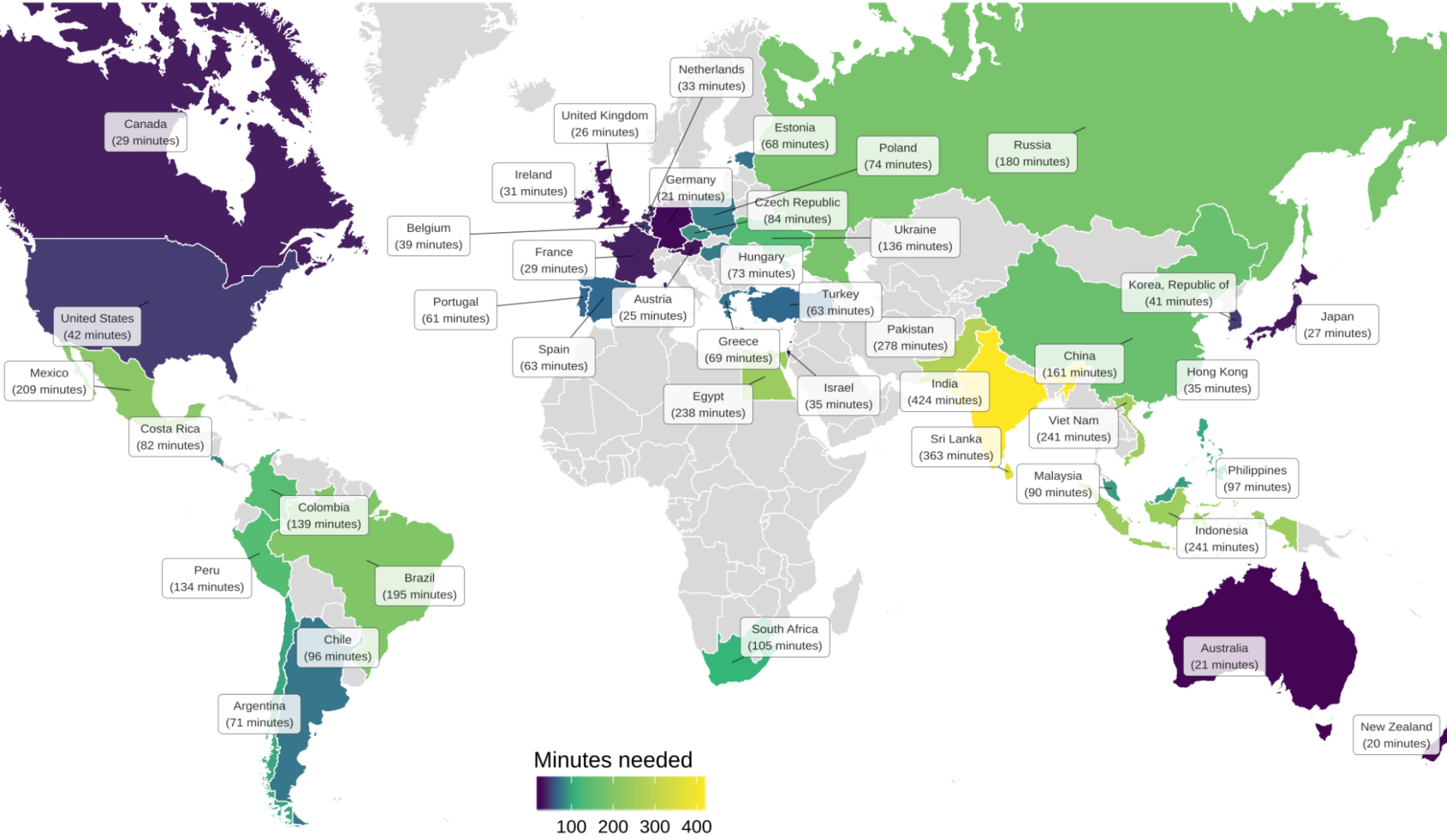
martin.guzi@econ.muni.cz



living wage
employer

Minutes Of Minimum-Wage Work To Buy A BIG MAC

How many minutes a minimum-wage worker would have to work to earn enough money to buy a Big Mac burger?



Notes: Big Mac prices are taken from The Economists and minimum wages are collected by Wage Indicator. The calculation assumes 173 working hours in the month.

Living Wages in Asia

Based on a WageIndicator Report on Living Wages in the Garment Industry (April 2016 / update July 2017)

Yearly AIAS Conference

KIT Amsterdam

September 1, 2017

Maarten van Klaveren

Amsterdam Institute for Advanced labour Studies
University of Amsterdam

Why this report?

- **Why this report? The Dutch Ministry of Foreign Affairs asked the WageIndicator Foundation (WIF) to report in preparation of the Asian Living Wage Conference (May 2016, Islamabad):**
  - to provide information about *labour law* and *minimum wage* setting related to the garment industry in nine Asian countries: Bangladesh, Cambodia, China, India, Indonesia, Myanmar, Pakistan, Sri Lanka, Vietnam
  - to provide information about *wage levels of garment workers* in these countries
  - to give insight in the *cost of living* levels and related *living wage* levels in the garment industries
  - to provide an overview of the country-specific *instruments for realising living wages*, based on interviews with experts
- **Research period: November 2015 – April 2016, update July 2017**

Effort of a large team!

- **WageIndicator team:**
  - Overall coordination*:* Director WageIndicator Foundation (WIF)
  - Overall research and final report: University of Amsterdam - AIAS
  - Labour legislation: WI Office Islamabad
  - Minimum wages: Indian Institute of Management (IIM) Ahmedabad
  - Collective agreements: WI database manager + WI team Indonesia
  - Cost of living, living wages: CELSI, Bratislava + programmers' firm, Groningen, Netherlands
  - Collection cost-of-living data: WI teams Vietnam, Myanmar, Cambodia
  - Survey design and country reports*:* Central European University (CEU) Budapest / CELSI, Bratislava
  - Language editing: Ruskin College Oxford
- **Experts surveyed:**
  - Bangladesh 4; Cambodia 3; China 2; India 4; Indonesia 3; Myanmar 1; Pakistan 3; Sri Lanka 1; Vietnam 1

THE GARMENT INDUSTRY: Internationalisation

- **1965-on: 'efficiency-seeking' FDI of multinationals in Mexico and Asia:**
  - ***pull factors*: pools of cheap labour, growth of Export Processing Zones**
  - **in electronics, textile, garment, toys production**
  - **split off of labour-intensive parts, fragmentation of production**
  - ***push factors*: decrease in tariff barriers, advances in ICT and air/sea transport**
- **1975-on: development of buyer-driven Global Value Chains (GVCs):**
  - **Walmart's buying strategy as main catalyst**
  - **integration of China (1979-on) and India (1991-on) in liberalized global system**
  - **2015: appr. 75 mln. employed in GVCs, of which appr. 50 mln. in Asia**
- **Special feature for garment industry: trade policies of industrialized countries:**
  - **1974-1995: Multi-Fibre Arrangement (MFA) → 'quota hopping' from Japan, Korea, HongKong, Taiwan to Bangladesh, Indonesia, Sri Lanka, Vietnam**
  - **1995-2005: new trade agreements: US-Cambodia, EU's GSP / EBA scheme for Bangladesh, India, Indonesia, Pakistan, Sri Lanka, Vietnam**

THE GLOBAL GARMENT INDUSTRY: Structure

- **In 2000s, standard structure of garment GVC crystallized:**
  - many global buyers / brands have hardly any own factories
  - 'deep' supply chains, subcontracting down to three / four tiers
  - orders dispersed, each factory catering to various buyers
  - heavy competition on price and speed of delivery ('lead time')
  - frequent changes in fashion offers ('fast fashion')
  - slow technological progress → productivity increases low
  - long-term pressure on supply prices → downward wage pressure
  - weak national governance and compliance structures
- **Recent data on the Asian garment industry:**
  - 2015: estimated 16.5 million employed in 9 countries, of which 10.5 million women
  - 2015: 58% of world garment exports (1995: 23%), of which China 37% (1995: 14%), Bangladesh 5.5%, Vietnam 5%, India 4%

THE GARMENT INDUSTRY: Asian suppliers for 15 major brands (2014-17, company info)

(world rank)	No. suppliers		Supply countries (shares in total supply of brand)									
Brand	**Total**	**Tier 1**	**9 c.**	**BAN**	**CAM**	**CHI**	**IN**	**ID**	**PAK**	**SL**	**VIE**	**MYA**
Adidas (9)	1035	786	**46%**	1%	3%	20%	4%	8%	3%	1%	8%	1%
C&A (14)*)	658		**85%**	18%	8%	32%	13%	2%	3%	3%	5%	1%
Ch.Vögele (91)		110	**70%**	41%		17%	9%	2%	1%			
Esprit (76)	501		**84%**	29%	3%	29%		6%	6%		8%	
G-Star (155)	24		**97%**	26%		32%	22%				17%	
H&M (10)	2339	2069	**76%**	22%	3%	31%	8%	5%	2%	1%	3%	1%
Inditex (2)	4927	1869	**79%**	31%	1%	24%	11%				12%	
New Look (99)		860	**81%**	12%	14%	48%	3%		2%		2%	
Next (30)		2118	**68%**	7%		44%	9%			8%		
Nike (3)	620		**86%**	1%	2%	18%	3%	19%	2%	3%	38%	
Orsay (107)	155		**33%**	2%		19%	12%					
Pimkie (103)	>161		**54%**	5%		37%	12%					
Takko (22)	323		**92%**	37%	1%	38%	9%		4%	1%	1%	1%
Tchibo (32)		810	**72%**	4%		65%					3%	
VF Corp. (13)	2805		**58%**	9%	3%	21%	12%	2%	1%		10%	1%

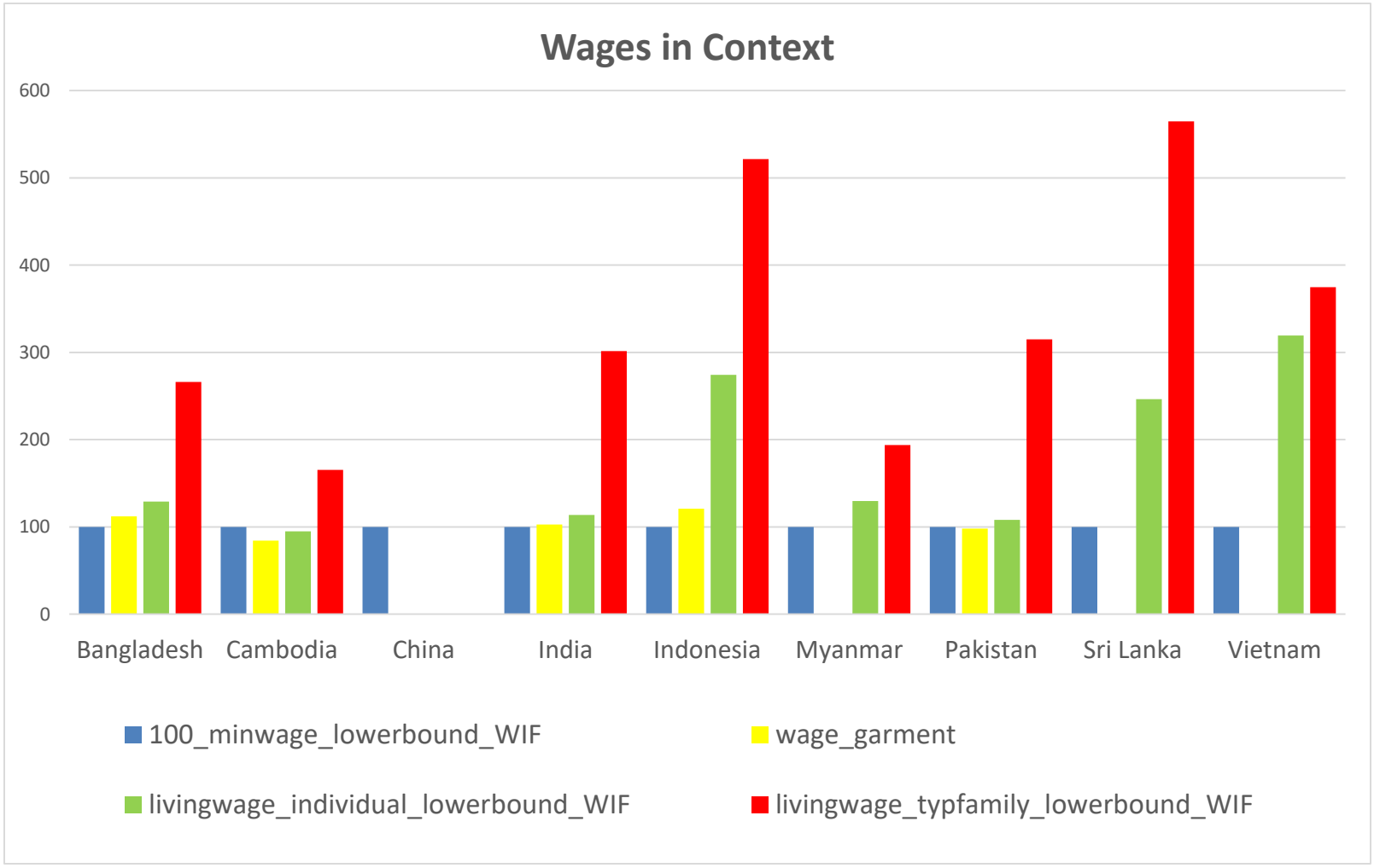
THE LIVING WAGE: OUTCOMES - 1

- **Bangladesh**
  - compressed wage structure: ca. 60% at 90-110% of minimum wage (MW)
  - average garment / overall wages 10-30% above MW
  - lower-bound living wage (LW) for individual 15-20% above av. garment wage
- **Cambodia**
  - average garment wage 15-20% below MW and overall average
  - lower-bound LW for individual 10% above average garment wage
- **China**
  - no living wage data available
  - lower-bound garment wages slightly above MWs in 5 'garment provinces'
- **India**
  - compressed wage structure: in garment large cluster at 100-120% of MWs
  - lower-bound LW for individual 10% above garment wage in 'garment state'

THE LIVING WAGE: OUTCOMES 2

- **Indonesia**
  - compressed wages: large cluster of wages at 100-120% of MWs
  - average garment wage 30% below av. manuf. wages: location + gender gaps
  - lower-bound LW for individual 100% above average garment wage
- **Myanmar**
  - no wage data available
  - lower-bound LW for individual 30% above MW
- **Pakistan**
  - average garment wage equals lower-bound MW, 20% below av. manuf. wage
  - lower-bound LW for individual 10% above average garment wage
- **Sri Lanka**
  - MWs set quite low: average wages *of low-skilled* 40-80% higher
  - lower-bound LW for individual equals average wage *of low-skilled*
- **Vietnam**
  - MWs set quite low: *lower-bound* garment wages 40-100% higher
  - lower-bound LW for individual 40% above *lower-bound* garment wage

WAGES IN CONTEXT in 9 countries



INSTRUMENTS TO BRING LIVING WAGES IN GARMENT CLOSER: experts' opinions

	B-DESH	CAM	CHN	INDIA	INDON	MYAN	PAK	SRIL	VIET
globally encourage ethical end-consumption	x	x	xx	xx	x	xx	x		xx
end-consumer boycotts	x	xx		x	xx		x	xx	x
coordinated action of low-wage countries	xx	xx	x	xx	xx		xx	x	xx
sanctions in international trade agreements	x						x		x
coordinated action of domestic producers	x	x	x		x	xx	x	xx	x
further unionization	xx	x	x	xx	xx		xx		x
strengthening national social dialogue	x	x	x	xx	x		xx	xx	x
strengthening labour inspectorate	x	x		xx	xx	x	xx	x	xx

DEVELOPMENTS IN 2016 – 2017 –- QUESTION MARKS AND WAYS OUT

- **Information disclosure**
  - Growing activities of ILO (2016 Conference), OECD (Due Diligence Guidance, 2017), NGOs (AFWA, CCC, FWF, Global Living Wage Coalition/ISEAL, WIF)
  - Growing openness of major brands to reveal supply chains: Adidas, C&A, Esprit, H&M, Inditex, Nike, ….
  - Initiatives of gov'ts also outside Asia (DE, NL, SE) concerning living wages
- **Question marks and ways out**
  - CSR programs remain unilateral, voluntary, non-binding
  - Fundamental labour rights remain under heavy pressure in supply countries
  - IndustriALL union umbrella with 18 brands → ACT: social dialogue based on recognized freedom of association and right to collective bargaining (CB):
  - Industry-wide CB linked with brand purchasing practices recommended,
  - if linked with drive for living wages great potential for improving position of in particular female workers, and …
  - … improving garment industry's economic potential

THANK YOU … AND MORE INFO

Thank you for your attention!

General information WageIndicator: www.wageindicator.org

Email: office@wageindicator.org

Questions concerning report: m.vanklaveren@uva.nl

WageIndicator publications:

http://www.wageindicator.org/main/Wageindicatorfoundation/publications

List of countries with WageIndicator Cost-of-Living survey:

http://www.wageindicator.org/main/salary/living-wage/wageindicator-cost-of-living-survey

The WageIndicator Cost-of-Living app:

http://CostofLiving.WageIndicator.org

CEU CENTRAL EUROPEAN UNIVERSITY

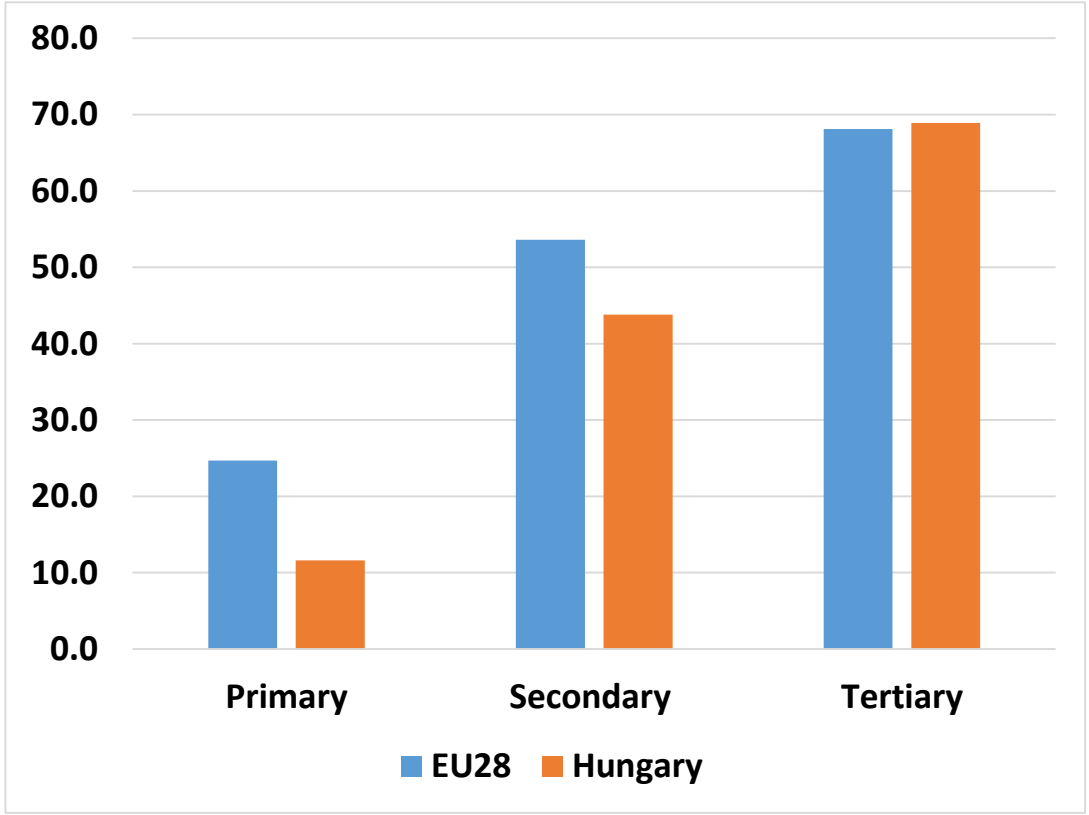
Tackling barriers to youth employment in Hungary

A blitz triangulation exercise using WageIndicator data

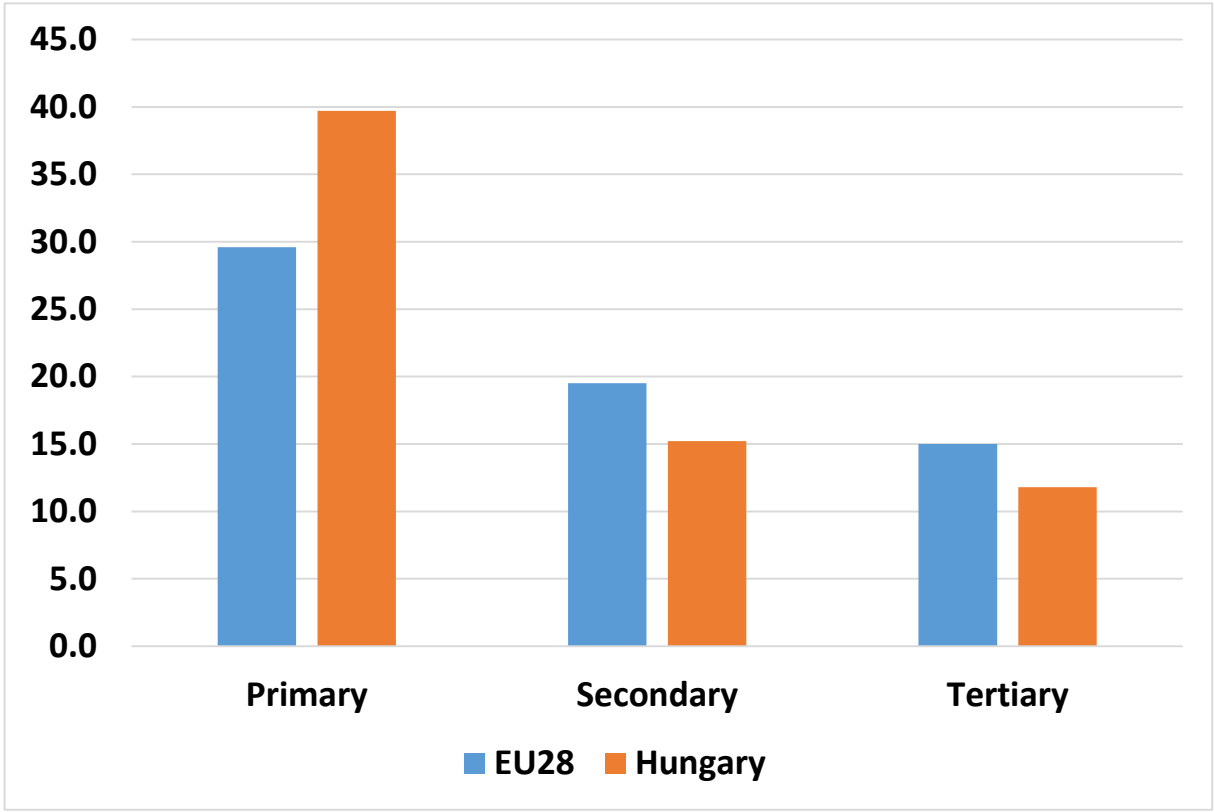
Martin Kahanec
Central European University (CEU), UEBA, CELSI, GLO

Amsterdam, 1/9/2017

Youth activity rate problematic for the low and medium educated



Unemployment risk particularly high for the low educated youth in Hungary



When business gets inspired to meet academia: Coca Cola HBC Hungary & CEU

- Commissioned by CC HBC Hungary and executed by CEU in collaboration with XKK

- Objective: Gain better insight and understanding of the issues surrounding youth employment in Hungary (in order to design effective employment policies)

- Key challenges:
  - Need fresh&relevant evidence and need it now!
  - Limited budget
  - Look at the demand side, too
  - Measure the role of soft skills

Youth employment: we know it all, or still a puzzle?

- “Traditional” approaches
  - Use large-scale micro-level datasets (LFS, SILC, etc) & statistics to identify factors of youth employment

- But limitations
  - costly data collection, set questions
  - very limited measures of skills, nothing on soft skills
  - long inside lag (dated data, missing important variables, analysis takes time, too)
  - Supply is one side of the market, but how about skill matching?

A triangulation, multi-modal approach to data collection and analysis

Quantitative research based on traditional and new data

- Key population statistics and factors of employment using traditional data
- Statistical analysis of original data collected using the WageIndicator platform
- Analysis of vacancies from profession.hu

Qualitative research

- Semi-structured interviews: stakeholder groups, including policy, civil society, NGOs, trade unions, academics and researchers and representatives from business and industry

Lessons from traditional data

Key factors of youth employment (seen this yet?)

- Education
- Age/Experience
- Gender (on its own, but also in interaction with other factors)
- Family
- Field of study
- Region

But 2-year data lag and no answers for soft skills and skill matching

WageIndicator: can it help?

- Does new data yield consistent results?
- Wage determinants in SILC and WI - a promising picture (limitations acknowledged)

	Men SILC	Men WI	Women SILC	Women WI
Years of potential experience	0.0217***	0.0197***	0.0168***	0.0193***
	(0.00128)	(0.000756)	(0.00115)	(0.000693)
Years of experience squared	-0.000309***	-0.000251***	-0.000265***	-0.000300***
	(2.98e-05)	(1.86e-05)	(2.78e-05)	(1.77e-05)
Years of education	0.0474***	0.0392***	0.0443***	0.0334***
	(0.000986)	(0.000685)	(0.000979)	(0.000684)

What we did

- Added a battery of soft-skill questions (*versatility!*)
- WI/CEU/Coca Cola social media campaign, emails to CEU students, targeting the youth (*outreach!*)
- 8000+ observations collected over cca 2 weeks (*speed!*)

Pros

- Cost-effectiveness
- Versatility
- Speed
- Outreach/targeting

All very desirable in the policy/business world

Cons

- Selective non-response
- Coverage - inability to reach out to some populations (imperfect internet penetration/use, social media coverage, …)
- Measurement issues
- Inference from non-probability samples

Possible remedies

- Ex ante: provide internet access, ...
- Ex post: **weighting**, propensity score matching, ...
- Research design: **RQ, inference, interpretation, transparency**

Soft skills

…desirable qualities for certain forms of employment that do not depend on acquired knowledge: they include common sense, the ability to deal with people, and a positive flexible attitude

[Collins English dictionary]

Communication, courtesy, flexibility, integrity, interpersonal skills, positive attitude, professionalism, responsibility, teamwork, work ethic

To what extent do you consider yourself as having the skills and/or abilities listed below?
1. Understand your own strengths, weaknesses and developmental opportunities
2. Present yourself, communicate own strengths and achievements
3. Being able to interact with a diversity of people
4. Learning from mistakes and willingness to receive feedback, including criticism
5. Act on feedback
6. Write your professional CV
7. Set goals and plans to achieve them
8. Understand how to read budgets, financial plans, and numbers in general
9. Effectively execute a plan
10. Sell products or services and secure desired value in return
11. Convince your superiors or peers about your ideas or proposals
12. Manage time and objectives to reach self-satisfaction
13. Manage time and objectives to reach satisfaction of your colleagues and peers
14. On what level do you agree with the fact, that someone can only be happy if he/she is successful in his/her job
15. It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities

Results (soft skills):
Steeply gendered confidence about own soft skills

- Men are more confident about
  - Learning from mistakes and willingness to receive feedback, including criticism
  - Understand how to read budgets, financial plans, and numbers in general
  - Effectively execute a plan
  - Sell products or services and secure desired value in return
  - Convince your superiors or peers about your ideas or proposals
- Women are more confident about their ability to
  - Manage time and objectives to reach satisfaction of your colleagues and peers

- More gaps across groups of different age, region/urbanization, education, marital status, number of children

Skill differences, but: which of them matter in the labor market?

For males: Confidence about competences, budgets, plans, goals

Employment-to-population	Understand how to read budgets, financial plans, and numbers in general
	Effectively execute a plan
	It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities
Employment-to-active population	Set goals and plans to achieve them
	Effectively execute a plan
	It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities
Participation-to-population	It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities
NEET	Effectively execute a plan
	It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities

And what matters for females? Confidence about competences, budgets, plans **+ presenting oneself, interacting, selling**

Employment-to-population	Understand how to read budgets, financial plans, and numbers in general
	Effectively execute a plan
	It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities
Employment-to-active population	Present yourself, communicate own strengths and achievements
	Being able to interact with a diversity of people
	Understand how to read budgets, financial plans, and numbers in general
	Effectively execute a plan
	Sell products or services and secure desired value in return
	It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities
Participation-to-population	Present yourself, communicate own strengths and achievements
	On what level do you agree with the fact that someone can only be happy if he/she is successful in his/her job
NEET	Present yourself, communicate own strengths and achievements
	Being able to interact with a diversity of people
	Understand how to read budgets, financial plans, and numbers in general
	Effectively execute a plan
	It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities

Returns to skills correspond to and perhaps reinforce skill gaps

Vacancies: Supply-Demand Mismatch

What we did:

- Vacancy data scraped from the internet website to gauge the demand side
- 193,000 CVs and over 8,000 job listings as of 12 November 2016

Results:

- Most vacancies open to young people, but only 5% to fresh graduates
- ICT and advanced manufacturing most open to young people
- English an advantage

The role of motivation: a qualitative inquiry

- *Lack of motivation:* linked to negative educational experience, low self-esteem, lack of adequate teaching methods, lack of basic skills and competencies (other than a negative socio-economic background)
- *Social expectation* to which youth are supposed to measure up. If they fail, *labeled as unmotivated.*
- Further levels of education cannot compensate for this ‘motivation deficit’ but further exacerbate it.
- Young people demotivated to study - demotivated to work
- Early specialization has negative consequences- children most likely lose motivation to study

Lessons

Web-based data potentially extremely useful for policy/business analysis

Data collection possible in a versatile, fast and cost-efficient way

Key challenge: lack of time a problem for ex-post and ex-ante sample correction techniques

Triangulation, sample correction techniques, RQ/inference/interpretation, transparency

Analysing tasks and wages

Stefano Visintin

eduworks

Universiteit van Amsterdam

Universidad Camilo José Cela

Analysing tasks and wages

- Benefits of (new sources) of Individual level Microdata in the labour market matching process

- Main elements of the matching: Skills, Tasks, Wages

- TASK: work activity that produces output.
- SKILL: worker's stock of capabilities for performing various tasks.
- Workers apply their skills to tasks in exchange for WAGES (Autor, D. 2013 The "task approach" to labour markets: an overview)

Analysing tasks and wages

- Can we (use WI data to) measure tasks' wages?
- Can tasks explain wages differences?
  - Of similar workers
  - Gender gap

TASKS


Measuring task wages
Wages disparity and tasks
Tasks and gender pay gap

WAGES

University of Amsterdam
Amsterdam Institute for Advanced labour Studies

What do workers do?

Measuring the intensity and market value of tasks in jobs

Kea Tijdens and Stefano Visintin

WP 161
February 2016

Analysing tasks and wages

Your tasks

In your current job, how often do you carry out the following tasks?

	Never	Yearly	Monthly	Weekly	Daily
Providing administrative, strategic planning and operational support, research and advice to senior management on matters such as the management of building facilities and administrative services	○	○	○	○	○
Developing and managing the organization's administrative and physical resources	○	○	○	○	○
Developing and implementing administrative and procedural statements and guidelines for use by staff in the organization	○	○	○	○	○
Analyzing complex resource management issues and initiatives that affect the organization, and preparing associated reports, correspondence and submissions	○	○	○	○	○
Providing information and support for the preparation of financial reports and budgets	○	○	○	○	○
Leading, managing and developing administrative staff to ensure smooth business operations and the provision of accurate and timely information	○	○	○	○	○
Representing the enterprise or organization in negotiations, and at conventions, seminars, public hearings and forums	○	○	○	○	○
Establishing and managing budgets, controlling expenditure and ensuring the efficient use of resources	○	○	○	○	○
Planning and directing daily operations	○	○	○	○	○
Overseeing the selection, training and performance of staff	○	○	○	○	○

« Previous Next »

- 13 countries
- 427 occupations ISCO08 4 digits
- 3237 tasks
- Begins November 2013 (ongoing)
- 11/2013 – 04/2016 approx. 70K records

Task data + Wage Indicator

⇒TASK WAGES

- Hourly salary received to perform a task
- Median of the (gross hourly) salary perceived by workers performing the task intensively (daily or weekly basis)

- Country level (the Netherlands)
- 6800 individuals
- 231 (out of 412) occupations
- 933 (out of 3236) tasks

Task	BEST PAID TASKS	Task code	Median value	Average value
Leading and managing the activities of research and development staff		122303	35.36	33.82
Consulting with engineering staff to evaluate interface between hardware and software		251203	33.84	32.50
Representing the organization at official occasions and board meetings in negotiations at conventions seminars public hearings and forums		112009	33.68	35.90
Planning and directing daily operations		122306	33.20	32.85
Directing the selection and installation of ICT resources and the provision of user training		133003	33.20	29.68
Conducting research and improving or developing concepts instruments theories and operational methods related to chemistry		211301	32.86	35.59
Directing software programming and development of documentation		251206	32.71	32.13
Representing the enterprise or organization in dealings with outside bodies		121108	32.70	36.42
Planning the overall research and development programme of an enterprise or organization specifying goals and budgetary requirements		122302	32.33	31.28
Researching analyzing and evaluating requirements for software applications and operating systems		251201	32.29	31.15
...		...	...	...

Task	Task code	Median value	Average value
LEAST PAID TASKS			
...	...	...	...
Washing cutting measuring and mixing foods for cooking	941102	5.93	6.72
Cleaning kitchens food preparation areas and service areas	941201	5.75	9.14
Noting what has been sold and collecting goods needed from the stockroom	933405	5.09	6.24
Receiving opening unpacking and inspecting for damage merchandise from manufacturer or distributor	933408	5.09	6.76
Directing customers to location of articles sought	933407	4.26	5.81
Removing goods with past due use-by dates	933403	4.12	6.06
Filling shelves with goods ensuring goods with the earliest use-by dates are at the front of shelves	933402	4.11	4.97
Maintaining shelf order by removing stock belonging in a different location	933404	4.11	5.72
Obtaining articles for customers from shelf or stockroom	933406	4.11	5.64
Placing goods neatly in bins and on racks and stacking bulky goods on floors	933401	3.61	5.86

WI data

- Can produce a trustworthy measure of tasks' wages

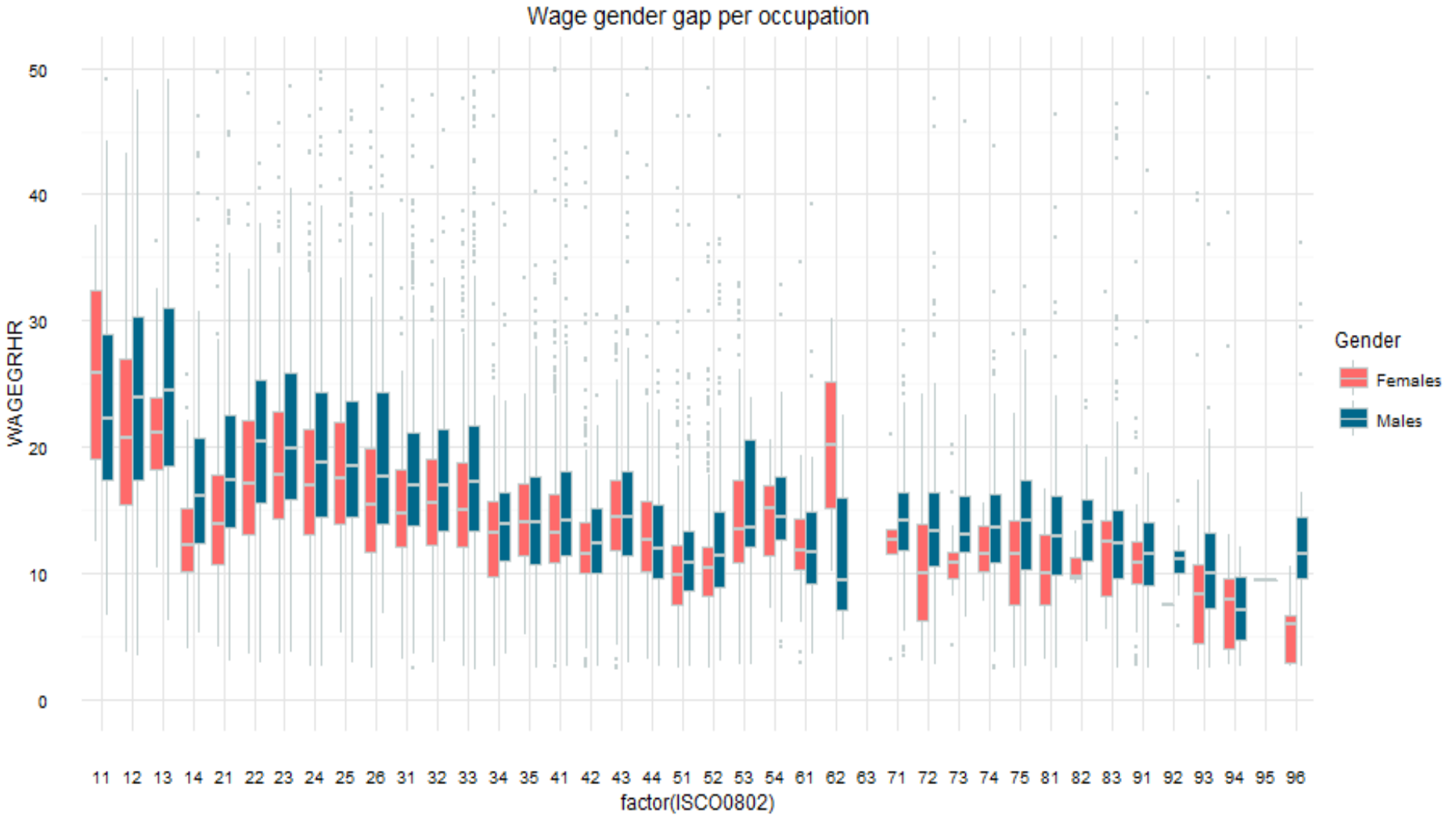
Tasks and gender pay gap

By
Kea Tijdens
Stephanie Steinmetz
Stefano Visintin

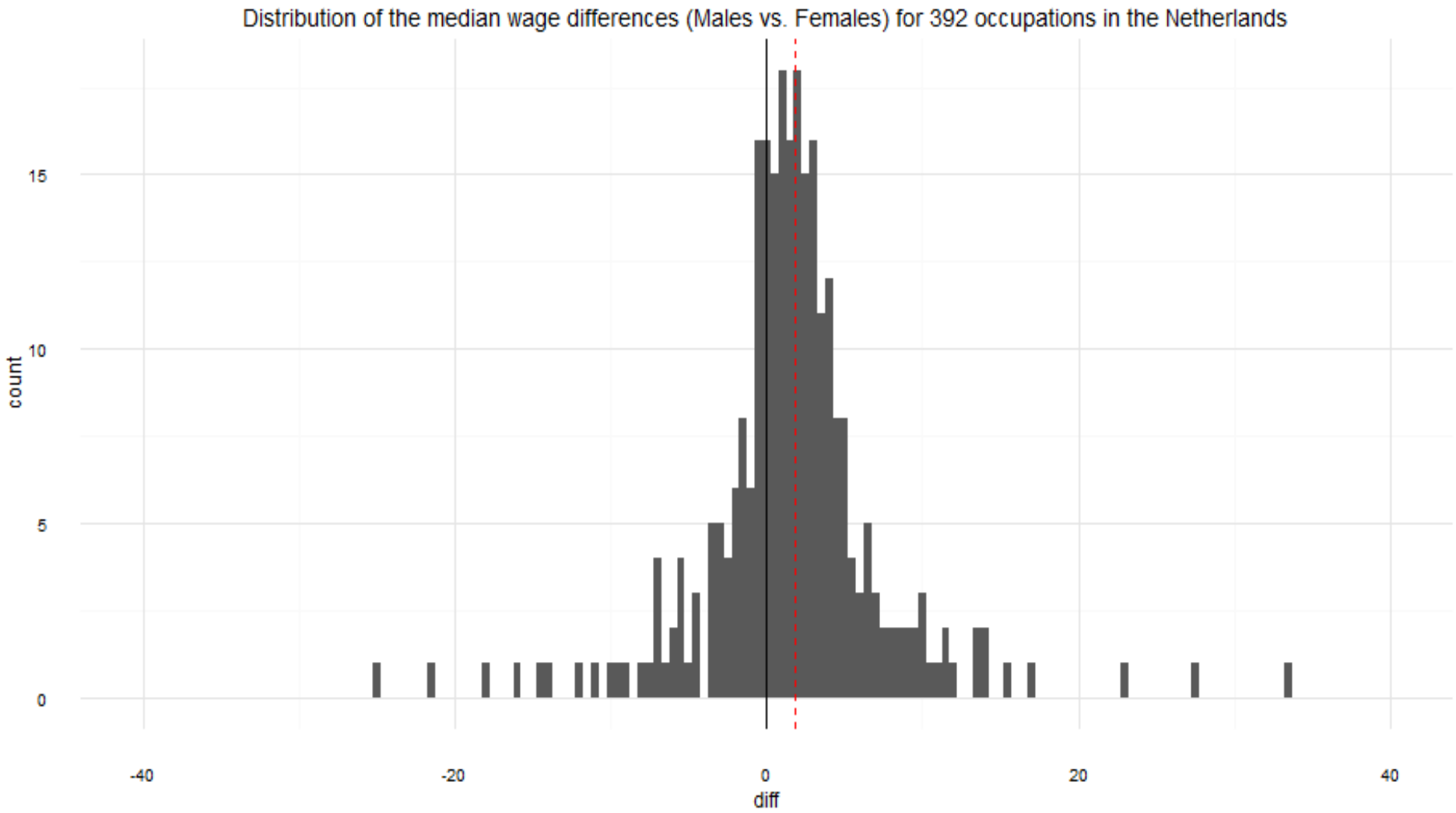
eduworks

Universidad Camilo José Cela

Within occupation gender pay gap



Within occupation gender pay gap



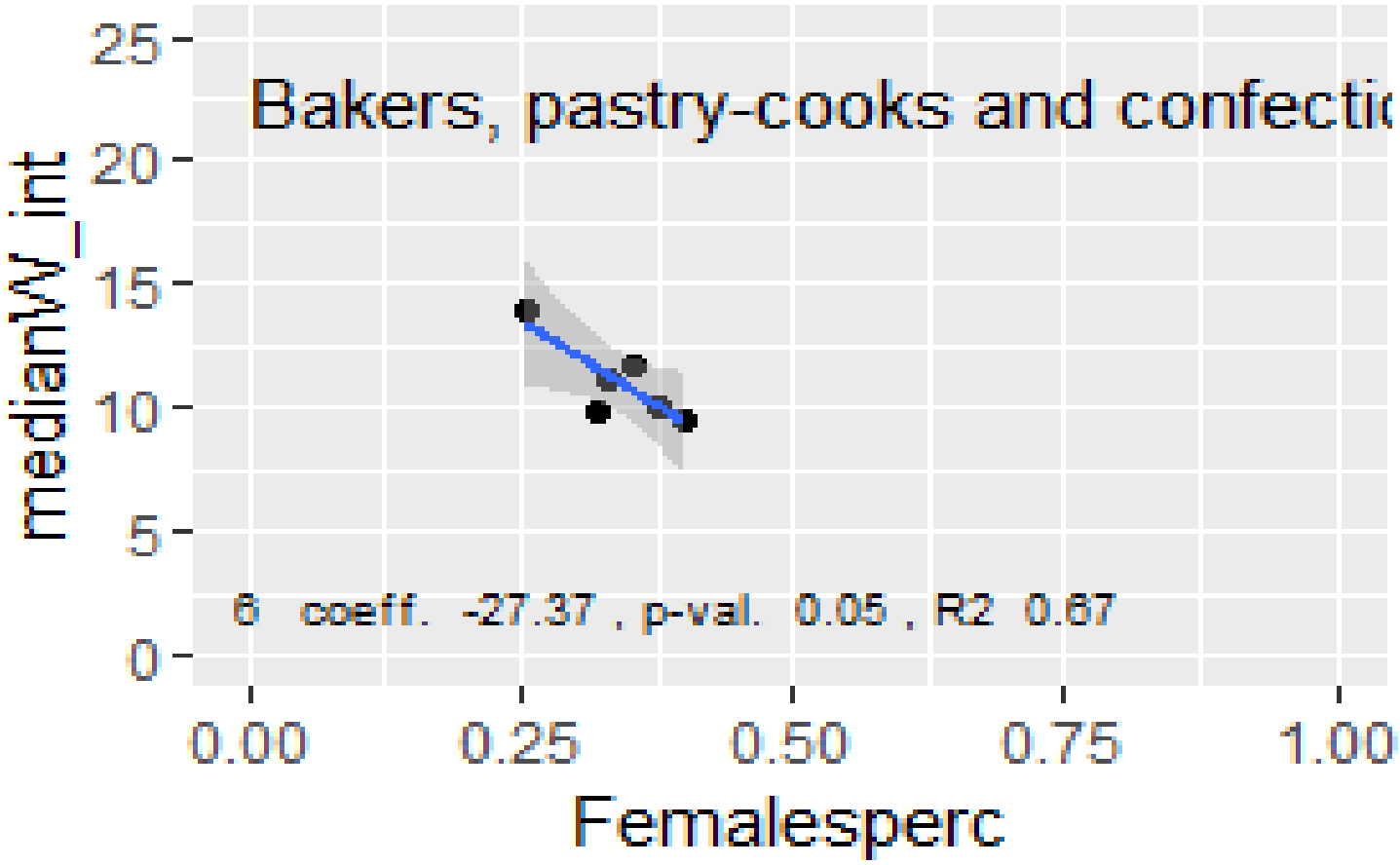
There is a within-occupation gender pay gap

- Or is it because women are paid less to perform the same task?
- Is it because women perform less paid tasks within an occupation (task segregation)?

The task segregation hypothesis: women perform less paid tasks

- Descriptive analysis strategy
- Per each task with at least 100 respondent (625), we compute
  - the task wage and
  - the % of females engaged intensively in the task.
- Then we observe at occupation level (92) a scatterplot with the relation between these two variables.

Analysing tasks and wages



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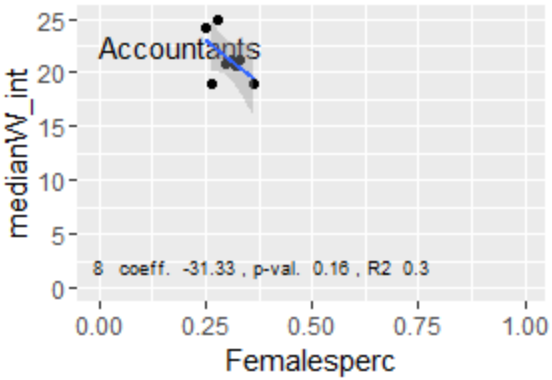

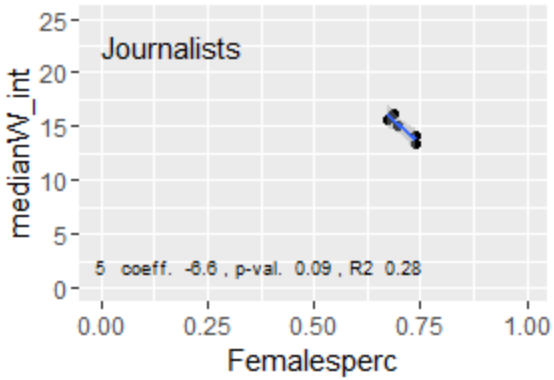

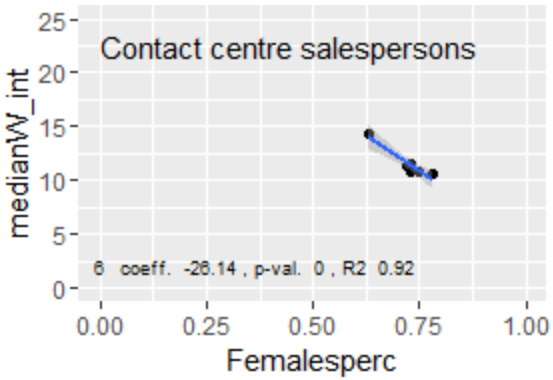

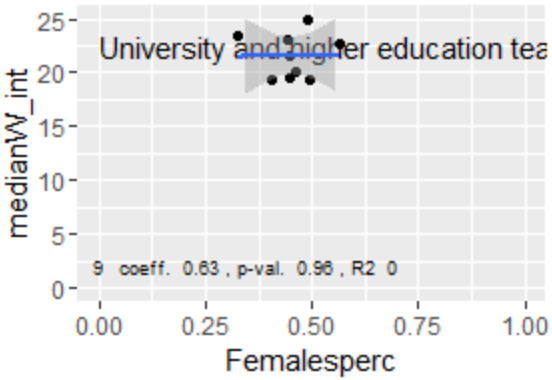

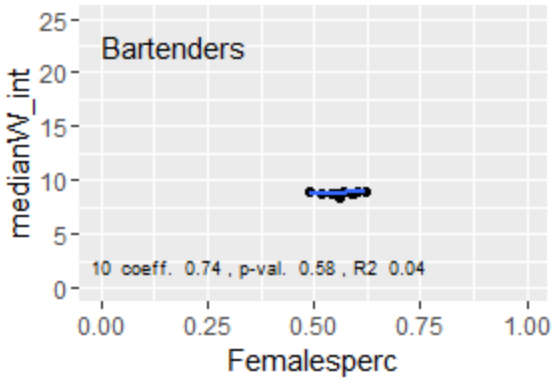

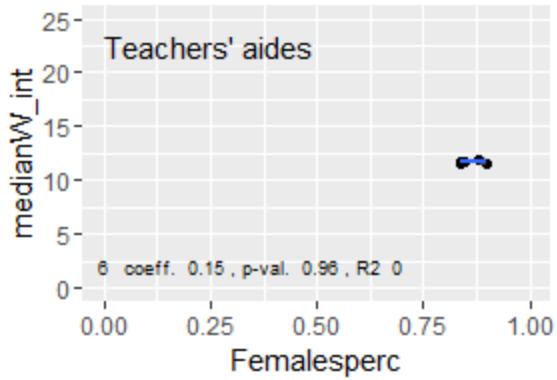

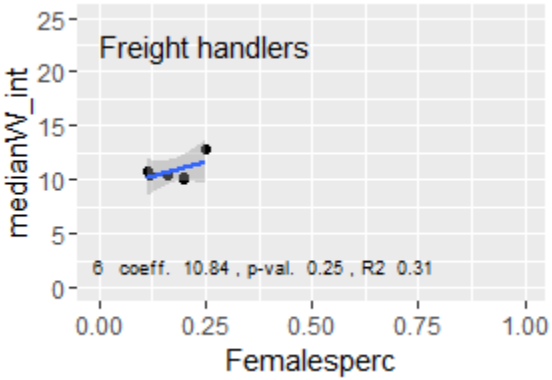

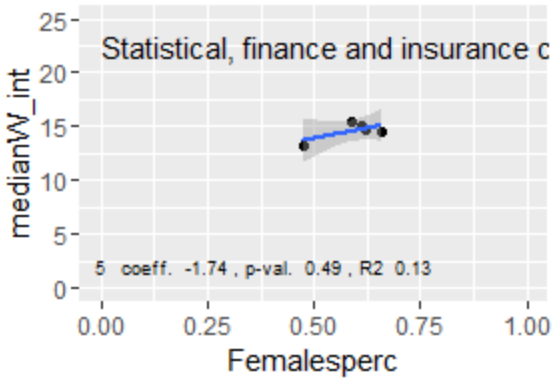

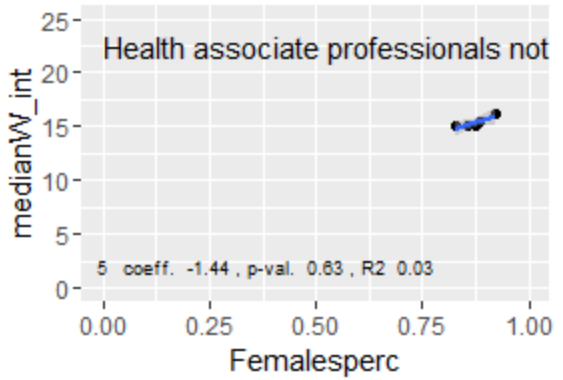

Occupation	Coeff.	p-val		R2
Security guards	-50.36	0	***	0.92
Chefs	-28.77	0.04	**	0.43
Bakers, pastry-cooks and confectionery makers	-27.37	0.05	**	0.67
Product graders and testers (excluding foods and beverages)	-27.37	0.05	**	0.67
Contact centre salespersons	-26.14	0	***	0.92
Buyers	-16.71	0	***	0.67
Systems analysts	-16.02	0.06	*	0.53
Applications programmers	-16.02	0.06	*	0.53
Software and applications developers and analysts not elsewhere classified	-16.02	0.06	*	0.53
Systems administrators	-16.02	0.06	*	0.53
Administrative and executive secretaries	-12.87	0.02	**	0.62
General office clerks	-12.09	0	***	0.94
Business services and administration managers not elsewhere classified	-10.17	0	***	0.76
Physiotherapists	-9.57	0.07	*	0.52
Social work and counselling professionals	-6.6	0.09	*	0.28
Journalists	-6.6	0.09	*	0.28
Electrical engineering technicians	-6.6	0.09	*	0.28
Primary school teachers	-3.69	0.08	*	0.33
Teaching professionals not elsewhere classified	-3.69	0.08	*	0.33
Information and communications technology user support technicians	-3.65	0.07	*	0.46
Restaurant managers	-3.34	0.01	***	0.6
Kitchen helpers	7.8	0.08	*	0.57
Car, taxi and van drivers	12.23	0.03	**	0.59
Shop keepers	13.91	0.07	*	0.53
Shop supervisors	14.9	0.08	*	0.43
Shop sales assistants	14.9	0.08	*	0.43
Web technicians	18.05	0.02	**	0.67
Domestic cleaners and helpers	28.05	0.05	**	0.57
Cleaners and helpers in offices, hotels and other establishments	28.05	0.05	**	0.57
Child care workers	58.66	0.04	**	0.53

eduworks

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WI data

- Can produce a measure of task wages
- Can contribute to explain wages differences to a larger extent
- Seems to be useful when explaining gender pay gap

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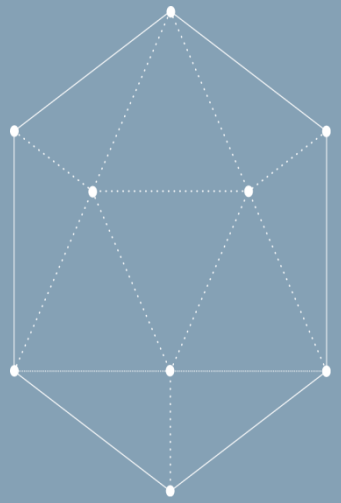
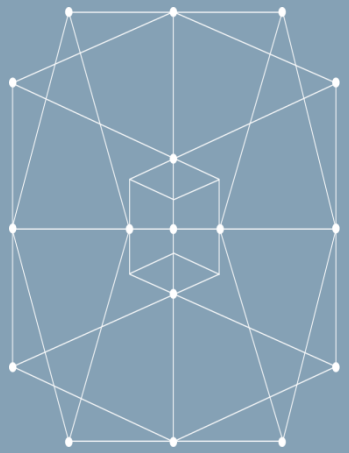
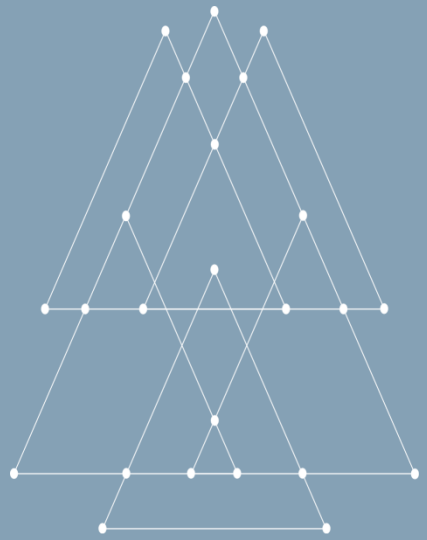
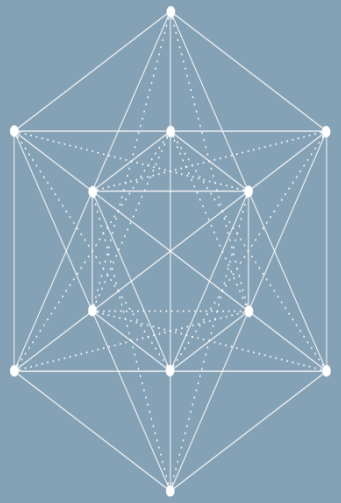
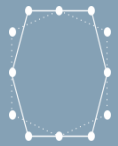
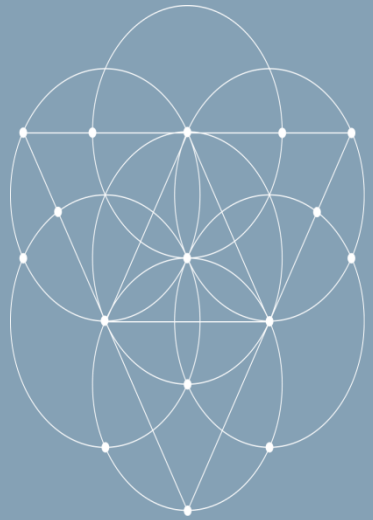
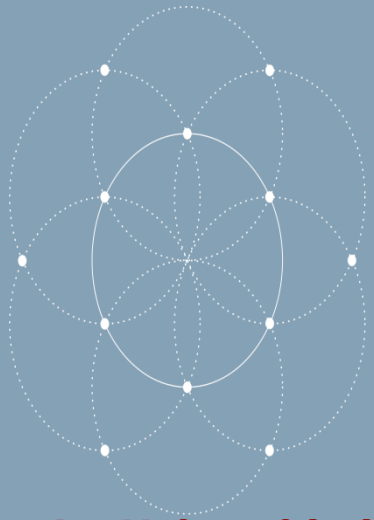
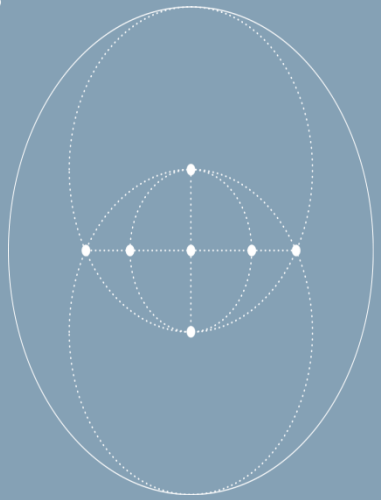
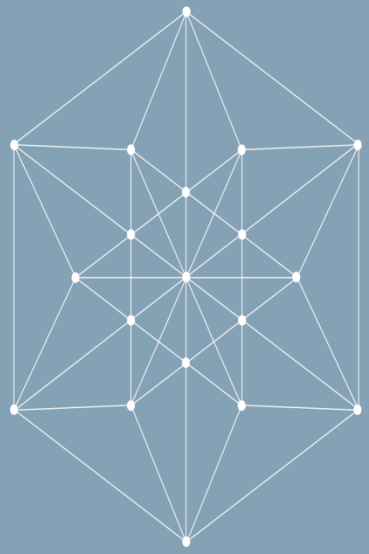





Stefano Visintin

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DOES MIGRATION "PAY OFF" FOR FOREIGN-BORN HEALTH WORKER MIGRANTS –

An exploratory analysis using the global WageIndicator data set

AIAS - Annual Conference on 'Wage in global perspective', September 1st 2017, Amsterdam

Stephanie Steinmetz (UvA/AIAS, NL),
Daniel H. de Vries (UvA) & Kea Tijdens (AIAS/UvA, NL)

Universiteit van Amsterdam

Amsterdam Institute for Advanced labour Studies

Motivation

- Rise in international migration of human resources for health due to a worldwide shortage of health workers.
- **Concerns** ⇨ brain drain for source (sending) countries, commercialization of migratory routes & ethics of international recruitment (e.g. training cost shouldered by low income countries).
- **BUT** ⇨ question if foreign-born migrant health workers are actually really 'better off' outside of their own country has never be empirically addressed (likely because benefits are often presumed to be self-evident).

What do we know?

Benefits of migration

- Increased remuneration
- Better professional development & continuing education
- Better working conditions, including flexible scheduling, safe working environments, team support, job security, more autonomy & involvement in decision making
- Enhanced quality of life and diverse cultural experiences

Penalty of migration

- Lack of skill recognition & previous experience
- Licensing problems ⇨ private sector with worse working conditions
- Tied to job by work permits
- Lack of professionalism ⇨ incidents of bullying, racism, exploitation and harassment (particularly for nurses and women)
- Discrimination compared to locals (including poor pay etc.)
- Emotional distress and depression

Research questions

1. What are migration patterns for health workers and in how far are they shaped by language, neighbors and colonizers?
2. What are the personal and occupational drivers of migration for health workers?
   - Who out-migrates and does it pay off?
3. Are foreign-born migrant health workers ‘discriminated’ in the destination countries?

Data challenges

- So far: findings for net benefits of international migration for health workers is based on anecdotal information, with statistics comparing only a handful of countries on a limited number of variables.
- Need of micro-level data
  - from source and destination countries (comparison of destination and source country).
  - from a large number of countries (representative multi-country survey data), but such surveys are available only to a limited extent and are restricted in terms of core variables)

Data

- Global WageIndicator, 2006-2014, health workers in paid employment, 15-64, N=44,394, 36 countries ⇨ 7.9% migrants
- Based on the RQs, the sample selection and the analyses differed
- Problem of selectivity ⇨ use of unweighted data due to lack of representative reference surveys ⇨ results are exploratory rather than representative.

Analytical strategy

- RQ1: 3 DVs (neighbor, same language, colonizer) + several control variables (gender, age, education, type of healthcare occupation), full sample, binary logistic regression);
- RQ2: 4 DVs (outmigration, wages, working time and life satisfaction) + several control variables, selected South American and African countries, binary logistic & OLS regression;
- RQ3: 3 DVs (occupational status, wages & life satisfaction)+ several control variables (see RQ1), full sample, multilevel analyses.

RQ1: What are the migration patterns?

- 57% of migrants in a health occupation migrate to a country with the same language, 33% to neighboring countries, and 21% to former colonizers.
- This holds when controlling for individual characteristics:
  - People from neighboring and former colonizing countries, high educated and doctors migrate more to countries with a language match (no effect of gender and age;
  - People from language matching countries, women and nurses migrate more and low educated less to neighboring countries (no effect of age);
  - People from language matching countries, older people and nurses migrate more to former colonizing countries, people from neighboring countries and high educated people migrate less.

RQ2: Who migrates?

- African countries: only nurses
- Latin American women, low educated and doctors

Table 3 Likelihood of migrating out of the country for all persons born in the country, robust standard errors in brackets

	4 African countries	5 LATAM countries
	Exp(B)	Exp(B)
Female	0.83	1.42**
	(0.21)	(0.24)
Age	1.02	1.01
	(0.01)	(0.00)
High education	0.82	1.22
	(0.23)	(0.25)
Low education	1.00	5.94***
	(0.72)	(2.34)
Nurse	1.71*	1.00
	(0.46)	(0.23)
Med. doctor	1.52	2.02***
	(0.68)	(0.43)
Constant	9.63***	0.01***
	(7.09)	(0.005)
Year controlled 2006–2014	Yes	Yes
Wald Chi square	88.72, df(13)***	77.44, df(13)***
−2 Log likelihood	−280.17	−796.22
Number	890	6356

Source: WageIndicator 2006–2014, selection health workers born in four African countries (Angola, Kenya, South Africa and Zimbabwe) and in five Latin American countries (Argentina, Brazil, Chile, Colombia and Mexico). Reference

Does out-migration pay off?

Out-migrated health workers …

- **earn more** (51% for African and 65% for Latin American) compared to those who remained in the country, but does reduced effect for nurses and doctors
- **work fewer hours** than comparable workers in source countries (7 hrs less a week in Africa and 1,5 hrs less per week in Latin America), holds in particular for out-migrating nurses in Africa and doctors in Latin America)
- **express higher life satisfaction**, this holds in particular for out-migrating doctors in Africa

RQ3: Are migrants discriminated against?

Migrant health workers in destination countries…

- Are not discriminated with respect to wages and occupational status.
  - ⇨ small wage premium for the group of migrants in ‘other healthcare occupations’.
  - ⇨ premium is significantly smaller for migrant nurses.
- Report **lower life satisfaction** (except doctors).
- **OVERALL:** Findings indicate an important difference in impact on both wage premiums and quality of life between nurses and doctors.

Conclusion

- Migration patters are shaped by language matches, neighboring countries and former colonizing countries, but the migrants' characteristics differ by destination country, gender, age, education and occupational background
- Clear evidence that
  - language match, neighboring countries and colonizers still impact on migration patterns, but mixed findings regarding "who migrates".
  - migration seems to 'pay off' in terms of work and labor conditions generally, although accrued benefits are not equal for all health workers and regions.
- No discrimination in terms of wage and occupational status in the destination country but lower level of life satisfaction

Limitations

- Positive findings (wages) might be related to ‘positive selectivity’ of international migration ⇨ not controlled for.
- Focus only on foreign-born migrant health workers (what about other migrants, i.e. health workers born in the country of survey yet foreign trained or with a foreign or dual nationality)
- Other relevant migration related variables (such as length of residence in the country of birth or years since migration) are not included.
- Selectivity of the data ⇨ exploratory study!

THANK YOU

- Comments and suggestions are welcome!

Contact: s.m.steinmetz@uva.nl

The European Commission's science and knowledge service

Joint Research Centre

Life satisfaction of employed, labour market tightness and matching efficiency

Pablo de Pedraza
JRC, Ispra, COIN

Amsterdam Friday 1 September 2017

Joint Research Centre

1.-Stylized facts

2.- Hypotheses

3.- Estimation Strategy

4.- Data

5.- Results

1.-Stylized facts

Negative impact of **unemployment rate** on SWB even on employed workers (Blanchflower et al 2014, Di Tella et al 2001, 2003).

More **protected** employees are less affected (Leuchinger et al 2010).

Temporary contracts are more affected (Theodossio and Vasileiou 2007, Origo and Pagani 2009, Böckerman et al 2011).

The job uncertainty and the **fear of losing** their jobs is identified to have strong negative influence over workers' SWB (Guzi and Pedraza 2014).

Individuals with the better **reemployment probabilities** reduce job insecurity which has a positive impact on SWB(Dickerson and Green 2012, Silla 2009).

2.- Hypotheses

-The characteristics of the **matching process** are potentially important determinants of SWB

-Active **employed job seekers** (afraid of loosing or unsatisfied) go beyond unemployment levels

-Vacancies/job seeker ***(θ)***

-Higher matching efficiency ***(λ)***

$$LS = f(personal, work, U, \theta, \lambda)$$

3.- Estimation Strategy (Di Tella et al 2001)

STEP 1

$$(1)\ LS_{jit} = \sum Personal_{jit} + \varepsilon_i + \gamma_t$$

$$(2)\ LS_{jit} = \sum Personal_{jit} + \sum Work_{jit} + \varepsilon_i + \gamma_t$$

Measure of k (LS2).

STEP 3

LS1=f(U, θ, θ', λ')

LS2=f(U, θ, θ', λ')

STEP2

– Measur

$$Log\ (H_{s,t}) = \beta_0 \log(\lambda') + \beta_1 log(U_{s,t-1}) + \beta_2\ log(X_{s,t-1}) + \beta_3 \log(V_{s,t-1}) + \omega_t$$

- Labor market tightness
  - *θ=V/U*
  - *θ'=V/active employed job seekers*

4.- Data

The measure of **SWB** is obtained from Wage Indicator (Guzi and Pedraza 2015, Kureková et al 2015).

Matching function we use data from the Labour Force Survey (LFS) and the Netherlands' Central Bureau of Statistics (CBS).

5.- Results

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variables	$LS1_{it}$	$LS1_{it}$	$LS1_{it}$	$LS2_{it}$	$LS2_{it}$	$LS2_{it}$
Unemployment rate	-6.151***	-5.596***	-6.970***	-5.543***	-5.403***	-6.368***
	(1.122)	(1.369)	(1.420)	(1.043)	(1.273)	(1.328)
V/U		0.024	-0.057		0.006	-0.051
		(0.034)	(0.042)		(0.031)	(0.039)
V/employed job seekers			0.067***			0.047**
			(0.021)			(0.020)
λ'	0.093	0.091	0.124**	0.056	0.055	0.078
	(0.059)	(0.059)	(0.060)	(0.055)	(0.055)	(0.056)
Constant	0.466***	0.422***	0.504***	0.431***	0.420***	0.478***
	(0.095)	(0.113)	(0.114)	(0.088)	(0.105)	(0.107)
Observations	373	373	373	373	373	373
R^2						

Conclusions

1-Unemployment.- strong and positive

2-V/U.- No effect

3-V/employed job seekers.- positive

4-λ'.- only when not accounting for working conditions

5- 3+4 maybe worry about bargaining power rather than reemployment

Thank you very much!

WageIndicator future –
what researchers want (in a nutshell)

Kinshasa Index at Wages in Global perspective –

1 September, 2017, Amsterdam

The scientific conference on WageIndicator research potential, held on September 1, 2017 at the Tropical Institute in Amsterdam, revealed broad outlines of researchers' wishes. They might be subsumed under the heading of the Kinshasa-index. This surprising concept was introduced during the panel discussion by moderator – and WageIndicator director – Paulien Osse.

What does the Kinshasa-index entail – or, rather, what might it come to signify?

1. focus on Africa as the continent where the growth to global presence in 2023 would take WageIndicator first (presently 25 of Africa's 50 countries are covered)
2. focus on the rise of big cities (Kinshasa is Africa's 3rd mega-city and doubled in size over the past 15 years to roughly 10 mio, some sources already claim 13 mio, growth rate 10% per annum)
3. focus on migration (both rural-urban and across neighbouring countries' borders, as well as between continents)
4. widening the scope for longitudinal studies (i.e. following individuals or groups over longer periods of time, mapping their working/family lives as and where they develop)
5. deepening the understanding of occupations by refining definitions to include (varying combinations of) skills needed for specific tasks in volatile labour markets characterized by diminishing permanent employment opportunities
6. the effect of wage setting starting from minimum wages ….

During the panel discussion, which rounded up a day of state of the art-presentations by WageIndicator researchers, the above broad topics for future research were proposed by the various panel members, i.e. professors:

- Paul de Beer, Amsterdam
- Rafael Bustillo, Salamanca
- Martin Kahanec, Budapest
- Kea Tijdens, Amsterdam
- Biju Varkey, Ahmedabad
- Klaus Zimmermann, Bonn

Click the name to find a personal contribution in brief (link to video statements).

The Principles of WageIndicator – Why we have WageIndicator in the world?

By Paulien Osse

https://www.youtube.com/watch?v=CqwvkA4lROM&feature=youtu.be