Invitation AIAS conference
KIT Amsterdam, Friday 1 September 2017

Wages in Global Perspective
Monitoring Wages Worldwide through WageIndicator

AIAS works!
Rebalancing labour between market and regulation
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. the conference will take place at KIT / Meetings & Events, Mauritskade 63, 1092 AD Amsterdam.

PROGRAMME  
MORNING PROGRAMME  
Chair Paulien Osse (director WageIndicator Foundation)  
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 Cecon (data manager WageIndicator)  
12:45 hrs. Lunch  

AFTER LUNCH PROGRAMME  
13:45 hrs. Living Wages worldwide and Asia  
Martin Guzi (Masaryk 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
Wages in Global Perspective

Yearly AIAS Conference
KIT Amsterdam
September 1, 2017

Maarten van Klaveren
• 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

- Financialization
- Globalisation
- Technology
- Employer(s) organisations
- Trade union density
- Collective bargaining coverage
- Changes in labour supply/demand
- Labour market institutions
- Wages
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**
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

Wage shares, Asia/Australia, 1970-2015
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

Wage Inequality (D9/D1), 2000-recent, 15 countries

2000  recent
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: $R=0.228$
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 / strengthen labour market institutions upright, fight effects of polarization of occupational structures (LM intermediaries, vocational training)
- Hampers position and perspectives of girls and women
- Less social cohesion, excessive inequality is threat to democracy
• **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 for your attention!

Own sources:


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


WageIndicator for worldwide data-collection and research

AIAS annual conference
Wages in Global Perspective
Kea Tijdens
University of Amsterdam/AIAS
1 September 2017
• **WageIndicator home page and national websites**

• **WageIndicator global data-collections**

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

Salary Check
- Highly educated men earn more than women in the same jobs, while women in low-skill jobs earn more than their male peers
- Salary Indication by occupation for Men and Women

Labour Laws
- Does your salary measure up to other salaries in the UK?
- What effect will euro-sterling parity have on your salary and ability to spend or save?
- The UK housing market has calmed down, post-Brexit. Can you afford housing on your salary?

Take a Course
- Customer service
- Stress management
- Written communication
- Is your overtime paid?
- How to apply for a job

Do you get a fair pay? Take our salary check!
And even in Chinese.....
Wages Indicator

- INDICATES WAGES to users according to:
  - Country
  - Years of service
  - Occupations
  - Industries
  - ...

[Image of coins with people standing on them]
• Offers

– Salary check with reference salaries
– Information on labour law (minimum wages, collective agreements, working hours ...)
– Cost of living
– VIP wages
– ...
• 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 per year
  - 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 2006-2015/ 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
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)

**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 occupational 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
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

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
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

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
Are migrant workers 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

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
• 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
Please visit the website
www.wageindicator.org

Questions?

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Subscribe to our WageIndicator.org Newsletters
Minimum Wage in India, and role of WageIndicator Foundation

Biju Varkkey, Faculty, HRM Area
Indian Institute of Management Ahmedabad (IIMA), India

Rupa Korde, Faculty, Economics Area
FLAME University, Pune, India

Sunny Wadhwaniya, Research Associate
Indian Institute of Management Ahmedabad (IIMA), India
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

01  1948
The Minimum Wage Act enacted
It enables workers in the informal sectors & agricultural occupations to receive protection against low wages

02  2013
Discussions
The issue of MW was discussed along with the social, political & legal debates

03  2017
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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Self Employed</th>
<th>Casual</th>
<th>Wage/Salary Earners</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>48.6</td>
<td>31.7</td>
<td>20.7</td>
</tr>
<tr>
<td>2012-13</td>
<td>48.2</td>
<td>34.4</td>
<td>17.4</td>
</tr>
<tr>
<td>2013-14</td>
<td>49.5</td>
<td>30.9</td>
<td>16.5</td>
</tr>
<tr>
<td>2015-16</td>
<td>46.6</td>
<td>32.8</td>
<td>17</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Labour Force Participation Rates</th>
<th>Unemployment Rate</th>
<th>Worker Population Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>77.4</td>
<td>2.9</td>
<td>484 million</td>
</tr>
<tr>
<td>2012-13</td>
<td>75.1</td>
<td>6.9</td>
<td></td>
</tr>
<tr>
<td>2013-14</td>
<td>76.6</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>2015-16</td>
<td>74.4</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

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

- Formal Sector ~34 million
- Informal work within formal sector
- Informal Sector ~ 484 million
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)

<table>
<thead>
<tr>
<th>Scheduled Employment</th>
<th>Category of Workers</th>
<th>Area A</th>
<th></th>
<th>Area B</th>
<th></th>
<th>Area C</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Old</td>
<td>Revised</td>
<td>Old</td>
<td>Revised</td>
<td>Old</td>
<td>Revised</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Unskilled</td>
<td>237</td>
<td>333</td>
<td>216</td>
<td>303</td>
<td>214</td>
<td>300</td>
</tr>
<tr>
<td></td>
<td>Semi-skilled/Unskilled Supervisory</td>
<td>259</td>
<td>364</td>
<td>239</td>
<td>335</td>
<td>219</td>
<td>307</td>
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<tr>
<td></td>
<td>Skilled/Clerical</td>
<td>281</td>
<td>395</td>
<td>259</td>
<td>364</td>
<td>238</td>
<td>334</td>
</tr>
<tr>
<td></td>
<td>Highly-skilled</td>
<td>312</td>
<td>438</td>
<td>289</td>
<td>407</td>
<td>259</td>
<td>364</td>
</tr>
<tr>
<td>Sweeping and Cleaning</td>
<td>Unskilled</td>
<td>374</td>
<td>523</td>
<td>312</td>
<td>437</td>
<td>250</td>
<td>350</td>
</tr>
<tr>
<td>Watch and Ward</td>
<td>Without Arms (Upgraded to skilled with training)</td>
<td>414</td>
<td>637</td>
<td>353</td>
<td>579</td>
<td>293</td>
<td>494</td>
</tr>
<tr>
<td></td>
<td>With Arms</td>
<td>456</td>
<td>693</td>
<td>414</td>
<td>637</td>
<td>353</td>
<td>579</td>
</tr>
<tr>
<td>Loading &amp; Unloading</td>
<td>Unskilled</td>
<td>374</td>
<td>523</td>
<td>312</td>
<td>437</td>
<td>250</td>
<td>350</td>
</tr>
<tr>
<td></td>
<td>Unskilled</td>
<td>374</td>
<td>523</td>
<td>312</td>
<td>437</td>
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Source: Paycheck.in (2017)
## Current Minimum Wages (Central Sphere)

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<th>Area C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Old</td>
<td>Revised</td>
<td>Old</td>
</tr>
<tr>
<td>Construction</td>
<td>Semi-skilled/Unskilled Supervisory</td>
<td>414</td>
<td>579</td>
<td>353</td>
</tr>
<tr>
<td></td>
<td>Skilled/Clerical</td>
<td>456</td>
<td>637</td>
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<td>693</td>
<td>456</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non – Coal Mines</th>
<th></th>
<th>Above Ground</th>
<th>Below Ground</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Existing</td>
<td>Proposed</td>
<td>Existing</td>
</tr>
<tr>
<td></td>
<td>Unskilled</td>
<td></td>
<td></td>
</tr>
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<td>374</td>
<td>523</td>
</tr>
<tr>
<td></td>
<td>Highly-skilled</td>
<td>436</td>
<td>610</td>
</tr>
</tbody>
</table>

Source: Paycheck.in (2017)
### Revision of Basic Minimum Wage Rates in Indian States

#### Last MW revised more than 5 years ago

<table>
<thead>
<tr>
<th>States</th>
<th>Minimum Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arunachal Pradesh</td>
<td>Feb 2009 Till date</td>
</tr>
<tr>
<td>Manipur</td>
<td>Feb 2011 Till date</td>
</tr>
</tbody>
</table>

#### Last MW revised 2 to 5 years ago

<table>
<thead>
<tr>
<th>States</th>
<th>Minimum Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jammu &amp; Kashmir</td>
<td>Jan 2013 Till date</td>
</tr>
<tr>
<td>Jharkhand</td>
<td>Oct 2014 March 2015</td>
</tr>
<tr>
<td>Sikkim</td>
<td>Nov 2014 Till date</td>
</tr>
<tr>
<td>Odisha</td>
<td>May 2015 Till date</td>
</tr>
</tbody>
</table>

#### MW revised last year

<table>
<thead>
<tr>
<th>States</th>
<th>Minimum Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakshadweep</td>
<td>Jan 2016 Till date</td>
</tr>
<tr>
<td>Assam</td>
<td>Jan 2016 Till date</td>
</tr>
<tr>
<td>Mizoram</td>
<td>April 2016 Till date</td>
</tr>
<tr>
<td>Goa</td>
<td>May 2016 Till date</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>July 2016 Dec 2016</td>
</tr>
<tr>
<td>Chandigarh</td>
<td>Oct 2016 March-2017</td>
</tr>
<tr>
<td>Dadra &amp; Nagar Havelli</td>
<td>Oct 2016 March-2017</td>
</tr>
<tr>
<td>Daman &amp; Diu</td>
<td>Oct 2016 March-2017</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>Oct 2016 Till date</td>
</tr>
<tr>
<td>Nagaland</td>
<td>Oct 2016 Till date</td>
</tr>
<tr>
<td>Kerala</td>
<td>Dec 2016 Till date</td>
</tr>
</tbody>
</table>

### MW revised this year

<table>
<thead>
<tr>
<th>States</th>
<th>Minimum Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haryana</td>
<td>Effective from Jan 2017 to June 2017</td>
</tr>
<tr>
<td>West Bengal</td>
<td>Effective from Jan 2017 to June 2017</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>Effective from Jan 2017 to June 2017</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>Effective from Jan 2017 to June 2017</td>
</tr>
<tr>
<td>Punjab</td>
<td>Effective from Feb 2017 to July 2017</td>
</tr>
<tr>
<td>Delhi</td>
<td>Effective from March 2017 to Aug 2017</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td>Effective from April 2017 to Sept 2017</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>Effective from April 2017 to Sept 2017</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>Effective from April 2017 to Sept 2017</td>
</tr>
<tr>
<td>Karnataka</td>
<td>Effective from April 2017 to March 2018</td>
</tr>
<tr>
<td>Gujarat</td>
<td>Effective from April 2017 to Sept 2017</td>
</tr>
<tr>
<td>Bihar</td>
<td>Effective from April 2017 to Sept 2017</td>
</tr>
<tr>
<td>Chhattisgarh</td>
<td>Effective from April 2017 to Sept 2017</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>Effective from April 2017 to Sept 2017</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Challenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norms for fixing MW</td>
</tr>
<tr>
<td>Coverage</td>
</tr>
<tr>
<td>Multiple MWs</td>
</tr>
<tr>
<td>Implementation</td>
</tr>
<tr>
<td>Enforcement</td>
</tr>
<tr>
<td>Lack of coordination between trade unions &amp; unorganized sector</td>
</tr>
</tbody>
</table>
### Wage Code Bill, 2017 and its impact

<table>
<thead>
<tr>
<th>Aims</th>
<th>Coverage</th>
<th>Implementation</th>
<th>Amalgamation</th>
<th>(+) Impact</th>
<th>(-) Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>• To ensure a universal MW for all industries &amp; workers.</td>
<td>• All industries &amp; workers, including those getting higher than INR 18,000 (irrespective of workers' pay)</td>
<td>• 44 different labour laws will be condensed into 4 sections</td>
<td>• Bill seeks to amalgamate 4 laws</td>
<td>• Will generate employment &amp; attract entrepreneurs</td>
<td>• Steep hikes in wage rate might have a negative impact on hiring in tier II &amp; tier III cities</td>
</tr>
<tr>
<td>• To improve the living standard of workers</td>
<td>• 40 crore (140 million) workers will be covered</td>
<td>• wages</td>
<td>• Payment of Wages Act 1936</td>
<td>• Simplify understanding of MW in India</td>
<td>• Hiring at entry level might be hindered due an increase in compensation cost to the companies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• industrial relations</td>
<td>• Minimum Wages Act 1948</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• social security &amp; safety</td>
<td>• Payment of Bonus Act 1965</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• health &amp; working conditions</td>
<td>• Equal Remuneration Act 1976</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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.

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.

Potential contribution by WageIndicator Foundation

<table>
<thead>
<tr>
<th>Compliance Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers</td>
</tr>
<tr>
<td>Employers</td>
</tr>
<tr>
<td>Government</td>
</tr>
<tr>
<td>Trade Unions</td>
</tr>
<tr>
<td>NGOs</td>
</tr>
<tr>
<td>Education &amp; Research</td>
</tr>
</tbody>
</table>

- **Workers**: Create a support mechanism for workers to protect their right
- **Employers**: Organize employer training programs
- **Government**: Support Government’s agenda digitalization, assist in designing macroeconomic policies
- **Trade Unions**: Work with trade unions
- **NGOs**: Create awareness along with local and global NGO’s
- **Education & Research**: Research initiatives to help all other stakeholders

WI contributes towards labour market & wage transparency, which is a precondition for a healthy economy.
Paycheck.in reports making newspaper headlines

'Single or married, women get paid less than men'
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, Uttarakhand 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 its 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.
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](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
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**

<table>
<thead>
<tr>
<th>Minimum Wage per Hour</th>
<th>Minimum Wage per Day</th>
<th>Minimum Wage per Week</th>
<th>Minimum Wage per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>725.28</td>
<td>5,802.27</td>
<td>29,026.35</td>
<td>127,650.00</td>
</tr>
</tbody>
</table>

'Guaranteed Minimum Wage' for Professional Workers

<table>
<thead>
<tr>
<th>Minimum Wage per Hour</th>
<th>Minimum Wage per Day</th>
<th>Minimum Wage per Week</th>
<th>Minimum Wage per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>916.19</td>
<td>7,329.55</td>
<td>36,647.73</td>
<td>161,250.00</td>
</tr>
</tbody>
</table>

**Notes / Footnote**

1. In Hungary the official working time is 8 hours/5 days.
Many institutions collect scattered MW data

No single institution 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 insights in MW setting, elsewhere not available
Thank you for your attention 😊
Enabling apparel workers and employers to check, debate, negotiate and publish wages and working conditions online

Nadia Pralitasari
WageIndicator Foundation – Gajimu Indonesia
nadiapralita@wageindicator.org
To give better life for workers through improvement of their working condition
What Gajimu did

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

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

**Total visitors 2016**: 4,007,609
**Total CBA online 2017**: 117 CBAs

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

**Total survey + mini survey 2016**: 6,826 surveys

**Compliance Form**: +/- 10,000 (2012 – 2015)
**Legal Help Desk**: +/- 10 questions/week

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

**Trainings**
- Regular use of Decent Work Check PDF
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
### How?

<table>
<thead>
<tr>
<th>Decent Work Check Survey Application</th>
<th>Factory Page</th>
<th>Collective Bargaining Agreement Database</th>
</tr>
</thead>
</table>
| • Enables Workers to **check compliance** on minimum wages and labour law – online and face to face | • 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 | • 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 |
| • 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 | | |
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
The teams

National Project Managers

- International Project Manager
- Trade Union – Garteks and KSBSI
- Local TU and Students
- Academics
- Developers
What are the stages?

**Preparations**
- DWC Survey and tablets should work fine – 15 tablets
- Select regions, factories, and interviewers – 8 regions, 55 factories, and 18 interviewers
- Training for interviewers
- Preparing contents for Gajimu Garment and list of garment factories

**Data Collection**
- Make use of local TU and students – 2 interviewer per region
- Permission from factories
- Select different occupations – sewing, cutting, warehouse, weaving, ironing, packaging

**Outcome**
- Present result to TU and employer for them to negotiate
- Tripartite debate – will be done regional
- Collective Bargaining Agreement (CBA) negotiation
- Publish result in factory page
## Summary Result of Decent Work Check

### Jaminan Kerja

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pengusaha memberikan perjanjian kerja tertulis</td>
<td>✔️</td>
</tr>
<tr>
<td>Pengusaha mengatur mengenai masa percobaan dalam perjanjian kerja</td>
<td>✗</td>
</tr>
<tr>
<td>Pengusaha membayar uang pesangon untuk pekerja jika terjadi pemutusan hubungan kerja (yang bukan disebabkan oleh kesalahan pekerja)</td>
<td>✔️</td>
</tr>
<tr>
<td>Pengusaha tidak mempekerjakan pekerja perjanjian kerja waktu tertentu/pekerja kontrak untuk melakukan pekerjaan yang bersifat permanen</td>
<td>✗</td>
</tr>
<tr>
<td>Pengusaha tidak mempekerjakan pekerja paksa</td>
<td>✔️</td>
</tr>
</tbody>
</table>

### Jam Kerja

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Di perusahaan, total jam kerja termasuk waktu kerja lembur tidak melebihi 40 jam per minggu</td>
<td>✔️</td>
</tr>
<tr>
<td>Di perusahaan, pekerja tidak dipaksa untuk bekerja lebih dari jam per minggu di bawah ancaman atau hukuman</td>
<td>✔️</td>
</tr>
<tr>
<td>Pengusaha membayar upah lembur</td>
<td>✔️</td>
</tr>
<tr>
<td>Pengusaha memberikan hari istirahat minggu</td>
<td>✔️</td>
</tr>
<tr>
<td>Pengusaha memberikan hari libur berbayar saat hari libur nasional</td>
<td>✔️</td>
</tr>
<tr>
<td>Pengusaha memberikan kompensasi apabila pekerja bekerja pada hari libur nasional atau hari istirahat minggu melalui pemberian upah lembur</td>
<td>✔️</td>
</tr>
</tbody>
</table>
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.
PT. Bandung Indah Gemilang
Alamat: JL. Caringin No.488N
Margahayu Utara, Babakan Ciparay - 40224
Bandung
Kota Bandung
Jawa Barat
Indonesia
(022) 5421188
Bidang usaha: Industri pembuatan tekstil/pakaian
Produsen Tekstil - Kain Tenun Pabrik, Kain katun

Di halaman ini
Rincian mengenai pabrik
Kondisi kerja dan Upah
Serikat Pekerja/Serikat Buruh
Mengenai halaman pabrik garmen ini
Komentar
Kepatuhan terhadap UU Ketenagakerjaan

Kondisi kerja dan Upah
Upah Minimum:
Perjanjian Kerja Bersama:

Mengenai halaman pabrik garmen ini
Proyek: www.gajimu.com/garment/home
Jumlah survey yang telah dilengkapi: 38

Serikat Pekerja/Serikat Buruh
FSB Garstek - KSBSI
(021) 85903319

Apakah Anda bekerja di pabrik ini?
Perbaiki kualitas dari halaman ini dengan mengisi survey kelayakan kerja
<table>
<thead>
<tr>
<th></th>
<th>Patuh</th>
<th>Tidak Patuh</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upah Minimum</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pengusaha membayar pekerja sesuai dengan Upah Minimum yang ditetapkan pemerintah</td>
<td>35 patuh</td>
<td>3 tidak patuh</td>
</tr>
<tr>
<td>Pengusaha membayar gaji secara teratur</td>
<td>38 patuh</td>
<td>0 tidak patuh</td>
</tr>
<tr>
<td><strong>Kehamilan dan Cuti Melahirkan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pengusaha memberikan setidaknya 13.0 minggu cuti melahirkan bagi pekerja yang hamil</td>
<td>38 patuh</td>
<td>0 tidak patuh</td>
</tr>
<tr>
<td>Pengusaha membayar setidaknya % dari gaji bulanan karyawan selama cuti melahirkan</td>
<td>38 patuh</td>
<td>0 tidak patuh</td>
</tr>
<tr>
<td>Pengusaha memberikan waktu untuk menyusui bagi pekerja yang sedang menyusui anaknya</td>
<td>24 patuh</td>
<td>14 tidak patuh</td>
</tr>
<tr>
<td>Pengusaha memberikan pilihan waktu kerja yang fleksibel atau kerja paruh waktu bagi pekerja yang memiliki balita atau pekerja dengan tanggung jawab keluarga lainnya</td>
<td>0 patuh</td>
<td>38 tidak patuh</td>
</tr>
<tr>
<td>Pengusaha memberikan perawatan medis gratis sebelum dan sesudah bersalin bagi pekerja yang hamil</td>
<td>28 patuh</td>
<td>10 tidak patuh</td>
</tr>
<tr>
<td>Pengusaha tidak mengikutsertakan pekerja hamil dan menyusui dalam pekerjaan berbahaya</td>
<td>34 patuh</td>
<td>4 tidak patuh</td>
</tr>
<tr>
<td>Pengusaha melindungi pekerja dari pemutusan hubungan kerja selama masa kehamilan dan cuti melahirkan</td>
<td>31 patuh</td>
<td>7 tidak patuh</td>
</tr>
</tbody>
</table>
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
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.gajimu.com/garmen/home](http://www.gajimu.com/garmen/home)

THANK YOU
THE WAGEINDICATOR COLLECTIVE AGREEMENTS DATABASE

Daniela Ceccon

WageIndicator Foundation – University of Amsterdam
danielaceccon@wageindicator.org
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
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
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%).

- Indonesia
- Brazil
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
WHERE ARE THE CBAS FROM?
WHERE ARE THE CBAS FROM?

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>Number of CBAs</th>
<th>COUNTRY</th>
<th>Number of CBAs</th>
<th>COUNTRY</th>
<th>Number of CBAs</th>
<th>COUNTRY</th>
<th>Number of CBAs</th>
<th>COUNTRY</th>
<th>Number of CBAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>105</td>
<td>Uganda</td>
<td>14</td>
<td>Croatia</td>
<td>6</td>
<td>Finland</td>
<td>4</td>
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<td>Portugal</td>
<td>6</td>
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<td>Zambia</td>
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<td>Austria</td>
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<td>Mozambique</td>
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<td>Netherlands</td>
<td>5</td>
<td>Pakistan</td>
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<td>Tanzania</td>
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<td>Togo</td>
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<td>Zimbabwe</td>
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<td>21</td>
<td>Greece</td>
<td>9</td>
<td>Netherlands</td>
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<td>Vietnam</td>
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<td>Honduras</td>
<td>20</td>
<td>Spain</td>
<td>8</td>
<td>Zimbabwe</td>
<td>5</td>
<td></td>
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<tr>
<td>Senegal</td>
<td>19</td>
<td>Burundi</td>
<td>7</td>
<td>Cambodia</td>
<td>4</td>
<td>All</td>
<td>700</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Maternity leave duration. Which country is providing more than others? Where does collective bargaining provide more than the law?

- COSTA RICA
- KENYA
- INDONESIA
- CROATIA
- PORTUGAL
- BRAZIL
Maternity leave duration. Which country is providing more than others? Where does collective bargaining provide more than the law?

- COSTA RICA  ✔
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- BRAZIL  ✔
Maternity leave duration. Which country is providing more than others? Where does collective bargaining provide more than the law?

- **CROATIA**: Maternity leave duration by law: 17 weeks, maternity leave duration in CBAS: 30 weeks
- **BRAZIL**: Maternity leave duration in CBAS: 20.6 weeks
- **PORTUGAL**: Maternity leave duration by law: 17 weeks
- **INDONESIA**: Maternity leave duration by law: 30 weeks, maternity leave duration in CBAS: 30 weeks

- **USA**: Maternity leave duration by law: 17 weeks, maternity leave duration in CBAS: 20.6 weeks
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.
How many agreements contain wages tables?

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
<th>Total Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>37%</td>
<td>32/87</td>
</tr>
<tr>
<td>Africa</td>
<td>12%</td>
<td>38/320</td>
</tr>
<tr>
<td>Asia</td>
<td>6%</td>
<td>7/113</td>
</tr>
<tr>
<td>Latin America</td>
<td>2%</td>
<td>4/120</td>
</tr>
</tbody>
</table>

**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.
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
All the collective agreements can be found at [www.wageindicator.org/cbadatabase](http://www.wageindicator.org/cbadatabase)

The paper can be found in WageIndicator under Publications

THANK YOU!
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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## Living Wage vs Minimum Wage, 2017

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

*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)

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

- Cost of Food
- Cost of Housing
- Cost of Basic but Decent Life for Reference Size Family
- Cost of Other Essential Needs
- Small Margin for Unforeseen Events

**Net Living Wage** = \( \frac{\text{Cost of Basic but Decent Life for a Family}}{\text{Number of Workers per Family}} \)

**Gross Living Wage** = Payroll Deductions and Taxes + Net 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 LivingWageIndicator.org.
Data used in the calculation

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

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

<table>
<thead>
<tr>
<th></th>
<th>Typical family</th>
<th></th>
<th>Standard family</th>
<th></th>
<th>Single-adult</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>from</td>
<td>to</td>
<td>from</td>
<td>to</td>
<td>from</td>
</tr>
<tr>
<td>Food</td>
<td>650</td>
<td>915</td>
<td>680</td>
<td>960</td>
<td>170</td>
</tr>
<tr>
<td>Housing</td>
<td>750</td>
<td>900</td>
<td>750</td>
<td>900</td>
<td>500</td>
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<td>Transport</td>
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<td>Health</td>
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<td>300</td>
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<td>300</td>
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<td>500</td>
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<tr>
<td>Other costs</td>
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<td>145</td>
<td>99</td>
<td>150</td>
<td>41</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>2053</td>
<td>3050</td>
<td>2084</td>
<td>3100</td>
<td>868</td>
</tr>
<tr>
<td>Net Living Wage</td>
<td>1210</td>
<td>1800</td>
<td>1160</td>
<td>1720</td>
<td>870</td>
</tr>
<tr>
<td>Gross Living Wage</td>
<td>1390</td>
<td>2070</td>
<td>1330</td>
<td>1980</td>
<td>1000</td>
</tr>
</tbody>
</table>

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
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

Yearly AIAS Conference
KIT Amsterdam
September 1, 2017

Maarten van Klaveren
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
**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

Effort of a large team!
• **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
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 $\rightarrow$ productivity increases low
- long-term pressure on supply prices $\rightarrow$ 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%
<table>
<thead>
<tr>
<th>Brand</th>
<th>No. suppliers</th>
<th>Supply countries (shares in total supply of brand)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Tier 1</td>
</tr>
<tr>
<td>Adidas (9)</td>
<td>1035</td>
<td>786</td>
</tr>
<tr>
<td>C&amp;A (14)*</td>
<td>658</td>
<td></td>
</tr>
<tr>
<td>Ch.Vögele (91)</td>
<td></td>
<td>110</td>
</tr>
<tr>
<td>Esprit (76)</td>
<td>501</td>
<td></td>
</tr>
<tr>
<td>G-Star (155)</td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>H&amp;M (10)</td>
<td>2339</td>
<td>2069</td>
</tr>
<tr>
<td>Inditex (2)</td>
<td>4927</td>
<td>1869</td>
</tr>
<tr>
<td>New Look (99)</td>
<td>860</td>
<td></td>
</tr>
<tr>
<td>Next (30)</td>
<td>2118</td>
<td></td>
</tr>
<tr>
<td>Nike (3)</td>
<td>620</td>
<td></td>
</tr>
<tr>
<td>Orsay (107)</td>
<td>155</td>
<td></td>
</tr>
<tr>
<td>Pimkie (103)</td>
<td>&gt;161</td>
<td></td>
</tr>
<tr>
<td>Takko (22)</td>
<td>323</td>
<td></td>
</tr>
<tr>
<td>Tchibo (32)</td>
<td>810</td>
<td></td>
</tr>
<tr>
<td>VF Corp. (13)</td>
<td>2805</td>
<td></td>
</tr>
</tbody>
</table>

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

Wages in Context

- 100_minwage_lowerbound_WIF
- wage_garment
- livingwage_individual_lowerbound_WIF
- livingwage_typfamily_lowerbound_WIF

Countries: Bangladesh, Cambodia, China, India, Indonesia, Myanmar, Pakistan, Sri Lanka, Vietnam
## INSTRUMENTS TO BRING LIVING WAGES IN GARMENT CLOSER: experts’ opinions

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

03 September 2017
• **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 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:
The WageIndicator Cost-of-Living app:
http://CostofLiving.WageIndicator.org
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)

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

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

<table>
<thead>
<tr>
<th>Employment-to-population</th>
<th>Understand how to read budgets, financial plans, and numbers in general</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Effectively execute a plan</td>
</tr>
<tr>
<td></td>
<td>It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities</td>
</tr>
<tr>
<td>Employment-to-active population</td>
<td>Set goals and plans to achieve them</td>
</tr>
<tr>
<td></td>
<td>Effectively execute a plan</td>
</tr>
<tr>
<td></td>
<td>It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities</td>
</tr>
<tr>
<td>Participation-to-population</td>
<td>It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities</td>
</tr>
<tr>
<td>NEET</td>
<td>Effectively execute a plan</td>
</tr>
<tr>
<td></td>
<td>It is clear to me what kind of job I can do, what I'm able to do, regarding my abilities</td>
</tr>
</tbody>
</table>
And what matters for females? Confidence about competences, budgets, plans **+ presenting oneself, interacting, selling**

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

- Present yourself, communicate own strengths and achievements
- 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

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
• 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
Measuring task wages

Wages disparity and tasks

Tasks and gender pay gap

Analysing tasks and wages

TASKS

WAGES
What do workers do?
Measuring the intensity and market value of tasks in jobs

Kea Tijdens and Stefano Visintin
### Analysing tasks and wages

#### Your tasks

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

<table>
<thead>
<tr>
<th>Task</th>
<th>Never</th>
<th>Yearly</th>
<th>Monthly</th>
<th>Weekly</th>
<th>Daily</th>
</tr>
</thead>
<tbody>
<tr>
<td>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</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing and managing the organization's administrative and physical resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing and implementing administrative and procedural statements and guidelines for use by staff in the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analyzing complex resource management issues and initiatives that affect the organization, and preparing associated reports, correspondence and submissions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Providing information and support for the preparation of financial reports and budgets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leading, managing and developing administrative staff to ensure smooth business operations and the provision of accurate and timely information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Representing the enterprise or organization in negotiations, and at conventions, seminars, public hearings and forums</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishing and managing budgets, controlling expenditure and ensuring the efficient use of resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning and directing daily operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseeing the selection, training and performance of staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Analysing tasks and wages

- 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)
Analysing tasks and wages

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

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

...
## LEAST PAID TASKS

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

WI data

• Can produce a trustworthy measure of tasks’ wages
Tasks and gender pay gap

By
Kea Tijdens
Stephanie Steinmetz
Stefano Visintin
Within occupation gender pay gap
Within occupation gender pay gap

Distribution of the median wage differences (Males vs. Females) for 392 occupations in the Netherlands
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

Bakers, pastry-cooks and confectioners

medianW_int

Femalesperc

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

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
Analysing tasks and wages

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
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)
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).
<table>
<thead>
<tr>
<th>Benefits of migration</th>
<th>Penalty of migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increased remuneration</td>
<td>• Lack of skill recognition &amp; previous experience</td>
</tr>
<tr>
<td>• Better professional development &amp; continuing education</td>
<td>• Licensing problems ⇒ private sector with worse working conditions</td>
</tr>
<tr>
<td>• Better working conditions, including flexible scheduling, safe working environments, team support, job security, more autonomy &amp; involvement in decision making</td>
<td>• Tied to job by work permits</td>
</tr>
<tr>
<td>• Enhanced quality of life and diverse cultural experiences</td>
<td>• Lack of professionalism ⇒ incidents of bullying, racism, exploitation and harassment (particularly for nurses and women)</td>
</tr>
<tr>
<td></td>
<td>• Discrimination compared to locals (including poor pay etc.)</td>
</tr>
<tr>
<td></td>
<td>• Emotional distress and depression</td>
</tr>
</tbody>
</table>
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>
<thead>
<tr>
<th></th>
<th>4 African countries</th>
<th>5 LATAM countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female Exp(B)</td>
<td>0.83 (0.21)</td>
<td>1.42** (0.24)</td>
</tr>
<tr>
<td>Age Exp(B)</td>
<td>1.02 (0.01)</td>
<td>1.01 (0.00)</td>
</tr>
<tr>
<td>High education Exp(B)</td>
<td>0.82 (0.23)</td>
<td>1.22 (0.25)</td>
</tr>
<tr>
<td>Low education Exp(B)</td>
<td>1.00 (0.72)</td>
<td>5.94*** (2.34)</td>
</tr>
<tr>
<td>Nurse Exp(B)</td>
<td>1.71* (0.46)</td>
<td>1.00 (0.23)</td>
</tr>
<tr>
<td>Med. doctor</td>
<td>1.52 (0.68)</td>
<td>2.02*** (0.43)</td>
</tr>
<tr>
<td>Constant Exp(B)</td>
<td>9.63*** (7.09)</td>
<td>0.01*** (0.005)</td>
</tr>
<tr>
<td>Year controlled 2006–2014</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Wald Chi square</td>
<td>88.72, df(13)***</td>
<td>77.44, df(13)***</td>
</tr>
<tr>
<td>–2 Log likelihood</td>
<td>–280.17</td>
<td>–796.22</td>
</tr>
<tr>
<td>Number</td>
<td>890</td>
<td>6356</td>
</tr>
</tbody>
</table>

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).
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 patterns 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
Life satisfaction of employed, labour market tightness and matching efficiency

Pablo de Pedraza
JRC, Ispra, COIN

Amsterdam  Friday 1  September 2017
1.- Stylized facts

2.- Hypotheses

3.- Estimation Strategy

4.- Data

5.- Results
1.-Stylized facts


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 \( (\theta) \)

  -Higher matching efficiency \( (\lambda) \)

\[
LS = f (\text{personal, work, } U, \theta, \lambda)
\]
3.- Estimation Strategy (Di Tella et al 2001)

**STEP 1**

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

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

**STEP 2**

- Measure of life satisfaction not explained by personal (LS1) and work (LS2).

**STEP 3**

- Measure of matching efficiency
  
  \[ \log H_{st} = \beta_0 \log \lambda + \beta_1 \log (U_{st-1}) + \beta_2 \log (X_{st-1}) + \beta_3 \log (V_{st-1}) + \omega_t \]

- Labor market tightness
  - \( \theta = V/U \)
  - \( \theta' = V/\text{active employed job seekers} \)
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

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
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<th>(5)</th>
<th>(6)</th>
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</thead>
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<tr>
<td>𝐿𝐒1𝑖𝑡</td>
<td>-6.151***</td>
<td>-5.596***</td>
<td>-6.970***</td>
<td>-5.543***</td>
<td>-5.403***</td>
<td>-6.368***</td>
</tr>
<tr>
<td></td>
<td>(1.122)</td>
<td>(1.369)</td>
<td>(1.420)</td>
<td>(1.043)</td>
<td>(1.273)</td>
<td>(1.328)</td>
</tr>
<tr>
<td>𝑉/𝑈</td>
<td>0.024</td>
<td>-0.057</td>
<td></td>
<td>0.006</td>
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</tr>
<tr>
<td></td>
<td>(0.034)</td>
<td>(0.042)</td>
<td></td>
<td>(0.031)</td>
<td>(0.039)</td>
<td></td>
</tr>
<tr>
<td>𝜆′</td>
<td>0.093</td>
<td>0.091</td>
<td>0.124**</td>
<td>0.056</td>
<td>0.055</td>
<td>0.078</td>
</tr>
<tr>
<td></td>
<td>(0.059)</td>
<td>(0.059)</td>
<td>(0.060)</td>
<td>(0.055)</td>
<td>(0.055)</td>
<td>(0.056)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.466***</td>
<td>0.422***</td>
<td>0.504***</td>
<td>0.431***</td>
<td>0.420***</td>
<td>0.478***</td>
</tr>
<tr>
<td></td>
<td>(0.095)</td>
<td>(0.113)</td>
<td>(0.114)</td>
<td>(0.088)</td>
<td>(0.105)</td>
<td>(0.107)</td>
</tr>
<tr>
<td>Observations</td>
<td>373</td>
<td>373</td>
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Conclusions

1- Unemployment. - strong and positive

2- V/U. - No effect

3- V/employed job seekers. - positive

4- $\lambda'$. - 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