Wages in Nicaragua

WageIndicator survey 2012

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About WageIndicator Foundation - www.wageindicator.org

The WageIndicator concept is owned by the independent, non-profit WageIndicator Foundation, established in 2003. Its Supervisory Board is chaired by the University of Amsterdam/Amsterdam Institute of Advanced labor Studies, the Dutch Confederation of Trade Unions (FNV) and Monster career site. The Foundation aims for transparency of the labor market by sharing and comparing wage data and labor conditions information. The Foundation operates national websites in some 70 countries. The websites have a so called 3 pillar structure: for wages, for labor law and minimum wages, and for vacancies and education related information. In more than 20 countries the national WageIndicator websites are supported with offline actions like face-to-face surveys, fact finding debates and media campaigns.

WageIndicator Foundation operates globally through a network of associated, yet independent regional and national partner organizations like universities, media houses, trade unions and employers organizations, and self-employed specialists for legal, internet, media issues, with whom the Foundation engages in long lasting relationships. WageIndicator Foundation has offices in Amsterdam (HQ), Ahmedabad, Bratislava, Buenos Aires, Cape Town, Maputo and Minsk.

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About University of Amsterdam/Amsterdam Institute for Advanced Labor Studies - www.uva-aias.net

The University of Amsterdam is a 350-years old research university. Its Amsterdam Institute for Advanced Labor Studies (AIAS) is an interdisciplinary research institute focusing on labor issues, particularly industrial relations, organization of work, working conditions, wage setting, labor-market inequalities, employment and labor market governance. AIAS maintains a large portfolio of internationally funded research projects and international data bases and data collections. Since 2003, AIAS chairs the Supervisory Board of the Wage Indicator Foundation. Kea Tijdens (sociologist) is a Research Coordinator at AIAS and a professor of sociology at Erasmus University Rotterdam. She is the scientific coordinator of the WageIndicator web-survey on work and wages. She has analyzed the data concerning the wage ranking of health care occupations in 20 countries, the impact of short-time arrangements in Germany and the Netherlands, and the relationship of collective bargaining coverage and wage brackets. Janna Besamusca is a PhD candidate at the University of Amsterdam. She has conducted research into working conditions and unionism in low wage sectors and is now studying the effect of country contexts on the position of women in the labor market worldwide.

About INCEDES

The Central American Institute for Social Research and Development -INCEDES- is a civil association based in Guatemala, founded in 2005. With influence throughout the Central American region, it is dedicated to applied social research, specifically the study, promotion, and negotiation of the following issues at both the legislative and social levels: the behavior and characteristics of regional migration and their link to economic and social development, human security, the analysis of inter-regional labor markets, ensuring comprehensive protection of rights for migrants and their families, and the negotiation and promotion of these issues by citizens and legislators, among others. It has completed studies in collaboration with other entities such as the Wage Indicator union with which it conducted the Central American Labor Survey.

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More information: WageIndicator org, http://www.tusalario.org/nicaragua.

Executive summary

This WageIndicator Data Report presents the results of the face-to-face WageIndicator survey in Nicaragua, conducted between January and April 2012. In total 1,302 persons were interviewed, of which 62% were men and 40% were under 29 years of age. Most interviews were done in the Eastern coastal departments and in Granada. The workers in the survey live in households with on average 5 members. Twenty four percent of men and 22% of women live without either a partner or children; 17% of women in the sample are single mums. Four in ten workers had diploma's from secondary education (38%) and just a little fewer (33%) finished some kind of tertiary education. A quarter of workers stopped at primary education (26%) and 3% have no formal education. Women are significantly higher educated than men. On average, the interviewees mark their satisfaction with life as a 7,7 on a scale from 1 to 10.

In the sample, one in four workers are self-employed (23%). Half of the workers are employees with a permanent contract, 23% have a fixed term contract and four percent have no contract at all. Four in ten work in an organization with 10 or fewer employees, two in ten work in an organization with 11-50 employees and 32% work for businesses employing over a 100 people. One in four workers are employed in elementary occupations. Over two in ten work as managers and professionals. Sizeable groups of respondents work in services and sales (21%) and craft and trades (13%). Some 34% of the interviewees work in the public sector, health care or education. One in four work in trade, transport and hospitality; 24% work in agriculture, manufacturing and construction. The remaining 17% work in commercial services. The labor market appears strongly segregated between women and men. Just 13% of workers are covered by collective agreements, whereas 78% wish to be covered. The average working week of respondents is just over 46 hours in six days per week.

One in four workers are in very informal jobs (25%); they are not entitled to social benefits, do not contribute to social security, and have no employment contract. Four in ten are work in very formal jobs, exhibiting opposite characteristics to informal jobs. Nearly nine in ten workers on permanent contracts are entitled to social security, compared to 34% of workers on fixed term contracts, 15% of those without contracts and just 3% of the self-employed. Some 16% of workers state that they have no agreed working hours, the remaining group has agreed working hours, either in writing or verbally (no 16%, in writing 65%, verbally agreed 19%). Workers on permanent contracts are most likely to receive their wages in a bank account rather than cash in hand (72%), compared to 16% of fixed term workers, 5% of those without contracts and 1% of self-employed.

The median net hourly wage of the total sample is 16 Nicaraguan Córdoba (NIO), Most striking is the large income inequality. In the smallest firms, the median wage is 7 Córdoba, whereas in all other enterprises it is around 20 NIO. Those on the most informal jobs earn only C$3 per hour, whereas those in the most formal jobs earn wages far above that (median is C$23). Employees with permanent contracts have by far the highest earnings (C$23), whereas the self-employed (C$3) and workers without a labor contract (C$7) have the lowest earnings. Median wages increase with every level of education; workers with university master degrees earn on average over 26 times more than workers without any formal education.

Managers and the professionals (C$30) have the highest median wages. They are followed by crafts and trades workers (C$22) and technicians and clerical support workers (C$19). The lowest paid workers are agricultural workers (C$7), followed by workers in elementary occupations (C$9). When all other controlling for the effects of other factors, like education, women earn significantly less than men.

In the sample, 58% is paid on or above the minimum wage and 42% is paid below. Only two in ten informal workers are paid above the minimum wage, compared to 80% of the formal workers. Women are more often paid above the minimum wage than men (62% versus 55%). Workers under 30 years and above 50 are particularly vulnerable, only 55% being paid on or above the minimum wage threshold. Workers in very small firms are very often paid under the minimum wage threshold (only 29% is paid the minimum wage). Workers without a contract are least likely to be paid the minimum wage rates (18%), and employees with a permanent contract are most often paid on or above the minimum wage (78%). Only just above one third of workers without education or with primary education are paid on or above the minimum wage, as compared to 99% of workers with second stage higher education degrees. Those who are least likely to be paid the minimum wage are workers in elementary occupations (36%), service and sales workers (39%) and agricultural workers (40%). By far the worst paid sector is that of trade, transport and hospitality, where only 18% of workers are paid the minimum wage. Public sector workers are best of, 81% getting the minimum wage.

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1 Introducing the survey

Aim of the survey

This WageIndicator Data Report presents the results of the face-to-face WageIndicator survey in Nicaragua, conducted between January and April 2012. The survey aimed to measure in detail the wages earned by Nicaraguan workers, including the self-employed. In total 1,302 persons were interviewed. This survey is part of the global WageIndicator survey on work and wages. These surveys are also posted on WageIndicator websites. The continuous, volunteer WageIndicator web-survey is an international comparable survey in the national language(s). The survey contains questions about wages, education, occupation, industry, socio-demographics, and alike.[1] Once a WageIndicator survey is created for use on a national WageIndicator website, a paper-based questionnaire for face-to-face interviews can be drafted from the web-survey. These paper-based surveys supplement the web-based surveys in countries with low Internet access rates.

The questionnaire

The WageIndicator survey was adapted from the global standard questionnaire to the Nicaraguan setting. Most of the questions were retained without changing the intended purpose. The questionnaire is available in one language, namely Spanish, see Table 1.

Table 1 Number of respondents and language of the survey

	Number of respondents	Percent
Spanish	1,302	100%

Source: WageIndicator face-to-face survey Nicaragua, 2012, unweighted data

Sampling and fieldwork

The sampling of the respondents was done by the *Instituto Centroamericano de Estudios Sociales y Desarrollo* (INCEDES). Most of the interviews were done in urban regions along the east coast, although interviews with agricultural workers were conducted in rural areas. During the field work the cooperation of interviewees was good and no major problems were encountered. INCEDES also took responsibility for the data-entry. The data-entry took place in the *WageIndicator* web-based data-entry module using a range of validity checks. The data-entry typists were trained for this data-entry work.

[1] See for more information about the survey Tijdens, K.G., S. van Zijl, M. Hughie-Williams, M. van Klaveren, S. Steinmetz (2010) Codebook and explanatory note on the WageIndicator dataset, a worldwide, continuous, multilingual web-survey on work and wages with paper supplements. Amsterdam: AIAS Working Paper 10-102. www.wageindicator.org/documents/publicationslist/publications-2010/codebook-and-explanatory-note-on-the-wageindicator-dataset.pdf

Weighting

Sampling is critical in reaching a national representative survey. In order to perfect the representativeness, weighting had to be applied. ILO's Estimates And Projections of the Economically Active Population (EAPEP 6th edition) was used for weighting according to gender and age. Table 2 shows the weights, indicating to what extent the gender/age group in the face-to-face survey was over- or underrepresented in comparison to the labor force estimates. If a weight is smaller than 1, the group is overrepresented. If the weight is larger than 1, the group is underrepresented. For one person in the sample the gender was unknown and therefore, this person was excluded from the weighted analysis. In this paper, all graphs and tables are derived from weighted data.

Table 2 Weights for the Nicaraguan survey according to age and gender distribution

	Weight	N
Male 14-29 years	1,18	282
Male 30-39 years	0,69	281
Male 40-80 years	1,18	233
Female 14-29 years	1,14	158
Female 30-39 years	1,00	142
Female 40-80 years	0,86	205
Total	1,0	1301

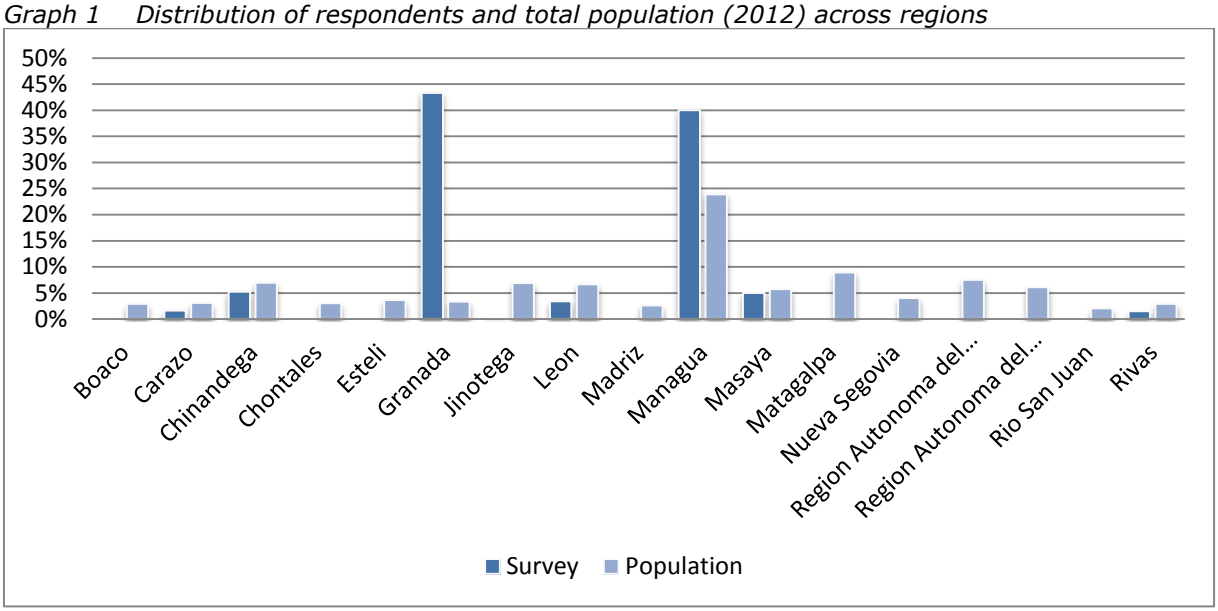
Source: The weights are based on the labor force estimates for 2012, derived from the Estimates And Projections Of The Economically Active Population (EAPEP 6th edition) database of the International Labor Organization (ILO).

2 Socio-demographic characteristics

Regions

The interviews were done in the Eastern coastal departments (Carazo, Chinandega, León, Managua, Masaya and Rivas) and in Granada; one interview was done in Jinotega and none in the inland departments or on the West coast. Over eight in ten interviewees lived in Granada (mainly in Granada city or Nandaime) or in Managua (mainly in Managua city). Due to this heavy focus, the information in this survey should first and foremost be interpreted as an overview of wages in the Eastern regions of Nicaragua. One third of respondents live in a city with over a million inhabitants, two in ten in a big city (between 100.000 and a million inhabitants), 36% lived in small city (10.000 to 100.000 inhabitants) and another ten percent live either in a village or in a rural area.

Graph 1 Distribution of respondents and total population (2012) across regions

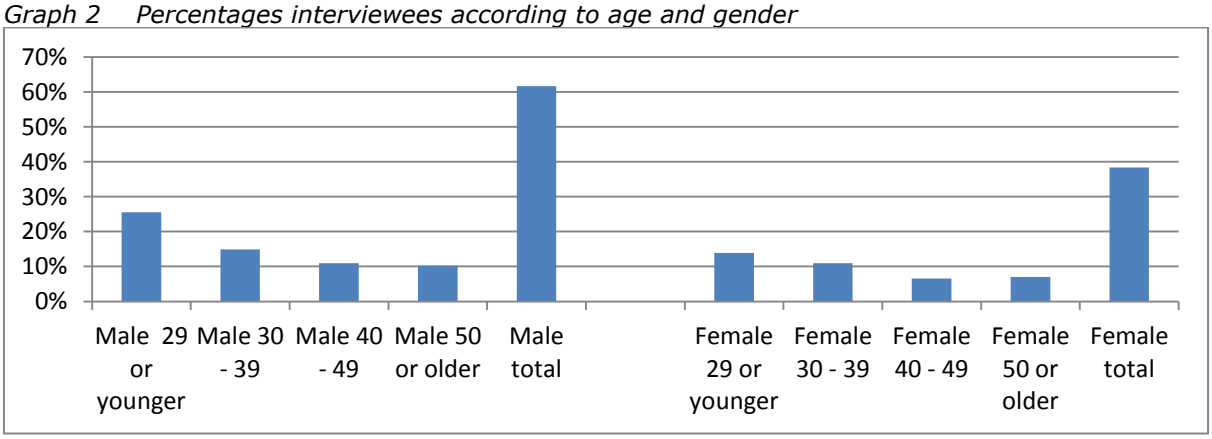


Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301)

Age and gender

Graph 2 reveals the distribution of the men and women in the survey over four age groups. More male than female workers were interviewed (62% versus 38%). Compared to older workers more young workers (men and women) aged 29 years or under were interviewed (40%).

Graph 2 Percentages interviewees according to age and gender

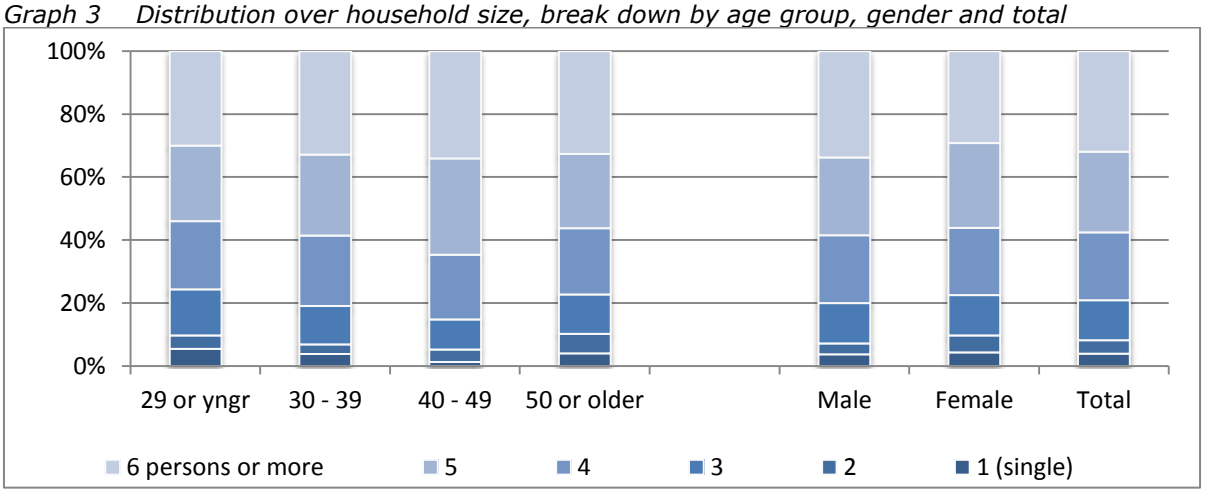


Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301)

Household composition

The workers in the survey live in households with on average almost 5 members, including themselves. Graph 3 shows that almost eight in ten workers live in a household with four or more members, whereas only four in a hundred live in single person households (see bar total). Not surprisingly, younger and older workers more often live in a single-person households. Age differences, however, a relatively minor. Male workers are about 4% more likely than females to live in a household of six or more and women 2% more likely to live with one other person, but the two do not differ substantially in this respect.

Graph 3 Distribution over household size, break down by age group, gender and total



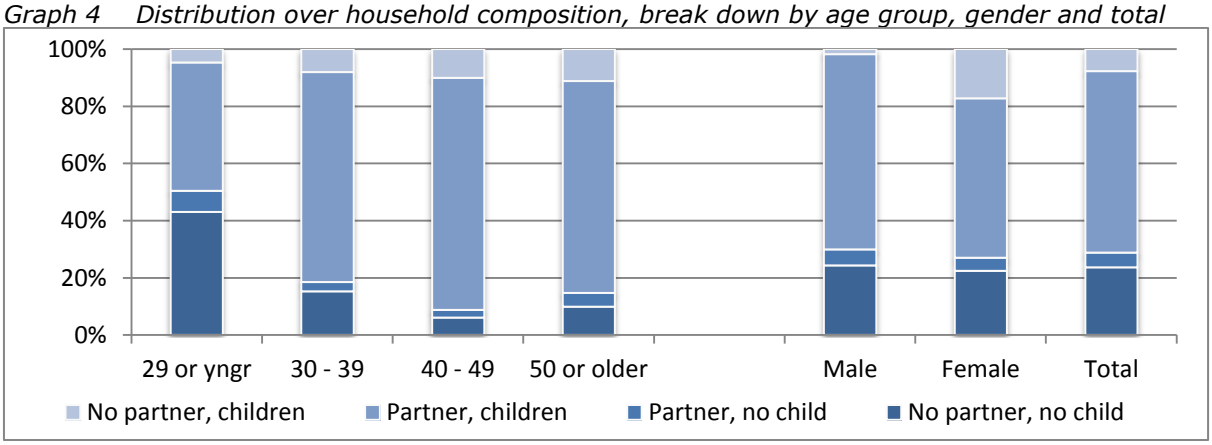
Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301)

Living with partner and children

Graph 4 shows whether men and women from different age categories live with partners and children. The survey explicitly asks for children in the household rather than own children, assuming that the worker most likely will have to provide for them. For men these percentages are roughly equal, 74% of men live with a partner and 70% live with children (68% live with both a spouse and children). However, while 73% of women live with children, only 60% live with a partner; 17% of women are single mums. Twenty four percent of men and 22% of women live without either a partner or children.

Not surprisingly, young workers live less often with a partner compared to the older workers. Forty three percent of those under 29 live with neither a partner nor children, whereas over three quarters of all other age groups live with both.

Graph 4 Distribution over household composition, break down by age group, gender and total



Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301)

3 Employment characteristics

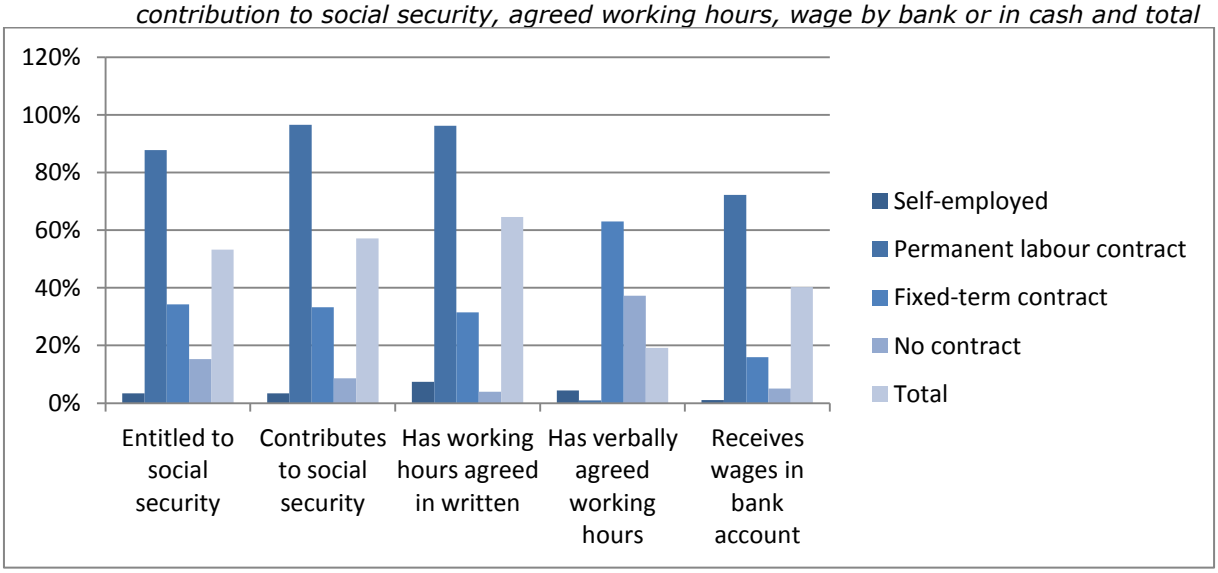
Labor force

According to the ILO economically active population estimates and projects, Nicaragua has an economically active population of just over 2,5 million people. The labor force participation rate is 80% for men and 47% for women. As is evident from the result in this report, the majority of women choosing to enter the labor market are highly educated. In urban areas the labor force participation rate was 52% and unemployment was as 10%. The 2011 ILO *Panorama Laboral*[2] outlines that 30% of the workers were employed in commerce, 27% in services, and 18% in industry and manufacturing. Agriculture, construction, transport and communications and finance were sectors each employing around five percent of the work force each. Some 55% of the work force were employees, 4% were bosses, 32% were self-employed, 5% domestic servants and 5% family workers.

Status in employment and labor contract

The survey distinguishes registered self-employed, employees with a permanent contract, with a fixed-term contract and workers without a contract. In the sample, nearly one in four workers are self-employed (23%). Half of the workers are employees with a permanent contract, 23% have a fixed term contract and four percent have no contract at all. A further breakdown shows that nearly two thirds of women work on permanent contracts, whereas men are much more likely to be self-employed or work on fixed term contracts. Due to the much larger share of men in the sample, and in the Nicaraguan labor market, men are do constitute more than half of all the groups nonetheless. Young people are less likely to have permanent contracts and more likely to work on fixed term contracts.

Graph 5 Distribution over status in employment, break down by entitlement to social security, contribution to social security, agreed working hours, wage by bank or in cash and total



Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 0 to 166 cases missing)

The survey included a question about entitlement to social security. Almost half of the workers (46%) state that they are not entitled, to social security. Graph 5 shows that nearly nine in ten workers on permanent contracts are entitled to social security, compared to 34% of workers on

[2] For more information see ILO *Panorama Laboral 2011 América Latina y el Caribe* http://www.ilo.org/public/libdoc/ilo/P/09577/09577(2011).pdf and the *Panorama Laboral 2009* http://www.trabajo.gob.hn/oml/PANORAMA%20LABORAL%202009%20OIT%20-%20AMERICA%20LATINA%20Y%20EL%20CARIBE.pdf

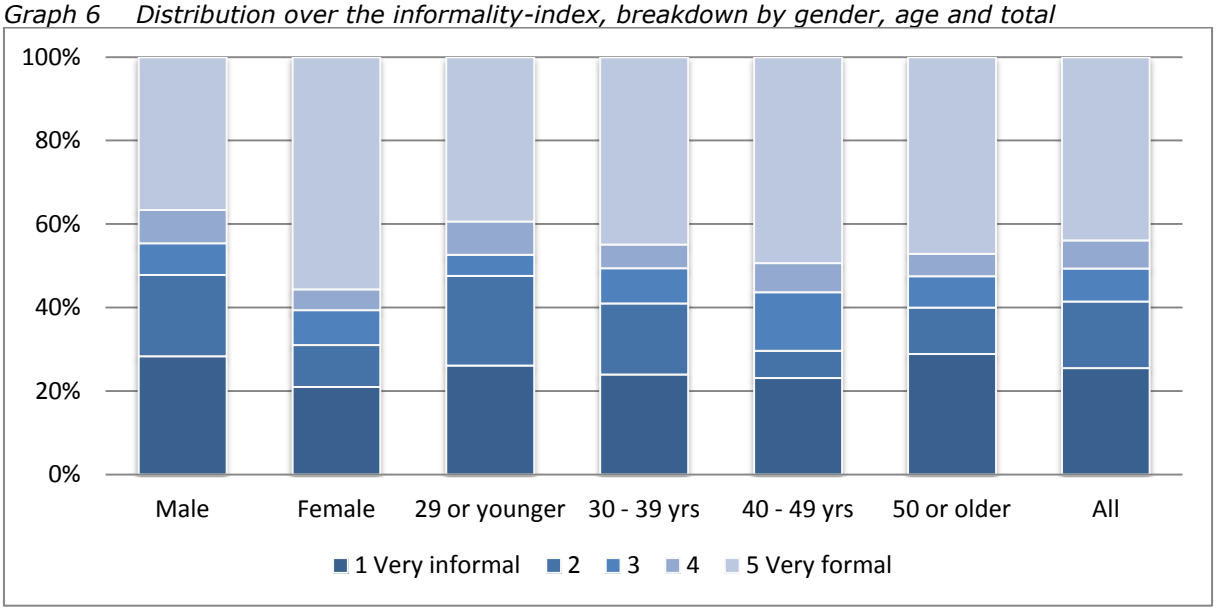
fixed term contracts, 15% of those without contracts and just 3% of the self-employed. Nearly six in ten workers say that they contribute, while less than half say they do not (no 43%, yes 57%). Graph 5 shows that 96% of permanent workers state that they contribute (nearly 10% more than those stating they are entitled to the benefits). One third of fixed term workers, 9% of workers without a contract and 3% of self-employed contribute to social security.

Informal work might relate to unlimited working hours. Some 16% of workers state that they have no agreed working hours, the remaining group has agreed working hours, either in writing or verbally (no 16%, in writing 65%, verbally agreed 19%). Graph 5 shows that permanent workers almost always have working hours agreed in written. Employees on fixed term contracts almost all have agreed working hours but are twice as likely to have verbally agreed their working hours than to have them in writing. Only four in ten workers without contract have agreed working hours, in most cases this is a verbal agreement. The self-employed almost never have agreed working hours (7% in writing, 4% verbal).

One survey question asked if wages were received in a bank account or cash in hand (by bank 40%, in cash 60%). Again, workers on permanent contracts are most likely to receive their wages in a bank account (72%), compared to 16% of fixed term workers, 5% of those without contracts and 1% of self-employed.

The data allow us to investigate who the formal and the informal workers are and to compute an informality-index. We identified the workers who are not entitled to social benefits, do not contribute to social security, and have no employment contract; this group is placed at the informal end of the spectrum. The workers who are entitled, do contribute and have a permanent contract are placed at the other end of the spectrum. Graph 6 shows that one in four workers are in the lowest two categories in the index (25%), whereas over four in ten are in the highest category (44%). The table shows that particularly the youngest workers are often found in very informal jobs and women are more likely than men to work in very formal jobs.

Graph 6 Distribution over the informality-index, breakdown by gender, age and total



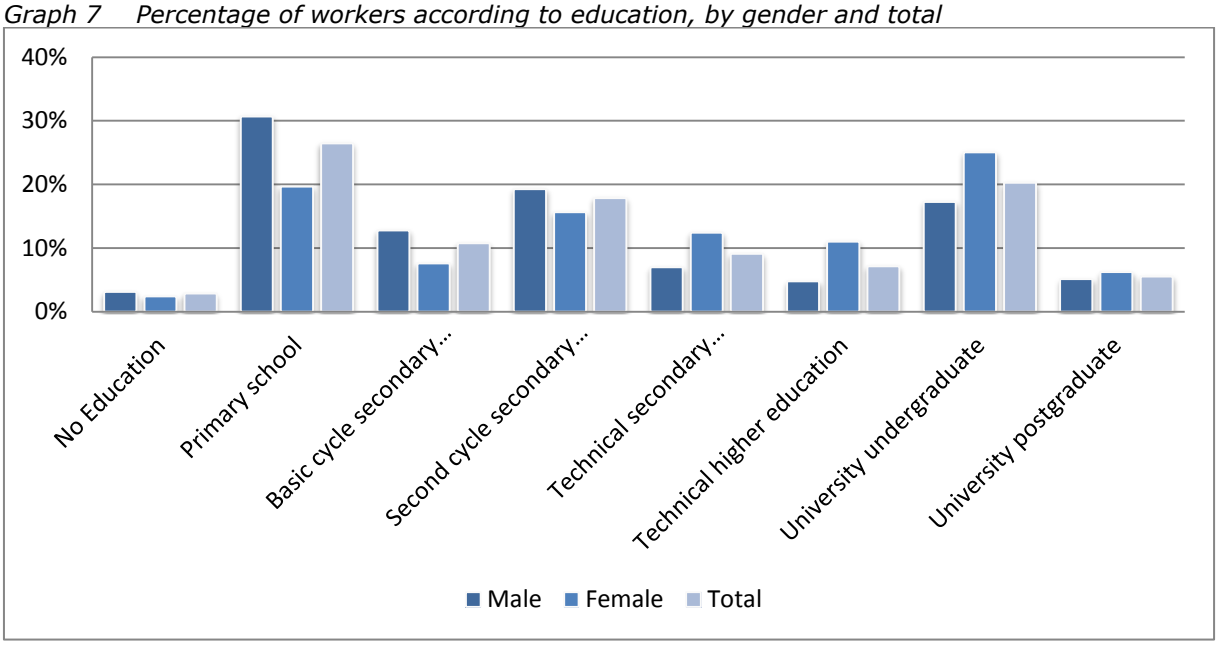
Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301)

Employment by educational category

As is shown in Graph 7, almost four in ten workers had diploma's from secondary education (38%) and just a little fewer (33%) finished some kind of tertiary education. A quarter of workers stopped at primary education (26%) and 3% have no formal education. Some gender differences regarding education arise. Women are significantly higher educated than men, which mainly shows from the far higher levels of women finishing tertiary education, whereas men drop out after primary or secondary education. Four in hundred workers report to be overqualified for their job and the same number of workers consider themselves under qualified (not in the graph). Workers who report being under qualified tend to have no, primary or basic secondary education. Reported over

qualification occurs most often among graduates of technical secondary education or university undergraduates.

Graph 7 Percentage of workers according to education, by gender and total

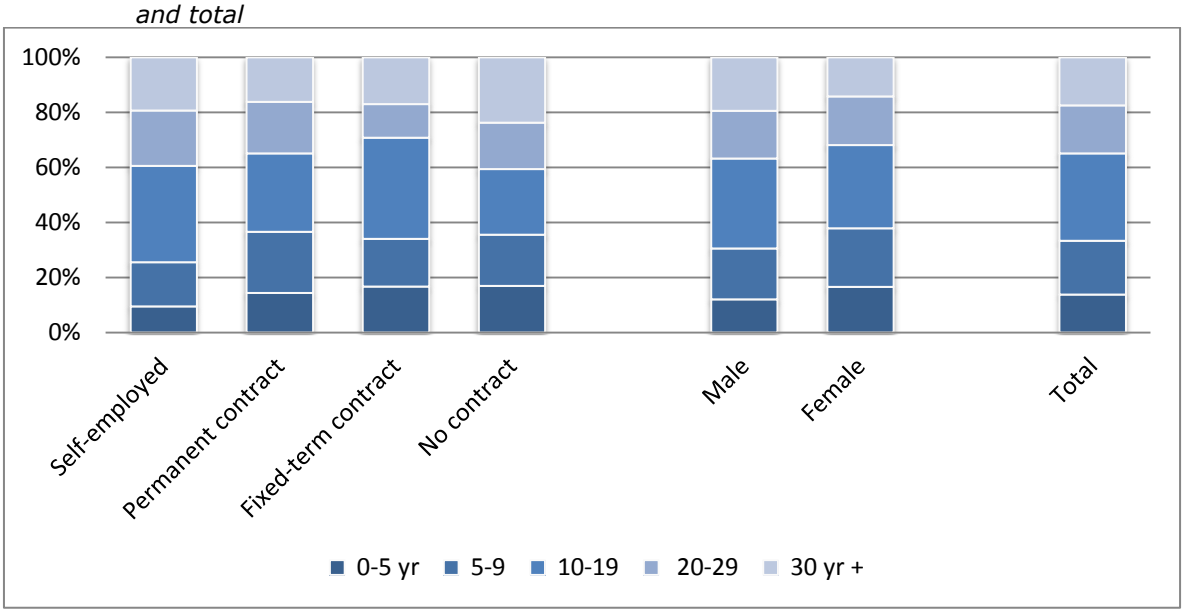


Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 5 cases missing)

Years of work experience

On average, the workers have worked for 12 years. One third of the sample have between 10 and 19 years of experience, as is shown in Graph 8. Fourteen per cent have worked between 5-9 years and another two in ten have worked for five to nine years. Twice 17% of respondents have either 20 to 29 or more than 30 years in the labor market. Few differences are found between the self-employed and workers on different kind of (or no) contracts. Men tend to have more work experience than women, with the exception of the self-employed.

Graph 8 Distribution over years of work experience, breakdown by employment status, gender and total



Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 1 case missing)

The survey has a few questions about employment spells. More than four in ten workers (43%) have experienced such a spell, but only 8% have experienced a spell for more than one year. No questions were asked about the reasons for the spell, but most likely these are due to unemployment. Compared to women, men experienced more spells out of employment.

Firm size

Four in ten people in the sample work in an organization with 10 or fewer employees, two in ten work in an organization with 11-50 employees and 32% work for businesses employing over a 100 people. Businesses of 51 to 100 employees are scarce in the sample (8%). Graph 9 shows that the self-employed work almost exclusively in small firms (89%). Furthermore, the less educated workers are, the more likely they are to work for small firms and workers with second stage higher education almost all work for big enterprises (96%) .

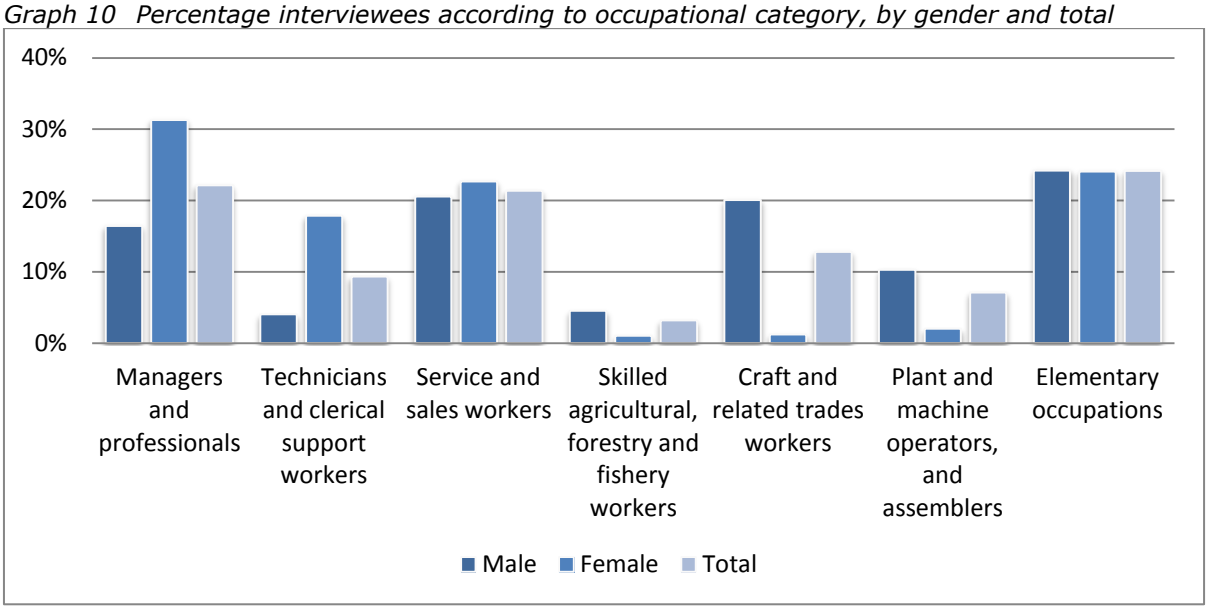
Graph 9 Distribution over firm size, break down by employment status, education and total

Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 1 case missing)

Employment by occupational category

The survey asks what occupations people have, attempting to get a representation of all kinds of occupational levels. For reasons of sample size, the managers and professionals have been recoded into a single group and technicians, associate professionals and clerical support workers into another Graph 10 shows that nearly one in four workers are employed in elementary occupations. More than two in ten workers work as managers and professionals. Sizeable groups of respondents work in services and sales (21%) and craft and trades (13%). The labor market appears strongly segregated between women and men, partly due to the fact that mainly highly educated women enter the labor market. Women hardly ever work in agriculture, crafts and trades or machine operations, while they are almost twice as likely as men to be professionals and managers (31% versus 16%) and much more probably to work as technicians or clerical support workers (18% of women, 4% of men).

Graph 10 Percentage interviewees according to occupational category, by gender and total

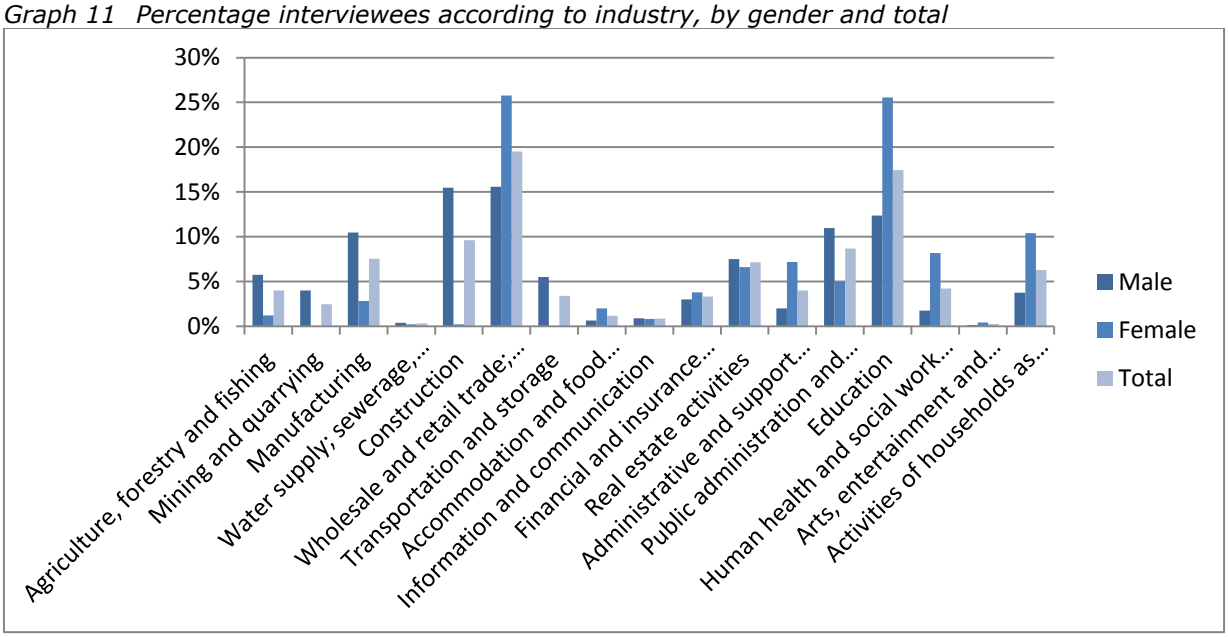


Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which4 missing cases)

Employment by industry

Some 34% of the interviewees work in the public sector, health care or education, women more so than men. One in four works in trade, transport and hospitality; 24% work in agriculture, manufacturing and construction, which are very male dominated sectors. The remaining 17% work in commercial services, while women are a little more likely to do so than men. A further breakdown, shown in graph 11, shows that the biggest sectors are wholesale and retail trade (20%) and education (17%).

Graph 11 Percentage interviewees according to industry, by gender and total



Source: WageIndicator paper survey Nicaragua, 2012, weighted data (N=1301)

4 Remuneration

Wage levels

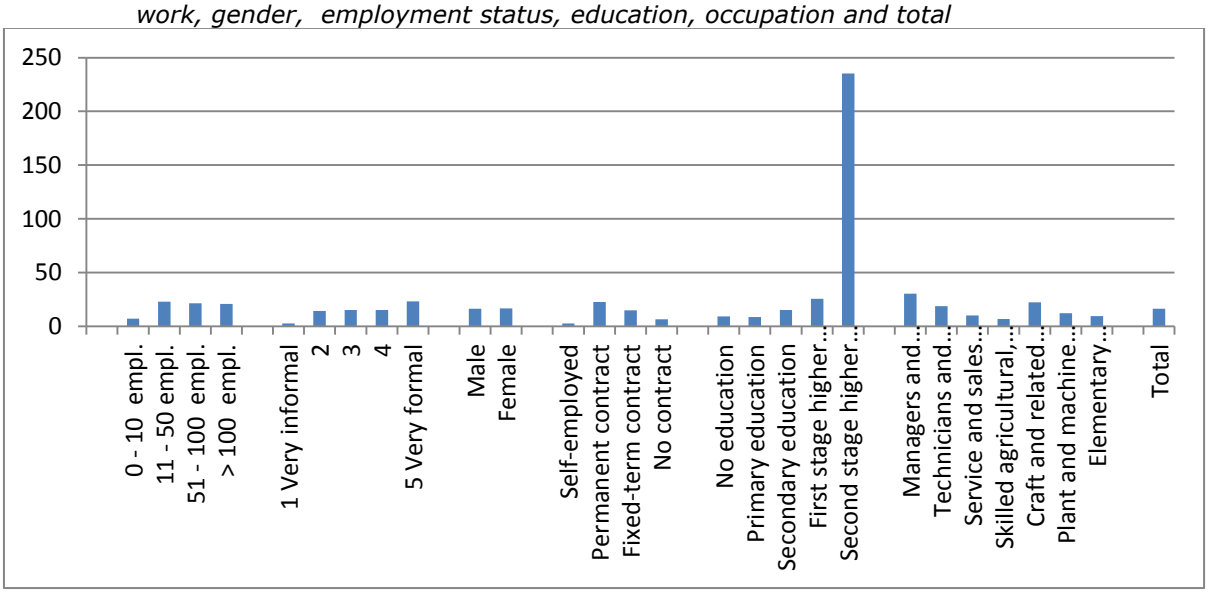
The median net hourly wage of the total sample is 16 Nicaraguan Córdoba (NIO), as Graph 12 shows. The median wage is the middle of all observations within a defined category, e.g. all female workers. It should not be confused with the average or mean wage, which is the sum of all wages of the individuals divided by the number of observations. The median has the advantage that it is not overly influenced by small numbers of high earners.

The most striking conclusion of a first look at the income distribution is the large inequality. Graph 12 reveals that workers in firms with less than ten employees, earn a lot less than employees of bigger firms. In the smallest firms, the median wage is 7 Córdoba, whereas in all other categories it is around 20 NIO. The graph also shows that the lower on the informality-index, the lower the net hourly wages. Those on the lowest end of the scale earn only C$3 per hour, whereas those in the highest end earn wages far above that (median is C$23). Employees with permanent contracts have by far the highest earnings (C$23), whereas the self-employed (C$3) and workers without a labor contract (C$7) have the lowest earnings. Median wages increase with every level of education, except in the step from no to primary education, which is probably an effect of those without any education are on average older and thus have more experience in the labor market. Strikingly, one group of earners stands far above any other group, being those who have completed a university master degree.

The graph shows the median wages by occupational category. Not surprisingly, the managers and the professionals (C$30) have the highest median wages. They are followed by crafts and trades workers (C$22) and technicians and clerical support workers (C$19). The lowest paid workers are agricultural workers (C$7), followed by workers in elementary occupations (C$9).

The graph depicts the wage differentials for several categories of workers. The impact of each category on an individual's net hourly wage can be investigated, controlled for the impact of the other categories (see Appendix 2). The results show that employees with a permanent contract receive higher wages compared to all other group of workers. More education pays off, whereas working for small companies has a negative effect on wages. Workers with a higher occupational status earn more. When all other controlling for the effects of other factors, like education, women earn significantly less than men.

Graph 12 Median net hourly wage in Nicaraguan Córdoba (NIO), break down by firm size, informal work, gender, employment status, education, occupation and total

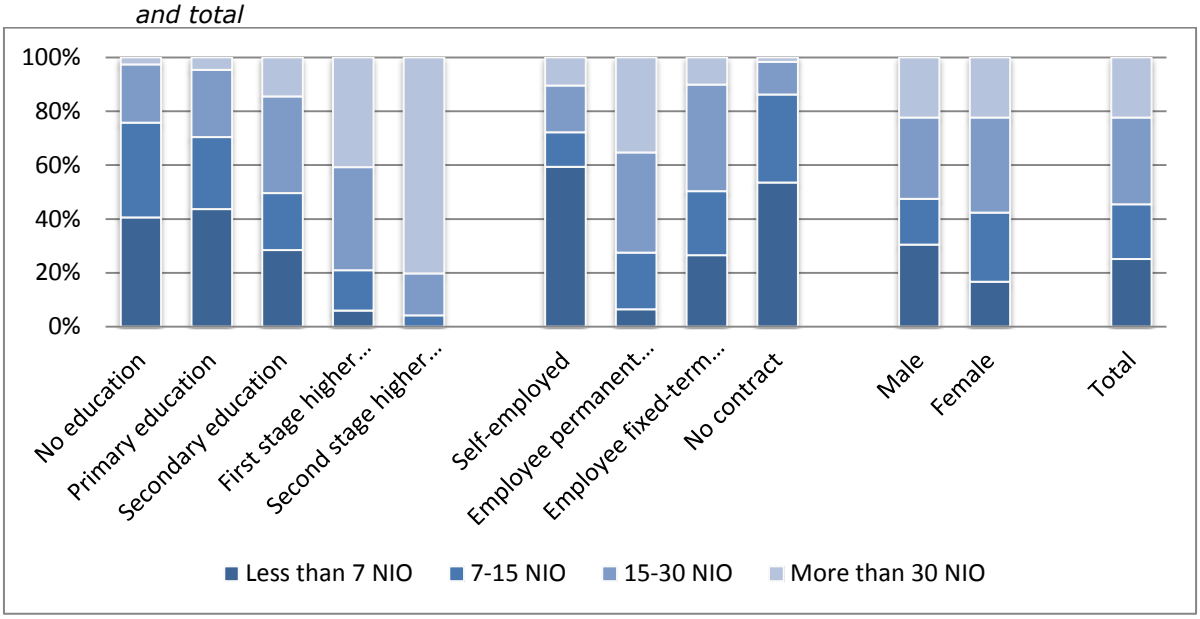


Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 2 to 7 cases missing)

The graph with the median wages certainly provides a clear picture of the remuneration of the workers in the survey. However, the distribution over several wage groups is of equal importance to explore. To do so, we divide the workers in four groups of approximately equal size. It is useful to keep in mind that lowest category of workers falls below any minimum wage threshold in Nicaragua.

Graph 13 shows that one in four workers in the sample earn less than C$7 net per hour, whereas just over two in ten earn more than C$30 Lempira (22%). Whereas more than two in five workers without any formal education or just primary education earn less than C$7, four in ten workers with first stage higher education and eight in ten with second stage higher education earn more than C$30 per hour. Three in five self-employed and half of those without a contract work for less than C$7 per hour, whereas more than one in three employees on permanent contracts are in the highest wage group. Women are more likely to be found in the two middle categories, whereas men are overrepresented in the lowest wage categories.

Graph 13 Distribution over hourly wages in NIO, break down by education, employment, gender and total



Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 2 to 8 cases missing)

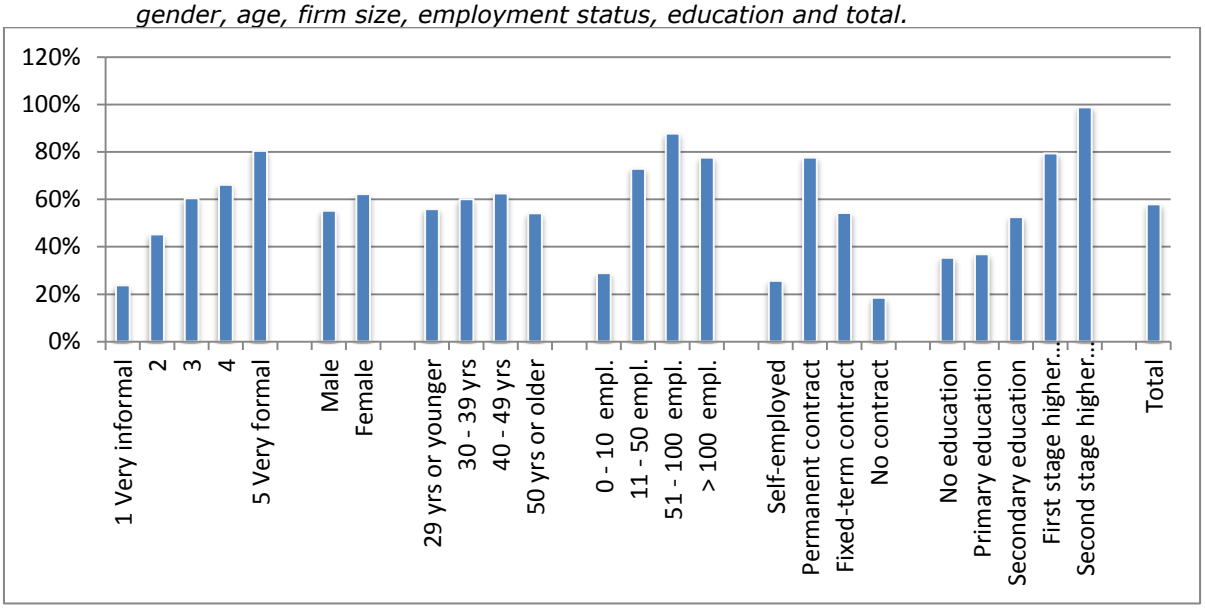
Minimum wage setting

Nicaragua has an extensive minimum wage setting, with different minimum wages for a range of sectors[3]. The minimum wages are established per month, day and hour by a tripartite committee of employers, unions and the labor ministry. The minimum wage rate range from C$8,94 per hour for agricultural workers to C$20,29 for workers in finance, construction and insurance.

In the survey, gross hourly and daily wages have been computed, based on the reported number of working hours per week. The result of the analysis shows that 58% of the sample is paid on or above the minimum and 42% is paid below the minimum wage threshold. Graph 14 shows in detail in which groups this occurs most frequently. Large differences are found according to the informality-index. Only two in ten informal workers are paid above the minimum wage, compared to 80% of the formal workers. Women are more often paid above the minimum wage than men (62% versus 55%). Workers under 30 years and above 50 are particularly vulnerable, only 55% being paid on or above the minimum wage threshold. Workers in very small firms are very often paid under the minimum wage threshold (only 29% is paid the minimum wage). Workers without a contract are least likely to be paid the minimum wage rates (18%), and employees with a permanent contract are most often paid above the minimum wage (78%). Only just above one third of workers without education or with primary education are paid on or above the minimum wage, as compared to 99% of workers with second stage higher education degrees.

[3] See Tusalario.org/nicaragua/portada/salario/salario-minimo

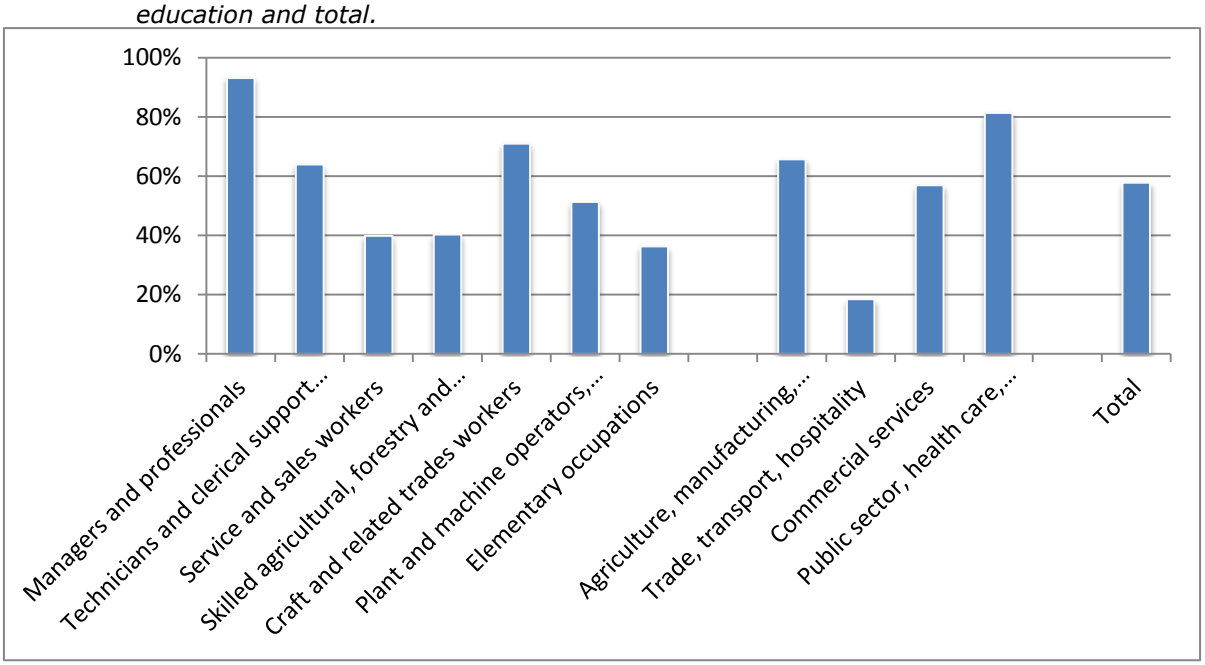
Graph 14 Percentages of workers paid above the minimum wage threshold, by informality index, gender, age, firm size, employment status, education and total.



Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301)

Occupations vary widely with respect to which the workers are paid above the minimum wage threshold. Managers and professionals are almost always paid above the minimum wage (93%). Crafts and trades workers (71%), technicians and clerical support workers (94%) as well as plant and machine operators (51%) are paid on or above the minimum wage in the majority of the cases. Those who are least likely to be paid the minimum wage are workers in elementary occupations (36%), service and sales workers (39%) and agricultural workers (40%). By far the worst paid sector is that of trade, transport and hospitality, where only 18% of workers are paid the minimum wage. Public sector workers are best of, 81% of them getting the minimum wage. The impact of each category on an individual's outcome can be investigated, controlled for the impact of the other categories (see Appendix 2). This shows that particularly the formality of the job, firm size and occupational status affect the likelihood of being paid on or above the minimum wage.

Graph 15 Percentage of workers paid above the minimum wage threshold, by occupation, education and total.



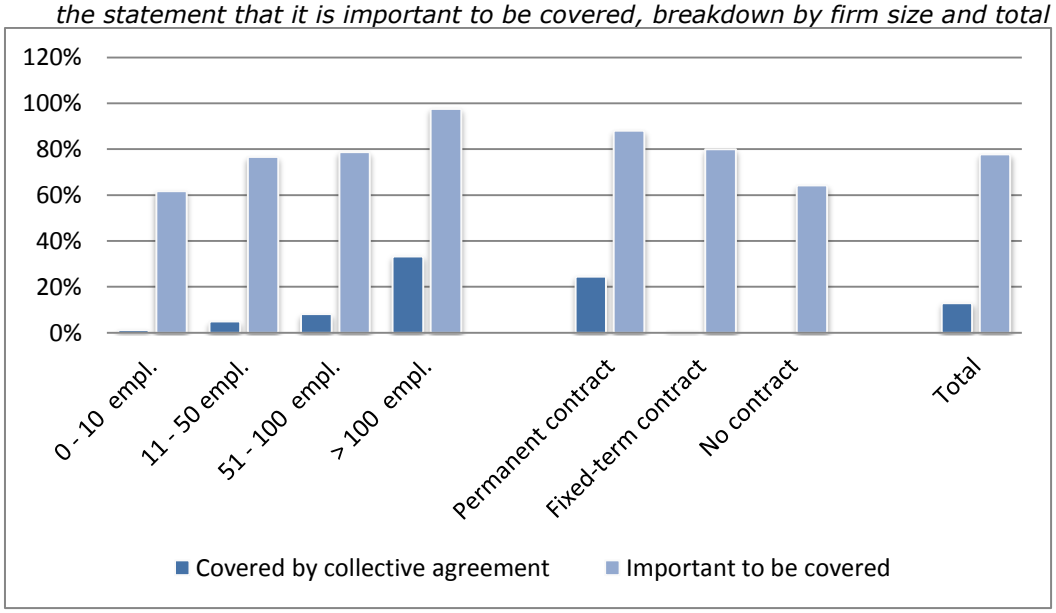
Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 4 to 5 cases missing)

Bargaining coverage

Collective agreements are a main instrument for wage setting. This raises the question to what extent the workers in the survey are covered by an agreement. Only 13% of respondents are covered (see graph 16). This ranges from 1% of works in companies of less than 10 people, to one third of the workers in companies employing more than a hundred workers. A quarter of all workers on permanent contracts are covered, 7% of those on fixed term contracts and no workers without contracts are. The Appendix holds an analysis which workers are covered by an agreement if controlled for other characteristics. It shows that more highly educated workers and workers in higher status occupations are more likely to be covered, whereas those working for small firms are less likely.

The survey has a question asking whether workers think that it is important to be covered by a collective agreement. Whereas 13% of workers are covered, 78% wish to be covered. This percentage is highest for employees on permanent contracts (88%) in big firms (97%) and lowest for those without contract (64%) and in small firms (62%). From these data, we can conclude that workers in Nicaragua see collective agreements are a positive force in the labor market.

Graph 16 Percentage of workers covered by a collective agreement and percentage agreeing with the statement that it is important to be covered, breakdown by firm size and total

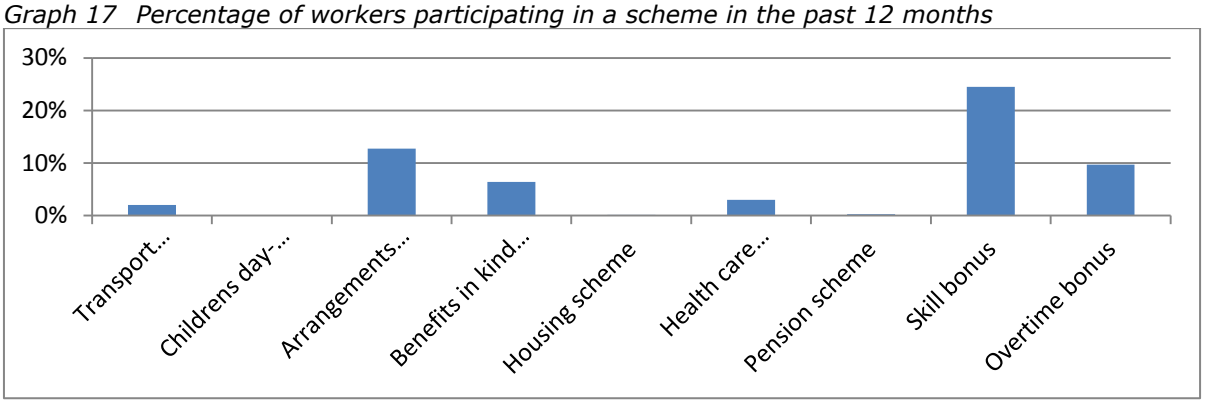


Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 18 to 68 cases missing)

Participation in schemes and receiving allowances

The survey has several questions about participation in schemes and bonuses. These questions are asked to both the employees and the self-employed. Graph 17 shows that participation is generally low and that reimbursements of expenses and skill bonuses are most common. Only 3% participate in a health insurance scheme and pension schemes are even more rare. Some 6% of workers receive benefits in kind and 10% get an overtime bonus.

Graph 17 Percentage of workers participating in a scheme in the past 12 months



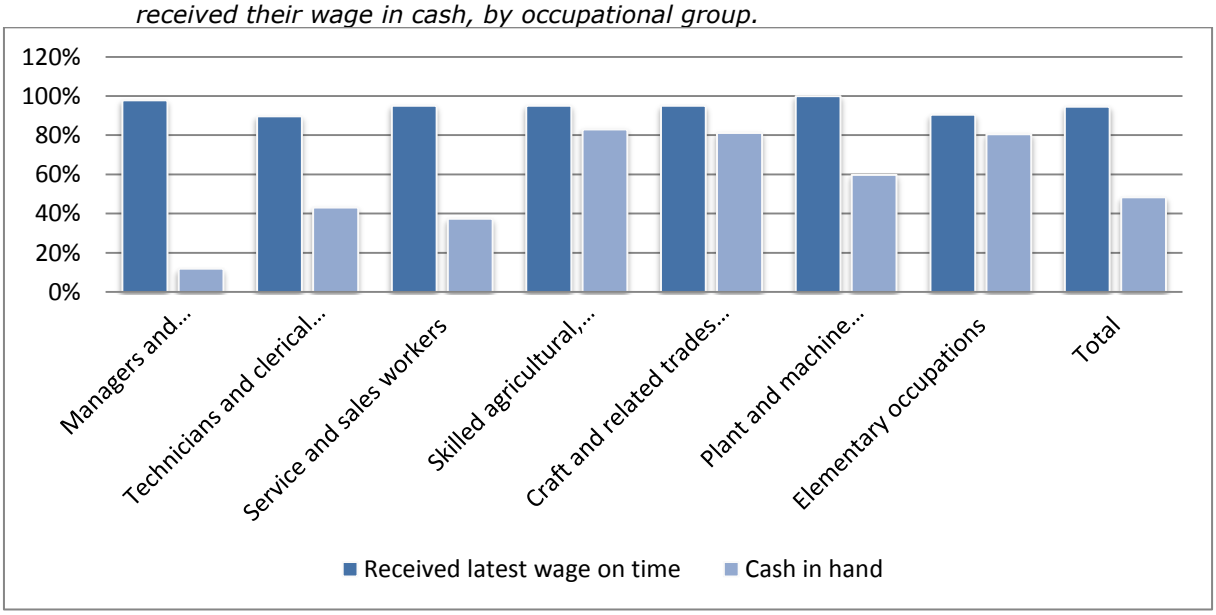
Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 0 to 295 cases missing)

Wages on time and cash in hand

The survey asks employees whether they received their wage on time and whether they received it by a bank draft or cash in hand. Graph 18 shows that 95% of the workers report receiving their wage on time, with fairly little variation between the different occupational groups.

Almost half of the workers receive their wage cash in hand. In this care, there are large differences between the occupational categories. Agricultural workers (83%), crafts and trades workers (81%) and those in elementary occupations (80%) very often receive wages in cash, whereas hardly any managers and professionals do (12%).

Graph 18 Percentages of employees reporting that they received their wage on time and that they received their wage in cash, by occupational group.



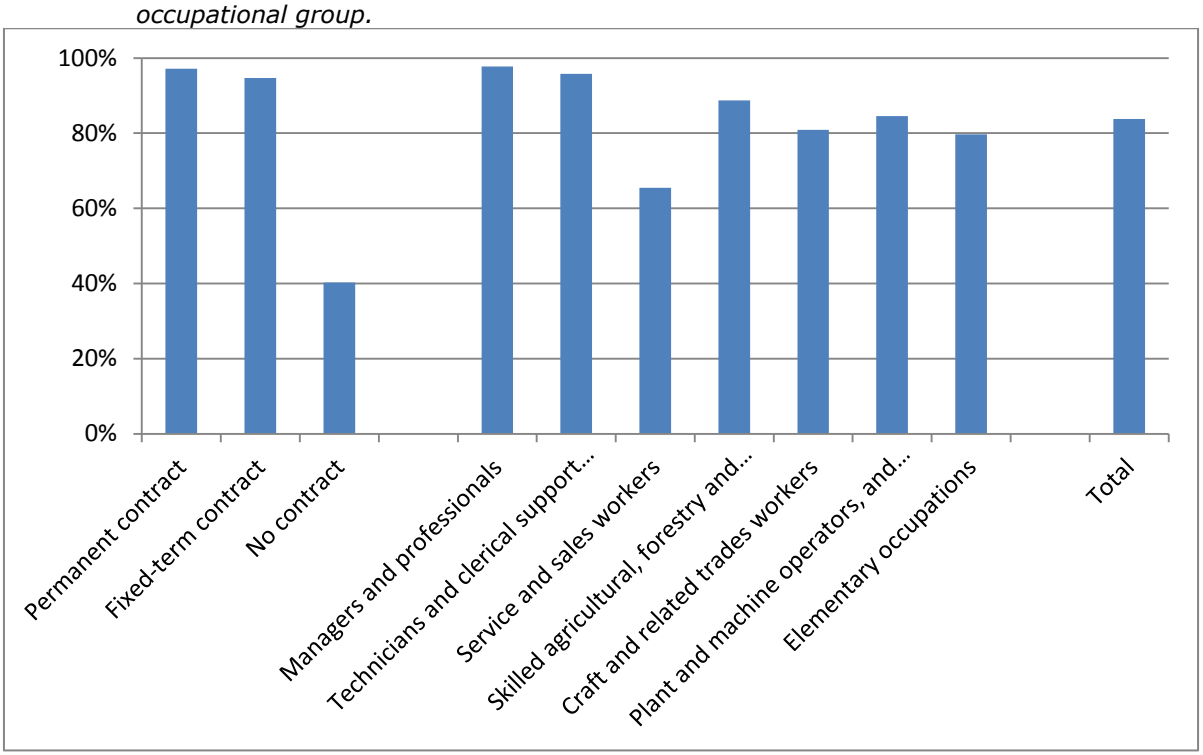
Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 294 to 297 cases missing)

5 Working hours

Working hours agreed

One survey question asks if the respondents have agreed their working hours with their employer, either in writing or verbally. The large majority, 84%, have agreed working hours, as Graph 19 shows. This is highest for the employees with a permanent contract (97%) and lowest for the workers without a contract (40%). Managers and professionals (98%), followed by technicians and clerical support workers (96%), most often have agreed working hours. Service and sales workers least often have agreed working hours (65%), followed by workers in elementary occupations (80%).

Graph 19 Percentages of employees with agreed working hours, by employment status and occupational group.

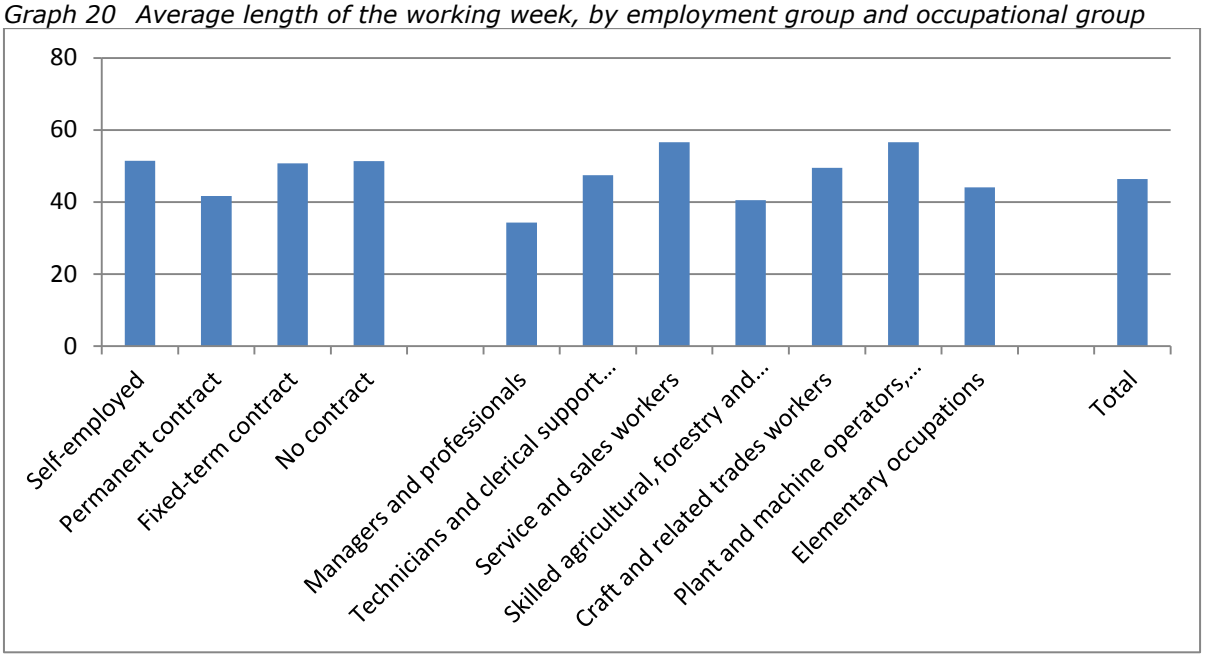


Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data, (N=1301, of which 168 to 172 cases missing)

Usual working hours

Graph 20 shows that the average working week of respondents is just over 46 hours, which is shorter than the maximum 48 hours working week. Employees without contracts and self-employed work the longest hours (51) and those on permanent contracts the shortest (42 hours). The service and sales workers as well as plant and machine operators work on average 56 hours per week, whereas managers and professionals work 34.

Graph 20 Average length of the working week, by employment group and occupational group

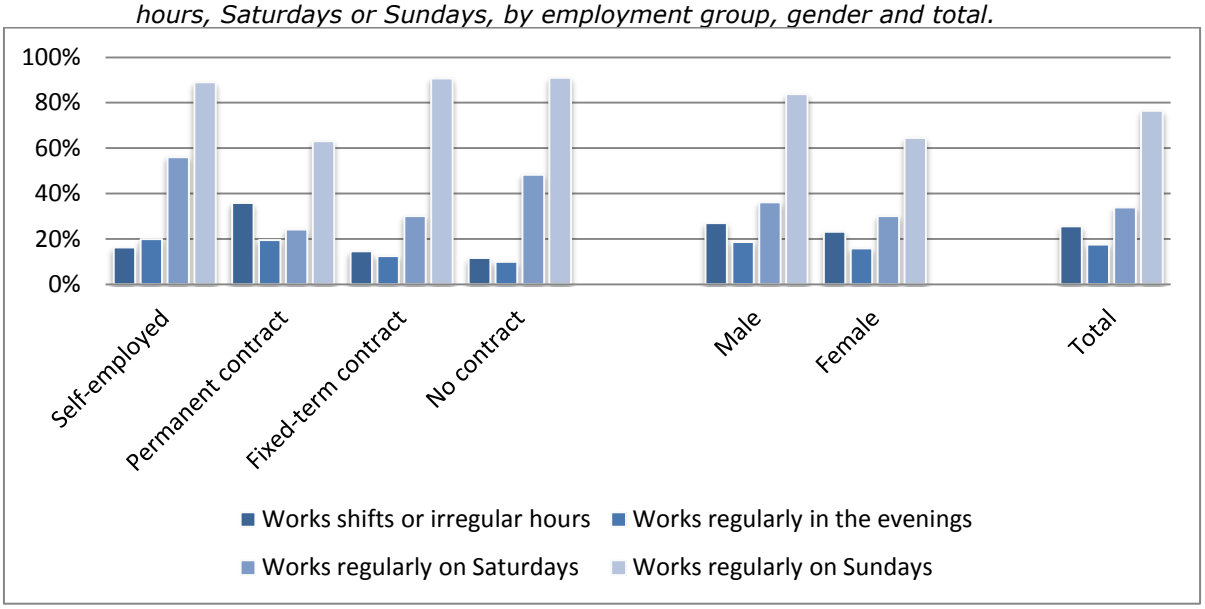


Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 0 to 4 cases missing)

Shifts or irregular hours

The survey includes a question asking if the respondent works shifts or irregular hours. Graph 21 shows that a quarter of the workers report doing so. The incidence of shift work or irregular hours is highest for employees on permanent contracts. Men do so slightly more often than women. Working in the evenings is reported by 17% of workers in the sample, most frequently by the self-employed and more so by men than by women. One in three workers report working Saturdays, while three in four work Sundays. Working regularly on Saturdays occurs most often among the self-employed and among men. In contrast, workers without a contract and on fixed term contracts most often work Sundays; again, men do so more often than women.

Graph 21 Percentages of workers reporting to be working in the evenings, shift work or irregular hours, Saturdays or Sundays, by employment group, gender and total.

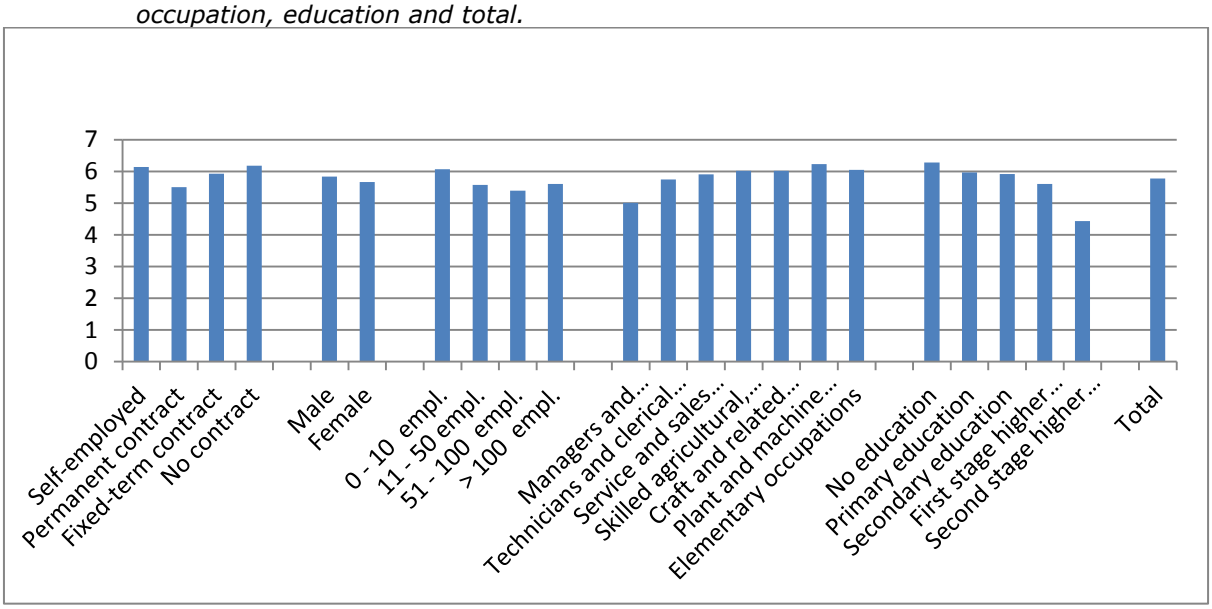


Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 1 to 2 cases missing)

Average working days per week

On average, the workers in Nicaragua report to be working nearly six days a week. Graph 22 shows that the employees without a contract work and the self-employed more days than the average, as so do the men, the workers in small firms and workers with at most secondary education. All occupational groups except managers and professionals work more than the average number of days; the longest working weeks are made by plant and machine operators, followed by workers in elementary occupations.

Graph 22 Average number of working days per week, by employment status, gender, firm size, occupation, education and total.

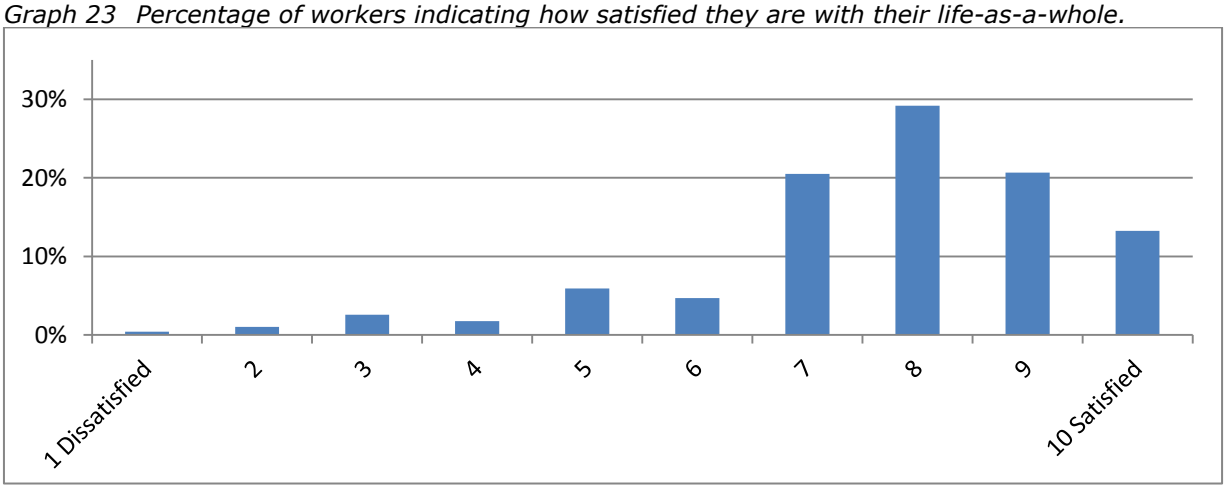


Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 0 to 5 cases missing)

6 Satisfaction with life-as-a-whole

The survey includes a question about satisfaction with life-as-a-whole, to be judged on a scale from 1 – dissatisfied - to 10 – satisfied. As the graph shows, nearly nine in ten respondents rates their lives a six or higher, almost two thirds even rate it an 8 or higher. On average, the interviewees score a 7,7.

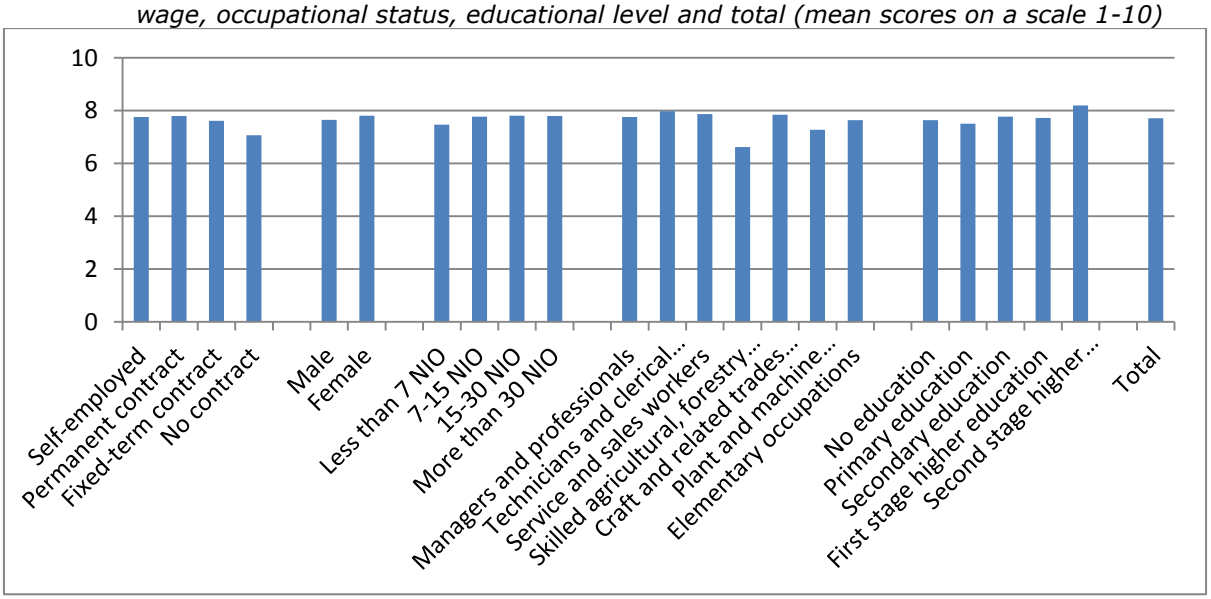
Graph 23 Percentage of workers indicating how satisfied they are with their life-as-a-whole.



Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 1 case missing)

Groups do differ with respect to their life satisfaction as a whole, although all groups except agricultural workers have average scores above 7. Graph 24 shows a breakdown for several groups. Workers without a contract are on average less satisfied with life than the other workers. Women seem slightly more satisfied than men. Workers with earnings below 7 NIO per hour are less satisfied than those with higher wages. Managers, professionals, technicians, clerical support workers, service and sales workers and crafts and trades workers all have above-average scores. Workers with second stage higher education are the most satisfied in the entire sample. When explaining the variance in life satisfaction, however, only educational level significantly contributes to happiness (model included in the appendix).

Graph 24 Average satisfaction with life-as-a-whole, breakdown by employment status, gender, wage, occupational status, educational level and total (mean scores on a scale 1-10)



Source: WageIndicator face-to-face survey Nicaragua, 2012, weighted data (N=1301, of which 1 to 6 cases missing)

Appendix 1 List of occupational titles

CODE ISCO0813	Occupational title	Frequency
1345030000000	Secondary school manager	6
2221990000000	Nurse, all other	43
2310120000000	Post-secondary education teacher, other subjects	40
2310260000000	University lecturer, other subjects	40
2320990000000	Vocational education teacher, other subjects	45
2330990000000	Secondary education teacher, other subjects	38
2341010000000	Primary school teacher	46
2411010000000	Accountant	42
3313990000000	Account manager, all other clients	23
4120060000000	Secretary	43
4211010000000	Bank teller (front-office)	52
5211010000000	Stall sales person, kiosk sales person	52
5211020000000	Market vendor	45
5212010000000	Street vendor (food products)	47
5244010000000	Call center agent outbound	40
5244020000000	First line supervisor call center agents	40
5414010000000	Security guard	48
6111030000000	Field crop or vegetable farm worker	40
7112010000000	Bricklayer	47
7113070000000	Stone mason	32
7115010000000	Carpenter	50
7119050000000	First line supervisor construction workers	42
8189990000000	Stationary plant and machine operator, all other	42
8331010000000	Bus driver public transport	50
9111010000000	Domestic cleaner	88
9520010000000	Street vendor, non-food products	48
9520130000000	Newspapers vendor	38
9611010000000	Refuse collector	39
9613010000000	Sweeper, street cleaner	42
9622010000000	Handyperson	50
	Missing	4
	Total	1302

Appendix 2 Regressions

Dependent variable: log net hourly wages					
	B	Std. Error	Beta	t	Sig.
Constant	1,817	,103		17,647	,000
Female	-,120	,056	-,052	-2,135	,033
Educational level	,091	,031	,102	2,947	,003
Employee permanent contract	,216	,070	,095	3,085	,002
Firmsize 1-5 empl	-,584	,078	-,229	-7,489	,000
Firmsize 6-10 empl	-,121	,113	-,026	-1,070	,285
Firmsize 11-20 empl	-,059	,093	-,016	-,642	,521
Tenure	,001	,003	,005	,199	,842
Socio-Econ. Index of occ. status (ISEI 11-76)	,024	,002	,378	11,861	,000
N	1142				
R-square	,380				

Dependent variable: Paid up or above the applicable minimum wage threshold yes/no						
	B	S.E.	Wald	df	Sig.	Exp(B)
informality index	,126	,062	4,170	1	,041	1,134
Firmsize 1-5 empl	-1,791	,228	61,493	1	,000	,167
Firmsize 6-10 empl	-,829	,285	8,464	1	,004	,436
Firmsize 11-20 empl	-,352	,266	1,749	1	,186	,703
Employee on permanent contract	,005	,091	,003	1	,953	1,005
Educational level	,062	,114	,293	1	,588	1,064
Female	,104	,161	,419	1	,518	1,110
Lives with partner	,188	,219	,736	1	,391	1,206
Lives with child	,201	,229	,770	1	,380	1,222
Age	-,010	,007	2,388	1	,122	,990
Socio-Econ. Index of occ. status (ISEI 11-76)	,052	,007	54,510	1	,000	1,054
Constant	-1,280	,470	7,420	1	,006	,278
N	1242					
-2 Log Likelihood	1220,06					

Dependent variable: Covered by a collective agreement yes/no (excl. don't know answers)						
	B	S.E.	Wald	df	Sig.	Exp(B)
Employee on permanent contract	3,042	,573	28,171	1	,000	20,945
Educational level	,896	,142	40,030	1	,000	2,449
Female	,136	,214	,406	1	,524	1,146
Firmsize 1-5 empl	-1,820	,583	9,758	1	,002	,162
Firmsize 6-10 empl	-1,534	,708	4,690	1	,030	,216
Firmsize 11-20 empl	-2,402	,672	12,780	1	,000	,090
Tenure	-,022	,011	3,816	1	,051	,978
Socio-Econ. Index of occ. status (ISEI 11-76)	-,057	,008	51,246	1	,000	,945
Constant	-4,199	,689	37,086	1	,000	,015
N	1224					
-2 Log Likelihood	569,268					

Dependent variable: Satisfaction with life as-a-whole (1 – dissatisfied to 10 – satisfied, excluding values 1 and 10 in the analyses)

	B	Std. Error	Beta	t	Sig.
Constant	6,857	,249		27,567	,000
Employee on permanent contract	-,004	,112	-,001	-,035	,972
Education level	,234	,053	,188	4,430	,000
Female	,102	,100	,032	1,013	,311
Less than 7 NIO	-,134	,167	-,037	-,806	,420
7-15 NIO	-,106	,162	-,027	-,658	,511
15-30 NIO	,095	,132	,029	,718	,473
Living with a partner	,130	,143	,039	,908	,364
Living with a child	-,072	,151	-,021	-,476	,635
<29 years	,052	,119	,017	,441	,659
30-39 years	,021	,075	,023	,275	,784
40-49 years	-,103	,073	-,118	-1,413	,158
Socio-Econ. Index of occ. status (ISEI 11-76)	-,003	,004	-,031	-,730	,466
N	1111				
R-squared	0,061				

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