Wages in Costa Rica

WageIndicator survey 2012

MSc Janna Besamusca
University of Amsterdam, AIAS, Netherlands

Dr Kea Tijdens
University of Amsterdam, AIAS, Netherlands

Silvia Irene Palma and Luis Edgar Arenas
INCEDES, Guatemala

WageIndicator.org

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.

Address: WageIndicator Foundation, Plantage Muidergracht 12, 1018TV Amsterdam,
The Netherlands, office@wageindicator.org

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, researching 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, Tusalario.org/costarica.

Executive summary

This WageIndicator Data Report presents the results of the face-to-face WageIndicator survey in Costa Rica, conducted between January and July 2012. In total 1,300 persons were interviewed, 63% of which were men and 33% were under 29 years old. The workers in the survey live in households with on average 4 members, including themselves. Men are more likely to live with a partner (56%) than to live with children (49%), whereas women are more likely to live with children (55%) than with a partner (45%). Forty per cent of men and 35% of women live without either a partner or children. Nearly four in ten workers had diplomas from secondary education (38%) and just a little fewer finished primary education (28%) or university bachelor degrees (24%). Women were significantly higher educated than men. On average, the workers have worked for 13 years. On average, the interviewees score an 8 with respect to their life satisfaction as a whole.

More than two in ten workers are employed in elementary occupations (23%), 22% work in services and sales occupation and 18% as technicians or associate professionals. Two in ten people work in agriculture, manufacturing or construction; 28% work in trade, transport and hospitality, 19% in commercial services and 32% in the public sector, education or health care. Just over half of the respondents (55%) are employees on permanent contracts; a further 16% have fixed term contracts, are self-employed (15%) or work without a contract (14%).

Eight in ten workers are entitled to social security and even more (86%) state that they contribute. Workers on permanent contract are almost always entitled to social security, followed by 86% of fixed term contracts, 58% of workers without a contract and 30% of self-employed. Sixteen per cent of workers state that they have no agreed working hours, the remaining group has agreed working hours, either in writing or verbally (in writing 68%, verbally agreed 16%). Some 68% of respondents receive wages by bank transfer, 32% get them in cash. Three in ten workers are covered by collective agreements, whereas 58% wish to be covered. Most wages are paid on time.

The average working week of respondents is almost 50 hours in 6 days per week. Employees without contracts and self-employed work the longest hours (57 and 56 hours respectively) and those on permanent contracts the shortest (46 hours). At 59 hours crafts and trades workers have the longest working week, followed by service and sales workers (54 hours per week). Professionals work least, 43 hours per week. Three in ten workers report working Saturdays, while nearly six in ten work Sundays. Average working days per week

The median net hourly wage of the total sample is 1250,34 Costa Rican cólones. Workers in the most informal jobs earn just over half of the median wage (674 CRC), whereas those in the highest end earn wages far above that (median is 1674 HNL). Employees with permanent contracts have by far the highest earnings (1624 cólones), whereas the self-employed have the lowest earnings (795 CRC), followed by employees without a contract (845 CRC). Median wages increase with every level of education. The median wage of men is 1166 cólones and that of women is 1474 CRC. Managers and the professionals (5774 and 3199 CRC) have the highest median wages, followed by technicians (1399 CRC) and clerical support workers (1353 CRC). The lowest paid workers are crafts and trades workers (894 CRC), followed by plant and machine operators (914 CRC).

Three quarters (74%) of the sample is paid on or above the minimum and 26% is paid below the minimum wage threshold. Less than four in ten of the most informal workers are paid above the minimum wage, compared to nearly nine in ten of the formal workers. Women are more often paid above the minimum wage than men (84% versus 69%). Only just over half (53%) of the workers in companies with less than 10 employees are paid on or above the minimum wage threshold. The self-employed are least likely to be paid the minimum wage rates (35%), followed by those workers without a contract (41%). In contrast, employees with a permanent contract are most often paid above the minimum wage (86%) and those on fixed term contracts follow closely (81%). Managers and professionals and technicians in the sample are all paid on or above the minimum wage rate. Crafts and trades workers are least often paid on or above the minimum wage (51%). Workers with primary education are least often paid the minimum wage (56%), whereas the workers with higher education degrees are almost universally paid above 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 Costa Rica, conducted between January and July 2012. The survey aimed to measure in detail the wages earned by Costa Rican workers, including the self-employed. In total 1,300 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 Costa Rican 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	1,300	100%

Source: WageIndicator face-to-face survey Costa Rica, 2012, unweighted data

Sampling and fieldwork

The sampling of the respondents was done by the *Instituto Centroamericano de Estudios Sociales y Desarrollo* (INCEDES). 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. In this paper, all graphs and tables are derived from weighted data.

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

	Weight	N
Male 14-29 years	1,12	239
Male 30-39 years	0,80	253
Male 40-80 years	1,07	329
Female 14-29 years	1,05	158
Female 30-39 years	0,96	132
Female 40-80 years	0,98	189
Total	1,0	1300

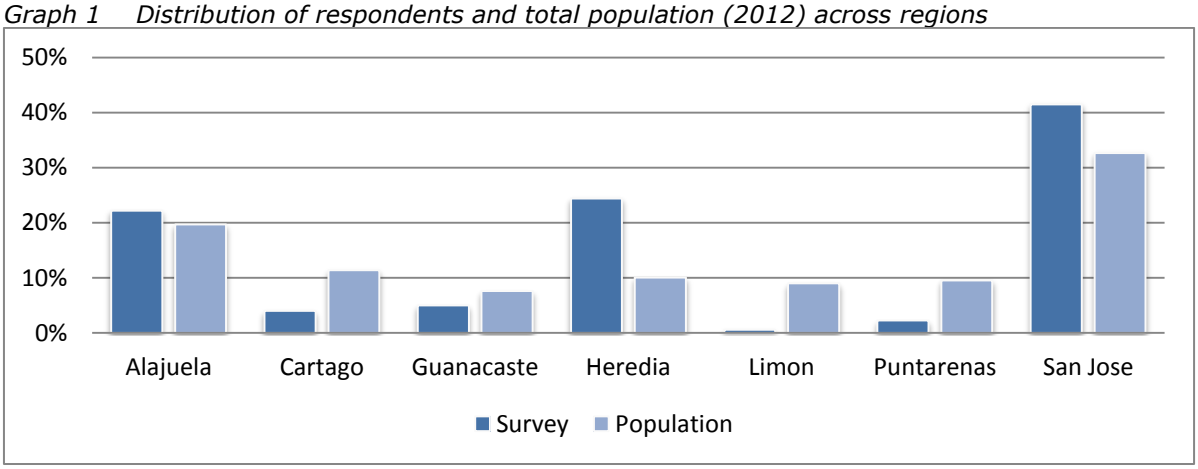
Source: The weights are based on the labor force estimates for 2012, derived from the Estimates And Projections Of The Economically Active Population (EAPEP 6th edition) database of the International Labor Organization (ILO).

2 Socio-demographic characteristics

Regions

By and far the largest number of respondents are drawn from three regions: San José (41%), Heredia (24%) and Alajuela (22%), all of which are overrepresented in the sample. Cartago and Guanacaste make up around 5% of the sample each, whereas hardly any people were interviewed in Puntarenas and Limon. Thus, the coastal provinces of Costa Rica are underrepresented in this survey, whereas the landlocked regions are overrepresented. Three quarters of the respondents lived in small cities, housing between 10.000 and 100.000 inhabitants.

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

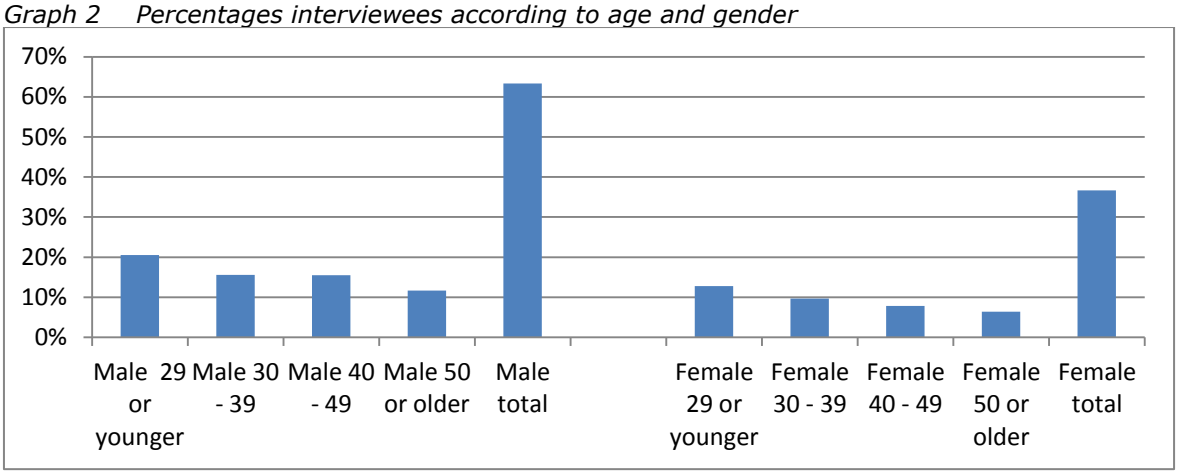


Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300)

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 (63% versus 37%). Compared to older workers more young workers (men and women) aged 29 years or under were interviewed (33%).

Graph 2 Percentages interviewees according to age and gender



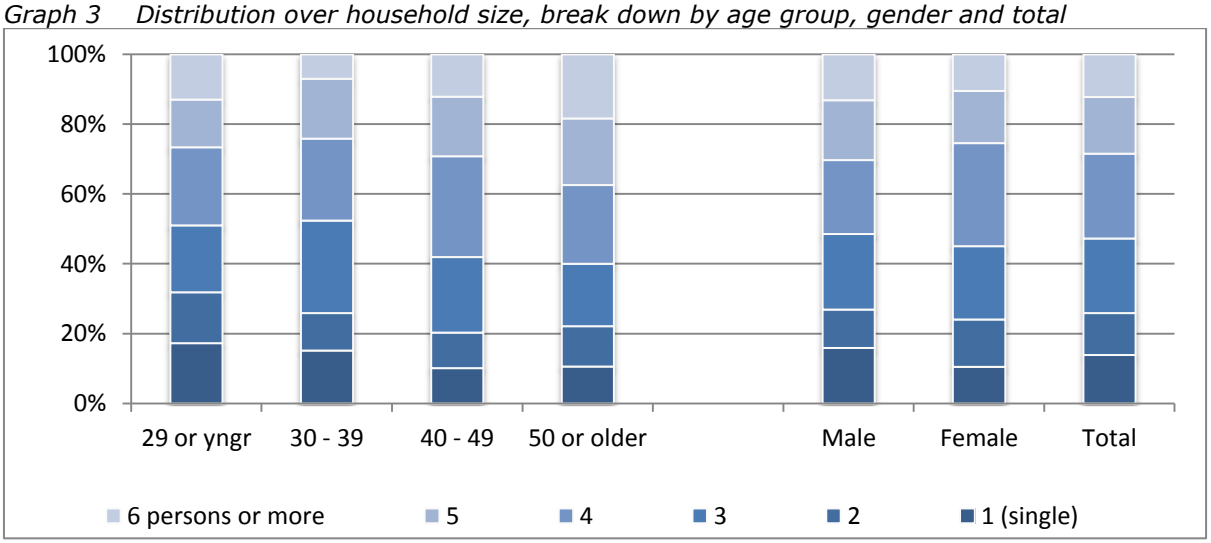
Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300)

Household composition

The workers in the survey live in households with on average almost 4 members, including themselves. Graph 3 shows that one in four workers live in four person households. Fourteen in a

hundred live alone and 12% live with six people or more. Not surprisingly, younger workers more often live in a single-person household. People between 30 and 39 are least likely to live in households of six persons or more. All age groups are most likely to live in 4 person households, workers between 30 and 49 are almost as likely to live in households of four members. Female interviewees were most likely to live in households or four, whereas men are equally likely to live with three. Men are 1,5 times more likely than women to live alone.

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



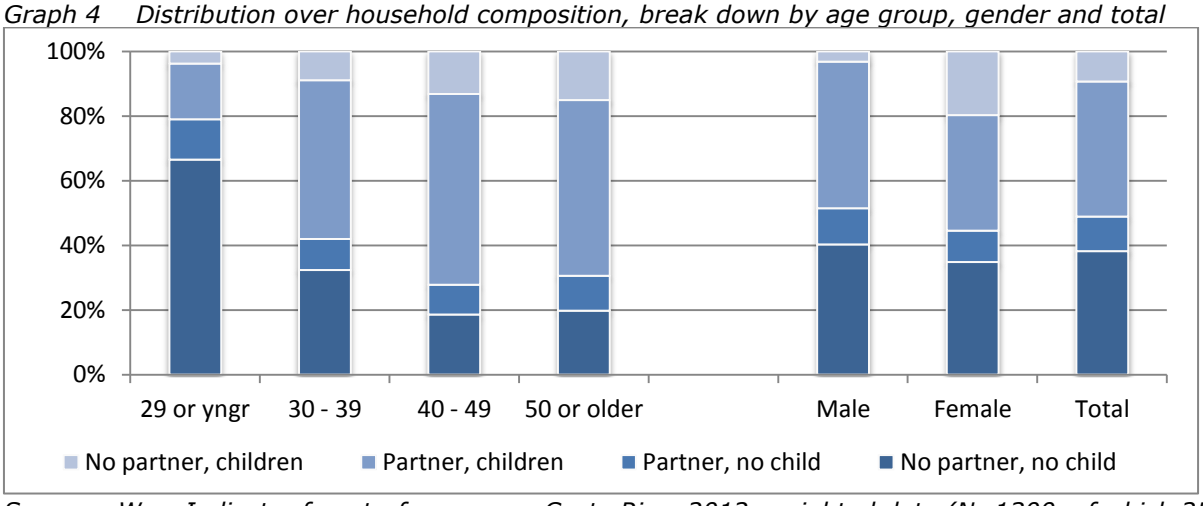
Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300)

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. Men are more likely to live with a partner (56%) than to live with children (49%), whereas women are more likely to live with children (55%) than with a partner (45%). Forty per cent of men and 35% of women live without either a partner or children.

Not surprisingly, the young workers live less often with a partner compared to the older workers. Two thirds of those under 29 live without partner or children, whereas 55% up to 60% of the 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 Costa Rica, 2012, weighted data (N=1300, of which 25 cases missing)

3 Employment characteristics

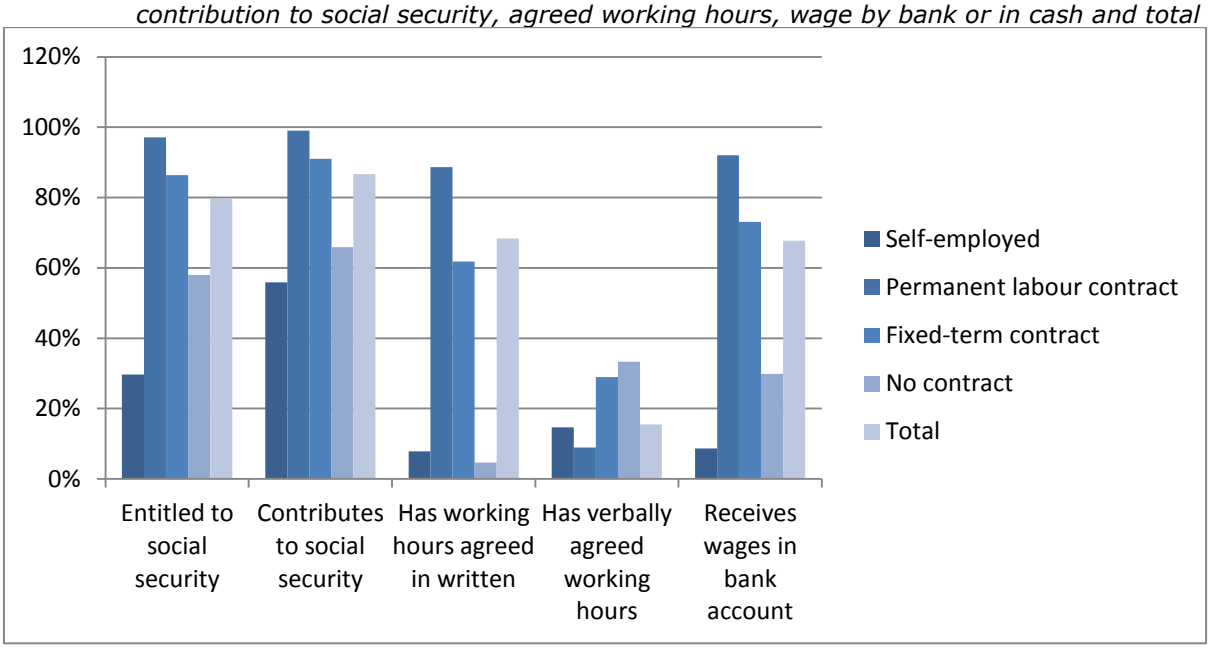
Labor force

According to the ILO economically active population estimates and projects, Costa Rica has an economically active population of just under 3 million people. The labor force participation rate is 79% for men and 47% for women. In 2011, the overall participation rate is 61%, whereas in urban areas it was 63%; the unemployment rate was at 8%. According to the ILO in 2010, about 71% of the workers were employees, 3% were bosses, 15% were self-employed workers, 7% were domestic workers and less than 1% worked as family workers. The ILO *Panorama Laboral*[2] outlines that 29% of the workers were employed in services, 36% in commerce, and 14% in industry and manufacturing and 12% in finance. Transport and communications and construction accounted for seven and five percent of employment.

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, just over half of the workers (55%) are employees on permanent contracts; a further 16% have fixed term contracts, are self-employed (15%) or work without a contract (14%). The self-employed, employees with fixed term contracts and without contracts are made up of roughly two-thirds men and one-third women; employees on permanent contracts are about 60% men and 40% women. Self-employed workers tend to be older, whereas employees on fixed term contracts and without contracts are often younger.

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 Costa Rica, 2012, weighted data (N=1300, of which 0 - 176 cases missing)

[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

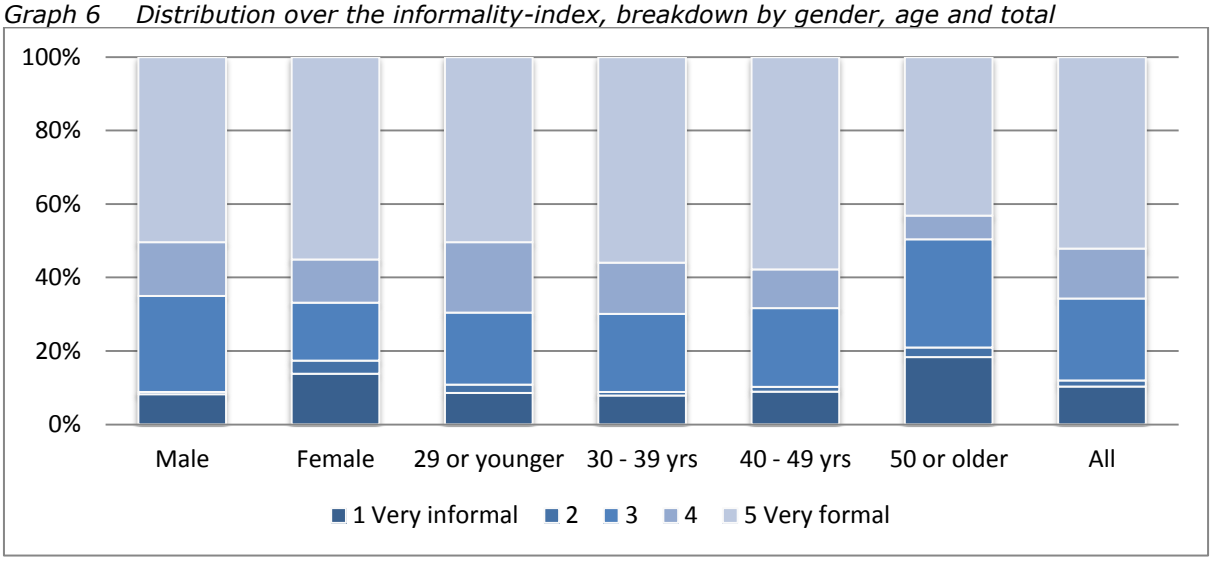
The survey included a question about entitlement to social security. According to the ILO *Panorama Laboral*[3], 91% of employees, 83% of bosses, 72% of self-employed and 74% of domestic workers were covered by social security. In the sample, eight in ten workers state that they are entitled to social security and even more (86%) state that they contribute. Graph 5 shows that almost all employees on permanent contracts are entitled to (97%) and contribute to (99%) social security. In contrast, only 30% of self-employed are entitled and 56% contribute. Coverage for employees on temporary contract is fairly widespread (86% entitled, 91% contribute), but for workers without a contract it is much lower (58% entitled, 66% contributes). The large differences between the share of people paying social security contributions and those eligible to entitlements is surprising.

Informal work might relate to unlimited working hours. Sixteen per cent of workers state that they have no agreed working hours, the remaining group has agreed working hours, either in writing or verbally (in writing 68%, verbally agreed 16%). Virtually all employees with permanent contracts have agreed working hours (89% in written, 9% verbally) and nine in ten employees on fixed term contracts do as well (62% in written, 29% verbal). Only 23% of self-employed and 38% of workers without a contract have agreed working hours.

One survey question asked if wages were received in a bank account or cash in hand (by bank 68%, in cash 32%). Nine in ten employees on permanent contracts received their wages in a bank account, whereas seven in ten fixed term employees do. Three in ten workers without a contract and only 9% of self-employed received wages in a bank account.

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 over half of the workers are in the "very formal" category, corresponding roughly to the share of employees on permanent contracts in the sample. About one in ten workers are in the "very informal" category. Women are most likely to be either in very good or very bad jobs, whereas men are more spread out over the upper half of the scale. Surprisingly, older workers are less likely to be in very formal jobs and more likely to be in very informal jobs. In terms of distribution over the scale, the youngest and oldest workers are very similar, whereas workers between 30 and 49 tend to be better off.

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



Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 0-1 cases missing)

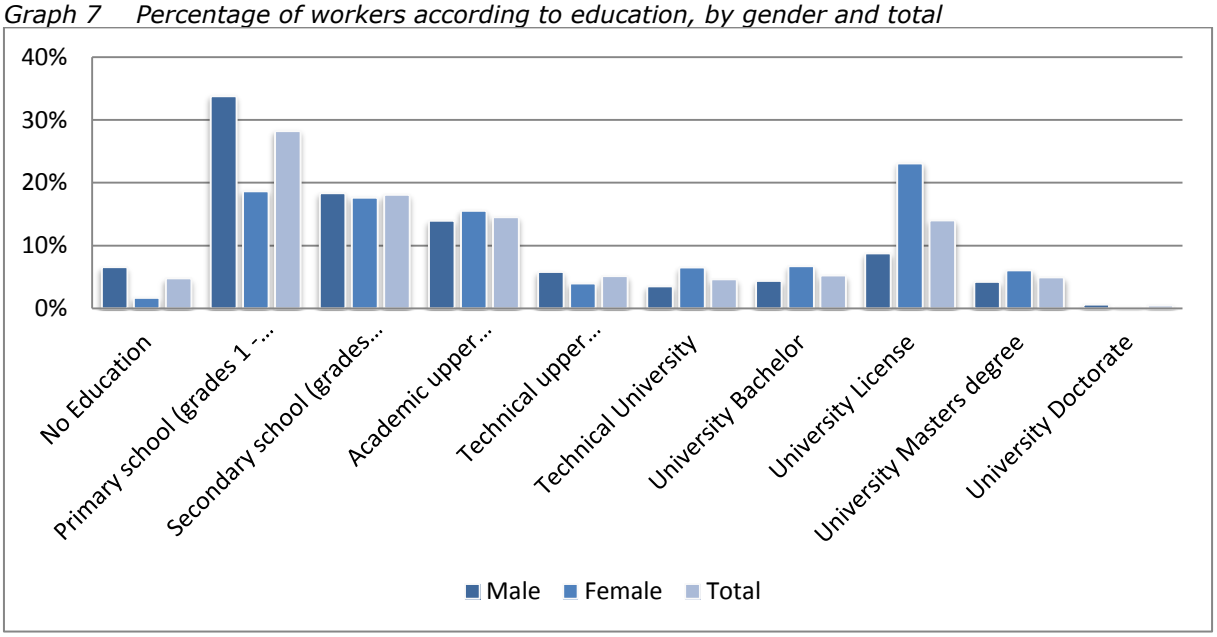
[3] For more information see ILO *Panorama Laboral 2011 América Latina y el Caribe* http://www.ilo.org/public/libdoc/ilo/P/09577/09577(2011).pdf and the *Panorama Laboral 2009* http://www.trabajo.gob.hn/oml/PANORAMA%20LABORAL%202009%20OIT%20-%20AMERICA%20LATINA%20Y%20EL%20CARIBE.pdf

Employment by educational category

Nearly four in ten workers had diplomas from secondary education (38%) and just a little fewer finished primary education (28%) or university bachelor degrees (24%), as is shown in Graph 7. One in twenty workers has no formal education and the same share of respondents finished university masters or doctorate degrees. Some gender differences regarding education arise. Women were significantly higher educated than men, which mainly shows from the far higher levels of women getting a university license (licenciado). Men are much more likely never to enter formal education (7% compared to 2% of women) or to drop out after primary education (34% compared to 19% of women).

Five per cent of worker report being under qualified for their jobs, three per cent say they are overqualified (not in the graph). People with technical upper secondary education or bachelors degrees report most often that they are overqualified, the lowest educated (up to 11th grade or academic upper secondary education) frequently report being under qualified.

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



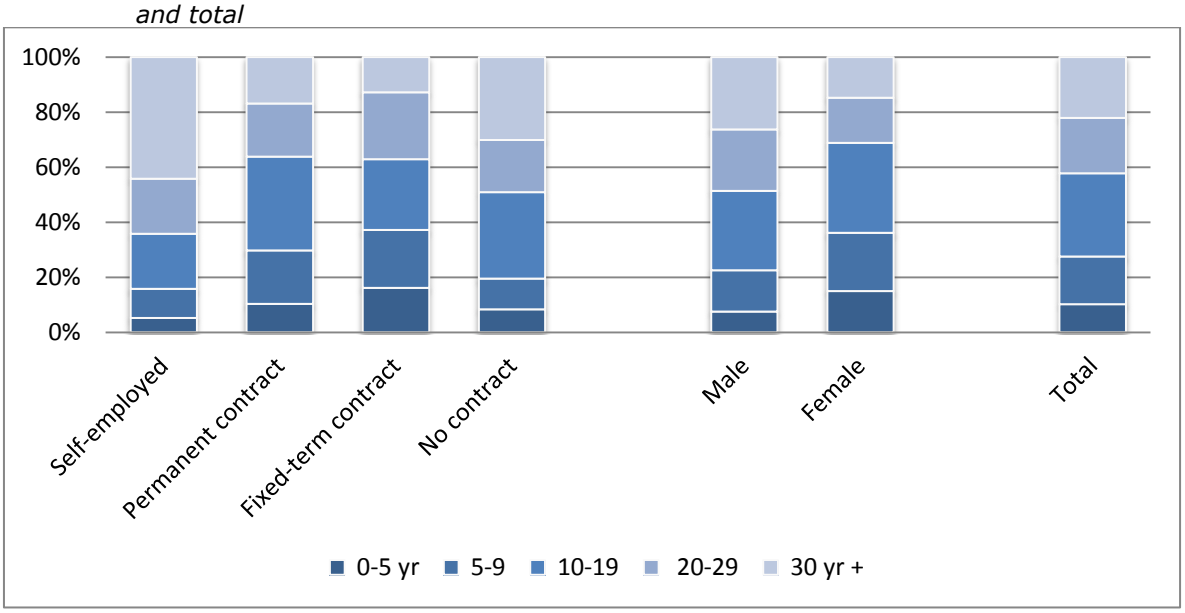
Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300)

Years of work experience

On average, the workers have worked for 13 years. One in ten workers have less than five years work experience, 17% worked between five and nine years and three in ten have between 10 and 19 years of experience. The remaining forty per cent are equally divided between the groups of 20-29 and over 30 years of experience. With on average almost 17 years, self-employed have more work experience than employees. Employees with permanent or fixed term contracts have the least experience (12 years for permanent employees, 11 years for fixed term), whereas those with no contract at all have worked for on average 13 years. Men tend to have more experience than women, but only for permanent employees is the difference really substantial (men worked three years more).

The survey has a few questions about employment spells. Over half of the workers (52%) have experienced such a spell, but only 7% 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. No gender difference were found in the number of duration of periods out of employment.

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

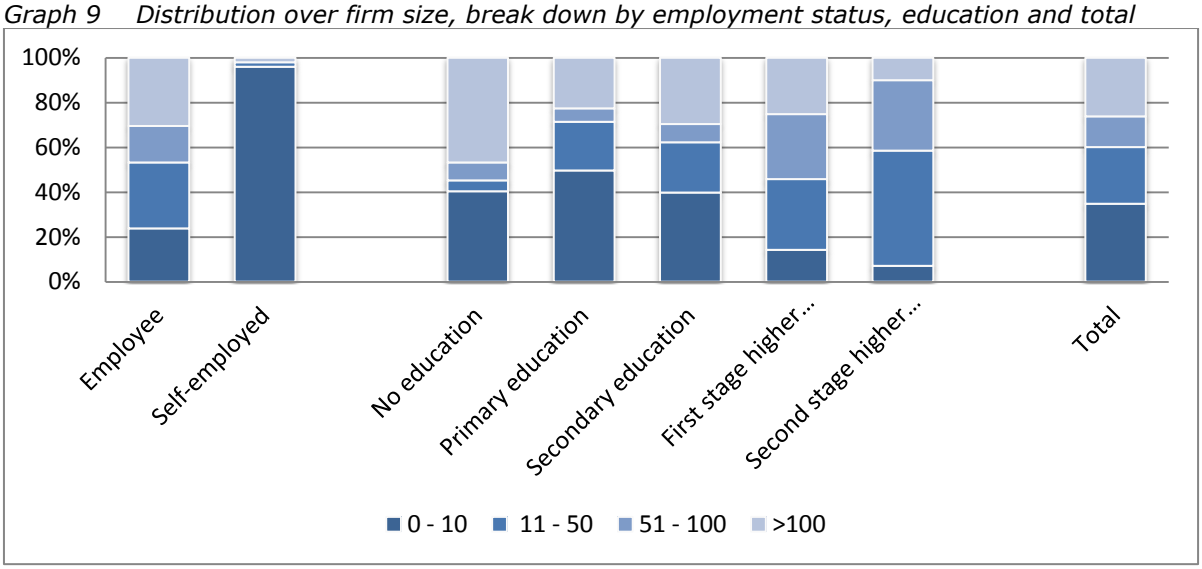


Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 10-11 cases missing)

Firm size

One third of the people in the sample work in an organization with 10 or fewer employees and another quarter work in an organization with 11-50 employees. Graph 9 shows that the self-employed work almost exclusively in small firms (96%). Furthermore, the less educated workers are, the more likely they are to work for very small or very big firms, whereas more highly educated workers tend to work for medium-sized businesses.

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



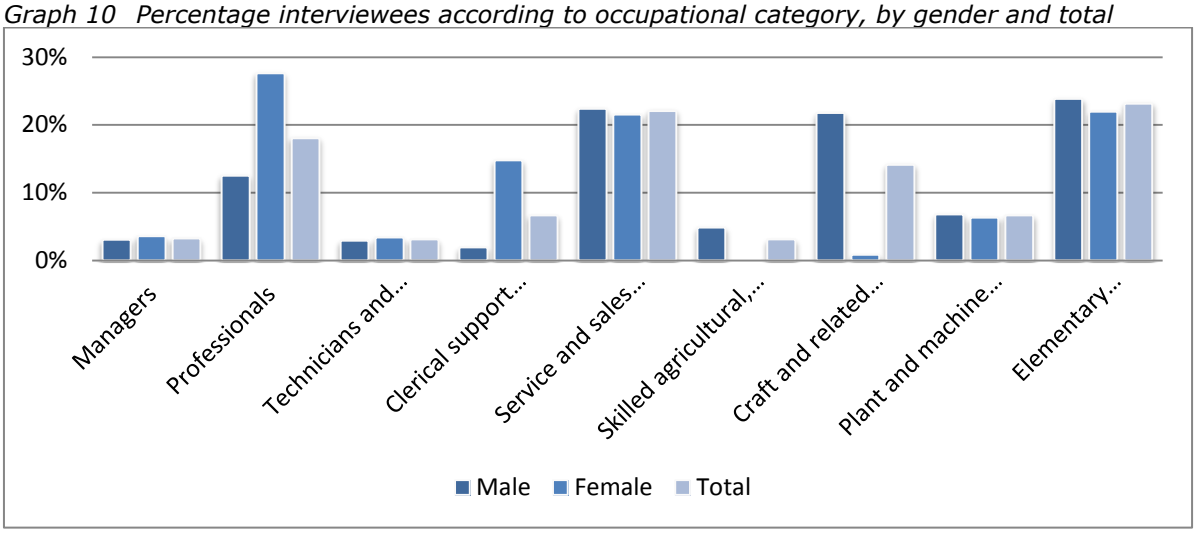
Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 1-4 cases missing)

Employment by occupational category

The sampling strategy included the selection of a subset of all occupational titles (see Appendix 1 List of Occupations). The Graph shows that more than two in ten workers are employed in elementary occupations (23%), 22% work in services and sales occupation and 18% as technicians

or associate professionals. Large shares of male respondents work as craft and trades workers, whereas women are often clerical support workers.

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

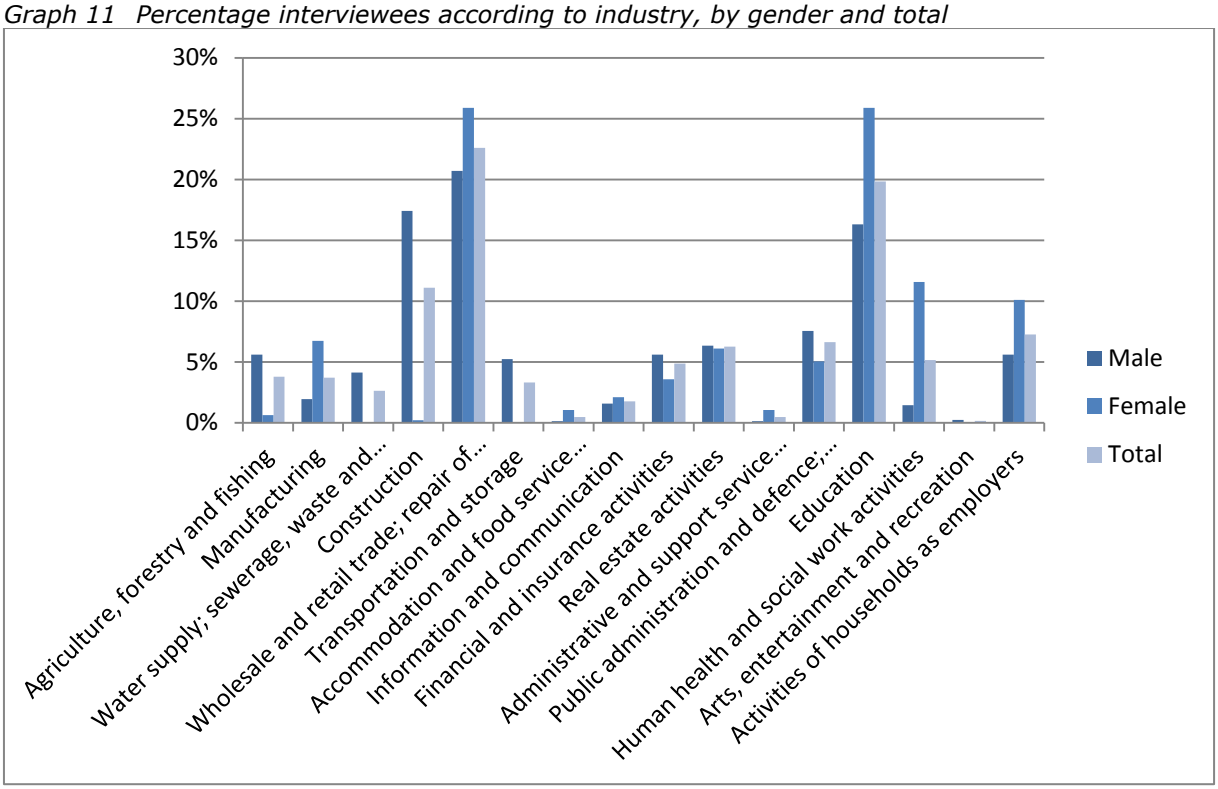


Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which3 missing cases)

Employment by industry

Two in ten people work in agriculture, manufacturing or construction; 28% work in trade, transport and hospitality, 19% in commercial services and 32% in the public sector, education or health care. The more elaborate break-down per industry is shown in graph 11. Two in ten (23%) work in wholesale, retail and motor vehicles repair, 20% in education. Another 11% work in construction.

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



Source: WageIndicator paper survey Costa Rica, 2012, weighted data (N=1300, of which 4 cases missing)

4 Remuneration

Wage levels

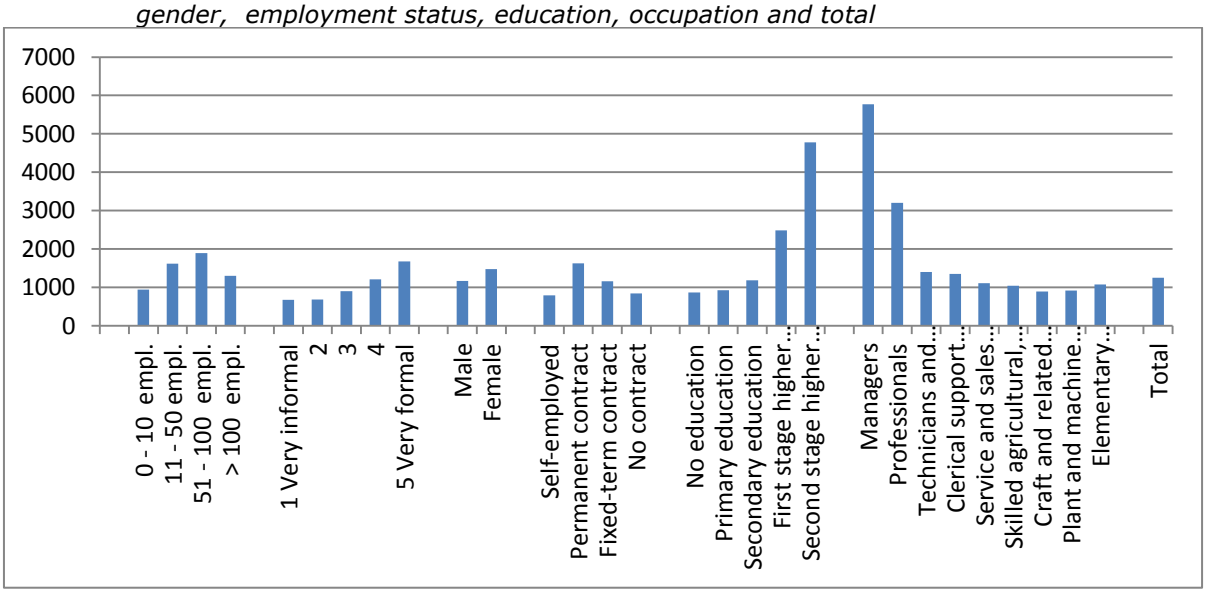
The median net hourly wage of the total sample is 1250,34 Costa Rican cólones, as Graph 12 shows. The median wage is the middle of all observations within a defined category, e.g. all female workers. It should not be confused with the average or mean wage, which is the sum of all wages of the individuals divided by the number of observations. The median has the advantage that it is not overly influenced by small numbers of high earners.

Graph 12 reveals some wage differentials according to firm size. In the smallest firms, the median wage is 941 cólones, whereas in firms employing between 51 and 100 employees, the median is at 1892 CRC. The Graph does show that the lower on the informality-index, the lower the net hourly wages. Those on the lowest end of the scale earn just over half of the median wage (674 CRC), whereas those in the highest end earn wages far above that (median is 1674 HNL). Employees with permanent contracts have by far the highest earnings (1624 cólones), whereas the self-employed have the lowest earnings (795 CRC), followed by employees without a contract (845 CRC). Median wages increase with every level of education. Notably, the extra years of higher education pay off far more than any previous educational step. The median wage of men is 1166 cólones and that of women is 1474 CRC.

The graph shows the median wages by occupational category. Not surprisingly, the managers and the professionals (5774 and 3199 CRC) have the highest median wages, followed by technicians (1399 CRC) and clerical support workers (1353 CRC). The lowest paid workers are crafts and trades workers (894 CRC), followed by plant and machine operators (914 CRC).

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 the group of workers with a fixed term contract, with no contract or self-employed. Workers in jobs with a higher occupational status earn more than those with lower status. More education pays off, as does working in a more formal job. When all other controlling for the effects of other factors, like education, no gender effects are found.

Graph 12 Median net hourly wage in Costa Rican cólones, break down by firm size, informal work, gender, employment status, education, occupation and total

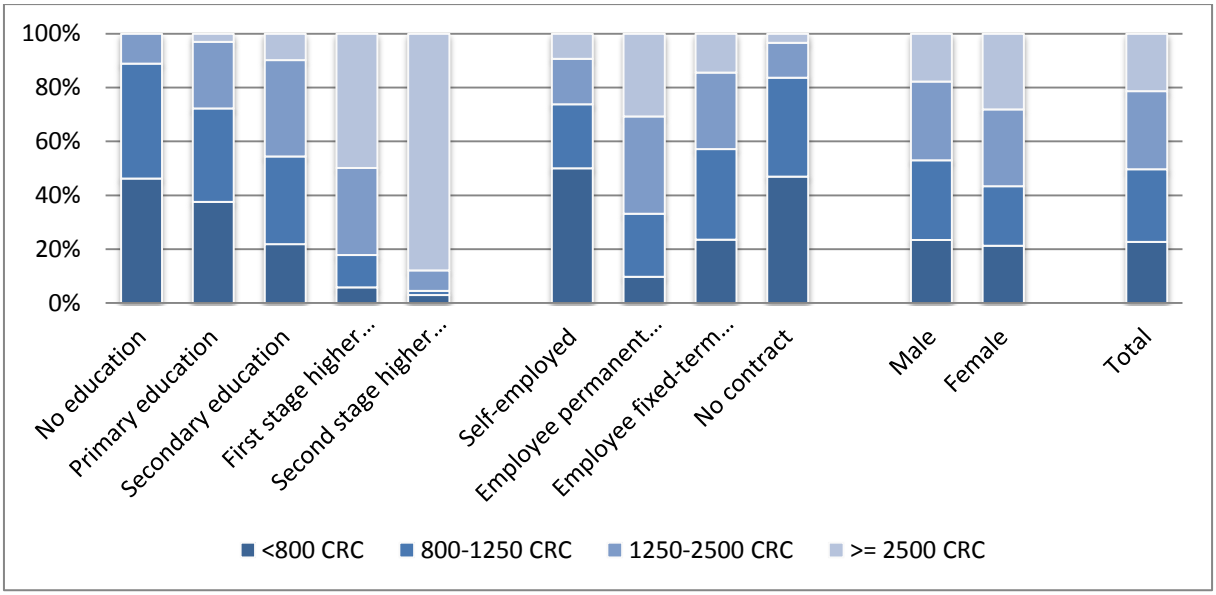


Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 150-159 cases missing)

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.

Graph 13 shows that 23% of workers in the sample earn less than 800 cólones net per hour, whereas the same number earn more than 2500 cólones. Whereas 46% of workers without any formal education earn less than 800 Lempira and 43% earn between 800 and 1250 CRC, 88% of workers who completed the second stage of higher education earn more than 2500 cólones per hour. Half of the self-employed and 47% of workers without a contract earn less than 800 CRC, whereas only 10% of employees on permanent contracts do. Women are more likely than men to be found in the highest wage category (28% women versus 18% of men).

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



Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 149-150 cases missing)

Minimum wage setting

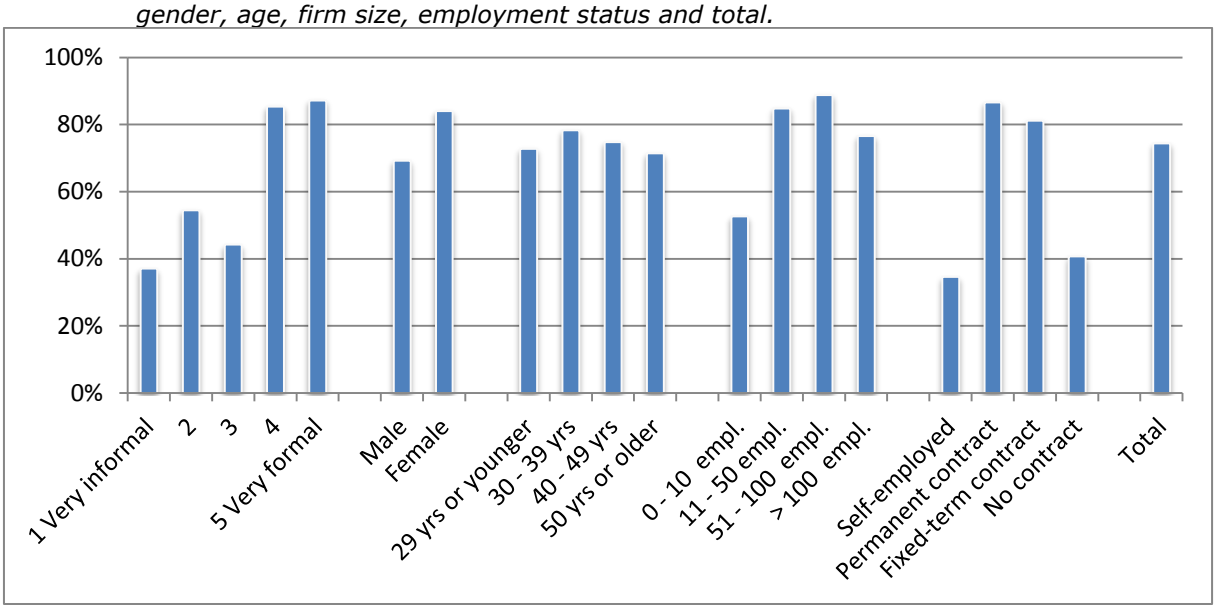
Costa Rica has an extensive minimum wage setting, with different minimum wages for a range of sectors and skill levels[4]. The minimum wages are established per month and day by a tripartite council of salaries in January and July. The minimum wage rate range from 7883,82 CRC per hour for unqualified workers to 10.486,02 per hour for specialized workers. Exceptions exist for domestic servants, who earn 139.558,75 per month, and civil servants, whose wages diverge from the private minimum wage[5].

In the survey, net hourly and daily wages have been computed, based on the reported number of working hours per week. The result of the analysis shows that three quarters (74%) of the sample is paid on or above the minimum and 26% 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. Less than four in ten of the most informal workers are paid above the minimum wage, compared to nearly nine in ten (87%) of the formal workers. Women are more often paid above the minimum wage than men (84% versus 69%). Age differences are relatively minor, with young and old workers being slightly more vulnerable than prime age workers. Only just over half (53%) of the workers in companies with less than 10 employees are paid on or above the minimum wage threshold. The self-employed are least likely to be paid the minimum wage

[4] See http://www.tusalario.org/costarica/portada/tu-salario/salario-minimo
[5] For public sector minimum wages, see http://rerumnovarum.or.cr/cms/index.php/documentos/documentossalarios/salariossectorpublicoenlace

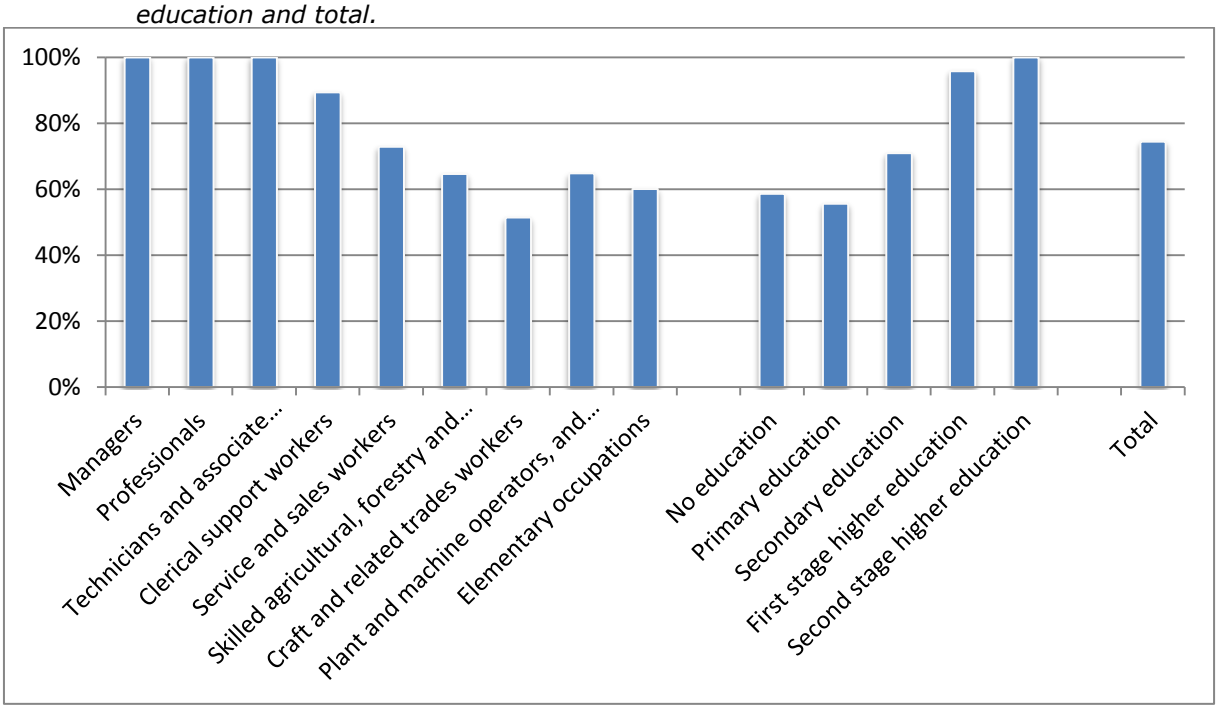
rates (35%), followed by those workers without a contract (41%). In contrast, employees with a permanent contract are most often paid above the minimum wage (86%) and those on fixed term contracts follow closely (81%).

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



Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 150 cases missing)

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



Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 150 cases missing)

Occupations vary widely with respect to which the workers are paid above the minimum wage threshold. Managers and professionals and technicians in the sample are all paid on or above the minimum wage rate. Crafts and trades workers are least often paid on or above the minimum wage (51%). Looking at education, Graph 15 shows that the workers with primary education are least

often paid the minimum wage (56%), whereas the workers with higher education degrees are most often paid above the minimum wage (100% of those with second stage higher education and 96% of those with the first stage).

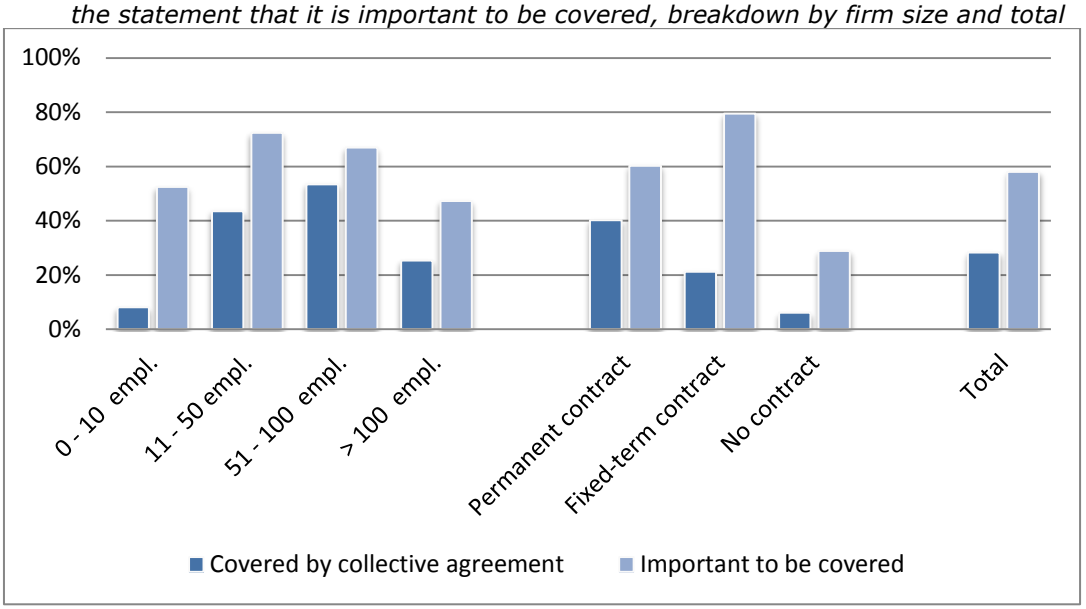
The impact of each category on an individual's outcome can be investigated, controlled for the impact of the other categories (see Appendix 2). This shows that particularly the formality of the job, gender, education, occupational status and working for a small company affect the likelihood of being paid on or above the minimum wage.

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. Slightly less than three in ten are covered (see graph 16). Workers in small firms are least covered (80%) and those in companies between 51 and 100 employees most often (53%). It seems that, like wages, the situation deteriorates again for the biggest firms, where a quarter of the employees are covered. The workers with a permanent contract (40%) are more often covered than employees with a fixed-term contract (21%) and much more often than the workers without a contract (6%). The Appendix holds an analysis which workers are covered by an agreement if controlled for other characteristics. It shows that more highly educated workers, those with more experience and higher educated workers are more likely to be covered.

The survey has a question asking whether workers think that it is important to be covered by a collective agreement. Whereas three in ten workers are covered, 58% wish to be covered. This percentage is highest for employees on fixed term contracts (79%) and lowest for those without contract (29%).

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

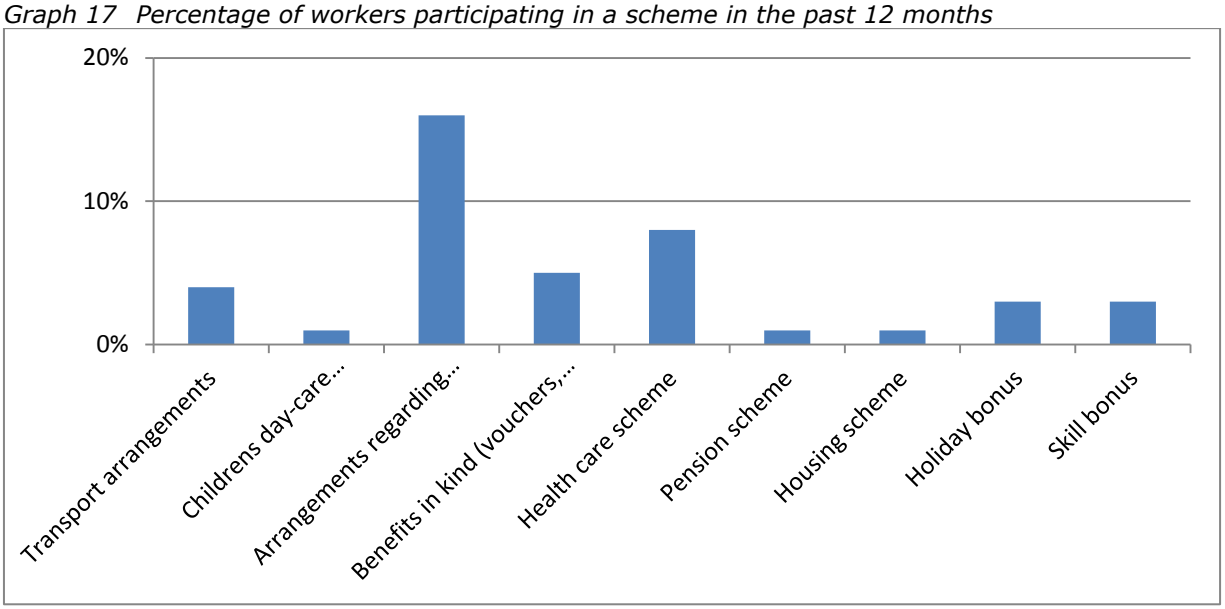


Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 243 cases missing)

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 participation in expenses arrangements, health care and transport arrangements are most common. Less than 5% get a holiday bonus and only 1% in a pension scheme. Slightly less than 7% of workers receive holiday payments.

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



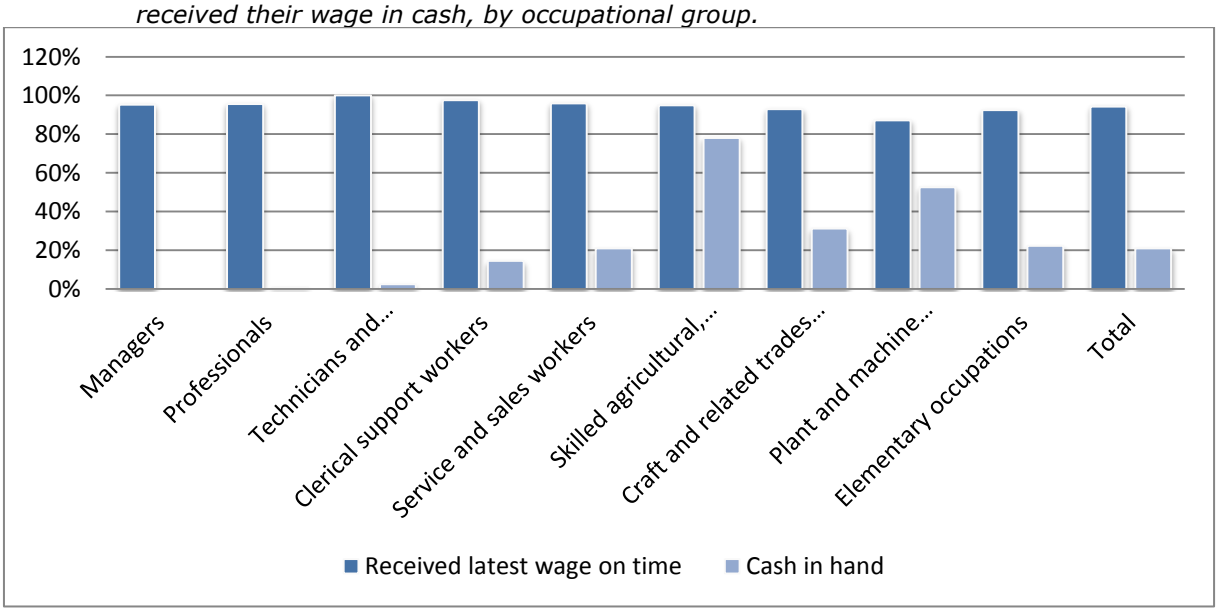
Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 2-4 cases missing)

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 94% of the employees report receiving their wage on time. Plant and machine operators least often get their wages on time (87%)

More than two in ten employees receive their wage cash in hand. There are large differences between the occupational categories. Eight in ten agricultural workers receive wages in cash, whereas no managers and professionals do.

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



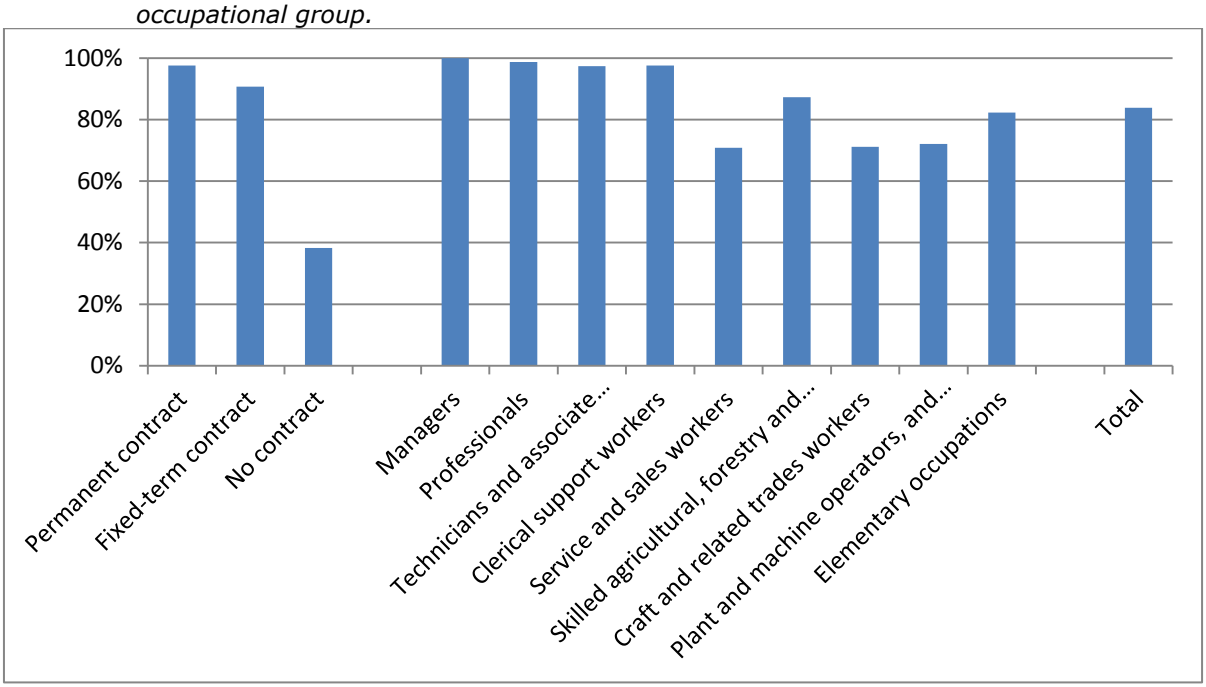
Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 195 cases missing)

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. Just over eight in ten workers have agreed working hours, as Graph 19 shows. This is highest for the employees with a permanent contract (98%) and lowest for the workers without a contract (38%). Managers and professionals (100%), followed by professionals (99%), technicians (98%) and clerical support workers (97%), most often have agreed working hours. Roughly seven in ten service and sales workers, craft and trade workers and plant and machine operators have agreed working hours.

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

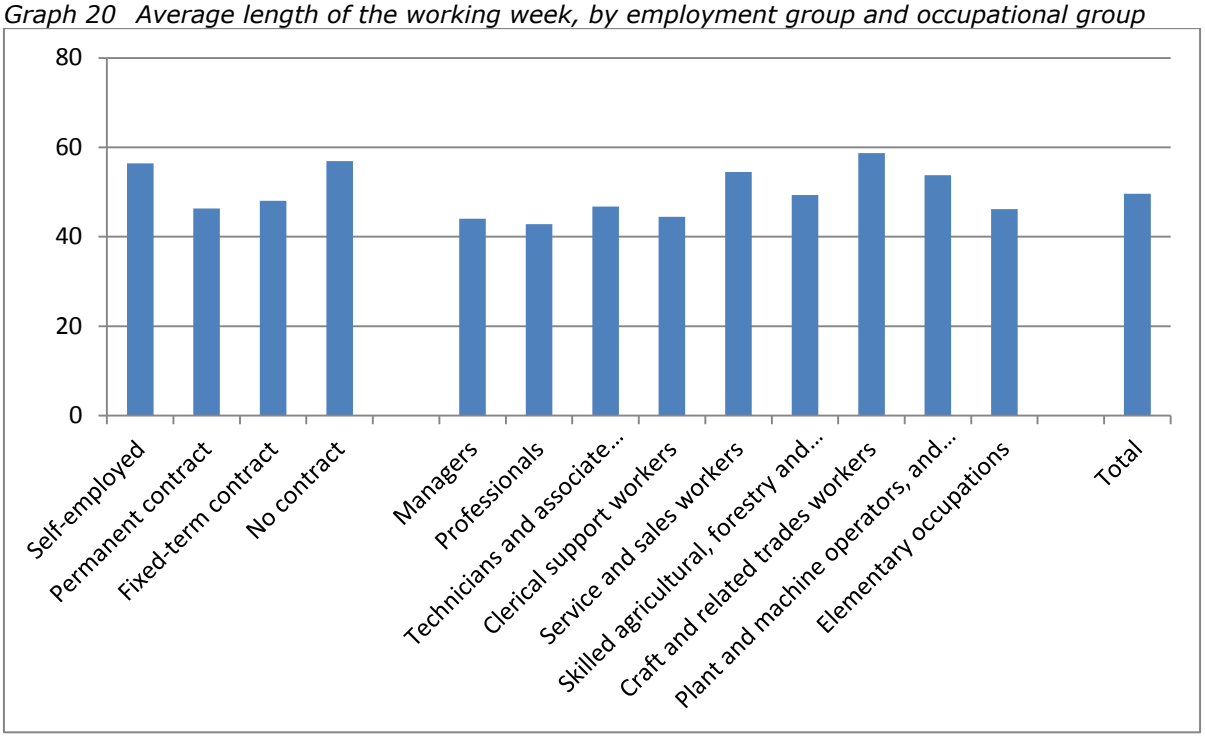


Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data, (N=1300, of which 175 cases missing)

Usual working hours

What is the average length of the working week? Graph 20 shows that the average working week of respondents is almost 50 hours, which is longer than the legal limit of 48 hours per week. Employees without contracts and self-employed work the longest hours (57 and 56 hours respectively) and those on permanent contracts the shortest (46 hours). At 59 hours crafts and trades workers have the longest working week, followed by service and sales workers (54 hours per week). Professionals work least, 43 hours per week.

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

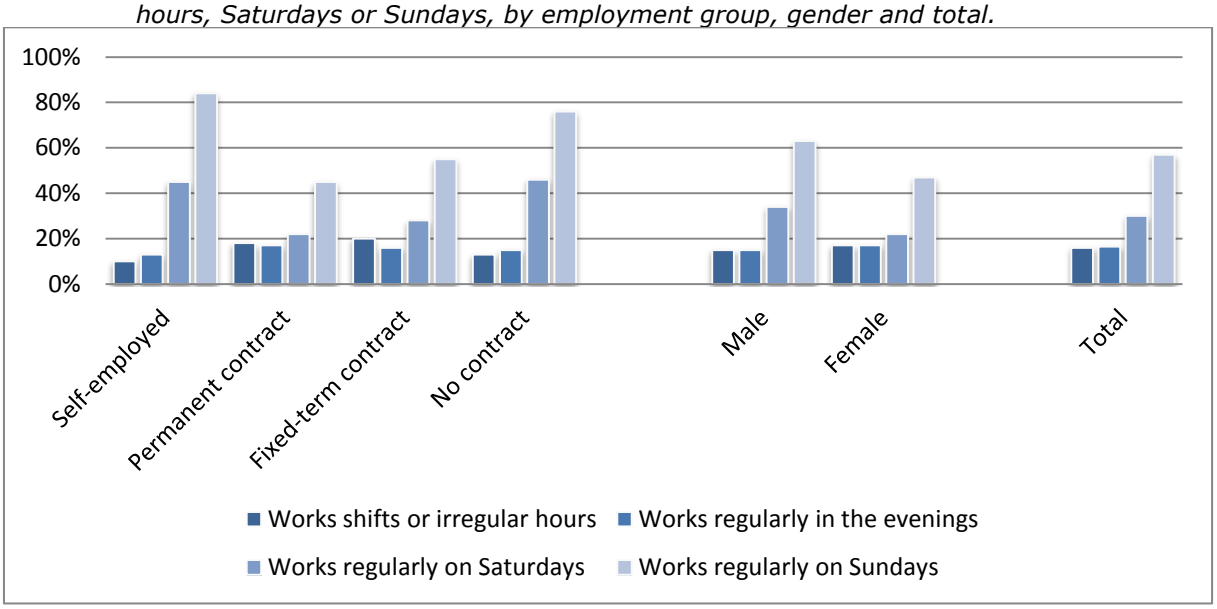


Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 2 cases missing)

Shifts or irregular hours

The survey includes a question asking if the respondent works shifts or irregular hours. Graph 21 shows that 16% of workers report doing so. The incidence of shift work or irregular hours is lowest for the self-employed and highest for the employees with a fixed term contract. Women work shifts more often than men. Working in the evenings is reported by 16% of workers in the sample, most frequently by employees on permanent contracts and more so by women than by men. Three in ten workers report working Saturdays, while nearly six in ten work Sundays. Working regularly on Saturdays occurs most often among the self-employed and workers without contract; and more often by men than women. Self-employed and workers without a contract 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.

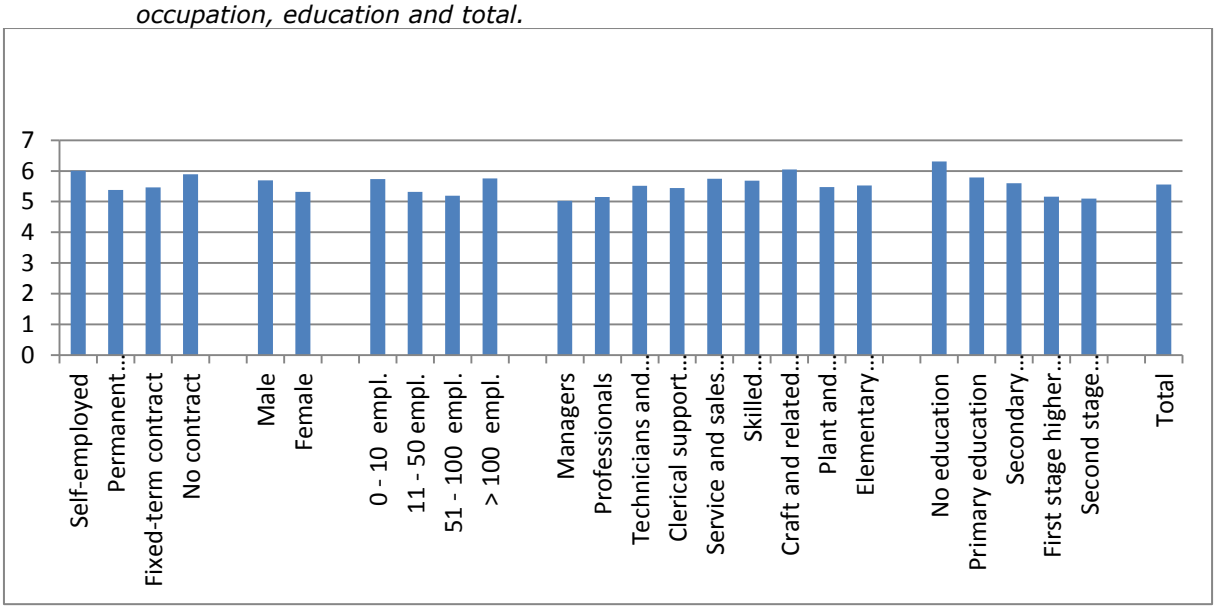


Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 7-16 cases missing)

Average working days per week

On average, the workers in Costa 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 and large firms, crafts and trades workers and workers with no or just primary education.

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 Costa Rica, 2012, weighted data (N=1300, of which 0-2 cases missing)

6 Satisfaction with life-as-a-whole

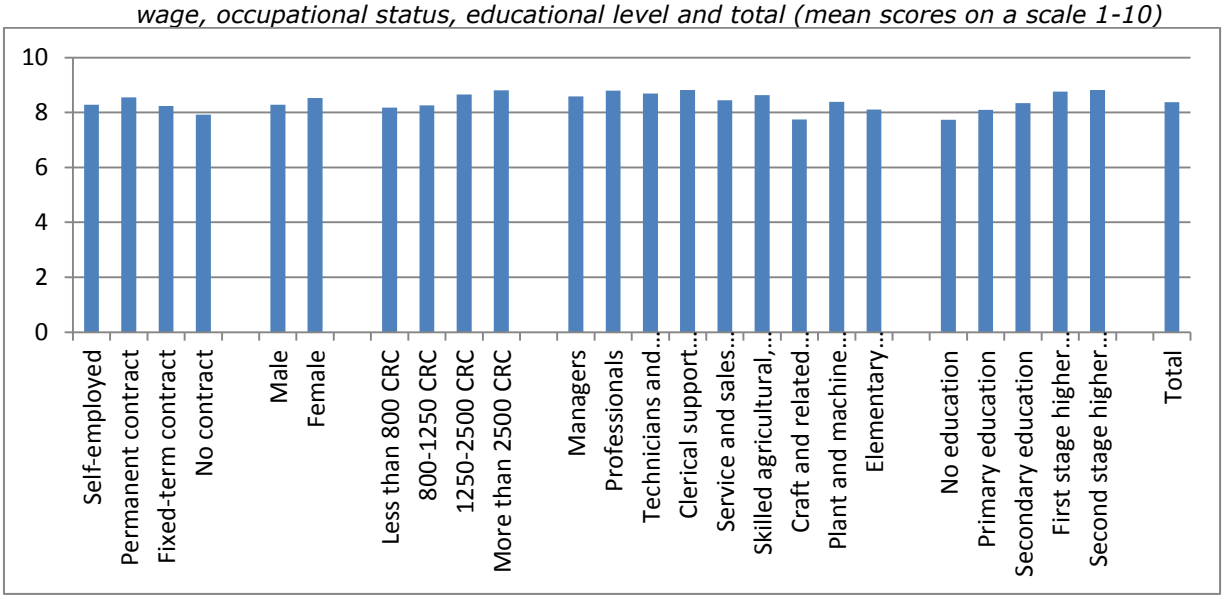
The survey includes a question about satisfaction with life-as-a-whole, to be judged on a scale from 1 – dissatisfied - to 10 – satisfied. As the graph shows, 95% of respondents rates their lives a six or higher, over three quarters even rate it an 8 or higher. On average, the interviewees score an 8.

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

Source: WageIndicator face-to-face survey Costa Rica, 2012, weighted data (N=1300, of which 5 cases missing)

Groups do differ with respect to their life satisfaction as a whole, although only crafts and trades workers, those without contracts and without education have average scores below 8. Graph 24 shows a breakdown for several groups. Employees with a permanent contract are on average more satisfied with life than the other workers. Women seem slightly more satisfied than men and the more highly educated people are, the happier. Workers with higher earnings are more satisfied. Crafts and trades workers and those in elementary occupations have the lowest satisfaction scores. When explaining the variance in life satisfaction, however, only educational level and youth are significantly contributing to the explanation (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 Costa Rica, 2012, weighted data (N=1300, of which 5-154 cases missing)

Appendix 1 List of occupational titles

CODE ISCO0813	Occupational title	Frequency
1345030000000	Secondary school manager	40
1439010000000	Call centre manager	1
2221990000000	Nurse, all other	43
2310260000000	University lecturer, other subjects	34
2320990000000	Vocational education teacher, other subjects	42
2330990000000	Secondary education teacher, other subjects	40
2341010000000	Primary school teacher	40
2411010000000	Accountant	42
3313990000000	Account manager, all other clients	41
4120060000000	Secretary	46
4211010000000	Bank teller (front-office)	40
5211010000000	Stall sales person, kiosk sales person	51
5211020000000	Market vendor	38
5212010000000	Street vendor (food products)	40
5244010000000	Call centre agent outbound	56
5244020000000	First line supervisor call centre agents	42
5414010000000	Security guard	52
6111030000000	Field crop or vegetable farm worker	40
7112010000000	Bricklayer	67
7113070000000	Stone mason	29
7115010000000	Carpenter	48
7119050000000	First line supervisor construction workers	43
8189990000000	Stationary plant and machine operator, all other	44
8331010000000	Bus driver public transport	41
9111010000000	Domestic cleaner	88
9520010000000	Street vendor, non-food products	37
9520130000000	Newspapers vendor	43
9611010000000	Refuse collector	42
9613010000000	Sweeper, street cleaner	39
9622010000000	Handyperson	49
	Missing	2
	Total	1300

Appendix 2 Regressions

Dependent variable: log net hourly wages					
	B	Std. Error	Beta	t	Sig.
Constant	5,153	,133		38,862	,000
Informality index	,147	,041	,146	3,616	,000
Educational level	,265	,033	,279	8,161	,000
Employee permanent contract	,389	,101	,153	3,839	,000
Socio-Econ. Index of occ. status (ISEI 11-76)	,012	,003	,151	4,544	,000
N	1139				
R-square	,317				

Dependent variable: Paid up or above the applicable minimum wage threshold yes/no						
	B	S.E.	Wald	df	Sig.	Exp(B)
informality index	0,446	0,092	23,556	1	0,000	1,562
Firmsize 1-5 empl	-0,865	0,276	9,845	1	0,002	0,421
Firmsize 6-10 empl	-0,224	0,359	0,389	1	0,533	0,799
Firmsize 11-20 empl	0,044	0,328	0,018	1	0,893	1,045
Employee on permanent contract	-0,031	0,113	0,077	1	0,781	0,969
Educational level	0,33	0,157	4,421	1	0,036	1,392
Female	0,7	0,246	8,074	1	0,004	2,013
Lives with partner	0,45	0,268	2,811	1	0,094	1,568
Lives with child	-0,472	0,276	2,926	1	0,087	0,624
Age	0,009	0,009	0,975	1	0,323	1,009
Socio-Econ. Index of occ. status (ISEI 11-76)	0,046	0,011	18,218	1	0,000	1,047
Constant	-3,203	0,713	20,212	1	0,000	0,041
N	742					
-2 Log Likelihood	631,002					

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	0,643	0,196	10,726	1	0,001	1,902
Educational level	0,592	0,098	36,842	1	0,000	1,808
Female	0,18	0,174	1,074	1	0,300	1,198
Firmsize 1-5 empl	-1,849	0,298	38,629	1	0,000	0,157
Firmsize 6-10 empl	-1,109	0,334	11,03	1	0,001	0,33
Firmsize 11-20 empl	-1,23	0,283	18,925	1	0,000	0,292
Tenure	0,039	0,007	30,415	1	0,000	1,04
Socio-Econ. Index of occ. status (ISEI 11-76)	0,006	0,006	0,913	1	0,339	1,006
Constant	-3,489	0,338	106,509	1	0,000	0,031
N	1056					
-2 Log Likelihood	951,251					

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	7,525	0,192		39,164	0,000
Employee (vs self-employed)	-0,096	0,092	-0,041	-1,041	0,298
Education level	0,008	0,003	0,11	2,356	0,019
Female	0,124	0,097	0,049	1,275	0,203
<800 CRC	-0,209	0,162	-0,077	-1,291	0,197
800-1250 CRC	-0,254	0,148	-0,099	-1,719	0,086
1250-2500 CRC	0,177	0,135	0,069	1,311	0,190
Living with a partner	0,078	0,109	0,033	0,708	0,479
Living with a child	0,022	0,114	0,009	0,194	0,846
<29 years	0,227	0,11	0,091	2,067	0,039
30-39 years	-0,036	0,062	-0,056	-0,581	0,562
40-49 years	0,064	0,061	0,101	1,062	0,289
N	745				
R-squared	0,053				

Wage Indicator Foundation

Plantage Muidergracht 12
1018 TV Amsterdam
The Netherlands

office@wageindicator.org

WageIndicator.org