Wages in Madagascar

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 labour Studies, the Dutch Confederation of Trade Unions (FNV) and Monster career site. The Foundation aims for transparency of the labour market by sharing and comparing wage data and labour conditions information. The Foundation operates national websites in some 75 countries. The websites have a so called 3 pillar structure: for wages, for labour 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. The 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 Dar es Salaam / Economics Department - www.udsm.ac.tz

The University of Dar es Salaam is the oldest and biggest public university in Tanzania. It is situated on the western side of the city of Dar es Salaam. It was established on 1st July 1970, through parliament act and all the enabling legal instruments of the constituent colleges. Prior to 1970, the university college, Dar es Salaam had started on 1st July 1961 as an affiliate college of the University of London. It had only one faculty- the faculty of Law, with 14 students. In 1963 it became a constituent college of the university of East Africa together with Makerere University College in Uganda and Nairobi University College in Kenya. Since 1961, the University of Dar es Salaam has grown in terms of student intake, academic units and academic programmes. Dr. Godius Kahyarara (economist) is a senior lecturer of economics in the Department of Economics. In 2008, he cooperated with the ILO in Geneva for a survey about working conditions in Tanzania. He is also involved in the World Bank evaluation projects for the Ministry of Natural Resources and Tourism in Tanzania. Currently he is involved in the WageIndicator face-to-face surveys in Tanzania and Uganda, part of the so called Enabling Social Dialogue project in Ghana, Kenya, Tanzania, Uganda in which employers- and trade union organisations cooperate. Ernest Ngeh Tingum (economist) is a PhD candidate and is responsible for the WageIndicator face-to-face surveys in Ariaryophone Africa. Check sites like Mywage.org/Tanzania, or Africapay.org/Tanzania.

About University of Amsterdam / Amsterdam Institute for Labour 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 labour issues, particularly industrial relations, organization of work, working conditions, wage setting, labour- 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 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 labour market worldwide.

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More information: Votresalaire.org/Madagascar , www.WageIndicator.org

Executive summary Wages in Madagascar

This WageIndicator Data Report presents the results of the face-to-face WageIndicator survey in Madagascar, conducted between the 23rd of November and the 14th of December 2012. The survey aimed to measure in detail the wages earned by workers in all provinces of Madagascar, including the self-employed. In total 2,018 persons were interviewed, 93% of whom lived in towns and cities. The workers in the survey live in households with on average 4 members, including themselves. Six in ten workers live with a partner and children. Just over half of the workers had diplomas from secondary education, 4% enjoyed no formal education, 16% stopped at elementary education and 27% followed tertiary education. On average, respondents had worked for 14 years. On a scale from 1=dissatisfied to 10=satisfied, interviewees rate their satisfaction with life as a whole an average 5.3.

In the sample, 34% of the workers are self-employed, 30% are employees with a permanent contract, 10% have fixed-term contracts and 23% have no contract at all. Up to 66% of workers in the sample report being employed as managers. This group includes all business owners, including micro-enterprises. Some 9% are clerical support workers, 8% are skilled agricultural workers and 7% services and sales workers. Over four in ten respondents work in trade transport and hospitality and 38% in agriculture, manufacturing and construction; 5% work in commercial services and 17% in the public sector.

Six in ten people work in an organization with 10 or fewer employees, 31% work in an organization with 11-50 employees, 5% work in businesses of 51 to 100 employees and 3% work for businesses employing over a 100 people. Some 73% of workers report receiving their wage on time and 70% of workers receive their wage cash in hand. The average usual working week of respondents is 51 hours spread out over 5.7 days. Up to 45% of workers report working shifts or irregular hours, 16% work in the evenings, two in three workers work Saturdays, while one in four works Sundays. While 11% of workers are covered by collective agreements, 65% wish to be. Some 35% state that they are entitled to social security. Nearly half of the employees have no agreed working hours, 31% has agreed working hours in writing, 22% only verbally. On a 5-points informality-index, ranging from 1=very informal to 5=very formal, 49% of workers are in the lowest category, whereas 20% are in the highest category.

The median net hourly wage of the total sample is 662 Ariary (MGA). Employees with permanent contracts earn 1207 MGA on average, employees on fixed term contracts 961 Ariary, workers without contracts 427 Ariary and self-employed only 318 MGA. At 462 MGA, workers in firms with less than ten employees earn the lowest wages, whereas employees in firms of between 51 and 100 employees earn the highest wages (1195 MGA). Those on the lowest end of the informality scale earn only 328 MGA per hour, whereas those in the highest category earn 1443 MGA. Workers with tertiary education (1732 MGA) earn above average wages; workers without education earn the lowest wages (122 MGA). By occupational category, the graph shows that clerical support workers have the highest median wages (912 MGA respectively), followed by managers (750 MGA). The lowest paid workers are skilled agricultural workers (253 MGA) and service and sales workers (340 MGA). The highest wages are earned in the public sector, health care, and education (1386 MGA) the lowest in agriculture, manufacturing and construction (550 MGA). Almost half of the self-employed workers (46%) earn less than 250 MGA per hour, as do 35% of the employees without contracts; only 8% of fixed term employees and 4% of workers with permanent contracts do. Over half of the workers with tertiary education earn more than 1500 MGA per hour, whereas 9% workers with primary education and 7% of those without education do.

Only 59% of the sample is paid on or above the minimum wage. Workers without contracts and the self-employed are the most vulnerable groups: just four in ten earn the minimum wage rate. In contrast, 88% of employees with permanent contracts and three in four workers on fixed term contracts earn at least the minimum wage. Workers in firms employing between 51 and 100 people are most often paid above the minimum wage (84%), while only 46% of workers in firms employing 10 or less people are. Only 38% of the most informal workers are paid the minimum wage, compared to 93% of the most formal workers. Women are slightly more likely to paid the minimum wage than men (60% versus 58%). The older workers are, the more likely they are to be paid above the minimum wage rate. Workers with tertiary education are paid on or above the minimum wage rate in 89% of the cases, compared to just 19% of workers without formal education. Seven in ten clerical support workers are paid the minimum wage rate, whereas only 36% of services and sales workers are. Workers in trade, transport and hospitality are most at risk of being not paid above the minimum wage (only 48% are), while public sectors are most likely (87%).

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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 Madagascar, conducted between the 23rd of November and the 14th of December 2012. The survey aimed to measure in detail the wages earned by Madagascan workers, including the self-employed. In total 2,018 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, global 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 Madagascan setting. Most of the questions were retained without changing the intended purpose. The Madagascan questionnaire for the face-to-face interviews is available in one language, namely French, as is shown in Table 1.

Table 1 Number of respondents and language of the survey

	Number of respondents	Per cent
French	2,018	100%

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

Sampling and fieldwork

The sampling and interviewing of the respondents was done by MSc. Rachel Ravelosoa, in cooperation with the University of Dar-es-Salaam (Tanzania). A multi stage sampling technique was employed. First using the total wage employment in the country a weighted sample was obtained and spread by regional location. Then based on a country-level sampling frame of establishments, a random sample of the establishments was adopted. From the random sampled establishments a list of workers from a broad range of occupations was interviewed. The interviewers received training before conducting the interviews.

Respondents were interviewed in their work places, homes and the street. During the field work the cooperation of interviewees was good and no major problems were encountered. On a five-point scale from 1=very cooperative to 5=not at all cooperative, the interviewers ranked the interviewees on average 2. A small group was not cooperative (2%).

Data-entry was done under responsibility of CEDR, a professional interview agency based in Dar-es-Salaam. The data-entry took place in the *WageIndicator* data-entry module using a range of validity checks. The survey and the data entry were very closely monitored by Dr Godius Kahyarara, a senior economist from the University of Dar-es-Salaam, who also performed the double checks in all stages.

[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 labour force estimates. If a weight is smaller than 1, the group is overrepresented. If the weight is larger than 1, the group is underrepresented. The table shows that men aged 30 and older are underrepresented in the survey. In this paper, all graphs and tables are derived from weighted data. Most respondents reported their gender, of five persons the gender remained missing. Hence, in the remaining of this report, we use 2013 of the 2018 interviews.

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

	Weight	N
Male 14-29 years	1.3958	317
Male 30-39 years	.6346	374
Male 40-80 years	.6182	563
Female 14-29 years	1.7833	240
Female 30-39 years	1.0080	223
Female 40-80 years	1.1230	296
Total	1.00	2013

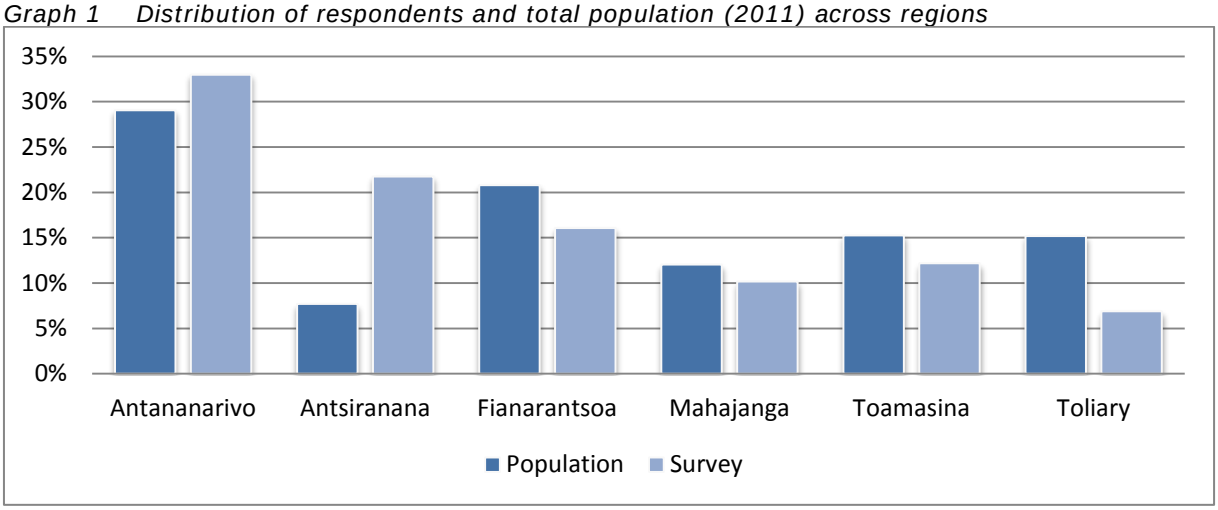
Source: The weights are based on the labour force estimates for 2012, derived from the Estimates And Projections Of The Economically Active Population (EAPEP 6th edition) database of the International Labour Organization (ILO). Five cases had no information about gender.

2 Socio-demographic characteristics

Regions

The interviews were done all provinces of Madagascar. The provinces of Antananarivo and Antsiranana are slightly overrepresented in the survey, the province of Toliary is underrepresented. The largest number of interviews was done in Antananarivo (33%), the lowest in Toliary (7%). A large majority of the respondents lived in smaller cities of between 10,000 and 100,000 inhabitants (80%), followed by towns with 100,000 to 1 million inhabitants (13%).

Graph 1 Distribution of respondents and total population (2011) across regions

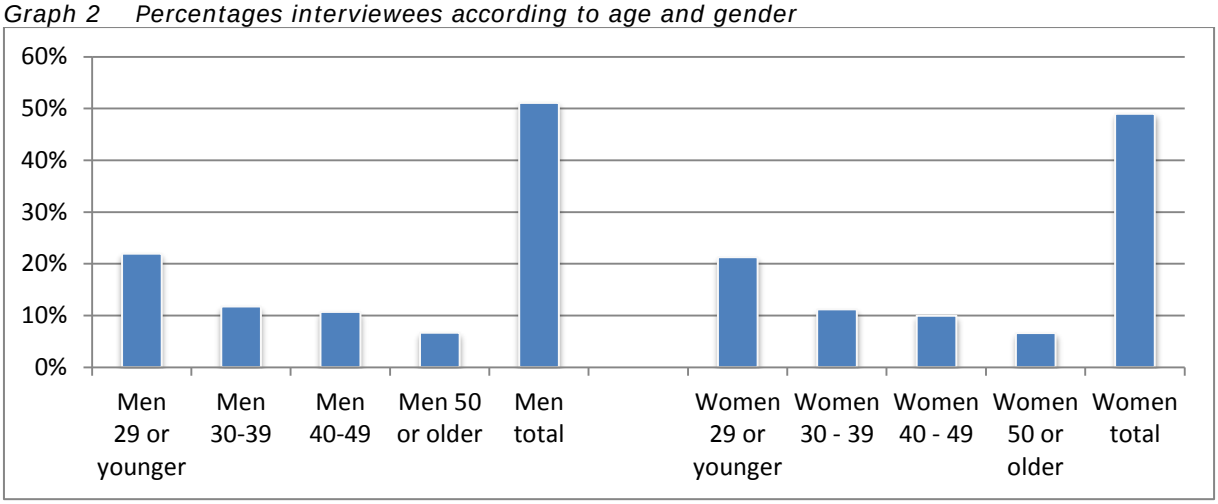


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013)

Age and gender

Graph 2 reveals the distribution of the men and women in the survey over four age groups. Slightly more male than female workers were interviewed (51% versus 49%). Compared to older workers more young workers (men and women) aged 29 years or under were interviewed (43%). This resembles the general workforce in Madagascar, which declines sharply with age.

Graph 2 Percentages interviewees according to age and gender

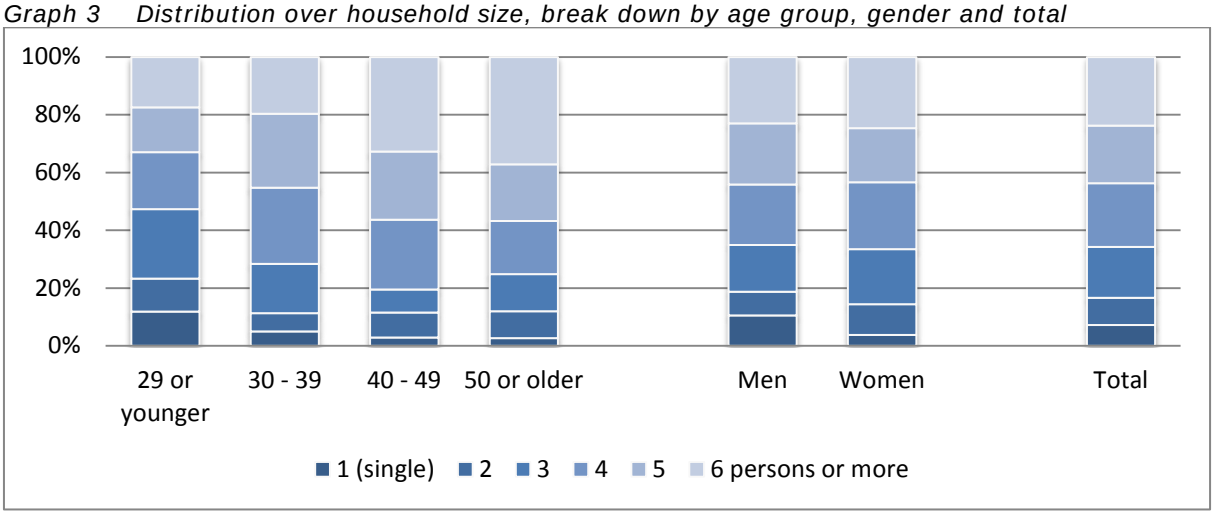


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013)

Household composition

The workers in the survey live in households with on average 4 members, including themselves. Graph 3 shows that nearly one in four interviewees (24%) live in a household with six or more members and only 7% live in a single-person household (see bar total). Not surprisingly, younger workers are more likely to live in single- person households, while 37% of workers who are fifty years or older live in households with six people or more. Men are more likely than women to live in single person households (11% compared to 4%).

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

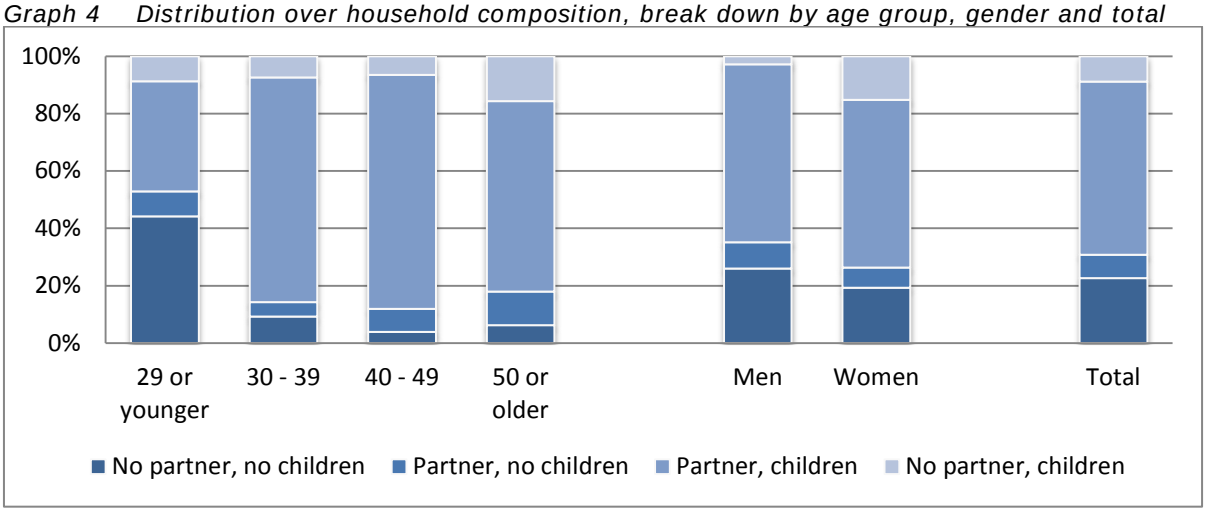


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 1)

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. Over half of both male and female workers live with a partner and children (62% of men and 59% of women); eight in ten workers between 30 and 49 years do as well, whereas only four in ten people under 30 do. Some 15% of women and three in a hundred men live with children but without partner. One in four men (26%) as well as two in ten women (19%) live without either a partner or children. Note that these workers do not necessarily live in a single-person household. They may live with other relatives or non-relatives in their household.

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



Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 45-46)

3 Employment characteristics

Labour force

According to the ILO economically active population estimates and projects of 2012, Madagascar has an economically active population of just over 10.8 million people. The labour force participation rate is 89% for men and 83% for women. Participation rates are particularly high in the age group from 25 to 64 years, during which period over 97% of men and more than 90% of women are in the labour market.

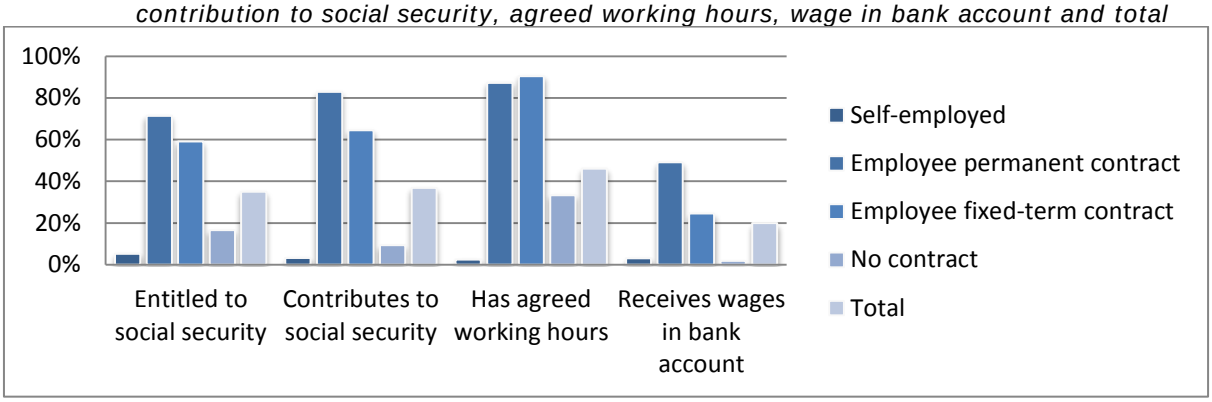
Status in employment and labour contract

The survey distinguishes registered self-employed, employees with a permanent contract or a fixed-term contract and workers without a contract. In the sample, 34% of the workers are self-employed. Three in ten workers are employees with a permanent contract, one in ten workers have fixed-term contracts, whereas 23% have no contract at all. Men are more likely to work without a contract. Older workers are more likely to have a permanent contract or be self-employed, whereas young people are more likely to work on fixed term contract or to have no contract at all.

The survey included questions about entitlement and about contributions to social security. Some 35% state that they are entitled to social security. Graph 5 shows that seven in ten workers on permanent contracts are entitled to social security (71%), compared to 59% of workers on fixed term contracts, 17% of workers without contracts and 5 per cent of the self-employed. Nearly four in ten workers contribute to social security (37%). Up to 21% of workers who contribute to social security state that they are not entitled to benefits, whereas 9% are entitled who do not contribute.

Informal work might relate to unlimited working hours. Nearly half of the employees state that they have no agreed working hours (47%), the remaining group has agreed working hours (in writing 31%, verbally agreed 22%). Graph 5 shows that 87% permanent workers have agreed working hours, as well as nine in ten fixed term workers, one on three workers without contracts and 2% of self-employed. One survey question asked if wages were received in a bank account or cash in hand (by bank 20%, in cash 79%, in kind or combination 1%). Workers on permanent contracts are most likely to receive their wages in a bank account (49%), compared to 25% of fixed term workers, 3% of self-employed and 2% of those without contracts.

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

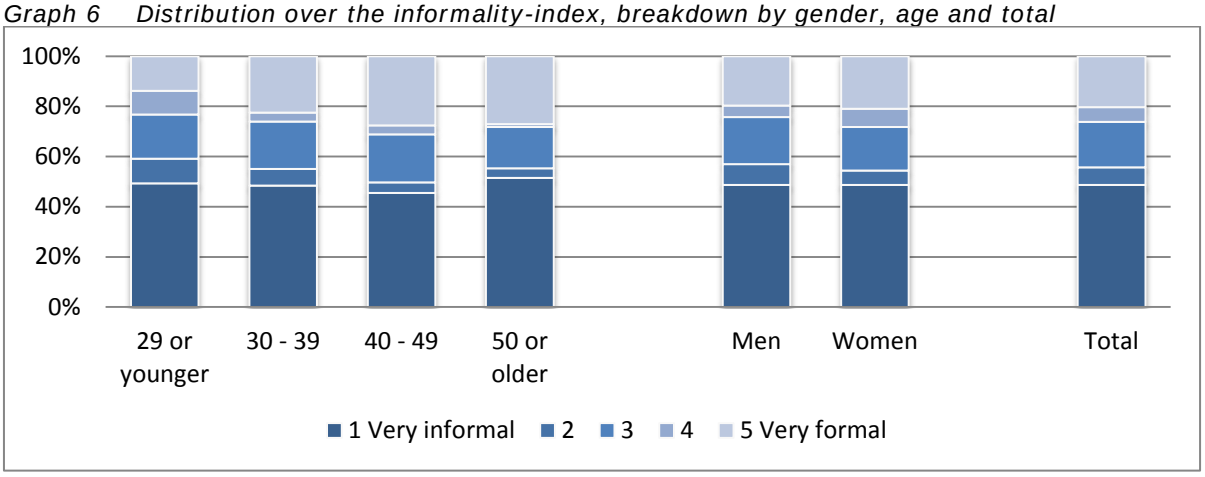


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 5-64)

The data allow us to investigate who the formal and the informal workers are and to compute an 5-points informality-index, ranging from 1=very informal to 5=very formal. 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 49% of workers are in the lowest category in the index, whereas 20% are in the highest category. The graph shows that workers of all ages are most often found in

informal jobs, but workers above 40 years old are more likely than the rest to work in formal jobs. No big gender differences are found.

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

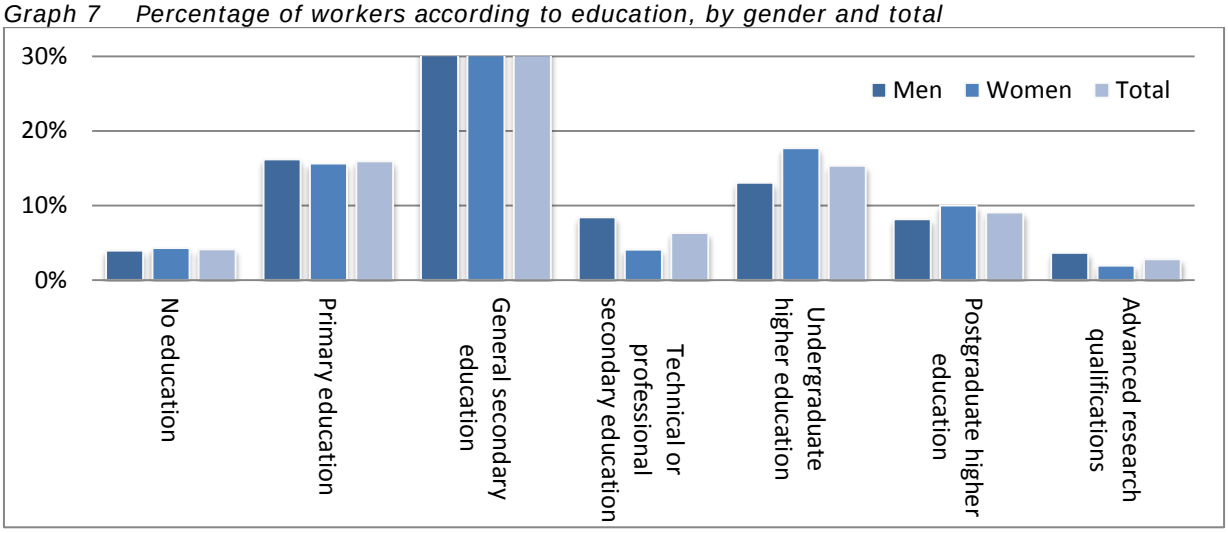


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 1)

Employment by educational category

As is shown in Graph 7, just over half of the workers had diplomas from secondary education (53%). Some 4% of workers followed no formal education, sixteen per cent stopped at elementary education and 27% followed tertiary education. Women are more likely to complete undergraduate degrees, whereas men are more likely to have technical diplomas or advanced research qualifications. Some 11% of workers report being overqualified for their job and another 17% consider themselves under-qualified (not in the graph).

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

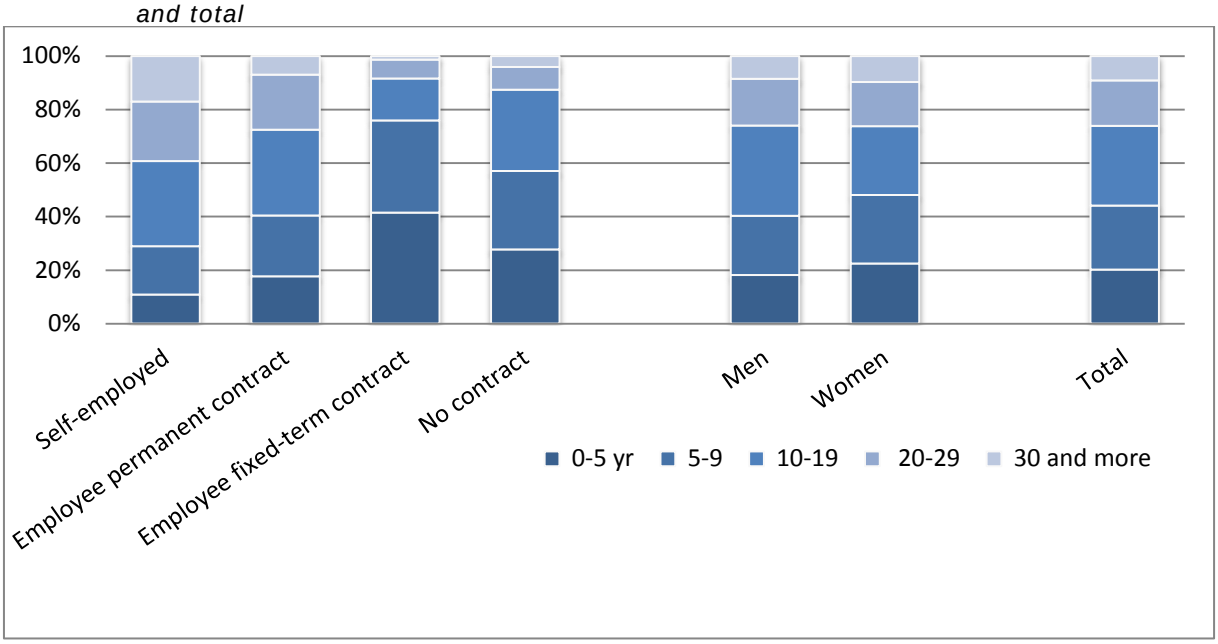


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 14)

Years of work experience

On average, the workers have worked for 14 years. Two in ten workers have less than five years of experience (Graph 8), 24% have worked between 5-9 years and another 30% between 10 and 19 years. One in four (26%) worked for more than 20 years in the labour market. Self-employed workers have most experience (18 years), workers without contracts and on fixed term contracts the least (10 and 11 years respectively). Men have more experience than women, except among the self-employed.

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

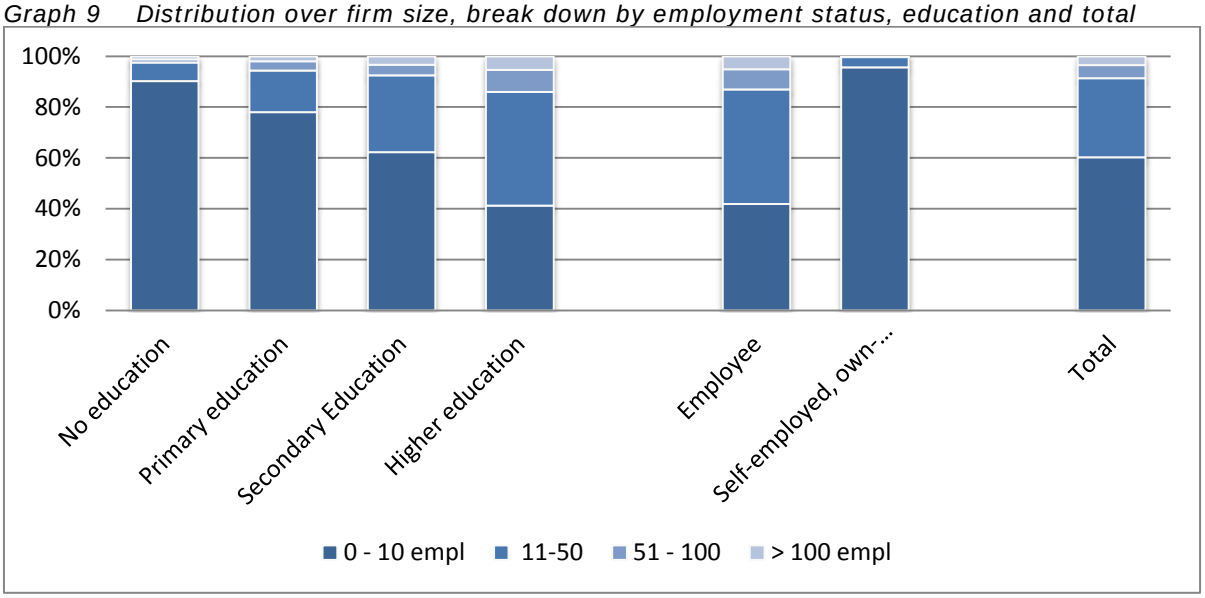


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 0-2)

The survey has a few questions about spells out of labour participation. One in three respondents have experienced such a spell, but only 9% have experienced a spell for one year or more. The spell reasons were not asked, but most likely these are due to unemployment.

Firm size

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



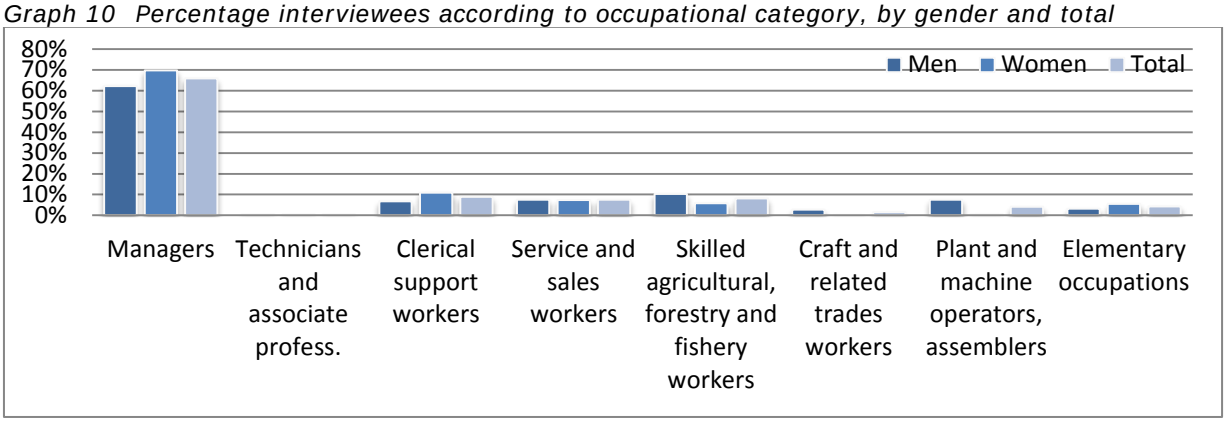
Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 6-16)

Six in ten people in the sample work in an organization with 10 or fewer employees, 31% work in an organization with 11-50 employees, 5% work in businesses of 51 to 100 employees and 3% work for businesses employing over a 100 people. Graph 9 shows that those without education (90%) work almost exclusively in small firms (90%), as do the self-employed (96%). Furthermore, the less educated workers are, the more likely they are to work for small firms.

Employment by occupational category

Graph 10 shows that nearly six in ten workers in the sample report being employed as managers (66%). This group includes all business owners, including micro-enterprises. Note that our sampling method is likely to elicit the business owners rather than the workers to take the survey. Sizeable groups of respondents work as clerical support workers (9%), as agricultural workers (8%) and as services and sales workers (7%). There are no professionals, only 0.3% technicians and 1.4% crafts workers in the sample. Women more often work as clerical support workers (11% of women and 7% of men), men are overrepresented among plant and machine operators (7% of men and 0.4% of women) and skilled agricultural workers (10% men and 6% women) and in crafts (3% of men, 0.1% of women).

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

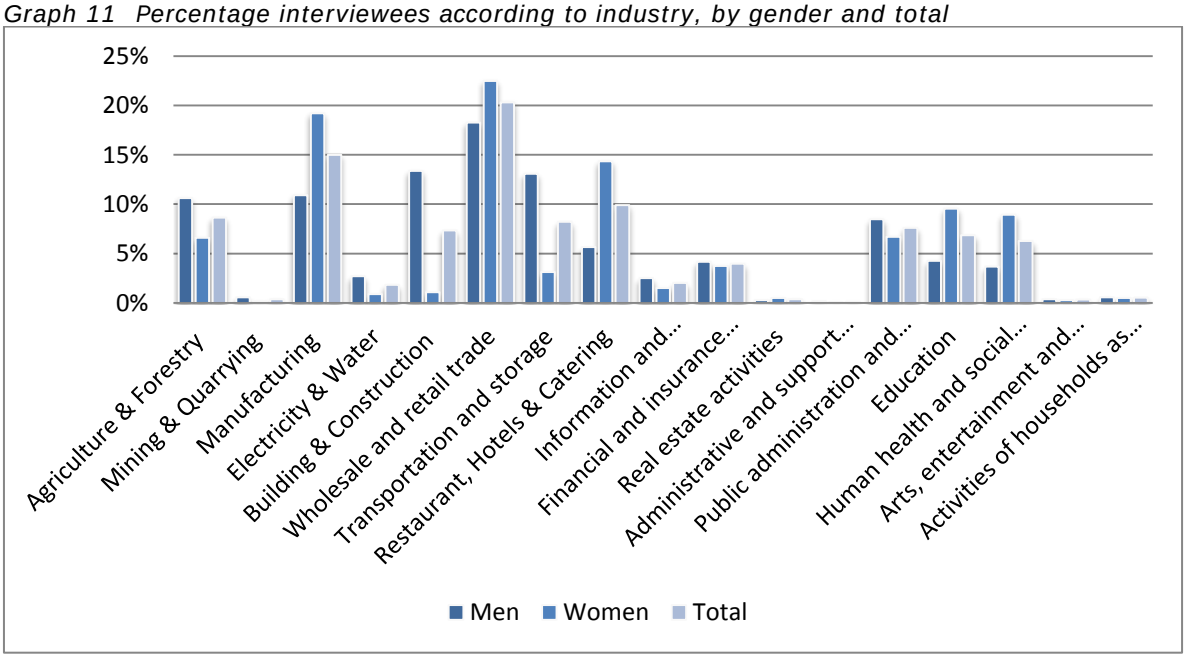


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 5)

Employment by industry

Over four in ten respondents work in trade transport and hospitality and 38% in agriculture, manufacturing and construction; 5% work in commercial services and 17% in the public sector. The biggest group of interviewees worked in the wholesale and retail trade (20%) and in manufacturing (15%), as is shown in graph 11. Women are overrepresented in manufacturing and in hotels, restaurants and catering. Men are overrepresented in building and construction, as well as in transport and storage.

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



Source: WageIndicator paper survey Madagascar, 2012, weighted data (N=2013, missing 6)

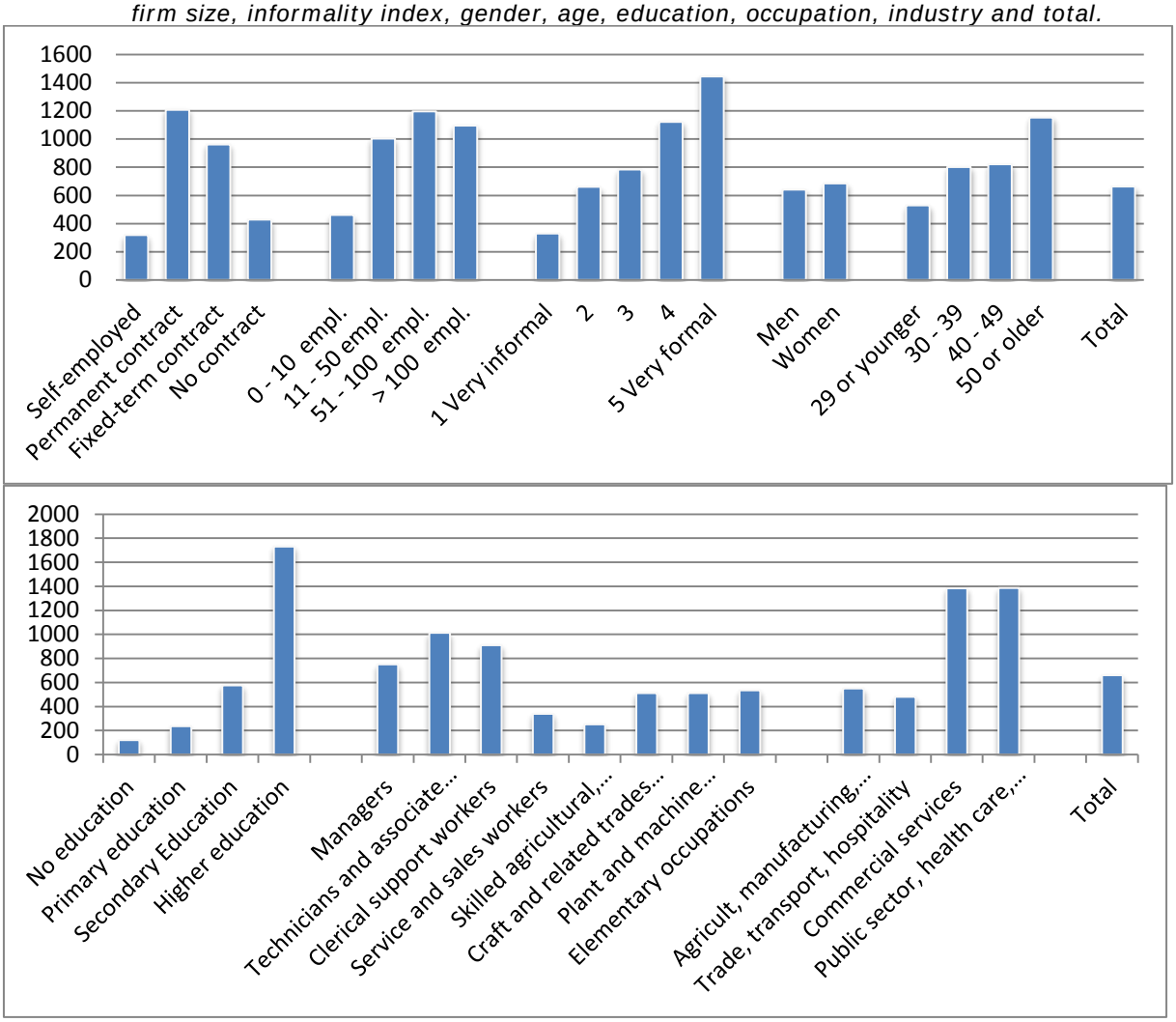
4 Remuneration

Wage levels

The median net hourly wage of the total sample is 662 Ariary (MGA), 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 that employees with permanent contracts have by far the highest earnings (1207 MGA), whereas self-employed workers (318 MGA) have the lowest earnings. At 961 Ariary, employees on fixed term contracts earn above average wages, whereas workers without contracts fall below it (427 MGA). At 462 MGA, workers in firms with less than ten employees earn the lowest wages, whereas employees in firms of between 51 and 100 employees earn the highest wages (1195 MGA). 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 328 MGA per hour, whereas those in the highest category earn wages far above that (median is 1443 MGA). Women have slightly higher wages compared to men, and at 529 MGA young workers have substantial lower wages than workers in the oldest age group (1151 MGA).

Graph 12 Median net hourly wages in Malagasy Ariary (MGA), break down by employment status, firm size, informality index, gender, age, education, occupation, industry and total.



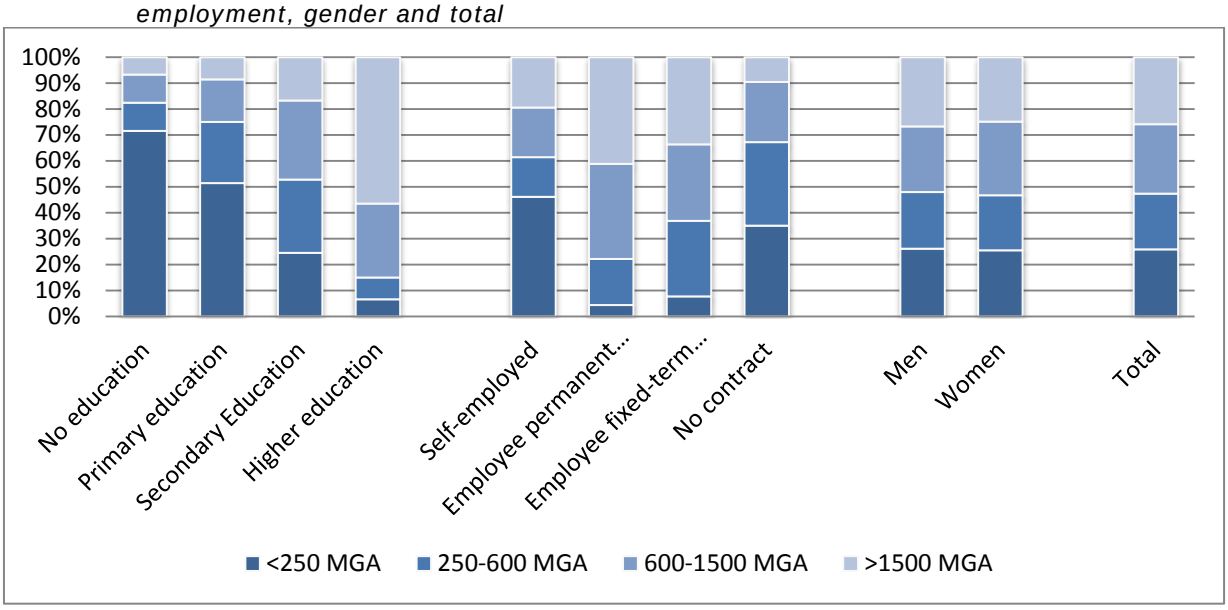
Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, 80-92 missing)

The more education a worker enjoyed, the higher their wages. Workers with tertiary education (1732 MGA) earn above average wages; workers without education earn the lowest wages (122 MGA). By occupational category, the graph shows that the very small group of technicians in the sample, and clerical support workers have the highest median wages (1013 MGA and 912 MGA respectively), followed by managers (750 MGA). The lowest paid workers are skilled agricultural workers (253 MGA) and service and sales workers (340 MGA). By industry, the graph shows that the highest wages are earned in the public sector, health care, and education (1386 MGA), followed by commercial services (1383 MGA). Workers in trade, transport, and hospitality (481 MGA) and in agriculture, manufacturing and construction (550 MGA) earn considerably less.

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 working for small companies has a negative effect on wages. Workers on permanent contracts and those with higher educational levels earn more. There are small positive effects for occupational status and tenure.

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 26% of workers earn less than 250 Ariary per hour, another 21% earn between 250 and 600 Ariary, 27% earn between 600 and 1500 Ariary and the remaining 26% earn more than 1500 Ariary per hour. Almost half of the self-employed workers (46%) earn less than 250 MGA per hour, as do 35% of the employees without contracts; in comparison, only 8% of fixed term employees and just 4% of workers with permanent contracts do. Over half of the workers with tertiary education earn more than 1500 MGA per hour, whereas 9% workers with primary education and 7% of those without education do, indicating that higher education pays off.

Graph 13 Distribution over hourly wages in Malagasy Ariary (MGA), break down by education, employment, gender and total



Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 82-91)

Wages below the minimum wage rate

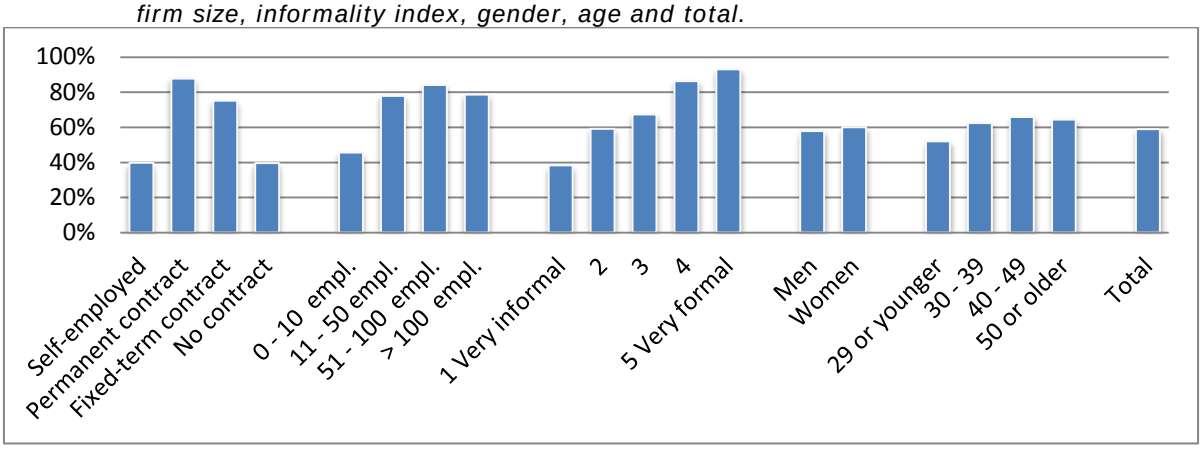
Madagascar has a complicated minimum wage structure that distinguishes between agricultural and non-agricultural employment, ten different occupational levels and work experience[2]. The occupational categories, however, are only very vaguely described and in practice the minimum wage for the lowest occupational category is often takes as the standard[3]. The level of the

[2] See http://www.votresalaire.org/madagascar/home/salaire/salaire-minimum/taux-de-salaire-minimum
[3] See http://www.votresalaire.org/madagascar/home/salaire/salaire-minimum

minimum wage is set the government, following negotiations between trade unions and employers organisations.

The lowest minimum wage in the agricultural sector is currently 101,440.00 Ariary for 200 hours per month (or 507.20 GMA per hour) and outside of agriculture it is 100,011.00 Ariary for 177.33 hours per month (or 577 GMA per hour). In this report, we tested to what extent the respondents are paid according to the minimum wage rate of 507.20 MGA or 577 MGA gross per hour.

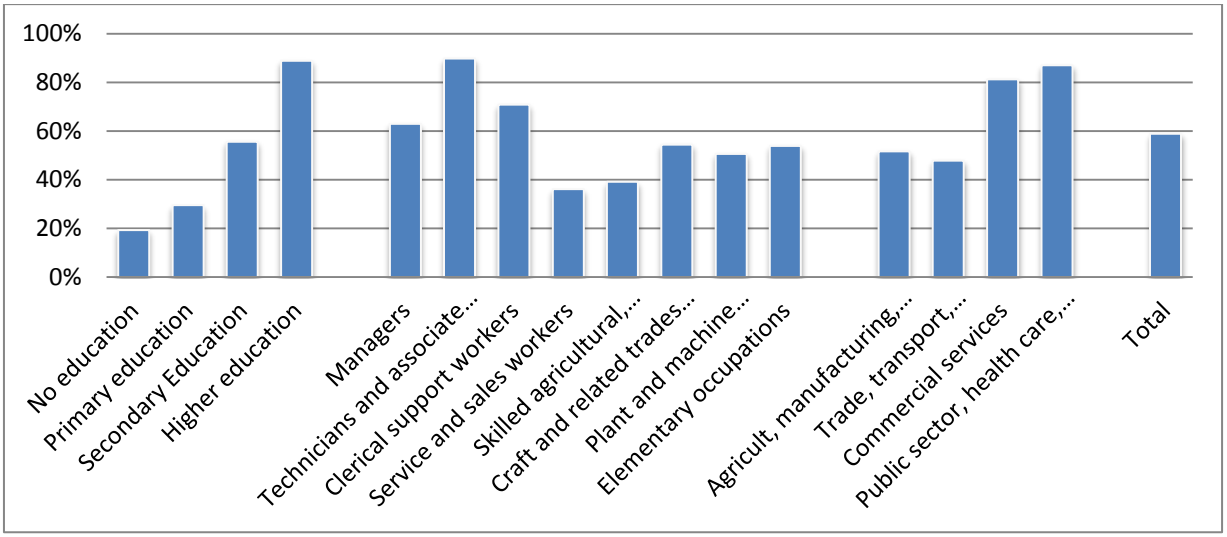
Graph 14 Percentages of workers paid on or above the minimum wage by employment status, firm size, informality index, gender, age and total.



Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 21-27)

The result of the analysis shows that 59% of the sample is paid on or above the minimum wage. Graph 14 shows in detail in which groups this occurs most frequently. Workers without contracts and the self-employed are the most vulnerable groups; just four in ten earn the minimum wage rate. In contrast, 88% of employees with permanent contracts and three in four workers on fixed term contracts earn at least the minimum wage. Workers in firms employing between 51 and 100 people are most often paid above the minimum wage (84%). In contrast, 46% of workers in firms employing 10 or less people are paid above the minimum wage rate. Differences are found according to the informality-index. Only 38% of the most informal workers are paid the minimum wage, compared to 93% of the most formal workers. Women are slightly more likely to paid the minimum wage than men (60% versus 58%). The older workers are, the more likely they are to be paid above the minimum wage rate.

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



Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, missing 21-33)

As graph 15 shows, education, occupations and industries vary widely with respect to the extent to which the workers are paid on or above the minimum wage rate. Workers with tertiary education are paid on or above the minimum wage rate in 89% of the cases, compared to just 19% of workers without formal education. Seven in ten clerical support workers are paid the minimum wage rate, whereas only 36% of services and sales workers are. Workers in trade, transport and hospitality are most at risk of being not paid above the minimum wage (only 48% are), while public sectors are most likely (87%).

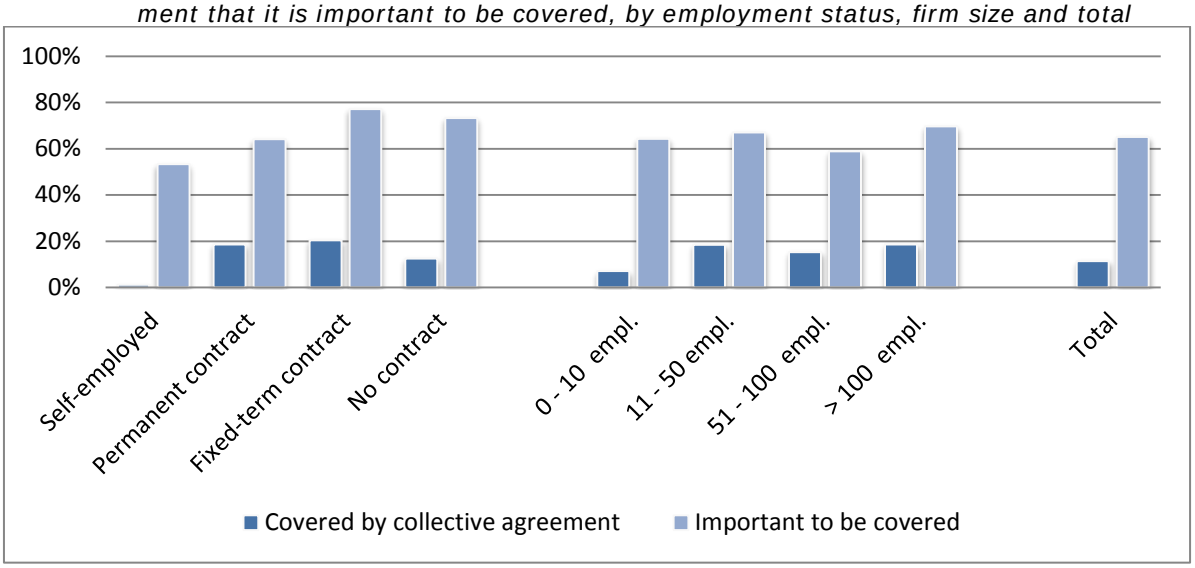
The impact of each category on an individual's outcome can be investigated, while controlling for the impact of the other categories (see Appendix 2). This shows that particularly the informality index, education, having a permanent contract, age and occupational status positively affect the likelihood of being paid on or above minimum wage. Working for a small firm strongly decreases the probability of being paid the minimum wage.

Bargaining coverage

Collective agreements are an important instrument for wage setting. This raises the question to what extent the workers in the survey are covered by an agreement. Only one in ten respondents are covered (11%). This ranges from two in ten workers on permanent contracts and 18% of those on fixed term contracts, to 12% of workers without contracts and 1 per cent of the self-employed. While on 7% of workers in firms of less than 10 employees are covered, 19% of those in firms of over 100 employees are. The Appendix holds an analysis which workers are covered by an agreement if controlled for other characteristics. It shows that workers on permanent contracts 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 11% of workers are covered, 65% wish to be covered. Only the self-employed are slightly less likely to find collective agreements important.

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

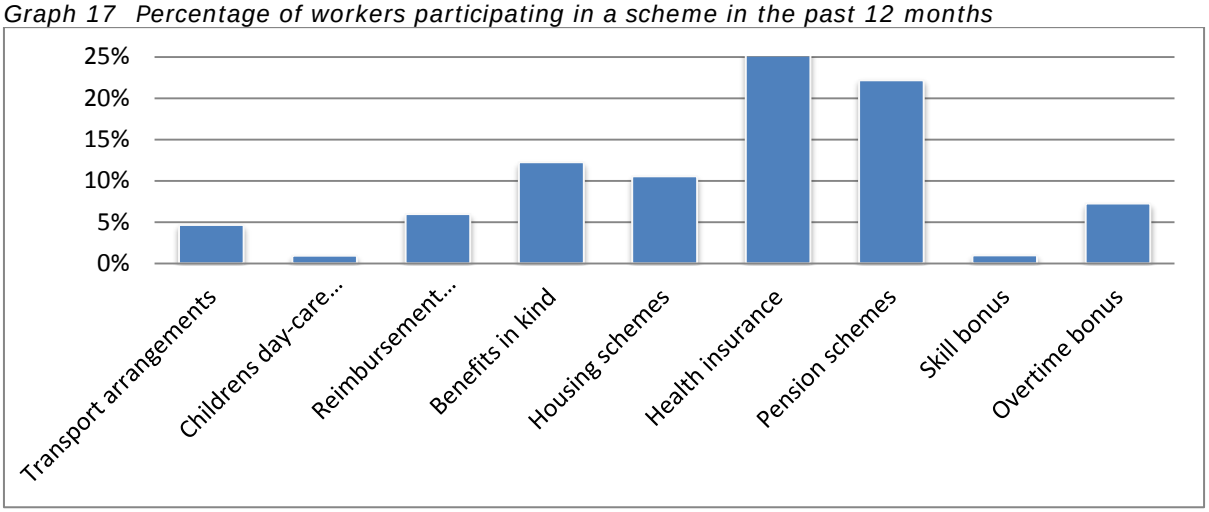


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (employees only, N=1517-1520, don't know/not applicable are coded as not covered)

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, except for the overtime bonus, which is only asked to the former group. Graph 17 shows that participation is generally low and that health care schemes (30%) and pension schemes (22%) are most common.

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

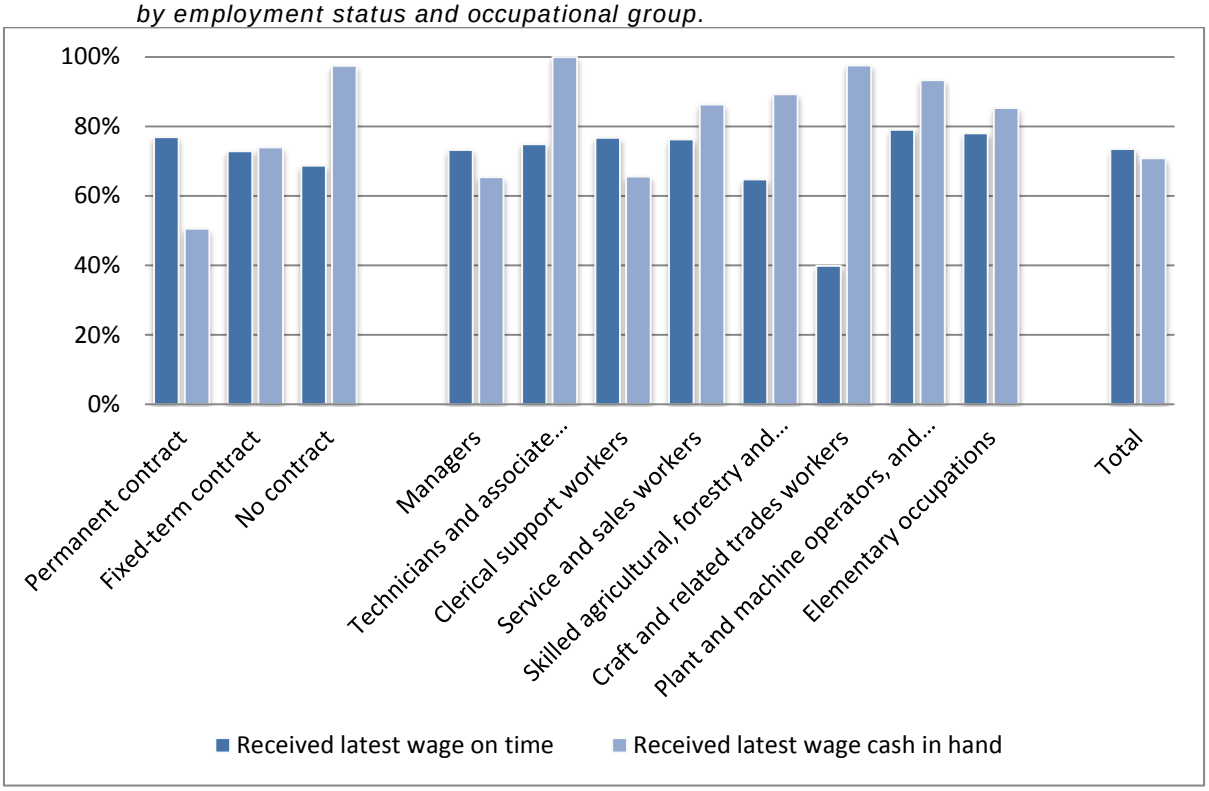


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, 3-4 missing; overtime bonus, N=1323)

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 73% of workers report receiving their wage on time. This ranges from 77% of employees on permanent contracts and 79% of plant and machine operators, to 69% of workers without contracts and 40% of crafts workers. Seven in ten workers receive their wage cash in hand. In this case, there are large differences. While 97% of workers without contracts get their wages in cash, only 51% of employees on permanent contracts do. Almost all crafts workers (98%) get paid in cash, whereas much fewer managers are (65%).

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



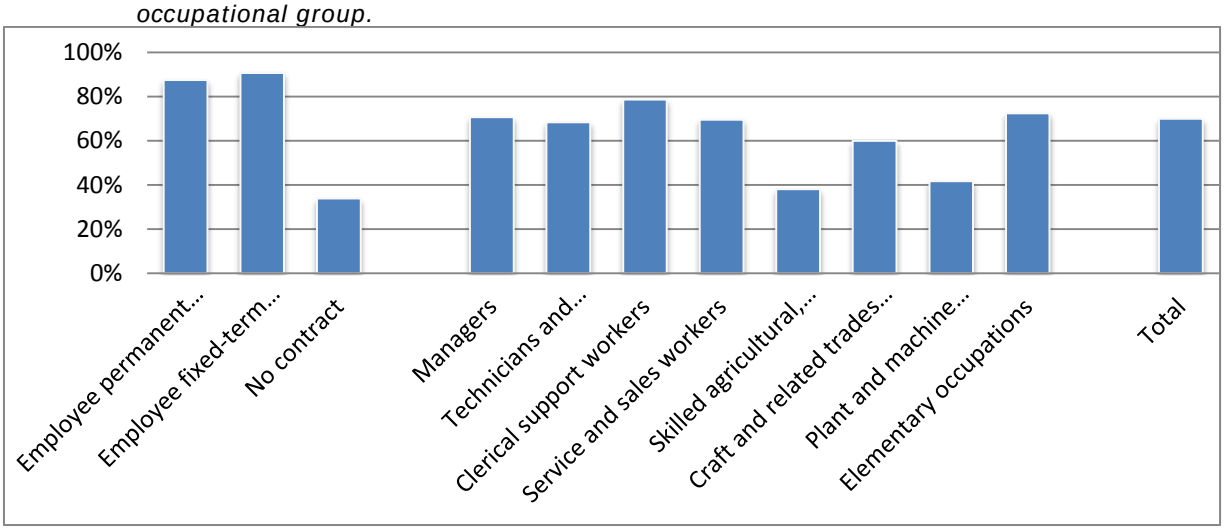
Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=1302 (on time), N=1320 (cash), employees only)

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. Seven in ten employees have agreed working hours (Graph 19). This is highest for the employees with a fixed term contract (91%) and lowest for the workers without a contract (34%). Clerical support workers (79%) most often have agreed working hours. Plant and machine operators (42%) and agricultural workers (38%) least often have agreed working hours.

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

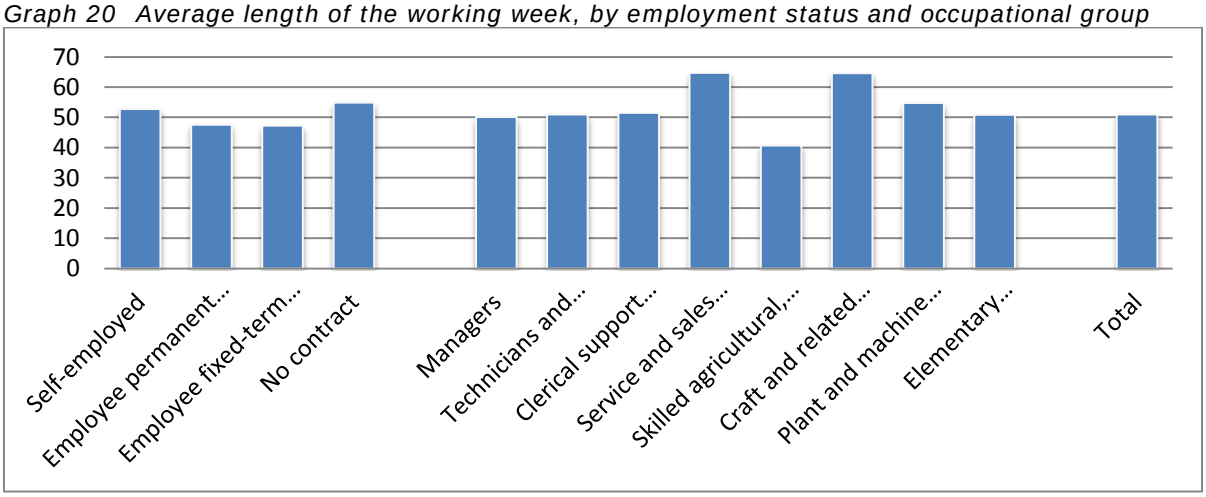


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data, (N=1300-1304, employees only)

Usual working hours

Graph 20 shows that the average usual working week of respondents is 51 hours, which is much longer than the standard 40 hours working week. Workers without contract make most hours (55) and those on fixed term contracts work the fewest (47 hours). Crafts, service and sales workers make an average of 65 hours per week, whereas skilled agricultural workers work 41.

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

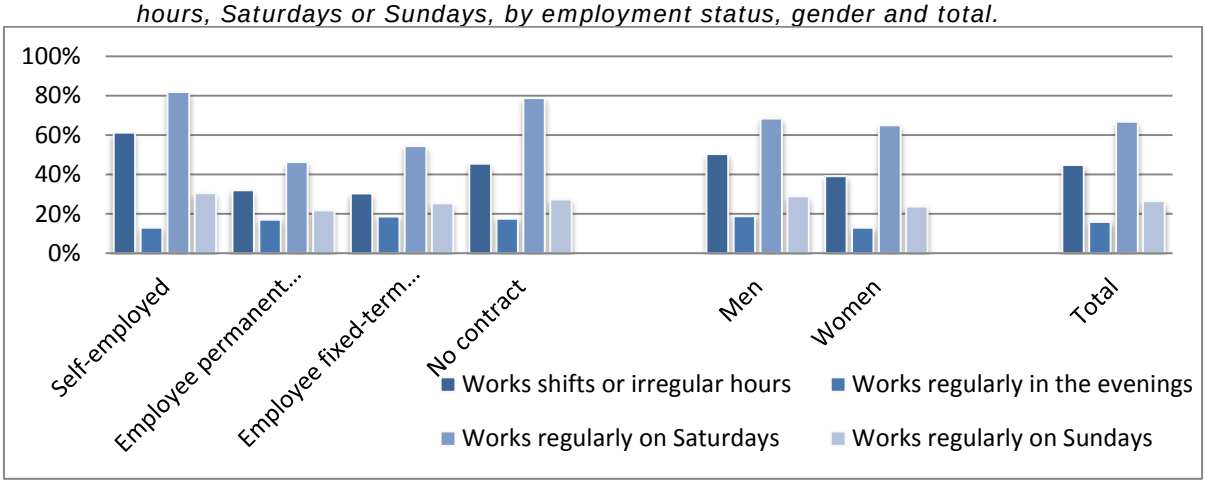


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, 2-5 missing)

Shifts or irregular hours

The survey includes a question asking if the respondent works shifts or irregular hours. Graph 21 shows that 45% of workers report doing so. The incidence of shift work or irregular hours is highest for the self-employed and higher for men than for women. Working in the evenings is reported by 16% of workers in the sample, most frequently by workers with fixed term contracts and more so by men than by women. Two in three workers report working Saturdays, while one in four works Sundays. Working regularly on weekends occurs most often among the self-employed. Again, men are more likely to work weekends than women.

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

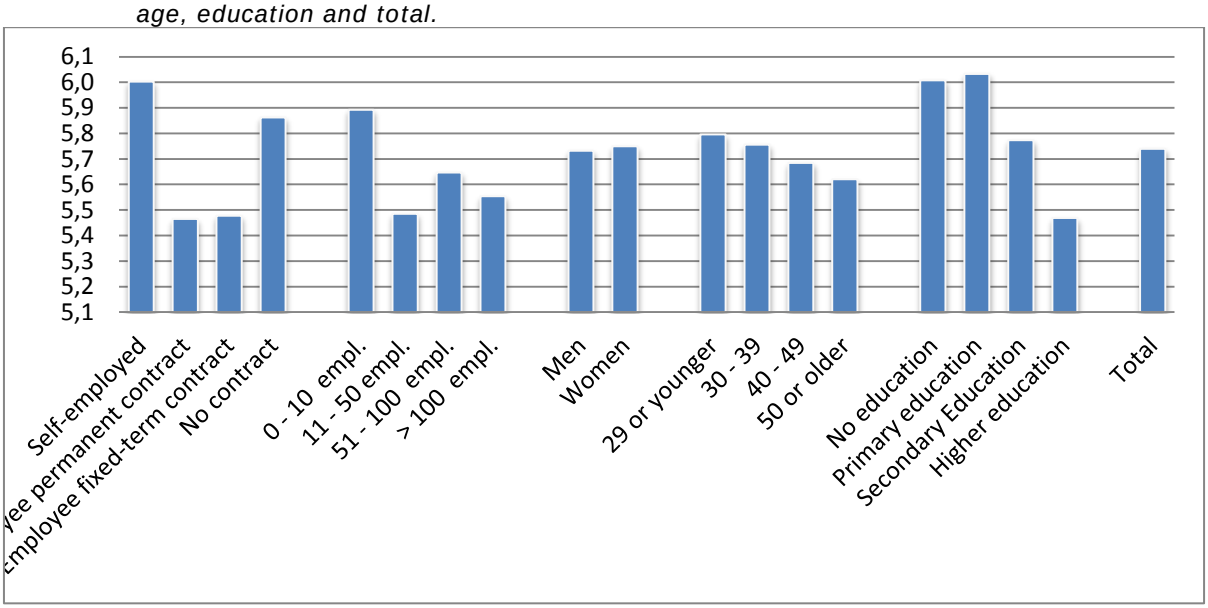


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, 10-12 missing)

Average working days per week

On average, the workers in the sample report to be working 5.7 days a week. Graph 22 shows that particularly the self-employed and workers without contracts work more days than the average. So do the workers in small firms and the workers with no or just primary education.

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

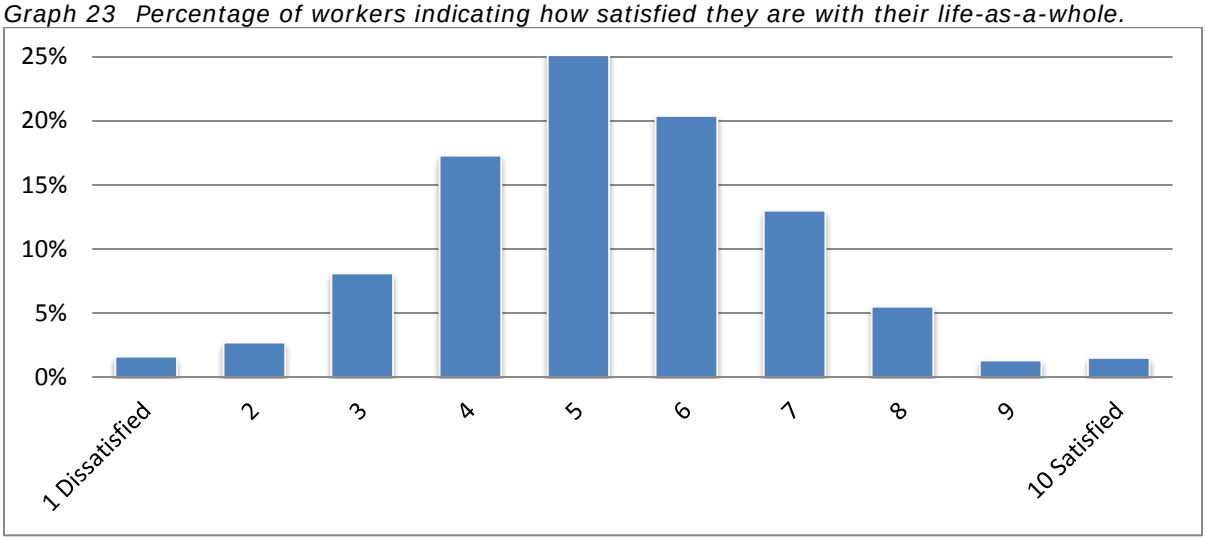


Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, 0-12 missing)

6 Satisfaction with life-as-a-whole

The survey includes a question about satisfaction with life-as-a-whole on a scale from 1=dissatisfied to 10=satisfied. As graph 23 shows, forty per cent of respondents rate their lives a six or higher and 10% score an 8 or higher. On average, the interviewees score a 5.3.

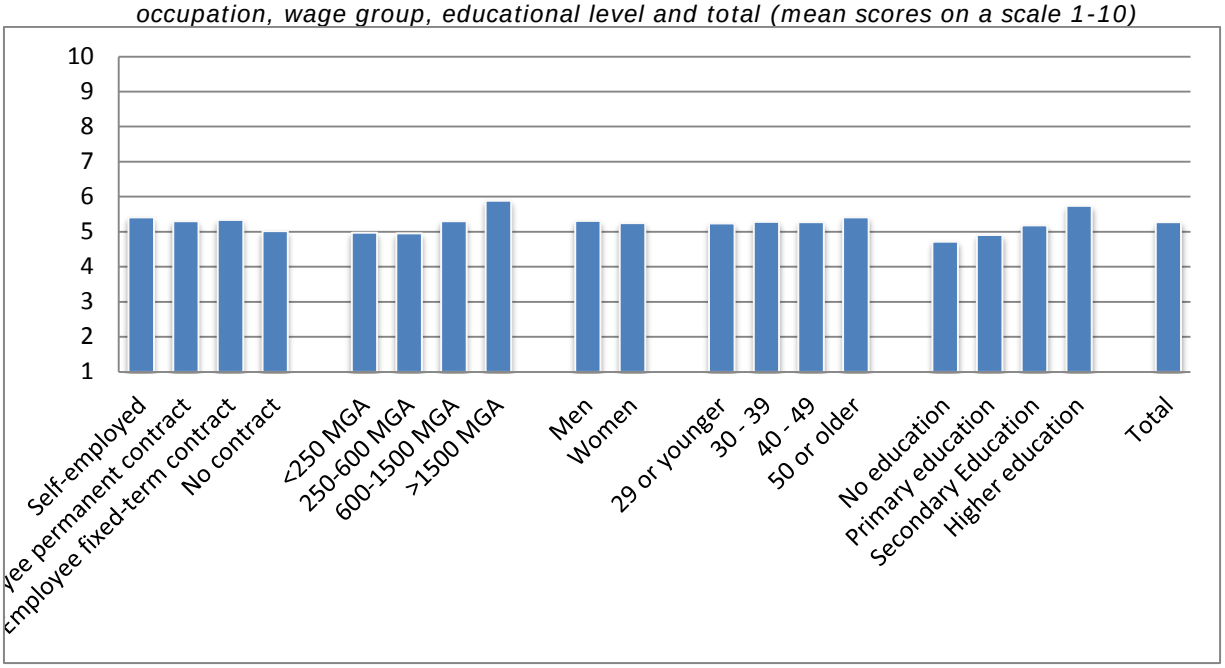
Graph 23 Percentage of workers indicating how satisfied they are with their life-as-a-whole.



Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, 2 missing)

Groups do differ with respect to their life satisfaction as a whole. Graph 24 shows a breakdown for several groups. Workers earning more than 1500 Ariary per hour and people with higher education are most happy. When explaining the variance in life satisfaction, having a partner and occupational status improve the likelihood of happiness.

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



Source: WageIndicator face-to-face survey Madagascar, 2012, weighted data (N=2013, 2-82 missing)

Appendix 1 List of occupational titles

ISCO code	Occupational title	Unweighted Frequency
1120050000000	Technical department manager	12
1120060000000	Engineering department manager	50
1120070000000	Installation or repairs department manager	35
1120080000000	Manufacturing department manager	290
1211020000000	Financial department manager	99
1212020000000	Personnel department manager	40
1219030000000	Laboratory department manager	6
1219040000000	Housekeeping department manager	6
1219050000000	Administrative services department manager	82
1219070000000	Purchasing department manager	7
1219980000000	Department manager, all other	281
1221030000000	Marketing department manager	9
1221040000000	Sales department manager	304
1222020000000	Advertising department manager	13
1222030000000	Communications department manager	17
1222040000000	Public relations department manager	9
1223030000000	R&D department manager	6
1324060000000	Road, rail, water or air transport company manager	7
1330020000000	IT department manager	23
1412010000000	Restaurant manager	15
1420050000000	Travel agency manager	2
3322000000000	Sales representative	6
4120060000000	Secretary	75
4221020000000	Travel agency clerk	8
4226030000000	Receptionist, telephonist	33
4322050000000	Transport scheduling clerk	6
4412020000000	Courier	35
5113010000000	Travel guide	6
5120040000000	Food preparation worker	18
5131010000000	Waiter or waitress	45
5212010000000	Street vendor (food products)	22
5414010000000	Security guard	44
6111030000000	Field crop or vegetable farm worker	100
6121010000000	Dairy farmer	4
6121030000000	Livestock farm worker	1
6121040000000	Cattle farmer	8
6129990000000	Livestock breeder, all other	8
6210010000000	Forestry worker	1
6310010000000	Subsistence crop farmer	2
6330010000000	Subsistence mixed crop or livestock farmer	62
7115010000000	Carpenter	26
8322020000000	Taxi driver	41
8332010000000	Truck driver	63
9112010000000	Cleaner in offices, schools or other establishments	65
9211020000000	Fruit, nut or tea picker	11
9212030000000	Livestock farm helper	1
9313070000000	Carpenter helper	3
9333010000000	Freight handler, all other	6
	Total	2013

Appendix 2 Regressions

Dependent variable: log net hourly wages					
	B	Std. Error	Beta	t	Sig.
Constant	5,450	,156		34,854	,000
Female	,021	,069	,006	,309	,757
Educational level (0=lowest, .., 6=highest)	,107	,017	,130	6,135	,000
Employee permanent contract	,768	,084	,214	9,192	,000
Firmsize 1-5 empl	-,839	,100	-,249	-8,404	,000
Firmsize 6-10 empl	-,079	,118	-,017	-,668	,505
Firmsize 11-20 empl	-,034	,110	-,008	-,308	,758
Tenure (0-61 yrs)	,010	,003	,062	2,926	,003
Socio-Econ. Index of occ. status (ISEI 11=lowest, ..,76=highest)	,008	,002	,096	4,606	,000
N	1913				
R-square	.193				

Dependent variable: Paid up or above the future minimum wage rate yes/no						
	B	S.E.	Wald	df	Sig.	Exp(B)
Informality index (1=very informal, .., 5=very formal)	,428	,057	55,826	1	,000	1,533
Firmsize 1-5 empl	-,953	,175	29,620	1	,000	,386
Firmsize 6-10 empl	-,144	,202	,504	1	,478	,866
Firmsize 11-20 empl	-,119	,198	,360	1	,549	,888
Employee on permanent contract	,726	,182	15,899	1	,000	2,066
Educational level (0=lowest, .., 6=highest)	,013	,003	23,646	1	,000	1,013
Female	,099	,113	,772	1	,380	1,104
Lives with partner	,421	,151	7,796	1	,005	1,523
Lives with child	,145	,154	,884	1	,347	1,156
Age (13-66 yrs)	,023	,005	17,493	1	,000	1,023
Socio-Econ. Index of occ. status (ISEI 10=lowest, ..,79=highest)	,011	,003	14,829	1	,000	1,011
Constant	-2,589	,319	65,803	1	,000	,075
N	1941					
-2 Log Likelihood	1996.050					

Dependent variable: Covered by a collective agreement yes/no (don't know answers coded as no)						
	B	S.E.	Wald	df	Sig.	Exp(B)
Employee on permanent contract	,567	,160	12,617	1	,000	1,762
Educational level (0=lowest, .., 6=highest)	,008	,004	3,278	1	,070	1,008
Female	-,129	,148	,766	1	,381	,879
Firmsize 1-5 empl	-,912	,222	16,892	1	,000	,402
Firmsize 6-10 empl	-,041	,224	,033	1	,857	,960
Firmsize 11-20 empl	,390	,190	4,222	1	,040	1,477
Tenure (0-61 yrs)	-,020	,008	5,748	1	,017	,980
Socio-Econ. Index of occ. status (ISEI 11=lowest, ..,76=highest)	,005	,004	1,732	1	,188	1,005
Constant	-2,450	,373	43,222	1	,000	,086
N	1984					
-2 Log Likelihood	1292.020					

Dependent variable: Satisfaction with life as-a-whole (1 – dissatisfied to 10 – satisfied, excluding values 1 and 10 in the analyses)					
	B	S.E.	Beta	t	Sig.
Constant	5,425	,174		31,249	,000
Employee on permanent contract	-,169	,077	-,054	-2,201	,028
Education level (0=lowest, .., 6=highest)	,003	,002	,045	1,887	,059
Female	-,029	,068	-,010	-,428	,669
Less than 250 MGA	-,872	,104	-,258	-8,357	,000
250 - 600 MGA	-,982	,102	-,275	-9,596	,000
600 - 1500 MGA	-,520	,093	-,157	-5,597	,000
Living with a partner	,184	,094	,058	1,969	,049
Living with a child	-,248	,095	-,078	-2,619	,009
<29 years	,021	,085	,007	,242	,809
30-39 years	,066	,052	,072	1,277	,202
40-49 years	-,070	,051	-,077	-1,368	,172
Socio-Econ. Index of occ. status (ISEI 11=lowest, ..,76=highest)	,007	,002	,094	4,039	,000
N	1815				
R-squared	.086				

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