

WAGE RATE INDICES - 1993

Introduction

This is the first of a series of wage rate indices to be published by the Central Statistical Office. Figures for 1993 are given in table 1. Average wage rates of selected occupations for 1992 and 1993 in the various sectors of the economy are also included. All the figures published here are as at September; inclusive of the compensation for increase in the cost of living.

Index numbers of wage rates actually paid

In the context of the present price indices program, index numbers of wage rates measuring changes in the price of labour (i.e. changes over time in remuneration for the same job), are being compiled. The indices measure changes in the average wage/salary rates paid for normal-time work.

The average rates are worked out annually from wages and salaries data collected through the Survey of Employment, Earnings and Hours of Work, carried out in September of each year. Wages and salaries comprise basic pay, cost of living allowances and other guaranteed and regularly paid allowances and are exclusive of overtime payments.

Index calculation

A Laspeyres type fixed base-weighted formula is being used, where the occupational structure and distribution of employees are held constant with reference to base year 1992. The changes in average wage rates are measured at the occupational level and the magnitude of these changes are then weighted to give a combined measure of the change (the index) for the industry group.

$$\text{i.e. } I_0^t = \frac{\sum_i W_i^0 \cdot \frac{R_i^t}{R_i^0}}{\sum_i W_i^0} \times 100$$

Where I_0^t , is the index for year t compared to base year 0 for a given industry group (4-digit level of the International Standard Industrial Classification of Industries, ISIC)

W_i^0 represents the weight of occupation i

R_i^t represents the wage rate paid out in occupation i in year t

R_i^0 represents the wage rate paid out in occupation i in base year 0.

The aggregate indices for several industry groups (1 digit level of the ISIC) or for all economic activities as a whole, have been computed by taking a weighted average of the individual industry group indices.

Calculation of weights

- (1) The weight W_i^0 of occupation i is a combination of the number of employees (N_i^0) and the wage rate (R_i^0) of that occupation in the base year. The total number of employees (N_i^0) in the various occupations during the base year being unavailable for 1992, employment data from the 1990 Census have been adopted.
- (2) To combine indices of industry groups into indices of a higher level, wage data for all employees (in large and other than large establishments) by industry group, are needed. In the absence of such data, wages and salaries paid to employees in large establishments only, have therefore been used to weight the industry group indices.

Selection of occupations

Wage data are collected for specific occupations. The occupations selected within an industry group are those having the largest numbers of employees, as enumerated at the 1990 Census.

It is to be noted that within the occupations, both time-rated and piece-rated workers of both sexes are covered. But employees such as apprentices, workers on probation, part-time workers and employees working on a temporary basis have been excluded because usually wage rates paid to them as well as the patterns of change over time are different from those of the first category.

Selection of establishments

Wage data are collected on a sample basis from large establishments only. These comprise sugar cane plantations of 10 hectares or more; tea plantations of 2 hectares or more; all 'flue-cured' tobacco establishments; other agricultural and non-agricultural establishments having 10 or more employees.

Taking into consideration available resources, an overall sample of about 20% (around 500 establishments) is being surveyed each year. In the two largest industry groups, i.e. manufacture of wearing apparel and wholesale & retail trade, only 10% of the number of the establishments were chosen. Within the industry groups, selection was proportional to size of establishments.

Limitations

To show genuine changes in the price of labour, it would be necessary to proceed in the same way as for pricing of commodities for the Consumer Price Index. In other words, wages of specific individual workers at specific establishments, would have to be measured over time. This exercise is practically impossible in any country. The next best approach is to follow changes in the wages of groups of employees performing the same jobs, i.e. changes in wage rates of specific occupations. However, the following limitations would have to be faced :-

- (i) Any changes in the mix of employees within the selected occupations is bound to affect the calculated rates and hence the corresponding sectoral indices.

- (ii) Wage adjustments resulting from changes in the tasks associated with a particular occupation, cannot be separated from pure price changes.
- (iii) Similarly it will not be possible to isolate the effects of productivity changes in the same occupations from pure price changes.

Summary of results

An increase of 15.5% occurred in the overall index between September 1992 and September 1993.

From the figures in table 1, it can be seen that in 1993, the highest rise in wages/salaries occurred in the service industries. This is mainly due to the increases in salaries of public officers and private secondary school employees, following the PRB report.

In the other industry groups, increases ranging between 11 and 15% were noted, except in 'Construction'. The rise of 5% only in the construction industries is due to the already high wages prevailing in 1992.

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Table 1 - Wage index by industrial group - 1993
 (Base: September 1992 = 100)

Industrial group	Weights	Index 1993
Agriculture and fishing	93	111.1
Manufacturing, mining & quarrying	312	115.1
Electricity and water	23	111.9
Construction	54	105.0
Wholesale, retail trade, restaurants and hotels	88	112.5
Transport, storage & communication	68	112.0
Financing, insurance, real estate and business services	48	114.7
Community, social and personal services	313	121.0
of which: Government services	257	119.9
Other services	56	125.9
All sectors	1,000	115.5

Table 2 - Average wages per hour of selected occupations by industrial group (excluding government), September 1992 - September 1993

Industrial group	Occupation	Average wages ¹ per hour	
		1992 (Rs)	1993 (Rs)
<u>Agriculture</u>			
Sugarcane plantations	Overseer - Grade I	22.72	23.89
	Field worker (other than special category)	18.70	20.87
Tea plantations	Fieldworker	11.43	13.65
	Sirdar/Gangman	16.34	18.21
<u>Manufacturing</u>			
Poultry breeding & processing	Farm worker	13.00	14.19
	Factory worker	12.75	14.04
Biscuits and confectionery	Machine operator	13.11	13.87
	Factory worker	8.28	9.31
Sugar factories	Fitter - Grade I	20.29	21.40
	Welder Grade I	20.00	20.90
	Driver (heavy mechanical unit) -Grade I	18.17	19.83
	Factory operator -Grade I	15.59	16.23
Tea factories	Factory worker	9.60	12.43
	Factory operator	13.63	15.63
Soft drinks	Beverage machine operator	12.40	15.55
	Driver/Salesman	21.47	26.14
	Lorry helper	11.59	14.58
Textiles (excluding wearing apparel)	Machine operator	12.16	14.30
	Factory worker	12.63	14.97
	Unskilled worker	10.88	11.91
Wearing apparel (except footwear)	Machine operator	11.32	13.21
	Weaver/Knitter	13.29	14.31
	Unskilled worker	10.46	11.96

¹ Wages include remuneration for normal time work inclusive of cost of living allowances and other guaranteed and regularly paid allowances.

Table 2 (cont'd) - Average wage per hour of selected occupations by industrial group (excluding government), September 1992 - September 1993

Industrial group	Occupation	Average wages ¹ per hour	
		1992 (Rs)	1993 (Rs)
Manufacture of leather products (except footwear)	Factory worker	10.36	11.11
	Footwear		
	Shoemaking machine operator	12.96	14.00
Furniture			
	Furniture upholsterer - Grade I	17.27	18.95
	Varnisher/Cabinet maker -Grade I	16.93	18.71
Manufacture of paper products			
	Machine operator	19.69	22.07
	Unskilled worker	11.74	14.19
Printing & publishing			
	Reporter/Journalist	54.33	69.38
	Typist/Stenographer	28.64	30.98
	Printing machine operator	21.00	23.69
	Binder/Cutter	14.41	17.26
Chemical products (excluding fertilisers)			
	Mixing/Blending machine operator	14.17	16.07
	Unskilled worker	11.53	13.65
Manufacture of rubber products			
	Machine operator	14.24	15.94
Plastic products			
	Factory operator	12.11	15.48
	Other fact.worker	16.89	19.93
Iron & steel basic industries			
	Factory worker	13.36	16.38
Manufacture of metal products (except machinery)			
	Factory worker	17.38	19.21
Non-electrical machinery			
	Fitter	21.16	22.28
	Mechanic	18.62	20.55
Electrical machinery & appliances			
	Factory worker	13.50	15.44

Table 2 (cont'd) - Average wage per hour of selected occupations by industrial group (excluding government), September 1992 - September 1993

Industrial group	Occupation	Average wages ¹ per hour	
		1992	1993
Jewellery & related articles	Diamond cutter/Polisher	16.16	19.46
<u>Electricity</u>	Lineman	30.67	32.42
	Power generating machine operator	29.58	30.93
<u>Water</u>	Meter reader	28.48	36.86
	Tradesmen	23.64	27.88
	Labourer/Unskilled worker	17.50	19.83
<u>Construction</u>	Mason -Grade 1	26.57	27.78
	Carpenter - Grade 1	23.42	24.77
	Labourer/Helper	13.66	14.86
<u>Wholesale, retail trade, restaurants and hotels</u>			
Wholesale & retail trade	Salesperson	20.97	24.13
	Sales representative	51.12	64.53
Hotels	Receptionist	21.88	23.04
	Waiter	15.40	16.22
	Cook	20.36	22.36
	Cleaner	11.95	13.65
<u>Transport, storage & communication</u>			
Bus transport	Bus driver	20.85	24.51
	Bus conductor	18.56	21.42
Docks & stevedoring	Dock worker	20.96	21.60
Communication	Telephone installer/Service	26.83	31.09
	Telephone operator	26.35	33.73
	Telecommunication technician	36.66	47.45
<u>Financing, insurance, real estate and business services</u>			
Banks and other financial institutions	Bank teller	31.92	36.91
	Clerk/Senior clerk	35.92	45.42

**Table 2 (cont'd) - Average wage per hour of selected occupations by industrial group
(excluding government), September 1992 - September 1993**

Industrial group	Occupation	Average wages ¹ per hour	
		1992	1993
Insurance	Insurance clerk	30.58	37.20
	Clerk- General	35.39	39.55
Engineering and architectural services	Draughtsman	29.46	33.61
	Engineer	92.10	99.48
<u>Community, social and personal services</u>			
Sanitary services	Office/Building cleaner	12.50	14.39
	Scavenger/Street sweeper	11.47	12.73
Private education services	Education officer	58.85	80.73
	Lecturer (full-time)	73.80	95.43
Private health services	Professional Nurse	30.52	32.52
	Nursing Aid	17.62	18.74
Repair of motor vehicles	Garage mechanic - Grade I	19.28	21.14
	Panel beater - Grade I	26.50	29.69
Laundry services	Machine operator	10.46	12.39
	Driver	15.27	17.05

Table 3 - Average wages/salaries per month of selected occupations in government services, September 1992 - September 1993

Central government	1992	1993
Occupations:	(Rs)	(Rs)
Education officer	9,223	12,182
Nursing officer	4,975	6,079
Teacher/Senior teacher	5,303	6,469
Clerical officer/higher clerical officer	4,159	4,889
Police constable	4,675	5,620
Mason	4,432	5,049
Carpenter	4,343	4,957
Driver	3,816	4,413
Hospital servant	3,683	4,214
Labourer	3,104	3,601
Local government		
Occupations :		
Inspector of health	5,723	7,101
Clerical officer	4,248	5,245
Gardener	3,292	3,617
Mason	4,139	4,824
Carpenter	4,046	4,594
Driver	3,953	4,300
Refuse collector	3,065	3,469
Labourer	2,788	3,212

