

WAGE RATE INDEX - 1995

Introduction

This is the third issue of the wage rate index, which is published by the Central Statistical Office, as from 1993. This index, having as base 1992, is computed from wage data collected through the Survey of Employment, Earnings and Hours of work, carried out among a sample of large establishments (i.e. in general, those having 10 or more employees) in September of each year.

The hourly wage/salary rates of specific occupations, used in the calculation of the index, are the rates paid for normal time work and comprise basic wages and salaries, cost of living allowances and other guaranteed and regularly paid (at the end of each pay period) allowances. Overtime payments are therefore excluded.

It must be pointed out that the current figures are subject to revision in later issues, as more and better information becomes available. Thus figures for 1994 in this issue have been updated, as indicated by relevant footnotes.

2. Changes in the index

Between 1994 and 1995, wages have gone up by 7.2 % compared to 10.5 % between 1993 and 1994. These increases have caused the overall wage index to rise by 9.2 points, i.e. from 127.6 in September 1994 to 136.8 in September 1995. The corresponding rise of the preceding twelve months, i.e. September 1993 to September 1994, was 12.1 points. Subindices for all major industry groups for 1994 and 1995 are given in table 1, where a general upward movement is obvious. It can be seen that increases range between 128.0 in 'Electricity and Water' and 146.2 for the Construction Industry. Subindices for 'Manufacturing' and 'Community, social and personal services', which most affect the overall index because of their important weights, were 136.4 and 137.0 respectively.

3. Contribution of the industry groups to the index

'Manufacturing' contributed most (3 points) to the increase of 9.2 points in the overall index between 1994 and 1995. Another important contribution, this one of 2.3 points, was from 'Community, social and personal services', made up of 1.3 points from government services and 1 point from other services. The contribution of each of the industry groups to the overall index is shown in table 2.

4. Change in wage rates by industry

The highest increase in wage rates between 1994 and 1995 was noted in 'Financing, insurance, real estate and business services', with an increase of 14.2%. This high increase is mainly attributed to a rise of around 20% in the salaries of employees in banking institutions. 'Wholesale, retail trade, restaurants and hotels' came next in importance, with a

8.5% rise, followed by the manufacturing sector where wage rates have gone up by 7.7%. The other sectors registered increases of the order of 6 to 7% as shown in table 3. Within 'Community, social and personal services', wages of non-government employees have risen by 13.7% while in government services, a 3.8% increase in wages was noted.

5. 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 have to be faced even in this approach.

For example, any changes in the mix of employees within the selected occupations is bound to affect the calculated rates and hence the corresponding sectoral indices. Such changes can occur, for example, with a new intake of employees in a specific group - when the wages of the new recruits pull down the average wages for the whole group from one period to the next.

Other limitations may arise because of :-

- (i) wage adjustments resulting from changes in the tasks associated with a particular occupation which cannot be separated from pure price changes
- (ii) the difficulty of separating the effects of productivity from the overall change.

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Table 1 - Wage index by industry group, 1994-1995
(Base: September 1992 = 100)

Industry group	Weights	Index 94(1)	Index 95
Agriculture and fishing	93	126.6	135.4
Manufacturing, mining & quarrying	313	126.7	136.4
Electricity and water	23	119.8	128.0
Construction	54	137.9	146.2
Wholesale, retail trade, restaurants and hotels	88	123.1	133.5
Transport, storage & communication	68	126.2	135.1
Financing, insurance, real estate and business services	48	125.4	143.2
Community, social and personal services	313	129.6	137.0
of which Government services	(257)	128.9	(133.8)
Other services	(56)	133.1	(151.3)
All sectors	1,000	127.6	136.8

Table 2 - Contribution of industry groups to change in index point, 1993-94 and 1994-95

Industry group	1993-94(1)	1994-95
Agriculture and fishing	1.4	0.8
Manufacturing, mining & quarrying	3.6	3.0
Electricity and water	0.2	0.2
Construction	1.8	0.5
Wholesale, retail trade, restaurants and hotels	0.9	0.9
Transport, storage & communication	1.0	0.6
Financing, insurance, real estate and business services	0.5	0.9
Community, social and personal services	2.7	2.3
of which Government services	2.3	(1.3)
Other services	0.4	(1.0)
All sectors	12.1	9.2

(1) Revised

Table 3-Annual percentage change in wage rates by industry group,1993-94 and 1994-95

Industry group		Percentage change	
		1993 to 1994 (1)	1994 to 1995
I	Agriculture and fishing	14.0	7.0
II	Manufacturing, mining & quarrying	10.0	7.7
III	Electricity and water	7.1	6.8
IV	Construction	31.3	6.0
V	Wholesale, retail trade, restaurants and hotels	9.4	8.5
VI	Transport, storage & communication	12.7	7.1
VII	Financing, insurance, real estate and business services	9.3	14.2
VIII	Community, social and personal services	7.1	5.7
	of which Government services	7.5	3.8
	Other services	5.7	13.7
Overall change		10.5	7.2

(1) Revised

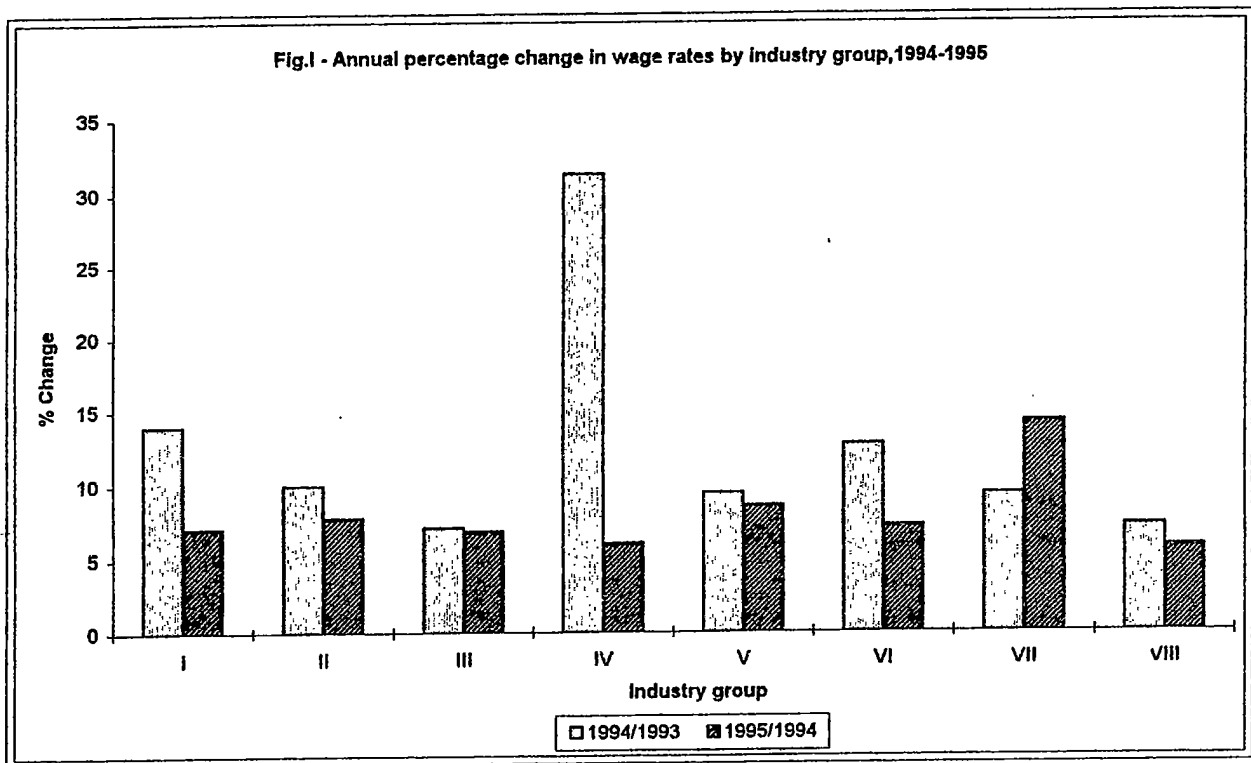


Table 4 - Average wages per hour of selected occupations by industry group (excluding government), September 1994 - September 1995

Industry group	Occupation	Average wages (1) per hour (Rs)		Change(%) 1994 to 1995
		1994	1995	
<u>Agriculture</u>				
Sugarcane plantations	Overseer - Grade I	28.19	31.50	11.7
	Field worker(other than special category)	23.85	25.07	5.1
Tea plantations	Fieldworker	14.75	18.73	27.0
	Sirdar/Gangman	20.20	23.76	17.6
<u>Manufacturing</u>				
Poultry breeding & processing	Farm worker	15.98	18.23	14.1
	Factory worker	15.89	18.44	16.0
Biscuits and confectionery	Machine operator	16.80	18.94	12.7
	Factory worker	9.99	11.45	14.6
Sugar factories	Fitter - Grade I	26.40	28.62	8.4
	Welder Grade I	24.51	27.25	11.2
	Driver (heavy mechanical unit) -Grade I	24.63	29.38	19.3
	Factory operator -Grade I	19.65	23.38	19.0
Tea factories	Factory worker	14.82	16.42	10.8
	Factory operator	17.79	19.66	10.5
Soft drinks	Beverage machine operator	21.80 (2)	25.59	17.4
	Driver/Salesman	28.87	30.33	5.1
	Lorry helper	19.36	21.54	11.3
Textiles (excluding wearing apparel)	Machine operator	15.75	16.99	7.9
	Factory worker	16.22	17.57	8.3
	Unskilled worker	12.59 (2)	13.48	7.1
Wearing apparel (except footwear)	Machine operator	13.92 (2)	14.74	5.9
	Weaver/Knitter	13.11 (2)	13.67	4.3
	Unskilled worker	13.25 (2)	13.86	4.6

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

(2) Revised

Table 4 (cont'd) - Average wage per hour of selected occupations by industry group (excluding government), September 1994 - September 1995

Industry group	Occupation	Average wages (1) per hour (Rs)		Change(%) 1994 to 1995
		1994	1995	
Manufacture of leather products (except footwear)	Factory worker	12.90	13.10	1.6
Footwear	Shoemaking machine operator	15.83	16.26	2.7
Furniture	Furniture upholsterer - Grade I	21.96	22.98	4.6
	Varnisher/Cabinet maker -Grade I	21.32	23.28	9.2
Manufacture of paper products	Machine operator	21.32 (2)	21.52	0.9
	Unskilled worker	15.15	16.67	10.0
Printing & publishing	Reporter/Journalist	75.87	82.27	8.4
	Typist/Stenographer	36.18	41.56	14.9
	Printing machine operator	26.12	27.01	3.4
	Binder/Cutter	20.28	20.68	2.0
Chemical products (excluding fertilisers)	Mixing/Blending machine operator	17.72	18.54	4.6
	Unskilled worker	14.74	16.70	13.3
Manufacture of rubber products	Machine operator	17.02	20.07	17.9
Plastic products	Factory operator	18.50	19.76	6.8
	Other fact.worker	22.55	22.83	1.2
Iron & steel basic industries	Factory worker	19.68	23.73	20.6
Manufacture of metal products (except machinery)	Factory worker	20.42 (2)	21.66	6.1
Non-electrical machinery	Fitter	23.33	24.81	6.3
	Mechanic	22.64	23.95	5.8

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(2) Revised

Table 4 (cont'd) - Average wage per hour of selected occupations by industry group
(excluding government), September 1994 - September 1995

Industry group	Occupation	Average wages (1) per hour (Rs)		Change(%) 1994 to 1995
		1994	1995	
Electrical machinery & appliances	Factory worker	17.81	18.52	4.0
Jewellery & related articles	Diamond cutter/Polisher	21.44	23.25	8.4
<u>Electricity</u>	Lineman	34.66	36.65	5.7
	Power generating machine operator	35.08	36.73	4.7
<u>Water</u>	Meter reader	39.26	39.57	0.8
	Tradesmen	29.51	33.29	12.8
	Labourer/Unskilled worker	20.73	22.30	7.6
<u>Construction</u>	Mason -Grade 1	36.76	39.08	6.3
	Carpenter - Grade 1	31.46	32.72	4.0
	Labourer/Helper	18.65	19.60	5.1
<u>Wholesale, retail trade, restaurants and hotels</u>				
Wholesale & retail trade	Salesperson	25.04	27.79	11.0
	Sales representative	67.86	71.09	4.8
Hotels	Receptionist	27.91 (2)	28.50	2.1
	Waiter	19.81	21.30	7.5
	Cook	25.13	26.31	4.7
	Cleaner	16.57	17.11	3.3
<u>Transport, storage & communication</u>				
Bus transport	Bus driver	24.94 (2)	25.79	3.4
	Bus conductor	22.26 (2)	22.82	2.5
Docks & stevedoring	Dock worker	25.09	27.60	10.0
Communication	Telephone installer/Service	36.58	39.87	9.0
	Telephone operator	39.05	52.71	35.0
	Telecommunication technician	55.11	68.07	23.5

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Table 4 (cont'd) - Average wage per hour of selected occupations by industry group
(excluding government), September 1994 - September 1995

Industry group	Occupation	Average wages (1) per hour (Rs)		Change(%) 1994 to 1995
		1994	1995	
<u>Financing, insurance, real estate and business services</u>				
Banks and other financial institutions	Bank teller	39.82	47.53	19.4
	Clerk/Senior clerk	49.65	59.70	20.2
Insurance	Insurance clerk	41.52	39.25	-5.5 (3)
	Clerk- General	46.82	48.09	2.7
Engineering and architectural services	Draughtsman	39.14	39.92	2.0
	Engineer	103.87	106.59	2.6
<u>Community, social and personal services</u>				
Sanitary services	Office/Building cleaner	12.26 (2)	13.17	7.4
	Scavenger/Street sweeper	12.50 (2)	12.63	1.0
Private education services	Education Officer	81.18 (2)	93.49	15.2
	Lecturer (full-time)	98.28	107.77	9.7
Private health services	Professional Nurse	37.59	38.27	1.8
	Nursing Aid	21.04	21.95	4.3
Repair of motor vehicles	Garage mechanic - Grade I	24.60	26.26	6.7
	Panel beater - Grade I	35.08	34.19	-2.5 (3)
Laundry services	Machine operator	16.91	18.20	7.6
	Driver	22.76	24.21	6.4

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

(2) Revised

(3) Average wage rates have decreased due to intake of new employees with lower salaries (see paragraph 5)

Table 5 - Average wages/salaries per month of selected occupations in government services, September 1994 - September 1995

Occupation	1994 (Rs)	1995 (Rs)	Change (%) 1994 to 1995
Central government			
Education officer	13,586	13,721	1.0
Nursing officer	6,459	6,772	4.8
Teacher/Senior teacher	6,670	6,835	2.5
Clerical officer/higher clerical officer	5,374	5,624	4.7
Police constable	6,105	6,278	2.8
Mason	5,422	5,609	3.4
Carpenter	5,368	5,541	3.2
Driver	4,764	4,981	4.6
Hospital servant	4,455	4,615	3.6
Labourer	3,875	4,062	4.8
Local government			
Inspector of health	7,089	7,612	7.4
Clerical officer	5,279	5,702	8.0
Gardener	3,877	4,316	11.3
Mason	5,179	5,450	5.2
Carpenter	4,826	5,169	7.1
Driver	4,593	4,948	7.7
Refuse collector	3,664	4,020	9.7
Labourer	3,477	3,718	6.9