

THE CHANGING FACE OF LABOUR LAW:
TENSIONS AND CHALLENGES

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27TH ANNUAL LABOUR LAW CONFERENCE



A National Minimum Wage for South Africa

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Jointly organised by:



Centre for Applied
Legal Studies,
University of
Witwatersrand



School of Law,
University of
KwaZulu-Natal

Facilitated by:



Message from Nick Hanauer billionaire

- “And so I have a message for my fellow filthy rich [...]: If we don’t do something to fix the glaring inequities in this economy, the pitchforks are going to come for us. No society can sustain this kind of rising inequality. In fact, there is no example in human history where wealth accumulated like this and the pitchforks didn’t eventually come out. You show me a highly unequal society, and I will show you a police state. Or an uprising. There are no counterexamples. None. It’s not if, it’s when.”
- “The model for us rich guys here should be Henry Ford, who realized that all his autoworkers in Michigan weren’t only cheap labour to be exploited; they were consumers, too. Ford figured that if he raised their wages, to a then-exorbitant \$5 a day, they’d be able to afford his Model Ts. What a great idea. My suggestion to you is: Let’s do it all over again. We’ve got to try something. These idiotic trickle-down policies are destroying my customer base. And yours too.”

Fin 24, 24 July 2014

The context

- May 2012- COSATU Executive recognised that post 1994- we have failed to fundamentally transform the apartheid labour structure, particularly its cheap labour basis, and SA continues to experience excessive levels of income inequality & working poverty.
- Put forward proposals aimed to transform the apartheid wage structure, and introduce a coherent wage solidarity policy.

Summary of proposals

Drawing on the Brazilian experience, COSATU calls for a national wage, social protection, and economic policy to address inherited inequality & poverty in the labour market. Proposes 4 pillars :

1. Adoption of a legislated national minimum wage (NMW);
2. New Collective bargaining (CB) strategies to reconfigure the wage structure, based on comprehensive centralised bargaining;
3. A campaign for universal income support for all adults;
4. This package, connected to an overhaul of our macro-economic policies, should lay the basis for a national development strategy

Recent developments

- COSATU's *March 2013 Bargaining conference* adopted these proposals
- *Alliance Summit August 2013*- supported in principle the need for a national minimum wage; & comprehensive Collective bargaining .
- Campaigned, with significant degree of success, for inclusion of proposals in *2014 ANC Elections Manifesto*.
- Despite progress, are in early phases of campaign, and SA labour movement facing serious internal challenges

International trends

- Contradictory trends: The need for greater state intervention in wage regulation is accepted , by the ILO and some states, particularly in Latin America, including the need for a National Minimum Wage, and a greater state role in promoting Collective bargaining.
- Others, including IMF & many European states, are trying to radically roll back collective bargaining and wage regulation, as part of a new accumulation strategy.

The Brazilian experience

- NB gains since President Lula (2003-10) in reducing poverty, unemployment & inequality.
- Key factor - consolidation of National Minimum Wage and formalisation of labour market; combined with comprehensive social protection.
- 2003-10: NMW increased by 81% in real terms. Cascaded up wage structure, in part because many wages in Brazil calculated as multiple of NMW.
- 17 million formal jobs created 2002-11. Proportion of formal employment in economy (2004-08) increased dramatically, outpacing informal jobs by 3:1. Although 90% of new jobs pay less than 1.5 NMW, this is based on a rapidly rising NMW.

The Brazilian experience II

- Two thirds of reduction in inequality in Brazil is a result of increases in minimum wages and improvements in wage equity. Remaining gains from social safety net.
- Contradicts idea that Minimum Wage leads to unemployment.
- Unions bargaining up real purchasing power of wages. No longer bargaining away rights to maintain employment.

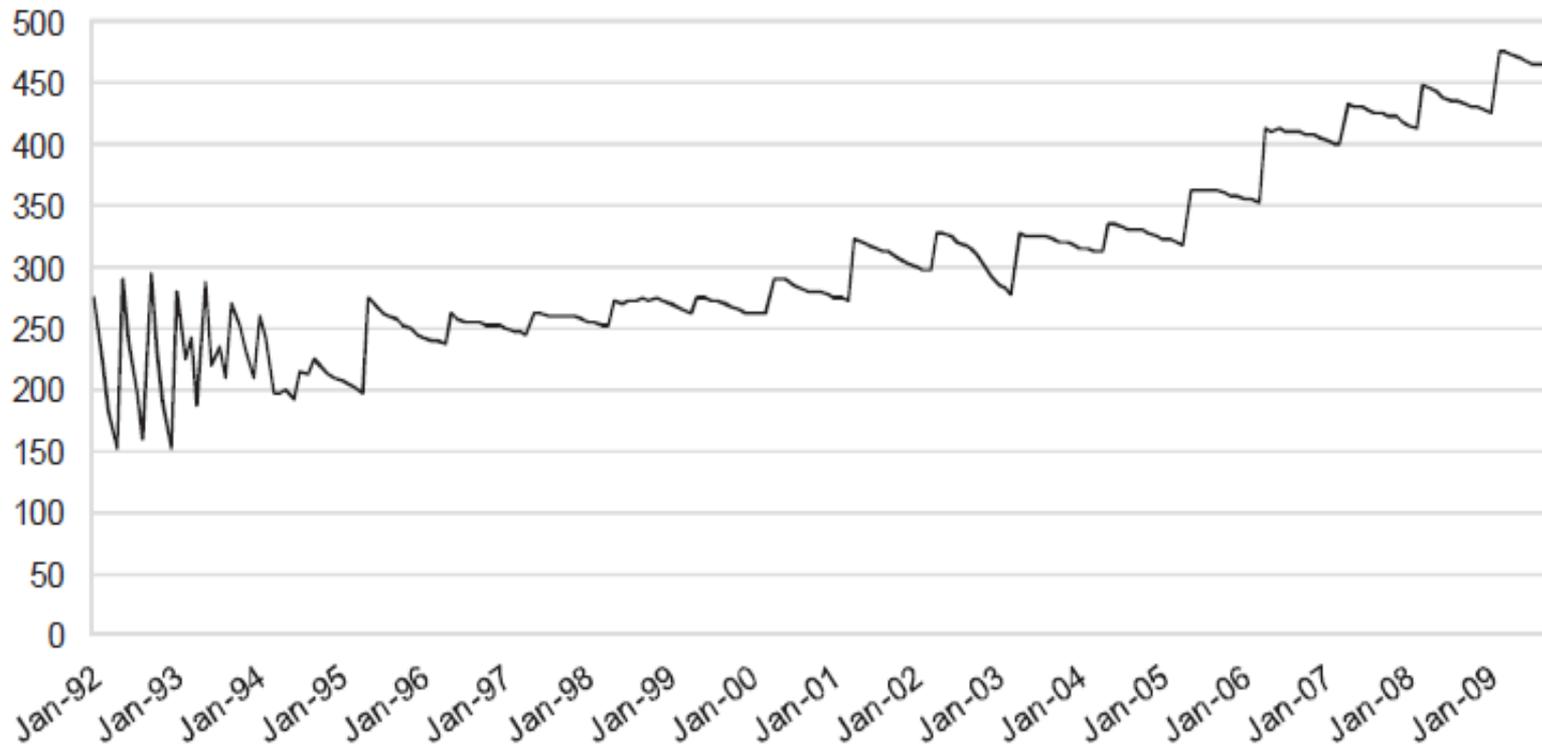
The Brazilian experience III

- Increased incomes has fuelled domestic demand, and promoted formal employment. Contribution of domestic demand to Brazilian GDP rose from 0,5% in 2003, to 9.1% in 2010 (BNDES).
- President Lula- 'when we put income in hands of the poor, giant wheels of Brazilian economy started turning'.
- Poverty down by 20 million from 61.4 million to 41.5 million, 2003-8.
- Improved labour inspection has improved compliance.
- Nevertheless Brazilian labour market still requires major transformation

Brazil's Story: A rapidly rising minimum wage combined with rapidly rising employment- (2013 NMW 678 R\$ per month)

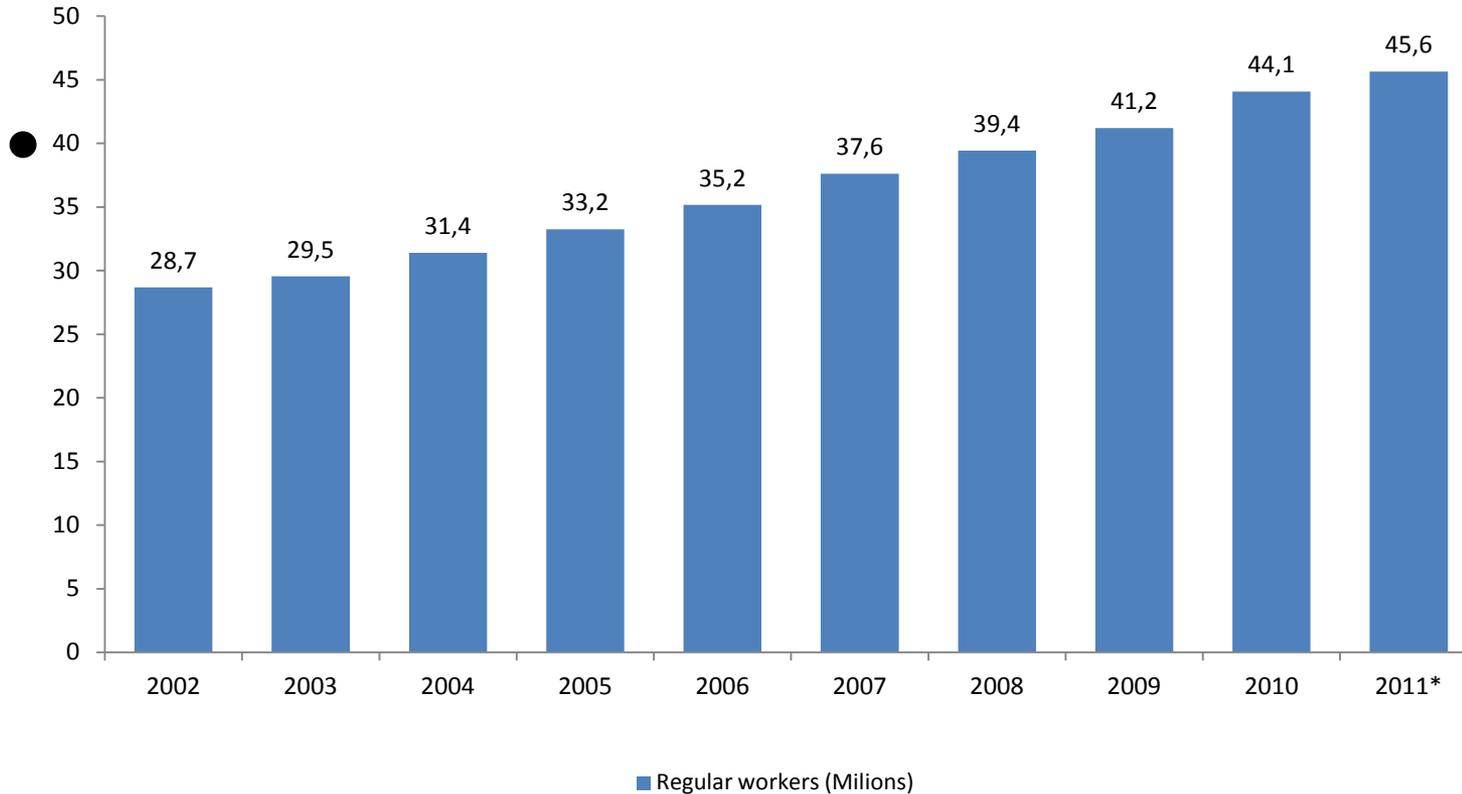
Figure 2.1. Brazil's real minimum wage monthly trend since 1992

In Brazilian Reais



Source: Labour Ministry and INPC/IBGE.

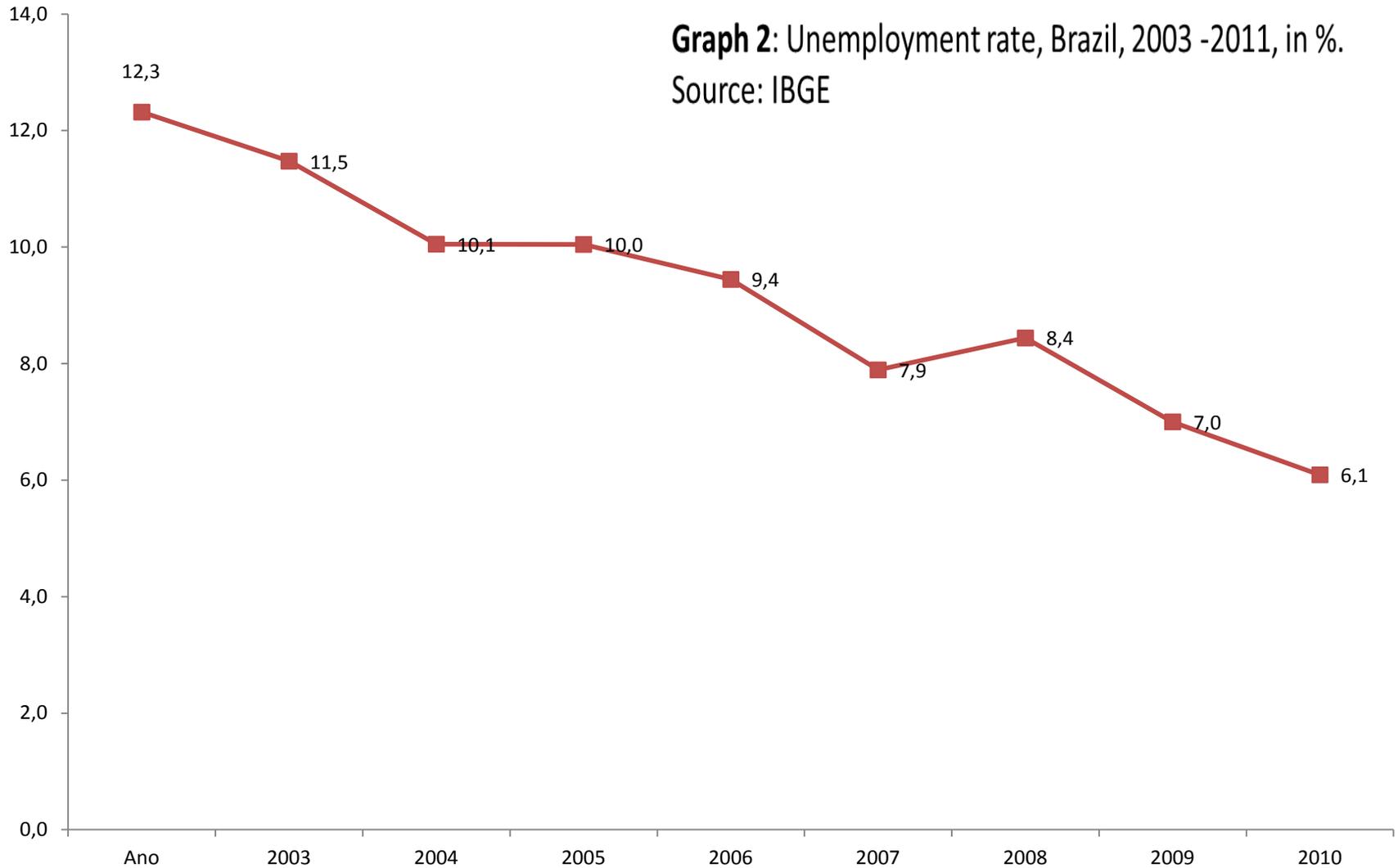
Increase of regular workers



**Number of regular workers in Brasil, 2002-2011, milions of workers.
Source: Ministry of Labor and Employment (MTE – Brazil).**

Unemployment Rate, Brazil

Graph 2: Unemployment rate, Brazil, 2003 -2011, in %.
Source: IBGE



What are we calling for in SA?

- A coherent wage and (pro-poor) incomes policy, aimed at radically reducing inequality
- A National Minimum Wage as *one* cornerstone and **springboard** of that policy, to protect all low-paid workers
- Legislated comprehensive sectoral bargaining to **improve on that minimum wage floor**. Failing this, a coherent set of policies to systematically promote centralised bargaining using various state levers- see ANC Manifesto
- Comprehensive social protection and a universal social wage, to provide workers with non-wage income

What are we calling for in SA II?

- A national wage policy, combined with an appropriate macro economic and industrial policy....
- Not the policy in National Development Plan which would entrench deregulation of the labour market, repress wages, & promote deindustrialisation
- This is the lesson of Latin America- for a decent wage policy to be most effective, it must be driven by a developmental state, as part of comprehensive strategy. Eg if raising income in Brazil, wasn't combined with increase in domestic productive capacity, that income would not have driven the creation of large scale formal employment

What we are NOT calling for

- We are not calling for the National Minimum Wage to be our **destination**; but rather to be a **vehicle & springboard** towards a **living wage for all workers**, and a **restructuring of our economy**. It is only a basic floor to protect workers from ultra-low wages.
- We are not calling for the National Minimum Wage to be a **substitute for collective bargaining**. That would lead to demobilisation of workers, and would lead to the National Minimum Wage becoming a *maximum wage*. Collective bargaining must *improve* on the National Minimum Wage

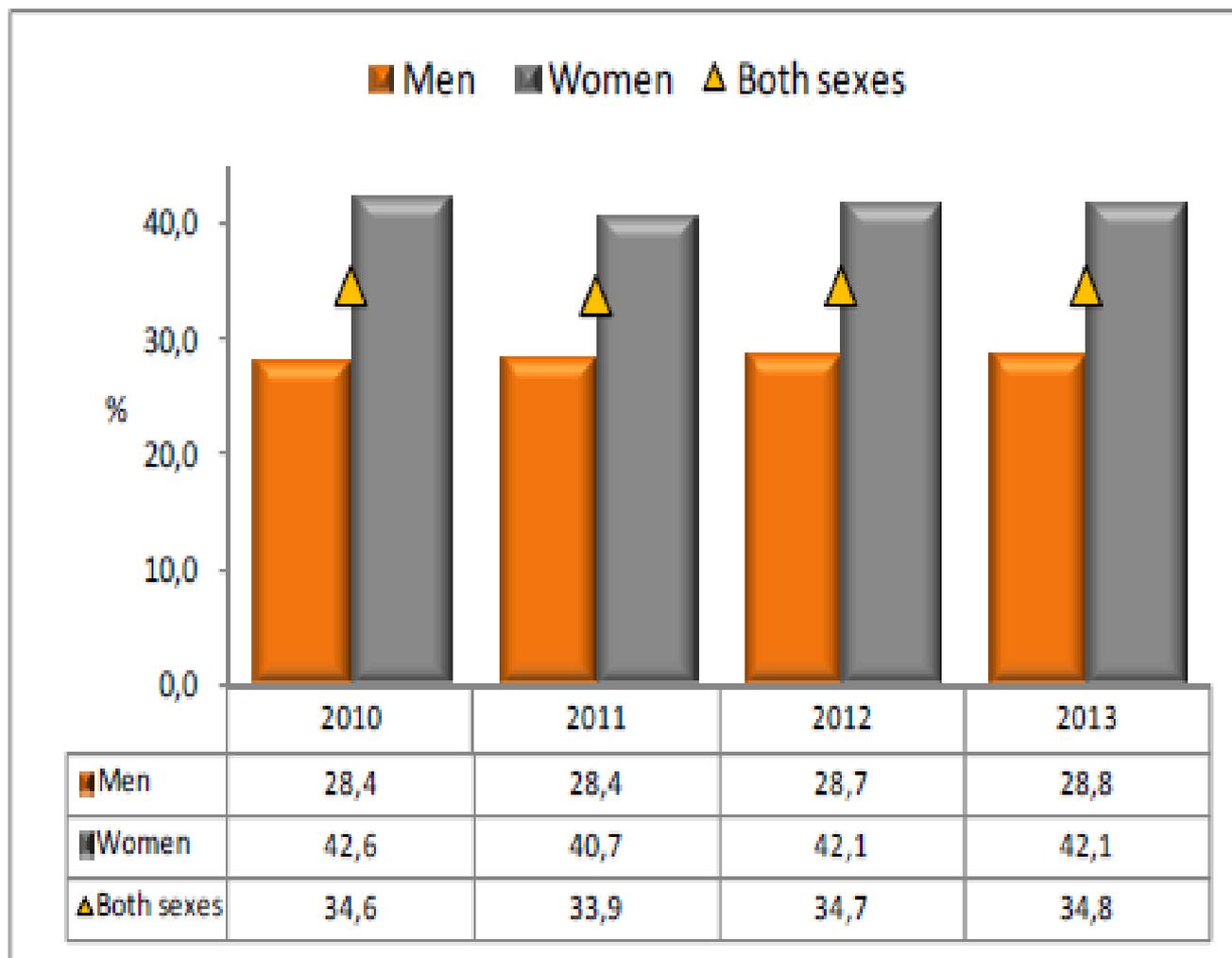
Current challenges in South Africa

- South Africa has no coherent wage policy
- Collective bargaining is under attack.
- The apartheid wage structure is not fundamentally altered: majority of black workers, particularly in the private sector, continue to live in poverty.
- Minimum wages in sectoral determinations, *and many bargaining council agreements* are way below the Minimum Living Level (about R4500 to R5000 pm).
- Huge, & increasing, inequalities between levels of the wage structure: top, middle & bottom; & *between* different sectors.

The problem of working poverty

- Well over half of South African workers earn below the estimated Minimum Living Level (around R4500) -i.e the working poor.
- Latest figure: 2013-*median* wage was R3033 (down from R3115 in 2012)- ie 50% of all workers earned below R3033. And 50% of *'African'* workers earned below R2600 in 2013.
- In 2013 35% of all workers earned below 2/3 of the median- ie earned less than R2020- see graphic below from *Stats SA Labour Market Dynamics 2014*.

Vorkers with monthly earnings below $\frac{2}{3}$ of the median, 2010–2013



The problem of working poverty II

- Equally worrying, the situation is not improving. The **median wage** has consistently increased below the level of inflation, and actually decreased 2012-13. Compared to increase of **average wages** in 2012 by over 8%.
- This more rapid growth of average wages is because the wages of high income earners massively distort the average figure. *Nomura*-median wage would have to grow at least by 12% to reduce inequality. *M&G 20/6/14*
- Stats show that there was a real decline in semi-skilled workers wages from 1994-2012. -11% *negative growth**.

Minimum wages in SA & Sectoral Determinations

- Bargaining Councils (BC's) only cover about 2,4 million workers; and Sectoral Determinations (SD's) 3.5 million (out of 10,2 million formal sector workers). Some additional company level agreements.
- No national approach. Fragmentation, and technocratic processes eg in Employment Conditions Commission, which sets statutory MW's, disadvantages workers, and assists powerful interests.
- Many workers covered by MW's getting stuck at level of very low minima & remain in poverty. Low levels of enforcement.
- Research by DPRU: 2/3 of workers covered by SD's in 2007 were living in poverty.

Minimum wages in SA

Multiple, low, minimum wages:

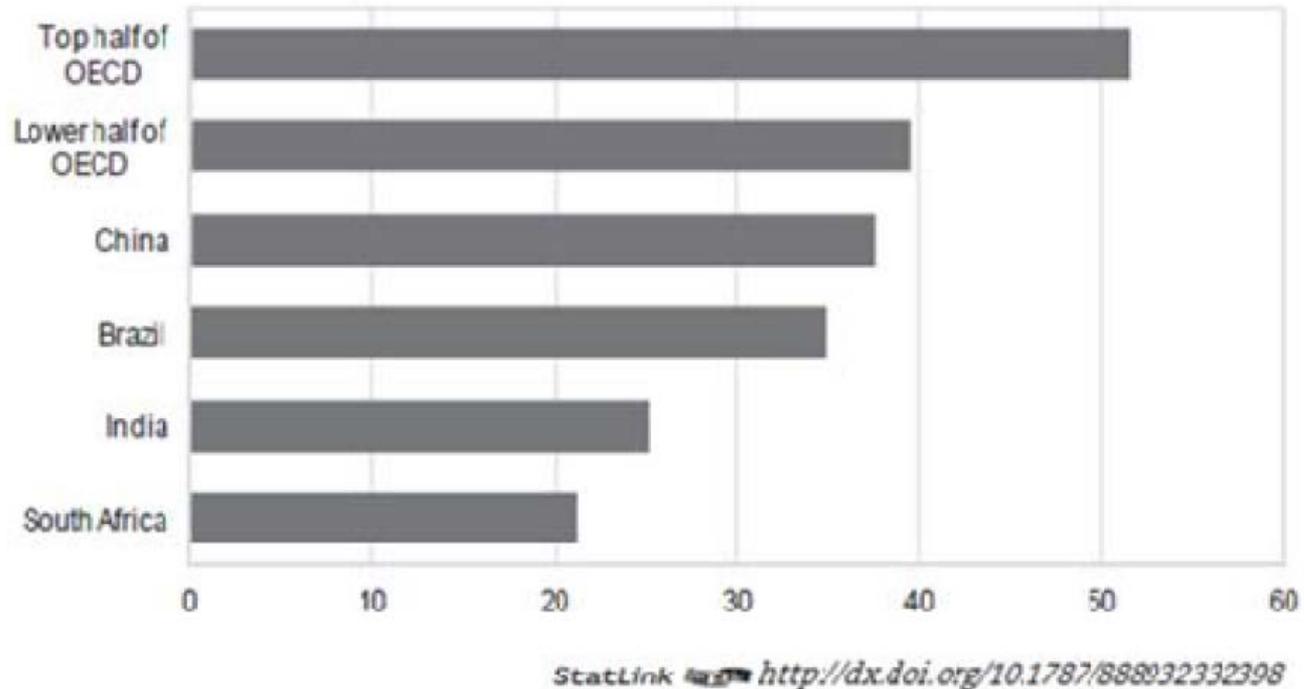
- Some set through Collective Bargaining, including 47 Bargaining Councils (BC's); some by government through 11 sectoral determinations (SD's); and some through agreements at company level.
- Very low: compared to guide of R4000 in 2011 as Minimum Living Level (MLL), in 2011 average minimum for SD's R2118;& R2725 for BC's. Only public sector, most mining, & some manufacturing pay more than R4000.
- Huge variation in MWs' between and within sectors. No coherent wage policy governing MWs.

International benchmark for the National Minimum Wage

- The international benchmark used eg by ILO and OECD for a NMW, is a proposed ratio of 40-50% of the average national wage.
- OECD report: South Africa, at less than 25%, is “considerably below the OECD average”

Ratio of minimum wages to average wages in per cent. OECD

Figure 4: Ratio of minimum wages to average wages in per cent



Note: Ratio of minimum to average wages in 2006 for Brazil China India and South Africa; Ratio of minimum to average wage of full-time workers in 2008 for OECD countries.

Source: OECD (2010, p.280)

Table of Sectoral Determination & EPWP minimums

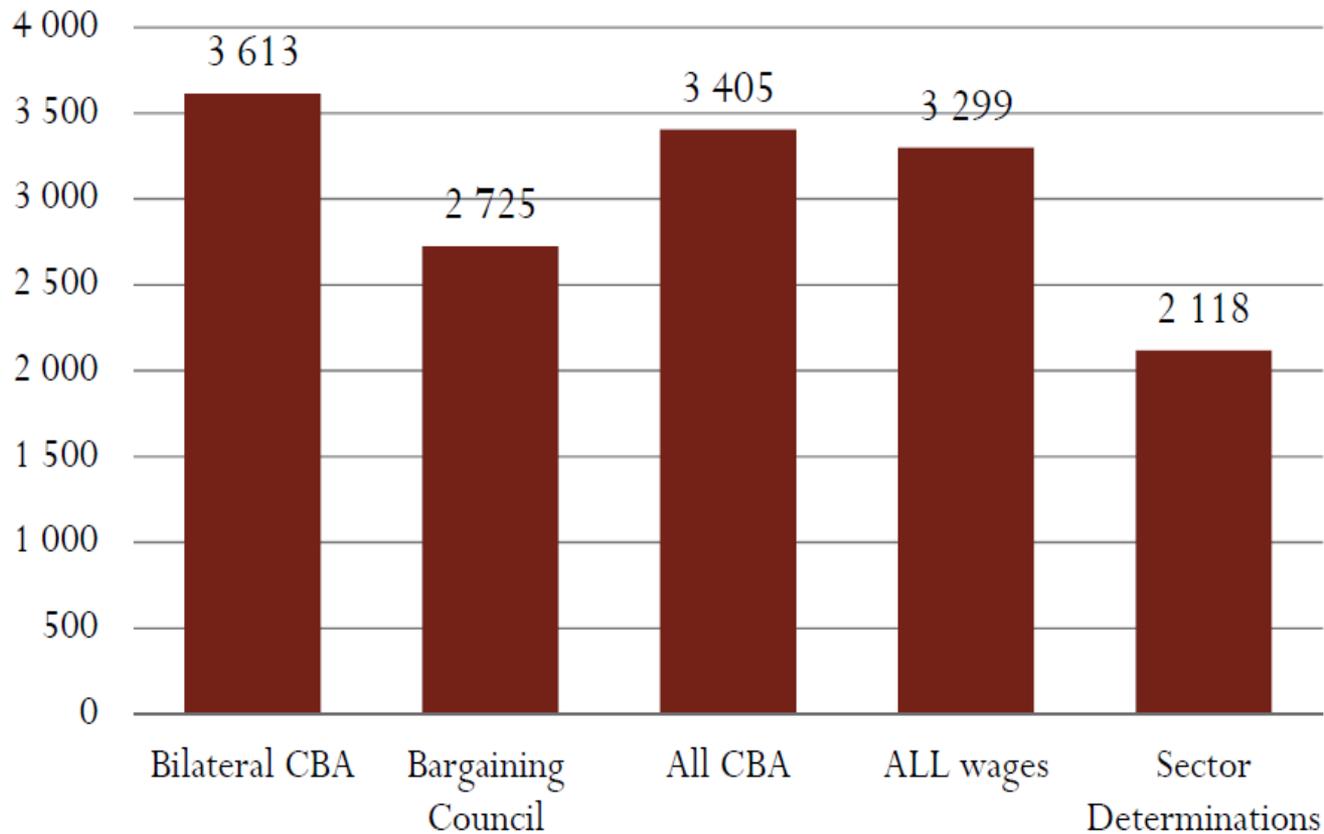
As at 1st July 2014 Source: Jane Barrett report to COSATU

Sector	Min ph	Min pd (9 hour day)	Min pm	Review date
1. Domestic metro	9.63	86.67	1877.70	30 th Nov 2014
Domestic non metro	8.30	74.70	1618.37	
2. Security Officer Grades D& E Area 1	14.12	*-	2938.00	31 st August 2014
Security Officer Grades D& E Area 2	12.92	-	2688.00	
Security Officer Grades D& E Area 3	11.74	-	2441.00	
3. Forestry	12.41	111.69	2420.41	31 st March 2015
4. Farm	12.41	111.69	2420.41	28 th Feb 2015
5. Contract Cleaning Area A metros ex KZN	15.66	140.94	3051.35	30 th Nov 2014
Contract Cleaning Area B all other ex KZN	14.19	**127.71	2764.92	
6. Hospitality 10 or < workers	13.34	600.48	2601.88	30 th June 2015
Hospitality > 10 workers	14.87	669.30	2900.08	
7. Taxi drivers and admin workers	13.68	657.05	2847.01	30 th June 2015
Taxi rank marshals	10.94	525.23	2275.81	
8. Wholesale & Retail shop ass. Area A	15.71	141.39	3063.13	31 st Jan 2015
Wholesale & Retail shop ass. Area B	13.16	118.44	2556.30	
Wholesale & Retail sales person Area A	19.83	178.47	3866.20	
Wholesale & Retail sales person Area B	16.73	150.57	3261.51	
9. EPWP (Ministerial Determination)	8.82	***70.59		31 st October 2014

Minimum wages by bargaining level

Source: LRS

Minimum wages by bargaining level, 2011



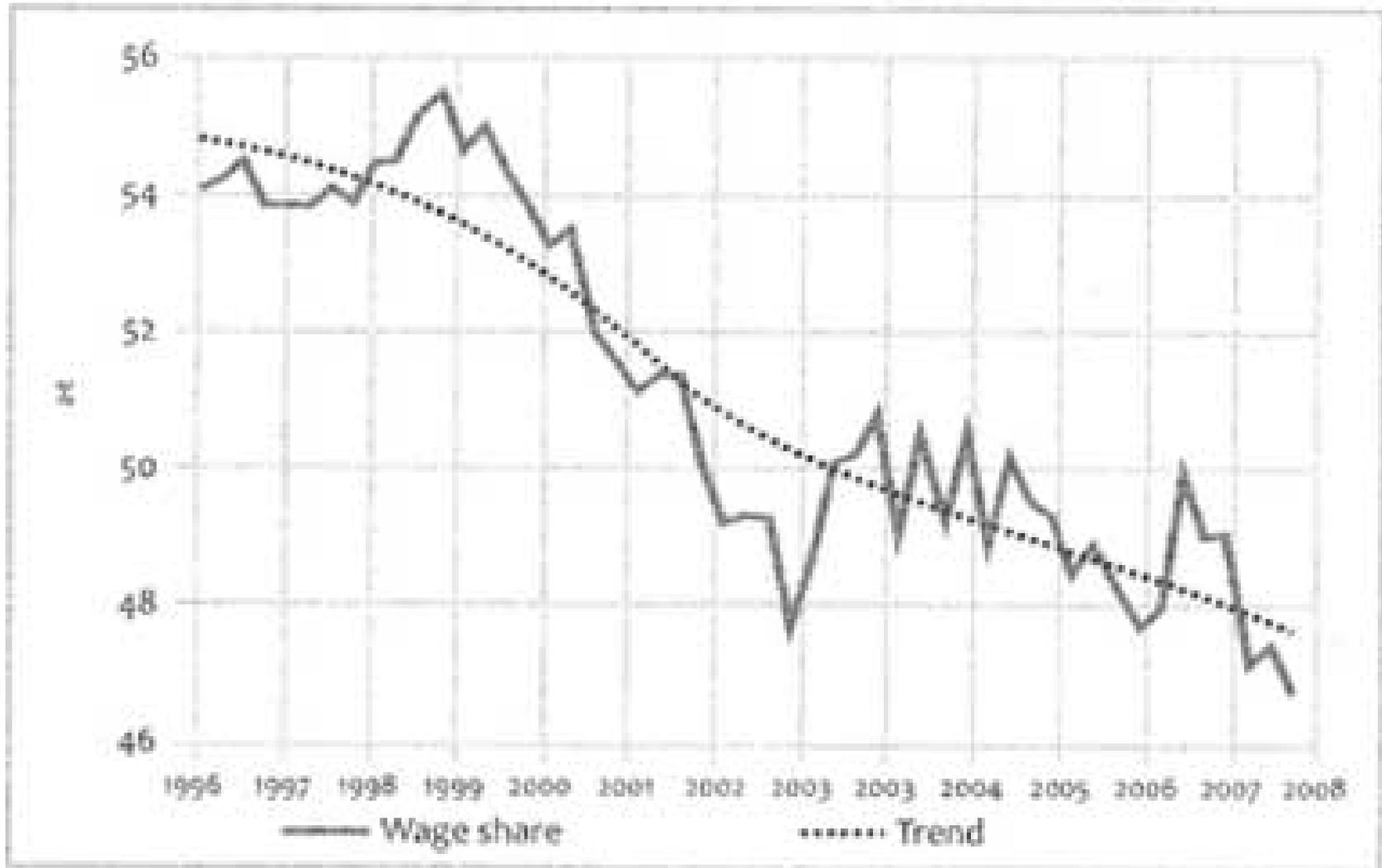
Restructuring of labour market

- Post-1994 creation of **multitier labour market**, building further on the structure of the apartheid '2 tier' cheap labour market: casualisation, labour broking, contracting out etc.
- Undermines relative power of labour: capital, & goes with increase in profit share & decrease in wage share
- LRA model of 'self-regulation' cannot deal with this situation. Workers & unions buffeted by forces of neo-liberalism, deregulation, labour market restructuring etc.
- Needs decisive state intervention

Wage share of GDP in South Africa

1995-2008

Source: the People's Budget 2010



What are the 'modalities' of the National Minimum Wage?

- A National Minimum Wage (NMW) creates a basic wage floor, below which no-one can fall, regardless of region or sector. Provides platform for union struggles for a living wage, including through Collective Bargaining
- Those earning below the minimum when it is introduced will be upgraded. Those earning above the minimum will not be able to be downgraded.
- The NMW will be linked to a researched minimum living level, which determines the minimum required to support a family of 4 or 5. It could also be linked to an agreed proportion of the national average wage.
- It will have to be a managed process of moving from our current complex and fragmented minimum wage structure

Modalities II

SEE PROPOSALS IN BUS REPORT 16/2/14, N Coleman article.

Attempts to answer questions re 8 practical issues:

- Determining the initial **level** of the NMW. 2 NB yardsticks should be considered- Minimum Living Level; and proportion of average national wage.
- Process of **phasing in**, to manage process.
- Ensure necessary **boldness**, to address working poverty.
- Formula for **annual increases**.
- **Scope of the NMW**. How to treat farm & domestic workers.
- **Which body** should determine the NMW.
- Harnessing **technical advice** on how to introduce the NMW.
- Managing the relationship between the NMW and **sectoral wage bargaining / or determinations**

ILO approach to the national minimum wage

- ILO, and progressive international approach to national minimum wages :
 - 1 NMW preferred to many sectoral minimum wages ;
 - Level of national minimum wages linked to concept of minimum living level;
 - Solidaristic approach to reducing wage gaps;
 - Mechanisms to determine differ, but governments usually have final say;
 - Link with social security payments-not advised as conservative govts will use as basis to suppress NMW;
 - Relationship to CB- seen as complementary.

Value of a National Minimum Wage

A National Minimum Wage would be important:

- In combating wage fragmentation at bottom end, and ensuring comprehensive uniform coverage;
- In facilitating campaigns for a national wage floor as a weapon to fight working poverty;
- Because of its simplicity and clarity, every worker would be made aware of their rights;
- Current huge problem of non-enforcement would be countered. NMW easier to enforce.
- In laying the basis for more comprehensive improvements in wages & conditions through CB.

Cost of not having a NMW

- Now seeing huge cost of not having a NMW floor which is progressively improved
- Both social cost, & impact on productivity of economy- low wage, low productivity nexus
- Damage to workers and externalisation of costs. See Marikana, & need for NMW to be combined with social wage & social protection
- Cost of conflict & damage to sectors
- Both output & consumption gap, because of suppressed demand and production

Minimum Wages and employment

- Conventional economic wisdom on trade off between MW's & employment no longer widely accepted. Major movement among economists to reject this line. In 2006 over 650 US economists, including 5 Nobel prize winners, stated that increasing the national minimum wage would significantly improve the lives of low income workers & their families “without the adverse effects that critics have claimed”.
- The UK Low Pay Commission, responsible for setting national minimum wages, stated that their research could find no evidence that minimum wages caused damage to the economy or jobs. A special focus on minimum wages in the conservative *Economist* (Nov 24 2012) concluded that “evidence is mounting that moderate minimum wages can do more good than harm”
- Latin American experience refutes the alleged trade off between MW's and employment in practice. Not only Brazil saw a major creation in employment coincide with large increases in minimum wages: eg Uruguay increased NMW from US\$100 in 2003 to \$500 in 2014= a 500% increase! Yet unemployment is now at historically low levels. (ILO 2014 CAS report)

Minimum Wages and employment II

- DPRU found after introduction of higher minimum wages through Sectoral Determinations, despite loss of farm worker jobs, net employment in the affected sectors actually *increased* by over 650 000 workers, from 3,45 million to 4,1 million (2001 to 2007)
- **There is no mechanical relationship between employment and wages. Employment performance is explained by various economic factors.** Sectoral conditions, industrial strategy, trade dynamics & broader economic conditions, have key role in determining how sector performs.
- **Wage policy must be combined with appropriate macro & sectoral policies to have the desired employment impact.**

Minimum living levels

- Key challenge in constructing a NMW: *no established official poverty line, or minimum living level*. MLL measure particularly important where low wage earners are *single breadwinners* in households, and where adult unemployed lack income support- in that situation *minimum wage needs to be able to support a family*. It must include the cost of basic necessities, and be supplemented by the social wage, to ensure public provision of education, health care etc.
- Proposals for poverty line highly contested. Some aim to combat poverty. Others aim to defend low wage structure of economy. Therefore require needs-based approach to determining minimum living levels, driven partly by the assertion by **workers themselves** as to what their basic needs are, combined with objective scientific surveys . SPII, together with Stats SA, could drive process of researching workers needs, building on work SPII has already done.

Minimum living levels

- Minimum living levels measures historically researched could be a *guide*, without adopting wholesale. Stats SA, and university institutions may assist.
- Process of determining the MLL should be led by a competent department, (such as DSD or EDD) which is able to look at wage policy as a component of economic development. Treasury has tended to take a conservative ideological approach on this matter, and not taken on board recommendations of Stats SA.
- Need popular participation in determining. Government should fund participatory research on what workers regard as their basic needs, as was done inter alia in the UK.
- Campaigns by farm workers and mine workers lend huge impetus to debate, and reinforce COSATU's view about the unsuitability of the current structure of minimum wage fixing, including sectoral determinations.

The National Minimum Wage & wage solidarity

- The National Minimum Wage , combined with restructured CB, should be consciously designed as part of a South African wage solidarity model, to
 - progressively increase real minimum wages, and reduce gaps in overall wage levels
 - improve pay for all those in the bottom half of the wage structure.

The National Minimum Wage, collective bargaining, & wage solidarity

- Setting of National Minimum Wage , & other forms of minimum wage setting (eg BC's), should be required by government, to achieve certain targets, in terms of reducing wage inequality (see ANC Manifesto), & meeting nationally set Minimum Living Levels.
- Achievement of sectoral and company plans to promote wage solidarity should be a condition for access to certain state incentives. Eg Greater London Council requires payment of living wage by companies to be eligible for procurement by the GLC.
- Employment Equity Act S27 should be strengthened, requiring companies to reduce income differentials .

NMW and collective bargaining

- Complementary role: The minimum wage sets a floor, and assists in compressing the wage structure. Collective bargaining improves on this wage floor in different sectors, and negotiates a wide range of benefits and improvements for workers.
- In SA, confusion of the roles of these different mechanisms: trade unions struggle to use CB to defend a basic minimum wage floor, because of lack of a NMW. And minimum wage setting mechanisms ie SDs, are also used for CB in vulnerable sectors. Therefore we have a **hybrid** system, which fails to do justice to either element.

NMW and collective bargaining

- The ILO for this reason supports a unified NMW, and warns against proliferation of government fixed sectoral minimum wages. There is place for the two key legs of the system of wage determination- CB and NMW. Statutory minimum wages alone can't address needs of different layers, CB by itself cannot deal with the problem of the most vulnerable and low-paid work.
- Proposal is to have one NMW complementing a system of compulsory centralised bargaining, or at the least promotion of comprehensive CB. Would combat problem of fragmented statutory minimum wages, and undermining of collective bargaining. Challenge: to ensure sufficient union representivity in the most vulnerable sectors, to allow for effective collective bargaining.

Alternative collective bargaining strategies

- Making centralised bargaining mandatory. Unless architecture changes from current voluntarist system, pressures undermining centralised bargaining are only likely to increase. Alternative-state uses levers to systematically promote CB
- Would need to be combined with a far more effective programme of enforcement, as in Brazil, which also complemented this with other strategies, eg to fight against atypical work, informalisation and non-registration of employers.
- Latin America promoting high level of CB coverage eg 60% in Argentina & Brazil, & 100% in Uruguay, despite relatively low union density

A new collective bargaining model

In summary, **elements of a new collective bargaining model should include**

- wall to wall sectoral bargaining
- coherent demarcation and definition of national sectors, to replace the current patchwork arrangement
- alignment of sectoral bargaining with sectoral developmental strategies, industrial policy, skills, retirement funds etc
- an explicit mandate to address wage and income inequalities
- creation of powerful collective bargaining institutions inter alia using economic levers of state
- negotiation of sectoral frameworks, supplemented by workplace bargaining
- well resourced structures backed up by effective state programmes to formalise and regulate the labour market.

International best practise

Various experiences can be drawn on, including:

- Using a NMW to advance greater equity- eg Brazil, Argentina.
- Using state levers such as procurement to advance living wage eg British GLC
- Use of state policy to advance comprehensive CB- eg Uruguay
- Using creative approaches to address income inequality throughout wage structure- eg of proposed approach to employment equity in SA
- ILO research and guidelines on CB and NMW

Design & implementation of a new Wage Policy

Matters to be considered include:

- Development of a national wage policy which transforms the whole wage & income structure
- Development of a National Minimum Living Level
- Legislative provisions to give effect to the NMW & comprehensive collective bargaining . Penalties to give real teeth to the NMW
- Ensuring all instruments of the state require adherence to this national wage policy.
- Capacity in Department of Labour to ensure compliance
- Civil society-Coalition for a National Minimum Wage?

2014 ANC Manifesto a Step Forward

COSATU proposals on labour market discussed with ANC. Have partly been incorporated into Manifesto:

1. Introduction of a legislated national minimum wage, although want to investigate 'modalities' ;
2. Promoting collective bargaining in all sectors of the economy. Use of bargaining councils to promote greater wage equity, including through using state incentives
3. Legally require employers to report progress on measures to reduce extreme income differentials
4. Strict regulation to combat atypical employment practices. But still fighting for banning labour brokers

Good initial progress, but danger that there will be no implementation without unity and mobilisation of labour movement, and broader civil society.

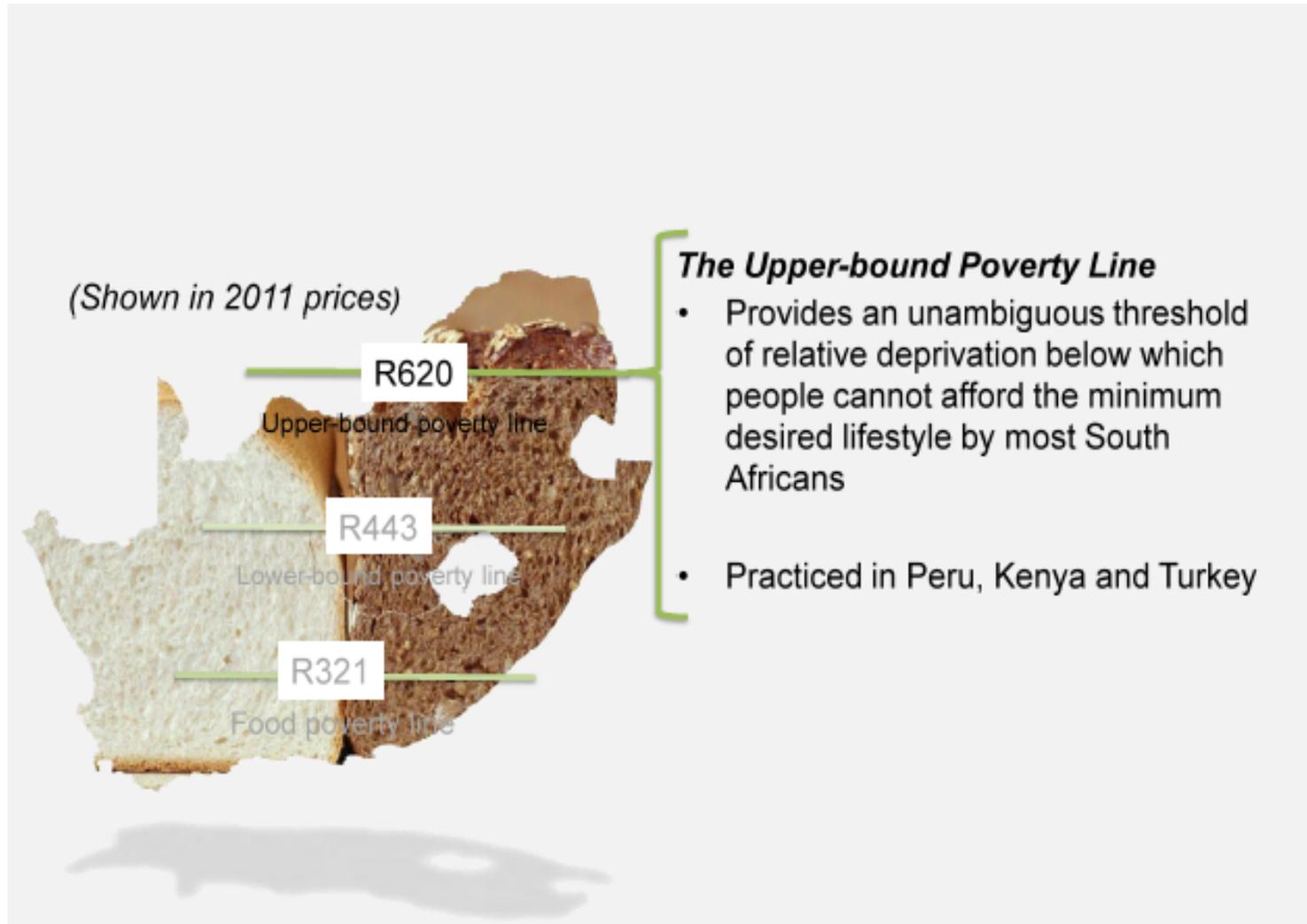
APPENDICES

1. National Poverty Lines (2000 – 2014) –per person per month

Year*	Food Poverty Line	Lower-bound Poverty Line	Upper-bound Poverty line
2000	141	209	308
2001 (September)	148	219	323
2002	166	241	352
2003	197	280	401
2004	199	282	403
2005	202	288	413
2006 (March)	210	300	431
2007	227	321	458
2008	259	360	507
2009 (March)	305	416	577
2010 (March)	307	424	594
2011 (March)	321	443	620
2012 (March)	351	479	666
2013 (March)	370	506	704
2014 (March)	400	544	753

* Unless otherwise indicated, the values are linked to January prices **Source: Stats SA 2014**

Stats SA upper bound poverty lines



3. The gap between median and mean (average) earnings is growing

Source Wittenburg ILO 2014

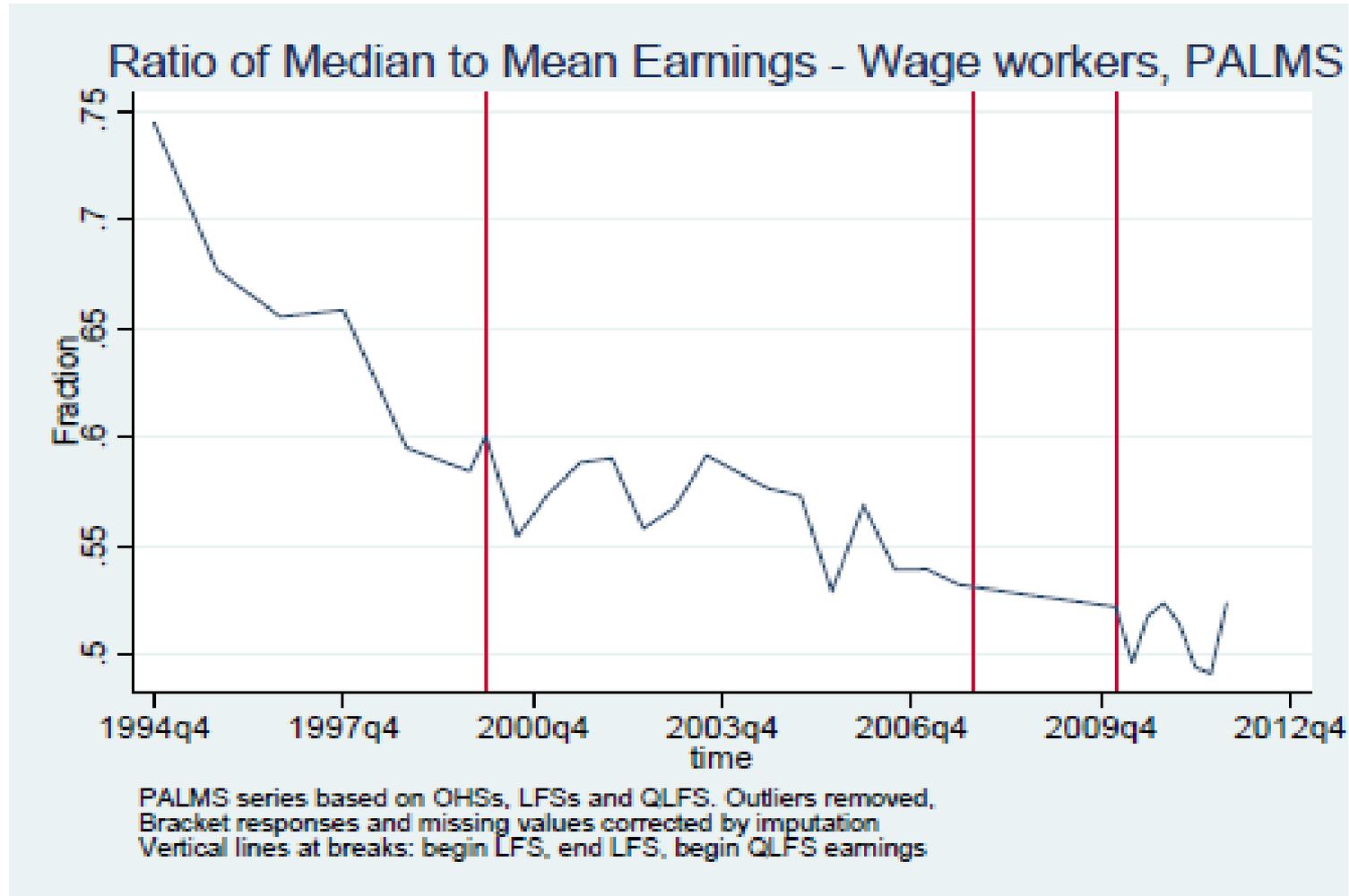
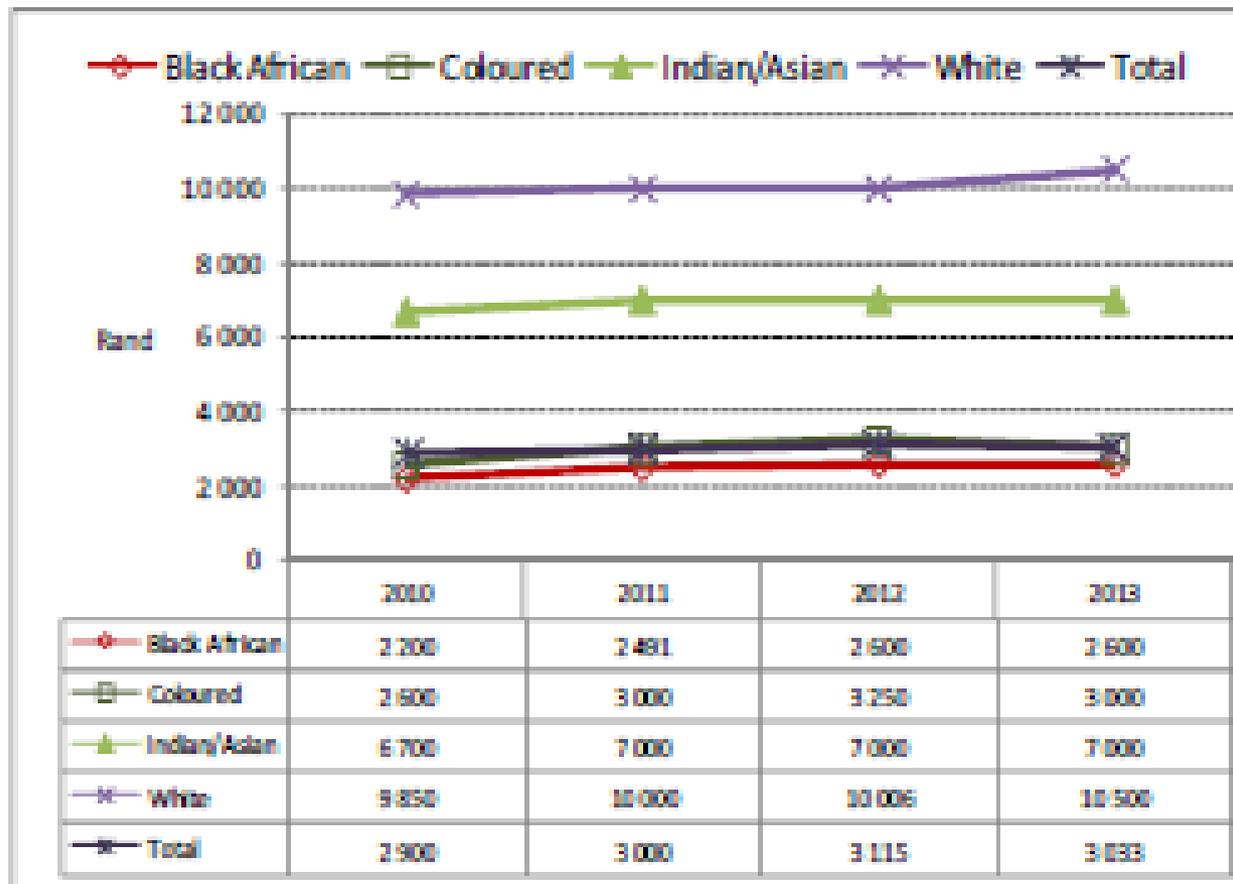


Figure 17. The gap between median and mean earnings among wage workers seems to have widened over time.

4. Median monthly earnings, population group

Source stats SA labour market dynamics 2014

Figure 4.25: Median monthly earnings by population group, 2010–2013



5. Median monthly earnings, by occupation

Source stats SA labour market dynamics 2014

Figure 4.28: Median monthly earnings of employees by occupation, 2010–2013

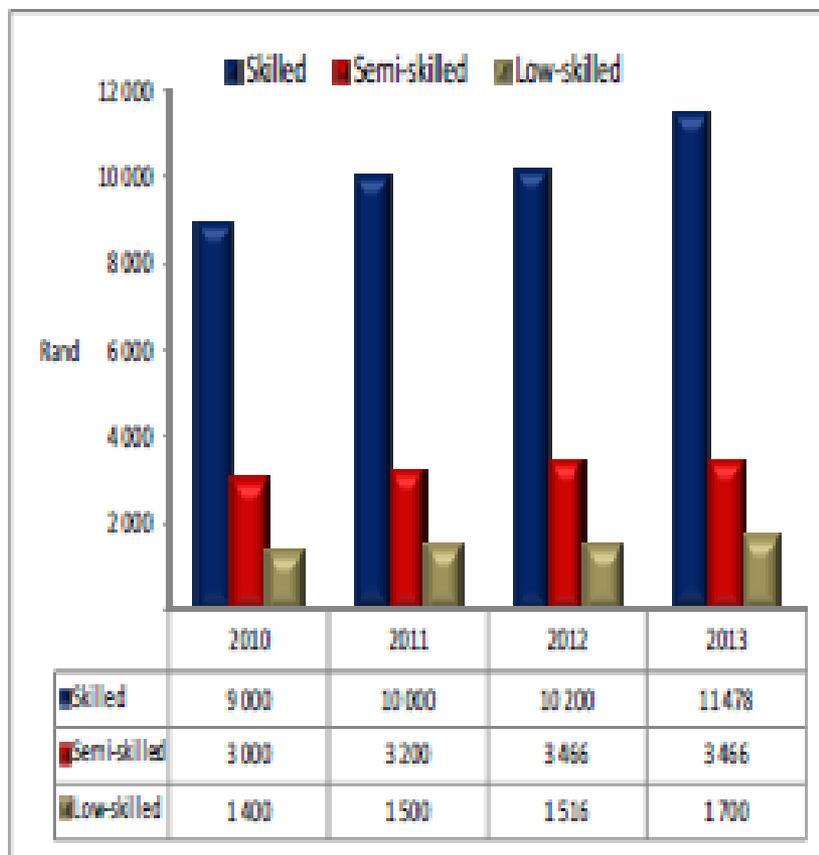


Table 4.19: Median monthly earnings of employees by occupation, 2010–2013

	2010	2011	2012	2013
	Rand			
Manager	11 000	13 000	12 800	14 083
Professional	10 600	13 000	13 000	15 000
Technician	7 900	8 000	8 000	8 400
Total skilled	9 000	10 000	10 200	11 478
Clerk	4 500	4 800	5 000	4 700
Sales	2 500	2 600	2 800	2 860
Skilled agriculture	1 950	1 200	1 500	1 920
Craft	3 000	3 033	3 466	3 300
Operator	3 000	3 000	3 100	3 466
Total semi-skilled	3 000	3 200	3 466	3 466
Elementary	1 516	1 600	1 750	1 900
Domestic worker	1 000	1 200	1 200	1 300
Total low-skilled	1 400	1 500	1 516	1 700
All occupations	2 900	3 000	3 115	3 033

6. Median monthly earnings, by industry

Source stats SA labour market dynamics 2014

Median monthly earnings of employees by industry, 2010–2013

	2010	2011	2012	2013
	Rand			
Agriculture	1 295	1 300	1 495	1 733
Mining	5 000	5 800	6 000	6 000
Manufacturing	3 250	3 500	3 500	3 672
Utilities	6 000	6 000	6 000	8 666
Construction	2 437	2 600	2 600	2 800
Trade	2 505	2 800	3 000	3 000
Transport	3 500	3 600	3 800	3 900
Finance	3 501	4 333	4 000	4 000
Services	6 000	6 000	6 500	6 000
Private households	1 000	1 200	1 200	1 300
Total	2 900	3 000	3 115	3 033

7. Mean earnings by race Source Wittenburg ILO 2014

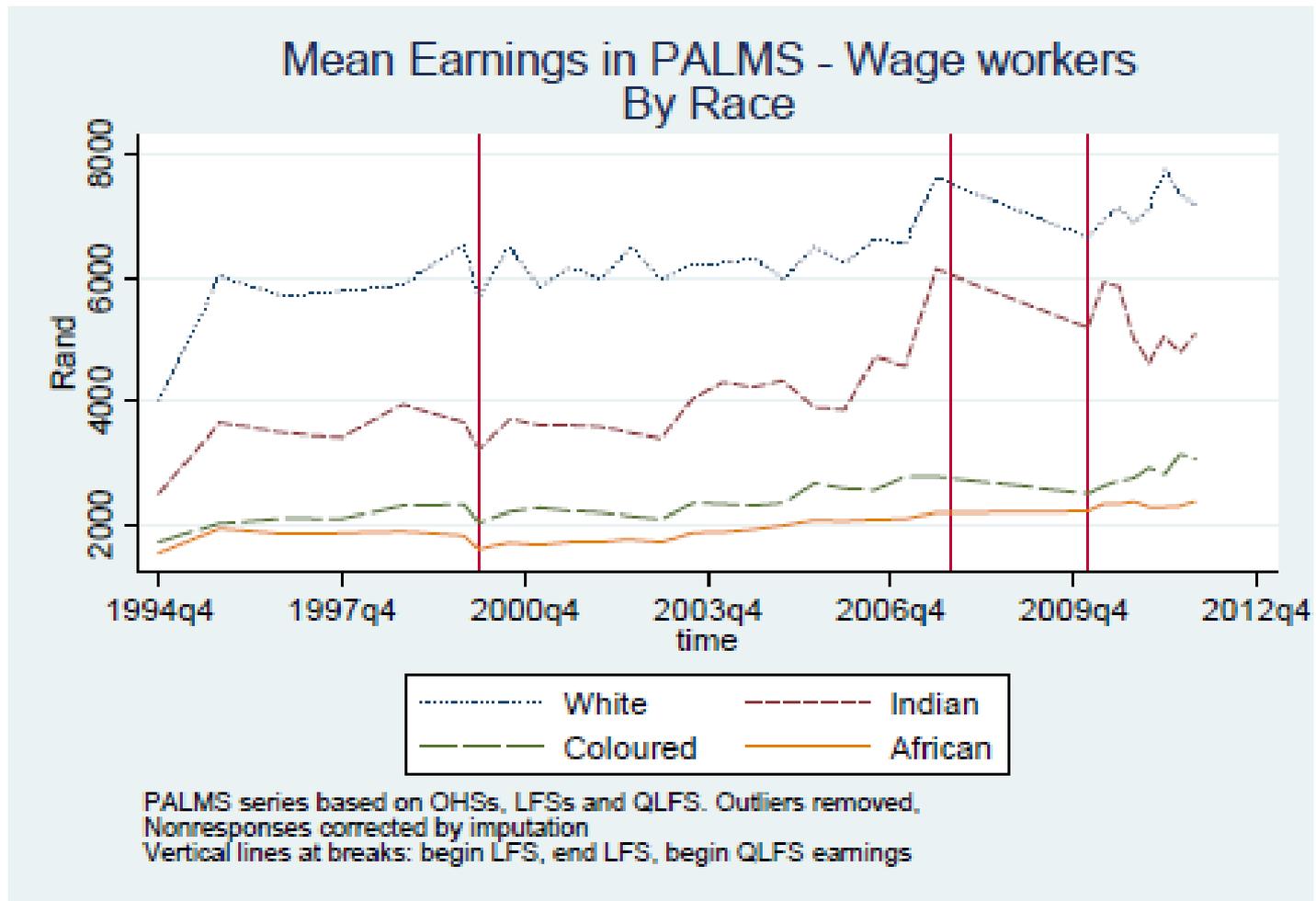


Figure 9. Real earnings of Wage Workers by Race

8. Real earnings wage workers- Median and percentiles

Source Wittenburg ILO 2014

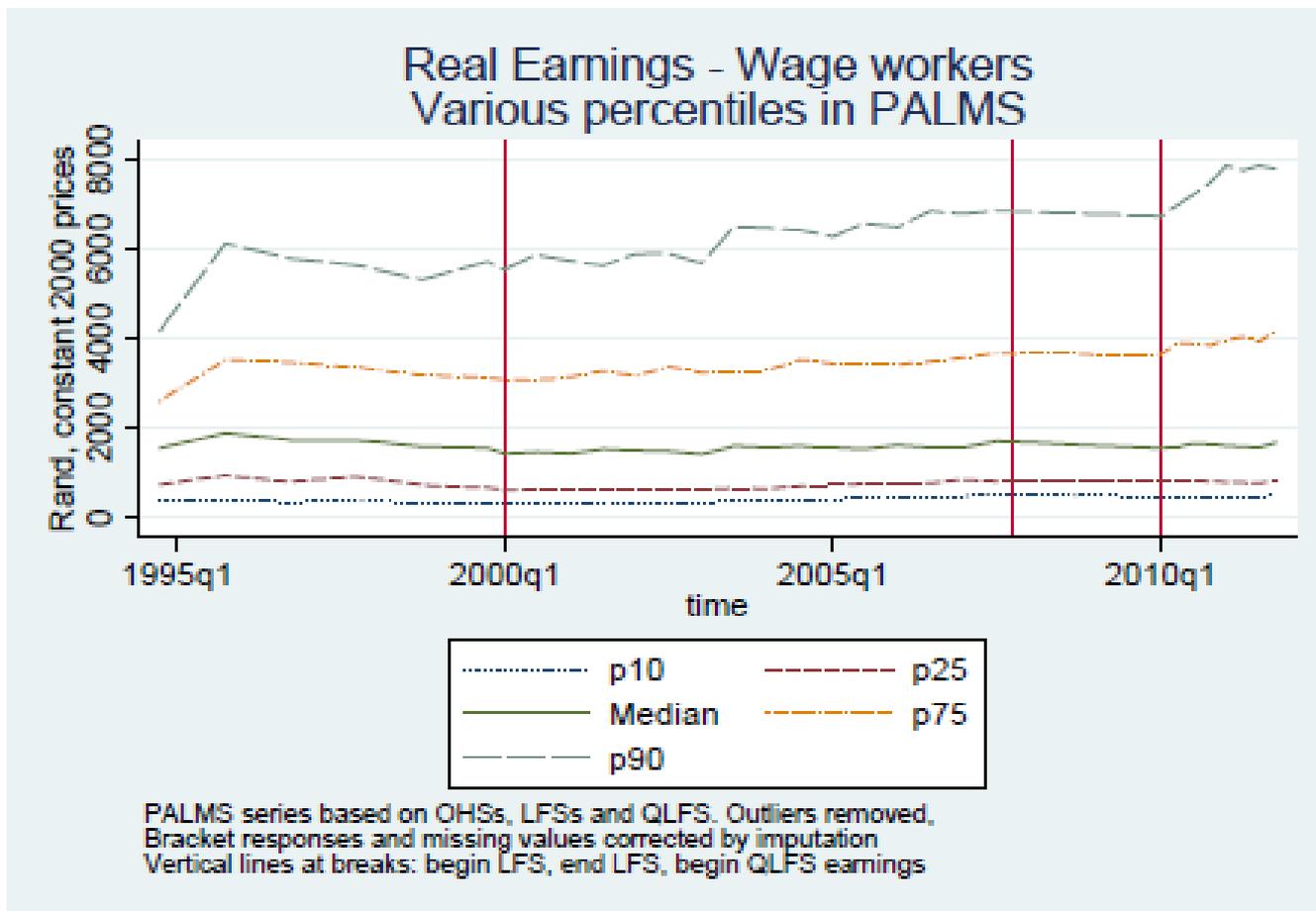
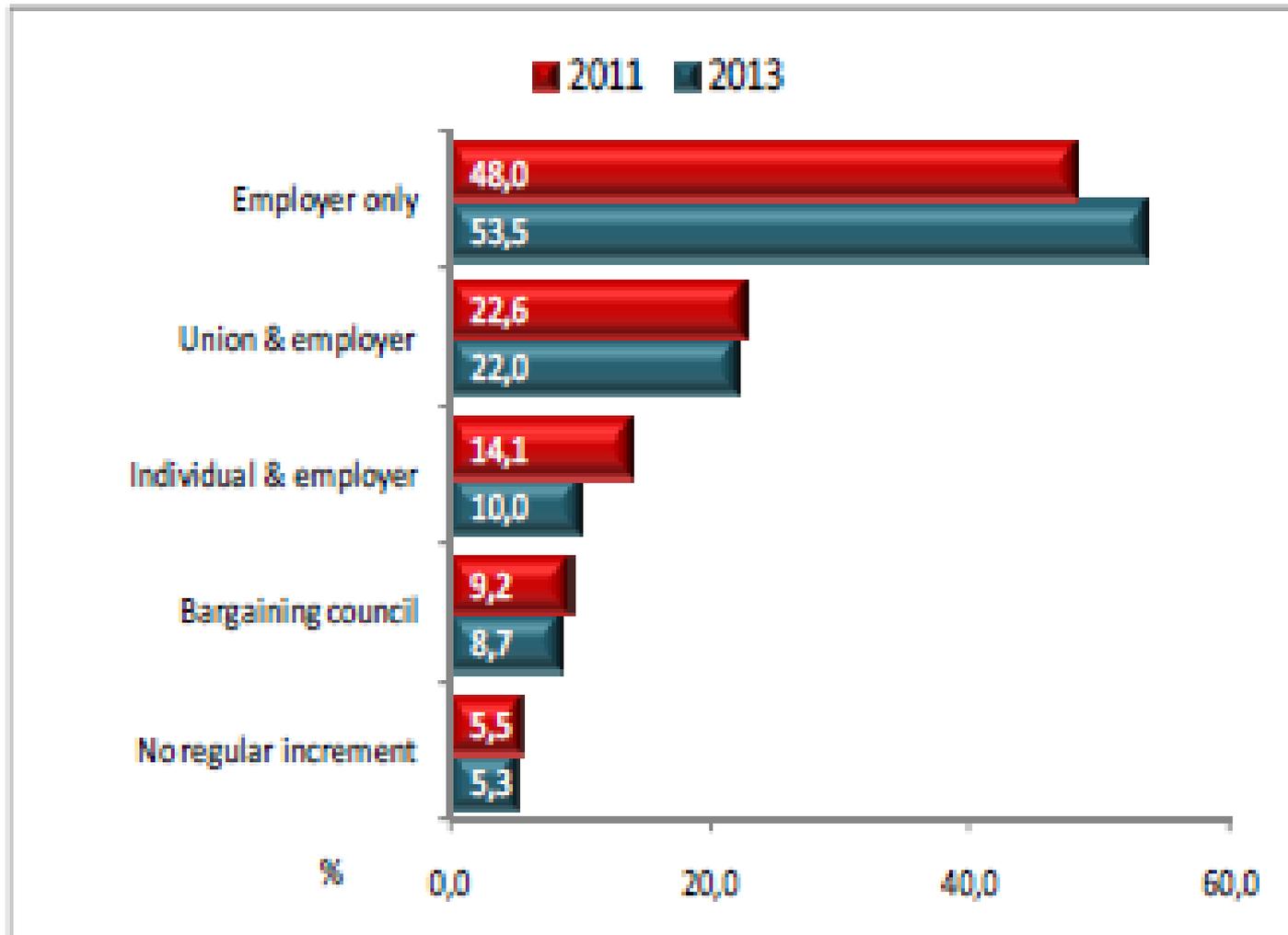


Figure 15. Real Earnings of Wage workers over time at different percentiles of the distribution

9.Type of Negotiations Note unions & BCs 31%, 'employer only' 48-53%

Source stats SA labour market dynamics 2014

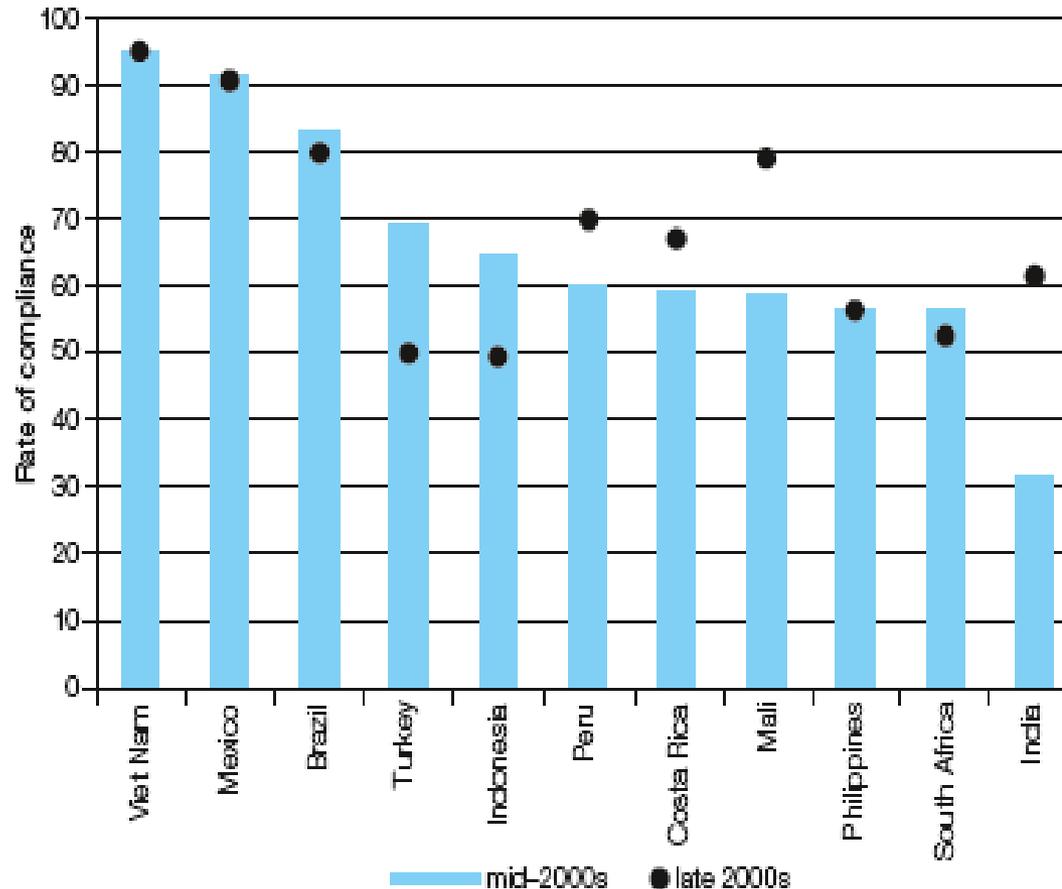
Annual salary increment by type of negotiations, 2011 and 2013



10. Rates of compliance in developing countries

Source: Belser et al ILO 2013

Figure 5. Rates of compliance with minimum wage legislation in 11 developing economies (percentages)

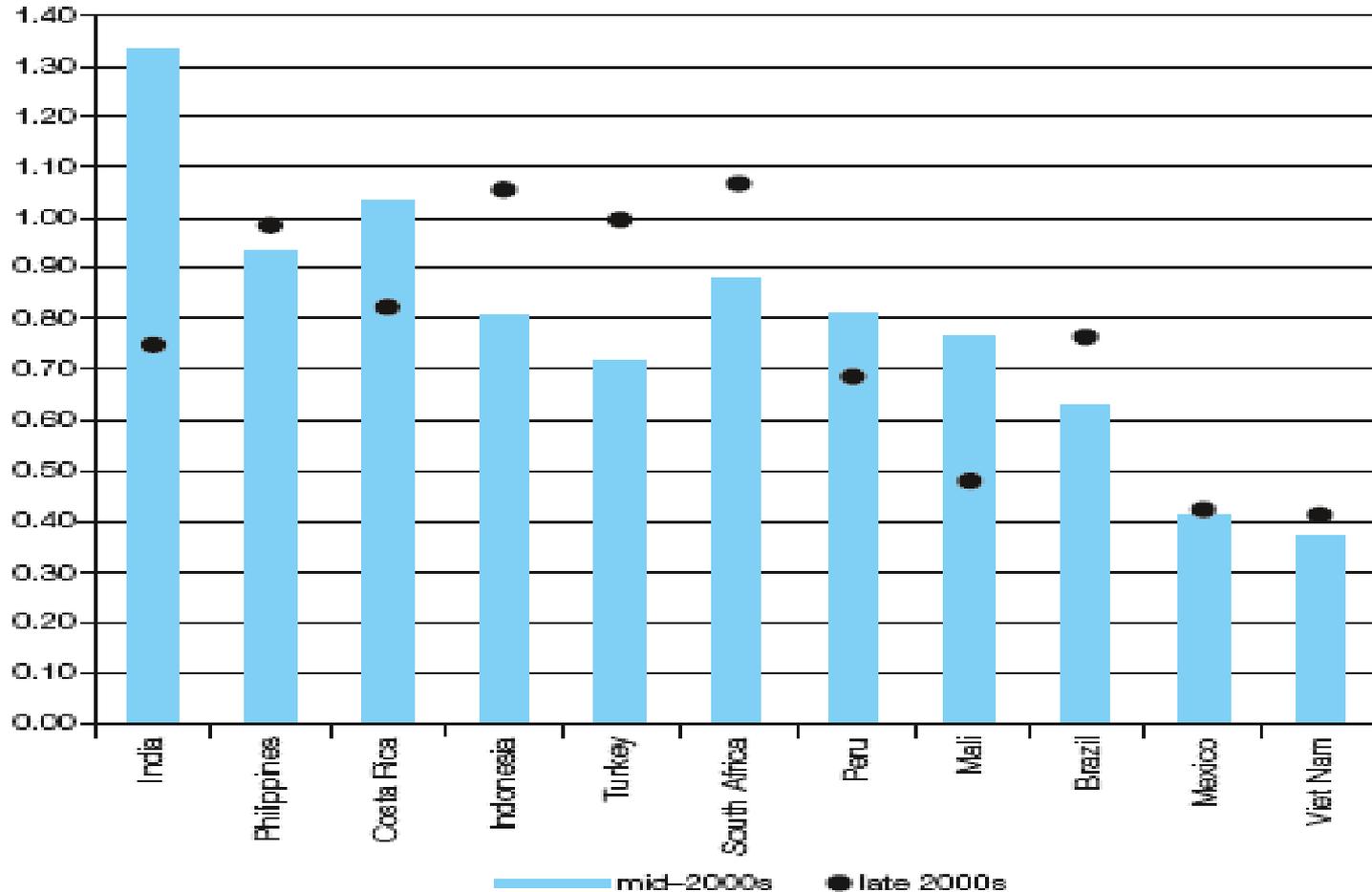


Source: Authors' estimates based on data from household and labour force surveys.

11. Low level of compliance means median wage lower than average minimum

Source: Belser et al ILO 2013

Figure 6a. Ratios of minimum to median wages in 11 developing economies



Source: Authors' analysis based on data from household and labour force surveys.

12. Formal sector workers by size of business. *Note*

Greatest declines in SMEs from 1-20 workers. Greatest increases, businesses with >50 workers

Table 4.14: Formal sector* employees by size of business (QLFS), 2008-2013

	2008	2009	2010	2011	2012	2013
	Thousand					
One employee	59	47	46	46	28	35
2-4 employees	320	277	229	246	189	208
5-9 employees	1 193	1 114	1 091	1 035	983	980
10-19 employees	1 810	1 679	1 583	1 613	1 653	1 641
20-49 employees	2 128	2 049	1 841	1 871	2 085	2 044
50 or more employees	3 658	3 905	3 946	4 128	4 250	4 524
Don't know	212	208	275	340	400	447
Total	9 381	9 279	9 011	9 279	9 589	9 878
	Per cent					
Shares in employment						
One employee	0,6	0,5	0,5	0,5	0,3	0,4
2-4 employees	3,4	3,0	2,5	2,7	2,0	2,1
5-9 employees	12,7	12,0	12,1	11,2	10,3	9,9
10-19 employees	19,3	18,1	17,6	17,4	17,2	16,6
20-49 employees	22,7	22,1	20,4	20,2	21,7	20,7
50 or more employees	39,0	42,1	43,8	44,5	44,3	45,8
Don't know	2,3	2,2	3,1	3,7	4,2	4,5
Total	100,0	100,0	100,0	100,0	100,0	100,0
Employment in businesses with less than 10 employees						
Number (Thousand)	1 572	1 438	1 365	1 327	1 200	1 223
Per cent of total	16,8	15,5	15,2	14,3	12,5	12,4

Note: Excluding Agriculture and Private households. Adjustment for VAT registration not possible.