

# A STATISTICAL REPORT ON COMMERCIAL WORKERS AND THE EFFECT OF THE MINIMUM WAGE SCHEME ON THEIR WAGES

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When drafting the minimum wage scheme, we were confronted with the fact that the only available statistics about commercial workers are the out of date results of the 1937 census. It was evident then that statistics about those workers have to be collected from the field. This urgent need for data gave rise to a valuable opportunity to examine the degree of success in Egypt of field investigations based on small representative samples covering the whole country. Such investigations are carried out either to secure up-to-date information between the census years or to collect data which are not available in the existing statistics, or to take the place of the complete census in countries where the inadequacy of funds and the insufficiency of the qualified field workers would reduce the reliability of the census results to a large extent.

The main value of the research under consideration lies in the field work itself : The tiresome and tedious travel all over the country, the search for the required shops or installations within the town and the conversation with the employers who, in almost all cases, believe that the field worker is none but the tax collector. The collected data supplied us with information the time lag between which and the only available information about commercial workers is about 15 years. Some of the resulting tables are more detailed than the similar available ones and some of them study certain items for the first time.

A one per cent sample of commercial establishments employing workers was taken at equal intervals from the records of the 1947 census. The resulting sample involved 400 installations : 152 in Cairo, 90 in Alexandria, 28 in the other governorates, 94 in Lower Egypt and 36 in Upper Egypt. These installations were distributed over 56 towns.

A simple schedule was used for collecting the data. It was planned so that the required information could be obtained from the shop owner without calling the worker or waiting for his return.

Twenty-six tables were obtained by sorting the data. The tables together with the schedule are shown in the arabic section. The tables study the geographic distribution and the number of workers of the commercial installations, the number of working days, age, sex and profession of the workers as well as their relationship to their employers. Wages are then presented in a detailed form. They are divided into daily, weekly and monthly wages and tabulated according to age groups. Subsidiary incomes from work (such as tips or full residence with the employers) are then studied. On the basis of these data, estimates of the number of workers who benefit from the minimum wage scheme and the amounts of the weekly raise in their wages could be calculated.

The minimum wage proposed law divides the workers into three age groups :

- 1) Men : 18 years and over ;
- 2) Boys : 15 years and under 18 ;
- 3) Children : under 15 years.

The three groups involve both sexes. They were given masculine titles because the over-whelming majority of the workers are males.

The 400 establishments were found to be employing 1299 workers distributed according to the above three age groups as follows :

- 1) Men : 85.4%.
- 2) Boys : 7.3%.
- 3) Children : 7.3%.

*Geographic Distribution of establishments and workers :*

District	Percentage of employing establishments
Cairo .. .. .	38.0 %
Alexandria .. .. .	22.5 %
Other governorates .. .. .	7.0 %
Lower Egypt .. .. .	23.5 %
Upper Egypt .. .. .	9.0 %
	<hr/> 100 %

District	Percentage of workers
Cairo .. .. .	45.6 %
Alexandria .. .. .	26.3 %
Other governorates .. .. .	5.5 %
Lower Egypt .. .. .	16.6 %
Upper Egypt .. .. .	6.0 %
	<hr/> 100 %

The concentration of the establishments in the governorates is obvious. These cities involve over two-thirds of the employing establishments and over three quarters of the workers.

*Sizes of establishments :*

It was found that the average number of workers per establishment is 3.9 in Cairo, 3.8 in Alexandria, 2.5 in the other governorates, 2.3 in Lower Egypt and 2.1 in Upper Egypt. The average for the whole country is 3.25.

Among the employing establishments it was found that :

- 44.50% employ one worker. These establishments employ 13.7% of the workers,
- 21.75% employ 2 workers. These establishments employ 13.4% of the workers,
- 13.75% employ 3 workers. These establishments employ 12.7% of the workers,
- 6.75% employ 4 workers. These establishments employ 8.3% of the workers,
- 3.00% employ 5 workers. These establishments employ 4.6% of the workers,

- 6.50% employ 6-10 workers. These establishments employ 14.8% of the workers,  
 2.00% employ 11-15 workers. These establishments employ 7.5% of the workers,  
 1.75% employ more than 15. These establishments employ 25.0% of the workers.

The percentage distribution of the establishments according to their sizes in the different areas of the country is as follows :

No. of workers in establishment	Governorates	Lower Egypt	Upper Egypt	Whole Country
1-2	61.1 %	74.5 %	83.3 %	66.25 %
3-4	23.0 %	17.0 %	11.1 %	20.50 %
5 or more	15.9 %	8.5 %	5.6 %	13.25 %
	100 %	100 %	100 %	100 %

#### *Working days:—*

It was found that about two-thirds of the workers in the sample worked six days per week and 3% worked 7 days per week. The data also showed that the percentage of workers not having a weekly vacation increases as age decreases. It is 28.1 % among men, 34.77, among boys and 46.3 % among children.

#### *Age Distribution :*

The modal age interval was found to be 20 to 30 years. The ages of over 50 % of the workers ranged between 20 and 40 years. The interval 20 to 50 years of age involved more than two thirds of the workers.

#### *Relatives :*

By relatives of the employers we mean here their sons (or daughters), their brothers (or sisters), their wives (or husbands) and their fathers (or mothers). This class had to be studied alone owing to the fact that in almost all cases these workers either live with their employers or get from them a multitude of services the value of which is very hard to estimate, thus

rendering it very difficult for the government to interfere between the employer and this class of his workers.

It was found that one eighth of the workers are relatives, 70 % of whom are sons or daughters and 25 % are brothers. One third of the sons (or daughters) are under 15 years and a half of them is 18 years or more.

Referring to the above mentioned three age categories, namely men, boys and children the great difference between the distributions over these age categories of relatives and all workers is evident from the following percentage distributions:

	<u>Men</u>	<u>Boys</u>	<u>Children</u>	<u>Total</u>
Relatives	62 %	13 %	25 %	100 %
All Workers	85.4 %	7.3 %	7.3 %	100 %

The modal age among relatives is about 10 years less than the corresponding age among all workers, the modal interval in the case of relatives being 10 to 20 years. This interval involves the ages of 40 % of the relatives. The percentage of working children under 10 years is 5.1 among relatives and only 0.8 among all workers. In about 40 % of the establishments employing one worker, this worker was found to be a relative of the employer and in 80 % of the cases this relative was the employer's son.

#### *Clerical and technical employees :*

This class involves 18.4 % of the workers. Again the difference between the age distribution in this class and among all workers is obvious. All the employees in this case were found to be 18 years or more. The ages of 28.5 % of the individuals range between 40 and 50 years. This percentage is twice the corresponding one among all workers. It is difficult to find a modal age for this class since the frequencies are almost equal between 20 and 50 years.

#### *Women Workers :*

The sample included 33 women only, i.e. 2.5 % of the workers. They are distributed according to age and relationship to the employers as follows :

18 years or more : 26 workers (2 wives and 24 non-relatives).  
 15 and less than 18 : 3 workers (one daughter and two non-relatives).  
 less than 15 years : 4 workers (3 daughters and one non-relative).

*Wages :*

59.6 % of the commercial workers have monthly salaries and 34.7 % have daily wages. The percentage of workers having weekly wages (5.7%) is very small compared with the corresponding percentage among industrial workers, the latter being 89.1 %.

It was also found that the percentage of workers having daily wages decreases as age increases. It is 55.4 % among children, 48.7 % among boys and 32.6 % among men. It was found that :

The modal wage for men ranges between 20 and 30 piastres and the mean wage is 23 piasters ;

The modal wage for boys ranges between 10 and 15 piastres and the mean wage is 12.5 piastres ;

The modal wage for children ranges between 5 and 10 piastres and the mean wage is 7.6 piastres.

The average wage among all workers having daily wages is 20.8 piastres.

In the case of weakly wages it was found that :

The modal wage for men ranges between 100, 150 piastres and the mean wage is 131.5 piastres.

The modal wage for boys ranges between 50, 100 piastres and the mean wage is 70.5 piastres.

The modal wage for children ranges between 30, 50 piastres and the mean wage is 44 piastres.

The average weekly wage among all workers having weekly wages is 128 piastres.

The corresponding figures for workers having monthly salaries are as follows :

The modal salary for men ranges between 500 and 700 piastres, the average salary is 1360.2 piastres.

The modal salary for boys range between 300 and 500 piastres, the average salary is 368.4 piastres,

The modal salary for children ranges between 100 and 300 piastres, the average salary is 191.1 piastres.

The great difference between the modal and the mean monthly salary among men is due to the presence of the employees of the big commercial establishments who get very high salaries. This is why the average monthly salary among all workers rises to 1139.7 piastres.

*Increases in wages due to the minimum wage scheme :*

The scheme proposes the following minimum wages in non-agricultural employments : 15 piastres a day for a child (under 15) 20 piastres a day for a boy (15 and less than 25) and 25 piastres a day or 625 piastres a month for a man (18 years and over).

The percentages of workers who would benefit from the scheme and the amount of increase in their wages are as follows :

	<u>Men</u>	<u>Boys</u>	<u>Children</u>
Percentage of beneficiaries among all workers in the category	42.6 %	67.4 %	53.7 %
Percentage of beneficiaries among all non-relatives in the category.	46.7 %	86.5 %	91.1 %
Percentage of beneficiaries among all beneficiaries in the sample.	80.4 %	10.6 %	8.5 %

45.2 % of all workers benefit from the scheme. The modal weekly increase ranges between 30 and 60 piastres. Worker whose increase exceeds this amount are 16.6 % only of all the workers. They are distributed according to the amount of increase as follows :—

- 0.8 % have an increase between 120,150 piastres a week.
- 3.5 % have an increase between 90,119 piastres a week.
- 12.3 % have an increase between 60,89 piastres a week.

The law would raise the wages of all commercial workers by 12.3 %.

*Subsidiary Income from Work :*

It was found that 16.5 % of the paid workers get subsidiary income from their work beside their wages. The distribution

of those workers according to the kind of subsidiary income is as follows :

Tips : 7.3 %, Meals or residence (either in the establishment or with employer): 4.3 %. Grants from the employer : 1.8 %, Commission : 3.1 %.

It was found that 29 % of this group get a subsidiary incomes of one pound or more a week and 52 % get a subsidiary income amounting to 50 piastres or more a week.

26.6% of this group had subsidiary incomes equal to 100% or more of their wages and for 41 % of the group, the subsidiary income was 50 % or more of the wage.

If the subsidiary income is considered as a part of the worker's wage the above mentioned percentages of beneficiaries and increases in wages would have to be modified as follows :

	<u>Men</u>	<u>Boys</u>	<u>Children</u>
Percentage of beneficiaries among all workers in the category.	39.4 %	65.3 %	48.6 %
Percentage of beneficiaries among all non-relatives in the category	43.2 %	83.8 %	87.5 %
Percentage of beneficiaries among all beneficiaries in the whole sample	79.7 %	11.3 %	9.0 %

42.2 % of workers would then benefit from the scheme. 9.8 % of the workers would get a weekly increase between 10 and 29 piastres,, 13.5 would get between 30 and 59 piastres and 13.7 % only of the workers would get a weekly increase of 60 piastres or more.

The law would then raise the total wages of the workers by 10 %.

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