

Minimum Wage and Socio-Economic Status of Domestic Workers in Urban Hyderabad

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1. Abstract

Socio-economic characteristics reflect the living standard of the peoples and education has significant impact on the development of peoples' socio-economic status in a society. In Pakistan illiterate or less educated human recourse (i.e. below secondary stage) actively contributing into various formal and informal sectors of economy but due to lack of education they are not able to work at better employment positions and their socio-economic status seems to be unsatisfactory. Domestic servants (who are working as helping hands in home maintaining activities) are working long hours but they are receiving lower wage (i.e. less than minimum wage) and remain poor. At policy level Government of Pakistan took initiatives to upgrade the socio-economic status of lower working class but often they remain unaware about their basic rights. On other side, to ensure payment of minimum wage, health arrangements and access to social security Government of Pakistan has not took proper initiative with special focus on domestic workers, who employed in private households. Hyderabad is the second most urbanized city of Sindh province of Pakistan. In this province thousands of workers provide their services as domestic workers. The objective this research paper is to empirically analyze the trend of minimum wage in Pakistan and to investigate extend at which domestic servants in urban Hyderabad are aware about their basic rights. The paper also examines the level at which lack of education effects socio-economic status of lower working class in Pakistan.

Key Words: Minimum Wage, Socio-Economic Status, Education, Domestic Labor

2. Introduction

Lack of education limited better earning opportunities for human resource and their socio-economic status often remain very low (International Labor Conference, 2010). In urban areas of different provinces of Pakistan, particular proportion of illiterate or less educated labor force working as domestic servants and provide their service for house maintaining activities (such as house cleaning, dish washing, dry cleaning, cooking etc). These domestic labors, working long hours and perform multiple household responsibilities but receiving low wage. Government of Pakistan took initiatives to secure labor rights (such as fixed minimum wage). However, due to lack of education, large proportion of labor force not aware about their basic rights, they are receiving low wage and not able to fulfill the basic necessities of their life (such as health, education, shelter and food). This opens the area to analyze socio-economic status of domestic labor in Pakistan with special focus on urban Hyderabad district of Sindh. The research paper is divided in four major sections, section one gives introduction, section two explains conceptualized review literature and methodology. Section three presenting some data analysis and findings. Section four based on the summary of conclusions and suggestions.

3. Conceptualization

Education is the fundamental human right; it supposes to be the most significant key for development of

various earning skills and abilities (Isani et al., 2003). **International Labor Conference, 2010 reported that “education is the hope of a better life”.** Social Policy and Development Center (2003), reported that education has great impact on poverty alleviation which is the predominant economic problem of Pakistan. Government of Pakistan recognized the significance of education and has been committed to provide opportunities of education to all without any discrimination at the national level. State develops series of efforts at policy level in order to influence progress in education but after 64 years of independence, peoples in Pakistan frequently suffer from multiple disparities including education (United Nations Educational, Scientific and Cultural Organization (UNESCO), 2010). **“Still almost 44 million Pakistani population in working age (i.e. 15 plus) have not had the opportunity to learn how to read and write” (United Nations Development Programme (UNDP) 2009). “Literacy is a core component of basic education but despite the Government’s commitments to providing basic education to all; Pakistan has one of the highest rates of illiteracy in the world” (United Nations Educational, Scientific and Cultural Organization (UNESCO) 2010, p16).** According to Pakistan Economic Survey (2010-11), in year 2009-10 there were 42 percent people were illiterate and 38 percent were below matriculation. Social Policy and Development Centre (SPDC) reported that in Pakistan labor force actively participated into various sectors but due to limited access to education Pakistani labor force

participation at decent/high profile jobs is very low (Social Policy and Development Centre (SPDC), 2009).

In Pakistan, domestic service sector is another largely informal sector of the labor force. In this informal services sector often uneducated and lower class people migrants to cities for hiring jobs without having proper training and skills. *“Domestic service is a labor arrangement within a private home in which the employees provide work in return for wages or in kind payment. The work is performed by men, women or children and includes many tasks: gardening, guard duty, driving, cooking, serving of meals, cleaning, dish-washing, clothes-washing, sweeping, dusting, ironing, child-care and massaging etc” (International Labor Office (ILO), 2004).* In urban setting domestic servants provide their services in two manners, as full time domestic labor working in one house, perform multi-tasks and receive fixed amount per month. In other case, domestic servant work in numbers of different houses and performs one or more activity in different house and charge at per activity per month. The upper and middle class families hire these servants without any unwritten contractual agreement. These domestic workers often work long hours and earn less income. According to Home Net Pakistan, 2009, quality of home based workers in Pakistan remains poor, without opportunities for skill development and moving up the ladder and with very low income returns. At policy level, government of Pakistan announced special initiative to secure the labors rights such as to ensure payment of minimum wage, health arrangements and access to social security. Minimum wage is defined as a lowest wage level set by government (International Labour Organization 2012). The concept of minimum wage was introduced for the employee that their amount of reward is obliged for their work. Pakistan has established a policy under the ordinance 1961, “minimum wage ordinance” and other in 1969, “workers ordinance” in which minimum wage for Pakistani labors was introduced. In 1992 Pakistan first minimum wage was introduced and it was set at

PKR 15, 00 (US\$ 14.75) per month (Mohammad Irfan, 2008). After 1992 minimum wage increased year by year and in year 2012 the minimum wage 8000 further enhanced to Rs.10, 000 rupees (Labor Policy Government of Pakistan, 2013). On other hand, in Pakistan large proportion of labor force those associated with lower jobs (such as domestic labors) have not access to their basic rights such as earning of minimum wage (i.e. fixed by government of Pakistan). Therefore, their socio-economic status is remaining low down and they are not able gain basic facilities of life.

It is summarized that education has a wide range of social and economical benefits; it opens better employment opportunities and enhances earning capacities for individuals. In Pakistan illiterate/less educated domestic workers are not getting minimum wage for their work and suffer from poor quality of life. This opens the area to investigate socio-economic characteristics of urban-based domestic workers as to examine extend at which unavailability of education and lack of policy implementation effect living standard of lower working class.

4. Methodology

The present exploratory research study is based on primary and secondary data. Secondary data collected from secondary sources (such as government official websites) and primary data, collected from part time and full time private domestic workers, who performed their duties in homes in urban Hyderabad district. Respondents were selected through simple random sampling procedure. It was supposed that responded were illiterate/less educated and not able to properly read and handle questionnaire therefore, primary data was collected through schedule interviews, without any age or gender bias. To analyze the data simple linear regression and basic statistics were applied on data. Graphs and tables were exercised to present the data. SPSS and MS Excel were used to analyze the data.

Simple Linear Regression Equation:

$$y = b_0 + bx$$

Where:

y= dependent variable (i.e. Minimum Wage set by Government of Pakistan)

b_0 =intercept/constant

b_1 = coefficient

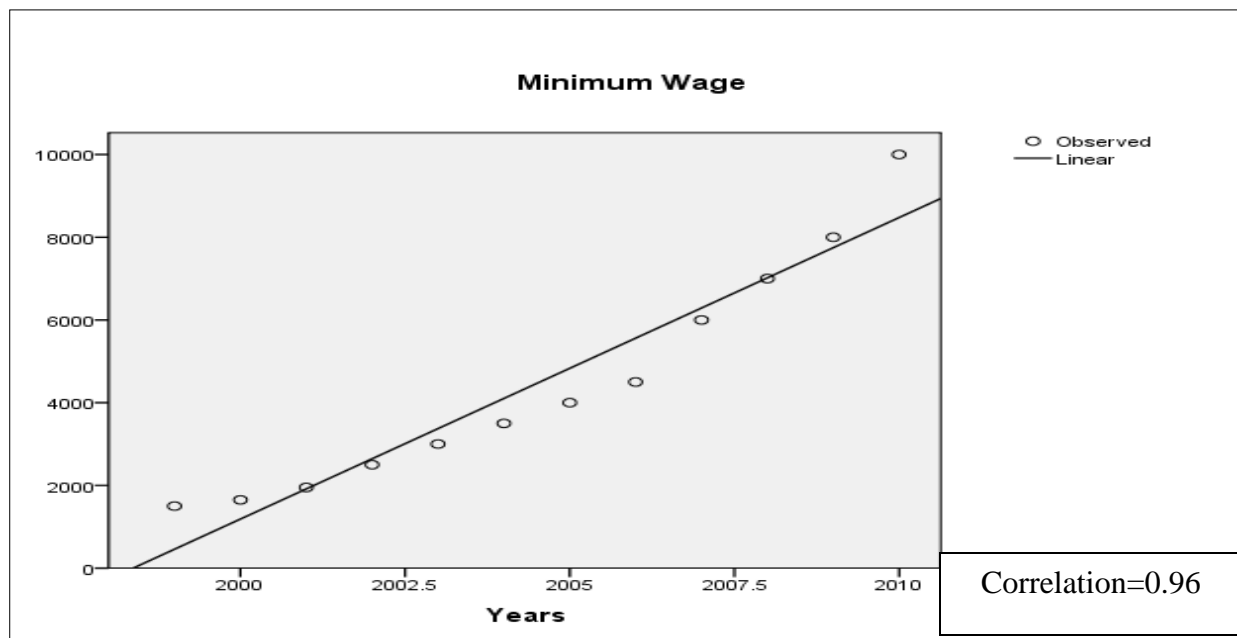
x= Years

5. Results and Findings

In a country trends regarding minimum wage shows government interest to uplift the socio-economic status of lower working class. Figure 1 presents the simple regression outcomes for minimum wage fixed by Government of Pakistan

during 1999 to 2010. Where, minimum wage set by Government of Pakistan is dependent variable (i.e. y) and years are independent variable. Pattern of regression line and value of correlation (i.e. 0.96) indicative that minimum wage were significantly increased by Government of Pakistan. This also highlights that at policy level Government of Pakistan makes serious efforts to enhance the status of lower working class.

Figure-1: Regression Outcomes for Minimum Wage in Pakistan n=12 Years (1999 to 2010)



Data Source: http://en.wikipedia.org/wiki/Minimum_wage_law

Table 1 presents the empirical results for simple regression model. The positive value of R^2 (i.e. 0.93) indicates that 93% variations in minimum wage (i.e. set by government of Pakistan) clarified by this model. The significant value of F-Statistics (i.e. 124.36) specifies that the equation as a whole is statistically significant. The positive value of b-coefficient (729.021 rupees) indicates average increase in minimum wage associated with each passing year that is not very large and insufficient to meet the required needs of life.

Table-1: Summary of Empirical Results for Simple Linear Regression Model

Statistical Measures	Results
R Square	0.93
Adjusted R Square	0.92
F-statistics	124.36*
b-Coefficient	729.021
b_0 /Constant	-1.457
T-Statistics	11.152*

* Significant at 0.000 level

Table 2 presents the statistical measures for respondent's demographic characteristics. Data reveals that different age group of peoples (i.e. 16 to 50 years old) performed their jobs as informal domestic worker. Value of statistical measures for numbers for family size indicates that some reported cases have large family size.

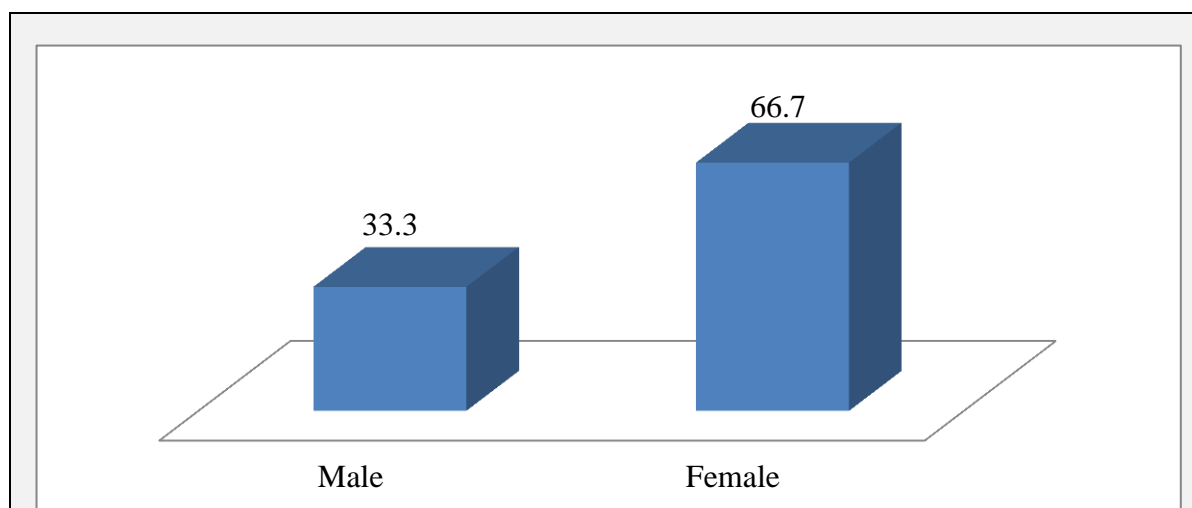
Table-2: Statistical Measures for Respondent's Demographics n=60

Statistical Measures	Age	Family Size
Average	37	8
Minimum	16	5
Maximum	50	13
Standard Deviation	12.303	3.033

Source: Survey Data, 2013

Figure 2 presents the ratio of respondents by gender. Data indicates that comparatively women were more involved as private domestic worker in informal services sector in urban Hyderabad.

Figure-2: Respondents by Gender (%) n=60



Source: Survey Data, 2014

Table 3 highlights the marital status of domestic workers, data shows that majority of respondents (i.e. 50 percent) were married, 16.7 percent were widow/widower/divorced this indicate heavy burden of family responsible on the shoulder of domestic labor.

Table-3: Marital Status of Respondents (%) n=60

Marital Status	Cases	Percent
Married	30	50.0
Un-Married	20	33.3
Widow/Widower/Divorced	10	16.7
Total	60	100.0

Source: Survey Data, 2014

Education develops economically productive and socially dynamic labor force and opens better employment opportunities to them (Isani et al., 2003). It is generally accepted that at least basic education among lower class labor force is necessary as to be aware about their fundamental rights such as minimum pay for them, working hours etc. Besides having positive attitude among respondents towards modern education, data figures in table 4 highlights that approximately 67 percent reported cases were illiterate and only 16.7 percent had primary education, not a single case were registered who received education above primary level. Poverty is the major cause of illiteracy among domestic labor which in turn limited them at lower jobs and poor earning. This is the major cause of unsatisfactory socio-economic conditions of domestic workers in urban Hyderabad.

Table-4: Level of Education of Respondents (%) n=60

Education Status	Cases	Percent
Illiterate	40	66.7
Below Primary	10	16.7
Primary	10	16.7
Total	60	100.1

Source: Survey Data, 2014

During field survey researcher was observed that domestic workers are working in different setup in urban Hyderabad, which can be divided into two broad categories that is full time worker working in one house and as part time worker in numbers of houses. Data figure in table 5 reveals that 50 percent respondents were working as full time domestic workers in one house, majority of them living inside the employer home, often beside monthly income these servants received other basic facilities like free food, shelter etc. Part time worker provide their services for one or more house maintaining activities in many homes and received monthly remuneration at per activity without any additional benefits. Comparatively, part time workers were most dissatisfied with their jobs and had complained of burden of responsibilities because majority of them were women playing dual personal and professional roles furthermore, their health conditions were not very good.

Table-5: Nature of Respondents' Domestic Works (%) n=60

Education Status	Cases	Percent
Full Time (in One House)	30	50
Part Time (in Some Houses)	30	50
Total	60	100.0

Source: Survey Data, 2014

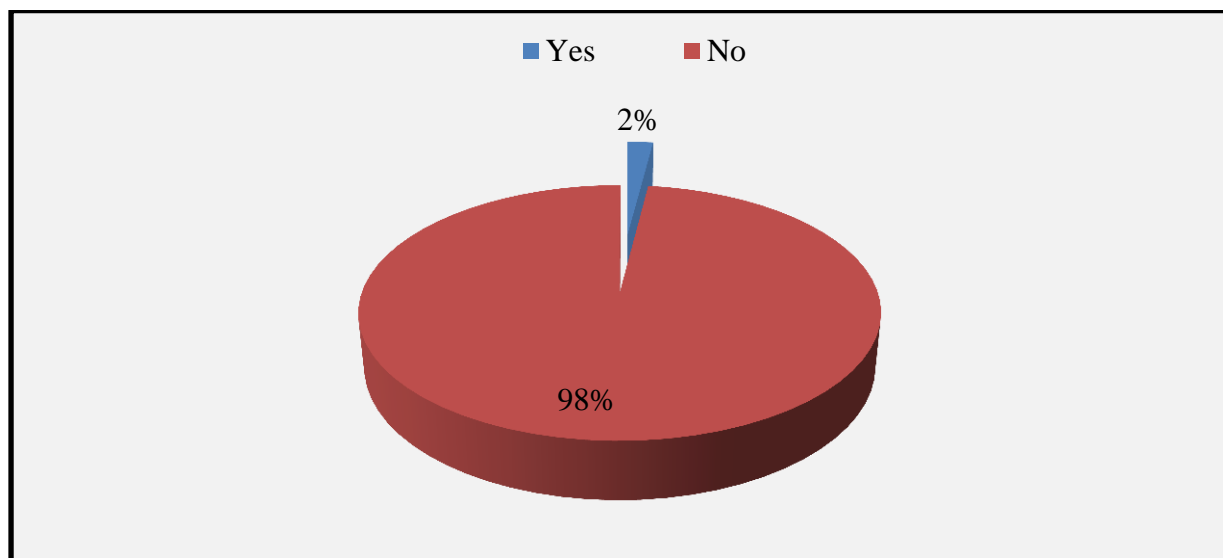
Table 6 presents the statistical measure for respondents' numbers of working homes per day, working hours per day and their wage per month in rupees. Data reveals that respondents performed their duties in numbers of houses. The average and maximum wage (i.e. 5166 and 7000 respectively) indicates that majority of domestic workers receiving insufficient compensation for their work. On other side, for year 2013 Government of Pakistan fixed 10000 Pakistani rupees as minimum wage whereas, not a single case received minimum wage (i.e. fixed by Government of Pakistan).

Table-6: Statistical Measures for Respondents' Domestic Working Variables n=60

Statistical Measures	Numbers of Working Homes Per-Day	Working Hours Per-Day	Income Per-Monthly in Rupees
Average/Mode	3	10	5166.667
Minimum	1	8	3000
Maximum	6	14	7000
Standard Deviation	2.0	2.167948	1471.960144

Source: Survey Data, 2014

Figure 3 distributes the domestic workers in respect of their knowledge about minimum wage (i.e. fixed by government of Pakistan). Data figures reveals that 98 percent respondents not have any information about the minimum wage and they are also not aware about their other basic rights like maximum working hours etc.

Figure-3: Distribution of Respondents Regarding their Knowledge About Minimum Wage (%) n=60

Source: Survey Data, 2014

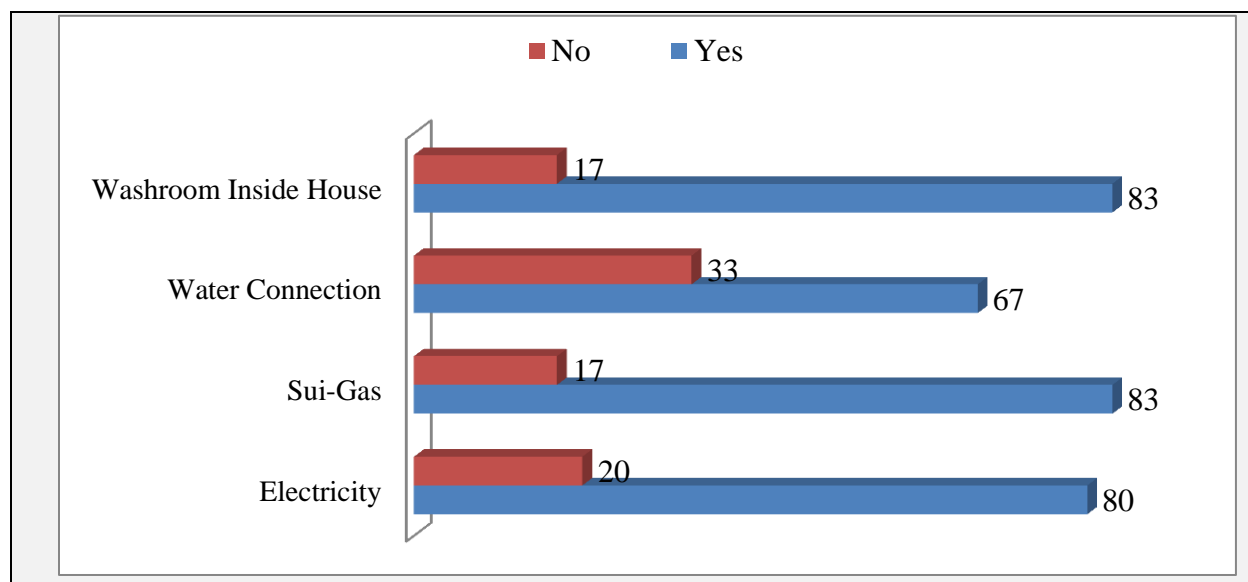
Table 7 shows the type of respondents' house in which they are living. Data highlights that approximately 67 percent reported cases are living in pacca house (i.e. made by bricks, cement and steel) however, approximately 33 percent (i.e. Katcha and Semi-Pacca combined) belonged to that labor class who are living without having domestic facilities in this modern era.

Table-7: Type of Respondents' House (%) n=60

Type of House	Cases	Percent
Pacca House	40	66.7
Katcha House	5	8.3
Semi-Pacca House	15	25
Total	60	100.0

Source: Survey Data, 2014

Figure 4 highlights the availability of basic facilities of life in respondents' homes. Data indicates that in 17 percent, 33 percent, 17 percent and 20 percent respondents living without washroom inside their homes, water connection in homes, gas and electricity respectively in their homes. This explores extends at which Pakistani poor class suffering by unavailability of basic facilities of life due to poverty or less receiving amount for their services.

Figure-4: Basic Facilities in Respondents' House (%) n=60

Source: Survey Data, 2014

6. Conclusion

It is summarized that over all socio-economic status of informal private domestic workers in urban Hyderabad is not encouraging. Even after working long hours, domestic workers are not able to fulfill the basic necessities of life and to avail basic facilities of life. Government of Pakistan took initiatives to secure the basic rights of labor force but due to lack of education, lower working class not aware about their basic rights and receiving poor wage (i.e. less than minimum wage). It is suggested that there is need to uplift socio-economic status of domestic workers. In order to achieve security of labors rights, besides policy making, necessary steps should be taken by government and nongovernment institutions and agencies for proper policy implementation. At grass root level there is need to enhance accessibility of education at all levels and better earning opportunities should be provided particularly, to lower working class.

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