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RESEARCH TOPIC: IMPLEMENTATION OF THE MINIMUM WAGE, ITS OPPORTUNITIES AND CHALLENGES



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TABLE OF CONTENTS

PART 1

1. INTRODUCTION.....	1
2. STATEMENT OF THE PROBLEM.....	3
3. OBJECTIVES.....	4
4. HYPOTHESIS.....	4
5. LITERATURE REVIEW.....	4
6. RESEARCH METHODOLOGY.....	12
7. RESEARCH DESIGN.....	12
8. POPULATION DEFINITIONS.....	12
9. SAMPLING CRITERIA AND SAMPLE DESCRIPTION.....	12
10. DATA COLLECTION METHODS.....	13
11. DATA PROCESSING AND ANALYSIS.....	13

PART 2

FINDINGS

12. BACKGROUND CHARACTERISTICS OF RESPONDENTS.....	14
13. PRESENTATION OF THE HYPOTHESIS.....	27
14. GENERAL FINDINGS.....	34
15. DISCUSSION OF FINDINGS.....	42
16. CONCLUSION OF FINDINGS.....	44
17. LIMITATIONS.....	44
18. RECOMMENDATIONS.....	45

1.0 INTRODUCTION

Wages, in economic theory is the price paid for labor. Wages consist of all payments that compensate individuals for time and effort spent in the production of economic goods and services. Wages may be reckoned at time rates, piece rates, or incentive rates. The payments include not only wages in the ordinary, narrow sense the earnings, computed generally on an hourly, daily, weekly, or output basis, of manual and clerical workers, but also weekly, monthly, or annual salaries of professional and supervisory personnel; bonuses added to regular earnings; premiums for night or holiday work or for work exceeding stated norms of quantity and quality; fees and retainers for professional services; and that part of the income of business owners that compensates them for time devoted to business(Kaufman, 1989). A high rate of pay does not ensure large annual earnings. In addition, nominal wages do not reflect real earnings accurately. During a period of inflation the real value of wages may fall although nominal wages rise, because the cost of living rises more rapidly than monetary earnings. Deductions from wages for income taxes, social security taxes, pension payments, union dues, insurance premiums, and other charges further reduce the worker's take-home pay (Ibid).

The influences determining wage levels in particular countries at particular times are as follows, cost of living: Even in poor societies, wages are usually at least sufficient to pay the cost of sustaining workers and their children: Prevailing living standards influence conceptions of what constitutes a so-called living wage, thus helping to determine wage levels. Improvements in general living conditions generate moral pressures for giving laborers a share of the better life. The relative supply of labor: Where labor is scarce relative to capital, land, and other resources competitive bidding for labor tends to raise the general wage level, in developing countries competition among laborers for the relatively few available jobs tends to depress the wage level. Productivity: Wages tend to rise with productivity. Productivity depends partly on the energy and skill of the labour force and even more on the level of technology employed. Bargaining power: The organization of labor in trade unions and in political associations enhances its relative bargaining power and thus tends to win for organized labor, especially in time of deflation, a larger share of the national income, (Chapman, 2004).

Minimum Wage is the rate of pay fixed either by a collective bargaining agreement or by governmental enactment as the lowest wage payable to specified categories of employees. In

general, the setting of a minimum wage does not preclude the right of employees to demand wages above the established minimum. The realization of this shortcoming led labor unions to demand government minimum wage programmes in several countries as early as the 1890s, and resulted in the enactment of legislation setting minimum wages, (Dickens 1975).

The first minimum wage law was enacted by the government of New Zealand in 1894. A subsequent law enacted by Victoria State, Australia, in 1896 established wage boards on which workers and employers were represented in equal numbers, with power to fix minimum wages enforceable on the employer. This innovative law served as the model for the British Trade Boards Act of 1909, due to the ever increasing demands of workers benefits and employer exploitation of these workers, an organization was formed to look at this. The International Labour Organization (ILO), a specialized agency of the United Nations (UN), whose worldwide objectives are to improve labor conditions, to promote productive employment and social progress, and raise living standards (Ghellab, 1998). The ILO was established in 1919 as an autonomous part of the League of Nations and brought into formal relationship with the UN in 1946. The ILO sets standards that cover child labour, workers with disabilities, discrimination, and equality of treatment, freedom of association, human rights, maternity protection, pensions, and the elimination of forced labor, (Taylor 1995). The International Labour Organization (ILO) recommends that each and every country has a minimum wage so as to avoid large differences in levels of income or in other ways to promote income equity among citizens. This would improve the standards of living for every citizen thereby having a population living under recommended health solutions. States began to pass minimum wage laws early in the 1900's, often as a way to protect female employees, (Alix, 2006). In 1937, the court upheld a Washington law that mandated a minimum wage for working women. Then, Congress passed a federal minimum wage of 25 cents an hour as part of Fair Labor Standards Act (FLSA) in 1938. This legislation was upheld as constitutional in 1941 (Heathfield 2012).

2.0 STATEMENT OF THE PROBLEM

Implementation of the minimum wage is an action by the government that is supposed to benefit every person or individual directly or indirectly in terms of improvement in the quality of life of the people in Zambia as a whole. It has to benefit the formal sector as well as the informal sector. It is supposed to improve the way people live on a daily basis, by increasing their spending on goods and services that will literally increase their utility as well as their welfare in both the short run and the long run.

The minimum wage has to relatively reduce the prices of goods and services, this is, in relation to the increase of wage inflows among the people. People in Zambia have to consume more of goods and services due to the high inflow of income. This also implies that the general public has to have full access and the affordability to consume goods and services to meet their daily needs.

In configuring social and economic welfare of the people the government has to ensure that the minimum wage implementation benefits a large population of the Zambian people by increasing the employment rate in the Zambia society. It has to reduce the levels at which people are laid off. This growth in the employment has to be in both the formal and the informal sectors. The government through the decision making bodies should increase the employment opportunities of the people in order to benefit everyone. However, despite the increase in the minimum wage among the people in the Zambian labor force there has been a problem that not everyone in the labor force is benefiting, 'domestic workers such as maids and some private companies did not take up the minimum wage increase put across by the government of Zambia', (Post 2012).

The increase in the minimum wage among the Zambians has led to the increase in the prices of goods and services especially by the people that felt like they were not going to benefit from this changes implemented by the government. A good example is the increase in the bus fares in Lusaka Townships and other places outside Lusaka. Both economic theory and empirical evidence suggest that the minimum wage does nothing to raise wages and actually increases unemployment, especially among teenagers and minorities. One of the most widely perpetrated myths is that a wage is different from a price. In fact, no difference exists between wages and prices. Quite simply, a wage is the price of labor that the employees agrees to work for and the employer agrees to pay. Therefore, the laws of supply and demand

govern wages, and a minimum wage is nothing more than a price floor which inevitably causes a surplus of labor (www.mywage.org/zambia/main/salary/minimum-wage).

Implementation of the minimum wage has led to the retrenchment of workers; a large number of people have lost their jobs following the increase in the minimum wage, the domestic workers especially.

3.0 GENERAL OBJECTIVE

- To establish the effect of the minimum wage on the labor force.

3.1 SPECIFIC OBJECTIVES

1. To investigate the impact of the minimum wage on the employment rate.
2. To investigate the impact of the minimum wage on the lifestyle of the people (consumption patterns).
3. To investigate the relationship between academic attainment and minimum wages on the labour force.
4. To describe the change of social economy of individuals as a result of the minimum wage.
5. To investigate the financial effects of minimum wage on employees

3.2 HYPOTHESIS

- The higher the knowledge about minimum wage the more the employment rate.
- Knowledge about minimum wage increases the price of goods and services.
- Highly educated people have higher wages.
- The employment sector of the employer affects the number of workers they have after implementation of minimum wage

4.0 LITERATURE REVIEW

Literature review is traditionally considered a systematic and critical review of the most important published scholarly literature on a particular topic (LoBiondo-Wood and Haber 1994:110). The purpose of this part then is to review the literature on the impact of minimum wage on the labor force so as to place it in context and to indicate what other researchers and authors have to say about it according to their findings. In order to have a clear understanding of our research topic, we conducted literature review and reference had been made to various

studies related to the same subject. A number of studies that had been conducted on the subject of the impact of minimum wage on the labor force revealed a number of impacts which minimum wage has on the labor force. There are two perspectives on the effect of the minimum wages on the economy. Proponents of increasing minimum wages argue that an increase in minimum wage can help increase low-wage workers' income levels (Todorovic and MA, 2008). On the other hand opponents of minimum wage policy argue that such policies actually hurt low-wage sectors through the consequent increase in unemployment (ibid). While minimum wages are a popular method of reducing income inequality, they are controversial since many business owners and economists argue they reduce employment (Thompson, 2008). Previous studies on the effect of minimum wage on employment are still inconclusive and suggest a complex relationship between the two (Todorovic and MA, 2008). According to a study done in thirty (30) developing countries, it was found that increases in the real average manufacturing wage appear to have a negative impact on the level of employment in developing countries (Saget, 2001).

According to a survey carried out on about 20000 small business/company owners in South Africa showed that most of the companies in the survey generate revenue of less than R100m per annum. They employ fewer than 100 employees with an annual payroll of less than R20m. most of the respondents are obliged to pay minimum wage. So to make some reasonable profits out of their business while adhering to the minimum wage, the owners of the businesses said that they cut on the number to employ thus employ only few people (Botha, 2009).

Until recently, there was a broad consensus among economists regarding the negative effects of the minimum wage on employment. According to this conventional view, a minimum wage reduces employment of low-wage, young and unskilled workers. Brown, Gilroy and Kohen in 1982 expressed this conventional point of view when they wrote: Time-series studies typically find that a 10 percent increase in the minimum wage reduces teenage employment by 1 to 3 percent. However, this consensus has been challenged since the beginning of the 1990s by a series of empirical and theoretical works. The most influential of these studies is the one done by Card and Krueger in 1994; it compares employment changes at fast food restaurants in New Jersey and Pennsylvania, following an increase in New Jersey's minimum wage in 1992. It shows that the rise in the minimum wage was not followed by a reduction in fast food employment in New Jersey¹. In the same line, two

analyses of the 1990-1991 increases in the federal minimum wage, (Katz and Krueger, 1992) and (Card, 1992), found no negative employment effect. But stated that this could be caused by the low initial level of the minimum wage in the U.S. according to the recent studies they summarized that these recent minimum wage increases have not had the negative employment effects predicted.

Furthermore in Europe, where the minimum wage is higher, several studies fail to conclude that the minimum wage has an unambiguous negative impact on employment, (Dolado, 1996). Although the recent minimum wage increases in Europe have reduced employment in some cases and increased it in others. The main conclusion is that the role of the minimum wage has certainly been exaggerated in the literature (Machin and Manning 1994). According to Dickens, Machin and Manning they did not find a real increase in employment in the U.K. after the abolishment of the minimum wage in 1993. Other papers give stronger evidence against the minimum wage. For example, in 1999 Abowd, Kramarz, Lemieux and Margolis focused on the case of workers whose current wage will fall below the new minimum wage after the increase and stated that these individuals, caught by the minimum wage increase, will have a lower employment probability than those who are not. On the whole, the empirical evidence seems often contradictory and the results are difficult to interpret from a theoretical point of view. Some of the new evidence points towards a positive effect of the minimum wage on employment while most shows no effect at all.

Prior to the introduction of the minimum wage in Ireland, a study on its likely impact was carried which included a substantial survey of firms in the private sector, carried out by the ESRI's Survey Unit in late 1998 (Nolan, 1999). This obtained information from 1,062 Irish private sector firms. All the firms who completed that survey were included in the target sample for the post-introduction survey carried out in late 2000/early 2001, as well as a further random sample of 1,160 firms. The key results from that follow-up survey were first that most firms in most sectors had no employees paid at or about the minimum wage. A majority of firms said that their workforce was unchanged compared to two years earlier, while about one-fifth said it had increased and one-fifth reported a decrease, a deterioration compared with the previous survey. The proportion saying the workforce had fallen was above average in building and construction and in textiles and clothing. Similarly, while most firms felt that there had been no change in turnover in the previous two years, the numbers saying it had fallen was up since the previous survey, particularly in those sectors. About 40

per cent of firms said the volume of business had increased over the past two years, compared with over 60 per cent in the previous survey. As far as profitability is concerned, two-thirds of responding firms said they were making a profit. Textiles and clothing and other manufacturing had the highest proportion of firms reporting a loss.

San Francisco has a significant percentage of workers who are low-paid, especially considering the high cost of living in the city relative to the state and the U.S. as a whole. State minimum wage levels have failed to bring such workers to a “living wage.” In late 2000 and early 2001 the minimum wage was increased then to find out its impact on the labor force and economy as a whole a survey was carried out by Michael Reich and Amy Laitinen in 2002. A total of 1,181 establishments were sampled, of which 1,065 met the eligibility criteria for the study. Interviews were completed at 450 establishments, for a response rate of 42.3 percent. About 53 percent of interviews were completed as a self-administered questionnaire and 47 percent were completed via telephone. The findings were that the impact of a municipal minimum wage was similar among most employer size categories though it affected some industries more than others. Most employers in all industries reported that they used adjustment mechanisms including efficiency improvements, small price increases and changes in the utilization of non labor inputs than to reduce workforces, relocate or shut down. Furthermore the recent increases in the statewide minimum wage and the living wage ordinances at San Francisco Airport benefited low-wage workers without affecting the economy or employment conditions adversely (Reich, 2003).

Furthermore in recognition of its high cost of living, for decades Alaska set its minimum wage to be 50 cents above the federal rate. In 2002, the Alaska legislature passed a minimum wage increase. As a result, on January 1, 2003 the Alaskan minimum wage went to \$7.15, two dollars above the federal rate an immediate bump of \$1.50 per hour. This increase seems to have had no impact on the state’s unemployment rate, which has remained constant since the summer of 2002. Other evidence further refutes the notion that Alaska’s minimum wage is hurting the state’s economy. Despite a persistently high unemployment rate, Alaska has experienced some of the strongest job growth in the country over the last few years (Chapman, 2004).

4.2 THEORETICAL REVIEW

The impact of minimum wage on the labor force can be as a result of the rational choice theory which is also known as rational action theory. It is central to modern economic theory and is used by scholars in other disciplines such as sociologist. It has long appeared to many people that economics is the most successful of the social sciences in helping people make choices, (Berg 2007). This is because due to limited resources and unlimited wants in societies, people have to make choices which will benefit them. These limited resources are due to poor economy leading to low income for people hence people would only want to take a decision that will give maximum satisfaction, the actions for this theory is fundamentally rational in character and that people calculate the likely costs and benefits of any action before deciding what to do but mostly goes for the benefits. Rational choice theory is about independent decisions that individuals make. It entails choosing an action given one's preferences, the actions one could take and expectations about the outcome. Rational choice assumes that the action one takes should satisfy their needs or preferences (Elster 1989:4). In relation to the problem, due to the fact that a legal wage is put by the government to which every worker should at least get, and that society has demands which are limitless and always wants to have more resources. They will be happy and put more pressure so that they all receive salaries according to the minimum wage. On the other hand, the employers are aimed at profit making and for them to meet the minimum wage they will respond differently with some increasing efficiency, making sure that all available resources are used effectively, increase working hours while others would decide to cut on the number of the workers so as to maintain their economic well being.

Another theory that stresses out the impact of minimum wage on the labor force is the standard economic model. According to Richard Dickens, Stephen Machin, Alan Manning, they stated that assertion that increases in minimum wages depress employment, is not supported by empirical work in some labor markets. It further states that employers have some degree of monopsony power, which allows minimum wages to have the conventional negative impact on employment but and also allows for a neutral or positive impact because workers are continually leaving and entering the labor market, therefore some firms do have some monopsony power in the long run (Dickens, 1992). In relation to the topic at hand the impact of minimum wage on the labor force in most cases will depend and may not be same in all the areas. Some would not be affected negatively, or positively while others would not be affected at all. This is however contrary to the predictions of the competitive model, under the hypothesis of the monopsony model.

The efficiency wage theory of 1994 is another theory that can also be used to understand the impact of the minimum wage on the labor force. It is based on the supposition that higher real wages can, through various mechanisms, result in higher labor productivity. Wages above the average would increase incentives to work and lead to better economic performance, through lower absenteeism and better adaptation of workers. It suggests that in the absence of any wages regulation, and if unemployment is high and supply of labor is abundant, wages can fall dramatically, leading to poverty among workers. It suggests that such a decline in real wages will produce a drop in both labor productivity and the firms' profits. Basically, the efficiency wage theory relies on several dimensions such as nutritional, job shirking, turnover and sociological factors (Riveros and Bouton, 1994). Thus in most cases, if most people have enough resources they will be able to meet their nutritional needs and be healthy consequently be more productive hence fostering economic growth, (Alix, 2006). Therefore in this regard, the workers' productivity is dependant and should be positively correlated with their health and earnings. This will however be determined by what the output will be after the increment of minimum wages.

The fundamental assumption in microeconomic production theory is that producers can choose between various combinations of factors of production in order to produce a unit of output. This is another theory that can be used to understand the impact of the minimum wage on the labor force. . This theory holds especially in the value added component of the production. For example, agricultural producers can decide to produce a unit of output using a more capital intensive production technique, thus employing relatively more machinery and equipment and fewer laborers per unit of output. It may also be possible to follow a high-skilled intensive production strategy, for instance by employing relatively more skilled agricultural workers and fewer elementary workers. The choices made by employers are ultimately driven by relative factor costs, where factor costs refer to wages (in the case of labor) and interest or rent (in the case of capital stock), (Lewis, 2001). In relation to this problem, factor costs associated with wages can in most cases lead to use of a more capital intensive production technique instead of a high-skilled intensive production which may be costly after an increment in minimum wage. This therefore is likely to lead to more people losing jobs hence increasing the unemployment rate.

An additional theory that can be used to understand the impact of the minimum wage on the labor force is the social sharing theory. It says that employed persons are 'taxed' or they

‘donate’ a certain share of their income to the ‘community cooking pot’ from which all the unemployed partake, (Dervis, 1982). The impact on the labor force headcount depends now on a variety of factors. The level of the minimum wage with respect to the poverty line will determine whether only the employed low-paid or all people will have enough resources. The extent of unemployment depends on the wage elasticity, and this now also determines how many employed people are left to make contributions to the community cooking pot and how many are relieved of their duties, (Fields and Kanbur , 2007). This theory determines that after the minimum wage, the firm owners will decide if to employ more people, maintain the same workers or cut the number of workers. Hence according to this theory, the impact can go either way depending on what decisions most employers’ makes.

4.3 THEORETICAL FRAMEWORK

This research has adapted the efficiency wage theory of 1994 as a theory that better explains the impact of minimum wage on the labor force. It is based on the supposition that higher real wages can, through various mechanisms like lower absenteeism, better nutrition and better adaptation of workers result in higher labor productivity and better economic performance. It suggests that in the absence of any wages regulation, and if unemployment is high and supply of labor is abundant, wages can fall dramatically, leading to poverty among workers. It suggests that such a decline in real wages will produce a drop in both labor productivity and the firms’ profits. Basically, the efficiency wage theory relies on several dimensions such as nutritional, job shirking, turnover and sociological factors (Riveros and Bouton, 1994). The efficiency wage theory gives a second explanation: Rebitzer and Taylor (1995) show that, in an efficiency wage model, the minimum wage may have a positive impact on employment. It further states or sometimes argues that raising the minimum wage may encourage workers to acquire more education because those workers whose current productivity will fall below the new minimum wage can choose between staying unemployed (because of their lack of education) and investing in education to become more productive. Nevertheless, from a theoretical point of view, raising the minimum wage could also have the opposite effect. Indeed, a higher minimum wage raises the expected wage of low-skilled workers. Thus, it lowers the return of investing in education. It is therefore difficult to know which effect (the positive or the negative) is the most important, (Rioux, 1999).

Narrowing down to the research problem, we notice that there exist a strong and important link between the minimum wage and labor force which may result into different effects once the former is tempered with. The word efficiency, in the efficiency wage theory can be simplified to mean the ratio of the useful work performed by a machine/ an individual in a process to the total energy expended or heat taken, (concise oxford dictionary, 2008). In case of minimum wage, employees are motivated by an increase in wages and this can make them to work willingly and more effective so as to increase productivity.

The cost of living has become so expensive; it is therefore a wish for each individual to have more resources so as to meet the daily demands as well as sustaining their living. Employees are the ones who are mostly affected by the costs of living and may therefore look up to the employers for fair wages so as to have money which can help them in their day to day necessities of life. On the other hand employers are only willingly to pay workers the lowest possible wages so as to maximise their profits therefore an increase in workers' wages may lead to a reduction in their turnover. But the fact that the minimum wage is usually passed as a law by the government leaves them with little or no choice but to implement. It is however believed that if workers have more resources they will be able to invest more in their health thereby living a healthy life and will therefore be able to work efficiently and attend their duties almost on a daily basis thereby likely to increase production, profits and consequently fostering economic development which may in turn create more employment opportunities, (Bhattia and Cleland 2010). Therefore in this regard, the workers' productivity is dependant and should be positively correlated with their health and earnings.

However, the assertion that the increment in minimum wage will lead to higher productivity will depend because in other cases it may lead to a reduction in the production levels. This can be due to the fact that more resources for people would lead to an increase in their leisure hours thereby making them spending less hours at work, (Folland, S, Goodwin C & Stano M, 2000). Furthermore, due to the fact that it is legalized and firms have to obey, the employees may not even increase their efficiency for they know that regardless of how much they produce the wage is already fixed unlike in a case were the more you produce the more salary and bonus you receive. This would definitely lead to low production consequently low economic development and losses for the firm, and in most cases employers may resort to cutting on the available human resource so as to meet both the legalized minimum wage and making profit at the same so as to make the firm survive. Therefore the efficiency wage

theory indicates that the impact of the minimum wage on the labor force will depend on the employees' behavior after an increment, hence may either have a negative, positive or no impact at all to the labor force, (Riveros and Bouton, 1994).

5.0 METHODOLOGY

5.1 RESEARCH DESIGN

This study will be conducted using a non experimental research design and the study type will be a survey. A non experimental research design is a research design in which no intervention is provided to the research subjects or respondents but data is simply collected from them. A non experimental research design will be employed because the people are in a natural setting which does not require any manipulations for the success of the research. The study will be descriptive and analytical. The study will be descriptive because it will involve the systematic collection and presentation of data in order to have a very clear picture of the minimum wage. The study will be analytical because the data collected will be analyzed by variables such as sex, age and whether employed or not. Further, the study will be analytical because it will analyze relationships between independent variables and the dependent variable. In testing the relationship between the independent variables with the dependent variable, the variables will be subjected to a non-parametric test called chi square which will determine the existence of a relationship between variables, thus accepting and refuting the research hypotheses.

5.2 POPULATION DEFINITIONS

The populations from which the research will be conducted will be Kalingalinga in Lusaka which constitutes all people who are formally and informally employed including the retired thus the low, medium and high classes. Therefore the unit of measurement will be an individual constituting a unit of analysis.

5.3 SAMPLING CRITERIA AND SAMPLE DESCRIPTION

The sampling design to be used is random sampling from a finite population. This method of sample selection gives each possible sample combination an equal probability of being

picked up and each item in the entire population to have an equal chance of being included in the sample. This applies to sampling without replacement i.e., once an item is selected for the sample, it cannot appear in the sample again. This research will use this method because;

- It gives each element in the population an equal probability of getting into the sample; and all choices are independent of one another.
- It gives each possible sample combination an equal probability of being chosen.
- The results obtained from probability or random sampling can be assured in terms of probability i.e., we can measure the errors of estimation or the significance of results obtained from a random sample.
- Random sampling ensures the law of Statistical Regularity which states that if on an average the sample chosen is a random one, the sample will have the same composition and characteristics as the universe, (Kothari, 2004).

This research will use a sample size of 150 respondents because it will be representative of the population and feasible to reach/find.

5.4 DATA COLLECTION METHODS

The study will use a pre-tested, self-administered questionnaire. Self-administered questionnaires will be used because they are very easy and are a quick way of collecting data. Self-administered questionnaires are preferred and appropriate since it's the easiest way to collect high quality data. The study population will consist of male and female who are employed.

5.5 DATA PROCESSING AND ANALYSIS

To process the data, raw data will be fed in the computer and outputs will be produced in terms of charts, graphs and tables using a Statistical Package for Social Sciences (SPSS) Version 16.0. To analyze the raw data, SPSS will be employed and the chi-square test will be used in testing the hypotheses to determine the relationship between the dependent variable and independent variables. The employment of the statistical package will be for the quantitative part of the research and the usage of SPSS will make the entire process relatively easier and faster.

FINDINGS

CHAPTER ONE: BACKGROUND CHARACTERISTICS OF RESPONDENTS

This chapter represents the background characteristics of our respondents. Mainly sex, age, marital status and religious characteristics.

1.0. Distribution of respondents by sex

Table 1.0 distribution of respondents by sex

sex	Frequency	Percent
Valid male	90	60.0
female	60	40.0
Total	150	100.0

Figure 1.0 distribution of respondents by sex.

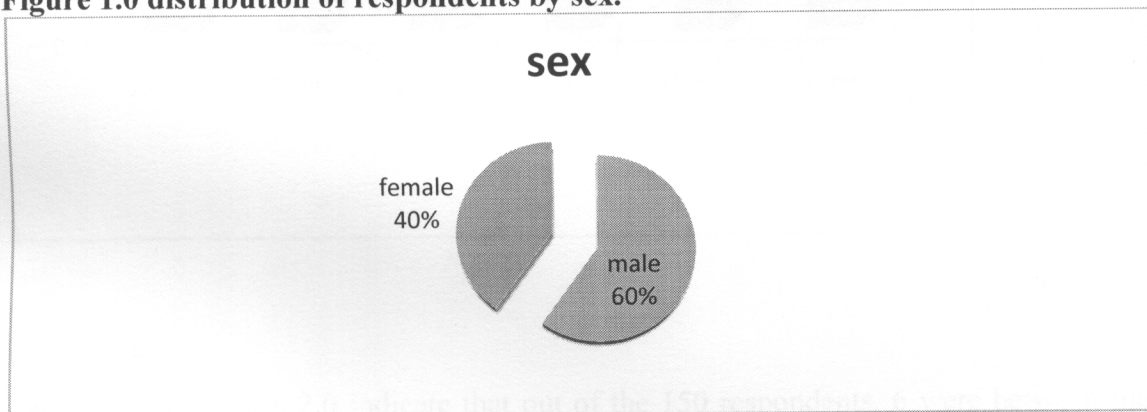


Table 1.0 and figure 1.0 indicates that of the sample of 150 respondents, 90 were male and 60 were female, which is 60% and 40% respectively.

2.0 Distribution of respondents by age.

Table 2.0. age group

	Frequency	Percent
Valid 15-19	6	4.0
20-24	43	28.7
25-29	36	24.0
30-34	23	15.3
35-39	14	9.3
40 and above	28	18.7
Total	150	100.0

Figure 2.0

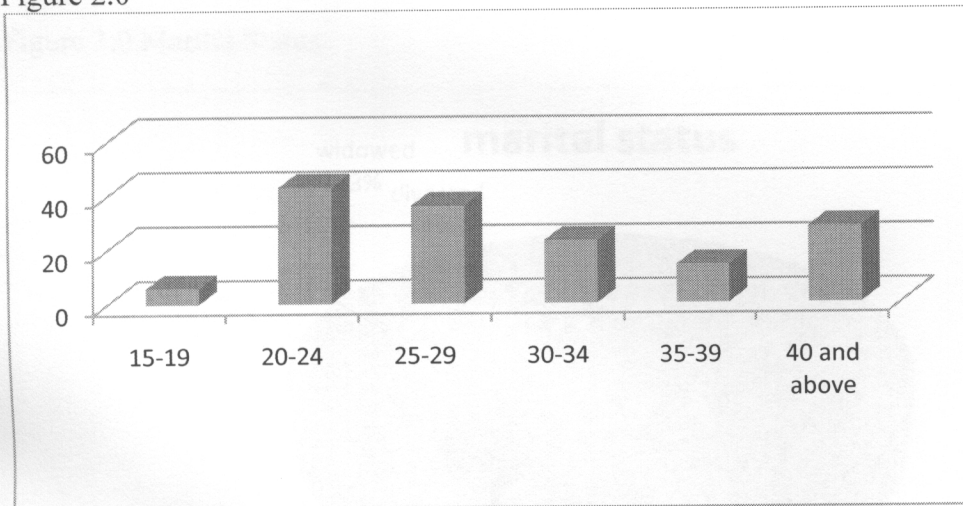


Figure 2.0

Table 2.0 and figure 2.0 indicate that out of the 150 respondents, 6 were between the ages 15-19, 43 were between 20-24, 36 were between 25-29, 23 between 30-34, 14 between 35-39 and 28 were 40 and above years. This shows that the majority was between ages 20-24, showing a percentage of 28.7 whilst the least percentage was 4 in the age group 15-19.

3.0. Distribution of respondents by marital status

Table 3.0 marital status

Status	Frequency	Percent
Valid single	69	46.0
married	71	47.3
divorced	6	4.0
widowed	4	2.7
Total	150	100.0

Figure 3.0 Marital Status

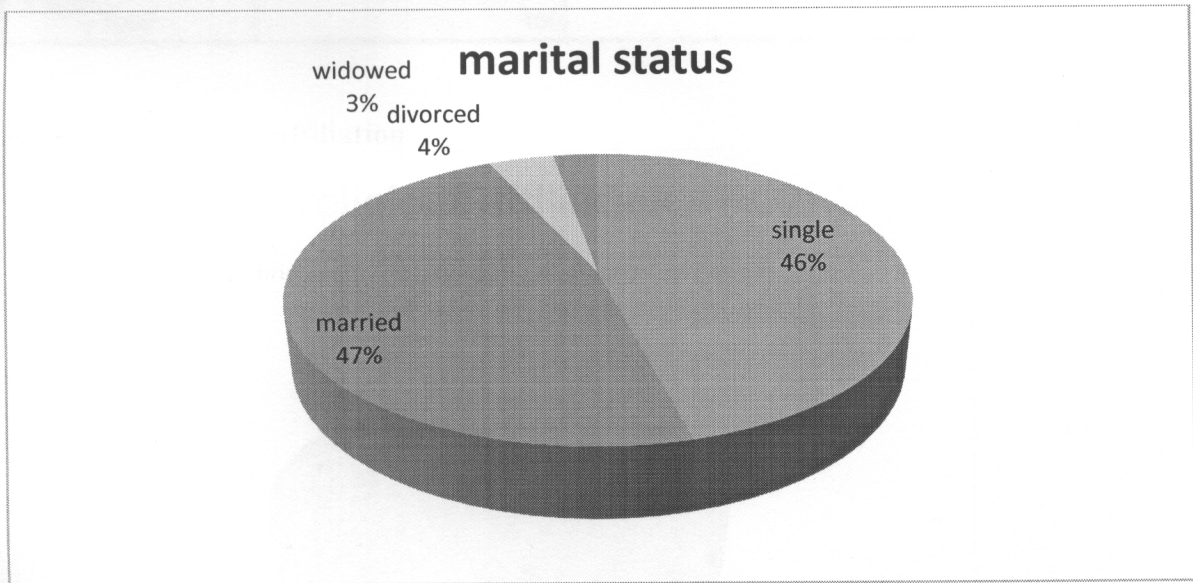


Table 3.0 and figure 3.0 indicate and show that the majority 71 of the respondents showing 47.3% were married, whilst the minorities 4 or 2.7% of the respondents were widowed. 69 of the respondents about 46.0% were single and 6 or 4.0% were divorced.

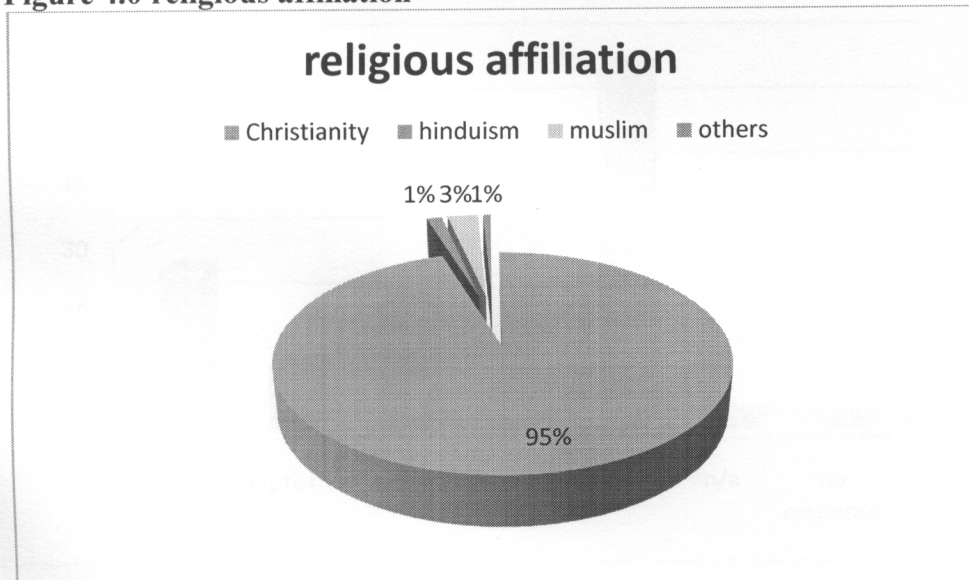
4.0. Distribution of respondents by religion

Table 4.0 and figure 4.0 below indicate that out of the 150 respondents; 143 were Christians, 2 were Hindus, 4 were Muslims and 1 was no of the mentioned religious affiliation. So the majority were Christians with 95.3%, Muslims with 2.7%, 1.3% of Hindus and the least was 0.7% of other religions.

Table 4.0 religious affiliation

	Frequency	Percent
Valid Christianity	143	95.3
Hinduism	2	1.3
Muslim	4	2.7
others	1	.7
Total	150	100.0

Figure 4.0 religious affiliation



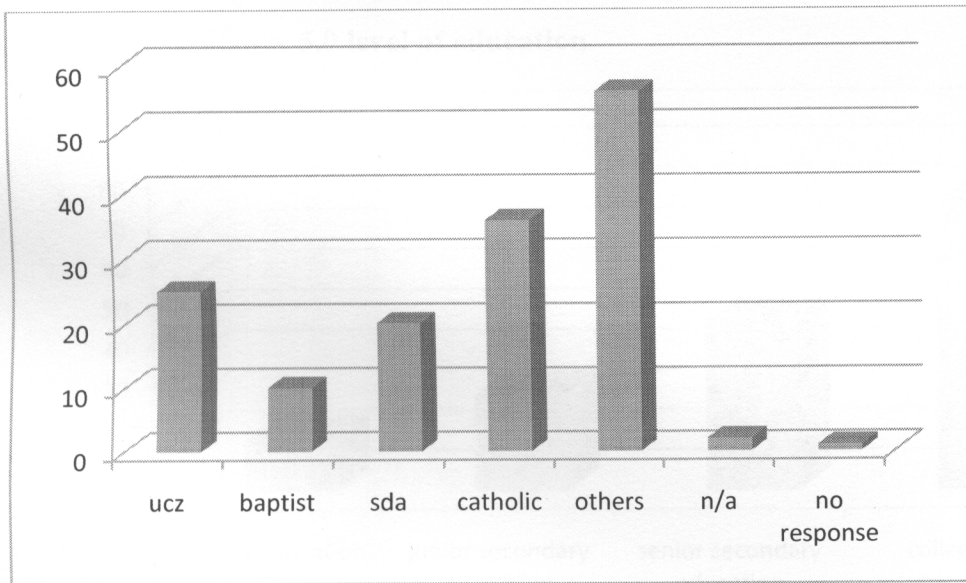
4.1 Distribution of respondents by religious domination

From the table 4.1 and figure 4.1, it shows that of the most common Christian religious domination, about 56 of the respondents (37.3%) were none of the mentioned domains. 36 were Catholics, 25 were United Church of Zambia (UCZ) congregates, 20 were Seventh Day Adventists (SDA's), 10 were Baptists while 1 did not respond.

Table 4.1 religious domination

	Frequency	Percent
Valid ucz	25	16.7
baptist	10	6.7
sda	20	13.3
catholic	36	24.0
others	56	37.3
n/a	2	1.3
no response	1	.7
Total	150	100.0

Figure 4.1 religious domination



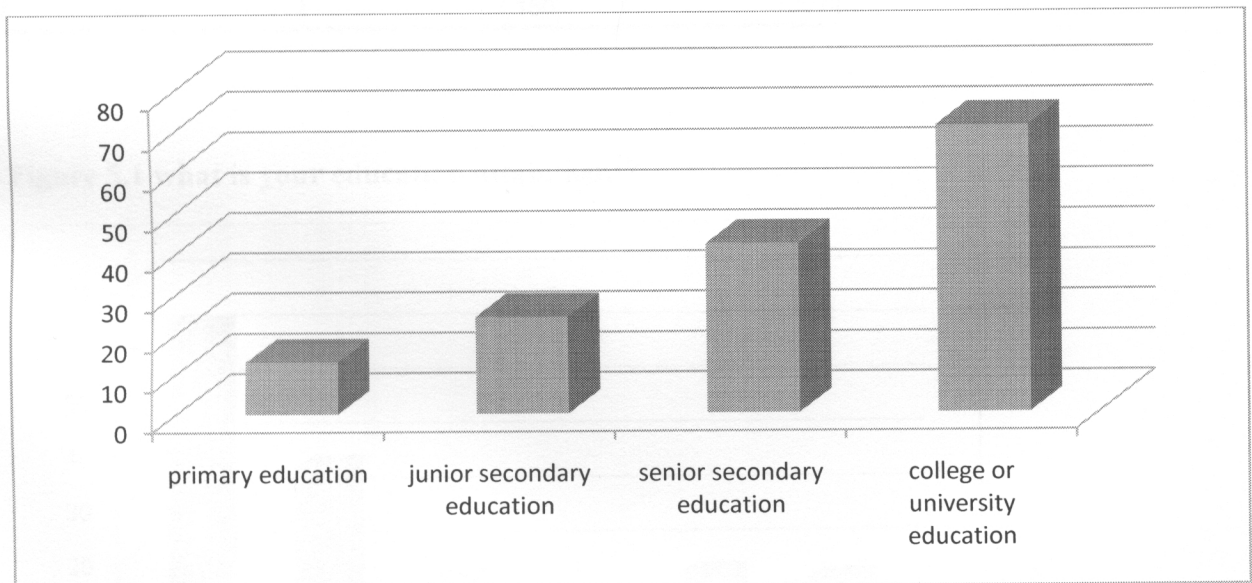
5.0. Distribution of respondents by level of education

From table 5.0 and figure 5.0, it can be seen that from the 150 respondents, the majority 71 or 47.3% attended college or university education. 42 (28.0%) attained senior secondary education, while 16% attended junior secondary education and 13 or 8.7% attained primary education.

Table 5.0 level of education

	Frequency	Percent
Valid primary education	13	8.7
junior secondary education	24	16.0
senior secondary education	42	28.0
college or university education	71	47.3
Total	150	100.0

Figure 5.0 level of education



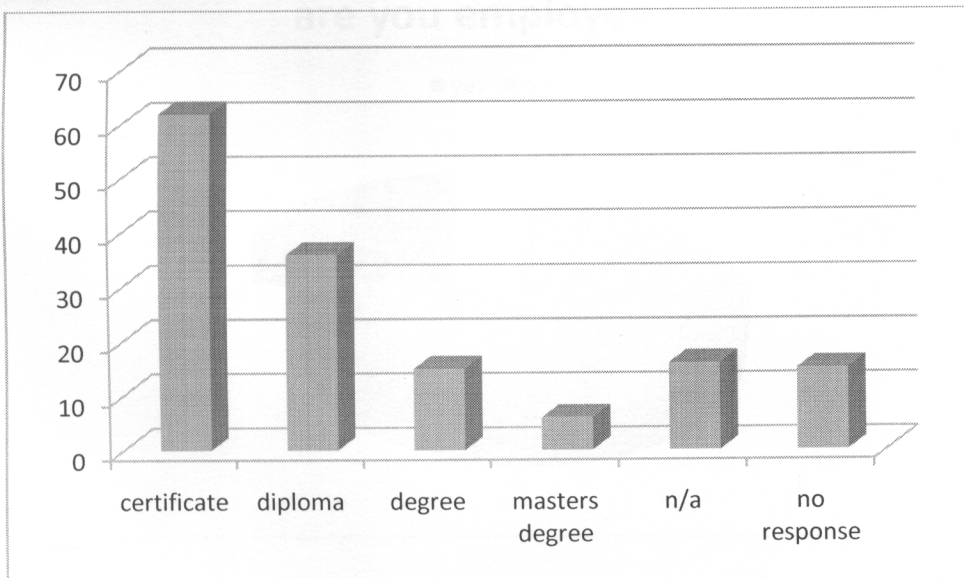
5.1. Education attainment

Table 5.1 and figure 5.1 show that of the 150 respondents; 62 attained a certificate showing the largest of 41.3%, followed by 36 (24%) with diplomas, 15 or 10% of them were degree holders and 6 or 4% were masters degree holders. 16 of the respondents (10.7%) suggested it was not applicable and 15 or 10% did not respond.

Table 5.1 education attainment

	Frequency	Percent
Valid certificate	62	41.3
diploma	36	24.0
degree	15	10.0
masters degree	6	4.0
n/a	16	10.7
no response	15	10.0
Total	150	100.0

Figure 5.1 what is your education attainment?



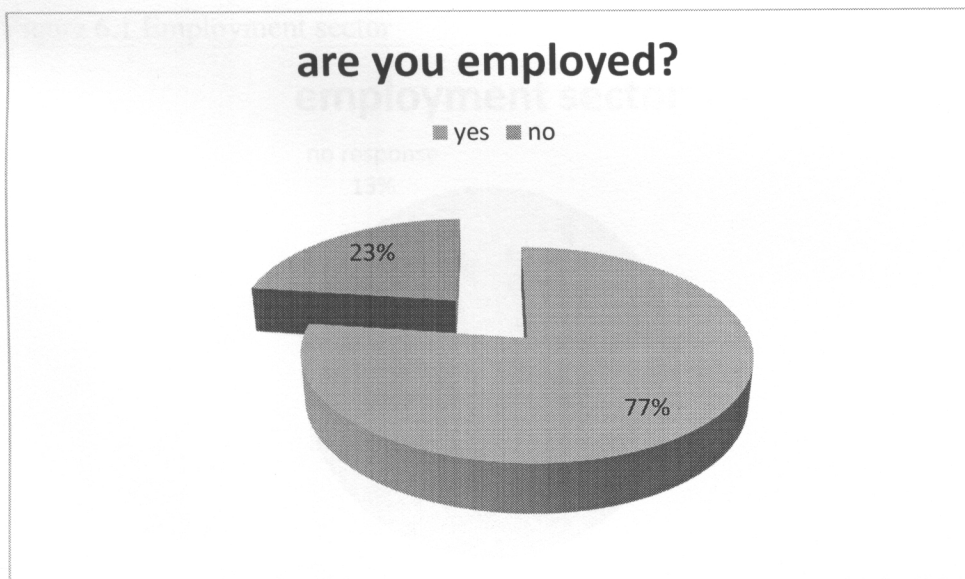
6.0. Distribution of respondents by employment status

Table 6.0 and figure 6.0 show that of the 150 respondents, 116 about 77.3% were employed whilst 34 or 22.7% of them were not employed.

Table 6.0 employment status

	Frequency	Percent
Valid yes	116	77.3
no	34	22.7
Total	150	100.0

Figure 6.0



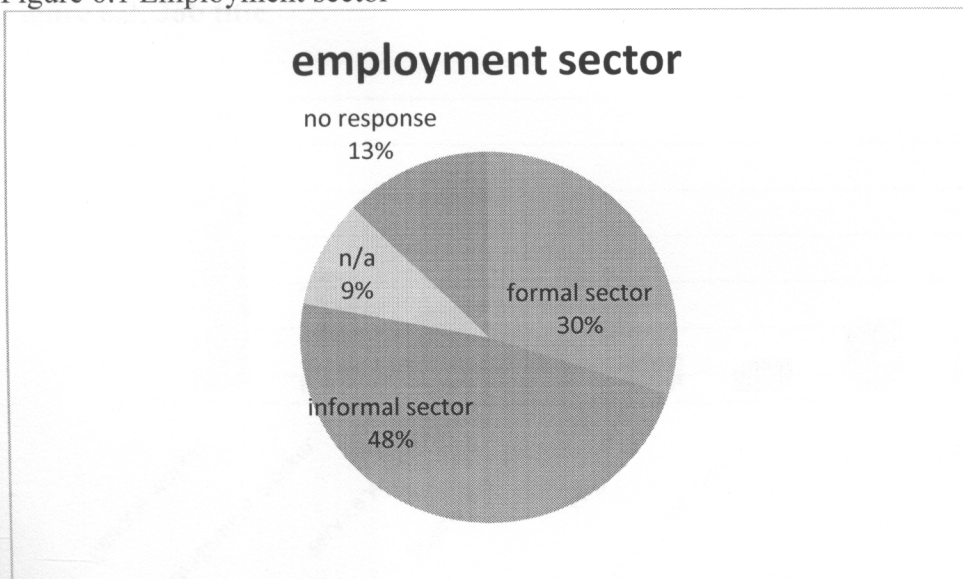
6.1. Employment sector

From table 6.1. and figure 6.1. of the 150 respondents; 72 (48%) of the were employed in the informal sector, whilst 45 or 30% were employed in the formal sector. 19 did not respond and it was not applicable for 14, showing percentages of 12.7% and 9.3% respectively.

Table 6.1 Employment sector

	Frequency	Percent
Valid formal sector	45	30.0
informal sector	72	48.0
n/a	14	9.3
no response	19	12.7
Total	150	100.0

Figure 6.1 Employment sector



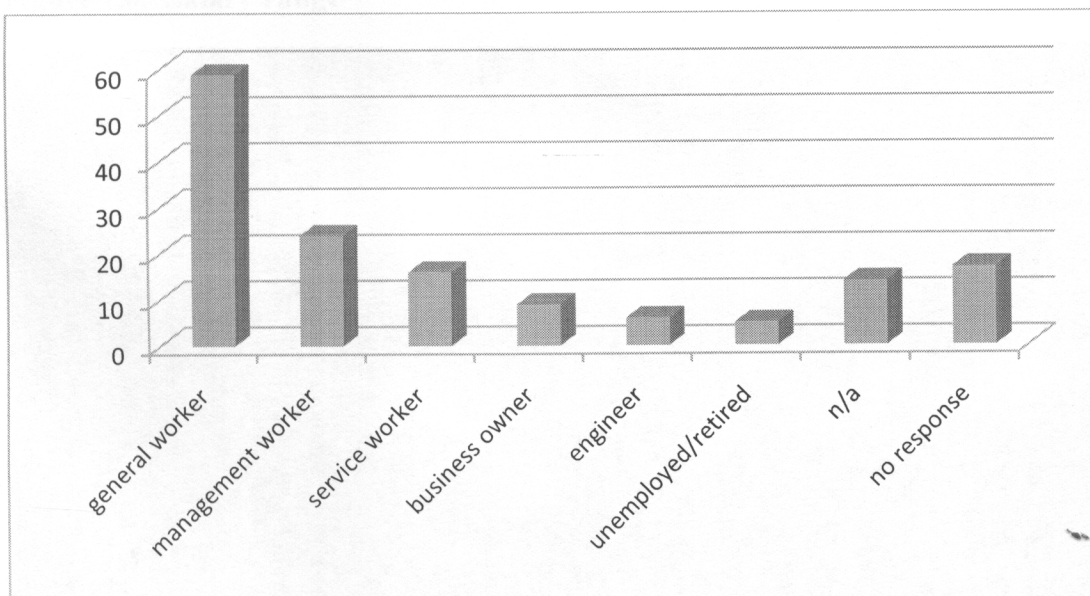
6.2. Job title

Table 6.2 and figure 6.2 show that of the 150 respondents 59 of the respondents are general workers, 24 are management workers, 16 service workers, 9 business owners, 6 engineers, 5 were retired or unemployed, 17 did not respond and it was not applicable for 14.

Table 6.2 Job title

	Frequency	Percent
Valid general worker	59	39.3
management worker	24	16.0
service worker	16	10.7
business owner	9	6.0
Engineer	6	4.0
unemployed/retired	5	3.3
n/a	14	9.3
no response	17	11.3
Total	150	100.0

Figure 6.2. Job title



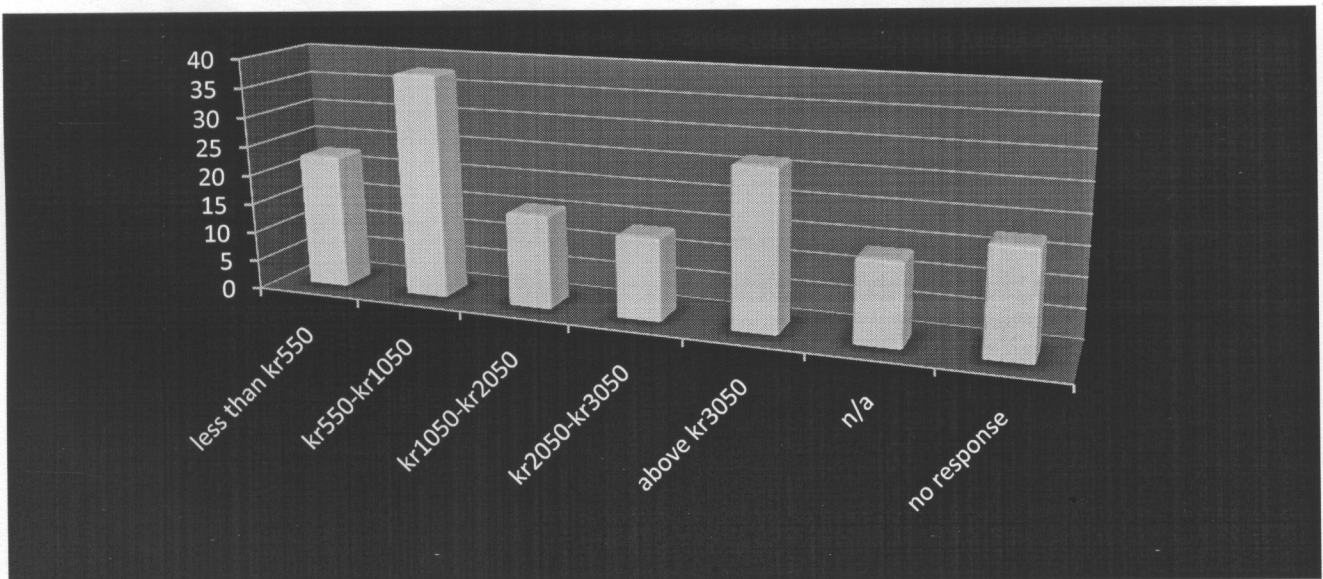
7.0. Salary range

From table 7.0 and figure 7.0 below it can be seen that of the 150 respondents the majority had a salary between kr550-kr1050 indicating a total of 38 or 25.3%, it was not applicable for 14 and 18 did not respond, thus having 21.3% of no responses. 27 were above kr3050, 23 were below kr550, 16 were between kr1050-kr2050 and 14 had a salary between kr2050-kr3050.

Table 7.0 salary range

	Frequency	Percent
Valid less than kr550	23	15.3
kr550-kr1050	38	25.3
kr1050-kr2050	16	10.7
kr2050-kr3050	14	9.3
above kr3050	27	18.0
n/a	14	9.3
no response	18	12.0
Total	150	100.0

Figure 7.0. Salary range



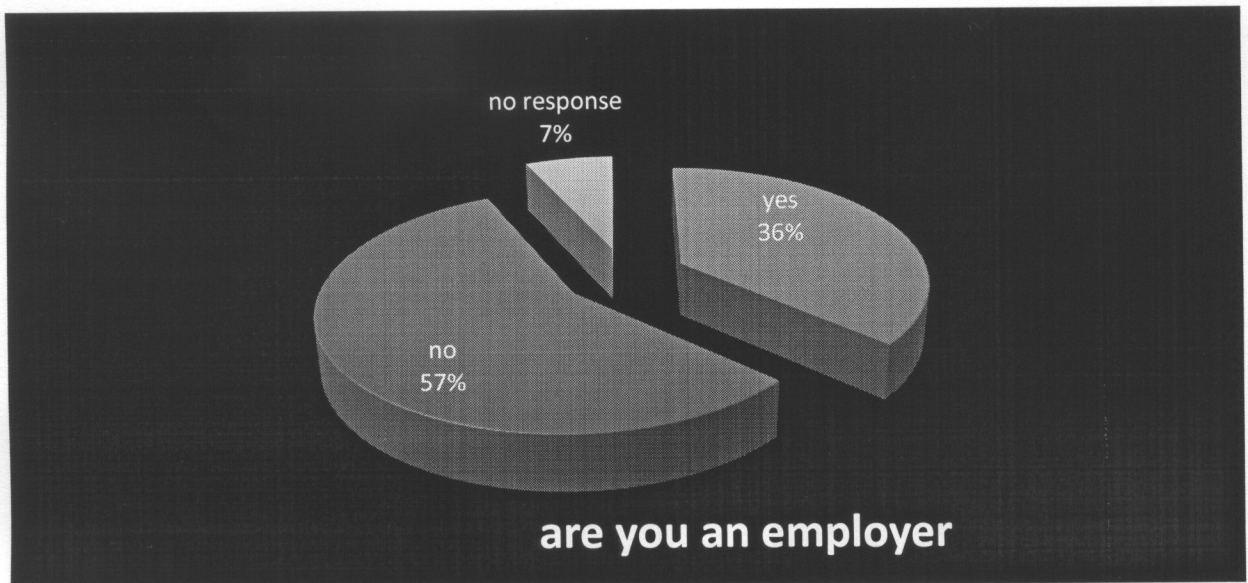
8.0. Distribution of respondents as Employers

Of the 150 respondents, only 55 or 36.7% were employers whilst 85 of them were not employers showing 56.7% and 10 did not respond. As shown in table 8.0. and figure 8.0.

Table 8.0 are you an employer?

	Frequency	Percent
Valid yes	55	36.7
no	85	56.7
no response	10	6.7
Total	150	100.0

Figure 8.0



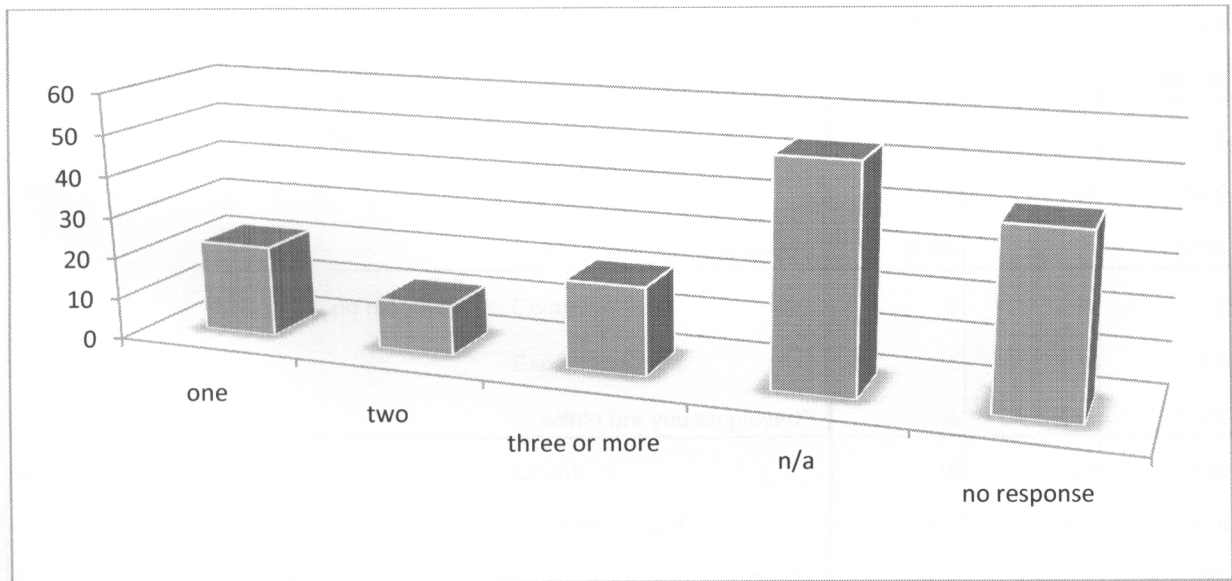
8.1. Number of workers

Table 8.1 shows that of the 36.7% of the respondents that were employers, 22 had one worker each, 12 had two workers each, and 21 had three or more workers each. It was not applicable for 53 and 42 did not respond.

Table 8.1 Number of workers

Number of workers	Frequency	Percent
Valid one	22	14.7
two	12	8.0
three or more	21	14.0
n/a	53	35.3
no response	42	28.0
Total	150	100.0

Figure 8.1 Number of workers



8.2. Workers salary range

According to table 8.2 of the workers employed by the respondents; 27 were paid less than kr550, 23 between kr550-kr1050, 4 between kr1050-kr2050 and only 1 worker was paid above kr3050. So the majority of the workers were paid less than kr550.

Table 8.2 workers salary range

		Frequency	Percent
Valid	less than kr550	27	18.0
	kr550-kr1050	23	15.3
	kr1050-kr2050	4	2.7
	above kr3050	1	.7
	n/a	53	35.3
	no response	42	28.0
	Total	150	100.0

PRESENTATION OF THE HYPOTHESIS

The higher the knowledge about minimum wage the more the employment rate

Table 9.0. Q8 have you ever heard of minimum wage in Zambia? * are you employed? Cross tabulation

			are you employed?		Total
			yes	no	
have you ever heard of minimum wage in Zambia?	Yes	Count	106	27	133
		Expected Count	102.9	30.1	133.0
		% within are you employed?	91.4%	79.4%	88.7%
	No	Count	8	7	15
		Expected Count	11.6	3.4	15.0
		% within are you employed?	6.9%	20.6%	10.0%
	no response	Count	2	0	2
		Expected Count	1.5	.5	2.0
		% within are you employed?	1.7%	.0%	1.3%
Total	Count	116	34	150	
	Expected Count	116.0	34.0	150.0	
	% within are you employed?	100.0%	100.0%	100.0%	

According to table 9.0, there are 106 respondents that are employed and have heard of the minimum wage in Zambia showing a total of 91.4% of the 150 respondents. This indicates a 3.1 increase from the expected 102.9. Another 27 of the respondents have heard of the minimum wage in Zambia but are not employed showing a 3.1 reduction from the expected 30.1, a total of 133 or 88.7% of the 150 respondents had heard of minimum wage thus the

majority that had heard of the minimum wage were employed. On the other hand 15 or 10% of the respondents had not heard of the minimum wage in Zambia. Of the expected 11.6 only 8 of them were employed showing 6.9% employed. 7 had not heard of the minimum wage and not employed showing an increase from the expected 3.4. Despite the above responses, 2 employed respondents did not respond showing a 0.5 increase from the expected 1.5.

Chi-Square Tests 9.0

	X ²	df	p
Pearson Chi-Square	5.940 ^a	2	.051

a. 3 cells (50.0%) have expected count less than 5. The minimum expected count is .45.

To carry out an investigation on whether information about minimum wage increases the employment rate a chi-square test on whether the respondents had ever heard about minimum wage in Zambia and were employed was carried out. According to the Pearson chi-square test in table 9.0 above, indicates and shows that information about minimum wage in Zambia does not increase the employment rate ($x^2=5.94$, $df=2$, $p=.051$) as expected according to the null hypothesis.

Table 9.1. if yes to Q8, do you know what it's all about? * are you employed? Cross tabulation

			are you employed?		Total
			yes	no	
if yes to Q8, do you know what it's all about?	yes	Count	80	23	103
		Expected Count	79.7	23.3	103.0
		% within are you employed?	69.0%	67.6%	68.7%
	no	Count	20	5	25
		Expected Count	19.3	5.7	25.0
		% within are you employed?	17.2%	14.7%	16.7%
	n/a	Count	5	4	9
		Expected Count	7.0	2.0	9.0
		% within are you employed?	4.3%	11.8%	6.0%
no response	Count	11	2	13	
	Expected Count	10.1	2.9	13.0	
	% within are you employed?	9.5%	5.9%	8.7%	

Total	Count	116	34	150
	Expected Count	116.0	34.0	150.0
	% within are you employed?	100.0%	100.0%	100.0%

Table 9.1 (b) Chi- square analysis of knowledge about minimum wage and employment status

Variable	are you employed			N	x ²	p
	Yes	No				
Do you know what minimum wage is all about					2.936	.402
Yes	80	23		103		
No	20	5		25		
No response	16	6		22		
Totals	116	34		150		

To investigate whether the knowledge about minimum wage increases the employment rate, a chi-square statistic was conducted. Assumptions were checked and met. Table 9.1 (b) shows the chi-square results and indicates that there is no significant relationship between the knowledge about minimum wage and the employment rate. This is due to the fact that such p-values ($x^2=2.936$, $df=3$, $p=.402$) show that the probability of group differences occurred by chance alone. So knowledge about minimum wage is not likely to increase the employment rate under the null hypothesis.

Table 9.2. in brief, what do you know about it? * are you employed? Cross tabulation

			are you employed?		Total
			yes	No	
in brief, what do you know about it?	right answer	Count	61	15	76
		Expected Count	58.8	17.2	76.0
		% within are you employed?	52.6%	44.1%	50.7%

wrong answer	Count	18	5	23
	Expected Count	17.8	5.2	23.0
	% within are you employed?	15.5%	14.7%	15.3%
n/a	Count	10	7	17
	Expected Count	13.1	3.9	17.0
	% within are you employed?	8.6%	20.6%	11.3%
no response	Count	27	7	34
	Expected Count	26.3	7.7	34.0
	% within are you employed?	23.3%	20.6%	22.7%
Total	Count	116	34	150
	Expected Count	116.0	34.0	150.0
	% within are you employed?	100.0%	100.0%	100.0%

According to table 9.2 of the total number of 76 respondents that rightly knew about minimum wage, only 15 were not employed. Of the expected 58.8 to be employed, 61 were employed having an increase in the employed on the other had 17.2 were expected to be unemployed but only 15 were unemployed. 18 employed and 5 unemployed respondents did not rightly know what minimum wage is all about from the expected 17.8 and 5.2 respectively showing that the number of the unemployed increased whilst that of the employed decreased. 34 respondents did not respond whilst 17 did not find it applicable.

Chi-Square Tests 9.2

	χ^2	df	<i>p</i>
Pearson Chi-Square	3.790 ^a	3	.285

a. 1 cells (12.5%) have expected count less than 5. The minimum expected count is 3.85.

According to the Chi-square tests 9.2, were an analysis was made on whether having the correct knowledge about minimum wage increases the minimum wage was carried and the Pearson Chi-square indicates and shows that there is no relationship between what is known about minimum wage and the employment rate and therefore we cannot suggest that knowledge about minimum wage increases the employment as expected in the null hypothesis because $\chi^2=3.79$, $df=3$ and $p=.285$.

Knowledge about minimum wage increases the price of goods and services

Table 9.3

have you ever heard of minimum wage in Zambia? * have the prices of goods and services increased as a result of minimum wage increase? Crosstabulation

Count		have the prices of goods and services increased as a result of minimum wage increase?				Total
		yes	no	dont know	no response	
have you ever heard of minimum wage in Zambia?	yes	65	28	30	10	133
	no	7	1	6	1	15
	no response	1	1	0	0	2
Total		73	30	36	11	150

Table 9.3 is a cross tabulation between the knowledge about minimum wage in Zambia and whether the prices of goods and services increased as a result of minimum wage. From the table it shows that of the 133 respondents that have heard about minimum wage 65 agreed, 28 disagreed, 30 don't know and 10 did not respond to whether the prices of goods and services have increased as a result of the minimum wage. 15 that have not heard about minimum wage in Zambia, 7 agreed, 1 disagreed, 6 don't know and 1 did not respond to whether the prices of goods and services increased as a result of minimum wage increase.

Chi-Square Tests 9.3

	χ^2	df	<i>p</i>
Pearson Chi-Square	4.679 ^a	6	.586

a. 7 cells (58.3%) have expected count less than 5. The minimum expected count is .15.

Using the Pearson Chi-Square tests in table 9.3 we can test the hypothesis that knowledge about the minimum wage increases the prices of goods and services. According to the table $\chi^2=4.679$, $df=6$ and $p=.586$. Such a *p* value shows that there is no significant relationship between knowledge about minimum wage and the increase in the prices of goods and services; it implies that the group differences occurred by chance alone. I therefore reject the hypothesis that knowledge about minimum wage increases the price of goods and services.

Highly educated people have higher wages

Table 9.4

what is your level of education? * what is your salary range? Crosstabulation

Count		what is your salary range?						Total	
		less than kr550	kr550-kr1050	kr1050-kr2050	kr2050-kr3050	above kr3050	n/a		no response
what is your level of education?	primary education	5	6	0	0	0	2	0	13
	junior secondary education	9	7	5	0	0	3	0	24
	senior secondary education	6	16	5	4	2	6	3	42
	college or university education	3	9	6	10	25	3	15	71
Total		23	38	16	14	27	14	18	150

Table 9.4 shows a cross tabulation of level of education and salary range. In the table we can see that those that have attained primary level get salaries ranging between kr550-kr1050, 5 get less than kr550 whilst 6 get between kr550-kr1050. It was not applicable for 2 showing a total of 13 that have attained a primary level education. Those that have attained junior secondary level get salaries ranging between kr550-kr2050. Within this range 9 get less than kr550, 7 get between kr550-kr1050 and 5 get between kr1050-kr2050. It was not applicable for 3, showing a total of 24 at junior secondary school level. Those that have attained senior secondary school level get salaries from less than kr550 to over kr3050. 6 get less than kr550, 16 get between kr550-kr1050, 5 get between kr1050-kr2050, 4 get between kr2050-kr3050, 2 get above kr3050, it was not applicable for 6 and 3 did not respond, in total 42 have attained senior secondary education level. For those that have attained college or university education numbers tend to increase with the salary range having only 3 below kr550 and 25 above kr3050 in a total of 71. This shows that another 25 get between kr550-kr3050, 15 did not respond and it was not applicable to 3. So there were more respondents that have attained college or university education level from the 4 categories.

Chi-Square Tests 9.4

	X^2	df	p
Pearson Chi-Square	21.857	18	.001

According to Chi-square Tests 9.4, $\chi^2=21.857$, $df=18$ and $p=.001$. This shows that there is a significant relationship between level of education and salary range, as the differences are not by chance, there is 1 chance in 20 that the observed differences are due to chance. Therefore I can accept the hypothesis that higher educated people have higher wages due to significance level with a $p<.05$.

The employment sector of the employer affects the number of workers they have after implementation of minimum wage

Table 9.5. What sector are you employed in?*did you increase, reduce or maintain the number of workers after the implementation of minimum wage? Cross tabulation

Employment sector	did you increase, reduce or maintain the number of workers after the implementation of minimum wage				Total
	Reduced	increased	Maintained	No response	
Formal sector	6	2	14	23	45
Informal sector	4	2	16	50	72
No response	3	1	7	12	33
Total	13	5	37	95	150

In table 9.5 it may be observed that 95 of those who did not respond are either not employed or not employers. A total of 45 are employed in the formal sector and of these; 6 reduced, 2 increased and 14 maintained the number of workers. A total of 72 are employed in the informal sector and of these 4 reduced, 2 increased and 16 maintained the number of workers. A larger percentage of people employed in the formal sector reduced, increased and maintained the number of workers as compared to those in the informal sector.

Chi-Square Tests 9.5

	χ^2	df	p
Pearson Chi-Square	26.125 ^a	7	.010

a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is .47.

From the Pearson Chi-Square Test 9.5 it is evident that $\chi^2=26.125$, $df=12$ and $p=.010$ indicates that $p<0.05$. With this p-value it shows that there is a relationship between employment sector and the number of workers in such a way that the differences may not be by chance, therefore would agree that “the employment sector of the employer affects the number of workers they have after implementation of minimum wage” in the null hypothesis.

GENERAL FINDINGS

This chapter presents the general findings that directly reveal certain facts about the implementation of minimum wages opportunity and challenges.

Has your salary been affected as a result of minimum wage increase?

Table 10

question	Frequency	Percent
yes	44	29.3
no	69	46.0
n/a	15	10.0
no response	22	14.7
Total	150	100.0

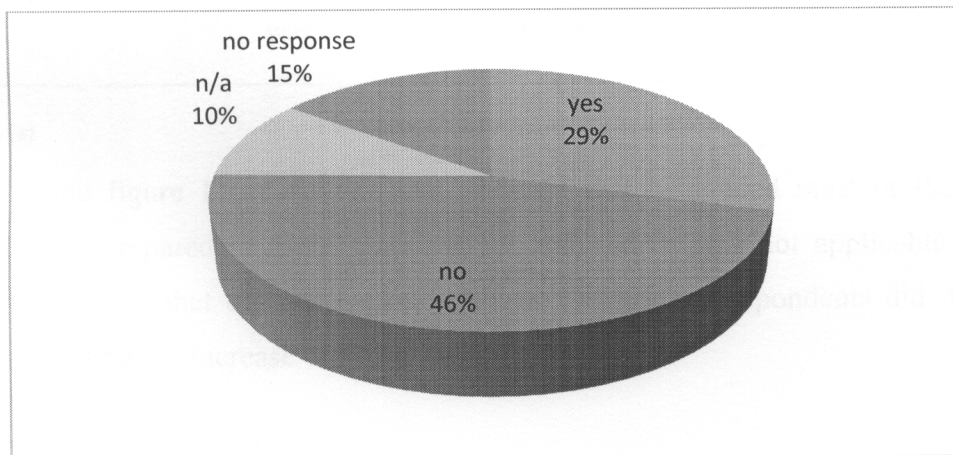


Figure 10

Table 10 and figure 10 shows that the majority which is 46% held on the view that minimum wage has not affected their salary. 29% agree that minimum wage has affected their salary, 15% did not respond whilst it was not applicable to 10%.

In what way has your salary been affected?

Table 11 in what way has your salary been affected?

question	Frequency	Percent
increased	38	25.3
reduced	4	2.7
n/a	56	37.3
no response	52	34.7
Total	150	100.0



Figure 11 (a)

Table 11 and figure 11(a) indicate that of those that responded most of their salary has increased as compared to those whose it has reduced. It was not applicable for a bigger number and those that did not respond. About 72% of the respondents did not give an answer regarding the increase or decrease of their salary?

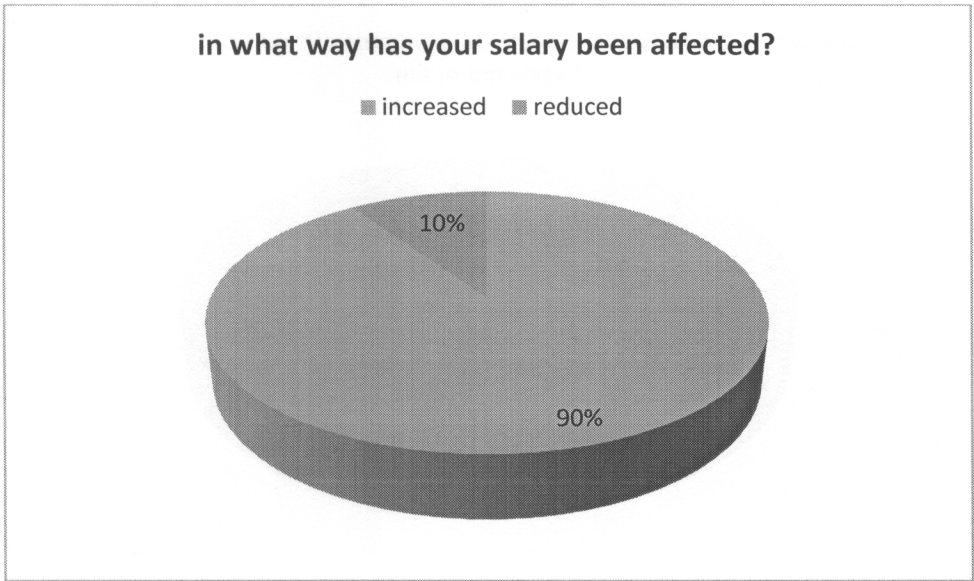


Figure 11(b)

According to figure 11(b), among those that responded, 90% have had an increase in their salary and 10% have a decrease in their salary. This shows a very significant difference in proportions.

Did the minimum wage increase the amount of salary you give your worker(s)

Table 12. did the minimum wage increase the amount of salary you give your workers?

		Frequency	Percent
Valid	yes	29	19.3
	no	26	17.3
	n/a	53	35.3
	no response	42	28.0
Total		150	100.0

Table 12 shows that 29 have increased the amount of salary they give their workers, 26 have not; it's not applicable to 53 whilst 42 did not respond.

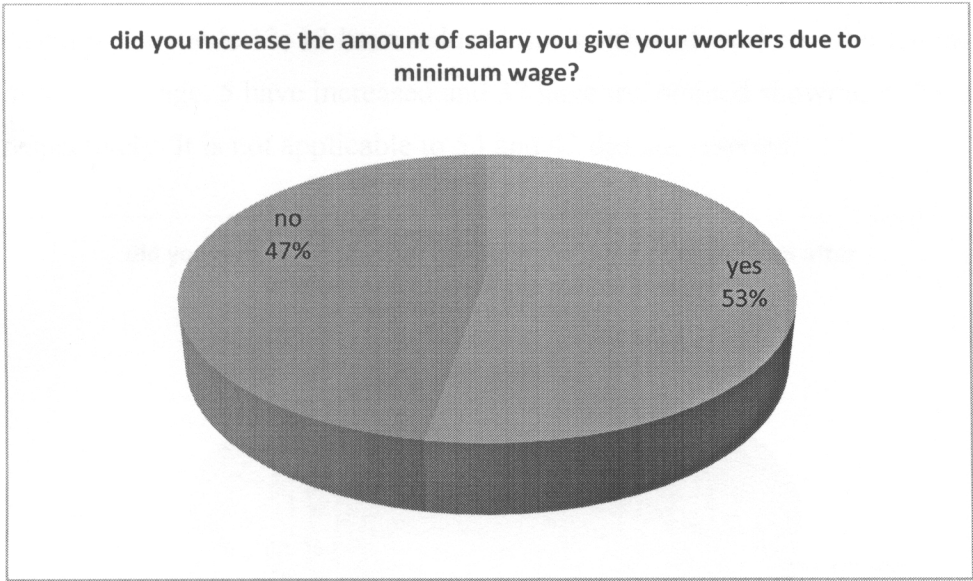


Figure 12

Figure 12 shows that of the 55 respondents that answered, 47% have not increased the amount of salary they give their workers after the implementation of the minimum wage whilst 53% have increased.

Did you increase, reduce or maintain the number of workers after the implementation of the minimum wage?

Table 13; did you increase, reduce or maintain the number of workers after the implementation of the minimum wage?

	Frequency	Percent
reduced	13	8.7
increased	5	3.3
maintained	37	24.7
n/a	53	35.3
No response	42	28.0
Total	150	100.0

According to table 13; 13 have reduced the number of workers after the implementation of minimum wage, 5 have increased and 37 have maintained showing 8.7%, 3.3% and 24.7% respectively. It is not applicable to 53 and 42 did not respond.

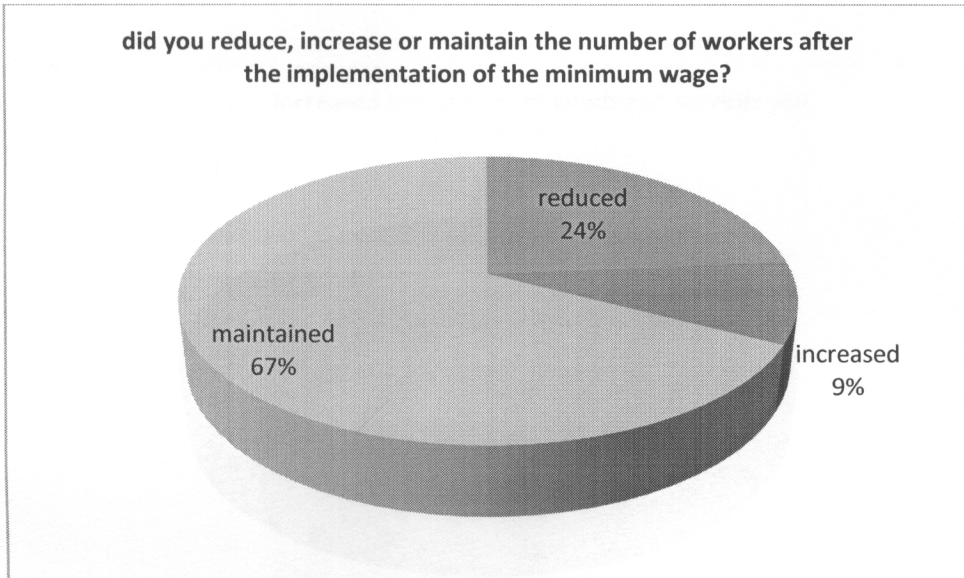


Figure 12

Figure 13 shows the respondents that reduced, increased or maintained the number of workers after the minimum wage implementation. Of those that responded, the majority were those that maintained the number of workers with 67%, 24% reduced and 9% increased the number of workers.

As an employee has the minimum wage increased the amount of goods and services you consume?

Table 14. as an employee has the minimum wage increased the amount of goods and services you consume?

		Frequency	Percent
Valid	yes	33	22.0
	no	79	52.7
	n/a	14	9.3
	no response	24	16.0
	Total	150	100.0

In table 14, from the 150 respondents we can see that 33 have increased the amount of goods and services they consume because of the minimum wage, showing a 22%. 79 or 52.7% have not increased their consumption; it does not seem to be applicable to 14 and 24 did not even respond.

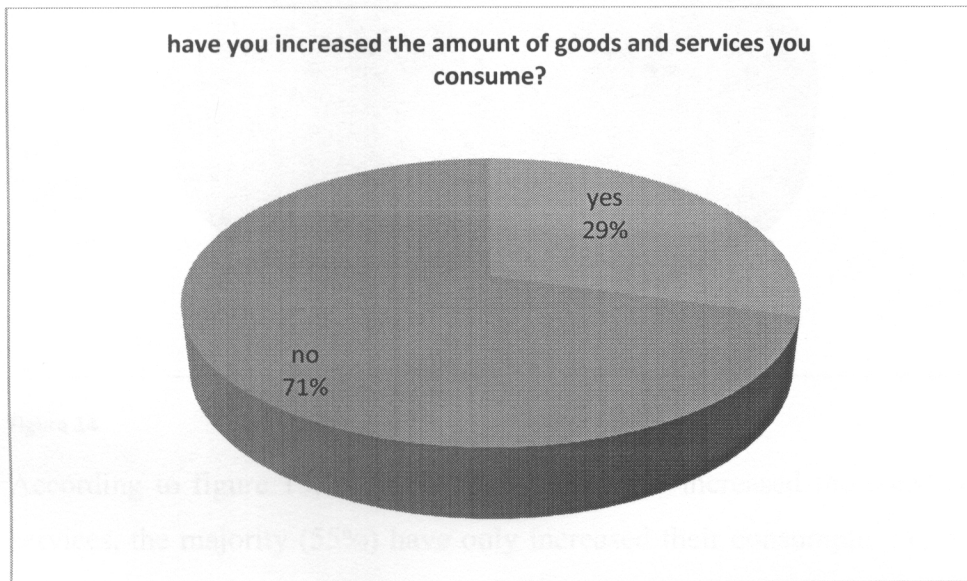


Figure 13

Figure 14 shows the presentation of those that have increased or reduced the amount of goods and services they consume, from the divided parts of the pie chart we can see that the majority of a 71% have not increased the amount of goods and services they consume only a small percentage of 29% have increased the amount they consume.

To what extent have you increased the amount of goods and services you consume?

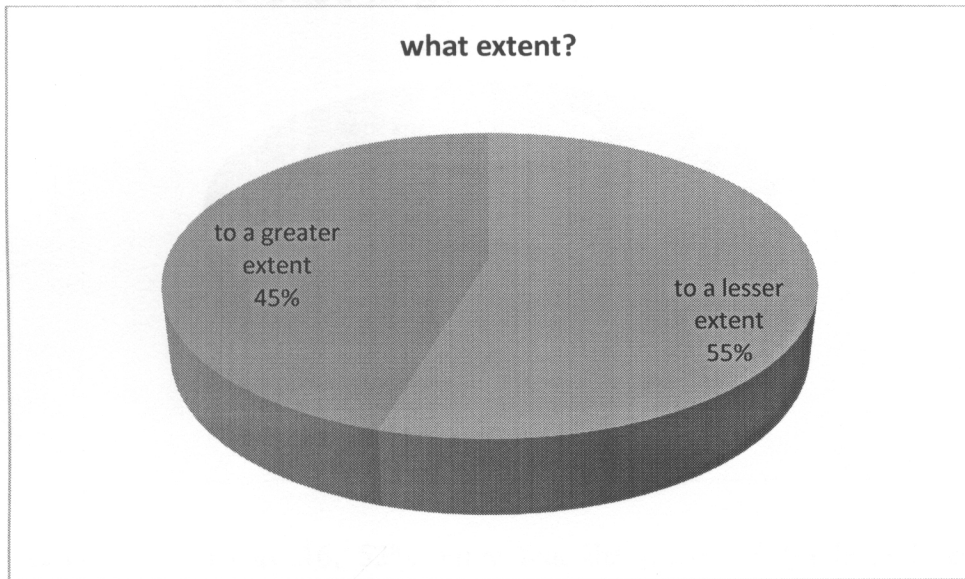


Figure 14

According to figure 15, a look at those that have increased the consumption of goods and services, the majority (55%) have only increased their consumption to a lesser extent whilst 45% have increased to a greater extent. This does not show much difference as there is only a 5% difference to make it equal.

Have the prices of goods and services increased as a result of minimum wage increase?

Table 15; have the prices of goods and services increased as a result of minimum wage increase?

	Frequency	Percent
yes	73	48.7
no	30	20.0
don't know	36	24.0
no response	11	7.3
Total	150	100.0

Table 15 shows that of the all the respondents 73, (showing 48.7%) agree that the prices of goods and services have increased as a result of minimum wage increase. 30 disagree to this whilst 36 do not know and 11 did not respond.

increase in goods and services

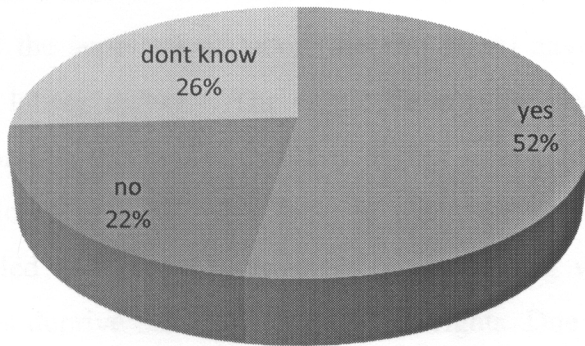


Figure15

According to figure 16, 52% agree that the prices of goods and services have indeed increased, 26% do not know, and 22% do not agree that the prices of goods and services have indeed increased. More than half of the respondents suggest that they have increased. Hence showing a larger majority.

DISCUSSION OF FINDINGS

The forces that occur in the employment sector between the suppliers of capital (the employer) and the suppliers of labor (the employee) have led to a number of factors and friction in the labour industry. The employee in most developing countries is usually in a weaker position due to the fact that they do not have effective unions to bargain for better terms of employment, even with these in place the slow economic growth rate of these countries has led to high unemployment levels causing workers to accept jobs with poor agreements that deprive them of some of their rights. Due to this factor the government has come up with a ministry that deals with labour relations “The Ministry of Labour and Social Security”. Implementation of the minimum wage is an action by the government that is supposed to benefit every person or individual directly or indirectly in terms of improvement in the quality of life of the people in Zambia as a whole. It has to benefit the formal sector as well as the informal sector. It is supposed to improve the way people live on a daily basis, by increasing their spending on goods and services that will literally increase their utility as well as their welfare in both the short run and the long run.

According to previous research the minimum wage affects the employment rate and labor force negatively. Thus one of my objectives of this research is to investigate the impact of the minimum wage on the employment rate. According to table 10 and figure 10, the majority have their salaries not affected by the implementation of the minimum wage. 45% of the respondent’s salary has not been affected as a result of minimum wage whilst 29% have theirs affected. Amongst those whose salary has been affected, from figure 11(b), 10% of them have had a decrease in their salary whilst 90% have had an increase in theirs. On the other hand most the employers have increased the amount of salaries they give their workers as compared to those that have not. This can be seen in table 12 and figure 12 has a better percentage presentation that shows that 47% have not increased their workers salary as compared to 57% contrary to the implementation of the minimum wage. This can lead to better lifestyle of the workers whose salaries have been increased in regard to one of my research objectives.

The other important aspect of this research was to investigate the relationship between academic attainment and minimum wages on the labour force. It is perceived that those that have higher wages get higher salaries in most societies thus most of the people advance their

education in order to get higher wage and live better lifestyles. This is a desire for almost every society and government, to have people living better lifestyles. Thus from my research findings; Table 9.4 shows a cross tabulation of level of education and salary range. In the table we can see that those that have attained primary level get salaries ranging between kr550-kr1050. Those that have attained junior secondary level get salaries ranging between kr550-kr2050. Those that have attained senior secondary school level get salaries from less than kr550 to over kr3050. For those that have attained college or university education numbers tend to increase with the salary range having only 4% below kr550 and 35% above kr3050 in total. This shows that another 35% get between kr550-kr3050. Amongst these categories we can see that very few of the respondents that have attained college or university get salaries below kr550 and most of them get salaries higher than that. Having greater numbers of with higher education levels and attainment can indeed lead to better lifestyles for the majority. This assumption has even shown to be correct in the hypothesis that has stated that highly educated people have higher wages.

In order to find out as to whether the employers have reduced, increased or maintained the number of workers after the implementation of the minimum wage an analysis can be based on the actual results of the findings. In figure 13, it shows that of the employers, 67% have decided to maintain the number of their workers. 24% have reduced and only 9% have increased the number of their workers. Since the percentage that has reduced the number of workers is greater than the percentage that has increased then more workers, about 15% have lost their employment from these findings.

Another way of investigating the impact of minimum wage on the labour force is to find out whether the employees have increased the amount of goods and services. If they have, it would mean a positive move that will show that there is a reduction in the prices of goods and services. According to my findings, we can see in table 14 that the majority (which is more than 50%) has not increased the amount of goods and services they consume. From figure 14 we can see that only 29% have increased the amount of goods and services they consume whilst 71% have not. An analysis on how the employees have increased the amount of goods and services shows that 45% have increased their consumption to a greater extent whilst 55% to a lesser extent. According to figure 16, we can see that the majority which is a larger percentage of 52% suggest that there has been an increase in the price of goods and services as a result of the implementation of the minimum wage.

CONCLUSION OF FINDINGS

It may then be concluded from this that minimum wage has not led to the increase in the consumption patterns of the employees or workers but has led to the increase in the prices of some goods and services. In reference to my findings minimum wage implementation has not benefited the majority, as the number of workers have been maintained. On the other hand very few employers have increased their workers' salaries. For those that have benefited from this move, the majority have only increased their consumption patterns to a lesser extent while a few have increased to a greater extent. It is evident though that those with higher education levels do receive higher salaries as compared to their counterparts with low education levels. The employment sector of the employer has also affected the number of workers after the implementation of the minimum wage in Zambia.

LIMITATIONS

- A few respondents were co-operative in answering the questions hence making data analysis difficult, especially in cases where respondents decided not to answer.
- The project allowance has still not been paid out and as a full time student it has been very difficult for me to move about searching for money, data collection and administering the questionnaires in due time. In regard to this printing of draft reports was not even possible due to a very tight budget.
- Due to financial constraint questionnaires were printed at the cheapest cost with some questions being so faint that respondents could not read.
- Most of the research work was being conducted in the exam period and it was very difficult to balance studying and data collection exercise.
- The project was also affected by the time allocated as it was difficult to carry out a thorough analysis and to conduct the research carefully.

RECOMMENDATIONS

Due to the research findings it is recommended that that:

- The implementation of minimum wage should directly lead to the better employee welfare
- The minimum wage should not lead to the increase of goods and services
- Minimum wage implementation should target the majority and not the minority and all sectors of employment
- The implementation of minimum wage be equated with the spread of information about its importance
- There should be a mechanism that should be put in place to improve the education system so that many people could be educated
- Minimum wage increase implementation should lead to a functional law to punish those that do not abide by it.

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The post newspaper; 24 august 2012. Home section, pg 4.

QUESTIONNAIRE

SECTION A: BACKGROUND INFORMATION

**FOR
OFFICIAL
USE ONLY**

1. What is your Sex: Male [] Female []

[]

2. What is your age-group?

- I. 15-19 IV. 30-35
- II. 20-24 V. 35-39
- III. 25-29 VI. 40 and above

[]

3. Marital Status

- i. Single [] iv. Divorced []
- ii. Married [] v. Widowed []
- iii. Separated []

[]

4. What is your Religious Affiliation

- i. Christian [] ii. Hinduism []
- ii. Muslim [] iv. Any other []

[]

5. What is your religious domination?

- i. UCZ [] ii. Baptist []
- iii. SDA [] iv. Catholic []
- v. Other.....

[]

SECTION B: EDUCATION INFORMATION

6. What is your level of education?

- i. Primary education [] iv. College or university []
- ii. Junior secondary education []
- iii. Senior secondary education []

[]

7. What is your education attainment?

- i. certificate [] ii. diploma [] iii. degree []
- iv. masters degree [] v. PhD []

[]

QUESTIONNAIRE

SECTION C: IMPLEMENTATION OF THE MINIMUM WAGE

8. Have you ever heard of minimum wage in Zambia?

i. yes []

ii. no []

9. If yes do you know what it is all about?

i. yes []

ii. no []

10. In brief do you know about it?.....

SECTION D: EMPLOYMENT INFORMATION

11. Are you employed?

i. yes []

ii. no []

12. If yes to Q11, what sector are you employed in?

i. Formal Sector []

ii. Informal Sector []

13. What is your job title?.....

14. What is your salary range?

i. Less than Kr550 [] ii. Kr550-Kr1050 [] iii. Kr1050-Kr2050 []

iv. Kr2050-Kr3050 [] v. Above Kr3050 []

15. Has your salary been affected as a result of minimum wage?

i. yes []

ii. no []

16. If yes to Q15, in what way?

i. Increased []

ii. Reduced []

17. Are you an employer?

i. yes []

ii. no []

18. If yes to Q17, how many workers do you have?

i. One []

ii. Two []