

**Table 1. Descriptive Statistics - CWS Sample of Casual Construction Workers**

Variable	Craft Workers		Common Laborers		All	
	Mean	St.Dev.	Mean	St.Dev.	Mean	St.Dev.
log-wage	2.026	0.313	1.636	0.306	1.728	0.523
educational certificate <sup>°</sup>	0.266	0.443	0.042	0.201	0.198	0.399
construction experience	16.7	10.3	18.4	13.1	17.2	11.2
<b>Skill Level:</b>						
common laborer <sup>°</sup>					0.306	0.462
<b>Trade Classification (for craft workers):</b>						
mason <sup>°*</sup>	0.101	0.302			0.070	0.256
tile layer <sup>°*</sup>	0.064	0.246			0.045	0.207
plasterer <sup>°*</sup>	0.202	0.402			0.140	0.348
painter <sup>°*</sup>	0.161	0.368			0.112	0.315
joiner <sup>°*</sup>	0.124	0.330			0.112	0.316
electrician, plumber, etc. <sup>°*</sup>	0.051	0.219			0.035	0.184
form worker (reference)	0.298	0.457			0.181	0.385
<b>Contractual Arrangement:</b>						
attached to a regular employer <sup>°</sup>	0.248	0.433	0.229	0.423	0.242	0.429
<b>Type of Employer:</b>						
construction craftsman <sup>°</sup>	0.427	0.496	0.302	0.462	0.389	0.488
building owner <sup>°</sup>	0.110	0.314	0.229	0.423	0.147	0.354
private contractor (reference)	0.463	0.499	0.448	0.500	0.465	0.499
<b>Region of Residence:</b>						
Greater Cairo <sup>°</sup>	0.427	0.496	0.229	0.423	0.366	0.483
Alexandria and Suez Canal <sup>°</sup>	0.133	0.340	0.052	0.223	0.108	0.311
Lower Egypt <sup>°</sup>	0.312	0.464	0.188	0.392	0.274	0.447
Upper Egypt (reference)	0.129	0.335	0.531	0.502	0.252	0.434
<b>Community of Residence:</b>						
urban <sup>°</sup>	0.844	0.364	0.542	0.501	0.752	0.433
index of concentration - of construction workers	1.855	1.040	1.090	0.948	1.621	1.071
index of construction activity	1.072	0.315	1.021	0.384	1.057	0.338
<b>Type of Construction:</b>						
residential construction <sup>°</sup>	0.872	0.335	0.927	0.261	0.889	0.315
Number of Observations	218		96		314	

<sup>°</sup> Indicates a dummy variable which takes the value of 1 if the definition applies to the individual, 0 otherwise.

\* Indicates that the dummy variable is defined over craft workers only.

**Table 2. Duration of Last Employment and Unemployment Spell**  
**Maximum Likelihood Estimates from the Weibull Parametrization**  
**CWS Sample of Casual Construction Workers**  
**Dependent Variable = log-duration (§)**

Name of Variable	Employment		Unemployment	
	Estimate	Std.er.	Estimate	Std.er.
constant	5.530 **	0.736	2.917 **	0.561
educational certificate <sup>°</sup>	0.081	0.306	0.140	0.242
experience in construction	0.036	0.035	-0.037	0.033
experience in construction sq./100	-0.079	0.075	0.090	0.070
<b>Skill Classification:</b>				
common laborer	0.026	0.331	-0.502	0.291
<b>Trade Classification (craft workers):</b>				
mason <sup>°</sup>	0.118	0.659	-0.065	0.335
tile layer <sup>°</sup>	-0.782	0.574	0.695	0.569
plasterer <sup>°</sup>	0.573	0.370	-0.067	0.313
painter <sup>°</sup>	0.008	0.393	0.392	0.346
joiner (carpenter) <sup>°</sup>	1.79 **	0.649	0.415	0.397
electrician, plumber, etc. <sup>°</sup>	0.920	0.761	1.421 *	0.668
<b>Contractual Arrangement:</b>				
attached to a regular employer <sup>°</sup>	0.939 **	0.299	-0.159	0.229
<b>Region:</b>				
Greater Cairo <sup>°</sup>	0.719	0.430	0.325	0.344
Alexandria and Suez Canal <sup>°</sup>	0.443	0.512	0.089	0.396
Lower Egypt <sup>°</sup>	0.306	0.321	0.757 **	0.287
<b>Community:</b>				
urban <sup>°</sup>	0.256	0.315	-0.213	0.263
index of concentration of construction workers	-0.148	0.177	0.238	0.142
index of construction activity	-1.237 **	0.325	0.416	0.313
<b>Type of Employer:</b>				
craftsman <sup>°</sup>	-0.913 **	0.258		
building owner <sup>°</sup>	-0.854 *	0.375		
<b>Type of Project:</b>				
residential construction <sup>°</sup>	-1.023 *	0.447		
scale	1.104 **	0.115	1.158 **	0.093
log-likelihood:	-285.6		-400.7	
log-likelihood without covariates:	-319.0		-422.2	
completed spells	106		167	
censored spells	208		130	

§ Employment (unemployment) durations are censored for workers who were employed (unemployed) at the time of the interview. All spells are truncated at 60 days.

<sup>°</sup> Indicates a dummy variable that takes the value of 1 if the definition applies to the individual, 0 otherwise. Reference categories are shown in Table 1.

Statistically significant coefficients at the 1% (\*\*), 5% (\*) level based on a two-tailed test are marked.

**Table 3. Incidence of Unemployment in Reference Year**  
**Maximum Likelihood Binary Probit Estimates**  
**CWS Sample of Casual Construction Workers**  
**Dependent Variable = 1 if unemployed, = 0 else**

Name of Variable	Coefficient (Std.error)
Constant	3.896 (1.153)**
educational certificate <sup>o</sup>	0.864 (0.577)
experience in construction	0.029 (0.049)
experience in construction sq./100	-0.063 (0.096)
<b>Skill Classification:</b>	
common laborer	-0.921 (0.683)
<b>Trade Classification:</b>	
tile layer <sup>o</sup>	-1.095 (0.831)
plasterer <sup>o</sup>	-1.614 (0.696)*
painter <sup>o</sup>	-0.545 (0.894)
joiner (carpenter) <sup>o</sup>	-1.270 (0.715)
electrician, plumber, etc. <sup>o</sup>	-1.538 (0.822)
<b>Contractual Arrangement:</b>	
attached to a regular employer <sup>o</sup>	-1.505 (0.412)**
<b>Region:</b>	
Greater Cairo <sup>o</sup>	-0.958 (0.745)
Alexandria and Suez Canal <sup>o</sup>	-0.813 (0.820)
Lower Egypt <sup>o</sup>	-1.512 (0.642)*
<b>Community:</b>	
Urban <sup>o</sup>	-0.020 (0.539)
index of concentration of of construction workers	-0.243 (0.274)
index of construction activity	-0.327 (0.484)
<b>Type of Employer:</b>	
craftsman <sup>o</sup>	0.109 (0.369)
building owner <sup>o</sup>	-0.119 (0.664)
<b>Type of Project:</b>	
residential construction	1.051 (0.406)**
Log-Likelihood:	-40.356
Observations	292 <sup>#</sup>

Statistically significant coefficients at the 1% (\*\*), 5% (\*) level based on a two- tailed test are marked.

<sup>#</sup> The mason dummy predicts success perfectly; thus 22 observations were dropped.

**Table 4. Means of Selected Variables by Trade**  
**CWS Sample of Casual Construction Workers**

Trade	Number in Sample	$\ln w$	$\mu_0$	$\mu_1$	$\varphi$ (a)	$\varphi$ (b)	$\pi_0$ (a)	$\pi_0$ (b)	$\sigma_0^2$	$\sigma_1^2$
form worker	65	2.04	24	37	7.56	5.97	0.499	0.398	211	584
mason	22	2.09	25	24	8.39	7.42	0.546	0.508	795	552
tile layer	14	2.20	39	46	5.69	4.30	0.56	0.462	250	2296
plasterer	44	2.11	18	74	5.49	3.96	0.264	0.198	249	1106
painter	35	2.03	31	52	5.37	4.38	0.463	0.372	1400	3312
joiner	27	1.75	30	181	2.21	1.75	0.179	0.13	705	27927
electrician, plumber, etc.	11	1.89	73	156	1.87	1.59	0.394	0.319	645	5328
laborer	96	1.64	11	42	12.2	6.97	0.324	0.2	159	700
All	314	1.91	23	61	7.76	5.33	0.383	0.291	433	3588

**Table 5. Wage Equations Based on Human Capital, Trade Dummy and Compensating Differentials Models**  
**Least Squares Estimates**  
**CWS Sample of Casual Construction Workers**  
**Dependent Variable: Log-daily wage**

	Human Capital Wage	Trade Dummy Model	Compensating Differentials Models			
			Model (1)	Model (2)	Model (3)	Model (4)
Constant	1.821 (0.075)**	1.831 (0.079)**	1.685 (0.082)**	1.677 (0.085)**	1.781 (0.118)**	2.134 (0.184)**
Educational Certificate	0.038 (0.047)	0.041 (0.046)	0.033 (0.046)	0.034 (0.046)	0.045 (0.047)	0.026 (0.046)
<b>Construction Experience:</b>						
Skilled	0.016 (0.008)*	0.018 (0.007)*	0.017 (0.007)*	0.017 (0.007)*	0.018 (0.007)*	0.017 (0.007)*
Unskilled	0.012 (0.008)	0.012 (0.007)	0.012 (0.008)	0.012 (0.008)	0.012 (0.008)	0.011 (0.007)
<b>Construction Exp. Squared/100:</b>						
Skilled	-0.018 (0.016)	-0.020 (0.016)	-0.017 (0.016)	-0.018 (0.016)	-0.02 (0.016)	-0.019 (0.016)
Unskilled	-0.020 (0.016)	-0.020 (0.015)	-0.020 (0.015)	-0.020 (0.015)	-0.02 (0.015)	-0.020 (0.015)
<b>Skill Classification:</b>						
Unskilled	-0.298 (0.106)**	-0.308 (0.106)**	-0.213 (0.106)*	-0.233 (0.117)*	-0.15 (0.136)	-0.276 (0.117)**
<b>Trade Classification:</b>						
mason		0.024 (0.073)				
tile layer		0.186 (0.086)*				
plasterer		0.027 (0.058)				
painter		-0.033 (0.062)				
joiner		-0.317 (0.067)**				
electrician, plumber, etc		-0.096 (0.096)				
<b>Compensation Terms:</b>						
$\gamma_1$			0.333 (0.092)**	0.271 (0.182)	0.750 (0.38)*	-0.477 (0.412)
$\gamma_2$				1.55 (3.92)	-8.84 (9.27)	-5.75 (5.57)
$\gamma_3$					0.003 (0.005)	0.026 (0.009)**
$\gamma_4$					-0.007 (0.005)	-0.017 (0.006)**
Observations	314	314	314	314	315	314
R-squared	0.29	0.37	0.32	0.32	0.33	0.34

Standard errors are in parentheses.

Statistically significant coefficients at the 1% (\*\*), 5% (\*) level based on a two-tailed test are marked.



**Table 6. Sizes of the Compensation Terms and Total Wage Compensation by Trade  
CWS Sample of Casual Construction Workers**

Trade	Number in Sample	Model (1)		Model (2)		
		$\gamma_1 \frac{\pi_0^2}{1-\pi_0}$	$\frac{w-w^*}{w^*}$	$\gamma_1 \frac{\pi_0^2}{1-\pi_0}$	$\gamma_2 \frac{1}{\mu_1}$	$\frac{w-w^*}{w^*}$
form worker	65	0.166	0.180	0.135	0.042	0.193
mason	22	0.218	0.244	0.178	0.064	0.273
tile layer	14	0.237	0.268	0.193	0.034	0.255
plasterer	44	0.032	0.032	0.026	0.021	0.048
painter	35	0.133	0.142	0.108	0.030	0.147
joiner	27	0.013	0.013	0.011	0.009	0.019
electrician, plumber, etc.	11	0.085	0.089	0.069	0.010	0.082
laborer	96	0.052	0.053	0.042	0.037	0.082
All	314	0.099	0.104	0.081	0.033	0.121

  

Trade	Number in Sample	Model (3)					Model (4)				
		$\gamma_1 \frac{\pi_0^2}{1-\pi_0}$	$\gamma_2 \frac{1}{\mu_1}$	$\gamma_3 \frac{1}{\mu_1} \sigma_0^2$	$\gamma_4 \frac{\mu_0}{\mu_1^2} \sigma_1^2$	$\frac{w-w^*}{w^*}$	$\gamma_1 \frac{\pi_0^2}{1-\pi_0}$	$\gamma_2 \frac{1}{\mu_1}$	$\gamma_3 \frac{\kappa_0 \mu_0^2}{\mu_1}$	$\gamma_4 \frac{\mu_0 \kappa_1 \mu_1^2}{\mu_1^2}$	$\frac{w-w^*}{w^*}$
form worker	65	0.373	-0.240	0.019	-0.068	0.087	-0.237	-0.156	0.555	-0.492	-0.281
mason	22	0.492	-0.365	0.108	-0.153	0.087	-0.313	-0.237	0.890	-0.505	-0.153
tile layer	14	0.535	-0.194	0.018	-0.280	0.083	-0.340	-0.126	1.157	-0.792	-0.096
plasterer	44	0.071	-0.120	0.011	-0.024	-0.059	-0.045	-0.078	0.156	-0.370	-0.286
painter	35	0.299	-0.169	0.088	-0.244	-0.025	-0.190	-0.110	0.633	-0.627	-0.254
joiner	27	0.029	-0.049	0.013	-0.149	-0.144	-0.019	-0.032	0.138	-0.545	-0.367
electrician, plumber, etc.	11	0.192	-0.057	0.014	-0.104	0.046	-0.122	-0.037	1.180	-1.478	-0.367
laborer	96	0.116	-0.211	0.013	-0.027	-0.103	-0.074	-0.137	0.090	-0.212	-0.283
All	314	0.224	-0.190	0.029	-0.093	-0.029	-0.142	-0.124	0.402	-0.458	-0.275