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WAGE RATES IN INDUSTRIES ... in Benchmark Occupations (Third of a series)

The Occupational Wages Survey (OWS) is a nationwide establishment survey of the BLES since 1989. Through the years, the survey has undergone revisions in its periodicity, scope and coverage and survey design to meet the needs of users for statistics in aid of wage and salary administration and wage determination in collective bargaining negotiations.

*The OWS is one of the designated statistical activities in E.O. 352 (s. 1996) that generates critical data for decision making in the government and the private sector. The data category **average monthly occupational wage rates in selected occupations** is among those listed by the Philippine government under the Special Data Dissemination Standard (SDDS) of the International Monetary Fund. The SDDS serves as reference to member countries in the dissemination of economic and financial data to the public.*

The 2008 OWS covered non-agricultural establishments employing at least 20 persons in 65 industry groups. In particular, data on wage rates of time-rate workers on full-time basis were collected for 180 occupations across 46 specific industries. It also inquired on the distributions of time-rate workers on full-time basis along pre-determined basic pay and allowance intervals. These wage distributions led to the determination of the median monthly basic pay and the median monthly allowances in the 65 industry groups. The reference period of the survey was July 2008.

This third issue of LABSTAT Updates highlights the average monthly wage rates of benchmark occupations (accounting and bookkeeping clerks; and unskilled workers except janitors, messengers and freight handlers) considered as benchmark for wage setting. Wage data on these two occupations have been collected for all industries covered by the OWS since 2002.

In July 2008, the average wage rate of accounting and bookkeeping clerks was ₱11,591 and that of the unskilled workers was reported at ₱8,394. The metadata and the statistical tables of the 2008 OWS are posted on the BLES website.

Growth in average monthly wage rates of accounting and bookkeeping clerks noted in almost all major industry groups

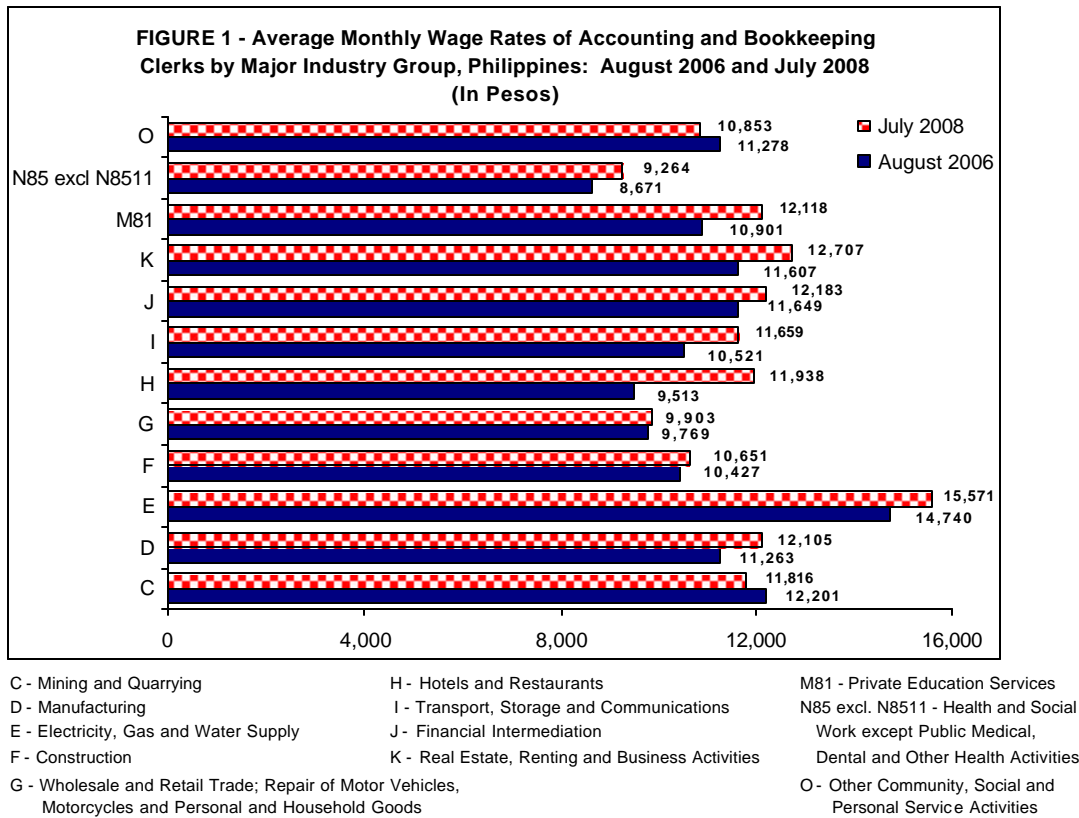
One of the benchmark occupations being monitored by the survey is the accounting and bookkeeping clerk. This occupation is vital in various financial transactions of the establishments as accounting and bookkeeping clerks assist in activities such as record keeping and computations of wages, production cost and other cash payments.

In July 2008, the national average monthly wage rate of accounting and bookkeeping clerks was estimated at ₱11,591, higher by 7.4% than the average monthly

wage rate in August 2006 at ₱10,789. Majority of the industries exhibited higher average monthly wage rates compared to the national wage rates in both periods.

Almost all industries posted growth in monthly wage rates except for mining and quarrying; and other community, social and personal services activities which declined by 3.2% (₱11,816 from ₱12,201) and 3.8% (₱10,853 from ₱11,278), respectively during the period. The highest growth was observed in hotels and restaurants at 25.5% (₱11,938 from ₱9,513). (Figure 1)

Note: The terms "average" and "median" are used interchangeably in the analysis of basic pay and allowances.



Source of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey.

Average wage rates of accounting and bookkeeping clerks declined in four regions

Across regions, average monthly wage rates of accounting and bookkeeping clerks declined in four regions from August 2006 to July 2008: namely: Region VIII – Eastern Visayas, Region IX – Zamboanga Peninsula, Region XII - SOCCSKSARGEN and Caraga. The rest of the regions reported notable growth with Region II – Cagayan Valley accounting for the highest at 38.6% (₱12,470 from ₱9,000). This was followed by Region I – Ilocos Region at 21.1% (₱9,585 from ₱7,915).

Region	July 2008	August 2006
NCR	13,150	12,208
Region I	9,585	7,915
Region II	12,470	9,000
Region III	11,609	11,189
Region IVA	11,828	10,819
Region VI	9,382	8,649
Region VII	9,868	9,488
Region VIII	8,401	9,623
Region IX	7,847	10,389
Region X	8,784	8,080
Region XII	8,538	10,385
Caraga	7,793	9,348

(Note: Data for CAR, Region IVB, V, and XI in 2008 and for ARMM in 2006 were suppressed due to low response rates).

Almost all industries exhibited increases in average wage rates of unskilled workers

Unskilled workers (except janitors, messengers and freight handlers) refer to those workers who perform simple and routine manual tasks requiring mainly physical effort and little or no previous experience and are not performed by other workers in the establishments.

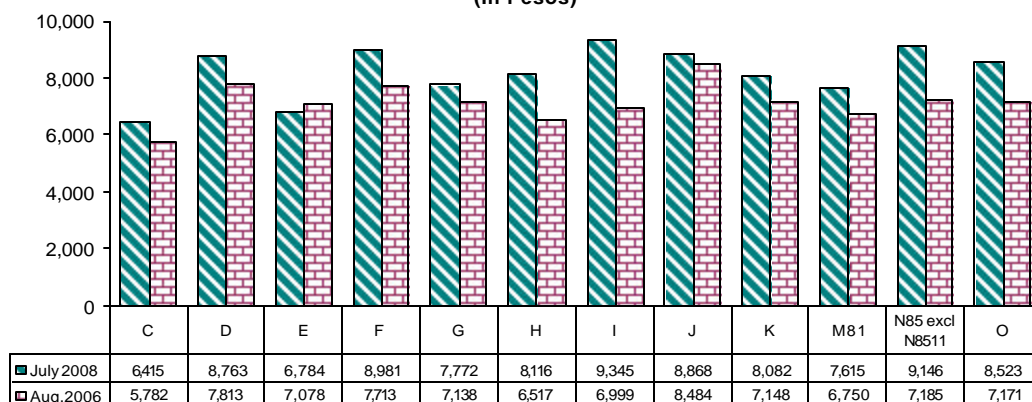
The national average monthly wage rates of unskilled workers in July 2008 was estimated at ₱8,394 higher by 12.3% than that in August 2006 at ₱7,472.

Noteworthy is the growth in average wage rates of unskilled workers in almost all

industries during the period except in electricity, gas and water supply which decreased by 4.2%. Relatively high increases were observed in transport, storage and communications (33.5%); health and

social work except public medical, dental and other health activities (27.3%); and hotels and restaurants (24.5%). The least was observed in financial intermediation at 4.5%. (Figure 2)

FIGURE 2 - Average Monthly Wage Rates of Unskilled Workers By Major Industry Group, Philippines: August 2006 and July 2008 (In Pesos)



C - Mining and Quarrying
D - Manufacturing
E - Electricity, Gas and Water Supply
F - Construction
G - Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods
H - Hotels and Restaurants
I - Transport, Storage and Communications
J - Financial Intermediation
K - Real Estate, Renting and Business Activities
M81 - Private Education Services
N85 excl. N8511 - Health and Social Work except Public Medical, Dental and Other Health Activities
O - Other Community, Social and Personal Service Activities

Source of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey.

Average wage rates of unskilled workers decreased in Region VIII only

Two regions reported wage rates higher than the national average of ₱8,394 in July 2008, namely: National Capital Region (₱10,053) and Region III - Central Luzon (₱8,701).

The data below shows that average wage rates of unskilled workers increased in almost all regions except in Region VIII – Eastern Visayas which declined by 0.9% (₱6,673 from ₱6,735). The highest increase was noted in Region II – Cagayan Valley at 29.3% from ₱5,974 to ₱7,725 for the same period.

Region	July 2008	August 2006
NCR	10,053	8,842
Region I	7,045	5,643
Region II	7,725	5,974
Region III	8,701	6,711
Region IVA	8,039	7,953
Region VI	6,717	5,738
Region VII	6,947	6,197
Region VIII	6,673	6,735
Region IX	6,130	5,021
Region X	6,820	6,497
Region XII	6,116	5,777
Caraga	6,172	5,514

(Note: Data for CAR, Region IVB, V, and XI in 2008 and for ARMM in 2006 were suppressed due to low response rates.)

Definition of Terms:

- o **Wage rate** refers to the sum of basic pay and regular/guaranteed cash allowances.
- o **Basic pay** refers to pay for normal/regular working time before deductions for employees' social security contributions and withholding taxes. It excludes overtime, night shift differential and other premium pay; commissions, tips and share of employees in service charge; and payment in kind.
- o **Allowances** refer to regular/guaranteed cash payments. These include living allowance but exclude reimbursements for travel, entertainment, meals and other expenses, etc. incurred in conducting the business of the employer; cost of uniform/working clothes; bonuses and gratuities; family allowances.
- o **Median** divides the wage distribution into two equal parts. It is the value where half of the workers in the distribution receive more while the other half receives less.

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