



WAGE RATES IN INDUSTRIES ... Wage Differentials in Occupations (First of a four-part series)

The Occupational Wages Survey (OWS) is a nationwide establishment survey of the Philippine Statistics Authority (PSA) which aims to generate statistics that will be useful for wage and salary administration and wage determination in collective bargaining negotiations.

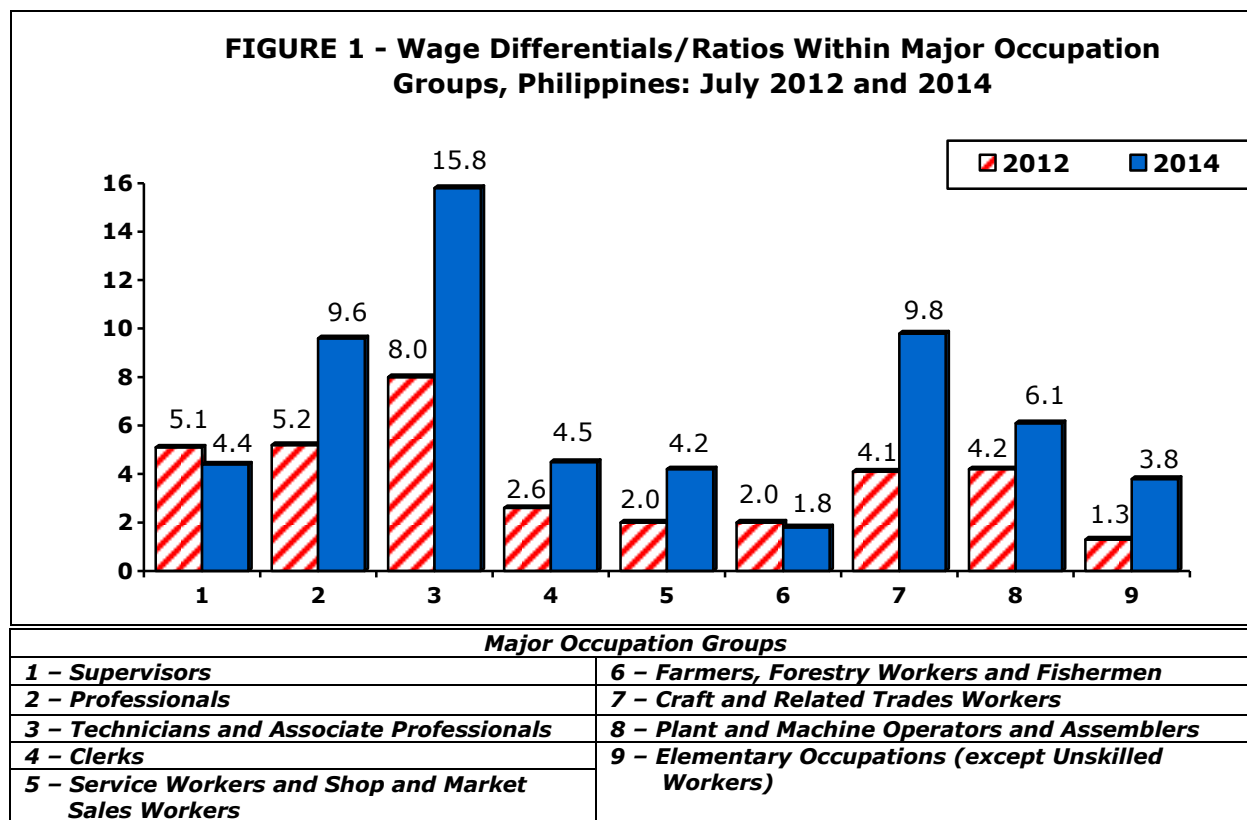
The OWS is one of the designated statistical activities of the country per Executive Order 352 (s. 1996) that requires the generation of critical and essential data for decision making of the government and the private sector. The data "average monthly occupational wage rates of selected occupations" 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 2014 OWS covered 8,399 agricultural and non-agricultural establishments employing at least 20 workers wherein wage rates of 188 occupations across 50 pre-determined industry groups were collected. It likewise provided the median monthly basic pay and allowances in selected industry groups. The survey's reference period was July 2014.

This first issue of LABSTAT Updates focuses on the differences between wage rates of the major occupations within its group and relative to the rates of the unskilled workers. Data are compared with the results of the 2012 OWS. The metadata and statistical tables of the survey are available at the PSA website.

Highest wage differential among occupation groups posted by technicians and associate professionals both in 2012 and 2014

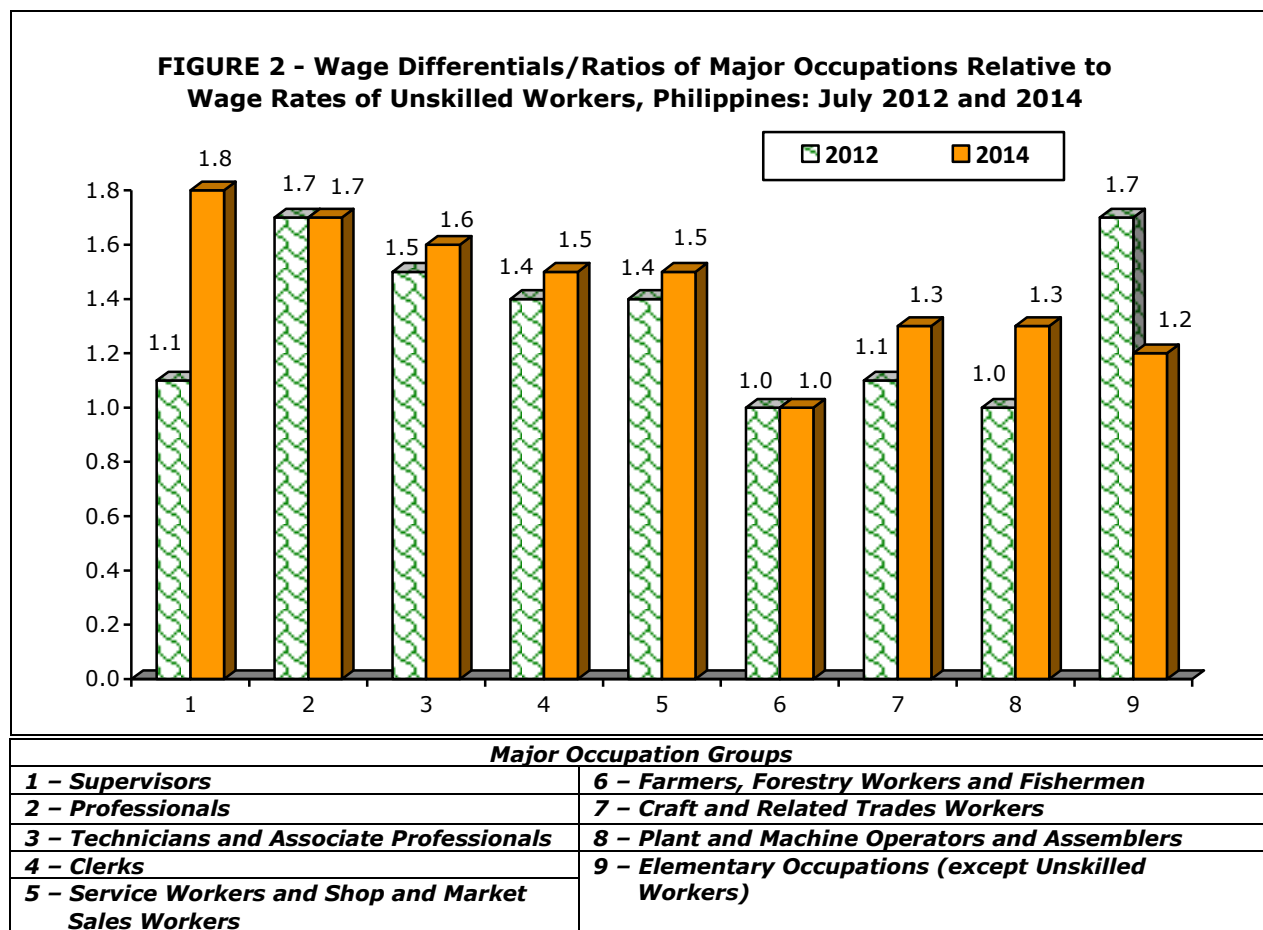
- Wage rates vary across occupations and industries caused by an interplay of several factors that include employment shifts or turnover of employees in occupations and in industries, work experience/seniority/length of service, bargaining negotiations, restructuring, among others.
- Wage ratios within major occupation groups are computed by comparing its highest occupational wage rate relative to its lowest wage rate. These wage rates refer only to the selected occupations in the selected industries. (Table 1)
- The 2014 survey results showed that wage ratios of major occupations ranged from 1.8 (farmers, forestry workers and fishermen) to as high as 15.8 (technicians and associate professionals). The 15.8 ratio means that the highest wage rate in the group is almost 16 times its lowest wage rate. This is the highest ratio recorded in the OWS thru the years. It implies wide disparities in wage rates in this occupation group. (Figure 1)
- In 2012, the same occupation group registered the highest wage ratio at 8.0 while the lowest was 1.3 for elementary occupations (excluding unskilled workers).
- It was also observed that wage ratios of almost all major occupation groups have increased in 2014 except for supervisors; and farmers, forestry workers and fishermen, indicating a wider difference in pay rates among selected occupations in each occupation group.



Source of data: Philippine Statistics Authority, Occupational Wages Survey.

Wage rates of lowest paid supervisors almost twice that of lowest paid unskilled workers

- Wage rates of unskilled workers, except janitors, messengers and freight handlers, were compared with the lowest wage rates in the different major occupations as the former’s wage rates are usually located at the bottom of the pay structure. (Table 1)
- Compared to 2012, the 2014 ratios hardly changed. However, elementary occupations recorded a lower ratio of 1.2 from 1.7. The professionals (1.7) and farmers, forestry workers and fishermen (1.0) posted similar wage ratios for both years.
- Likewise in 2014, there were very minimal wage differentials noted between the lowest wage rates of unskilled workers and lowest paid workers in major occupation groups. (Figure 2)
- The ratios ranged from 1.0 (farmers, forestry workers and fishermen), meaning almost the same wage rate as the lowest wage rate received by unskilled workers (P6,290 vs. P6,118) to 1.8 (supervisors). This implies that the lowest paid supervisors received almost twice the rate of the lowest paid unskilled workers (P10,849 vs. P6,118).



Source of data: Philippine Statistics Authority, Occupational Wages Survey.

Wage ratios of benchmark occupations showed similar trend for both years

- The wage rates of the two benchmark occupations, the unskilled workers and the accounting and bookkeeping clerks, were collected from selected industry groups covered by the survey.
- Data showed that within industry groups, there is a wider spread in wages of unskilled workers at 5.4 than the accounting and bookkeeping clerks at 2.6 in 2014. (Table 1)
- This was also noted in 2012 wherein wage differential among unskilled workers (2.6) was higher than that of accounting and bookkeeping clerks (2.0).

FOR INQUIRIES

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 Regarding other statistics, contact **KNOWLEDGE MANAGEMENT AND COMMUNICATIONS DIVISION** at 462-6600 local 834
 Or visit our website at <http://www.labstat.psa.gov.ph>

TABLE 1 – Ranges of Average Monthly Wage Rates and Wage Differentials/Ratios by Major Occupation Group, Philippines: July 2012 and 2014

(Agricultural and Non-agricultural Establishments Employing 20 and Over)

Major Occupation Group	Range of Average Monthly Wage Rates (P)		Wage Differential/Ratio				
	2012	2014	Within Group ¹		Relative to Unskilled ²		
			2012	2014	2012	2014	
Benchmark Occupations							
Accounting and Bookkeeping Clerks	10,271 - 20,072	8,819 - 22,857	2.0	2.6	1.7	1.4	
Unskilled Workers except Janitors, Messengers and Freight Handlers	6,104 - 16,067	6,118 - 33,301	2.6	5.4	1.0	1.0	
Major Occupation of Selected Occupations							
Supervisors	6,810 - 34,444	10,849 - 48,270	5.1	4.4	1.1	1.8	
Professionals	10,541 - 55,264	10,560 - 101,471	5.2	9.6	1.7	1.7	
Technicians and Associate Professionals	9,359 - 74,989	9,954 - 156,823	8.0	15.8	1.5	1.6	
Clerks	8,263 - 21,140	9,228 - 41,543	2.6	4.5	1.4	1.5	
Service Workers and Shop and Market Sales Workers	8,524 - 16,809	9,210 - 39,025	2.0	4.2	1.4	1.5	
Farmers, Forestry Workers and Fishermen	6,282 - 12,313	6,290 - 11,458	2.0	1.8	1.0	1.0	
Craft and Related Trades Workers	6,914 - 28,544	7,818 - 76,550	4.1	9.8	1.1	1.3	
Plant and Machine Operators and Assemblers	6,017 - 25,036	8,074 - 49,646	4.2	6.1	1.0	1.3	
Elementary Occupations (except Unskilled Workers)	10,547 - 13,988	7,620 - 28,679	1.3	3.8	1.7	1.2	

1 Highest wage rate divided by the lowest wage rate in the occupational group.**2 Lowest wage rate in the occupational group divided by the lowest wage rate of unskilled workers.****Source of data: Philippine Statistics Authority, Occupational Wages Survey.**