

WAGE RATES IN INDUSTRIES

A Look at Electricity, Gas, Steam and Water Supply (Second of a Series)

The LABSTAT Update is a statistical update on the results of BLES establishment surveys, among others. It provides users with summary statistics and brief explanatory notes on employment, hours of work, wages and labor relations towards a clearer understanding of current labor market conditions.

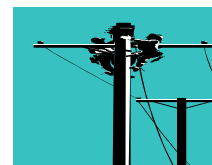
This series presents the results of the 1999 Occupational Wages Survey (OWS). This survey collects data on the basic pay and allowances of time-rate workers on full time basis in selected occupations in selected non-agricultural establishments employing at least 50 persons. It inquires on the distribution of workers across basic pay and allowance intervals in the non-agricultural sector. New items of inquiry on establishment characteristics such as type of market catered, type of ownership and whether or not the establishment is a multinational were included in the 1999 round.

This issue takes a closer look at the electricity, gas and water industry, particularly basic pay and allowances in specific industries and according to certain establishment characteristics and average wage rates for selected occupations.

The statistical series on the results of the 1997 OWS were published under the LABSTAT Digest (Vol. 1 Nos. 5 – 10 and 12 - 19).



Average monthly basic pay in utilities up by 5 percent in 1999



Utilities are among the industries keenly observed in investment decisions and policies. Its on-going privatization and the consequence of such on private investments, efficiency and transaction costs, among others have further heightened interest in this industry. Given its relative importance in the economy, this issue focuses on aspects of wage payment in the industry.

The average* basic pay of time-rate workers on full-time basis in non-agricultural establishments increased by 13.0 percent from ₱ 5,534 in 1997 to ₱ 6,238 in October 1999. In electricity,

gas and water supply, the basic pay of these workers saw a five percent improvement from ₱ 8,955 in October 1997 to ₱ 9,416 in October 1999.

Across specific sub-industries, workers in establishments engaged in the collection, purification and distribution of water had basic pay averaging ₱ 10,189 in October 1999. This was higher than the basic pay of their counterparts in electricity, gas steam and hot water supply estimated at ₱ 9,271. (Table 1)

**Average basic pay or allowance mentioned in pages 1 and 2 refers to median basic pay or allowance of the industry, i.e. that amount where half of the workers receive more than this amount while the other half receive less*

Slight increase in average monthly cash allowance of workers in utilities

There was a negligible increase in the average monthly cash allowances of workers in non-agricultural establishments from ₱ 658 in October 1997 to ₱ 667 in October 1999. In electricity, gas and water supply, time-rate workers on full-time basis received a 21 percent increase in average monthly cash allowance from ₱ 1,373 to ₱ 1,658 over the same period. (Table 1)

Average monthly cash allowances varied across specific minor industries. In the collection, purification and distribution of water, this stood at ₱ 2,209 while in electricity, gas, steam and hot water supply, the same allowances were lower at ₱ 1,613.

Workers in establishments with foreign equity; multinational firms had higher basic pay

Wide basic pay disparities were noted in utility establishments with different types of ownership and spread of operations.

Filipino-owned establishments, basic pay of time-rate workers averaged only at ₱ 8,800.

In terms of ownership, average basic pay of time-rate workers in establishments with foreign equity was seen at ₱ 14,330. Among wholly

Time-rate workers on full-time basis in multinational firms enjoyed an average basic pay of ₱ 14,582. Elsewhere, basic pay averaged only ₱ 8,865.

Higher monthly cash allowances enjoyed by workers in establishments with foreign equity; multinational firms

Likewise, average monthly cash allowances of time-rate workers differed distinctly according to establishment ownership and spread of operations.

average monthly cash allowance of workers in wholly Filipino-owned establishments, recorded at ₱ 1,474.

In establishments with foreign equity, average monthly allowance was estimated at ₱ 3,044. This is twice the

Allowances of time-rate workers in multinational firms averaged at ₱ 3,073. Their counterparts elsewhere received allowances averaging ₱ 1,462.

Unionized workers in electricity, gas and water supply with higher basic pay and allowance

Workers right to self organization is guaranteed under the Labor Code. The goal of unionism is the promotion of workers' rights and welfare.

In October 1999, the average basic pay of workers in non-unionized establishments stood at ₱ 8,412. In unionized establishments, average basic pay was relatively higher at ₱ 10,962.

Basic pay differentials were likewise observed between unionized workers with existing collective bargaining agreement (CBA) and those without. While unionized workers with CBA received basic pay averaging ₦ 11,274, those without CBA were paid average basic pay of only ₦ 9,301.

Similarly, average allowances were lower for non-unionized workers at ₦ 1,407 relative to their unionized counterparts at ₦ 2,203. Moreover, unionized workers covered by CBA enjoyed average allowances of ₦ 3,005 while those without existing CBA received allowances averaging only ₦ 1,229.

On non-wage payments

Average basic pay and allowances appear to vary considerably across the establishment characteristics under study, i.e. ownership and spread of operations. Further worth looking into, however, are differences in the granting of welfare benefits such as 13th month pay, transport allowance, Christmas bonus, representation

allowance, incentive pay, mid-year bonus, productivity bonus, performance bonus, profit sharing bonus and 14th and 15th month pay. These are among the findings of the 1999 Industrial Relations at the Workplace Survey and details of which are discussed in the LABSTAT Updates (Vol. 5 No. 6), May 2001.

Electrical engineers were highest paid workers; Linemen, line installers and cable splicers were least paid

Occupational wage** disparities were observed across industries and even among comparable occupations owing, in part, to different skill requirements across industries and establishments.

Among production supervisors and general foremen, those in electricity, gas, steam and hot water supply had slightly higher wage rates at ₦ 19,386 relative to those in collection, purification and distribution of water at ₦ 18,203.

Of the selected professional occupations covered in the study, electrical engineers in electricity, gas, steam and hot water supply received wage rates averaging ₦ 20,211. This was higher than the average wage rate of civil engineers in the collection,

purification and distribution of water recorded at ₦ 18,318.

Quality inspectors (₦ 14,192) in the collection, purification and distribution of water were the highest paid technicians and associated professionals covered in the industry. Lowest paid were civil engineering technicians in the same industry with an average wage rate of ₦ 12,159.

Among clerical workers, only debt collectors and related workers were covered in the utility industry. Wage disparities were still, however, noted as average wage rates varied from as low as ₦ 9,700 in electricity, gas, steam and hot water supply to ₦ 11,532 in collection, purification and distribution of water.

***From hereon, the data refers to the average (mean) monthly wage rate (basic pay and allowances) of selected occupations in the industry.*

Of the selected trade occupations, linemen, line installers and cable splicers in electricity, gas, steam and hot water supply had the lowest average wage rate estimated at ₱ 8,933. Highest paid were plumbers, pipe fitters and other related workers in collection, purification and distribution of water with an average wage rate of ₱ 15,389.

The average wage rate of water treatment and related plant operators at ₱ 10,444 was the lowest among the selected occupations in the collection, purification and distribution of water industry. Meanwhile, power-production plant operators in electricity, gas, steam and hot water supply earned higher wage rates estimated at ₱ 15,167.

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Table 1 - Median Monthly Basic Pay and Monthly Allowances of Time-Rate Workers on Full-time Basis by Specific Electricity, Gas and Hot Water Supply Industry, Philippines: October 1999

(Non-agricultural establishments employing 50 and over. **Median** refers to the amount where half of the workers receive more while the other half receive less.)

| INDUSTRY | Median Monthly Basic Pay (P) | Median Monthly Allowances ¹ (P) |
|--|------------------------------|--|
| ALL NON-AGRICULTURAL INDUSTRIES | 6,238 | 667 |
| ELECTRICITY, GAS AND WATER SUPPLY | 9,416 | 1,658 |
| Electricity, Gas, Steam and Hot Water Supply | 9,271 | 1,613 |
| Collection, Purification & Distribution of Water | 10,189 | 2,209 |

Notes: 1. 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.
2. 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.

¹ Refer only to those workers given regular/guaranteed cash allowances.

Source of data: Bureau of Labor and Employment Statistics, 1999 Occupational Wages Survey

Table 2 - Median Monthly Basic Pay and Monthly Allowances of Time-Rate Workers on Full Time Basis in Electricity, Gas and Water Supply Industry by Unionism, by Type of Ownership, by Type of Market, by Spread of Operations, Philippines: October 1999

(Non-agricultural establishments employing 50 and over. **Median** refers to the amount where half of the workers receive more while the other half receive less.)

| Establishment Characteristics | Median Monthly Basic Pay (P) | Median Monthly Allowances ¹ (P) |
|--|------------------------------|--|
| ELECTRICITY, GAS AND WATER SUPPLY | 9,416 | 1,658 |
| UNIONISM | | |
| Without Union | 8,412 | 1,407 |
| With Union | 10,962 | 2,203 |
| Without CBA | 9,301 | 1,229 |
| With CBA | 11,274 | 3,005 |
| TYPE OF OWNERSHIP | | |
| Wholly Filipino | 8,800 | 1,474 |
| With Foreign Equity | 14,330 | 3,044 |
| TYPE OF MARKET | | |
| Domestic Market Only | 9,416 | 1,658 |
| SPREAD OF OPERATIONS | | |
| Multinational | 14,582 | 3,073 |
| Not Multinational | 8,865 | 1,462 |

¹ Refer only to those workers given regular/guaranteed cash allowances.

Source of data: Bureau of Labor and Employment Statistics, 1999 Occupational Wages Survey.

**Table 3 - Average Monthly Wage Rates of Time-Rate Workers
on Full-Time Basis in Selected Electricity, Gas, Steam and Water Supply
Industries and Occupations, Philippines: October 1999**

(Non-agricultural establishments employing 50 and over. **Wage rates** are defined
as including basic pay and regular/guaranteed cash allowances.)

| Industry and Occupations | Average Monthly Wage Rates |
|---|-------------------------------|
| AVERAGE OF SELECTED OCCUPATIONS (Non-Agricultural) | 7,972^a |
| ELECTRICITY, GAS, STEAM AND WATER SUPPLY | |
| Production Supervisors and General Foremen | 19,386 |
| Electrical Engineers | 20,211 |
| Electrical Engineering Technicians | 12,741 |
| Debt Collectors and Related Workers | 9,700 |
| Electrical Mechanics and Fitters | 13,759 |
| Lineman, Line Installers and Cable Splicers | 8,933 |
| Power-Production Plant Operators | 15,167 |
| COLLECTION, PURIFICATION AND DISTRIBUTION OF WATER | |
| Production Supervisors and General Foremen | 18,203 |
| Civil Engineers | 18,318 |
| Civil Engineering Technicians | 12,159 |
| Quality Inspectors | 14,192 |
| Debt Collectors and Related Workers | 11,532 |
| Plumbers, Pipe Fitters and Other Related Workers | 15,389 |
| Water-Treatment and Related Plant Operators | 10,444 |

Notes: 1. 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.

2. 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.

a The data refers to the average monthly wage rate across the selected occupations in selected non-agricultural industries and not average monthly wage rate across all occupations in all non-agricultural industries.

Source of data: Bureau of Labor and Employment Statistics, 1999 Occupational Wages Survey.