

WAGE RATES IN INDUSTRIES **A Look at Private Education Services** *(Fifth of a Series)*

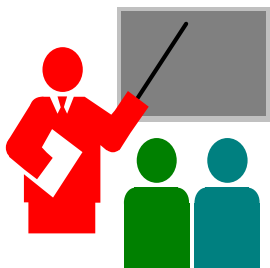
The LABSTAT Update is a statistical update on the results of BLES establishment surveys, among others. It provides users with summary statistics and brief explanatory notes on employment, hours of work, wages and labor relations towards a clearer understanding of current labor market conditions.

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 private education services, 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).

23 percent increase in average basic pay of workers in private education services



The General Agreement on Trade in Services (GATS), which has been in force since 1995, is a set of multilateral rules and commitment

governing internationally traded services. Recently, 140 World Trade Organization (WTO) member-states have initiated a new round of negotiations to accelerate the liberalization of trade in services.

In 1996, the teaching profession was among the professional occupations in the country's request list of occupations offered for inclusion to the GATS – ASEAN bloc. Tighter competition in the market for skills is expected to provide opportunities for improving efficiency/ service quality, lower costs, increase consumer choice and encourage productivity gains.

This issue focuses on wage level differences across selected occupations and pre-determined establishment characteristics in private education services.

There was a 13 percent improvement in the average* monthly basic pay of time-rate workers in non-agricultural industries from ₱ 5,534 in October 1997 to ₱ 6,238 in October 1999.

Meanwhile, a 23 percent improvement in the average basic pay in private education services brought pay levels from ₱ 7,624 to ₱ 9,342 during the period.

Allowances in private education services up by 24 percent

In October 1997, average monthly cash allowance of time-rate workers in non-agricultural industries stood at ₱ 658. It increased by a little over one percent in October 1999 to ₱ 667.

Workers in private education services enjoyed higher allowances during the period. From ₱ 660 in 1997, cash allowances improved by 24 percent to ₱ 818 two years after. (Table 1)

Higher basic pay levels among private education services with foreign equity, multinationals

A study of basic pay according to selected establishment characteristics showed considerable differences in pay levels according to ownership and spread of operations.

relative to the average basic pay of workers in wholly Filipino-owned establishments at ₱ 9,297. (Table 2)

Workers in private education service establishments with foreign equity had average basic pay of ₱10,392. This was higher by 12 percent

Average basic pay was also higher among multinational firms engaged in private education services at ₱ 10,343. In non-multinational firms, it averaged only ₱ 9,337.

Multinational private education services with more allowance

Establishment practices in the granting of monthly cash allowances differed according to spread of operations.

In contrast, there was a negligible difference in the average monthly cash allowance received by workers in establishments according to type of ownership. In wholly Filipino-owned establishments, cash allowances stood at ₱ 817; among those with foreign equity, it averaged ₱ 837.

In non-multinational firms, cash allowances averaged ₱ 808. This was approximately half of average cash allowances granted to workers in multinational firms at ₱ 1,566.

**Average basic pay or allowance mentioned in pages 2-3 refers to median basic pay or allowance i.e. that amount where half of the workers receive more than this amount while the other half receive less.*

Unionized workers enjoyed higher basic pay and allowance

Unionism is a collective right of workers. It empowers workers to safeguard their rights and promote just and humane conditions of work through collaborative labor-management efforts.

Average monthly basic pay in unionized private education services establishments was estimated at ₱ 10,590. This was higher by 20 percent over that of non-unionized establishments at ₱ 8,847. (Table 2)

Basic pay further differed according to collective bargaining agreement (CBA) coverage. Workers with CBA coverage enjoyed higher basic pay at P 10,842 relative to those without at ₱ 8,347.

Meanwhile, average monthly cash allowances were higher in non-unionized (₱ 943) than in unionized establishments (₱ 624). Workers covered by CBA had slightly higher cash allowances at ₱ 642; those without CBA had allowances averaging ₱ 486.

On non-wage payments

Average basic pay and allowance appeared to vary across certain establishment characteristics under study, such as ownership and whether multinational or not. 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, 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 Update (Vol. 5 No. 6), May 2001.

College , university and higher education teaching professionals were highest paid workers

The average (mean) wage rate of selected occupations in non-agricultural industries was estimated at ₱ 7,972. (Table 3) Wage disparities were noted across occupations.

Of the professional workers covered, highest paid were college, university and higher education teaching professionals with wage rates averaging ₱ 15,936.

This was followed by technical and vocational instructors / trainers at ₱ 12,153 and science and mathematics elementary education teaching professionals at ₱ 10,654. Least paid professional workers in the study were general secondary education teaching professionals at ₱ 9,321.

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Table 1 - Median Monthly Basic Pay and Monthly Allowances of Time-Rate Workers on Full-time Basis in Private Education Services, 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
PRIVATE EDUCATION SERVICES	9,342	818

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 Private Education Services by Unionism, Type of Ownership, Type of Market and 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)
PRIVATE EDUCATION SERVICES	9,342	818
UNIONISM		
Without Union	8,847	943
With Union	10,590	624
Without CBA	8,347	486
With CBA	10,842	642
TYPE OF OWNERSHIP		
Wholly Filipino	9,297	817
With Foreign Equity	10,392	837
SPREAD OF OPERATIONS		
Multinational	10,343	1,566
Not Multinational	9,337	808

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 Private Education Services 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
PRIVATE EDUCATION SERVICES	
College, University and Higher Education Teaching Professional	15,936
Technical and Vocational Instructors/Trainers	12,153
General Secondary Education Teaching Professionals	9,321
Science and Mathematics Teaching Professionals	9,995
General Elementary Education Teaching	9,773
Science and Mathematics Elementary Education Teaching Professionals	10,654

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 to the 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.