

## WAGE RATES IN INDUSTRIES

### *A Look at Construction*

#### *(9th 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 construction, 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).*

### **WORKERS IN CONSTRUCTION GET 9 PERCENT INCREASE IN BASIC PAY**

In 1999, there were about 1.5 million wage and salary workers in the construction industry. Its share to Gross Domestic Product (GDP) was estimated at five percent during the year.

There was a 13 percent improvement in the average basic pay of time-rate workers on full-time basis in non-agricultural

industries. It increased from ₱ 5,534 in October 1997 to ₱ 6,238 in October 1999. (Table 1)

Though less substantial, workers in construction, likewise, enjoyed a 9 percent increase in average basic pay from ₱ 5,304 in October 1997 to ₱ 5,803 in October 1999.

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*\*Average basic pay or allowance mentioned in pages 1-3 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.*

There was a minimal increase in the average monthly cash allowance of workers in non-agricultural industries from ₱ 658 in October 1997 to ₱ 667 in 1999.

Workers in construction were among those with relatively high cash allowances. At ₱ 1,106 in 1999, it was almost twice its level in 1997 estimated then at ₱ 665.

### **CONSTRUCTION ESTABLISHMENTS WITH FOREIGN EQUITY AND MULTINATIONAL RECEIVE HIGHER BASIC PAY**

Basic pay differentials were evident across construction establishments of different types of ownership and spread of operations.

The basic pay of workers in establishments with foreign equity was 20 percent higher than those

in wholly Filipino-owned (₱ 6,917 vs. ₱ 5,760).

Similarly, pay levels were at least 15 percent higher in multinational construction firms at ₱ 6,672 compared to an average of ₱ 5,792 for non-multinational firms. (*Table 2*)

### **AT LEAST ₱ 1,200 CASH ALLOWANCES FOR WORKERS IN FIRMS WITH FOREIGN EQUITY; MULTINATIONAL**

Cash allowances varied slightly across types of ownership and spread of operations of construction establishments.

In establishments with foreign equity, cash allowances

stood at P 1,220. For wholly Filipino-owned, allowances averaged ₱ 1,100. (*Table 2*)

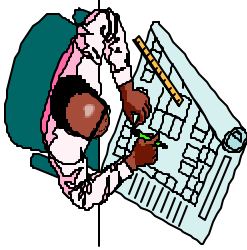
Likewise, cash allowances in multinational establishments were higher at ₱ 1,382 than the ₱ 1,098 in non-multinational firms.

### **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 13<sup>th</sup> month pay, transport allowance, Christmas bonus, representation

allowance, incentive pay, mid-year bonus, productivity bonus, performance bonus, profit sharing bonus and 14<sup>th</sup>, 15<sup>th</sup> 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.

## **CIVIL ENGINEERS WERE HIGHEST PAID IN CONSTRUCTION; LOWEST PAID WERE MASONS AND RELATED CONCRETE FINISHERS**



Wage differentials were noted across the occupations covered in the study.

Civil engineers, of the professional group, were highest paid workers at ₱ 12,595. (*Table 3*)

This was followed by wage rates of production supervisors and general foremen estimated at ₱ 9,863.

Among trades and related workers wage rates, ranged from ₱ 5,749 for masons and related concrete finishers to ₱ 6,036 for plumbers, pipe fitters and related workers.

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**TABLE 1 - MEDIAN MONTHLY BASIC PAY AND MONTHLY ALLOWANCES OF TIME-RATE WORKERS ON FULL-TIME BASIS IN CONSTRUCTION, 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 (₱)	Median Monthly Allowances <sup>1</sup> (₱)
<b>ALL NON-AGRICULTURAL INDUSTRIES</b>	<b>6,238</b>	<b>667</b>
<b>CONSTRUCTION</b>	<b>5,803</b>	<b>1,106</b>

- 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.*

<sup>1</sup> 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 CONSTRUCTION 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 (₱)	Median Monthly Allowances <sup>1</sup> (₱)
<b>CONSTRUCTION</b>	<b>5,803</b>	<b>1,106</b>
<b>UNIONISM</b>		
Without Union	5,771	1,052
With Union	5,944	1,119
Without CBA	6,038	1,416
With CBA	5,943	1,119
<b>TYPE OF OWNERSHIP</b>		
Wholly Filipino	5,760	1,100
With Foreign Equity	6,917	1,220
<b>SPREAD OF OPERATIONS</b>		
Multinational	6,672	1,382
Not Multinational	5,792	1,098

<sup>1</sup> 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 CONSTRUCTION AND BY SELECTED  
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
<b>AVERAGE OF SELECTED OCCUPATIONS (Non-Agricultural)</b>	7,972 <sup>a</sup>
<b>CONSTRUCTION</b>	
Production Supervisors and General Foremen	9,863
Civil Engineers	12,595
Masons and Related Concrete Finishers	5,749
Carpenters and Joiners	5,826
Plumbers, Pipe Fitters and Related Workers	6,036
Structural Metal Preparers, Erectors and Related Workers	5,839
Building and Related Electricians	5,949

**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.**

<sup>a</sup> **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.**