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WAGE RATES IN INDUSTRIES

A Look at Median Basic Pay and Allowance (Second of a two-part series)

This two-part series presents the highlights of the results of the June 2002 Occupational Wages Survey (OWS). The objective of the survey is to generate statistics for wage and salary administration and wage determination in collective bargaining negotiations. Currently, it collects data on employment and wage rates of time-rate workers on full-time basis in 168 occupations in 61 non-agricultural industries. Starting with the 2002 round, two benchmark occupations (accounting and bookkeeping clerks and unskilled workers – except janitors, freight handlers and messengers) were monitored in the 61 industries. On the other hand, at most eight (8) industry specific occupations were monitored in 43 selected industries likely to be affected by the changing global and economic structure.

The survey also looks into the distribution of time-rate workers on full-time basis across intervals of basic pay and allowance (regularly paid/guaranteed cash allowances). In particular, median monthly basic pay and allowance are estimated according to establishment characteristics such as unionism and CBA coverage; type of ownership; type of market (in manufacturing only); and whether multinational or not. To note, median monthly allowance pertains only to workers receiving monthly allowances. (MEDIAN refers to the amount where half of the workers receive more while the other half receive less.)

Unlike in the previous survey rounds, the 2002 OWS was limited to Metro Manila (National Capital Region) due to budget constraints. As such, data estimates for occupations in industries relatively concentrated in areas outside Metro Manila are not available. Further, data were obtained for only 155 occupations in 59 industries. Similarly, the results do not provide a distribution of time-rate workers on full-time basis in areas outside Metro Manila. There was also a shift in the reference period from October to June. Thus, the data are not comparable to those of the previous survey rounds.

In June 2002, the minimum daily basic pay prescribed by the Regional Tripartite Wage and Productivity Board in Metro Manila was ₱ 250 or ₱ 6,521 in monthly terms. Meanwhile, the prescribed minimum daily allowance was ₱ 30 or ₱ 782 in monthly terms. (Monthly equivalent of minimum basic pay and allowance was derived by multiplying the daily minimum basic pay and allowance by 313 days/12 months.)

OVERALL MEDIAN MONTHLY BASIC PAY AND ALLOWANCE HIGHEST IN UTILITIES

(NOTE: For purposes of this report, average and median will be used interchangeably.)

In June 2002, the median monthly basic pay of the 768,000 time-rate workers on full-time basis in non-agricultural establishments

employing 50 or more persons was estimated at ₱ 8,178. (See Table A) This is higher by 25.4 percent than the minimum monthly basic pay (₱ 6,521) prescribed during the period.

Median monthly basic pay varied widely across non-agricultural industries. Although the lowest reached ₱ 6,764 in real estate, renting and business activities, it was nevertheless higher by 3.7 percent than the prescribed minimum basic pay. The highest was noted in electricity, gas, and water supply at ₱ 15,264, which is more than twice (134.0 %) the prescribed minimum basic pay.

Meanwhile, the median monthly allowance of about 414,000 (53.9 % of

total) time-rate workers on full-time basis receiving cash allowances was ₱ 906. This was also higher by 15.9 percent than the prescribed minimum monthly allowance (₱ 782) during the period. (See Table B)

Across industries, workers in electricity, gas, and water supply also received the highest average monthly cash allowance at ₱ 3,080. The lowest was estimated at ₱859 in manufacturing.

INDUSTRY DIFFERENCES IN BASIC PAY AND ALLOWANCE ACROSS ESTABLISHMENT CHARACTERISTICS

Higher Basic Pay and Allowance in Unionized Establishments



relative to non-unionized establishments.

In all non-agricultural industries, average basic pay was consistently higher in unionized establishments

relative to non-unionized establishments. The all-industry

median basic pay of unionized establishments was ₱ 9,787, higher by 29.5 percent than that of non-unionized establishments at ₱7,556. (See Table A)

Average monthly cash allowances were likewise higher in unionized establishments at ₱ 925 compared to only ₱ 895 in non-unionized establishments. (See Table B)

Workers in Unionized Establishments With CBAs Have Higher Basic Pay and Allowance

The average monthly pay of workers in unionized establishments with CBA was estimated at ₱ 9,849. Elsewhere, it was lower by 27.9 percent at only ₱ 7,099. (See Table A)

Average monthly cash allowance in unionized establishments without CBA was also lower (by 2.8 %) at ₱ 900 relative to those with CBA at ₱ 926. (See Table B)

Wholly Filipino-Owned Establishments With Lower Basic Pay and Allowances

The all-industry average basic pay of workers in wholly Filipino-owned establishments stood at ₱ 7,798. This is 26.2 percent lower than the average basic pay of workers in establishments with foreign equity recorded at ₱ 10,568. (See Table A)

Cash allowances were also higher in establishments with foreign equity at ₱ 925 than in wholly Filipino-owned establishments whose monthly basic pay averaged ₱ 902. (See Table B)

Multinational Establishments With Higher Basic Pay and Allowances

Average monthly basic pay in multinational establishments was estimated at ₱ 12,094 which was 54.7 percent higher than ₱ 8,178 paid by non-multinational establishments. (See Table A)

Likewise, monthly cash allowances were higher in multinational establishments at ₱ 1,029 (15.0 % more) than in non-multinational establishments estimated at ₱ 895. (See Table B)

Export-Oriented Establishments Pay Higher Basic Pay; Lower Allowance

The average monthly basic pay in export-oriented manufacturing establishments (₱ 7,870) was slightly higher (4.0 % more) than those paid in domestic market-oriented establishments (₱ 7,568). (see Table A)

Workers in domestic market-oriented manufacturing establishments nevertheless received higher (9.0 % more) monthly cash allowances at ₱ 928 than their counterparts in export-oriented establishments whose monthly cash allowances averaged only ₱ 851. (See Table B)

For Inquiries:

Regarding this report contact LABOR STANDARDS STATISTICS DIVISION

Regarding other statistics and technical services contact BLES Databank at 527-3577

Or write to BLES c/o Databank, 3/F DOLE Bldg. Gen. Luna St., Intramuros, Manila 1002

FAX 527-9325

E-mail: lssd@manila-online.net

Website: <http://www.manila-online.net/bles>

bleslssd@bles.dole.gov.ph

<http://www.bles.dole.gov.ph>

**Table A - MEDIAN MONTHLY BASIC PAY OF TIME-RATE WORKERS ON FULL-TIME BASIS
BY INDUSTRY AND SELECTED ESTABLISHMENT CHARACTERISTICS, METRO MANILA: JUNE 2002**

(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.)

(in pesos)

Industry	All Types	Unionism			
		Without Union	With Union		
			Total	Without CBA	With CBA
All Industries	8,178	7,556	9,787	7,217	9,849
Mining and Quarrying	15,194	15,072	15,310	-	15,310
Manufacturing	7,705	7,383	7,975	7,037	8,014
Electricity, Gas and Water Supply	15,264	15,243	15,267	-	15,267
Construction	7,348	7,155	10,270	-	10,270
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles and Personal and Household Goods	8,202	7,886	9,119	7,884	9,158
Hotels and Restaurants	9,166	7,765	12,194	8,808	12,218
Transport, Storage and Communications	10,960	9,995	12,155	6,524	12,215
Financial Intermediation	13,937	11,409	15,057	-	15,057
Real Estate, Renting and Business Activities	6,764	6,749	9,213	15,092	8,985
Private Education Services	13,590	12,736	15,125	10,336	15,132
Health and Social Work except Public Medical, Dental and Other Health Services	9,227	7,569	10,436	-	10,436
Other Community, Social and Personal Service Activities	7,784	7,394	10,632	-	10,632

**Table A - MEDIAN MONTHLY BASIC PAY OF TIME-RATE WORKERS ON FULL-TIME BASIS
BY INDUSTRY AND SELECTED ESTABLISHMENT CHARACTERISTICS,
METRO MANILA: JUNE 2002 (cont'd.)**

*(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.)
(in pesos)*

Industry	Ownership		Spread of Operations		Type of Market ¹	
	Wholly Filipino	With Foreign Equity	Multinational	Not Multinational	Domestic Market Only	Export-Oriented
All Industries	7,798	10,568	12,094	7,817	7,568	7,870
Mining and Quarrying	15,205	15,083	15,194	-	-	-
Manufacturing	7,549	8,068	8,662	7,522	7,568	7,870
Electricity, Gas and Water Supply	15,362	15,007	15,073	15,305	-	-
Construction	7,186	9,021	10,679	7,242	-	-
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles and Personal and Household Goods	7,804	12,748	14,788	7,730	-	-
Hotels and Restaurants	8,201	11,359	11,664	7,987	-	-
Transport, Storage and Communications	9,919	17,001	12,869	9,950	-	-
Financial Intermediation	13,333	15,408	15,079	13,425	-	-
Real Estate, Renting and Business Activities	6,610	15,545	15,186	6,642	-	-
Private Education Services	13,536	15,001	13,861	13,579	-	-
Health and Social Work except Public Medical, Dental and Other Health Services	9,032	10,340	9,823	9,179	-	-
Other Community, Social and Personal Service Activities	7,767	8,142	8,577	7,781	-	-

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. Unlike the previous rounds of the Occupational Wages Survey that were conducted nationwide, the data collection for the 2002 survey was limited to Metro Manila due to budget cuts. As such, the data are not comparable to those of previous survey rounds.

¹ Monitored in manufacturing establishments only.

Source of data: Bureau of Labor and Employment Statistics, 2002 Occupational Wages Survey.

**Table B - MEDIAN MONTHLY ALLOWANCE OF TIME-RATE WORKERS ON FULL-TIME BASIS
BY INDUSTRY AND SELECTED ESTABLISHMENT CHARACTERISTICS, METRO MANILA: JUNE 2002**

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

(in pesos)

Industry	All Types	Unionism			
		Without Union	With Union		
			Total	Without CBA	With CBA
All Industries	906	895	925	900	926
Mining and Quarrying	1,153	1,142	1,519	-	1,519
Manufacturing	859	868	852	896	849
Electricity, Gas and Water Supply	3,080	1,009	3,091	-	3,091
Construction	882	879	913	-	913
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles and Personal and Household Goods	886	876	918	898	920
Hotels and Restaurants	1,061	940	3,031	1,403	3,032
Transport, Storage and Communications	1,086	1,029	1,104	925	1,104
Financial Intermediation	1,032	944	1,080	-	1,080
Real Estate, Renting and Business Activities	891	885	1,141	1,133	1,141
Private Education Services	1,087	1,390	887	-	887
Health and Social Work except Public Medical, Dental and Other Health Services	903	886	916	-	916
Other Community, Social and Personal Service Activities	2,825	1,762	3,040	-	3,040

Table B - MEDIAN MONTHLY ALLOWANCE OF TIME-RATE WORKERS ON FULL-TIME BASIS BY INDUSTRY AND SELECTED ESTABLISHMENT CHARACTERISTICS, METRO MANILA: JUNE 2002 (cont'd.)

(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.)

(in pesos)

Industry	Ownership		Spread of Operations		Type of Market ¹	
	Wholly Filipino	With Foreign Equity	Multinational	Not Multinational	Domestic Market Only	Export-Oriented
All Industries	902	925	1,029	895	928	851
Mining and Quarrying	1,150	1,333	1,153	-	-	-
Manufacturing	860	855	836	862	928	851
Electricity, Gas and Water Supply	3,080	3,081	3,097	3,075	-	-
Construction	877	944	968	880	-	-
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles and Personal and Household Goods	868	1,160	1,435	869	-	-
Hotels and Restaurants	964	3,100	3,100	938	-	-
Transport, Storage and Communications	1,089	1,071	1,110	1,068	-	-
Financial Intermediation	1,130	924	962	1,088	-	-
Real Estate, Renting and Business Activities	879	1,147	1,885	880	-	-
Private Education Services	1,130	793	3,005	1,087	-	-
Health and Social Work except Public Medical, Dental and Other Health Services	884	1,098	1,811	895	-	-
Other Community, Social and Personal Service Activities	3,433	903	-	2,825	-	-

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. Unlike the previous rounds of the Occupational Wages Survey that were conducted nationwide, the data collection for the 2002 survey was limited to Metro Manila due to budget cuts. As such, the data are not comparable to those of previous survey rounds.

¹ Monitored in manufacturing establishments only.

Source of data: Bureau of Labor and Employment Statistics, 2002 Occupational Wages Survey.