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(A Statistical Digest on Labor Cost)

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Labor Cost in the Philippines (Thirteenth of a fourteen-part series)

*Last year, the Bureau of Labor and Employment Statistics undertook a nationwide Labor Cost Survey (LCS) that covered **non-agricultural establishments employing at least 20 persons**. The inquiry fills one of the important gaps in the statistical measurement of wages in the country. Thus, it supplements the other statistical undertakings that collect data on wage rates, earnings and compensation of employees.*

The LCS aims to measure the level and composition of labor cost in the Philippines and the evolution of the cost components over time. The reference period of the first LCS is calendar year 1998 and the periodicity of the survey is every four (4) years. The second LCS will be conducted in 2003 with 2002 as reference year.

*This part of the series focuses on the main labor cost components in **private health and social work services**. Statistics on the sub-components are available at the Bureau upon request.*

Major Labor Cost Components

- Direct wages and salaries accounted for more than seventy-nine percent (79.2%) of ₱5,501 million labor cost recorded in 1998 for establishments in private health and social work services. The rest of the labor costs were shared by employer's social security expenditures at 9.7 percent, bonuses and gratuities at 6.4 percent and incidental labor costs posted the least share of 4.6 percent.

Annual Labor Cost Per Employee

- Employers in this industry spent ₱103,831 on each of their employees in 1998. By type of disbursement, aforementioned per-employee labor cost included direct wages and salaries of ₱82,266; employer's social security expenditures of ₱10,115; bonuses and gratuities of ₱6,697 and other labor costs of ₱4,753.
- Meanwhile, proportion of bonuses and gratuities to direct wages and salaries was pegged at 8.1 percent.

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TABLE 1. - Percent Distribution of Labor Cost in Private Health & Social Work Services by Major Cost Component, Philippines: 1998
(In non-agricultural establishments employing 20 and over)

Major Cost Component	Amount (P M)	Percent
Total	5,501	100.00
Direct Wages and Salaries	4,358	79.23
Bonuses and Gratuities	355	6.45
Employer's Social Security Expenditures	536	9.74
Others ¹	252	4.58

¹ Include Remuneration for time not worked; Food, drink, fuel and other payments in kind; Cost of workers' housing shouldered by employer; Cost of training; Cost of welfare services; Other costs (cost of work clothes/uniform, transport of workers, travelling expenses, recruitment cost, etc.)

Source of data: Bureau of Labor and Employment Statistics, 1998 Labor Cost Survey.

TABLE 2. - Annual Labor Cost Per Employee in Private Health and Social Work Services by Major Cost Component, Philippines: 1998
(In pesos. In non-agricultural establishments employing 20 and over)

Major Cost Component	Annual Labor Cost Per Employee
Total	103,831
Direct Wages and Salaries	82,266
Bonuses and Gratuities	6,697
Employer's Social Security Expenditures	10,115
Others ¹	4,753

¹ Include Remuneration for time not worked; Food, drink, fuel and other payments in kind; Cost of workers' housing shouldered by employer; Cost of training; Cost of welfare services; Other costs (cost of work clothes/uniform, transport of workers, travelling expenses, recruitment cost, etc.)

Source of data: Bureau of Labor and Employment Statistics, 1998 Labor Cost Survey.