

## WAGE RATES IN INDUSTRIES ... in Benchmark Occupations (Second of a Series)

This issue of the LABSTAT Updates is the second in the series of statistical releases on the results of the 2004 Occupational Wages Survey (OWS) conducted last year in coordination with the DOLE Regional Offices. The OWS is a nationwide survey covering 6,827 non-agricultural establishments employing 50 or more workers. It aims to provide statistics for wage and salary administration and for wage determination in collective bargaining negotiations.

This issue focuses on wage rates of accounting and bookkeeping clerks; and unskilled workers (except janitors, messengers and freight handlers) in 58 industries covered by the survey. As these two occupations are generally found in establishments regardless of economic activity, their wage rates could serve as reference points in wage setting. There is less variability in tasks for accounting and bookkeeping clerks while unskilled workers are positioned at the bottom of the occupational hierarchy.

For purposes of the OWS, accounting and bookkeeping clerks are workers who help with the accounting and bookkeeping records and computations, wages and production cost computations as well as cash payments. Unskilled workers are those who perform simple and routine manual tasks requiring mainly physical effort and little or no previous experience and are not performed by other workers in the establishment.

The average monthly wage rate of accounting and bookkeeping clerks in June 2004 was ₱ 10,794 while unskilled workers reported a wage rate of ₱ 6,661.

### Accounting and bookkeeping clerks in postal and telecommunication services were paid the highest



Recorded at a national average of ₱ 10,794, the monthly wage rates of accounting and bookkeeping clerks varied from ₱ 6,184 (manufacture of articles of bamboo, cane rattan, cork and the like; manufacture of plaiting materials) to as high as ₱ 20,780 (postal and telecommunications services) across the 58 sub-industries covered by the nationwide 2004 Occupational Wages Survey (OWS) conducted last year.

Relative to the major economic activities, electricity, gas and water supply paid the highest wage rate at ₱ 15,143 followed by transport, storage and communication at ₱ 12,901.

On the other hand, establishments in other major industry groups such as hotels and restaurants (₱ 8,654), wholesale and retail trade (₱ 9,141), other community, social and personal service activities (₱ 9,917) and construction (₱ 10,176) paid their accounting and bookkeeping

clerks lower than the national average monthly wage rate for the occupation.

At the sub-industry level, the wage rate of accounting and bookkeeping clerks in metallic ore mining at P12,612 was higher than the P 9,211 paid to their counterparts in non-metallic mining and quarrying.

In manufacturing, workers in establishments engaged in the production of cement and beverages were paid the highest monthly wage rates at P 17,529 and P 17,068, respectively. Least paid were workers in the manufacture of articles of bamboo, cane rattan, cork and the like; manufacture of plaiting materials (P 6,184); recycling (P 7,000); and those in manufacture of wood, wood products except furniture (P 7,064).

Accounting and bookkeeping clerks in the sub-industry electricity, gas, steam and hot water supply was paid higher at P 15,892 compared to P 12,350 given to similar workers engaged in collection, purification and distribution of water.

In the major industry group wholesale and retail trade, workers in the occupation found in sub-industry retail trade (except of motor vehicles and motorcycles), repair of personal and household goods received a lower wage rate at P 7,928 compared to the more than P 10,000 paid monthly to similar workers in the major industry group.

For transport, storage and communication, those in land and water transport were paid relatively less at P 8,224 and P 8,733, respectively. The wage rate of accounting and bookkeeping clerks in

air transport was P 14,940 while that for supporting and auxiliary transport and travel agency activities was P 10,725 and P 20,780 for postal and telecommunication services.

In financial intermediation, the wage rate of the occupation was noted at P 11,576. Less variability in wage rates was noted across its sub-industries as these ranged from P 11,487 (banking institutions) to P 12,481 (insurance and pension funding, except compulsory social security).

Except for the wage rate of accounting and bookkeeping clerks in computer and related activities posted at P 15,073, there was also less variability in wage rates of this occupation across the minor divisions of real estate, renting and business activities. The industry average was P 10,805 while the wage rates of the other sub-industries varied from P 9,066 (renting of machinery and equipment without operator, personal and household goods operator) to P 11,954 (real estate activities).

The coverage of the OWS excludes education and medical/dental/other health services in the public sector. In the sub-industries relating to private education and medical services, wage rates of accounting and bookkeeping clerks were P 11,454 and P 8,499, respectively.

Wage rates of accounting and bookkeeping clerks in other community, social and personal service activities ranged from P 7,819 (other service activities) to P 10,626 (sewage and refuse disposal, sanitation and similar services).

## **Unskilled workers in non-bank financial intermediation highest paid; least paid were those in manufacture of wood and wood products except furniture**



The national average monthly wage rate of unskilled workers (except janitors, messengers and freight handlers) in June 2004 was ₱ 6,661. Unlike the wage rates of accounting and bookkeeping clerks, there was less spread in the wage rates among the major industries and within the minor industries in each major economic activity covered by the OWS.

Considering major industry groups, the highest wage rates for unskilled workers were paid by electricity, gas and water supply (₱ 8,298), financial intermediation (₱ 8,176) and health and social work except public medical, dental and other health services (₱ 8,010). Least paid were unskilled workers in construction (₱ 6,215), real estate, renting and business activities (₱ 6,218) and transport, storage and communication (₱ 6,493). The wage rates of unskilled workers in these major economic activities were lower than the national average for the occupation.

Relative to the minor industry divisions, the wage rate of unskilled workers in metallic ore mining at ₱ 7,201 was also higher than that of workers in the same occupation in non-metallic at ₱ 5,117. The industry average of ₱ 6,766 was slightly higher than the national or all industry average of ₱ 6,661.

The wage rate of unskilled workers in manufacturing at ₱ 6,605 was a few pesos lower than the national average. Within this major industry group, the wage rates for the occupation varied from ₱ 4,829 in

manufacture of wood, wood products except furniture (the lowest wage rate across the 58 industries), to ₱ 9,155 in manufacture of beverages. These two sub-industries also recorded relatively low and high wage rates, respectively, for accounting and bookkeeping clerks.

Unskilled workers in collection, purification and distribution of water sub-industry recorded a wage rate of ₱ 6,452. This was relatively lower than the wage rate of their counterparts in electricity, gas, steam and hot water supply at ₱ 9,019 which was noted to be the third highest wage rate paid to unskilled workers across the 58 industries covered by OWS.

Wholesale trade and commission trade (except of motor vehicles and motorcycles) paid ₱ 8,600 to its unskilled workers, higher than the trade industry average of ₱ 7,024. The other two sub-industries of wholesale and retail trade paid wage rates above ₱ 6,000 but were below the national average.

In transport, storage and communication, wage rates of unskilled workers varied from ₱ 6,185 (land transport) to ₱ 8,497 (air transport).

Wage rates of the occupation in the major industry group of financial intermediation ranged from ₱ 7,303 (activities auxiliary to financial intermediation) to ₱ 9,208 (non-bank financial intermediation), which was the highest wage rate paid across the 58 industries covered by the survey.

Miscellaneous business activities, a sub-industry of real estate, renting and business activities recorded the lowest wage rate for

unskilled workers in this major industry group at ₱ 5,921. The wage rates for the rest of the sub-industries varied from ₱ 7,490 (research and development) to ₱ 8,368 (real estate activities).

Wage rates of unskilled workers in private education services stood at ₱ 7,347.

For other community, social and personal service activities, the wage rate of unskilled workers was ₱ 7,339. The two sub-industries in this major industry group reported a wage rate of ₱ 7,527 (recreational, cultural and sporting activities) and ₱ 6,896 (other service activities).

### **Daily wage rates of unskilled workers higher than minimum wage rates in June 2004**

Unskilled workers are found in the bottom of the pay structure because the work that they do requires mainly physical effort and needs little or no experience to do the job. As such the lowest daily wage rates are paid to unskilled workers. On the other hand, government sets the minimum wage rate as a safety net for these workers who have limited capacities to compete in the wage market.

This section of this report compares the average monthly wage rates of unskilled workers (converted to its daily equivalent) in non-agricultural establishments employing at least 50 workers and the effective minimum wage rates in June 2004, the reference period of the OWS.

The average daily wage rates of unskilled workers in the regions of the country, as reported by the survey, were greater than the prescribed minimum wage rates. Relative to the highest minimum wage rates in each region, the differential was biggest in the Cordillera Administrative Region at around 57

percent of the existing minimum wage rate (₱ 298.66 vs. ₱ 190.00). The differentials in Region XI at 49 percent (₱ 290.57 vs. ₱ 195.00) and Region IVB at 35.8 percent (₱ 266.22 vs. ₱ 196.00) were also substantial. On the other hand, although NCR had the highest average daily wage rate (₱ 308.13) and minimum wage rate (₱ 280.00); only a 10 percent difference in wage rates was registered.

The Autonomous Region of Muslim Mindanao had the lowest daily wage rate and minimum wage rate among regions. It was only in this region where the average daily rate at ₱ 150.10 was lower than the highest minimum wage rate (₱ 175.00) but bigger than its lowest minimum rate at ₱ 129.20.

Noteworthy is Region IX where its daily wage rate was almost the same as its ₱ 180.00 minimum wage rate.

The wage differentials for the rest of the regions varied from 1.4 percent (Caraga) to 14.9 percent (Region V).

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**TABLE 1 - Average Monthly Wage Rates of Benchmark Occupations in Non-Agricultural Industries, Philippines: June 2004**

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

1994 PSIC	Industry	Average Monthly Wage Rates (P)	
		Accounting and Bookkeeping Clerks	Unskilled Workers except Janitors, Messengers and Freight Handlers
	<b>ALL INDUSTRIES</b>	<b>10,794</b>	<b>6,661</b>
<b>C</b>	<b>MINING AND QUARRYING</b>	<b>11,863</b>	<b>6,766</b>
C10	Metallic Ore Mining	12,612	7,201
C11	Non-Metallic Mining and Quarrying	9,211	5,117
<b>D</b>	<b>MANUFACTURING</b>	<b>11,051</b>	<b>6,605</b>
D151-154	Manufacture of Food Products	9,807	6,580
D155	Manufacture of Beverages	17,068	9,155
D16	Manufacture of Tobacco Products	10,364	6,536
D17	Manufacture of Textiles	9,871	6,038
D18	Manufacture of Wearing Apparel	8,989	5,665
D191	Tanning and Dressing of Leather; Manufacture of Luggage and Handbags	9,895	6,161
D192	Manufacture of Footwear	9,246	6,289
D201	Manufacture of Wood and Wood Products except Furniture	7,064	4,829
D202	Manufacture of Articles of Bamboo, Cane, Rattan, Cork and the Like; Manufacture of Plaiting Materials	6,184	5,095
D21	Manufacture of Paper and Paper Products	8,985	5,724
D22	Publishing, Printing and Reproduction of Recorded Media	10,355	7,515
D23	Manufacture of Coke, Refined Petroleum and Other Fuel Products	a	a
D24	Manufacture of Chemicals and Chemical Products	12,908	6,770
D251	Manufacture of Rubber Products	9,505	7,416
D252	Manufacture of Plastic Products	9,639	7,391
D261	Manufacture of Glass and Glass Products	15,064	7,078
D262	Manufacture of Cement	17,529	5,150
D269	Manufacture of Non-Metallic Mineral Products, n.e.c.	9,580	6,144
D27	Manufacture of Basic Metals	10,485	7,014
D28	Manufacture of Fabricated Metal Products, Except Machinery and Equipment	10,683	6,975
D29	Manufacture of Machinery and Equipment, n.e.c.	11,716	6,827
D30	Manufacture of Office, Accounting and Computing Machinery	10,604	6,045
D31	Manufacture of Electrical Machinery and Apparatus, n.e.c.	10,929	5,912
D32	Manufacture of Radio, Television and Communication Equipment and Apparatus	13,245	7,604
D33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks	10,328	7,526
D34	Manufacture of Motor Vehicles, Trailers and Semi-Trailers	11,902	7,559
D35	Manufacture of Other Transport Equipment	11,252	6,244
D36	Manufacture and Repair of Furniture	8,163	6,039
D37	Recycling	7,000	5,608
D39	Manufacturing, n.e.c.	11,345	5,905
<b>E</b>	<b>ELECTRICITY, GAS AND WATER SUPPLY</b>	<b>15,143</b>	<b>8,298</b>
E40	Electricity, Gas, Steam and Hot Water Supply	15,892	9,019
E41	Collection, Purification and Distribution of Water	12,350	6,452
<b>F45</b>	<b>CONSTRUCTION</b>	<b>10,176</b>	<b>6,215</b>

*a Excluded due to non-response of large establishments.*

**TABLE 1 - Average Monthly Wage Rates of Benchmark Occupations in Non-Agricultural Industries, Philippines: June 2004 (Cont'd.)**

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

1994 PSIC	Industry	Average Monthly Wage Rates (P)	
		Accounting and Bookkeeping Clerks	Unskilled Workers except Janitors, Messengers and Freight Handlers
<b>G</b>	<b>WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES AND PERSONAL AND HOUSEHOLD GOODS</b>	<b>9,141</b>	<b>7,024</b>
G50	Sale, Maintenance and Repair of Motor Vehicles and Motorcycles, Retail Sale of Automotive Fuel	12,092	6,626
G51	Wholesale Trade and Commission Trade, Except of Motor Vehicles and Motorcycles	10,269	8,600
G52	Retail Trade, Except of Motor Vehicles and Motorcycles, Repair of Personal and Household Goods	7,928	6,229
<b>H55</b>	<b>HOTELS AND RESTAURANTS</b>	<b>8,654</b>	<b>6,770</b>
<b>I</b>	<b>TRANSPORT, STORAGE AND COMMUNICATION</b>	<b>12,901</b>	<b>6,493</b>
I60	Land Transport, Transport Via Pipelines	8,224	6,185
I61	Water Transport	8,733	7,764
I62	Air Transport	14,940	8,497
I63	Supporting and Auxiliary Transport Activities; Activities of Travel Agencies	10,725	6,424
I64 excl. I6411	Postal and Telecommunications Services except National Postal Activities	20,780	6,289
<b>J</b>	<b>FINANCIAL INTERMEDIATION</b>	<b>11,576</b>	<b>8,176</b>
J65 excl.			
J6510	Banking Institutions except Central Banking	11,487	7,496
J66	Non-Bank Financial Intermediation	11,006	9,208
J67	Insurance and Pension Funding, Except Compulsory Social Security	12,481	7,966
J68	Activities Auxiliary to Financial Intermediation	11,946	7,303
<b>K</b>	<b>REAL ESTATE, RENTING AND BUSINESS ACTIVITIES</b>	<b>10,805</b>	<b>6,218</b>
K70	Real Estate Activities	11,954	8,368
K71	Renting of Machinery and Equipment Without Operator, Personal and Household Goods Operator	9,066	7,533
K72	Computer and Related Activities	15,073	7,858
K73	Research and Development	11,493	7,490
K74	Miscellaneous Business Activities	10,391	5,921
<b>M81</b>	<b>PRIVATE EDUCATION SERVICES</b>	<b>11,454</b>	<b>7,347</b>
<b>N85 excl. N8511</b>	<b>HEALTH AND SOCIAL WORK EXCEPT PUBLIC MEDICAL, DENTAL AND OTHER HEALTH SERVICES</b>	<b>8,499</b>	<b>8,010</b>
<b>O</b>	<b>OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES</b>	<b>9,917</b>	<b>7,339</b>
O90	Sewage and Refuse Disposal, Sanitation & Similar Activities	10,626	b
O92	Recreational, Cultural and Sporting Activities	10,295	7,527
O93	Other Service Activities	7,819	6,896

**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.*

*b occupation not reported.*

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

**TABLE 2 - Average Daily Wage Rates of Unskilled Workers and Minimum Wage Rates  
In Non-agricultural Industries by Region, Philippines: June 2004**

Region	Average Daily Wage Rates of Unskilled Workers <sup>1</sup> (₱)	Minimum Wage Rates (₱) (highest in the region)	Wage Rate Differential <sup>2</sup> (In %)
National Capital Region	308.13	280.00 <sup>a</sup>	10.0
Cordillera Administrative Region	298.66	190.00	57.2
Region I - Ilocos Region	189.43	175.00 <sup>b</sup>	8.2
Region II - Cagayan Valley	191.73	185.00	3.6
Region III - Central Luzon	237.51	228.50	3.9
Region IVA - CALABARZON	253.53	237.00	7.0
Region IVB - MIMAROPA	266.22	196.00	35.8
Region V - Bicol Region	209.18	182.00	14.9
Region VI - Western Visayas	200.28	180.00	11.3
Region VII - Central Visayas	223.90	200.00	12.0
Region VIII - Eastern Visayas	196.10	188.00	4.3
Region IX - Zamboanga Peninsula	179.96	180.00	0.0
Region X - Northern Mindanao	227.08	222.00	2.3
Region XI - Davao Region	290.57	195.00	49.0
Region XII - SOCCSKSARGEN	187.17	180.00	4.0
Caraga	181.50	179.00	1.4
Autonomous Region of Muslim Mindanao	150.10	175.00	-14.2

*Notes: 1. Average daily wage rate refers to basic pay and regular/guaranteed cash allowances.*

*2. Minimum wage rate refers to basic pay and cost of living allowances.*

*a In establishments employing 10 or more workers.*

*b In cooperatives and small manufacturing enterprises.*

*1 Average monthly wage rate of unskilled workers in non-agricultural establishments employing at least 50 workers converted to its daily equivalent, i.e., {(Wage rate x 12)/313}.*

*2 Average daily wage rate of unskilled workers relative to highest minimum wage rate in the region as of June 2004.*

*Sources of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey  
National Wages and Productivity Commission.*