

WAGE RATES IN INDUSTRIES ... in Benchmark Occupations (Third of an 18-Part Series)

This issue of the LABSTAT Updates on the results of the 2006 Occupational Wages Survey (OWS) highlights the wage rates of two occupations considered as benchmark for wage setting. Wage data on accounting and bookkeeping clerks; and unskilled workers (except janitors, messengers and freight handlers) have been collected for all industries covered by the OWS since 2002. The 2006 OWS covered non-agricultural establishments employing 20 persons or more.

In August 2006, the wage rates of accounting and bookkeeping clerks averaged to ₱10,789. On the other hand, the average wage rate of unskilled workers was ₱7,472. The wage rates of these two occupations for the 60 industries surveyed are posted on the BLES website.

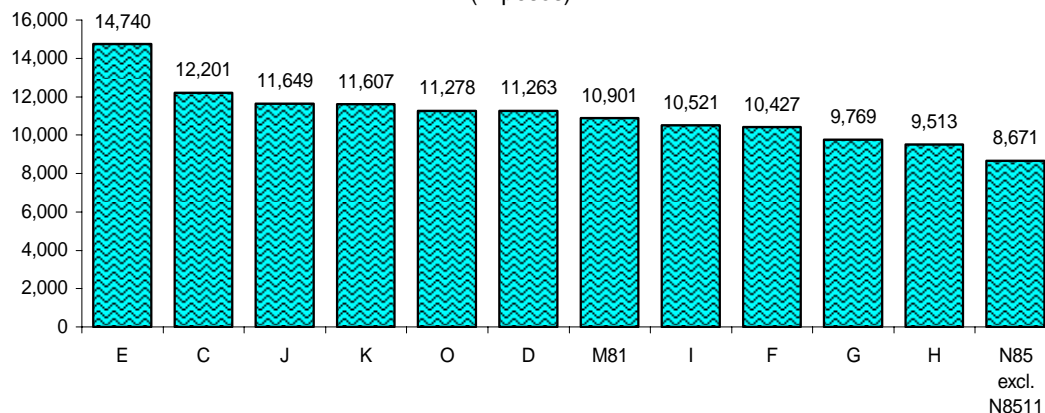
Average monthly wage rate of accounting and bookkeeping clerks was highest in electricity, gas and water supply; lowest in private health and social work activities

As defined in the Occupational Wages Survey, accounting and bookkeeping clerks are those workers who help with the accounting and bookkeeping records and computations, wages and production cost computations as well as cash payments.

In August 2006, electricity, gas and water supply had the highest average monthly wage rate for this occupation at ₱14,740 among the major industry groups. This was followed by the ₱12,201 recorded in mining and quarrying.

These two major industry groups and five others (e.g., financial intermediation; real estate, renting and business activities; other community, social and personal service activities; manufacturing; and private education services) exhibited higher wage rates than the national wage rate of ₱10,789 for the occupation. The least wage rate of ₱8,671 was observed in health and social work except public medical, dental and other health activities. (Figure 1)

FIGURE 1 - Average Monthly Wage Rates of Accounting and Bookkeeping Clerks by Major Industry Group, Philippines: August 2006
(in pesos)



C - Mining and Quarrying

D - Manufacturing

E - Electricity, Gas and Water Supply

F - Construction

G - Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods

H - Hotels and Restaurants

I - Transport, Storage and Communications

J - Financial Intermediation

K - Real Estate, Renting and Business Activities

M81 - Private Education Services

N85 excl. N8511 - Health and Social Work except Public Medical, Dental and Other Health Activities

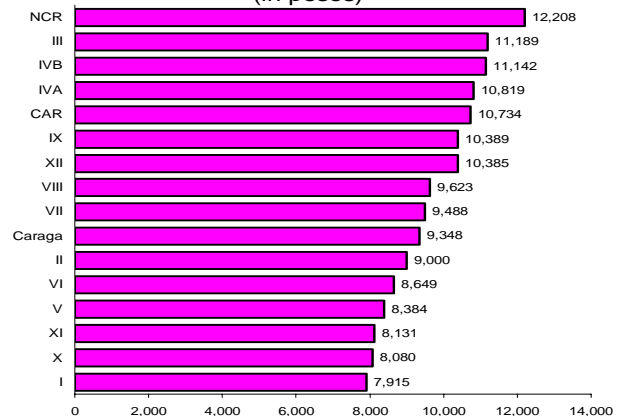
O - Other Community, Social and Personal Service Activities

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

Four regions had higher average wage rates for accounting and bookkeeping clerks than the national average

Except for the National Capital Region (P12,208), Regions III - Central Luzon (P11,189), IVB - MIMAROPA (P11,142) and IVA - CALABARZON (P10,819), the rest of the regions reported lower wage rates than the national monthly average. The lowest rate for the accounting and bookkeeping clerks was posted in Region I – Ilocos Region at P7,915. (Figure 2)

FIGURE 2 - Average Monthly Wage Rates of Accounting and Bookkeeping Clerks by Region, Philippines: August 2006
(in pesos)



Note: ARMM data suppressed due to its low response rate to the survey.

Source of data: BLES, OWS.

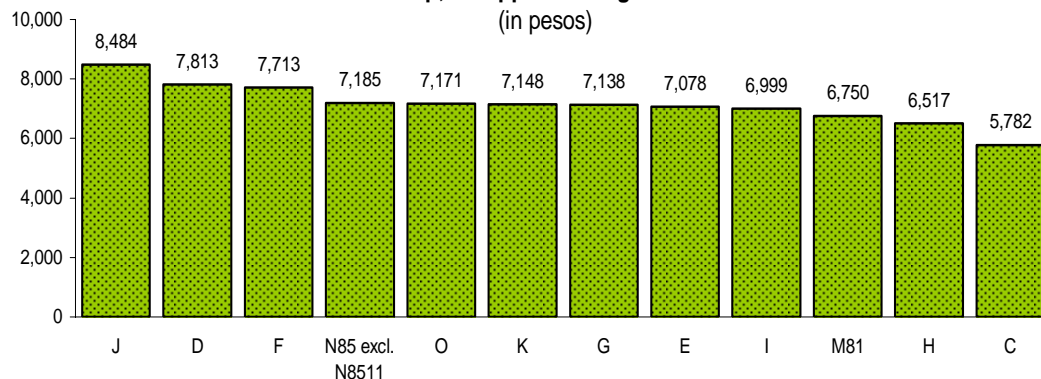
Highest wage rates among unskilled workers noted in financial intermediation; the lowest in mining and quarrying

Unskilled workers (except janitors, messengers and freight handlers) refer to 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.

According to the 2006 OWS, these workers in financial intermediation were paid the highest rate at P8,484. The wage rate received by unskilled workers in manufacturing

at P7,813 came second, higher by only P100 compared to the monthly rate in construction. These three industries revealed higher rates than the national wage rate for unskilled workers of P7,472. It was further observed that very minimal wage gaps existed for the rest of the industries with mining and quarrying recording the lowest wage rate at P5,782. (Figure 3)

FIGURE 3 - Average Monthly Wage Rates of Unskilled Workers by Major Industry Group, Philippines: August 2006
(in pesos)



C - Mining and Quarrying

D - Manufacturing

E - Electricity, Gas and Water Supply

F - Construction

G - Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods

H - Hotels and Restaurants

I - Transport, Storage and Communications

J - Financial Intermediation

K - Real Estate, Renting and Business Activities

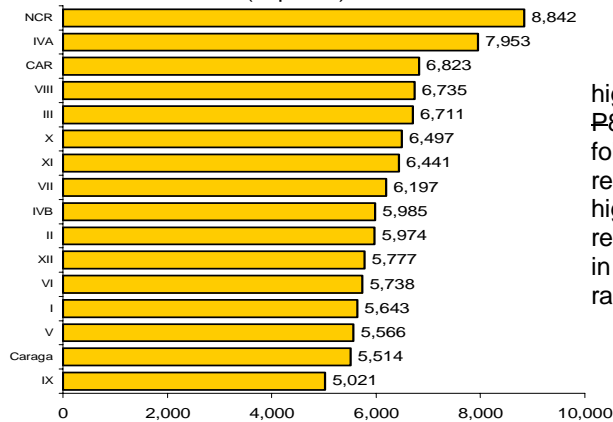
M81 - Private Education Services

N85 excl. N8511 - Health and Social Work except Public Medical, Dental and Other Health Activities

O - Other Community, Social and Personal Service Activities

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

FIGURE 4 - Average Monthly Wage Rates of Unskilled Workers by Region, Philippines: August 2006
(in pesos)



Note: ARMM data suppressed due to its low response rate to the survey.

Source of data: BLES, OWS.

Wage rates of unskilled workers in NCR and Region IVa exceeded the national rate

The National Capital Region had the highest wage rate for unskilled workers at ₱8,842. Region IVa – CALABARZON followed with ₱7,953. These were the only regions with average rates for the occupation higher than the national level at ₱7,472. The rest of the regions exhibited slight differences in their wage rates for unskilled workers which ranged from ₱5,021 to ₱6,823. (Figure 4)

Average daily wage rates of unskilled workers higher than minimum wage rates in six regions

Unskilled workers are in the bottom of the pay structure because they perform work that requires mainly physical effort and needs little or no experience to do the job. On the other hand, the government prescribes minimum wage rates as safety nets for these workers who have limited capacities to compete in the wage market.

From the results of the survey, it was observed that only six regions had higher average daily wage rates than the highest minimum wage rates in the region, namely: Cordillera Administrative Region (₱261.58 vs. ₱235.00), Region II – Cagayan Valley (₱229.04 vs. ₱218.00), Region IVa – CALABARZON (₱304.91 vs. ₱287.00), Region VIII – Eastern Visayas (₱258.21 vs. ₱220.00),

Region X – Northern Mindanao (₱249.09 vs. ₱234.00) and Region XI – Davao (₱246.94 vs. ₱240.00).

The highest wage differential (average daily wage rate relative to corresponding highest minimum wage rate in the region) was recorded in Region VIII at 17.4% while the least at -0.2% was noted in Region IVb – MIMAROPA.

While Region V – Bicol and Region VIII had the same minimum wage rate at ₱220.00, the wage disparity was lower for Region V at -3.0% (average daily wage rate was ₱213.39). (Table 1)

Definition of Terms:

- **Wage rate** refers to the sum of basic pay and regular/guaranteed cash allowances.
- **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.
- **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.

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TABLE 1 - Average Daily Wage Rates of Unskilled Workers and Minimum Wage Rates in Non-Agricultural Establishments by Region, Philippines: August 2006

Region	Average Daily Wage Rates of Unskilled Workers ¹ (₱)	Minimum Wage Rates (₱) (highest in the region)	Wage Rate Differential ² (%)
National Capital Region	338.99	350.00 ^a	-3.1
Cordillera Administrative Region	261.58	235.00	11.3
Region I - Ilocos Region	216.35	225.00	-3.8
Region II - Cagayan Valley	229.04	218.00	5.1
Region III - Central Luzon	257.29	278.00	-7.4
Region IVA - CALABARZON	304.91	287.00	6.2
Region IVB - MIMAROPA	229.46	230.00	-0.2
Region V - Bicol	213.39	220.00	-3.0
Region VI - Western Visayas	219.99	222.00	-0.9
Region VII - Central Visayas	237.58	241.00	-1.4
Region VIII - Eastern Visayas	258.21	220.00	17.4
Region IX - Zamboanga Peninsula	192.50	215.00	-10.5
Region X - Northern Mindanao	249.09	234.00	6.4
Region XI - Davao	246.94	240.00	2.9
Region XII - SOCCSKSARGEN	221.48	224.50	-1.3
Caraga	211.40	214.00	-1.2

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.

3. Average daily wage rate of ARMM suppressed due to its low response rate to the survey.

a In establishments employing 10 or more workers.

1 Average monthly wage rate of unskilled workers in non-agricultural establishments employing 20 or more 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.

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