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WAGE RATES IN INDUSTRIES ...A comparison of the average daily wage rates of unskilled workers and the minimum wage rates (Third of a series)

The Occupational Wages Survey (OWS) is a nationwide establishment survey of the BLES which aims to generate statistics in aid of wage and salary administration and wage determination in collective bargaining negotiations.

The OWS is one of the designated statistical activities per E.O. 352 (s. 1996) that requires the generation of critical data for decision making in the government and the private sector. The data "average monthly occupational wage rates in selected occupations" is among those listed by the Philippine government under the Special Data Dissemination Standard (SDDS) of the International Monetary Fund. The SDDS serves as reference to member countries in the dissemination of economic and financial data to the public.

The 2010 OWS covered non-agricultural establishments employing at least 20 persons in 65 industry groups. Wage rates of time-rate workers on full-time basis were collected for 180 occupations across 46 specific industries. It also inquired on the distributions of time-rate workers on full-time basis along pre-determined basic pay and allowance intervals. These wage distributions led to the determination of the median monthly basic pay and the median monthly allowances in the 65 industry groups. The reference period of the survey was August 2010.

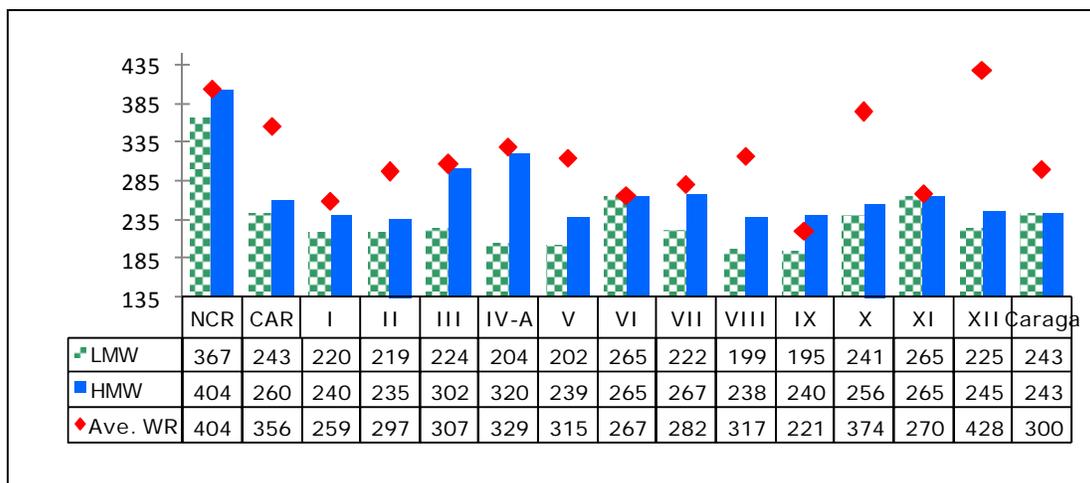
This third issue of LABSTAT Updates compares the average daily wage rates of unskilled workers except janitors, messengers and freight handlers; and the existing minimum wage rates (highest in the region) prescribed by the Regional Tripartite Wage and Productivity Boards. The metadata and the statistical tables of the survey are posted at the BLES website.

Unskilled workers in 13 regions received higher average daily wage rates than the minimum wage rates

Results of the 2010 OWS revealed that unskilled workers in 13 regions in the country received higher daily wage rates than the prescribed minimum wage rates (highest in the region). These regions included CAR, Regions I, II, III, IV-A, V, VI, VII, VIII, X, XI, XII, and Caraga. Average daily wage rates of unskilled workers in these regions fell outside minimum wage bands, i.e., range of lowest to highest minimum wage rates. (Figure 1)

Wage rates in NCR and Region IX fell within the minimum wage bands. Data for Region IV-B and ARMM were suppressed due to low response rates. Factors that could affect the variations in the wage rates of unskilled workers include length of work experience, bargaining negotiations, restructuring, among others.

FIGURE 1 – Average Daily Wage Rates of Unskilled Workers, Lowest Minimum Wage Rates (LMW) and Highest Minimum Wage Rates (HMW) by Region, Philippines: August 2010
(In Pesos; In Non-Agricultural Establishments Employing 20 or More)



Notes: 1. Non-agricultural establishments include sugar mills, retail/service, cottage/handicraft, and private hospitals, which employ at least 20 workers.
2. Average monthly wage rates of unskilled workers in non-agricultural establishments employing 20 or more workers converted to its daily equivalent, i.e., (Wage Rate X 12)/313.

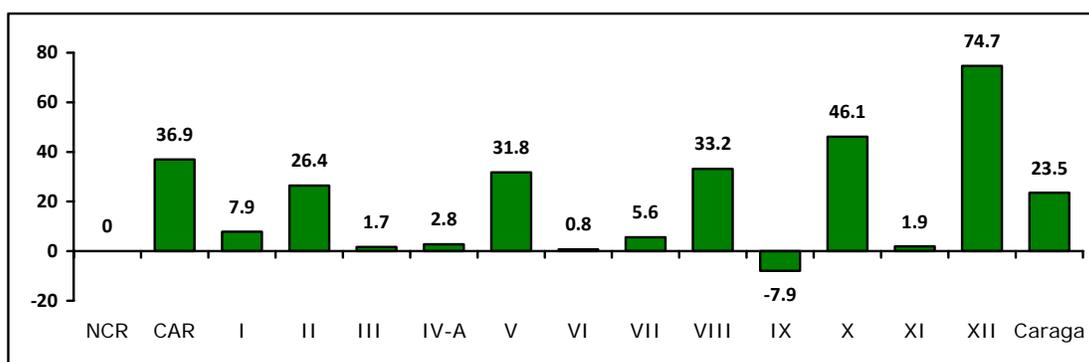
Sources of data: Bureau of Labor and Employment Statistics, 2010 Occupational Wages Survey.
National Wages and Productivity Commission.

Wage differentials of unskilled workers highest in Region XII

Wage differentials in regions with daily wage rates of unskilled workers that exceeded the highest minimum wage rate ranged from 0.8% (Region VI) to 74.7% (Region XII). This means that unskilled workers in Region XII received daily wage that is 74.7% higher than the prescribed minimum wage rates in the

region. On the other hand, only Region IX posted a daily rate of unskilled workers lower than the highest minimum wage rate by 7.9%. This implies that unskilled workers in Region IX had daily wage rate that is 7.9% short of the highest minimum wage rates prescribed in the region. (Figure 2)

FIGURE 2 - Wage Differentials of Average Wage Rate of Unskilled Workers and Highest Minimum Wage Rate by Region, Philippines: August 2010
(In Percent; In Non-Agricultural Establishments Employing 20 or More)



Notes: 1. Data for Region IV-B and ARMM were suppressed due to low response rates.
2. Non-agricultural establishments include sugar mills, retail/service, cottage/handicraft, and private hospitals, which employ at least 20 workers.
3. Wage differentials refer to average daily wage rates of unskilled workers relative to minimum wage rates.

Sources of data: Bureau of Labor and Employment Statistics, 2010 Occupational Wages Survey.
National Wages and Productivity Commission.

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 incurred in conducting the business of the employer; cost of uniform/working clothes; bonuses and gratuities; and family allowances.

FOR INQUIRIES

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