

REPUBLIC OF THE PHILIPPINES
Department of Labor and Employment
National Wages and Productivity Commission
Regional Tripartite Wages and Productivity Board
National Capital Region
Manila

In Re: **PETITION FOR WAGE INCREASE of P 75 DAILY**
AT THE NATIONAL CAPITAL REGION

Trade Union Congress of the Philippines (TUCP).

Petitioner.

X ----- X

PETITION

Petitioner Trade Union Congress of the Philippines (TUCP), by counsel, to this Honorable Board most respectfully states:

1. Petitioner is a duly registered labor organization operating under the laws of the Philippines with affiliated federations whose different locals and chapters are composed of individual workers and employees engaged in all types and sorts of commercial and industrial activities and endeavors across the width and breadth of the Archipelago;

2. In June 1989, Congress passed The Wage Rationalization Act (R.A. 6727) mandating the Regional Tripartite Wage and Productivity Boards (RTWPBs), motu proprio or through petitions, to determine and fix minimum wages and to undertake studies and researches and surveys necessary to the attainment of their functions and objectives. Since the last wage order was issued in October 2001, this Honorable RTWPB has not motu proprio taken any action to increase the current minimum wages, hence, the need for this petition on the part of the TUCP;

3. A P25 daily wage increase that effectively raised the non-agricultural minimum wage to P89 daily was granted nationwide through R.A. 6727. This Honorable Board has been tasked to prescribe the regional daily minimum wage rates in a “fair and equitable manner” since then;

4. Since June 1989 this Honorable Board has granted nine wage increases. From these wage increases, the resulting minimum wage rate that gave the highest value vis-à-vis the Consumer Price Index (CPI) was P118, which took effect on 8 January 1991;

5. Since then the purchasing power has been eroded due to the general increase in prices. The real value of the minimum wage has gone down even with the granting of succeeding wage increases. In this regard, the value of the current minimum wage must be restored to the value of the highest real wage attained since June 1989;

6. Between the periods January 1991 and March 2004 the CPI rose from 68.7 to 179.3 or the equivalent of 2.61 times as follows:

$$179.3 \text{ (CPI in 3/04)} / 68.7 \text{ (CPI in 1/91)} = 2.61$$

[Since the Consumer Price Index (CPI) was re-based from 1988 to 1994, the January 1991 CPI had to be adjusted to 1994 level. This was done by the following computation:

$$\begin{aligned} & \text{[CPI January 1991 at 1994 level} \\ & = \text{CPI January 1991 (88 = 100) / CPI 1994 (88 = 100) x 100} \\ & = 144.2 / 209.8 x 100 \\ & = 68.7] \end{aligned}$$

7. Due to the continuing increases in deregulated oil prices, automatic adjustments in rates of utilities (electricity, water), and the resulting general increases in prices, among others, consumer

prices between April and December 2004 are expected to rise further by another five percent (5%) which, if added to the above 2.61 increase could add up to 2.66 points as follows:

$$\begin{array}{l} 2.61 \text{ (CPI increase from 1/91 to 3/04)} \\ + \text{ .05 (CPI projected increase from 3/04 to 12/04)} \\ \hline 2.66 \text{ CPI increase from 1/91 to 12/04} \end{array}$$

8. On the other hand, the daily minimum wage in non-agriculture for the period January 1991 (P118.00) to March 2004 (P280) increased 2.37 times only. The difference (2.66 - 2.37 = 0.29 times) represents the purchasing power lost by workers;

9. Clearly, as borne out by no less than the above official CPI data, prices would have risen 2.66 times between the period of January 1991 and December 2004, thus requiring an increase of the P118 daily minimum in January 1991 by 2.66 times, thus;

$$P 118 \times 2.66 = P314$$

10. If workers' wages have to keep up with the rise in prices, given the current daily minimum in the National Capital Region is P280, the difference between P314 and P280 or P34 should be added to the minimum wage for agricultural and non-agricultural workers, thus;

$$\begin{array}{l} P 314.00 \\ - \text{ 280.00} \\ \hline P 34.00 \text{ - Increase in minimum wage} \end{array}$$

11. But workers work not only to keep their wages in step with price increases. Workers work to improve their standard of living. Workers have done their share in improving the standards of living in the country, particularly in Metro Manila. It is about time that overall improvements in standards of living in Metro Manila be reflected in the minimum wage;

12. The National Capital Region has been one of the fastest growing regions in terms of economic development. Gross Regional Domestic Product (GRDP) in constant prices increased from

P220,972 million in 1991 to P320,020 million in 2002, averaging a yearly 4.1% growth. Sixty-five (65%) percent of this increase should be reflected in the minimum wage of P118, computed as follows:

$$P118 \times (0.02665 \times 13) = P41$$

We believe this will compensate given the economic developments in the region.

13. The needed minimum wage to restore the purchasing power of the workers' wages to the highest attained real minimum wage and to give them a share in the region's economic development should be P355, computed as follows:

P 280	- current minimum wage
+ 34	- increase necessitated by price increases
<u>41</u>	<u>- increase due to the region's economic development</u>
P 355	- new minimum wage rate

14. If workers' wages have to keep up with the rise in prices, and if workers will be compensated for their contributions to the improvement of the regional economy, considering that the current daily minimum in the National Capital Region is P280, the difference between P355 and P280 or P75 should now be given and awarded as the correct daily minimum wage increase for agricultural and non-agricultural workers;

15. This amount of P75 daily is needed by all employees and workers receiving not only the minimum wage but also for those getting higher than the minimum wage, all of whom are equally disadvantaged by the price-wage developments. The P75 daily increase should be given across the board and regionwide;

16. The P75 daily increase is essential if workers are to cope with the increasing prices of commodities and cost of living, if they are to meet the basic needs of their families, even if only

partially, and if the country is to give meaning and substance to the policy of equitable distribution of income and wealth;

WHEREFORE, petitioner TUCP most respectfully prays for the granting of P75 daily for all workers in the National Capital Region to be given across-the-board and nationwide.

Petitioner prays for any other relief just and proper under the premises.

April 19, 2004, Quezon City, Philippines.

DEMOCRITO T. MENDOZA
President
Trade Union Congress of the Philippines (TUCP)
TUCP Building, Maharlika Ave. cor. Masaya St., Diliman,
Quezon City
CTC No. 02865259
Issued on January 7, 2004
Issued at Cebu City

I, Democrito T. Mendoza, Filipino, of legal age, after having been duly sworn according to law, hereby depose and say: I am the President of the Trade Union Congress of the Philippines (TUCP); I have caused the preparation of the foregoing joint petition; I know the contents thereof to be true and correct of my own personal knowledge.

DEMOCRITO T. MENDOZA

Subscribed and sworn to before me this 19th day of April 2004, at Quezon City, Philippines
affiant exhibiting to me his CTC as indicated below his name.

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