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:  **POSITION FOR WAGE INCREASE of P 238 DAILY,**

**AND A WAGE ADVISORY FOR WORKERS IN BMBEs,**

**AT THE NATIONAL CAPITAL REGION**

This National Center, by this representative, 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 agricultural, industrial, and service activities and endeavors, as well as those in the informal economy and domestic work, across the width and breadth of the Archipelago;

1. 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.

1. R.A. 6727 also granted a P25 daily wage increase that effectively raised the national non-agricultural minimum wage to P89 daily. The law also tasked the Honorable Board to prescribe the regional daily minimum wage rates in a “fair and equitable manner”.

Since then, this Honorable Board issued several wage orders, the latest of which,

Wage Order No. 21. brought the minimum wage in the private sector in NCR to P512 in October 2017.

Those increases, small as they were, and inequitable since time immemorial, have

been overtaken by continuing rapid increases in consumer prices, despite continuing fastest-in ASEAN increases in real gross domestic product (GDP).

1. Workers and their families, despite the Philippines' spectacular gains in GNP, production and productivity, have received little in real wage increases since 1989.

It is only right for wages and wage workers to participate substantially in this

amazing GDP growth and real gains.

The raised wages would also be expected to contribute to rising local demand

for goods and services, in production, and to really sustain economic recovery.

1. Between October 2017 and September 2018, the Consumer Price Index or CPI in the

region rose 6.1 per cent (from 110.3 to 117.0).

This increase in consumer prices requires a P31 increase in wages (P512 x 0.061)

This required adjustmen does not yet include further increases in the prices of rice, bread, canned goods, rents , transport fares, electricity, water and other basic necessities – sure to be generated by supply and other price pressures in the next few months. Tuition in many private schools as usual have been raised at rates more than the general increase in prices.

This, and the pressing need to sustain high economic growth, should impel this Honorable Board to proceed to exercise its wage fixing function;

1. Due to the continuing general increases in prices, among others, consumer prices between September 2018 and March 2019 are expected to rise further by another five percent (5%).

**This would require an additional P27 adjustment in wages.**

**P 512**  **(minimum wage in October 2018)**

**+31**  **(adjustments required from the actual 6.1% increase in prices between October 2017 and Sept 2018) = P543**

**+27**  **adjustment required by the projected 5% rise in CPI between Sept 2018 and March 2019 = P570**

1. In addition, workers work not only to keep their wages in step with price

increases. Workers work to improve their standard of living.

Workers have not raised their living standards for decades; while other sectors have accumulated more and more of the country’s incomes and wealth. This is not progress!

This is not equitable!

Workers have done their share in improving the standards of living in the

country, particularly in National Capital Region. Their own standards of living, however, have not risen.

It is time that overall improvements in standards of living in National Capital Region be reflected in real gains in the minimum wage;

1. The National Capital Region has been among the fastest growing regions in terms of economic development. Gross Regional Domestic Product (GRDP) in constant prices rose an average of a rapid 6.6% yearly in 2010-2017.

***In stark contrast, wages have barely grown in real terms in NCR.***

We ask a mere P6.00 per day share of this huge increase in

economic growth (for the past 30 years) AS EQUITY SUPPLEMENT. This would be equivalent to P180 (P6.00 x 30 years).

We believe this will be a just share given the role of workers in economic

development in real terms in the region, and given the decades the workers have made do without real gains in wages.

1. Thus, the level of minimum wage needed to restore the purchasing power of

the workers’ wages, to give them a share in the region’s economic development, and to build workers’ equity as the economy grows rapidly should be P750, computed as follows:

**This would require an additional P27 adjustment in wages.**

**P 512**  **(minimum wage in October 2018)**

**+31**  **(adjustments required from the actual 6.1% increase in prices between October 2017 and Sept 2018) = P543**

**+27**  **adjustment required by the projected 5% rise in CPI between Sept 2018 and March 2019 = P570**

**+180**  **P6.00 per day, for every year since 1989**

# that there were no increases in real wage

**P 750**  **should be the new minimum wage rate by 2018**

1. If workers’ wages have to keep up with the rise in prices, and if workers will

be compensated for their contributions to the growth of the regional economy, considering the P512 current daily minimum in the National Capital Region, the difference between P750 and P512, or P238, should now be given and awarded as the correct daily minimum wage increase for agricultural and non-agricultural workers;

1. If covered enterprises would find difficulty in meeting the amount in one blow, the Honorable Board could grant this full amount in two tranches.

1. This amount of P238 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 P238 daily increase should be given across the board and region-wide;

All workers in the region, regardless whether they receive minimum wages or higher, are subject to the same prices in the market and the same increases in prices of commodities.

The distortion provision in Wage Orders is cumbersome in implementation,

does not respond to the needs of other workers, and is patently unjust.

1. The P238 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;

**This also represents a step towards the Constitution mandated living wages.**

We most respectfully pray for the granting of P259 daily for all workers in the National Capital Region to be given across-the-board and regionwide.

We also ask this Honorable Board to issue an advisory on suggested increases in wages of workers in BMBEs whose nominal wages have not been covered by Wage Orders for 16 years since the BMBE law in 2002.

We pray for any other relief just and proper under the premises.

October 2018, Quezon City, Philippines.