

**ITUC**  
**On-line Training**  
**7 July 2022**  
**8pm Phil**

# Setting minimum wages at times of accelerating inflation

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Associated Labor Unions –  
Trade Union Congress of the Philippines  
(ALU – TUCP)

# OUTLINE

1. Brief overview: Philippine Minimum Wage Setting
2. Inflation Trends
3. Other relevant policies to support households meet rising living costs



# LEGAL FRAMEWORK relative to WAGE

- Sec. 3, Article XIII of the 1987 Constitution of the Republic of the Philippines specifically mentions Filipino workers' entitlement to a living wage.
- Title II, Book Three of the Labor Code of the Philippines, as Amended, refers to minimum, fair and reasonable wage rates
- Republic Act 6727 or the Wage Rationalization Act of 1989, provides for minimum wage determination; identifies “The demand for living wage,” as a standard/criteria



## MINIMUM WAGE DETERMINATION MECHANISM



The NATIONAL WAGES and PRODUCTIVITY COMMISSION (NWPC) is an attached agency of the Department of Labor and Employment

That formulates policies and guidelines on wages, and exercises supervision over the 17 REGIONAL WAGES AND PRODUCTIVITY BOARDS (RTWPBs).

RTWPBs are mandated to determine and fix minimum wage rates in their respective regions.

Both institutions have tripartite composition.



Public consultations or hearings are conducted .

The Board deliberates and issues a Wage Order.

Aggrieved party may file an appeal with the NWPC through the Board within 10 days from the date of publication of the Wage Order.





- Grounds for appeal: (1) non-conformity with prescribed guidelines and/or procedures; (2) question of law; (3) grave abuse of discretion
- Employers may apply for wage order exemption under Rules of Exemption: (1) distressed establishments; (2) new business enterprise; (3) retail/service establishments employing not more than 10 workers; (4) establishments adversely affected by natural calamities



# Frequency of Wage Order

*Sec.3, Rule IV, NWPC Guidelines No. 01 Series of 2007*

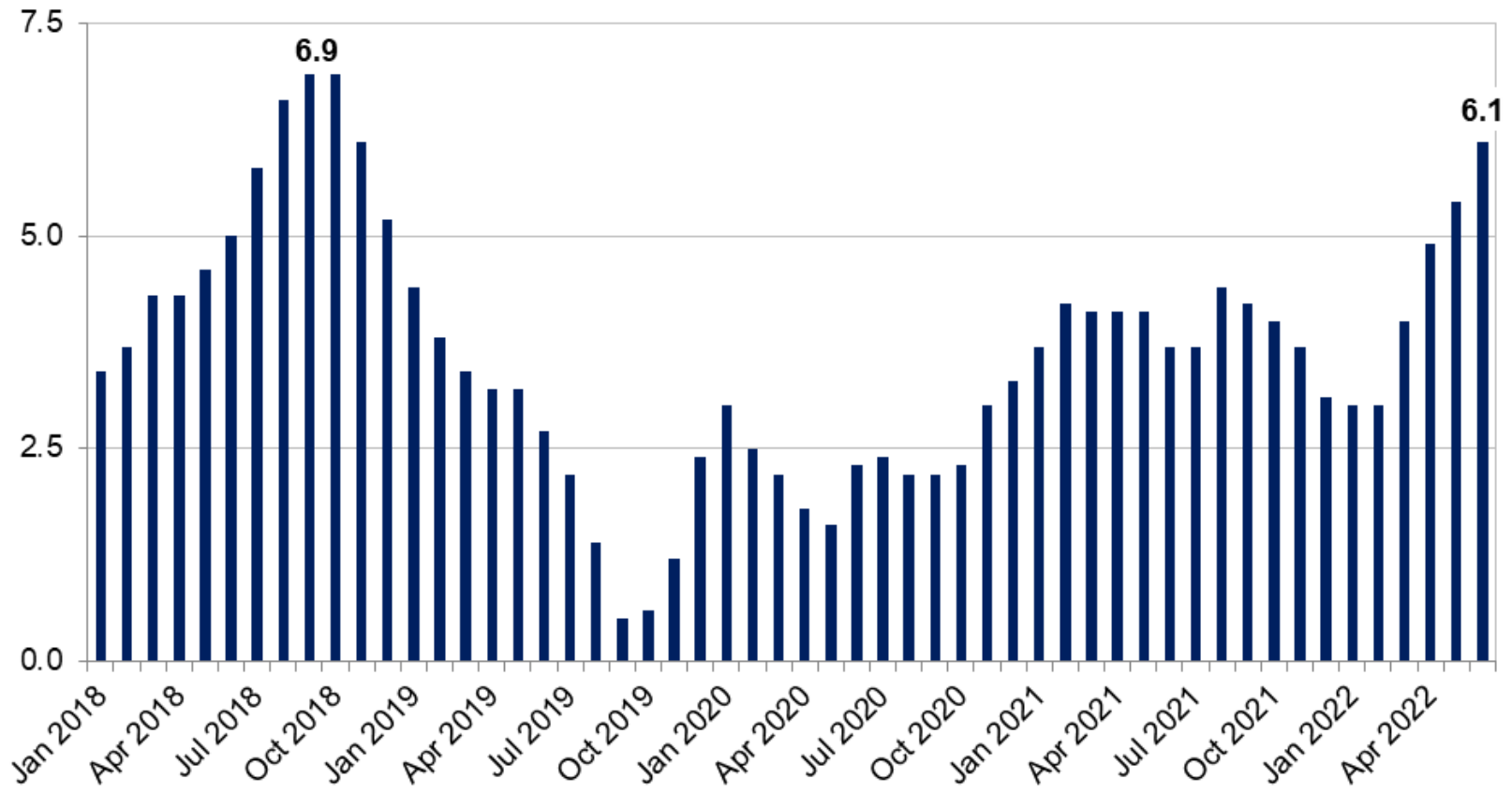
once a year (in reality sometimes none) except when there are supervening conditions, such as extraordinary increase in prices of petroleum products and basic goods/services.



# Year on year inflation rates in the Philippines (2018=100)

## All items

January 2018–June 2022

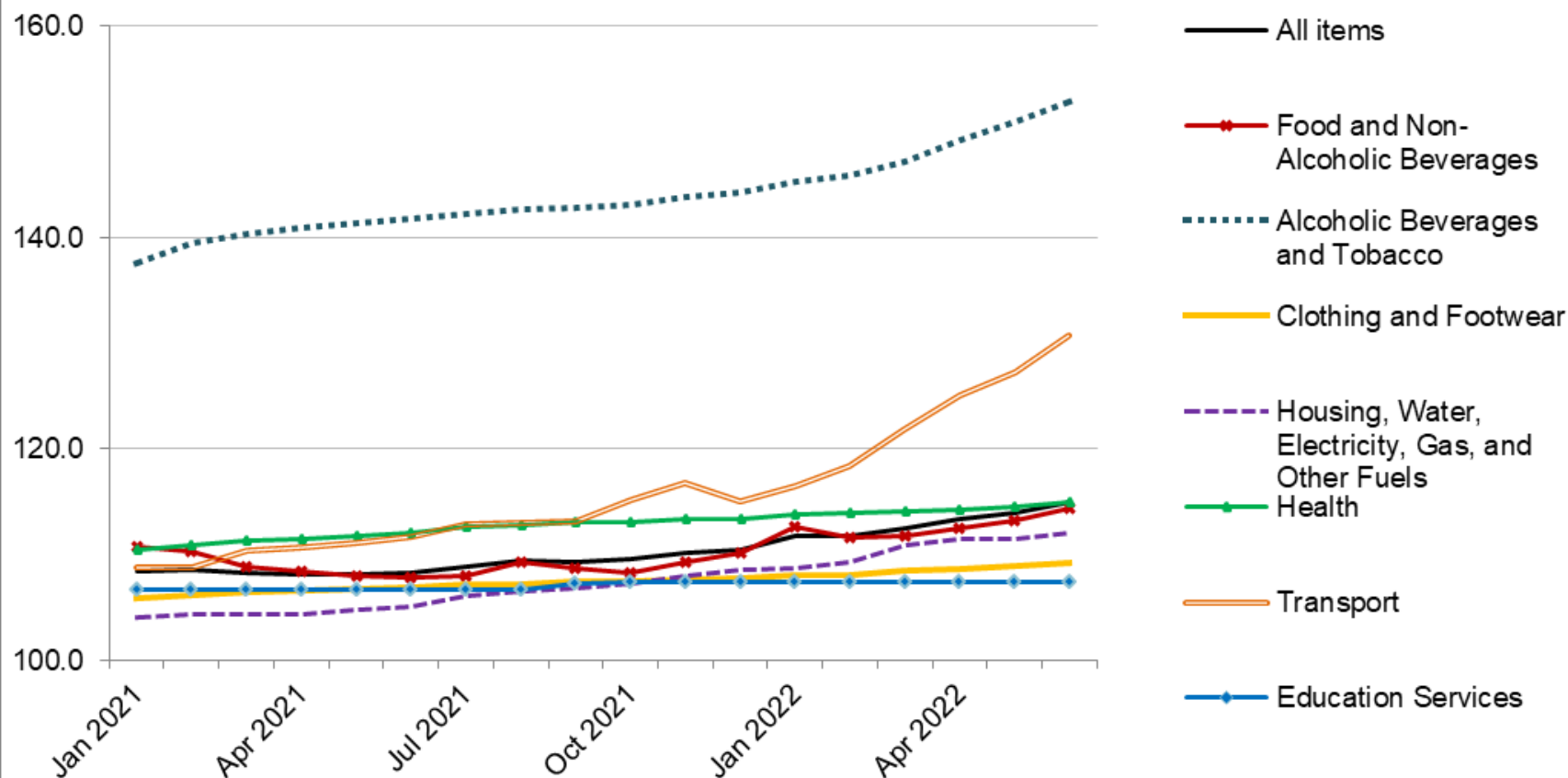




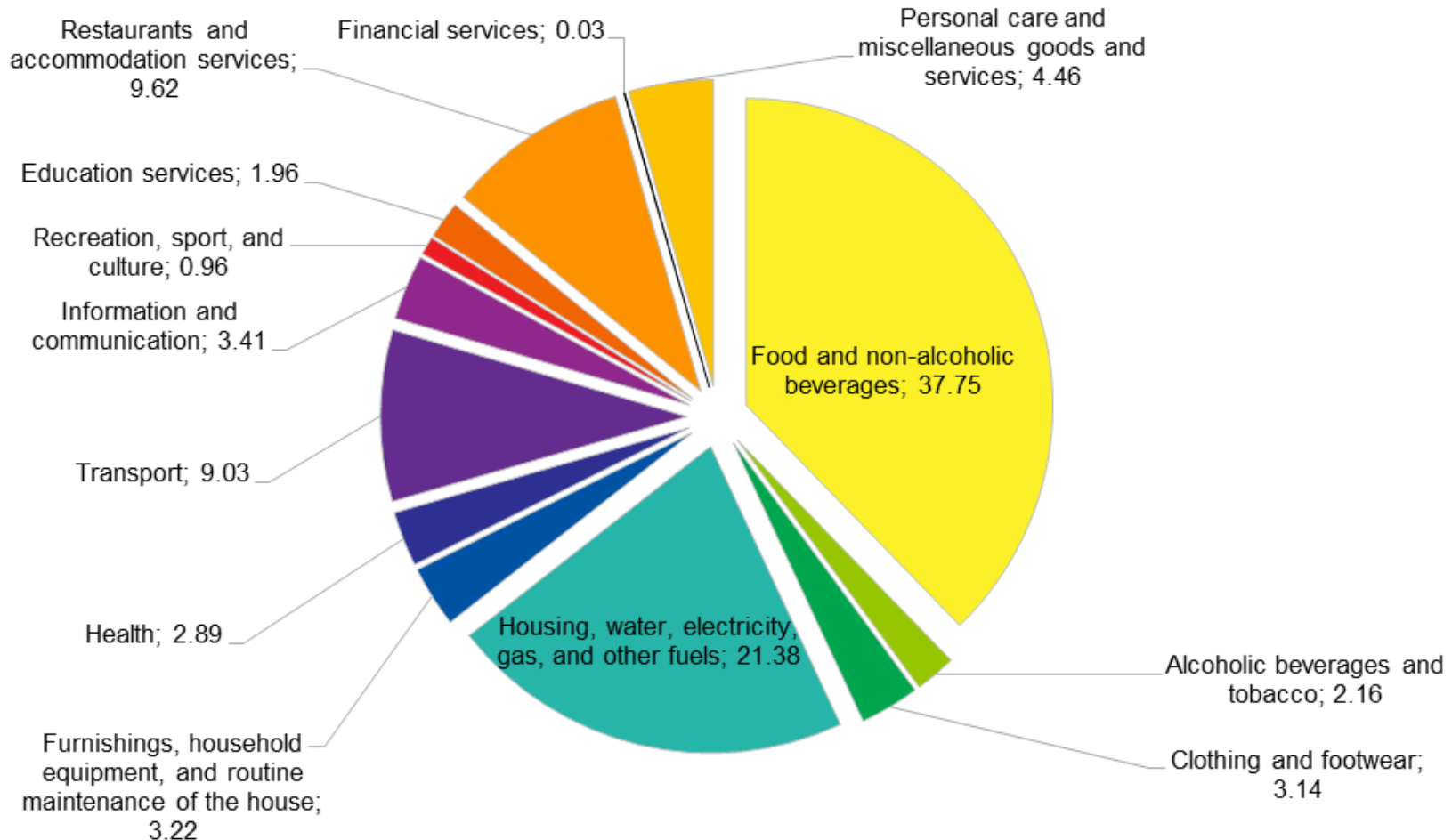
## Consumer price indices in the Philippines (2018=100)

### Select commodity groups

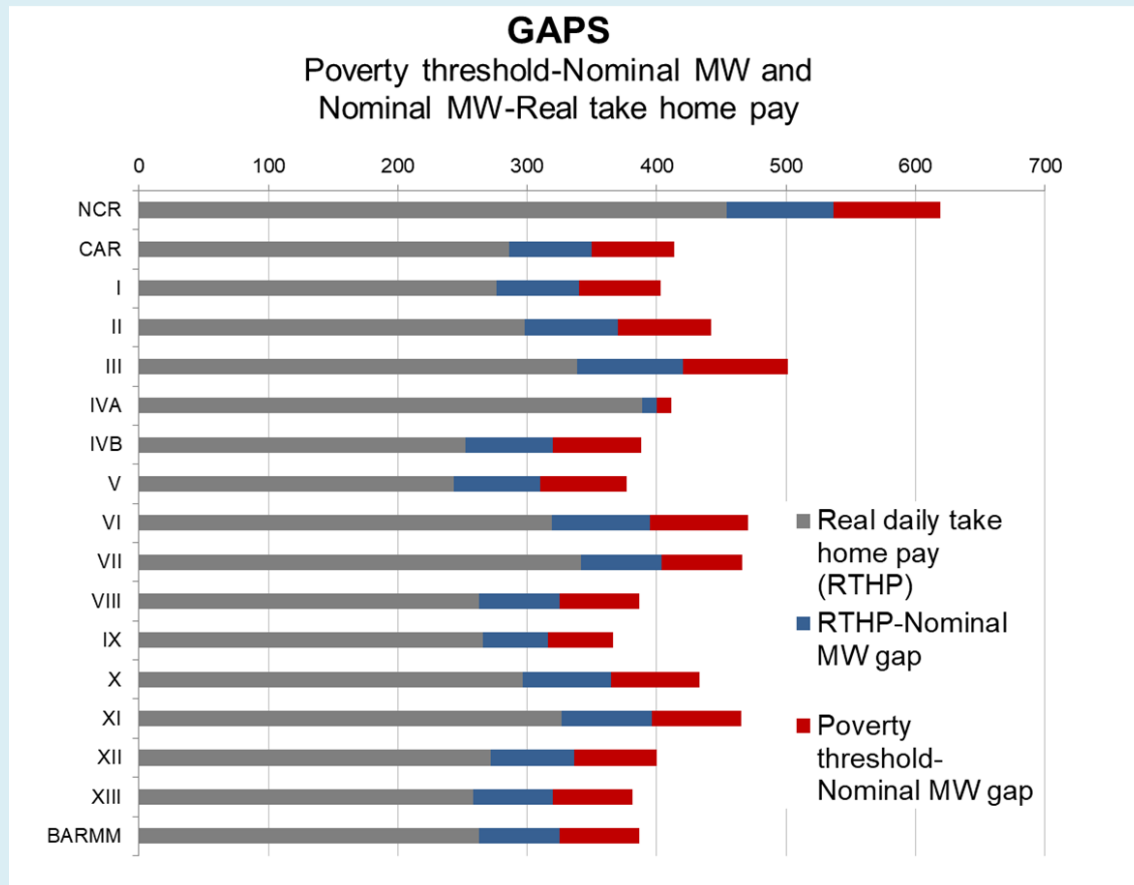
January 2021–June 2022



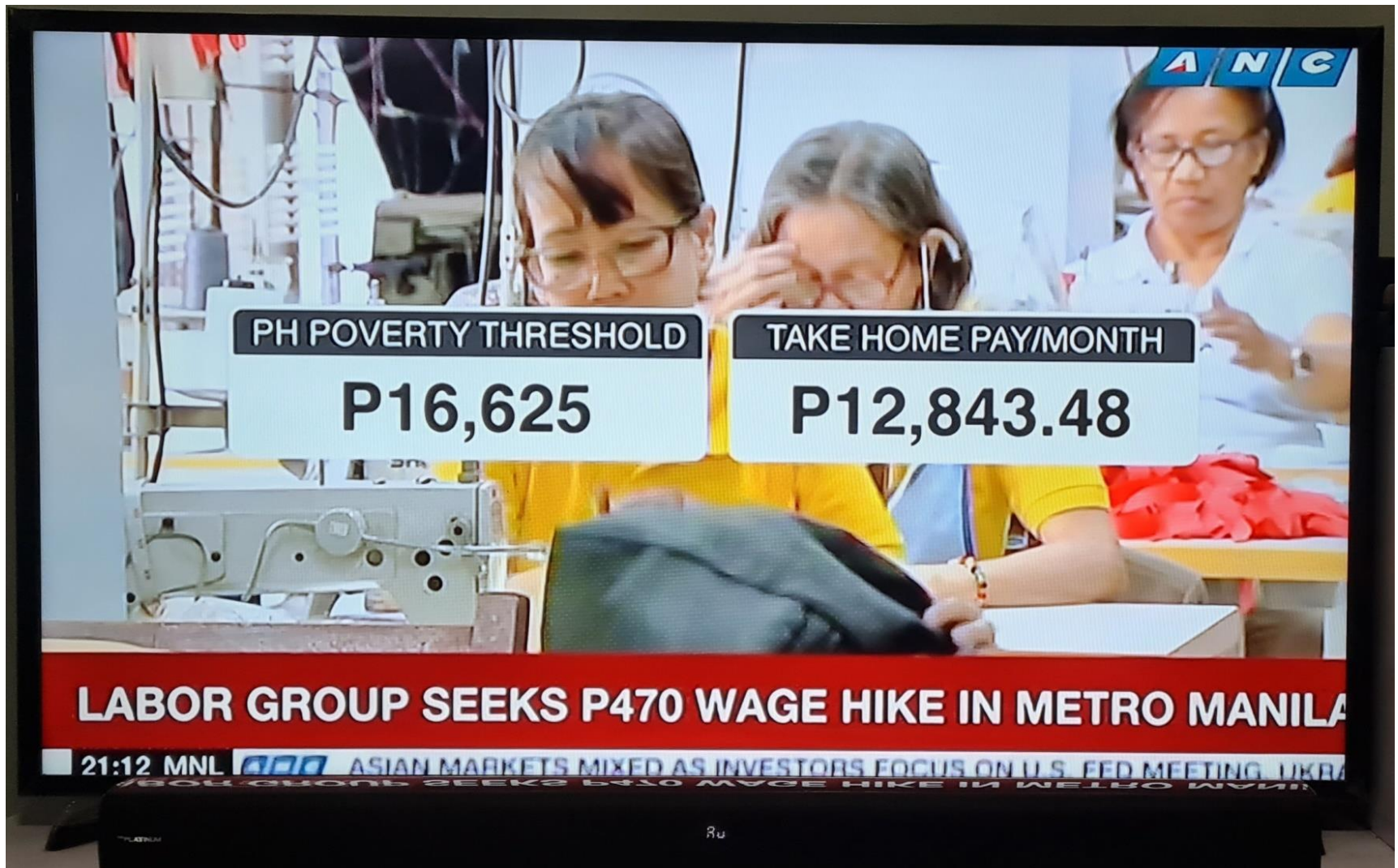
## 2018-based CPI market basket Philippines



# Real data: Difference between nominal and real take home pays (blue bars)



TUCP uses related economic measures  
in Minimum Wage Petitions  
1) Nominal vs. Real Wages 2) Poverty Thresholds





# TUCP uses related economic measures in Minimum Wage Petitions

## 3) Government model meal per person vs. Nutritionally deficient meal budget from Minimum Wage

### PINGGANG PINOY®

Icons for Specific Population Groups



Development of *Pinggang Pinoy* for specific population groups was spearheaded by FNRI in 2015 and was launched at the 61<sup>st</sup> NDAP Convention in 2016

ITAAS ANG P10-P12  
NA BUDGET PER MEAL!  
ITAAS ANG SAHOD!



PATAS-AN ANG P11  
PRESUPUESTO CADA  
COMIDA CADA PERSONA  
PATAS-AN  
ANG SWELDO!



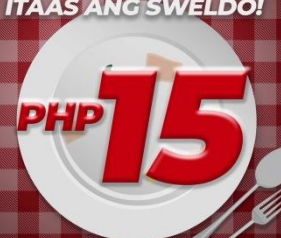
ITAAS ANG P12-P13  
NA BUDGET PER MEAL!  
ITAAS ANG SAHOD!



ITAAS ANG P14 NA BUDGET  
PER MEAL PER PERSON  
ITAAS ANG SWELDO!



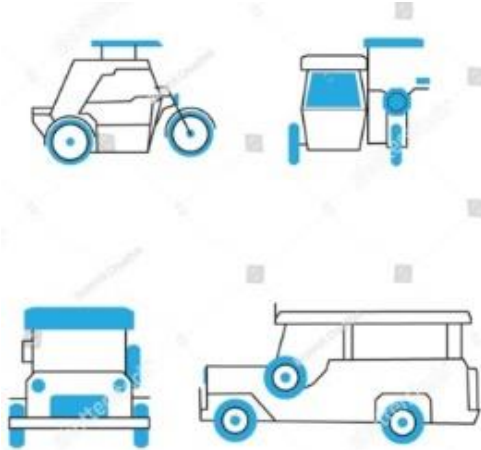
ITAAS ANG P15 NA BUDGET  
PER MEAL PER PERSON  
ITAAS ANG SWELDO!



ITAAS ANG P20 NA BUDGET PER MEAL  
ITAAS ANG SAHOD!



## 4) BUDGET FROM MINIMUM WAGE FOR NON-FOOD NEEDS





# STRUGGLES

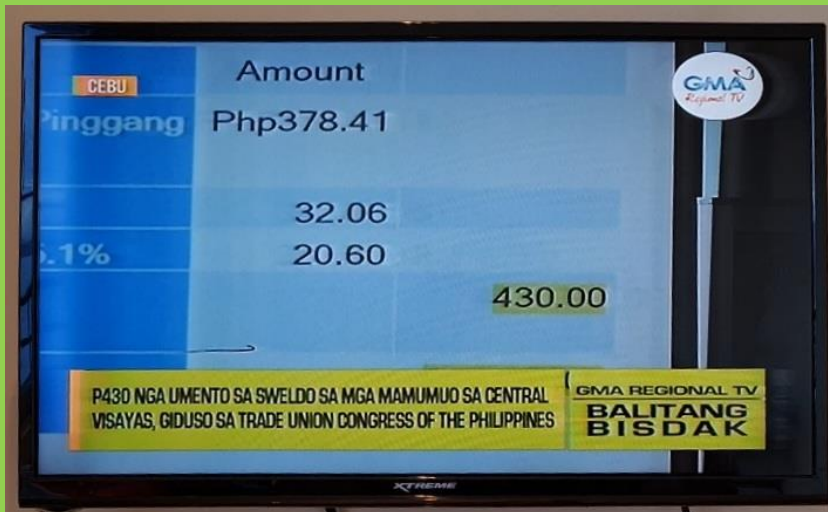
Eroded wage value

Low take home pay

Minimal amount of wage adjustments

Meager wage adjustments in tranches

Just distribution of economic gains



# STRUGGLE WITH MANAGEMENT ATTITUDE

“Not the appropriate time.”

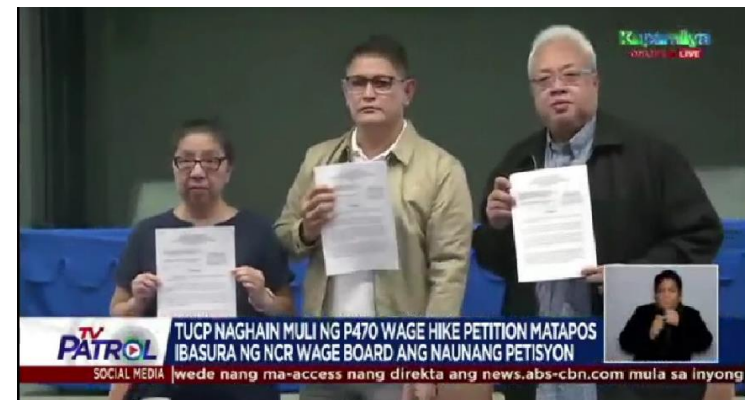
“Workers are asking for the moon.”

“Companies will close.”

“Workers will lose their jobs.”

“We will scare investors.”

“Wages in other countries are cheaper.”





# Getting broader workers & public support thru multi-media advocacy

PHILIPPINE DAILY INQUIRER  
BALANCED NEWS • FEARLESS VIEWS  
OPINION: FIVE WAYS FORWARD

## OIL FIRMS SET BIGGEST INCREASE IN PUMP PRICES

Energy Secretary Alfonso Cusi says President Duterte has called for a meeting today to tackle additional measures to cushion the impact of rising fuel costs. Claimer for energy conservation measures.

EVERY DROP COUNTS

GAAS

THAILAND LAYS OUT BUFFET FOR ELEPHANTS

EDITORIAL: MIDNIGHT APPOINTMENTS

BOMBONG, SARA STILL LEAD PULSE ASIA SURVEY

DFA summons envoy over Chinese ship

AFP open to probe of teacher's death

Ginebra Kings face old tormentor TNT

Sue Ramirez plays the 'other woman'

TUESDAY, MARCH 16, 2021  
WWW.INQUIRER.NET

NEWS

A3

## TUCP: Metro workers need P1K daily

FROM A1

Last week, Labor Secretary Silvestre Bello III ordered all wage boards nationwide to study the possibility of increasing the daily minimum pay for workers. Current minimum wages in the region, which range from P260 to P300, took effect between 2018 and 2020.

Bello said the "skyrocketing" prices of oil products caused by the ongoing conflict between Russia and Ukraine may be a compelling ground for the wage boards to recommend adjustments in the minimum wages of workers.

Other proposals include that of labor group Kilusang Mayo Uno, which pressed earlier its 2019 petition to set the mini-

imum wage in NCR at P350. The Makabuhay bloc in the House of Representatives also wants P350, but this time as a uniform daily minimum wage nationwide.

Adjusted for inflation The TUCP said it hasn't proposed an increase on the workers' minimum food and nonfood requirements, as well as on inflation. A minimum wage earner's daily take-home pay of P450, after mandatory deductions, has a value of P450 when adjusted for inflation, the labor confederation said.

Thus, a monthly take-home pay of P13,500 for minimum wage earners in NCR only has a purchasing power of P13,500, the group noted.

That take-home pay is "far below" the official poverty threshold for a family of five in the capital region, which is P6,000 monthly, the TUCP said. "Our minimum wage earners and their families have fallen from the category of low-income to newly poor," said TUCP president Raymond Mendona. "There is an urgent need for the wage board to act on our petition immediately. This is a race against time for the survival of millions of workers and their families who fell through the cracks and became the newly poor of our society," he added.

But Presidential Adviser for Employment, Job Creation and Skills Development, Jose Corpuz can said only big companies that managed to hold on during the COVID-19 pandemic should be able

to afford wage hikes. "Of course, the large corporations can afford it more, but the small to medium enterprises, they will have... difficulty because they were the ones that were really affected," he said at Monday's Laging Handa briefing.

Microenterprises Sergio Ortiz-Luis Jr., president of the Employers' Confederation of the Philippines, said at Saturday's Laging Handa briefing that a new hike might affect about 90 percent of businesses, which he noted were mostly microenterprises that could not even provide last year's 13th month pay to their workers.

Corpuz said that instead of raising minimum wages, businesses would rather observe

how high oil prices would go up while the government steps in to control inflation through other means, such as the removal of excise on fuel and the distribution of financial aid to affected sectors. "I think we are not yet sure about the prices [of fuel] because the increase is sudden due to the conflict. Now, if the conflict is resolved, then all prices [of commodities] will go down," he said, referring to the fighting in Ukraine which threatens to split over its borders and expand the war.

He argued that "if we increase the wage, what's been given can no longer be withdrawn. So I think the government and the private sector will have to hold more discussions here."

hike is not going to happen. I'm just saying, let us give it some time. It's [been] brought forward, so we'll see what its impact will be to the businessmen... So we have to compute what is the effective increase [of the average worker]," Concepcion said.

In a statement on Sunday, Atty. Gen. Jose Salceda warned against a further rise in bread prices as the conflict in Ukraine drags on.

"We already expect some 1.3 million Filipinos to become poorer as a result of higher oil prices this year. Hunger may become more pervasive, too, if wheat price increases do not see some abatement over the coming weeks," warned Salceda, the House tax chief—see A1.

## AFP TO COOPERATE IN PROBE OF CLASH

FROM A2

Duterte said the autopsy only provided information that the cadaver bore gunshot wounds but could not "conclude

the university of the Philippines. He was a former volunteer teacher for Alabado, one of the 14 students in Mindanao shot down by the Department of Education, after it was tagged by the military as a recruitment ground for

Bulagna, 45, and two other companions identified as Tirso Alar and Robert Aragon. On Feb. 24, the five were killed in what the military said was an "encounter" in Barangay Andap in New Bataan. Bello's colleagues at SOS

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ITAA'S ANG SWELDO! PHP 17

SEC. BELLO: PROSENG NG WAGE HIKE HINDI PWEDENG MADALIIN PARA LANG UMABOT SA LABOR DAY

Para sa Chat at Live Streaming: <https://news.abs-cbn.com/tvpatrol>

ALAN TANJUSAY, EVA ARCOS, LUIS CORRAL

TV PATROL WEEKEND SOCIAL MEDIA

- Bringing the struggle to Philippine Congress





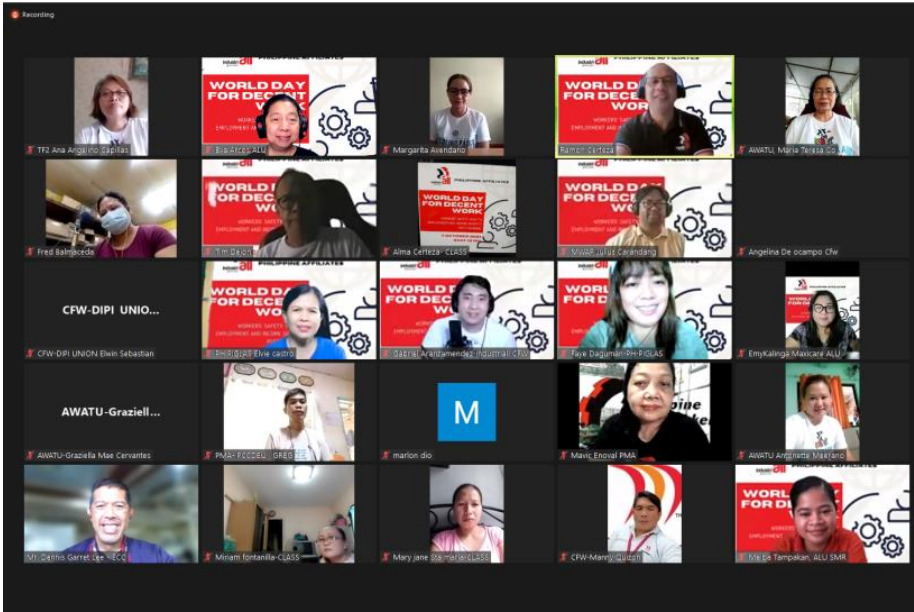
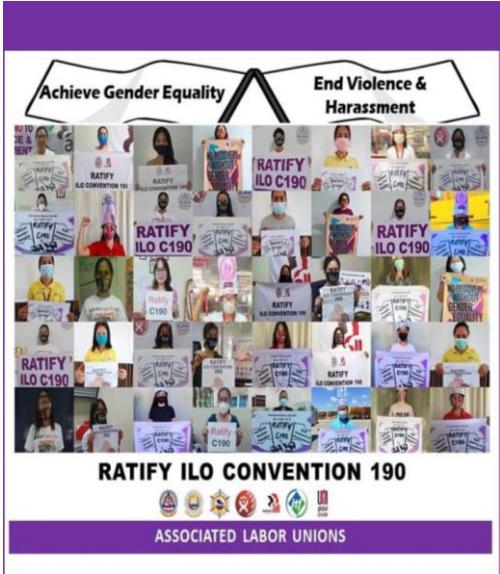
Help INCREASE WORKERS' EMPLOYABILITY & CAPACITY TO BARGAIN FOR DECENT WAGES thru trade skills training & certifications, mainstreaming labor education and social partnerships

TUCP Workers College in Quezon City (National Capital Region) was established in 2006 while

ALU-TUCP Workers Training Center in Cebu City (Region VII) was founded in 2012



## JOINING LOCAL & GLOBAL SOLIDARITY ON LABOR and WOMEN'S CONCERNS





# ORGANIZING, COLLECTIVE BARGAINING & EDUCATING



## RELATED ADVOCACIES TO SUPPORT HOUSEHOLDS IN MEETING RISING COST OF LIVING

Government must protect, facilitate, create, diversify decent jobs, beyond recovery, leaving no one behind;

must put in place enough amelioration programs to help Filipino families meet their basic dietary, health, and education needs.

Aid must not be limited to poor families. Positive effects of financial assistance to poor families are easily offset by low-income earners who have fallen into poverty, or non-poor families at risk of poverty.

Access to adequate social protection, quality social services, income support, low-interest credit facilities, and basic goods and services kept at affordable prices.



## RELATED ADVOCACIES

Vulnerability to supply shocks must be addressed through improvements in agricultural productivity, economic and social infrastructures that are in place, and development of and steady shift to alternative energy sources.

Labor agenda such as increasing workers employability; labor standard-compliant and ease of doing business; promoting decent work; ending widespread contractual, precarious, insecure work; responsive, and fairer minimum wage fixing mechanism; occupational safety and health; gender equality; non-violence in workplaces and communities; respect for freedom of association and collective bargaining, among others.



# THE DECENT WAGE CAMPAIGN CONTINUES

## PORSYENTO NG ITINAAS SA MINIMUM WAGE KADA ADMNISTRASYON

Kapamilya  
ONLINE ► LIVE

	CORY AQUINO	46%
	FIDEL RAMOS	23%
	JOSEPH ESTRADA	26%
	GLORIA ARROYO	12%
	NOYNOY AQUINO	12%
	RODRIGO DUTERTE	9.4%

SOURCE: IBON FOUNDATION



DUTERTE ADMINISTRATION PINAKAKURIPOT PAGDATING  
SA UMENTO SA SAHOD, AYON SA TUCP

SOCIAL MEDIA

Access nang direkta ang [news.abs-cbn.com](http://news.abs-cbn.com) mula sa inyong mga apple at ar