


FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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SENATE

P. S. Rés. No. 21

RECEIVED BY: 

Introduced by Sen. Ralph G. Recto

A RESOLUTION

DIRECTING THE SENATE COMMITTEE ON LABOR AND EMPLOYMENT TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE SUFFICIENCY OF THE P22 MINIMUM WAGE INCREASE IN THE NATIONAL CAPITAL REGION, IN LIGHT OF DEMANDS FROM MILITANT GROUPS FOR A P75 TO P125 DAILY ACROSS THE BOARD LEGISLATED WAGE HIKE WITH THE END VIEW OF ENSURING THAT THE WAGE INCREASE IS COMMENSURATE TO THE NEEDS OF WORKERS AND THEIR FAMILIES, AND THE ABILITY OF EMPLOYERS/INDUSTRIES TO PAY

WHEREAS, since 1989, the Regional Wages and Productivity Boards, referred to as Regional Boards and located in each of the sixteen (16) regions of the country, is mandated to prescribe the minimum wages for workers in the private sector by virtue of Republic Act 6727, otherwise known as the "Wage Rationalization Act;"

WHEREAS, prior to the enactment of Republic Act 6727, the determination of the minimum wage for workers was done at the national level through acts of Congress or by presidential decrees or executive orders;

WHEREAS, in the determination of regional minimum wages under Article 124 of P.D. 442, as amended by Republic Act 6727, the Regional Boards shall, among other relevant factors, consider the following: the needs of workers and their families, capacity to pay of employers/industry, comparable wages, and requirements for national development;

WHEREAS, in general, the Regional Boards can issue a Wage Order only once in a given year, otherwise, no petition for wage increase may be entertained, except when there is a supervening condition;

WHEREAS, the Wage Orders issued by the Regional Boards may be appealed on the grounds of non-conformity with prescribed guidelines, question of law and grave abuse of discretion;

WHEREAS, the last minimum wage adjustment was given in July 2008 with a P20.00 per day increase;

WHEREAS, on June 2010, Wage Order No. NCR-15 was issued increasing the daily minimum wage of private workers in the National Capital Region (NCR) by P22.00 per day effective July 2010, thereby raising the minimum wage level from P345 to P367 in the agricultural sector, and from P382 to P404 in the non-agricultural sector;

WHEREAS, an estimated 2.8 million minimum wage earners will benefit from the P22-increase;

WHEREAS, as of the second quarter of 2007, employers complying with the mandated minimum wage rate was 85.3% (Philippines) or 3,507 establishments (out of 4,111 inspected); NCR compliance was at 86.6% or 454 compliant establishments;

WHEREAS, as of June 30, 2008, a total of 176 firms (out of 226 applications) have been exempted from compliance with wage orders;

WHEREAS, militant labor groups, such as the Kilusang Mayo Uno and the Partido ng Manggagawa, have been demanding for a P75 to P125 across-the-board wage increase nationwide for workers in the private sector;

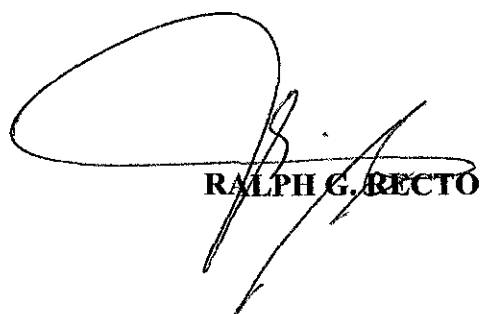
WHEREAS, the Partido ng Manggagawa's own study shows that the cost of living for a family of six in Metro Manila as of April this year has already reached P1,000 a day and that the gap between the P404 minimum wage in the National Capital Region and the present cost of living is P596 or 148-percent of the ordinary wage;

WHEREAS, even if the P75 wage petition is granted by the NCR wage board, such will not be enough to bridge the huge gap between the minimum wage and the cost of living;

WHEREAS, businesses have repeatedly opposed legislated wage hikes, preferring nonwage benefits for workers instead, citing the fragile economic recovery and that any additional labor cost would be passed on to consumers;

Now Therefore, Be It Resolved, by the Philippine Senate, to direct the Senate Committee on Labor and Employment to conduct an inquiry, in aid of legislation, on the sufficiency of the P22 minimum wage increase in the National Capital Region, in the light of demands from militant groups for a P75 to P125 daily across the board legislated wage hike with the end view of ensuring that the wage increase is commensurate to the needs of workers and their families and the ability of employers/industries to pay.

Adopted,


RALPH G. RECTO