

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Regional Board No. VI
Iloilo City

WAGE ORDER NO. RB6-05

INCREASING THE COST-OF-LIVING ALLOWANCE IN ALL SECTORS
AND THE BASIC WAGE OF THE WORKERS
IN THE AGRICULTURAL SECTOR OF THE SUGAR INDUSTRY

WHEREAS, the Congress of Active Labor Leaders in Negros Occidental filed a petition for the increase in the daily minimum wage in Region VI by P35.00;

WHEREAS, to address the crisis brought about by the sudden increase in the price of rice, and pending the decision of the Board in the above petition, the Regional Board issued Wage Order Nos. RB6-04 and 04-A providing an emergency relief allowance on September 28, 1995 and December 1, 1995, respectively;

WHEREAS, the purchasing power of the Philippine Peso has been eroded from the time Wage Order No. RB6-03 increasing the minimum wage rates and granting additional Cost-of-Living Allowance was issued on November 17, 1993;

WHEREAS, the prevailing economic conditions in the Region so demand that the workers and their families must be provided with immediate relief measures to enable them to cope with the cost of living without impairing the viability of business and industry;

WHEREAS, the sugar industry, a vital industry in the Region, has somehow recovered thereby warranting the grant of better benefit to the workers therein most particularly in its agricultural sector;

WHEREAS, the prevailing economic situation in other sectors/industry in the Region consisting mostly of small and medium scale enterprises warrants separate solution if only to maintain/sustain the viability of these enterprises;

WHEREAS, the Board recognizes the need to induce industries to invest in the Region;

WHEREAS, the Board is conscious of the need to review *motu proprio* the wage structure in the Region should there be any increase in the consumer price index by more than two (2) per cent per month;

WHEREAS, cognizant of all the above conditions, the Board has to balance the interests of all parties concerned and act accordingly; but, leaving other options open when better economic conditions will prevail.

NOW, THEREFORE, on the above premises and by virtue of the power and authority vested under Republic Act No. 6727 otherwise known as the *Wage Rationalization Act*, the Regional Tripartite Wages and Productivity Board, Region VI, hereby issues this Wage Order.

Section 1. Upon effectivity of this Wage Order, the new minimum wage rates of the agricultural workers in the sugar industry and the Cost-of-Living Allowance (COLA) for all covered workers in the Region receiving a basic wage of not more than P150.00 per day per Wage Order No. RB6-03 shall be as follows:

CLASSIFICATION	Basic	COLA
SUGAR INDUSTRY		
MILLS	P104.65	P25.00
AGRICULTURE		
Plantation with capitalization of more than P1M		
With annual gross sales of P5M or more	88.00	19.50
With annual gross sales of less than P5M	82.00	18.00
Plantation with capitalization of not more than P1M		
Employing at least 20 workers	76.00	16.50
Non-Plantation	70.00	15.50
NON-SUGAR INDUSTRIES		
<i>BUSINESS ENTERPRISES WITH CAPITALIZATION OF MORE THAN P1 MILLION OR EMPLOYING MORE THAN 20 WORKERS</i>		
NON-AGRICULTURE (i.e., Industrial/Commercial)	102.35	24.50
AGRICULTURE		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	86.90	20.50
Plantation with annual gross sales of less than P5M	81.40	19.50
Non-Plantation	64.35	15.50
COTTAGE/HANDICRAFT		
Employing more than 30 workers	73.70	17.50
Employing not more than 30 workers	71.50	17.50
PRIVATE HOSPITALS	93.50	22.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	97.90	23.50
Employing 11 – 15 workers	93.50	22.50
Employing not more than 10 workers	63.80	15.50
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	93.50	22.50
Employing not more than 10 workers	63.80	15.50
<i>BUSINESS ENTERPRISES WITH CAPITALIZATION OF MORE THAN P1 MILLION OR EMPLOYING MORE THAN 20 WORKERS</i>		
NON-AGRICULTURE	86.90	20.50
AGRICULTURE PLANTATION OTHER THAN SUGAR	75.90	18.50
PRIVATE HOSPITALS	82.50	19.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	86.90	20.50
Employing 11 – 15 workers	82.50	19.50
Employing not more than 10 workers	63.80	15.50

Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	82.50	19.50
Employing not more than 10 workers	63.80	15.50

Section 2. The COLA granted under this Wage Order shall not be considered as part of the basic wage of the workers for purposes of computing wage-related benefits such as 13th-month pay, overtime pay, premium pay, holiday pay and night differential pay.

Section 3. All qualified workers paid by results, including those who are paid by piece work, “*takay*”, “*pakyaw*” or task basis, shall likewise be entitled to the increase of the basic wage and the Cost-of-Living Allowance; workers in all other sectors are entitled to the increase of the cost-of-living allowance only.

Section 4. In the case of private educational institutions, this Wage Order shall take effect beginning schoolyear 1996-1997.

Section 5. Wage increases/additional cash allowances, given on or after January 1, 1996 shall be credited as compliance with this Wage Order including those expressly provided for and agreed upon in the collective bargaining agreements. These do not include increases due to promotion, merit, longevity or anniversary. Where said increase/additional cash allowance is less than the wage increase and additional COLA provided herein, the employer shall pay the difference.

Section 6. Exempted from the provisions of this Wage Order are household or domestic helpers and persons in the personal services of another including family drivers. Exemptions of retail/service establishments employing not more than ten (10) workers, distressed establishments, new business enterprises and banks under receivership/liquidation shall be subject to applicable existing rules and regulations. Upon application and approval of the Board, special cases of exemption may be granted to export-oriented industries e.g. ceramics, petroleum dealers and parochial schools in accordance with special guidelines to be issued by the Board subject to the approval of the Commission.

Section 7. In the case of contracts for construction projects and for security , janitorial and similar services, the herein prescribed benefits of covered workers and employees shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principals or clients fail to pay the prescribed allowance, the construction/service contractor shall be jointly and severally liable with the principal or client.

Section 8. In lieu of the COLA prescribed under this Wage Order, employers may grant wage increases which shall be considered as compliance with this Wage Order, provided the amount is not less than what is required herein.

Section 9. Where the application of the wage increase/cost-of-living allowance prescribed herein results in distortion of the pay structure within an establishment, such distortion shall be resolved using the procedure specified under Article 124 of the Labor Code of the Philippines.

Section 10. The Regional Board shall provide the necessary rules and regulations to implement this Wage Order subject to the approval of the Secretary of Labor and Employment.

Section 11. Any employer who refuses or fails to comply with this Wage Order shall be subjected to the penalties as specified under RA. 6727.

Section 12. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts thereof shall remain valid. Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowances or any other benefits under existing laws, decrees, issuances or executive orders and/or under any contract or agreement between workers and employers.

Section 13. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the Region.

Approved. Iloilo City, Philippines, February 21, 1996.

(SGD) VIRGILIO A. SINDICO
Employers' Representative

(SGD) EDGARDO R. BALAJADIA
Workers' representative
I dissent. (See attached dissenting opinion.)

(SGD) JAMES C. LEDESMA, SR.
Employers' Representative

(SGD) WENNIE G. SANCHO
Workers' representative
*I dissent. A P25.00 per day across-the-board
Increase would have been more reasonable.*

(SGD) DOMINIC P. ABAD
Vice Chairman

(SGD) TRUMAN T. CAINGLET
Vice Chairman

(SGD) CARLOS L. BOTEROS
Chairman
Regional Director, DOLE

February 21, 1996

DISSENTING OPINION

1. The 12% additional COLA granted under Wage Order No. WO RB6-05, practically, is not only very minimal vis-à-vis the P35 wage adjustment sought by the labor sector, but much more it does not restore workers' purchasing power to its 1989 level. COLA granted in 1990 and 1993 obviously did not compensate effectively for the lost income of the workers because price increases on the same period outstripped nominal wage increases.
2. The extra 12% COLA even if it is adjusted to the present minimum wage is meaningless considering the daily cost of living which amounts from P200 to P260. This is much higher compared to the present wage rate of P126.85 (12% included) for non-agricultural and P107.40 for agricultural workers. Moreover, independent studies point out that the amount of P260 more or less, is only enough for buying basic food items needed by a family of six. What about non-food items like transportation fares, water and fuel expenses, medical items, education and clothing?

(Note: Before, during and after the rice crisis last year, there has been an increase in the price of rice ranging from 33 to 48% per kilo. So, for rice prices alone the 12% increase in the COLA is not even enough to buy one kilo. And to think that a family of six needs three to four kilos per day.

3. For the employer and government their oft-repeated arguments are (1) that a wage increase is inflationary (2) that it will hold back government's development plan (3) that the employers' capacity to pay must be considered.

While these may be valid, I would like to pose my corresponding arguments:

1. Studies have shown that it is inflation that compels workers to demand for a wage adjustment, and not the other way around. In fact, wage increases have not kept up with price increases.
2. If poverty alleviation and equity are two major goals of the government MTPDP, then why restrain workers' wages to a level that is not consistent with the said goal? I think government must triple its effort to achieve its development targets without sacrificing basic opportunities for labor. Restraining wages is a lousy and convenient excuse for government's inadequacy.
3. We believe that labor costs can be offset with the increase in workers' productivity coupled with sound management strategy, technological innovation and skills training. Employers must see and accept wage increases as a challenge for them to move aggressively towards diversification of investments in non-traditional areas which ultimately will offer them an alternative utilization of their return on investments.

In the end, employers must admit that workers are not simply cost that are expendable, but human beings who have God-given human rights, too.

In view of the points I raised, I am standing pat on my position for a P35 wage adjustment for the workers in Region Six.

(SGD) EDGAR R. BALAJADIA
Labor Representative

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Regional Board No. VI
Iloilo City

RULES IMPLEMENTING WAGE ORDER NO. RB6-05

Pursuant to the authority granted to the Regional Tripartite Wages and Productivity Board under Article 122 (b) Section 3 of Republic Act No. 6727, otherwise known as the Wage Rationalization Act and Section 10 of Wage Order No. RB6-05, the following rules are hereby issued for guidance and compliance by all concerned:

RULE 1

Section 1. DEFINITION OF TERMS. As used in these Rules:

- (a) *Order* means Wage Order No. RB6-06;
- (b) *Commission* means the National Wages and Productivity Commission;
- (c) *Board* means the Regional Tripartite Wages and Productivity Board of Region VI;
- (d) *Department* means the Department of Labor and Employment;
- (e) *Region VI* covers the provinces of Aklan, Antique, Capiz, Guimaras, Iloilo, Negros Occidental and the cities of Bacolod and Iloilo;
- (f) *Agriculture* includes farming in all its branches and among others, includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing and harvesting of any agricultural or horticultural commodities, aquaculture, the raising of livestock and poultry, and any activities performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, but does not include deep-sea fishing, the manufacturing or processing of sugar, coconut, abaca, tobacco, pineapple or other farm products, marine and aquaculture products;
- (g) *Plantation agricultural enterprise* is one engaged in agriculture with an area of more than 24 hectares in a locality or which employs at least 20 workers. Any other agricultural enterprise shall be considered as *non-plantation agricultural enterprise*;
- (h) *Cottage/Handicraft establishment* is one engaged in an economic endeavor in which the products are primarily done in the home or such other places for profit which requires manual dexterity and craftsmanship with total assets of not more than P1,500,00.00 pursuant to SMED Council Resolution No. 3, Series of 1995;
- (i) *Retail establishment* is one principally engaged in the sale of goods to end users for personal or household use;
- (j) *Service establishment* is one principally engaged in the sale of service to individuals for their own or household use and is generally recognized as such;

- (k) *Distressed establishment* refers to an establishment which meets the criteria enumerated in Section 3A of the NWPC Guidelines No. 1, Series of 1996;
- (l) *Basic wage* means all the remuneration or earnings paid by an employer to a worker for services rendered on normal working days and hours but does not include Cost of Living Allowances, profit-sharing payments, premium payments, 13th-month pay or other monetary benefits which are not considered as part of or integrated into the regular salary of the workers on the date the Order became effective;
- (m) *COLA* means Cost of Living Allowance;
- (n) *Minimum wage rate* is the lowest wage rate fixed by law that an employer can pay his workers;
- (o) *Wage distortion* means a situation where an increase in prescribed wage rates results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinctions embodied in such wage structure based on skills, length of service, or other logical bases or differentiations.

RULE II
BASIC WAGE AND COST OF LIVING ALLOWANCE

Section 1. COVERAGE. The increase in the basic wage shall cover the workers in the agricultural sector of the sugar industry only while the increase in the cost-of-living allowance prescribed under the Wage Order shall cover all workers in the private sector, including the aforementioned sector regardless of their position, designation or status, and irrespective of the method by which their wages are paid, including learners and apprentices, except:

- (a) Workers who are receiving a daily basic wage of more than P150.00 per Wage Order No. RB6-03 shall no longer be covered by the applicable COLA granted under the Wage Order;
- (b) Household and domestic helpers or persons in the personal service of another, including family drivers;
- (c) Distressed establishments, retail/service establishments employing not more than ten (10) workers, new business enterprises and banks under receivership/liquidation whose employers applied for exemption from the increase of the basic wage/COLA and whose application has been approved by the Board in accordance with the existing guidelines and subject to its sound discretion considering the present financial capacity of the establishment;
- (d) Workers of export-oriented industries e.g. ceramics, petroleum dealers and parochial schools whose employers applied for exemption and whose application has been approved by the Board in accordance with special guidelines to be issued by the Board subject to the approval of the Commission.

Section 2. AMOUNT OF BASIC WAGE AND COST OF LIVING ALLOWANCE. Upon effectivity of Wage Order No. RB6-05, the basic wages and COLAs of all covered employees and workers shall be as follows:

CLASSIFICATION	WO # RB6-03		INCREASE		TOTAL	
	Effective 12-03-		Per WO#RB6-05		Per WO#RB6-05	
	Basic	COLA	Basic	COLA	Basic	COLA
SUGAR INDUSTRY						
MILLS	P	P	-	12.50	104.65	25.00
	104.65	25.00				
AGRICULTURE						
Plantation with capitalization of more than P1M						
With annual gross sales of P5M or more	80.85	9.50	7.15	10.00	88.00	19.50
With annual gross sales of less than P5M	75.35	9.00	6.65	9.00	82.00	18.00
Plantation with capitalization of not more than P1M						
Employing at least 20 workers	69.85	8.00	6.15	8.50	76.00	16.50
Non-Plantation	64.35	7.50	5.65	8.00	70.00	15.50
NON-SUGAR INDUSTRIES						
<i>BUSINESS ENTERPRISES WITH CAPITALIZATION OF MORE THAN P1 MILLION OR EMPLOYING MORE THAN 20 WORKERS</i>						
NON-AGRICULTURE (i.e., Industrial/Commercial)	102.35	12.50	-	12.50	102.35	24.50
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	86.90	10.00	-	10.50	86.90	20.50
Plantation with annual gross sales of less than P5 M	81.40	9.50	-	10.00	81.40	19.50
Non-Plantation	64.35	7.50	-	8.00	64.35	15.50
COTTAGE/HANDICRAFT						
Employing more than 30 workers	73.70	8.50	-	9.00	73.70	17.50
Employing not more than 30 workers	71.50	8.50	-	9.00	71.50	17.50
PRIVATE HOSPITALS	93.50	11.00	-	11.50	93.50	22.50
RETAIL/SERVICE						
Cities with population of more than 150,000						
Employing more than 15 workers	97.90	11.50	-	12.00	97.90	23.50
Employing 11-15 workers	93.50	11.00	-	11.50	93.50	22.50
Employing not more than 10 workers	63.80	7.50	-	8.00	63.80	15.50
Municipalities and cities with population of not more than 150,000						
Employing more than 10 workers	93.50	11.00	-	11.50	93.50	22.50
Employing not more than 10 workers	63.80	7.50	-	8.00	63.80	15.50
<i>BUSINESS ENTERPRISES WITH CAPITALIZATION OF NOT MORE THAN P1 MILLION OR EMPLOYING NOT MORE THAN 20 WORKERS</i>						
NON-AGRICULTURE	86.90	10.00	-	10.50	86.90	20.50
AGRICULTURE PLANTATION OTHER THAN SUGAR	75.90	9.00	-	9.50	75.90	18.50
PRIVATE HOSPITALS	82.50	9.50	-	10.00	82.50	19.50
RETAIL/SERVICE						
Cities with population of more than 150,000						

Employing more than 15 workers	86.90	10.00	-	10.50	86.90	20.50
Employing 11-15 workers	82.50	9.50	-	10.00	82.50	19.50
Employing not more than 10 workers	63.80	7.50	-	8.00	63.80	15.50
Municipalities and cities with population of not more than 150,000						
Employing more than 10 workers	82.50	9.50	-	10.00	82.50	19.50
Employing not more than 10 workers	63.80	7.50	-	8.00	63.80	15.50

Section 3. CREDITABLE WAGE INCREASE/ADDITIONAL ALLOWANCE. Wage increases/additional cash allowances given on or after January 1, 1996 up to the effectivity of the Wage Order shall be credited as compliance with this Wage Order including those expressly provided for and agreed upon to be credited in the collective bargaining agreements. These do not include increases due to promotion, merit, longevity or anniversary. Where the said increase/additional cash allowance is less than the wage increase and additional COLA provided herein, the employer shall pay the difference.

Section 4. COLA FOR UNWORKED DAYS.

- (a) All covered workers shall be entitled to their daily cost of living allowance during the days that they are paid their basic wage even if unworked;
- (b) A worker who is on leave of absence but is receiving employee compensation, social security, or maternity leave benefits, in lieu of wages, shall be entitled to the allowance provided in the Order in proportion to such compensation/benefit; provided that such worker shall be paid the full daily allowance if paid the full basic wage.
- (c) The cost of living allowance (COLA) of part-time workers shall not be less than the amount in proportion to the time they actually worked.

Section 5. WORKERS PAID BY RESULTS. All workers paid by result, including those who are paid by piece work, “*takay*”, “*pakyaw*” or task basis, shall receive not less than the applicable basic wage and COLA rates prescribed under the Wage Order for the normal working hours which shall not exceed eight (8) hours a day or a proportion thereof for work of less than the normal working hours.

Industries/Establishments currently paying their workers/employees specific unit rates in the different phases of its operations based on time and motion studies previously developed and approved by competent authority, shall, in the absence of a more updated study, continue the practice but shall proportionately adjust the said wage rates with respect to the increase in the basic wage (the agricultural sector of the sugar industry) and the cost of living allowance of all workers in the Region as mandated under Wage Order No. RB6-05 in accordance with its classification as mandated in the Wage Order.

Section 6. BASIC WAGE AND COLA OF SPECIAL GROUPS OF WORKERS. Apprentices, handicapped workers and learners shall in no case receive less than 75% of the applicable Basic Wage and COLA rates.

Section 7. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed basic wage and COLA for covered workers and employees shall be borne by the principals or clients of the

construction/service contractors and the contracts shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed allowance, the construction/service contractor shall be jointly and severally liable with the principal or client, subject to the Provisions on Exemption of the Principal per NWPC Guideline No. 01, Series of 1996, unless otherwise amended.

Section 8. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the new minimum wage rate and cost of living allowance shall be effective beginning school year 1996-1997.

Section 9. SPECIAL FEATURES OF COLA.

- (a) COLA granted to the workers and employees in compliance with the Wage Order cannot be considered as part of the regular wage of the workers and employees for purposes of determining wage-related benefits such as overtime pay, premium pay, holiday pay and night differential pay.
- (b) In lieu of the COLA, employers may grant wage increases which shall be considered as compliance with the Wage Order provided the amount is not less than the COLA prescribed by the Wage Order; provided, further, that such wage increases shall be included in determining fringe benefits, contribution to the State Insurance Fund, SSS, Medicare, Pag-IBIG, maternity benefits, retirement plan and wage-related benefits such as overtime pay, premium pay, holiday pay and night differential pay.

Section 10. APPLICATION FOR EXEMPTION. Distressed employers, retail/service establishments employing not more than ten (10) workers, new business enterprises and banks under receivership/liquidation may apply with the Board for exemption from compliance with the Wage Order in accordance with existing laws and/or guidelines. In the case of export-oriented industries e.g. ceramics, petroleum dealers and parochial schools, their exemption shall be in accordance with special guidelines to be issued by the Board subject to the approval of the Commission.

Whenever an application for exemption has been duly filed with the Regional Board, action by the Regional Office on any complaint for alleged non-compliance with the Wage Order shall be deferred pending resolution of the application for exemption by the Regional Board.

Exemption granted pursuant to the Wage Order shall in no case extend beyond one (1) year from the effectivity of the Wage Order.

In the event that an application for exemption is not granted, covered workers and employees shall receive the appropriate compensation due them, as provided for in the Wage Order plus an interest of 1% per month retroactive from the date when the Wage Order became effective.

Applications for exemption shall be filed within sixty (60) days after publication of the Rules in at least one newspaper of general circulation in the Region.

In the case of export-oriented industries e.g. ceramics, petroleum dealers and parochial schools, their applications for exemption shall be filed within sixty (60) days after the approval and publication of the special guidelines to be issued by the Board in at least one (1) newspaper of general circulation in the Region.

Section 11. PAYMENT OF BASIC WAGE AND COLA. The basic wage and COLA prescribed by the Wage Order shall be paid in legal tender together with the regular wage on the customary pay day.

Section 12. COMPLAINTS FOR NON-COMPLIANCE, Complaints for non-compliance of the requirements prescribed under the Wage Order shall be filed with the Regional Office of the Department, Region VI and shall be the subject of enforcement proceedings under Art. 128 and Art. 129 of the Labor Code, as amended.

RULE III GENERAL PROVISIONS

Section 1. NON-DIMINUTION OF BENEFITS. Nothing in the Wage Order shall be construed to reduce any existing wage rates, allowances or other benefits under existing laws, decrees, issuances, executive orders, and/or under any contract or agreement between the workers and the employers.

Section 2. PENAL PROVISIONS. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustment in the wage rates and COLA in accordance with this Wage Order shall be punished by a fine of not less P25,000.00 nor more than P100,000.00 or imprisonment of not less than two (2) years nor more than four (4) years or both, such fine and imprisonment at the discretion of the courts: *Provided,* That any person convicted under the Act shall not be entitled to the benefits provided for under the Probation Law.

If the violation is committed by a corporation, trust or firm, partnership, association or any other entity, the penalty or imprisonment shall be imposed upon the entity's responsible officers, including but not limited to the President, Vice President, Chief Executive Officer, General Manager, Managing Director or partner.

Section 3. SEPARABILITY PROVISION. If any provision or part of this Wage Order and these Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Wage Order and these Rules or application of such provision or part thereof to other person or circumstance shall not be affected thereby.

Section 4. EFFECTIVITY. These Rules shall take effect after approval by the Secretary of Labor and Employment and fifteen (15) days after its publication in a newspaper of general circulation in the Region.

Done in the City of Iloilo, Republic of the Philippines this 29^h day of February 1996.

(SGD) VIRGILIO A. SINDICO
Employers' Representative

(SGD) EDGARDO R. BALAJADIA
Workers' representative
I dissent. (See attached dissenting opinion.)

(SGD) JAMES C. LEDESMA, SR.
Employers' Representative

(SGD) NATALIO V. SITJAR
Workers' representative
I dissent. A P25.00 per day across-the-board increase would have been more reasonable.

(SGD) DOMINIC P. ABAD

(SGD) TRUMAN T. CAINGLET

Vice Chairman
REGIONAL DIRECTOR, DTI

Vice Chairman
REGIONAL DIRECTOR, NEDA

(SGD) CARLOS L. BOTEROS
Chairman
Regional Director, DOLE

February 21, 1996

DISSENTING OPINION

1. The 12% additional COLA granted under Wage Order No. WO RB6-05, practically, is not only very minimal vis-à-vis the P35 wage adjustment sought by the labor sector, but much more it does not restore workers' purchasing power to its 1989 level. COLA granted in 1990 and 1993 obviously did not compensate effectively for the lost income of the workers because price increases on the same period outstripped nominal wage increases.
2. The extra 12% COLA even if it is adjusted to the present minimum wage is meaningless considering the daily cost of living which amounts from P200 to P260. This is much higher compared to the present wage rate of P126.85 (12% included) for non-agricultural and P107.40 for agricultural workers. Moreover, independent studies point out that the amount of P260 more or less, is only enough for buying basic food items needed by a family of six. What about non-food items like transportation fares, water and fuel expenses, medical items, education and clothing?
3. For the employer and government their oft-repeated arguments are (1) that a wage increase is inflationary (2) that it will hold back government's development plan (3) that the employers' capacity to pay must be considered.

(Note: Before, during and after the rice crisis last year, there has been an increase in the price of rice ranging from 33 to 48% per kilo. So, for rice prices alone the 12% increase in the COLA is not even enough to buy one kilo. And to think that a family of six needs three to four kilos per day.

While these may be valid, I would like to pose my corresponding arguments:

1. Studies have shown that it is inflation that compels workers to demand for a wage adjustment, and not the other way around. In fact, wage increases have not kept up with price increases.
2. If poverty alleviation and equity are two major goals of the government MTPDP, then why restrain workers' wages to a level that is not consistent with the said goal? I think government must triple its effort to achieve its development targets without sacrificing basic opportunities for labor. Restraining wages is a lousy and convenient excuse for government's inadequacy.
3. We believe that labor costs can be offset with the increase in workers' productivity coupled with sound management strategy, technological innovation and skills training. Employers must see and accept wage increases as a challenge for them to move

aggressively towards diversification of investments in non-traditional areas which ultimately will offer them an alternative utilization of their return on investments.

In the end, employers must admit that workers are not simply cost that are expendable, but human beings who have God-given human rights, too.

In view of the points I raised, I am standing pat on my position for a P35 wage adjustment for the workers in Region Six.

(SGD) EDGAR R. BALAJADIA
Labor Representative