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(A Statistical Digest on Labor Cost)

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Labor Cost in the Philippines (Ninth of a fourteen-part series)

*Last year, the Bureau of Labor and Employment Statistics undertook a nationwide Labor Cost Survey (LCS) that covered **non-agricultural establishments employing at least 20 persons**. The inquiry fills one of the important gaps in the statistical measurement of wages in the country. Thus, it supplements the other statistical undertakings that collect data on wage rates, earnings and compensation of employees.*

The LCS aims to measure the level and composition of labor cost in the Philippines and the evolution of the cost components over time. The reference period of the first LCS is calendar year 1998 and the periodicity of the survey is every four (4) years. The second LCS will be conducted in 2003 with 2002 as reference year.

*This part of the series focuses on the main labor cost components in **other community, social and personal service activities**. Statistics on the sub-components are available at the Bureau upon request.*

Major Labor Cost Components

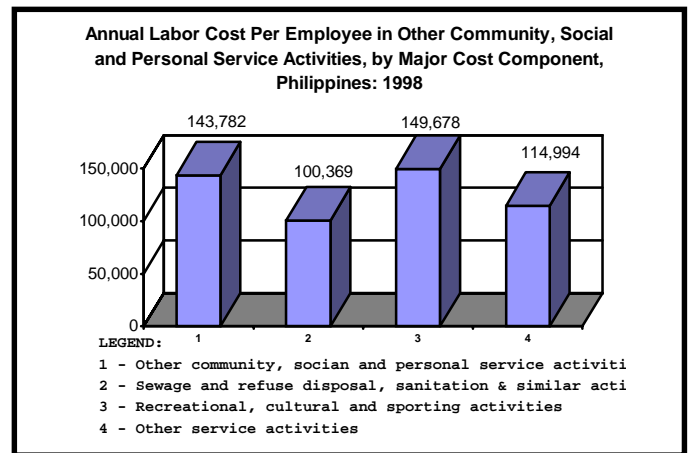
- Employers in the community, social and personal service activities spent some ₱6,406 million on their employees in 1998.
- Bulk of the labor cost in this group went to direct wages and salaries (79.3%) while the least share went to other labor costs (4.4%). Bonuses and gratuities and employer's social security expenditures had a share of 9.1 percent and 7.2 percent, respectively.
- Among these service-oriented establishments, those belonging to recreational, cultural and sporting activities spent the most for their employees with ₱5,569 million.

- Proportion of direct wages and salaries to respective total labor cost ranged from 79.4 percent to 81.8 percent.
- Across sub-industries, employer's social security expenditures were highest in sewage and refuse disposal, sanitation and similar activities at 9.8 percent followed by recreational, cultural and sporting activities with 7.4 percent and 5.8 percent by other service activities.

Annual Labor Cost Per Employee

In 1998, annual labor cost per employee in other community, social and personal activities stood at ₱ 143,782.

- Direct wages and salaries was valued at ₱ 113,973 per employee. Bonuses and gratuities, employer's social security expenditures and other labor costs amounted to ₱13,040, ₱ 10,423 and ₱6,346, respectively, for each employee.
- Recreational, cultural and sporting activities had the highest expenses per employee (₱149,678) followed by other service activities (₱114,994) and the least was incurred by sewage and refuse disposal, sanitation and similar activities (₱100,369).
- Across industries, workers in the recreational, cultural and sporting activities received the highest of all major labor cost components.



Source of data: Bureau of Labor and Employment Statistics, 1998 Labor Cost Survey.

- Meanwhile, the lowest of all expenses for the employees were noted at the sewage and refuse disposal, sanitation and similar activities except for employer's contribution to social security which was registered by establishments performing other service activities.

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TABLE 1. - Percent Distribution of Labor Cost in Other Community, Social and Personal Service Activities by Major Cost Component, Philippines: 1998

(In non-agricultural establishments employing 20 and over)

Industry Group	Total		Direct Wages and Salaries	Bonuses and Gratuities	Employer's Social Security Expenditures	Others ¹
	Amount (P M)	Percent				
Other Community, Social and Personal Service Activities	6,406	100.00	79.27	9.07	7.25	4.41
Sewage and Refuse Disposal, Sanitation & Similar Activities	54	100.00	79.36	8.66	9.76	2.22
Recreational, Cultural and Sporting Activities	5,569	100.00	78.92	9.14	7.44	4.50
Other Service Activities	783	100.00	81.76	8.57	5.75	3.92

¹ Include Remuneration for time not worked; Food, drink, fuel and other payments in kind; Cost of workers' housing shouldered by employer; Cost of training; Cost of welfare services; Other costs (cost of work clothes/uniform, transport of workers, travelling expenses, recruitment cost, etc.)

Source of data: Bureau of Labor and Employment Statistics, 1998 Labor Cost Survey.

TABLE 2. - Annual Labor Cost Per Employee in Other Community, Social and Personal Service Activities by Major Cost Component, Philippines: 1998

(In pesos. In non-agricultural establishments employing 20 and over)

Industry Group	TOTAL	Direct Wages and Salaries	Bonuses and Gratuities	Employer's Social Security Expenditures	Others ¹
Other Community, Social and Personal Service Activities	143,782	113,973	13,040	10,423	6,346
Sewage and Refuse Disposal, Sanitation & Similar Activities	100,369	79,655	8,691	9,795	2,229
Recreational, Cultural and Sporting Activities	149,678	118,121	13,685	11,130	6,743
Other Service Activities	114,994	94,020	9,859	6,611	4,504

¹ Include Remuneration for time not worked; Food, drink, fuel and other payments in kind; Cost of workers' housing shouldered by employer; Cost of training; Cost of welfare services; Other costs (cost of work clothes/uniform, transport of workers, travelling expenses, recruitment cost, etc.)

Source of data: Bureau of Labor and Employment Statistics, 1998 Labor Cost Survey.