

CREATING A NATIONAL WAGES COUNCIL

EXECUTIVE ORDER NO. 614, August 18, 1980

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WHEREAS, there is growing awareness on the part of labor, management and government that wage determination and wage fixing is a vital integral component of a national wage and income policy;

WHEREAS, experience and policy now make it evident that the highly complex and technical process of wage determination and wage fixing should be carried out on a continuous basis in accordance with the imperatives of social and economic development;

WHEREAS, it is necessary to strengthen the capability and competence of the Wage Commission by creating a new tripartite agency of government in which the foregoing process can be institutionalized;

WHEREAS, under Presidential Decree 1416, the President is empowered to undertake such organizational and related improvements as may be appropriate in the light of changing circumstances and new developments;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, and the authority vested in me by Presidential Decree No. 1416, do hereby order and ordain:

ARTICLE 1. There is hereby created a NATIONAL WAGES COUNCIL attached to the Office of the President hereinafter referred to as Council.

ARTICLE 2. The Council shall have the following functions:

- a) To act as the national consultative and advisory body to the President/Prime Minister of the Philippines on matters relating to wages.
- b) To act as the wage-determining body to recommend to the President/Prime Minister of the Philippines the issuance of wage orders establishing the national, regional, or industry minimum wages to be paid by employers.
- c) To conduct a continuing study of wage rates in various agricultural and non-agricultural industries all over the country for the purpose of ascertaining whether these are adequate to ensure a decent living wage for the workers and their families and the continued viability of business and industry.
- d) To collect and/or compile, analyze and periodically disseminate information, as a continuing activity essential to the effective exercise of its wage-determining function, including but not limited to employment, wages, hours and other conditions of work by locality, industry and occupation; wage practices, cost-of-living, family incomes and expenditures, production costs, labor productivity, investments and returns and such other general economic indicators and non-economic data necessary for the accomplishment of its functions.
- e) To receive, process and act on applications for exemption from statutory wage and allowance increases and other benefits granted to workers, from individual firms and/or industries on the ground of actual or potential loss.

ARTICLE 3. The minimum wage, whether national, regional or industry wage, to be established and recommended by the Council shall be as nearly adequate as is economically feasible to maintain the minimum

standards of living necessary for the health, efficiency and general well-being of the employees within the framework of the national economic and social development program. In the determination of a minimum wage, the Council shall consider among other things, the following:

- a) the needs of workers and their families
- b) the general level of wages in the country
- c) the cost-of-living and changes therein
- d) fair return of investments
- e) the viability of the industry
- f) social security benefits
- g) economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment.

ARTICLE 4. In conducting a continuing study of wage rates and other economic conditions in any industry or branch thereof, the Council may call the assistance of industry, trade and agricultural chambers or associations, trade union centers, school of economics, consumers' groups, government and private agencies and other parties to furnish information in aid of its objectives.

ARTICLE 5. No wage order issued on recommendation by the Council shall be construed to prevent workers in particular firms, enterprises or industries from bargaining for higher wages with their respective employers.

ARTICLE 6. No injunction may be issued by any court to restrain any proceeding of or before the Council.

ARTICLE 7. The Council shall be composed of the Minister of Labor and Employment as Chairman, the Minister of Economic Planning as Vice-Chairman, and the Minister of Industry, Minister of Agriculture, Minister of Finance, Minister of Trade, the Governor of the Central Bank, the Executive Director of the Council and two (2) representatives each of workers and employers who shall be appointed by the President upon recommendation of the Minister of Labor and Employment and each of whom shall serve for a term of three years, as members. The Government representatives in the Council may designate their deputies in case they cannot attend the meeting of the Council.

ARTICLE 8. The Council shall have a Secretariat headed by an Executive Director who shall be assisted by a Deputy Director, both of whom shall be career administrators appointed by the President of the Philippines on recommendation of the Minister of Labor and Employment. The Secretariat shall be under the administrative supervision of the Minister of Labor and Employment, as Chairman of the Council.

ARTICLE 9. The Executive Director is hereby authorized to organize such units and inter-agency committees and appoint the personnel as may be necessary, subject to pertinent organization and compensation law and the confirmation of the Council.

ARTICLE 10. The Council shall determine the qualification of the Executive Director, the Deputy Director and the technical and clerical personnel consistent with the existing rules and regulations of the Civil Service Commission.

ARTICLE 11. The Wage Commission in the Ministry of Labor is hereby abolished and all its personnel, equipment, records and appropriation for the current year (1980) and the coming year (1991) shall be transferred to the Council. There shall be no diminution of salary and rank of the present officials and employees of the Wage

Commission. The incumbent Chairman and Commissioner of the Wage Commission shall be the first Executive Director and Deputy Director of the Council, respectively.

ARTICLE 12. The Council is hereby authorized to issue appropriate rules and regulations to carry out the provisions of this Order.

ARTICLE 13. This Decree shall take effect immediately.

DONE IN THE CITY OF MANILA, Republic of the Philippines, this 18th day of August, in the year of our Lord, nineteen hundred and eighty.

(SGD.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(SGD.) JOAQUIN T. VENUS, JR.
Presidential Assistant

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