

Philippine Constructors Association Inc.



14 February 2024

TO THE HONORABLE SENATORS OF THE 19th CONGRESS OF THE PHILIPPINE REPUBLIC

Thru: **HON. JUAN MIGUEL ZUBIRI**
President
Senate of the Philippines

Dear **Honorable Senators**:

We stand with the government in upholding the principles of Bagong Pilipinas towards an inclusive, sustainable path to growth. It is thus within this context that we have consistently and strongly opposed attempts to legislate minimum wage increases, a mandate which Congress has long ago delegated to the objective judgment of the Regional Tripartite Wages and Productivity Boards.

It is worth mentioning that 15 of the 16 of these regional boards have just granted another round of increase in minimum wages for the very same people that this proposed P100 legislated minimum wage increase aims to assist. At the very least, the wage boards where government, labor and employers are represented are guided in their decision to adjust minimum wages by objective parameters following consultations and public hearings. Even labor organizations tend to rely on the increases granted by the wage boards instead of collective bargaining which is the most ideal route to negotiate for wage adjustments.

In contrast, legislated wages, while hurting especially the micro, small and medium enterprises, will worsen the plight of the informal sector and its overwhelming 47-million strong presence in the workforce and contribution to the economy. We take the cudgels for them who form a preponderant part of the working population. It appears that in the midst of the cacophony of noises arising from the debate on the proposed legislated wage increase, only the 5 million minimum wage earners matter to the prejudice

of 47 million others. The bias against them only rubs salt into the injury they have been suffering from for token or lip service from some government instrumentalities or institutions.

Among others, the informal sector consists of agricultural workers with no employers, fisherfolks, unpaid family workers, home-based workers, ambulant vendors and street hawkers, jeepney/tricycle and pedicab drivers, temporary construction workers, small-scale miners and quarry workers. Other examples are tour guides, "on-call" entertainment workers, and hairdressers, waste pickers and recyclers, barangay health workers, domestic cleaners, and food delivery riders and other gig workers. They do not stand to benefit whatsoever from any legislated wage increase in the form as it is being discussed right now. In reality, their pockets will be hurt more by the higher inflation rate resulting from the proposed legislated minimum wage increase as unanimously confirmed by the country's economic and financial managers.

We seriously believe that another wage hike through legislation coming at the heels of the recently implemented minimum wage adjustments through the wage boards is not the appropriate solution to address the underlying challenges faced by our Filipino workers. Its implementation without careful consideration of the consequent economic impact would do more harm than good to both businesses and employees. The sudden imposition of a significant national wage hike would place an unprecedented burden on businesses, particularly on the micro and small-sized enterprises consisting of at least 95% of enterprises, many of which are still reeling from the aftermath of the COVID-19 pandemic.


Recommendation

Instead of focusing solely on wage increases, we urge our policymakers, particularly members of the Senate, to adopt a more comprehensive approach to addressing economic inequality. This includes investing more in education, skills development, and infrastructure, as well as creating an enabling environment for business growth and job creation. It also means passing legislation to once and for all solve low productivity, poor governance, excessive regulations, worsening poverty and serious income inequality which characterize a country with a large informal sector.

Moreover, we emphasize the importance of fostering constructive dialogue and collaboration among all stakeholders, including employers, employees, and government representatives, to develop policies that promote equitable and sustainable economic growth and shared prosperity for all.

Thank you for your attention and support.

Very truly yours,



Ms. Eunina V. Mangio
President

Philippine Chamber of Commerce
and Industry (PCCI)




Mr. Edgardo G. Lacson
Chairman

Employers Confederation of
the Philippines (ECOP)



Mr. Sergio Ortiz-Luis Jr.
President

Philippine Exporters
Confederation, Inc.
(PHILEXPORT)




Dr. Cecilio K. Pedro
President

Federation of Filipino Chinese
Chambers of Commerce and
Industry (FFCCCII)



Mr. Armand Gutierrez Jr.
President

Philippine Association of
Legitimate Service Contractors
Inc (PALSCON)




Mr. Jack Madrid
President


IT & Business Process
Association of the Philippines
(IBPAP)




Engr. Ronaldo R. Elepaño Jr.
President
Philippine Constructors
Association Inc (PCA)




Mr. Ruben L. See
President
Philippine Food Processors and
Exporters Organization, Inc.
(PHILFOODEX)




Dr. Danilo C. Lachica
President
Semiconductor and Electronics
Industries in the Philippines Inc
(SEIPI)




Mr. Roberto S. Claudio, Sr.
President
Philippine Retailers Association
(PRA)



Mr. Rene D. Almendras
President
Management Association of the
Philippines (MAP)



Mr. Joseph Tanbuntiong
President
Philippine Franchise Association
(PFA)




Mr. Arthur M. Lopez
President
Philippine Hotel Owners
Association (PHOA)



Mr. Ebb Hinchliffe
Executive Director
The American Chamber of
Commerce of the Philippines, Inc.
(AmCham Philippines)



Mr. Michael M. Godinez
President
People Management Association
of the Philippines (PMAP)



Mr. Roberto S. Claudio, Sr.
President
GS1 Philippines



Mr. Paulo Duarte
President
The European Chamber of Commerce of the
Philippines (ECCP)