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### FEF OPPOSES THE ACROSS-THE-BOARD WAGE INCREASE ACT

The Foundation for Economic Freedom (FEF) opposes the Php 150-a-day legislated wage hike under the Across-the-Board Wage Increase Act or Senate Bill No. 2002 being considered by the Philippine Senate.

FEF believes that the proposed wage hike would be inflationary and hurt the poor the most. The proposed wage hike will also benefit only 16% of the workforce in the formal sector on paper, but not the huge sector of informal workers. Moreover, the majority of MSMEs, who account for more than 90% of employment, are still healing the wounds from the pandemic and may not be able to afford a legislated wage hike.

Legislated and across-the-board wage hikes do not take into account the varying conditions and cost of living in various regions and the varying productivity of the workforce in various industries.

We suggest that wage setting should not be legislated but follow the established practice of wage determination by Regional Wage Boards.

To increase the purchasing power of wageworkers, FEF urges the government to address food inflation by liberalizing food importation and increasing agricultural production through farmland consolidation. The government should also focus more on job creation rather than hiking minimum wages to benefit the unemployed and underemployed who constitute about 20% of the workforce.

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