

Analysis of Vocational Education and Training

The Philippines



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The Philippines

General

The Republic of the Philippines is an archipelago of more than 7,000 islands, with a population of 87,8 million. 83 % of these people is Catholic, 9 % Protestant, and 5 % Islamic. The official language is Philippine and English. There are many local dialects in the Philippines (Ministerie Buitenlandse Zaken, 2006).

Table: Age categories population Philippines

under 15 years	35,4 %
between 15 and 64 years	60,6 %
Over 65 years	4 %

Wikipedia, 2006

Economy

The Philippines faces two overarching issues in the early 21st century.

- 1) It must find ways to continue and accelerate its global competitiveness and
- 2) it must achieve major reductions in poverty.

The competitiveness of Philippine manufacturing in global markets is centrally important to continued economic growth and poverty reduction. As noted in The Philippine National Development Plan: Directions for the 21st Century, economic growth and modernization can accelerate much faster when there is sufficient access to the world's markets, resources and know-how. However, if industry remains inefficient and uncompetitive, liberalization may lead to a net income loss and a widening of the gap between rich and poor. Accordingly, the goal of meeting the challenges of globalization has been coupled with the goal of reducing poverty and inequality (ADB, 2000).

The comparative advantage of the Philippines in the future lies not in unskilled labour, but rather in low-end "high-tech" areas such as electronics manufacturing and software development. Data show high growth rates in exports of products requiring skilled labour and a very low growth or stagnation of those based on unskilled labour. There has been a sharp decline in resource-based manufactures, a steady decline in labour-intensive products, and a dramatic increase in science-based goods, including those that are technologically complex. The Philippines is competitive in skill-intensive products because of a relatively large educated and trainable workforce (ADB, 2000). The total workforce consists of 36,73 million people (CIA, Worldfactbook, 2005). The country has considerable headroom for further growth in value-added manufactured products owing to the strong world demand for such products, the current small market share, and lack of vulnerability to easy entry by low-wage producers. Considerable scope also exists for upgrading production facilities and the skills of the workforce.

However, the base of growth remains narrow and the high degree of export concentration is cause for concern. The export-oriented sector has relatively shallow roots in the domestic economy, with low local content and few technological linkages. In strengthening these roots, the Philippines should adopt policies to ensure technological and skills upgrading and aim to increase the value added of its products. This strategy has major implications for Technical Education and Skills Development (TESD). Raising productivity, essential for improved competitiveness, depends largely on improving the quality of education and training at post basic levels.

The Philippines faces substantial challenges to successfully compete in the world market. Sustained growth in the global markets will require deepening of the technological competence of enterprises and workers. Increases in skills and productivity of the labour force are necessary to increase the quality and value of output without raising labour costs beyond competitive levels. Higher productivity also leads to better earnings that enable workers to share in the benefits of growth.

Although the Philippines has a relatively well-educated workforce, only a small minority of the labour force (less than 6 percent) have had relevant skills training. This is clearly inadequate as a basis for maintaining and improving competitiveness. The Philippines needs to continuously improve the skills and productivity of its workforce. Labour productivity depends on many factors, including the quality of management and the nature of production technology. The skills of the workforce, and the ability of workers to move efficiently across sectors as the economy changes are centrally important.

Overall, the workforce will require continuing improvement in basic education over the long term to ensure that the majority of the population is well equipped with knowledge and skills required in the age of globalization. Continuing improvements in the quality and efficiency of post basic education and training, especially TESD, are also important.

The second major challenge for the Philippines is to raise the productivity and incomes of the poorer segments of the population. The Philippines has made some progress in reducing the incidence of poverty from 35.5 percent of households in 1994 to 32.1 percent in 1997. For the population as a whole, poverty incidence declined from 40.6 percent in 1994 to 37.5 percent in 1997. This means that in 1997, 27.25 million Filipinos fell below the official poverty line of an annual per capita income of \$285. In general, poverty incidence levels in rural areas in each geographic region are higher than in urban areas. The difference between urban and rural areas is stark: 18.5 percent of the population in urban areas have annual income below the poverty line compared with 44.4 percent in rural areas (ADB 2000). The general GDP per capita is 989 USD (estimation 2003, Ministerie van Buitenlandse Zaken), Purchasing Power Parity is estimated on \$5,100 (in 2005) (CIA, 2006).

	% labour force	% GDP
Agriculture	36	14,8
Industry	16	31,7
Services	48	53

(CIA, 2006).

About 12,2 % of the workforce is unemployed in 2005, this means about 4,5 million people.

Electronics assembly is a major sub sector in the Philippines, as well as machinery and transport material (Ministerie van Buitenlandse Zaken, 2006), garments, footwear, pharmaceuticals, chemicals, wood products, food processing, petroleum refining, fishing (CIA, 2006)

Activity rate	Total		Men		Women	
	2003	2004	2003	2004	2003	2004
15 + (total)	67,1	66,5	83,3	82,9	51,1	50,2
15 – 24	50,8	49,7	62,0	60,9	38,9	38
25 – 34	76,2	75,6	97,3	97,3	54,6	53,7
35 – 44	80,0	79,2	98,7	98,7	61,6	60
45 – 54	81,4	80,7	97,5	97,3	65,7	64,4
55 – 64	71,6	72,6	88,0	88,6	56,4	57,3
65 +	41,5	41,1	54,9	54,0	31,1	30,2

ILO, LABORSTA, 2006

Education

The Philippine educational system is composed of two major subsystems, the formal and the non-formal. The formal subsystem consists of sequential academic schooling at several levels. Included are six years of elementary education, four years of secondary education, and a variety of post-secondary programs. The post-secondary levels include one to three years of technical/vocational education or a minimum of four years of tertiary education. The completion of each level is a prerequisite for entry into the next. The formal education

subsystem provides students with basic skills of numeracy and functional literacy and grants certifications of proficiency in different academic disciplines. As is the case in most formal subsystems, the three levels of schooling focus for the most part on academic training and scholastic competence.

Non-formal education may be described as any organized and systematic learning conducted largely outside the formal educational subsystem that may or may not provide certification. Definitions aside, the characteristics of non-formal education make it quite different from the formal subsystem in a number of ways. First, non-formal education addresses the needs of those who were not able to participate in the formal subsystem. In this regard, the clientele are quite different. A substantial number dropped out of the formal subsystem, the reasons for this being numerous though mostly centred on poverty. The organization, specific activities and delivery methods associated with non-formal education are designed to meet the express needs of the distinct clientele. At present, non-formal education in the Philippines has four thrusts:

- family life skills, including health, nutrition, childcare, household management, and family planning;
- vocational skills;
- functional literacy;
- livelihood skills.

Non-formal education is provided separately and apart from the formal school subsystem and does not serve as an entry point to a higher level of formal education. In this regard the two subsystems are separate, and little room for movement between the two is currently available. Non-formal education concentrates on the acquisition of skills necessary for employability and competitiveness in the labour market. The availability of non-formal education expands educational access to more citizens representing a variety of demographic characteristics, socioeconomic origins, and general interests. In effect, the non-formal subsystem makes education available to a very large number of Filipinos who would otherwise not have an opportunity to participate in any educational opportunities.

The non-formal education programs in the country focus on the following thrusts:

- the promotion of literacy programs for the attainment of basic skills that include numeracy and functional literacy and which are basic needs for every individual;
- the development of livelihood skills which manifest in the individual specific competencies that prepare, improve, and enhance employability and economic productivity;
- the expansion of certification and equivalency programs, which are administered by the formal education subsystem, into the non-formal sector.

(Bureau of non formal education and Asia Pacific Economic Cooperation, YEAR?).

Table: Enrolment in different levels of education, by sex

2003	% male	% female	
Primary net enrolment ratio	93	95	Primary to secondary transition rate 97 %
Secondary net enrolment ratio	54	65	
Tertiary gross enrolment ratio	26	34	

(UNESCO, 2006)

Some figures on education, pupil/teacher ratio and government expenditure

Pupil / teacher ratio (primary)	35
Public expenditure on education :	
as % of GDP	3.1
as % of total government expenditure	17.8
Distribution of public expenditure per level (%) :	
pre-primary	0
Primary	58
Secondary	24
Tertiary	14
Unknown	4

The proportion of male drop outs in any age cohort is higher than that of females. This bias is magnified for older age cohorts as seen in the proportion of drop outs among males aged 13-16 at 22.0 percent, almost twice the corresponding proportion for females.

In comparison, the proportion of drop outs among males aged 7-12 is only 6.4 percent (1 percentage point higher than the corresponding proportion for females). The gender difference in the dropout rate is true among children from poor as well as non poor households although the gender gap is larger for children from poorer families. On the other hand, the grade specific dropout rate by sex and poverty status shows a higher percentage of students leave school at the start of each cycle. Thus, the dropout rates are higher in the first year of high school and in the first year of college compared to the other years regardless of gender and poverty status except in the third year of high school. This is where dropout rate is highest because this is when children reach the age when they are legally allowed to work (Rosario G. Manasan and Eden C. Villanueva, December 2005).

Table 6. School participation rates by level, by gender and by poverty status, 1999 (in percent)

	Male			Female			M/F Ratio		
	Poor	Nonpoor	All	Poor	Nonpoor	All	Poor	Nonpoor	All
Elementary	88.67	93.60	90.70	90.31	94.09	91.85	0.982	0.995	0.987
Secondary	47.44	74.19	60.30	62.26	81.09	71.51	0.762	0.915	0.843
Tertiary	9.08	28.51	20.94	14.97	35.23	28.29	0.607	0.809	0.740
TVET	0.80	1.52	1.24	0.85	1.00	0.95	0.941	1.520	1.305
Higher Education	8.28	26.98	19.70	14.12	34.23	27.34	0.586	0.788	0.721

Table 8. School leavers as a percentage of all children in given age cohort, 1999

	Male			Female			M/F Ratio		
	Poor	Nonpoor	All	Poor	Nonpoor	All	Poor	Nonpoor	All
Age 7-12	8.93	2.89	6.45	6.73	1.97	4.80	1.33	1.47	1.34
Age 13-16	30.49	12.87	22.02	18.05	7.11	12.68	1.69	1.81	1.74

Table 9. Drop-out rate by sex and poverty status

	Male			Female			Both Sexes		
	Poor	Nonpoor	All	Poor	Nonpoor	All	Poor	Nonpoor	All
Grade 2	0.58	0.33	0.48	1.20	0.35	0.88	0.87	0.34	0.67
Grade 3	0.84	0.31	0.63	0.61	0.22	0.45	0.73	0.27	0.55
Grade 4	0.79	0.45	0.64	0.65	0.13	0.43	0.72	0.30	0.54
Grade 5	1.05	0.78	0.93	0.53	0.03	0.32	0.80	0.43	0.63
Grade 6	1.42	0.47	0.96	0.54	0.23	0.40	0.97	0.35	0.68
1st yr hs	5.67	1.97	3.83	3.73	2.22	2.99	4.72	2.09	3.42
2nd yr hs	2.23	1.14	1.60	1.89	0.69	1.27	2.05	0.93	1.44
3rd yr hs	34.52	40.96	38.51	36.07	39.66	38.20	35.35	40.30	38.35
4th yr hs	6.14	3.09	4.21	3.85	2.97	3.32	4.89	3.03	3.75
1st yr post sec + College	35.74	15.96	21.65	30.45	18.84	22.00	33.00	17.51	21.83

Source of basic data: APIS 1999

Literacy rate:

Literacy rates		2000-2004	
Adult (15+) %	MF	92.6	
	M	92.5	
	F	92.7	
Youth (15-24) %	MF	95.1	
	M	94.5	
	F	95.7	

(UNESCO, 2006)

Vocational education and training

How is VET defined? Formal, informal and non formal? Does it include training on the job? Which ones have priority in governmental practices and policy? How successful are they?	“ a comprehensive term referring to those aspects of educational process involving, in addition to general education, the study of technologies and related sciences, and the acquisition of practical skills, attitudes, understanding and knowledge relating to occupation in various sectors of economic and social life. It applies to all forms of technical and vocational education provided in educational institutions or through cooperative programs organized jointly by educational institutions at one hand, and industrial, agricultural, commercial and any other undertaking related to the world of work, on the other.” (UNESCO UNEVOC)
% youngsters in vocational education and training, regional differences	NA
Share of flow from regular education to vocational education and training	NA
Gender ratio in VET on national level, regional differences	40 percent of the enrolees in TESD institutions are women (ADB, 2000)
Which institutions pay attention to VET? (private actors (local NGOs, Churches, private institutions), commercial (organised by trade and industry companies) and public actors)	30 % of TVE institutions are government funded, the remaining 70 % of is in the hands of NGOs, as corporations, religious bodies and companies (Haas, 1999)
In which regions are they active, share urban / rural?	Most (86 percent) TESD institutions are in urban areas (ADB, 2000)

Skills training in the Philippines has three distinguishing characteristics:

- (i) the existence of a comprehensive agency (i.e., TESDA) overseeing all levels and types of training,
- (ii) a complex network of training providers, and
- (iii) the high proportion of skills training provided by the private sector.

The structure of TESD is complex. Nearly all pre employment TESD training takes place after the completion of secondary school. Training is delivered in a bewildering array of institutions, including schools, institutes, and colleges. Each may include multiple levels and types of programs including secondary, postsecondary, degree, and even postgraduate courses. A comparatively large share of skills training is provided in tertiary institutions, perhaps reflecting the short duration of the basic education cycle (only 10 years, with the result that high school graduates are young) and also the high cultural value attached to certification. Public state universities and colleges (SUCs) absorb more than half of the total public spending on TESD. Sixty percent of all training institutions are private but they accommodate 80 percent of total enrolments in institution-based middle-level skills development. This makes the Philippines unique in the world (ABD, 2000).

		Total enrolment in institution based middle level skills development
Public training institutions	40 %	20 %
Private training institutions	60 %	80 %

Private TESD is financed almost exclusively from non public sources, mainly by tuition fees and endowment income. In contrast with other countries, there is little or no government subsidy for private training (ADB, 2000).

Table: informal, semi formal and formal Technical Education and Skills Development

Informal skills development by work experience	No certificate	Semi formal on the job training and apprenticeships (NGOs, enterprises)	Not regulated yet. Certification should be developed	Diploma, certificate		
	Skilled			TESD		
	High job			Free skills development	Low cost skills development	More expensive skills dev
	Higher job			NGOs	Public schools	Private schools
	Low job			Official TESD school enrolment		
Secondary school graduates (small proportion Technical Vocational High Schools)						

Source: Interview Ramos, 28 February 2006

The Philippines has been successful in establishing an extensive system for education and training that has contributed to economic and social goals. However, there are concerns about

- (i) the role, responsibilities, and management capacity of TESDA;
- (ii) quality and relevance of TESD programs;
- (iii) constraints faced by private providers of TESD relative to access to capital; and
- (iv) equitable access to TESD programs by the poor.

The TESD system enrolls a large share of students from poor households. One study found that three fourths of the students in TESD came from low-income families. More recent observations found the range of students from poor backgrounds to be 60-90 percent. Skills development is an important means for disadvantaged people to improve their income and quality of life (ADB, 2000). Still there are some constraints mentioned in the last section of this report.

The country faces a lot of issues that impinge on technical education and skills development. Among the major issues are as follows:

- The population is increasing at a steady rate with almost 1/3 of total families below poverty threshold.
- There is a low cohort survival rate of students which reflects on the educational qualification of the labour force.
- There is a rising displacement of workers due to global and local factors.
- The majority of technical-vocational institutions are in the urban areas which limits access of the majority of the clientele who are in the rural areas.
- The problems relating to trainers' capability, outdated curricula, inadequate budget continue to bear down on the quality of TESD provision.
- Overall, there remains a big gap in terms of TESD effectiveness and efficiency that need to be filled in.

(Source: National Technical Education and Skills Development Plan 2000-2004)

Governmental policy and organisation of VET

In the Medium-Term Philippines Development Plan 2001 - 2004, the Government emphasizes “economic growth with social equity” and the importance of the private sector in “enhancing industrial competitiveness” in the global economy. This policy calls for the development of a highly skilled workforce that could contribute to the economy to enhance its competitiveness in international markets. To meet these requirements, the TESD system, as the main provider of technicians and skilled workers, must be responsive to rapidly changing technology and the demands of industry. TESD programs must be flexible, industry oriented, and demand-driven. The present TESD system with its supply driven orientation, outdated curricula, poor facilities, and inadequate teaching equipment cannot effectively produce the skilled workforce required by the economy. Promoting “social equity” requires that the poor have wider access to services, including better opportunities for skills training and employment with necessary support (ADB, 2000).

TESD is coordinated by a single agency (TESDA) covering all aspects of the system, including school-based, center-based, community-based, and enterprise-based training. In 1994, by recommendation of the Congressional Commission on Education, all types of middle level skills development (MLSD) were integrated under TESDA. TESDA combined the former Bureau of Technical and Vocational Education under the Department of Education, Culture and Sports (DECS), the former National Manpower and Youth Council dealing with non formal skills training; and apprenticeship training programs of the Department of Labour and Employment.

TESDA’s mandate as the national training authority is to establish a supportive policy environment for middle-level skills development; to improve quality through standards, accreditation and monitoring, research and development, and technical assistance; and to ensure equity in the training system. The bulk of TESD will continue to come from the private sector and from enterprises that offer training on the job. TESDA inherited the administration of 58 technical and vocational schools and about 60 nonformal training centers. TESDA is charged with providing professional oversight of all middle-level skills development—formal and non formal—including semiskilled, skilled, and technician levels. TESDA has oversight responsibility for private formal and non formal education mainly through its registration and accreditation system (ADB, 2000).

Table: Scheme in education regulation

Professional graduates		Vocational skills graduates	
College (max 5 yrs)	Ministry of Science	TESD (max 2 yrs)	Regulated by TESDA (since 1994)

Secondary school (regulated by the Department of Education, Culture and Sports)
Primary school (regulated by the Department of Education, Culture and Sports)
Pre primary (not regulated)

Source: Interview Ramos, 28 February 2006

The main goals on VET in national policy

Although the jargon and the terminology varies, in most countries (and not just the SEAMEO member countries) the goals of VTET will include:

- Meeting the needs of employers and industry for trained and skilled workers, including responding to changing workforce requirements.
- Providing training for those who will become self-employed or who will work in the small business sector or in family businesses.
- Providing VTET opportunities for young people who are not proceeding directly to higher education, and for new entrants to the workforce generally.
- Providing opportunities for existing workers to upgrade or diversify their skills.
- Providing retraining of workers whose skills have become irrelevant or redundant as a result of technological change.
- Providing training or refresher courses for adults seeking to re-enter the workforce after a long absence, for example, mothers and the long-term unemployed.
- Through training, improving the workforce prospects of the disabled and disadvantaged and those involved in marginal economic activities.
- Providing initial or pre-vocational training for those who have not previously participated in VTET programmes.
- Ensuring that skills are transferable and recognised, and that quality is assured, through appropriate articulation, accreditation and certification arrangements.

(Training systems in South East Asia, ??)

The present administration's priority programs include

- (i) modernizing agriculture;
- (ii) delivering basic social development services;
- (iii) developing infrastructure, especially in the rural areas;
- (iv) enhancing global competitiveness,
- (v) maintaining macroeconomic stability; and
- (vi) strengthening partnerships among national and local governments, the business community, and civil society by maintaining peace and order.

These priorities have important implications for skills development. To accelerate rural development and reduce poverty, the Medium Term Philippine Development Plan (MTPDP) calls for

- (i) devolution of the management of training institutions to local governments;
- (ii) directly channelling funding assistance for deserving poor students; and
- (iii) institutionalizing a system of recognition, accreditation, and equivalency of work experience and prior learning so that more persons can take advantage of and profit from skills development.

Improving skills development for competitiveness calls for

- (i) accelerating the delivery and implementation of flexible, market-oriented, and user-driven training systems in priority disciplines and programs; and
- (ii) promoting increased private sector participation in financing, managing, and delivering middle-level skills development.

The MTPDP also advocates specific activities to accomplish the following goals:

- a) Improving the effectiveness and efficiency of the system
- b) Improving the participation of disadvantaged groups in skills development (see for more details appendix 2).

The National Technical Education and Skills Development Plan (NTESDP) was drafted in 1999 in consonance with the Medium Term Philippine Development Plan. The NTESDP translates the policy thrusts of the MTPDP into strategies and means to address the critical skills requirements of the country in the medium term. It pursues a three-pronged strategy.

- (i) Improve global competitiveness by addressing the skills requirements of export oriented activities, catalytic industries, industries undergoing adjustments, support industries, and overseas employment.
- (ii) Accelerate rural development and poverty reduction—mainstream the countryside in national development by addressing the skills requirements of economic activities in the rural areas, especially in pursuing technology-based agriculture and fishery development.
- (iii) Strengthen social integration by focusing on the development of paraprofessional and other social workers to facilitate the delivery of and access to social services, providing the poor and disadvantaged with a wider access to the opportunity to develop the needed social and personal skills.

The NTESDP presents seven policies for the continued overall reform and improvement of skills development.

- (i) Upgrade the quality and raise the productivity of Philippine middle-level manpower to be globally competitive by, among others, better instruction for competencies and certification.
- (ii) Rationalize the roles and functions of TESDA in overseeing skills development, in part through policy development, monitoring and information systems, and research and advocacy.
- (iii) Maximize the role of industry and private providers by, among others, promoting the dual system and providing incentives for private providers.
- (iv) Use skills development to promote rural development by supporting targeted services through Local Government Units.
- (v) Elevate the prestige of middle-level skills as occupations through social marketing, guidance, disseminating labour market information, and developing equivalence programs.
- (vi) Devolve training responsibilities to Local Government Units by building local managerial and technical capabilities.
- (vii) Emphasize the development of entrepreneurship in all skills training.

These major policies have been consolidated into an action plan of specific programs. TESDA has identified specific responsibilities, a financing plan, and implementation schedules to carry out between 1999 and 2004 the tasks that involve TESDA headquarters, regional, and provincial offices, executive and legislative branches of the Government, Local Government Units, and NGOs (ADB, 2000).

Relation government, private initiatives and trade and industry (private) companies in VET

Livelihood Skills Programme

The Livelihood Skills Development Program of the Department of Education Culture and Science (DECS) is designed to equip the unemployed and underemployed with vocational and technical skills through short term training programs. Examples of courses offered include dressmaking, electronics, cosmetology, bookkeeping and cooking. Also involved in skills training is the National Manpower and Youth Council (NMYC). It targets clientele in the out-of-school youth group, as well as, like DECS, the unemployed and

underemployed. The three key NMYC skills training program groups are Industrial Training, Rural Training and Special Programs. In 1990, 133,473 trainees graduated from these three programs.

In skills training, the Dual Training System is used where students receive a combination of in-school and in-workplace programming. For four days per week the trainees receive practical exposure and specialized training in a firm, coupled with theoretical instruction twice a week. This program relies on strong cooperation between schools, industry and government.

Another livelihood skills project of the Bureau of Non Formal Education (BNFE), in collaboration with SEAMEO-INNOTECH (South East Asian Ministers of Education - Regional Centre for Educational Innovation and Technology), is the Development of a Learning System for the Improvement of Life (DELSILIFE). This is a community-based education intervention program that seeks to improve the quality of life and develop skills needed locally within the community. Programs are offered in nutrition, literacy and handicrafts (Bureau of non formal education and Asia Pacific Economic Cooperation, YEAR?).

Does this livelihood skills programme still exist?

Enrolments in the private TESD system have been declining. The regulatory environment does not appear to be the issue; private training providers in the Philippines generally find TESDA regulation appropriate. One constraint is the private TESD providers' lack of access of to credit. Very few commercial sources give private schools financing to improve the quality of their programs. Private providers, especially small schools, often do not have the collateral required by commercial lenders. Another constraint is unfair competition from the heavily subsidized State Universities and Colleges. These institutions have been introducing courses already available in private institutions and are attracting potential students with their low fees (ADB, 2000).

International donors / INGOs involved in VET

Vocational Training and Second Vocational Training Projects financed by the World Bank, the Philippine/Australia Technical and Vocational Education Project, and an ongoing Promotion of Dual Training and Education Project assisted by the Deutsche Gessellschaft für Technische Zusammenarbeit (GTZ) of Germany. The Japan International Cooperation Agency financed the establishment of the National Vocational Training and Development Center for Women (ADB, 2000).

Networks around VET

Narrative Description of a Project funded by the ADB, Melbourne Enterprises International and SEA consultants:

This TA assists the Government in strengthening management capacity of the Technical Education and Skills Development Authority (TESDA) and a network of regional and provincial institutions including LGUs to enable them to provide effective leadership and support to both public and private institutions. The TA contributes directly to the improvement of the quality of Technical Education and Skills Development (TESD) programs, which in turn produces qualified skilled workforce for higher productivity thus enhancing the country's competitiveness in the global market. The TA consists of three major components:

- (i) strengthening management capacity of TESDA and its network of regional and provincial institutions and LGUs;
- (ii) improving quality of TESD programs through the development and implementation of accreditation system, quality assurance programs, dual training system, apprenticeship system; and

- (iii) enhancing employment opportunities of TESD graduates through the institutionalization of career guidance and counselling services, job placement and support services, industry-institution linkages and entrepreneurship development programs in TESDA institutions.

(ADB, 1999)

(New) initiatives / intentions from the trade and industry (private) sector around VET

TESDA has taken initiatives to improve the situation in three areas. It has introduced a System of registration and accreditation designed to ensure that new programs and institutions meet minimum levels of quality. Both private and public institutions must seek advance approval for all courses and pass a minimum threshold for authorization. If sensibly administered, this system promises to stimulate substantial changes and improvements in private education. It will eliminate some of the fly-by-night operators of doubtful repute. It will cause others to merge or undertake improvement programs. TESDA has converted TESD programs to a system of competency-based training, which involves employers in identifying competencies required for particular occupations and developing training modules focused on achieving those outputs. Competency-based training is part of the new registration and accreditation program. This system promises to make TESD more effective by focusing on the essentials and eliminating unnecessary content from training. TESDA is also providing positive incentives for quality improvement in training through its annual awards for training excellence. These provide considerable leverage on the system without much cost (ADB, 2000).

Sizable firms in the manufacturing sector show surprising dynamism in training their own workers. A recent survey shows that 60 percent of firms provided systematic training for employees and invested significantly in training. Virtually all those firms employed more than 50 persons. Smaller firms also provide training, although less often and less formally, for the most part though on-the-job skills transfer. The figures for large firms are comparable with enterprise commitments to training in other middle-income countries (ADB, 2000)

Middle-level skills development (MLSD) has proven to be a viable and cost-effective alternative to higher education, as shown by the increasing number of enrollees in the various MLSD programs (Table 10.5). Enterprise-based and dual training system programs showed the biggest growth rates in the number of successful trainees. Through extensive advocacy, 120 firms joined forces with public and private training institutions to promote work-oriented education and training. This scheme registered 404 cooperating companies, employed 95 percent of graduates. There were also 31,254 scholarships granted to poor students in 1998-2000. For the first time this was applied in fisheries trade.

Efforts to improve MLSD include the development of occupational standards and competency assessment instruments, capability-building for micro enterprises, and product quality enhancement and advanced technology application. The National Technical Education and Skills Development Plan (NTESDP) 2000-2004 was also drafted to serve as guide to initiatives for the sector (MEDIUM-TERM DEVELOPMENT PLAN 2001-2004)

However, partnership with the private sector still need to be expanded to address the remaining challenges in basic education, namely: (a) making the TVET system responsive to industry needs; (b) promoting MLSD as a viable career among the youth to amass a critical base of middle-level workers; and (c) continuing honing Filipino middle-level skills to become more globally competitive and responsive to local industry needs (MEDIUM-TERM DEVELOPMENT PLAN 2001-2004)

Table 10.5				
MLSD PROGRAMS, 1999-2000				
Programs	Indicators	Actual		Growth Rate (in percent)
		1999	2000	
Center-based	Enrolled	64,364	67,991	5.64
	Graduates	64,176	67,471	5.13
	% of Employed Graduates	63.0 ^{a/}	-	-
School-based ^{b/}	Enrolled	330,407	292,869	-11.36
	Graduates	90,453	94,803	5.9
	% of Employed Graduates	38.0 ^{a/}	-	-
Enterprise-based	Registered	29,265	35,576	21.57
	Graduates	15,436	23,684	53.43
	% of Employed Graduates	68.2	-	-
Dual Training System	Enrolled	9,325	15,121	62.16
	Graduates	4,523	9,971	120.45
	% of Employed Graduates ^{c/}	-	95	-
Livelihood/ Community-based	Enrolled	150,415	157,581	4.76
	Graduates	147,932	154,153	4.21
	% of Employed Graduates	38.5	-	-
Trainors Training	Trained	4,094	4,740	15.78
	Assessment & Certification	Workers Tested	72,952	90,472
Certification	Workers Certified	38,882	57,628	48.21
	Passing Rate	53.3	63.7	-

Notes:
a/ 1998 figure
b/ includes both public and private schools
c/ includes those who completed microenterprises and are self-employed or engaged in livelihood
Source: Technical Education and Skills Development Authority

Karim has conducted three surveys in 1996. One of his conclusions than was: "The three surveys clearly establish a satisfaction on the side of respondents as to the TVET they had in the past or were having at the time of the survey. It has also become apparent that graduates of TVET find the within-enterprise training more relevant to their work and career than off enterprise training (which is nevertheless highly regarded). Training organised by employers whether within or off enterprise is regarded as more relevant than past TVET which included own choice programmes. From the above it may be evident that support to and expansion of this kind of training would increase the effectiveness of the whole TVET system."

And:

"The conclusion of the survey of the perception of trainees on whether private training institutions offer better training than public ones is as follows; the more experienced the respondents are with TVET, the more convinced they become on supremacy of private training institutions. Potential trainees are strongly in favour of public institutions (they all attend public institutions). While more than half of the current trainees have been selected from public institutions the percentage of those who say 'yes' to 'no' on supremacy of private training is 189 (with wide regional differences)."

Education of teachers

There are no formal licences for vocational teachers. They are only checked by the schools who are hiring them. The teachers are mostly experienced in certain vocations, engineers, etc. There are no didactic training courses or studies available to train vocational teachers (Interview Ramos, 28 February 2006).

VET specialisations

Other initiatives include TESDA's role in the development of trade standards. Over the past two years TESDA, with industry participation, has identified seven priority sectors and

developed 13 training regulations comprising trade standards plus competency-based curricula, which will be gradually introduced. The standards will enable training institutions and employers to assess the quality of graduates more objectively based on the identified competencies (ADB, 2000).

Skills Requirements in Priority Industries

The identification of priority industries is in response to the need to define focus that will be used to guide allocation of scarce resource particularly in the public sector. The various consultations among stakeholders generated the following sectoral priorities:

1. Agriculture and Fishery
2. Decorative Crafts
 - o Gifts, Toys and Housewares
 - o Jewelry
 - o Ceramics
3. Metals and Engineering
4. Furniture and Fixture
5. Garments
6. Construction
7. Mechanics
8. Processed Food and Beverages
9. Tourism (including Hotel and Restaurant)
10. Communication/Information Technology/Electronics
11. Maritime
12. Land Transport
13. Health, Social and other Community Development Services

The first 7 skills would be interesting for on the job training. The formal TESD is focusing mainly on metal craft and welding, wood working, auto mechanics and computer technician (Interview Ramos, 28 February 2006). Regardless of the local demand TESDA's regional training centres give training in seven occupations such as welding, auto mechanics, and carpentry that were identified in the early 1970s (ADB, 2000). The vocation which is ignored in TESD is instrumentation technician. This means that no people are formally taught how to repair home office appliances and domestic electric appliances (Interview Ramos, 28 February 2006)

The identification of the sectoral priorities took into account the following factors: Employment Generation Capacity, value-added, multiplier effect, export potential, local content of the product/service and the priority occupational skills for each priority sector were identified based on its criticality to the operations of the business/services (National Technical Education and Skills Development Plan 2000-2004).

Strengths and weaknesses

Uncertain performance

The performance of the TESD system is best measured by the employment rates of graduates, but little current information exists about the performance of the system in placing graduates in employment. Many administrators of TESD schools and centres stated that the graduates are too mobile to be tracked systematically after graduation. Institutions quote absorption rates from 50 percent upward to 95 percent for the better institutions. However, employment rates appear to have declined during the economic downturn of the late 1990s. This remains speculative until more data are collected (ADB, 2000).

Data from the early 1990s, as quoted in the 1994 Congressional Commission on Education report,
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claim that absorption rates at all levels and types of TESD were low. Employment rates were 31 percent among graduates of postsecondary non degree courses. The best performance was by graduates from schools with short-term (generally non formal) courses who achieve a 54 percent employment rate. Placement rates increased substantially in the mid-1990s as job creation surged and employment prospects brightened. Anecdotal evidence supports this (ADB, 2000).

Low quality of VET

The TESDA tests give a useful proxy measure of the quality of skills attainment of the graduates. Unfortunately, the performance achievements are not high. Only about 49 percent of those who took the examinations in 1995 passed, and the average declined to 38 percent in 1998. This exceptionally low result is a worrisome indicator of pervasive low quality in the system.

One explanation for low quality is the wide variance in inputs needed for high standards in training. Trainers tend to have strong academic qualifications, but lack skills qualifications and industrial experience. Only about 30 percent of the trainers had trade certification and only 9 percent had industrial experience. Both private and public institutions tend to suffer from shortages of equipment and budgets for consumable training supplies.

The present TESD system has a supply driven orientation, outdated curricula, poor facilities, and inadequate teaching equipment (ADB, 2000).

Relevance

In terms of relevance, the curricula, training equipment, and training methodologies in the majority of institutes have lagged behind the rapid changes and development in business and industry. Training curricula tend to be rigid and static. Regardless of the local demand TESDA's regional training centers give training in seven occupations such as welding, automechanics, and carpentry that were identified in the early 1970s. One survey of training for manufacturing found that three fourths of the institutions had not updated or revised the curriculum during the previous five years. Clearly, there is an urgent need to improve the quality and relevance of TESD skills training programs to produce highly qualified skilled workers for the economy (ADB, 2000).

Costs

Private TESD institutions enrol about 80 percent of total TESD students. In general, the private TESD schools are more cost-effective than their public counterparts. On a per student basis, private training costs less than public training. One study found that for skilled worker and technician-level training, private costs per graduate were only 70 percent and 45 percent, respectively, of those of government institutions. Managers of private institutions tend to be more cost conscious and make more intensive use of equipment and facilities: average utilization reported for the private technical schools (74 percent for laboratory use and 80 percent for workshops) was higher than the comparable values reported for government technical-vocational schools (44 percent for laboratories and 55 percent for workshops). The same survey found that private schools perform better than government schools in intensive use of staff. About 90 percent of the private institutions had staff/student ratios above 1:12 whereas 66 percent of the government schools had staff/student ratios below 1:12. Overall, taking both costs and impact into account, private training is more cost-effective than government training (ADB, 2000).

The primary source of finance the first training programmes is the family (parents and relatives). All three surveys reflect a high commitment of the families in financing post secondary training and education of their sons and daughters. Scholarships are far less significant. After employment, employers are the major funders of TVET (Karim, 1996).

Financial barriers for enrolment

Lack of finance limits access to TESD programs for a large number of the poor. Even with the currently low tuition fees in public institutions, poor families without stable employment

and with incomes below the poverty line have difficulty in supporting their children attending TESD institutions. The situation is more difficult when the poorer children attend private institutions that charge student fees higher than those in public schools. Although the Government provides scholarships for private TESD schools, only 3 percent of the students receive financial assistance. The Private Education Student Fund Assistance (PESFA) scholarships for disadvantaged students are administered by TESDA through its regional and provincial offices. Allocations are made to provinces by TESDA according to a formula that takes into account poverty incidence in the area. More than 10,700 scholarships were awarded in school year (SY) 1999, and the number increased to 13,500 in SY2000. These scholarships are held by students, subject to satisfactory performance, for two years of study at an institution of the student's choosing. PESFA scholarships thus function much like vouchers and reportedly work well. PESFA is an important way to provide indirect public support to private institutions that will achieve both equity and efficiency objectives (ADB, 2000).

Geographic barriers

A limited geographic distribution of TESD institutions is another barrier. Most (86 percent) TESD institutions are in urban areas, limiting the access of rural populations that constitute the majority in the Philippines. Enrolments in postsecondary non degree courses in the National Capital Region account for 42 percent of the total student population; enrolment in the Autonomous Region of Muslim Mindanao is 0.23 percent of the national total. Rural parents who send their children to the cities to attend TESD incur extra costs.

Gender barrier

In terms of gender participation, about 40 percent of the enrollees in TESD institutions are women. This figure is higher than that in most countries worldwide and in the region, but is still less than parity. Most women tend to concentrate in traditional programs such as sewing, arts and crafts, and food services, which usually lead to low-paying jobs. Far fewer women take the national trade tests after completion of their studies (7,400 women in the first half of 1998, compared with 26,700 men). Only about 33 percent of the women passed the trade test (compared with 39 percent of the men.) In part the problem rests with gender segmentation in the labour market, which perpetuates unequal incomes for women in the job market (ADB, 2000).

Image of VET

Disadvantaged students who do attend TESD institutions are discriminated against through lack of opportunities for further advancement in the education system. TESD suffers a poor image and is perceived as a dead-end and last-choice option among many parents and students. This aversion has deep historical roots and was reinforced by the former national college entrance examination. If one failed the examination, the only avenue left was TESD. The poor reputation is reinforced by the lack of transferability of credits from TESD programs to further studies elsewhere. Since the majority of students in TESD come from poor families with incomes near or below the poverty line, they lack opportunities for further studies (ADB, 2000).

But a survey done by Karim in 1996 has another remarkable conclusions on TVET: "Contrary to some beliefs expressed in the literature of HRD that TVET is stigmatized as the choice of the less successful, the survey of potential trainees manifests clearly that the choice of TVHS for the majority (94 %) was not because they had not been able to pursue general (academic) education, but because it offers better prospects in the labour market. Potential trainees are certain that they have made the right choice and that Technical and Vocational High Schools offer better education than general secondary schools. The number of Technical Vocational High Schools is quite small and they represent a very small proportion of the secondary school system in the country. A detailed study on effectiveness and relevance of Technical and Vocational High Schooling system will be an important guide to policy making in this very important component of TVET."

Accreditation

A well-developed equivalency system for TESD programs similar to the Accreditation and Equivalency system established under the ADB-financed Non formal Education Project will help TESD students transfer from one program to another or transfer credits earned from one school to another. In addition, it will provide a means for people who have acquired technical knowledge and skills through work and experience outside the TESD system to obtain certification and accreditation through skills testing for further TESD training and career advancement. This kind of equivalence is especially important for children from poorer families particularly those who do not finish high school and hence would not normally qualify for entrance to TESDA programs. Establishment of equivalency programs will make TESD more attractive and open TESD institutions to the poor and those who want to improve their livelihood (ADB, 2000).

Government-financed skills training programs are often supply-driven, are delivered at higher unit cost than similar programs provided by the private sector and are often in direct competition with the private sector.

Support for skills development should therefore concentrate on

- (i) upgrading government capacity to coordinate (but not to provide) skills training and to establish and monitor skills standards;
- (ii) encouraging private sector provision of training by helping governments establish conducive policy environments and incentives; and
- (iii) helping to establish skills development funds that can be used by agencies such as NGOs to provide skills training for the poor, especially women (ADB, 2000)
- (iv) There is a need to promote middle-level skills as a viable occupational career. This calls for extensive advocacy while responding to the need to improve the quality of TESD provision.
- (v) The constraints on the expansion and improvement of private technical education and skills development, such as access to credit market to help providers upgrade training capabilities and the unfair competition posed by heavily subsidized public training providers, needs to be addressed
- (vi) The participation of the private sector in the management, delivery and financing middle-level skills development should be enhanced.
- (vii) The development of a devolution plan for the management and implementation of community-based skills development programs to LGUs should be accelerated.
- (viii) The MLSD should respond to international and globalization trends.
- (ix) The provision for adequate post-training assistance especially to graduates of entrepreneurship training should be addressed.
- (x) Mechanisms to ensure equity and access to TESD programs need to be installed.

(Source: National Technical Education and Skills Development Plan 2000-2004)

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Appendix 1 Quality and accreditation of VET

The Unified TVET Program Registration and Accreditation System (UTPRAS) will ensure quality in all institutions offering or intending to offer TVET programs. It prescribes full compliance with prevailing training standards before an institution may be allowed to offer a particular program.

The TESDA Occupation Qualification and Certification System (TOQCS) was designed to enhance the existing qualification and certification system as it relates to the expanded clientele and qualification requirements under TESDA. The system has the following salient features:

- Recognition of prior learning whether acquired in a learning institution or in enterprise-based work experiences
- Modularized and competency-based learning based on occupational skills standards
- Accumulation of certificate of competencies towards a license/certificate
- Self- paced

The Philippine TVET Quality Awards is the highest level of recognition given to TVET organization/institution for outstanding performance and organization excellence through commitment and application of quality principles and practices. The award system uses the 7-point framework of the Total Quality Management System (TQMS):

- Leadership
- Strategy, policy and planning
- Information and analysis
- People
- Customer focus
- Quality processes, products and services
- Organizational performance

Appendix 2 Goals in detail (ADB, 2000)

The MTPDP also advocates specific activities to accomplish the following goals:

a) improving the effectiveness and efficiency of the system by

- (i) improving the relevance and quality of skills development;
- (ii) implementing the Unified Technical Vocational Education and Training Program Registration System;
- (iii) implementing programs for critical middle-level skills requirements of priority sectors in identified growth areas;
- (iv) implementing and expanding the dual training system;
- (v) identifying and establishing centers of excellence;
- (vi) upgrading physical facilities, equipment and instructional materials;
- (vii) intensifying competency-based training;
- (viii) intensifying training of trainers;
- (ix) identifying best practices for community-based training and introducing entrepreneurship development; and
- (x) institutionalizing and expanding the TESDA Occupational Qualification and Certification System; and

b) improving the participation of disadvantaged groups in skills development by

- (i) directly channelling funding assistance to deserving students to raise their purchasing power in choosing programs and schools;
- (ii) establishing an equivalency system skills development; and
- (iii) developing and testing non conventional alternative delivery systems, such as distance learning.

Appendix 3

Survey 1996 on Labour Market

(In addition to the information in this report from this survey about VET)

A survey done by Abdelkarim in 1996 has some remarkable conclusions:

On Labour Market:

- A) All surveys show a relatively high level of mobility of respondents (and their families) in pursual of education and training and in search for jobs. This feature of population and labour in the Philippines could have some important bearings on planning for location of TVET institutions and on employment creation.
- B) Data from graduates of TVET show that industrial workers (especially men) show a relatively high arte of turnover. More than two third of the workers stayed for less than two years with their last employers. High turnover makes it difficult for employers to invest or increase their investment in training special in more expensive (more lengthy) type of training. The reason employees give for leaving their jobs vary. The most mentioned reason is 'low wage'. Since these are technical people who would normally move to another industrial employer, high turnover is perhaps an indicative of wide wage differentials in manufacturing industry.
- C) Data confirm that women are participating very effectively in TVET and in the manufacturing industry, particularly in some specific fields. They stay considerably longer than men with their employers. They are employed in lower-paid jobs (but not necessarily less skill demanding jobs). They are also less satisfied with their current jobs than men. All the issues require policy intervention to ensure equality and to realize the full potential of women in the manufacturing (and other) sectors. A comprehensive study on this matter is a matter of priority.

D) Respondents rely very little on formal means of labour market information to decide on their choice of training programmes and to search for jobs. The reason is in the low effectiveness of the career advisory and employment services.
(Abdel Karim, June 1996)