

Comments to Senate Bill No. 363 “*An Act Strengthening the Technical Vocational Education and Training (TVET) in the Philippines by Incorporating Apprenticeship and Dual Training System, Providing for Continuous Training of the Unemployed, and Expanding the Provision of Enterprise-Based Education and Training, and for Other Purposes*”

Prepared by Aniceto Orbeta, Jr.¹

11 October 2022

General Comments

We fully agree on the need of promoting enterprise-based training (EBT) because it addresses important critical issues about training, namely: (a) by design it encourages employers to help determine, design, implement and quality assure training; and (b) because of the active participation of employers it has better employment record. It benefits the trainee because it addresses the issue of trainees with uncertain paper qualifications, i.e., those trained in not-so-popular schools. The company benefits from an assured stream of productive workers. In addition, with part of the training conducted on company premises, the firm will have first-hand information on the workplace attitude of the trainee. EBTs serve as an effective screening mechanism. Finally, it benefits society because it facilitates entry and productivity and keeps workers employed.

Despite these recognized benefits, we see low uptake of EBT. We thank the authors for citing our papers, highlighting that a minuscule proportion (less than 4%) of our training output comes from EBT². It is worth highlighting that this low take-up is not for the lack of trying. As early as 1994, or almost 30 years ago, we passed the Dual Training System law (RA 7686). We should make it our goal to make EBT an integral and essential part of the country’s training strategy contributing a significant proportion of our training output. However, the low uptake reveals that the right incentives to encourage greater participation are not yet in place. We hope the proposed bill will be able to address this need.

It is also worth emphasizing that the benefit to society economically justifies the government investing a considerable proportion of training resources in EBT.

¹ Dr. Aniceto C. Orbeta Jr, President, Philippine Institute for Development Studies.

² Orbeta (2022) “Philippine Education: Situationer, Challenges, and Ways Forward” PIDS Discussion Paper 2022-23 (<https://www.pids.gov.ph/publication/discussion-papers/philippine-education-situationer-challenges-and-ways-forward>); Orbeta and Esguerra (2016) “The National System of Technical Vocational Education and Training in the Philippines: Review and Reform Ideas” PIDS DP 2016-07 (<https://www.pids.gov.ph/publication/discussion-papers/the-national-system-of-technical-vocational-education-and-training-in-the-philippines-review-and-reform-ideas>);

Specific comments

Section 12 states that training administration is lodged on TESDA, and only identification and prioritization of EBT is where industry associations are involved. To be truly responsive to the needs of the industry, a key feature of the EBT is that industry associations should be fully engaged in the training's design, implementation, and quality assurance. We propose that this should be explicitly stated in Section 12. It would be good to include this explicit collaboration in the design, implementation, and quality control in the firm-level EBT Training Committee (Section 13) and not limit the committee to settling disputes. In addition, TESDA should ensure that the appropriate training regulations for each EBT are clearly defined, stipulating the curriculum design, implementation details, and quality assessment.

While establishing a training fund is mentioned (Section 17), the bill is unclear on its utilization. However, since it is from graduates' contributions, paying portions of the training costs outside the enterprise will be a good use since the law already allows enterprises to deduct their on-premises training costs.

Given the employment objective of the training, while mandatory hiring may discourage enterprises from hiring EBT graduates, the bill may want to consider including an incentive for hiring EBT graduates.

Finally, the proposed bill appears to be silent about the training to upgrade the skills of those who are currently employed constantly. With rapid technological changes, EBT should not only cover new entrants but existing workers as well to keep them in step with changing production technologies.