Are Filipino Professionals Ready to Meet International Competition?

Teresó S. Tullao Jr.*

With the conclusion of the Uruguay Round and the relaxation of trade in commodities, trade in services, including professional services, will take a center stage in the next round of trade negotiations under the World Trade Organization (WTO). The expansion of trade in the context of a growing services sector will have a significant impact on human resource development. For the Philippines, this means that there is need to improve its human resource capabilities in order to maximize whatever it may gain and minimize the costs it may bear in the process of liberalization in the trade in services. More specifically, for the country’s professionals, it relates to having them ready to compete internationally. On the one hand, improvement of human resources is a preparation for the country’s professionals for foreign competition here and abroad. And on the other hand, it is also an investment in human capital and part of the expansion of the infrastructure of the economy.

This Notes reviews the current process of preparing, developing and upgrading Filipino professionals in the context of international competition and suggests various courses of action to help improve said process.

GATS: framework for promoting global trade in services

The General Agreement on Trade in Services (GATS) laid down the general legal framework that would govern the promotion of global trade in services. The agreement consists of a set of rules limiting the intervention of governments and other institutions in the global trade in services through the removal of hindrances to market entry and provision of equal treatment of foreign service providers.

Upon accession to the Agreement, member economies are required to make commitments along the four modes of supply and identify their limitations on market

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*The author is Ph.D. in International Economic Relations and Professor, De La Salle University.
access, national treatment and additional commitments. The Philippines is one of the 45 member economies in the category with the highest number of commitments, having at least 80 committed sectors for liberalization.

Higher education in the Philippines: a quality profile

Before we look at the factors that may determine the readiness of Filipino professionals to compete, it is best to take a look at a brief profile of the quality of the country's higher education system.

The supervision of institutions of higher learning in the Philippines is assigned to the Commission on Higher Education (CHED) which was created under Republic Act (R.A.) 7722 or the “Higher Education Act of 1994.” The role of the CHED was further articulated under R.A. 8292 or the “Higher Education Modernization Act of 1997.”

The number of higher education institutions (HEIs) in the country has been increasing in recent years, from 809 in 1991 to 1,379 in 1998. Private schools accounted for 81 percent of the total number of HEIs and 75 percent of all students in 1998. Programs in business administration and related courses have consistently attracted the bulk of students in higher education.

In terms of faculty, several studies have revealed the relative academic inadequacy of teachers, with just a little over 7 percent of them holding doctorate degrees and 25 percent holding master's degrees. Many of them are overworked, carrying heavy teaching loads per semester.

In the field of research, the situation in many educational institutions is very discouraging. Many of the teachers do not have the necessary qualifications to conduct independent studies. As a consequence, there is hardly any research activity going on in Philippine colleges and universities. Because of their heavy teaching load, too, the teachers can hardly do anything beyond academic instruction.

Several factors inhibit the growth of research in graduate schools in the Philippines. One is that both the faculty and students in the graduate school are on a part-time basis. Two is that the graduate programs are concentrated only in two fields, namely, education and Master of Business Administration (MBA) programs. There are very few graduate programs in other disciplines. And three, since many of the HEIs are privately-funded, it is very difficult to finance research activities particularly in the sciences.

There are also other indicators of the poor quality of HEIs in the Philippines, namely, (a) low performance of graduates in national licensure examinations, (b) limited number of schools with accredited programs, (c) very few institutions cited as centers of excellence, and (d) the inclusion of only four universities among the top universities in Asia.

Evaluating the Filipino professionals' readiness to compete

After a glimpse of the situation in the country's HEIs, how ready can one say are the Filipino professionals to face competition?

We looked into a number of areas affecting the development of our professionals and we summarize the results below.

Curricular programs and licensing requirements of selected professions

In terms of competence, how do the Filipino professionals compare with their ASEAN peers?

In order to have a basis of comparison, our study reviewed the curricular programs of various disciplines in the country, including accountancy, civil engineering, teacher education, mechanical engineering, electrical engineering, industrial engineering, nursing, architecture, law, pharmacy and general medicine, in connection with their course offerings and academic units required to complete the programs. Said programs were then compared with similar academic programs in selected ASEAN coun-
tries. A similar procedure was done with the licensing requirements of selected professions.

The results and analysis indicate that the competence of Filipino professionals is deemed comparable with that of their ASEAN counterparts.

**Continuing professional education**

Continuing education encompasses practices and activities pertaining to the training of individuals after they have left the formal educational system. It includes continuing professional education and further nonformal and informal education and training (Edralin 1999).

In the Philippines, the administration of continuing professional education is primarily a responsibility of the Professional Regulation Commission (PRC), together with the appropriate professional organizations and the CHED. The PRC requires that all licensed professionals must complete 60 units of continuing professional education (CPE) credits within three years for baccalaureate degree holders and 30 CPE credits for nonbaccalaureate degree holders. Noncompliance means nonrenewal of license and the possibility of delisting from the roster of professionals authorized to practice in the Philippines. Unfortunately, this requirement was removed in the PRC Modernization Act of 2000.

**Absorption of professionals**

Professional, technical and related workers account for almost 13 percent of the total nonagricultural members of the labor force. In 1998, some 2.17 million workers were estimated to be included in this group. The bulk of these professionals are concentrated in the community, social and professional services industry group which absorbs 75 percent of the total professionals. Based on PRC data, there are some 1.85 million registered licensed professionals in the country as of 1998. If we only count the number of professionals licensed since 1960, the adjusted stock of professionals is estimated at 1.75 million.

From 1992 to 1998, a total of 318,392 professional, technical and related workers were reported to have been deployed for overseas employment. More than half of these deployed overseas workers are composers and performing artists. In fact, almost half (49%) of the total professional technical workers deployed for overseas employment are choreographers and dancers. If we remove this group from the total number of professionals deployed overseas (since choreographers and dancers are not professionally licensed under the PRC), the remaining number of professionals absorbed by the external market then would constitute about 9 percent of the total stock of professionals in the register of the PRC.

**Conclusion and recommendations**

To reap the benefits of an expanded global trade in services as the GATS is fully implemented, there is a need to upgrade the Philippines’ human resources through various forms of investment in human capital. This upgrading process is not intended to protect Filipino professionals from foreign competition but more importantly to build a strong human resource infrastructure in the light of a globalized trading environment. More specifically, our readiness to compete internationally should be viewed in terms of the ability of our professionals to meet the standards and human resource requirements of foreign as well as domestic companies.

As we review the process of human capital formation in the country, we concur with the conclusions documented in various research and reports on the inadequacies of higher education in the Philippines. The overexpanded higher educational sector in the Philippines has been blamed for the mismatch of graduates and manpower needs of the economy as well as for the excess supply of graduates. To address this issue, there is a need to increase demand for educated labor through the improvement of the economy, greater employment generation and higher rates of savings and investment.

Despite the inadequacies of our educational system, however, the curricular offerings of the various professions are comparable with international standards at least in the ASEAN region. We may be producing a lot of graduates but the licensing examinations as well as the
continuing education program serve as a process of selecting the best among these graduates. Moreover, the fact that close to 9 percent of the stock of professionals are able to work overseas, including a good number of nurses, physicians and engineers, speaks highly of the academic training they have received in the country.

But in the light of the liberalization of trade in services, can the graduates of our educational sector compete with foreign professionals?

In response to this, we note that there is much room for improvement. And in this regard, we put forward the following recommendations:

- Update the curricular programs of various professions regularly to keep up with the changes in the market and technology, and to benchmark with some of the best academic programs in the region.

- Refocus the continuing professional education program towards research, publications, inventions and graduate education, and de-emphasize the seminar programs.

- Give professional organizations more flexibility in developing their members through the institution of a professional ranking system in order to further improve the professional continuing education.

- Link the development of higher education with the improvement of continuing professional education.

- Rationalize the allocation of government funds to higher education through, for one, a moratorium on the establishment or conversion of state colleges and universities.

Finally, to be able to compete well in the international services arena, it is best to be prepared and continuously honed along the demands and challenges of the times. Only a continuing upgrade of our overall human development program can thus address this.

Selected references