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**SENATE**

S. No. 946

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**Introduced by Senator Manuel "Lito" M. Lapid**

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**EXPLANATORY NOTE**

One of the potential contributors to the attainment of our country's developed and industrialized status is our labor sector. However, unemployment has steadily risen and the number of jobless Filipinos continuously sweeping society marking poverty and hardships.

In the January 12, 2004 issue of the Philippine Star, it reported that per the records of the Department of Labor and Employment (DOLE), the number of jobless Filipino youths has reached 2.5 million. Overseas employment is likewise bleak citing that the number of registered Filipino migrant workers declined by eight percent (8 %) to 31,543 in the first six months of 2003 compared to 129,022 covering the same period in 2002.

As such, there is a need to identify the type of skills training projects which must be conducted by the government.

Projections in the drafted National Manpower Plan (NMP) revealed that about 1.3 million young workers aged 15 to 24 years old will need pre-employment training within a span of five years. On the average, about 255,000 young workers will have to undergo pre-employment training. Twenty two percent (22%) of these are elementary graduates and twenty one percent (21%) are high school graduates.

A similar attention, although in a different degree of training, should also be given to workers who are dismissed due to financial failures or, poor performance of their company. Moreover, cases of displaced workers are expected to rise with the full implementation of the General Agreement on Tariffs and Trade (GATT). The advent of GATT means creation of job opportunities which demand skills rarely applied and practiced in our local industries.

It is therefore imperative to formulate and implement strategies for skills training that will prepare workers for new skills adaptations, ensure their employment, and become world-competitive.

In view of the foregoing, approval of this bill is earnestly requested.

  
**MANUEL "LITO" M. LAPID**  
Senator

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**AN ACT  
INSTITUTIONALIZING SKILLS TRAINING AND RETRAINING FOR THE  
UNEMPLOYED, AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

**SECTION 1. Short Title.** - This Act shall be known as "**Skills Training and Retraining Act of 2010.**"

**SEC. 2. Declaration of Policy.** - It is the declared policy of the State to affirm labor as the primary social economic force. It is also the policy of the State to provide adult citizens, the disabled, and out-of-school youth with training in civics, vocational efficiency, and other skills,

Toward this end, it is the policy of this Act to formulate mechanisms designed to:

- (a) Provide adequate and relevant skills training and retraining programs to address the requirements of the industry, and
- (b) Update the standard skills and introduce new crafts to prepare workers for their employment and re-employment.

**SEC. 3. Skills Bulletin.** - The Technical Education and Skills Development Authority (TESDA) in coordination with the Department of Trade and Industry (DTI) shall maintain an updated list of needed skills categorized according to industry.

The list shall be made publicly available every month at the Technical Education and Skills Development Authority, Department of Trade and Industry, and Department of Labor and Employment (DOLE) and their respective regional offices to ensure the labor group of information.

**SEC. 4. *Retraining of Displaced Workers.*** - Skills upgrading opportunities shall be immediately extended by the TESDA to workers who were dismissed due to an inevitable shutdown of their company or business establishment.

The TESDA shall orient the dismissed workers with the skills listed in the Skills Bulletin stated in Section 3 of this Act.

Dismissed workers shall be required to present a notice of termination or any document that indicated their dismissal due to the shutdown, bankruptcy or other reasons which cause their company to cease business operations. The TESDA Secretariat, however, shall verify the name of the company or business establishment to circumvent false claim from the worker.

**SEC. 5. *Appropriations for Reskilling of Displaced Workers.*** - The amount of One Hundred Million Pesos (Php100,000,000.00) used for the funding of the reskilling of displaced workers for a span of three (3) years shall be appropriated beginning the year following approval of this Act.

**SEC. 6. *Pre-employment Training for the Youth.*** - The TESDA shall formulate training programs that will equip out-of-school youths (OSYS) the necessary skills to prepare them for employment. Training fees shall cover only for the materials and equipment that will be utilized.

The TESDA personnel involved in charging excessive fees to OSY trainees shall be subjected to disciplinary action. OSY trainees shall be encouraged to file their complaints to the TESDA administration.

A company or business establishment which hired an OSY graduate shall duly recognize the certificate awarded to the OSY graduate and shall observe the employment conditions agreed. The hired OSY shall likewise report any violation committed by the business establishment or company to the DOLE.

**SEC. 7. *Training Women in Non-Traditional Trades.*** - The TESDA shall provide a discount of at least ten percent (10%) on training fees as incentive to women who are willing to undergo training in non-traditional trades or women-applicants shall pay the said training fees upon employment.

The Department of Labor and Employment through its job placement centers or public employment and service offices shall give priority in providing assistance to women who are graduates of non-traditional trades to find jobs.

**SEC. 8. *Skills Training for Rural Non-Farm and Agricultural Productivity.*** - In a joint effort, the Department of Science and Technology (DOST)

and the Department of Agriculture (DA) shall provide the latest and new technologies involved in agro-processing activities and farm-related activities.

The TESDA in coordination with the DOST and the DA shall conduct the training in every region.

**SEC. 9. *Appropriation.*** - The amount of Two Hundred Million Pesos (Php200,000,000.00) used for the funding of Skills Training for Rural Non-Farm and Agricultural Productivity for a span of four (4) years shall be appropriated.

**SEC. 10. *Skills Training for Export Oriented Small and Medium Scale Enterprise (SMEs).*** - The DOLE through its livelihood programs shall give priority on training for workers that will be employed in export-oriented SMEs.

The DOLE in coordination with the DTI shall provide pointers on the latest export champions to prepare prospective entrepreneurs on the kind of product to venture in.

**SEC. 11. *Appropriation for Skills Training for Export Oriented Small and Medium Scale Enterprises (SMEs).*** - The amount of Sixty Five Million Pesos (Php65,000,000.00) used for the funding of Skills Training for Export Oriented Small and Medium Scale Enterprise (SMEs) for a span of three (3) years shall be appropriated for the following year upon approval of this Act.

**SEC. 12. *Penalties.*** - In the event that the aforementioned appropriations were not utilized in the manner stated in the given provisions, the guilty party shall be punished by a fine not exceeding Ten Thousand Pesos (Php10,000.00) or by imprisonment of not more than four (4) years, or both such fine and imprisonment.

**SEC. 13. *Separability Clause.*** - The provisions of this Act are hereby declared separable and in the event any of such provisions is declared unconstitutional, the other provisions which are not affected thereby shall remain in force and effect.

**SEC. 14. *Repealing Clause.*** - All other laws, decrees, executive orders, administrative orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

**SEC. 15. *Effectivity Clause.*** - This Act shall take effect after fifteen (15) days following its publication in two (2) national newspapers of general circulation.

***Approved,***