



LEGISLATIVE RESEARCH SERVICE QUICK NOTES

Second Regular Session, 19th Congress

Public Hearing of the Committee on Higher, Technical, and Vocational Education (Subcommittee on Enterprise-Based Education and Training to Employment Act) joint with Labor, Employment, and Human Resources Development; Ways and Means; and Finance

Chairperson: Sen. Francis Escudero

30 November 2023, Thursday, 10:30 AM, Pecson Room, Senate

Re: Strengthening Technical Vocational Education and Training

- **SBN 363—Sen. Joel Villanueva**
- **HBN 7400—Reps. Eulogio Rodriguez, Gabriel Bordado Jr., Ralph Wendell Tulfo, et al.**

Background

- There are three education subsectors in the Philippines: basic education, higher education and the technical vocational education and training (TVET).
- TVET will be the focus of the public hearing as Senate Bill 363 aims to strengthen TVET by incorporating apprenticeship and dual training system, providing for continuous training of the unemployed, and expanding the provision of enterprise-based education and training.
- Studies by the Philippine Institute for Development Studies (PIDS) and JobStreet.com showed the need for competencies or skill, and work immersion.
- The data by the Technical Education and Skills Development Authority (TESDA) reinforced the observation as enterprise-based training (i.e., Apprenticeship Program and Dual Training System) produced only 620,199 graduates or only 5.12% of the 12,110,210 graduates of TVET from 2010-2018. In 2020, enterprise-based training enrollees and graduates number only 26,616 and 20,582, respectively.
- Thus, there is the need to strengthen private sector participation in TVET through enterprise-based education and training to resolve job-skills mismatch and ensure adequate supply of relevant skills that industries need.
- It should be noted that many countries across the globe have already shifted to work-based training as a way to train their workers. Thus, Senate Bill No. 3631 can help the government meet the changing needs of the market, and put in

place good governance mechanisms that can expand partnership with industry associations and companies through enterprise-based training.

- Its counterpart bill in the House of Representatives, House Bill No. (HBN) 7400, was approved on Third Reading in March 2023.

Highlights of Senate Resolution No. 363

- Senate Bill No. 363 seeks to strengthen the enterprise-based apprenticeship program and training to raise the level of skills/competencies of Filipino students; improve work immersion; and fill the labor market demands.
- This proposed measure aims to incorporate the existing EBT programs administered by TESDA; and expand the provision of training programs being implemented within companies, which can be a mix of workplace training and classroom-based learning.
- The bill also aims to help meet the demand of the economy for well-trained manpower through Technical Vocational Education and Training; establish a national enterprise-based training system and standards that is competency-based, including an on- and off-the-job training program with the participation of employers, workers, and government; establish enterprise-based training standards to ensure that the trainees will acquire the right competencies and knowledge on the protection of their rights and safety; and broaden the opportunities, venues of education and training of Filipino workers towards greater access.
- As for the scope of training and coverage of venues, the bill shall apply to all work-related education and training, regardless of the following seven (7) modalities: (a) Apprenticeship; (b) Learnership; (c) On-the-Job Training (OJT); (d) Practicum; (e) Work Appreciation Program; (f) Dual Training System; and (g) Internship.
- To encourage more enterprises to provide enterprise-based education and training, enterprises shall be granted incentives, including an additional deduction from gross income equivalent to seventy-five percent (75%) of the training expenses incurred, and fully exempting donations and other contributions made to a participating training institution from donor's tax, with the said donation likewise deductible from gross income.

Possible points for discussion

The following proposed points for discussion can serve as a framework for addressing labor market challenges, promoting effective training modalities, and leveraging private sector engagement in enhancing the skills and employability of the Philippine workforce:

1. Status of labor market in the Philippines, including job-skills mismatch:

- Current state of the labor market in the Philippines, including the unemployment rate, underemployment issues, and the prevalence of job-skills mismatch.

- Factors contributing to job-skills mismatch, such as disparities between educational curricula and industry demands and changing job requirements in a rapidly evolving economy.
- Social and economic implications of job-skills mismatch, such as reduced productivity, income inequality, and potential solutions to address this issue.

2. Reasons for lack of enterprise-based training despite its potential:

- Reasons behind the underutilization of enterprise-based training as a prominent training modality in the Philippines, despite its potential to enhance employability.
- Sociocultural factors that may influence the preference for certain training models over others, including the role of tradition, perceptions of formal education, and the influence of cultural norms.

3. The role of the private sector in TVET/enterprise-based education and training programs:

- Importance of private sector involvement in Technical and Vocational Education and Training (TVET) programs.
- Incentives for private enterprises to engage in skill development and training initiatives, including the benefits of a highly skilled workforce, improved productivity, and long-term sustainability.
- Different ways in which the private sector can contribute, such as providing resources, expertise, mentorship, and internships.

4. Operationalizing enterprise-based training on a larger scale and expanding private sector partnerships:

- Strategies for scaling up enterprise-based training programs to reach a broader segment of the population and various industries.
- Challenges and potential solutions for expanding partnerships with the private sector, including creating incentives for businesses to participate and aligning training programs with industry needs.
- Government policies and initiatives that can facilitate the growth of enterprise-based training and foster collaboration between public and private entities.

5. Success stories/best practices on TVET/enterprise-based education and training programs:

- Showcase of successful case studies and best practices in the Philippines or other countries that have effectively implemented enterprise-based training programs.
- Specific examples of how such programs have improved employability, bridged skills gaps, and contributed to economic growth.
- Lessons learned from these success stories and how they can be applied to similar initiatives in the Philippines.