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PHILIPPINES

VOCATIONAL TRAINING FOR OPERATIVES AND CRAFTSMEN

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**Population and Human Resources Division
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FISCAL YEAR

January 1 - December 31

SCHOOL YEAR

June - March

ACRONYMS

BNFE	Bureau of Non-Formal Education
BTVE	Bureau of Technical and Vocational Education
CLACDA	Camarin Livelihood and Community Development Association
CTC	Community Training Center
DA	Department of Agriculture
DAR	Department of Agrarian Reform
DECS	Department of Education, Culture and Sports
DLG	Department of Local Government
DOLE	Department of Labor and Employment
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
DTS	Dual Training System
GITP	Garment Industry Training Program
IB	Industry Board
MTU	Mobile Training Unit
NCNFE	National Committee for Non-Formal Education
NEDA	National Economic Development Authority
NFE	Non-Formal Education
NGO	Non-Governmental Organization
NMYC	National Manpower and Youth Council
NSIC	National Skills Training Center
OSY	Out of School Youth
PBSP	Philippines Business for Social Progress
PCNFE	Philippines Center for Non-Formal Education
PLACER	Placement Assistance Center
PMDO	Provincial Manpower Development Officer
PMTC	Provincial Manpower Training Center
Regions I-XII	Refers to administrative districts
RMTC	Regional Manpower Training Center
RTO	Regional Training Officer
SEAW	Self-Employment Assistance Worker
TCS	Training Contract Scheme
TECH-VOC	Technical-Vocational (schools)
TEI	Technical Education Institute
TLS	Training Levy System
TT I	Trade Test Class I for supervisory staff

TT II Trade Test Class II for skilled craftsmen
TT III Trade Test Class III for semi-skilled artisans
VTIL Vocational Training Instructor's Licence

PHILIPPINES

VOCATIONAL TRAINING FOR OPERATIVES AND CRAFTSMEN

SECTOR STUDY

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PHILIPPINES

VOCATIONAL TRAINING FOR OPERATIVES AND CRAFTSMEN

SECTOR STUDY

EXECUTIVE SUMMARY

Background

i. The main objectives of this study are to identify and suggest ways to resolve key issues in the training of operatives and craftsmen in urban and rural areas for both wage- and self-employment. The study describes and critically examines the main training delivery systems in the public and private sectors and the particularly important role of non-governmental organizations (NGOs) in rural training in the Philippines.

ii. A major impediment was data limitations. It was already recognized that employment data were weak or non-existent and that the study (for external efficiency purposes) would therefore have to be "supply-oriented". It proved, however, that there were also serious limitations on reliable "training" data of all kinds, which became an issue addressed by the study. An important consequence of the absence of sound basic data is that it was not felt possible to put forward any firm conclusions on the need for expanding training for operatives and craftsmen particularly for the modern sector or on external efficiency. In exploring the need, however, for rural basic training particularly in addressing training for youth and women the absence of hard economic data to justify expansion is, from international experience, typically difficult to collect. References are less cautious in proposing an expansionary strategy where a social justification is as valid as a strictly economic one.

Socio-economic Setting

iii. After a decade in which the Philippines turned from one of the region's most dynamic economies to one of its most troubled, the new Aquino government is attempting to put in place a revitalizing socio-economic development strategy that, inter alia, places a new emphasis on human resource development and vocational education and training (VET). However, there has not as yet been an employment survey, and data on present and future employment needs are scarce and of poor quality. Nevertheless, indications are that new export promotion policies are showing signs of success, led by industries such as garment manufacturing and electronics. To a lesser extent, policies designed to re-invigorate the rural areas through small-scale industrial growth are also having an impact.

iv. An initial study (1988) conducted by the Department of Industry (DTI) in collaboration with the Department of Labor (DOLE) and the National Manpower and Youth Council (NMYC) indicates a need for more than 200,000 new operatives and craftsmen annually to support the new economic efforts in the short-term,

besides the need for retraining and upgrading of existing cadres.^{1/} Employment data on the informal rural sector are not available. Rural employment opportunities are mainly for self-employment. However, "outreach" modern sector wage employment in small-scale rural industrial/programs are expanding because of low rural wage rates. These call for operative and craftsmen skills in such fields as garment and handicraft development as well as for self-employment.

v. The new government's short-term strategy for lower and middle-level manpower development has been to rejuvenate and to use existing institutional training arrangements while at the same time to review and assess their relative potential for improvement and expansion and identify weaknesses and ways to address these. This study forms a significant part of this strategy which on the basis of existing data and institutional conditions should help articulate a broad policy and institutional framework with specific actions for government's consideration to build up the supply of well-trained operatives and craftsmen.

The Vocational Training Scene

vi. Two public sector training agencies dominate the formal modern industrial and rural scenes. The first, the NMYC, is the most significant, as it has both major "staff" and "line" functions. The NMYC training program, which is built on flexible six-month and shorter courses, is the largest of all programs with an annual output of more than double all other programs together. The second is the Department of Education, Culture and Sports (DECS). DECS, in parallel with its general education activities, has two Bureaus dealing with training. The Bureau for Technical and Vocational Education (BTVE) manages formal one- and two-year, post-secondary programs and programs to train low-level technician level 3 and 4 year program. The Bureau for Nonformal Education (BNFE) conducts basic skills training in conjunction with broad-based literacy. A number of other government departments have smaller programs which include specialized vocational training such as the Department of Trade and Industry (DTI) and the Department of Social Welfare (DSWD).

vii. Little data exist on the private industrial sector, which with the exception of the large multi-nationals, has very limited training capacity. Private industrial training capacity is typically being fostered by and linked to the NMYC through "subsidized" programs such as the Training Contract Scheme (TCS) and Industry Board Enterprise Based Training Program (IB). The principle of government subsidy to industry for training is based, apparently, on a perceived weak institutional capability, reflecting partly the small size of industrial enterprises. In addition to with-in industry training, there are a variety of private training institutions ranging from a few very good institutions typically linked to the private universities (and often "feeders" for university engineering courses) to others run on a profit-making basis, typically poorly equipped and generally offering poor quality training.

^{1/} This only includes larger industries and does not include labor emigration which is sizeable. However, the methodology used, basically extrapolation of past trends, does not provide enough hard data to justify a firm expansionary training strategy.

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viii. Rural non-formal training is typically basic and ad hoc. The public sector plays throughout the country both an "enabling" and direct training role. Programs respond to social demand and are characterized by flexibility, ingenuity in the use of resources, and smallness, each being effectively tailored to local needs but in totality meeting only a small proportion of local demand. The main departments engaged in rural basic vocational training include the BNFE (DECS), the Department of Social Welfare and NMYC through its community training program (CTP). These public bodies work closely with each other at the local level and with the great variety of NGOs. An important characteristic of rural training is the strong presence of the nationally organized NGOs and local community self-help groups that organize training at local levels as part of their broad community service activities. These organizations work together and though hard evaluative data do not exist, programs are driven by local felt needs, are run efficiently, and, though small in relation to needs, apparently address those needs.

Strengths and Areas for Further Improvement

ix. A number of positive features mark the Philippine VET scene. First, the NMYC as a quasi-government national training support and development institution, is an unusual and valuable asset to VET. Through Statutory Act, it has been assigned the authority for national policy work, executing critical support "staff" functions across the VET subsector including macro and micro manpower planning and training needs assessment, skills testing placement and guidance technical advice and support to training agencies in industry. It also has statutory power to undertake coordination functions and experimental work in the VET field and has since the 1960s played a major role in these areas. Indeed, the diversity of training agencies, with DECS, DTI and other as well as NMYC responding to special training needs and to their particular strengths, is a dimension of this positive feature. The Council has representation from all training and training support agencies; it also has a Secretariat with a large national and local structure and staffing establishment to advise on and execute training policies and programs. It has also developed its own "line" training through regional, provincial and local training institutions which provide training at craftsmen and operative levels close to industry and the rural scene. This means that the external efficiency of the NMYC program is reasonable as is its internal efficiency.

x. Second, some aspects of institutional support to VET are well developed. These include, for instance, NMYC work on program and curriculum development, where at the provincial and village levels (CTP) local training can be designed to match needs with flexibility; and training quality standardization and trade testing, with 182 occupational skills standards having been developed and 17 skill trade testing systems.

xi. Thirdly, an unusually strong tradition of private sector NGO participation in rural and poverty-focussed-urban training has evolved, together with generally harmonized training being provided by the public sector the BNFE and DSWD. This training endeavor is capable of further expansion on a collaborative basis.

xii. These strengths notwithstanding there are serious weaknesses also evident in the VET system at present.

xiii. First, it is clear that the VET system is far from reaching its potential. The major training and support institutions have suffered severely from neglect and under-financing during the years of political uncertainty and economic decline preceding the 1986 revolution. It is not yet clear that the malaise besetting the VET institutions has been overcome in the post-revolution years or that key institutions, such as NMYC (particularly in its staff role) and DECS (particularly in its one- and two-year courses), that are critical for supporting the country's economic development aims, are capable of providing the trained manpower policy work, planning or program development effectively. The situation is perhaps more serious and complex in relation to the modern and typically more urban-oriented industrial basic and middle-level skills training subsector than in nonformal basic skills training to support rural development.

xiv. There are three groups of fundamental issues affecting VET. The first in importance, though not the most urgent, are institutional issues such as how to build up planning and management capacity. The second group--perhaps most urgent--relates to the selection of the best delivery system to meet manpower needs for the modern industrial sector. A related issue is the quality of training and its relevance to labor market needs. Alternative solutions to these issues all have a financial dimension. These constitute the third group of issues: the most effective ways to make existing financial resources go further and how best to increase the total financial and other resources for training. Similar issues characterize rural basic training although there are differences of impact. For instance, the skills gap in rural development is more difficult to quantify and training needs are typically reflected as social demand, with self-employment as the personal goal as well as paid employment in enterprises. The shortage of resources for rural training is very apparent. Relevance, however, is typically less of an issue as almost all programs are tailored to a felt community need. A key issue in the rural subsector is the most appropriate role for the public sector and how best to encourage NGOs in an activity where they are currently performing well, but where government support is suspect or conversely could lead to unhealthy dependency.

xv. Institutional Issues. A serious and basic weakness in the VET field is institutional. This weakness begins with a lack of reliable and consistent raw data on such central concerns as labor market needs, training places and capacity, output of trainees, and trainee wastage rates. This makes planning both at the national and local levels impossible. The planning and evaluation currently being undertaken is of little value and a major overhaul is required and a data bank, data management, planning and evaluation system built up. Attention must be paid to a serious lack of professional economists, planning staff, statisticians and managers capable of interpreting data and plans as well as executing them at all levels of VET from the macro "national" level to the grass-roots. This lacuna is particularly evident in NMYC, which has the mandate for policy, planning and programmatic work. It is not clear that the problem is entirely one of the level of NMYC staffing or lack of funding. It appears as much a lack of professional competence in the agency. These weaknesses are also evident in BTVE and BNFE and have been noted as a general weakness in DECs in the Education Sector Study recently completed by the Bank. A review is needed urgently of the system of data gathering, analysis and interpretation in the

planning and financing context. This need not take long. Following this a staffing review and strengthening program can be designed and planning rebuilt on a firm base with a firm linkage between labor market needs and training programs.

xvi. Issues of Industrial Training Modes: Relevance and Needs. The key issue is how and through which delivery system can more and better operatives and craftsmen be produced. A review of external and internal efficiency of institutional programs is critical.

xvii. In this context, the duplication of training between the BTVE one-year and two-year programs and the NMYC courses must be reviewed and resolved. (Technician training has not been addressed in this study, the NMYC appropriately makes no claim on undertaking technician training and the BTVE has a clear mandate through its Technical Institutes to undertake this type of training). While BTVE one- and two-year courses are for post-secondary school graduates and NMYC has no formal education limitation on entry to its programs, both BTVE and NMYC programs cater for the same part of the labor market. The duplication raises issues of resource allocation and in a sub-sector beset by financial constraints, only the most cost-effective programs can be supported.

xviii. On the side of relevance or external efficiency, the main problem appears to be with the one- and two-year courses of DECS and BTVE. BTVE has carried out no recent tracer studies of their graduates in job placement, but a small industrial employer study was conducted by the Bank mission in and outside Metro Manila. This survey was limited and ad-hoc and insufficient to make definitive conclusions on external efficiency. However, unanimously, the industrial employers complained of BTVE graduates being too theoretical and poor technically and that they generally preferred NMYC graduates whose training is almost completely practical. Employers went further and commented on their general need for more 'multi-purpose' workers, who are more difficult to produce in the highly structured BTVE operative and craftsman courses. It was noted by the mission from the limited evidence, that a higher proportion of entrants to the labor markets came from NMYC than BTVE, and that it was common for BTVE graduates to enter NMYC courses as a remedial bridge to employment. BTVE has begun to set up industry committees for each of its schools but there is yet insufficient experience to evaluate their impact. It is worth noting that about 50% of the NMYC trainees are already in jobs and are being trained through the industry training contract and the enterprise-based training programs. No review was made of the BTVE agriculture and fisheries training programs or of the new technician training programs which may not be beset by the same problems as the industrial one- and two-year courses.

xix. Internal efficiency indicators also suggest that NMYC programs are significantly more cost-effective than BTVE's industrial training programs. BTVE has significantly higher trainee unit costs; BTVE programs are less flexible or adaptable to industry needs and instructors are less practical; BTVE physical facilities and equipment are inferior; and BTVE has a higher (too high) trainer-trainee ratio. Thus, evidence is strong that for craftsmen and operative training, BTVE is a poor investment.

xx. Three alternatives offer possibilities for improving the situation. These include: (a) continue with the present dual system and improve NMYC

programs and rationalize BTVE programs; (b) phase-out less efficient BTVE courses; and (c) permit the two to continue but focus growth on NMYC as the more efficient. Considerations to be taken into account include: (a) BTVE is making efforts to improve the relevance of its courses, though there must be real doubt that the rigid, monolithic structure of DECS can be sufficiently sensitive to the flexibility requirements of course development and to tailoring training to the different skill and variety of local needs; (b) DECS has a significant enough and major task in managing its general education system and could properly use its capacity for strengthening its informal and technician training; (c) there is a question of the capacity of NMYC to assume full responsibility to meet the labor market shortfall in the short-term. A medium-term (5 or more years) period would be needed by NMYC to build up its capability and capacity in quality training and to transfer to industry a larger share, while it simultaneously builds up its "staff" support work; and (d) a discontinuation of the BTVE courses involves a significant political decision, as tech-voc schools are widely dispersed throughout the country, are viewed locally as training vehicles for local secondary leavers, and teachers have to be redeployed.

xxi. The most practicable strategy is the third alternative, with a clear policy of developing NMYC as the agency for training at this level, with industry taking on more enterprise-based training and with a short-term option of permitting the weaker delivery system (BTVE) to continue temporarily (say five years) while the capacity of the NMYC is developed and to permit a rationalization of the sector.

xxii. Finance and Resource Issues. A serious finance and resource issue exists and there is evidence of severe underfunding. For instance, in 1987 less than US\$0.45 million was allocated by DECS to its vocational and technical training bureau for capital and recurrent purposes. This is less than 2% of the DECS budget compared to other countries of the region with an average of 5%. The DECS budget was only 18% of the total Government budget and the per capita budgetary allocation was less than US\$20 (1988) while other countries of the Region such as Bangladesh, China, Thailand were spending at least ten times that amount in equivalent programs. NMYC was allocated less than US\$0.15 million in that year. Evidence on expenditures are that DECS does not get its full allocations, and budgets can be significantly larger than actual expenditures. It is unrealistic to expect much improvement in the overall level of public funding.

xxiii. A fundamental policy issue exists on the role of industry in funding its own training. The incentive system to encourage industry to undertake and/or finance its own training can be strengthened through focussed tax concessions, cost-sharing with the public sector through apprenticeship. Public funding of training is too small and the quality of training is suffering from low capital funding and inadequacy of equipment and training materials. There is no tradition of private industrial funding of training. There are, however, opportunities for: (a) reducing the government contribution to NMYC-managed training funding support in the training contract scheme and increasing the private funding; (b) introducing trainees' fees where the job markets are strong (e.g., for overseas employment, computers, etc.); (c) introducing "by industry" contributory training funds where training funds can be allocated and managed by each industry; (d) improving internal efficiency measures; and (e) harnessing

the resources of NGOs more systematically by removing constraints, building-up linkages between them, and providing concessions such as tax exemptions.

Toward a Training System

xxiv. An adequate training system should have the minimal qualities of (a) training program sensitivity to changing labor market needs; (b) systemic flexibility and adaptability with skilled managers, planners and implementors with foresight; (c) mechanisms for ensuring quality planning and managing in national and local levels; (d) self-sustaining growth through program evaluation, research and development and feedback; (e) the ability to cater for pre-service training, in-service training, and retraining; (f) an allocation of responsibilities that permits the employer a maximum of influence over the training agencies and industry; (g) a funding system that encourages employers to bring requisite pressure on trainers to provide what is needed--best served when the employer is paying which is the major source of training agency income.

xxv. In the Philippine context, the basic elements of a satisfactory system exist though they are fragmented and some critical gaps exist not because they have been overlooked in the systemic view but because they are not performed or are performed inadequately. Were the system to be working smoothly, the NMYC would be implementing its policy and staff support functions and through its multi-agency Council guiding the smooth functioning of the system, coordinating overall planning, pin-pointing weakness, developing strengths of its member 'line' agencies and providing a clear picture of health of the sub-sector to government and its members on a regular basis. A clear policy would exist, with a strategy designed to encourage industry to take up greater share of the training burden and its funding, with NMYC playing a key role in creating the conditions for greater private sector responsibility. The public sector, long-term, would still have a role through the school system and such programs run by NMYC for pre-service preparation and over time would phase-out their 'in-service' functions. The public sector and perhaps new specialized institutions driven by industry demand and finance will have a role in specialized training such as currently executed by DTI. In rural non-formal training, the public sector will have a longer term role through working through NGOs and gaining access to as many local resources as possible. DECS, BNFE, and DSWD will continue for long with staff "enabling" and line roles. The whole system would build on the already evident flexibility and responsiveness to the diverse and continuously changing needs.

xxvi. A recommended strategy should include: the Council, with advice from the Secretariat, determining the distribution of training responsibilities between organizations, paying particular attention to the overlap between DECS and NMYCs and assisting DECS' withdrawal from operative and craftsmen training. Special attention must be given and decisions made on the modes for providing incentives to industry and the possibility of expanding these where they are judged worthy with the goal of ultimately transferring appropriate programs and/or costs to industry.

xxvii. NMYC must be further assisted to do the fundamental job for which it was created, and as foreseen by Congress (perhaps with a membership update to give a stronger representation to industry and NGOs), must provide planning. The Council members must coordinate the system and through the Secretariat

determine priorities and distribute "staff" support activities such as planning staffing development and new training methodology innovation.

xxviii. The 'line' development of the training system must take into account the roles of the three main groups involved: the public sector (NMYC, DECS, DTI, DSWD), the NGOs and private industry. The public system being developed through NMYC provides for a regional NMYC office and training center for support to "staff" work, and 'line' training. Below the national/regional structure, a second tier of PTCs will provide foci for meeting local organizational, administrative and training needs. The PTCs in turn, would backstop and help manage the very successful 'outreach' CTP village training programs. This is reasonable but its success is predicated on the ability of NMYC to work with the other agencies at all levels and provide support services they need to run their own programs.

xxix. Within this frame there must be scope for other agencies (DTI, DSDW, etc.) to experiment with and run their own programs of training. Indeed, the NMYC should and does encourage this in the same way that they are encouraging the decentralization of planning. However, this should be done within a systems framework that would help avoid duplication of effort and which encourages sharing of assistance and experiences provided by the NMYC.

xxx. A program needs to be developed urgently to assess cost-effectiveness, provide continuous assessment of existing training modes and to build-up evaluation capacity in NMYC and in the training agencies themselves.

xxxi. Finally, a clear policy statement by the Council is required on the financing of the training system. While the existing evidence points to continuing and increasing support of Government for: (i) pre-service preparation through the general education in DECS, generic basic training through the system of NMYC centers and out-reach and support to NGOs; (ii) updating of the core training needs to reflect new technologies and demand for multi-skilled workers; and (iii) as a priority for the small infant firms with no training capacity. Industry however as a matter of policy should be prepared to bear the cost of specialized training for operatives and craftsmen which could be achieved either through training - within - industry schemes or supporting NMYC through fee payment for their services. The training contract and enterprise based schemes are capable of and deserving of expansion. Close collaboration with industry and NGOs is vital, not least in cost-sharing, incentives to industry for training development and for fostering the grass-root flexibility of the NGOs. Close collaboration with BTVE in linking the operative and craftsman training system to higher level technician and technical training system and with DTI, BNFE, and DSWD at more basic and rural levels is vital.

I. INTRODUCTION

Objectives

1.1 The main objectives of this study are to identify and explore key issues in vocational training and to suggest how these issues could be addressed operationally. Inevitably, resources, time and coverage constraints made choices necessary. New research (except for a small employers' survey conducted by Bank staff during the field mission) could not be initiated and the study was limited to available analytical work and data. World Bank specialists collaborating with Government staff on the design of the study agreed that the most pressing issues to be addressed were:

- (a) the effectiveness and efficiency of the main training programs being undertaken by NMYC, DECS and by NGOs;
- (b) the appropriateness of training methods for developing operatives and craftsmen;
- (c) the appropriateness of approaches to meet the vocational training needs of rural youth, adults, girls and women, and particularly the role of NGOs;
- (d) resource allocations and possible ways of tapping new sources of funding; and
- (e) policy, planning, management and technical support issues and, in particular, the role and effectiveness of NMYC as the lead government agency charged with national responsibility for developing vocational training.

The Audience and Scope

1.2 This study should help to meet the needs of three important groups. First is the National Manpower and Youth Council (NMYC) which has a pivotal mandate for government policy making on training and which includes representatives from all major public and private agencies concerned with training and employment, and its Secretariat which also provides support to other agencies and manages "line" training programs (Attachment II). Second is the Department of Education Culture and Sports (DECS) which has been examining issues and looking at ways to strengthen and expand learning through a review of its national education policies and programs, including its role in vocational training. Finally, but not least, are those managing modern sector industry and rural development, which both underpin economic growth and require continuing access to skilled human resources.

1.3 The study is "supply side" oriented and deals only tangentially with employment issues. Employment data are sparse and of poor quality, and there has been no employment study. Yet, it is the employment issue which in every sense drives the supply of all types of labor. The issues, policies,

strategies and programs for expanding employment are critical to determining training needs. Such a study needs to be done. This study owing to data limitations can come to no firm conclusion on the need for the expansion of the training system for modern sector operatives and craftsmen; but, in spite of hard economic data, draws a justification for expanding basic rural training through public agencies and NGOs on social grounds.

1.4 The scope of the review has been limited to the need for training for operatives and craftsmen for industry and for basic vocational skills training, particularly for unemployed and underemployed youth and adults in the poorest urban areas and, more generally, in the rural hinterland. The focus was based on a consensus among those designing the study that these training levels and areas were most in need of critical and urgent attention. The review has focussed on the agencies providing these levels of training concentrating on the lessons from Filipino experience and where appropriate suggesting where and how to assist in program expansion and quality improvement. Generally, the analysis of issues as has been mentioned, has been hampered by inadequate or non-existent data for analysis.

1.5 Consistent with the boundaries set for the study [in the subsectoral field of vocational training], no attempt has been made to review issues relating to some key levels and important fields of vocational training. Higher levels of vocational training have not been examined and the fields of university and specialized tertiary levels of training and retraining remain to be reviewed. A comprehensive examination of the training system cannot ignore these areas, and indications are that such an additional review, with an emphasis which combines science and technology, would be most valuable.

1.6 Horizontally, two key areas of training have not been covered. These are agriculture and related disciplines, and management in general. Both deserve attention and would complement the present review.

1.7 A field mission of about three weeks of World Bank specialists and NMYC Secretariat staff was undertaken in February 1989, with a follow-up shorter visit in June 1989. The Filipino team was led by Lorenzo Buhain, Jr., Director General, NMYC, and included J. Escartin, J. Lacson, V. Guillermo. The World Bank team was led by R. Prosser (World Bank/UNESCO Cooperative Program), C. Sinclair (Economist) R. Castley (Labor Economist), S. Lee (Vocational Training Specialist), and G. Burt (Nonformal Training Specialist).

II. BACKGROUND

A. Socioeconomic Background

2.1 After many years of mismanagement, compounded by the 1980 international economic slump and oil price rise, the economy of the Philippines is beginning to show signs of reviving as a result of the economic policies pursued by the present Government. The focus of national economic policies is on correcting the balance of payments and on promoting export-led growth to finance imports for further development and to meet heavy international debt obligations. Key economic data for the Philippines during

1980-86, compared to that for other major developing countries of the Region are given in Table 2.1 below:

Table 2.1: KEY ECONOMIC INDICATORS, BY COUNTRY

	Growth of Per Capita GDP (1980-86)	Growth of			GDP Per Capita 1986	Population Growth Rate %
		Agri- culture	Industry (1980-86)	Manu- factu- ring		
Philippines	-1.0%	-2.0%	-3.5%	-1.7%	560	2.5%
Indonesia	3.4%	-3.0%	1.8%	7.7%	490	2.2%
Thailand	4.8%	2.9%	-5.0%	5.2%	810	2.0%
Malaysia	4.8%	3.0%	-6.0%	5.8%	1,830	2.7%
Korea	8.2%	5.6%	10.2%	9.8%	2,370	1.4%

Source: World Bank Atlas.

2.2 In 1987, the Government decided as part of its medium-term economic adjustment program to focus on revitalization of the industrial/manufacturing sector and to give priority to promoting export-oriented industries. It also decided on a policy of support to small-scale, rural-based firms to facilitate balanced development and invigorate the rural economy. The Philippines has old, established primary industries (coconut), light manufacturing (footwear, garments, timber) and heavier industry (rubber, chemicals, cement). The manufacturing export sector is dominated by electronics and garments. It is anticipated that the implementation of export-promotion policies coupled with the country's wage levels, which are now more competitive than those of many other countries in the Region, will open up wider export opportunities to labor intensive industries. This, however, must be balanced against dynamic economic growth of the new "dragons," Malaysia and Thailand and increasingly Indonesia and China.

2.3 In the light of a rapidly changing international economic environment, Philippine industry will have to adjust continuously. A successful response to market changes will depend in part on the skill and flexibility of its workforce. This has important implications for the country's labor training system. A training strategy together with training programs must be designed to permit programs to adjust easily to changing labor market needs. Heavy investment in facilities and equipment must be made in the knowledge that obsolescence occurs speedily with changing industrial technology. Training of trainers must take serious account of retraining needs, and multi-skill training would typically replace the mono-skill type.

2.4 Currently, light manufacturing, export industry is expanding (e.g., garments) and there is an apparent strong demand for well-trained operator-level workers in the largely labor intensive industries and for craftsmen for production, maintenance and supervisory work according to the mission's

discussions with industrialists. Table 2.2 gives an indication of current employment by economic sector.

Table 2.2: EMPLOYMENT BY ECONOMIC SECTOR, 1988
(000's)

	No.	%
Agriculture	9,858	45.8
Mining & Quarrying	168	0.8
Manufacturing and Industry	2,255	10.5
Electricity, Gas & Water	94	0.4
Construction	836	3.9
Wholesale & Retail Trade	2,972	13.8
Transport, Storage and Communication	1,052	4.9
Finance, Insurance & Real Estate	371	1.7
Community, Social & Personal Services	3,884	18.1
Not adequately defined	13	0.1
Total	21,503	100.0

Source: Household Survey, 1988.

2.5 The overall unemployment situation remains serious. Between 1985 and 1988, the number of officially classified unemployed youth and adults grew from 1.5 million to over two million, with rural unemployment growing by 55% compared to only 19% in urban areas during this period. The rate of unemployment was highest among the younger age groups (20% for those 15-19 years old and 26% for those 20-24 years). Every year some 750,000 new entrants join the labor force. Best estimates suggest there are now some two million unemployed with a further three million youth and adults under-employed. Agriculture remains the largest source of employment, with about 46% of the labor force (declining in recent years as a result of an almost static GDP growth which was only about 0.5% in 1987/8). Manufacturing, with about 10% of the employed labor force and services and marketing with about 32% of employed labor, have been showing slight employment growth over the past few years. Although manufacturing growth is too small to make a significant impact on the overall employment problem, between 1987 and 1988 it offered some 200,000 new jobs and employed the equivalent of nearly a third of new entrants to the labor force. In the modern manufacturing subsector, export-oriented industries continue to expand, particularly clothing manufacture which is labor intensive (just under 40% of total subsectoral employment), electronics and food processing.

2.6 Due to the lack of a study on employment, the data are non-existent or are very unreliable. However, a recent effort of the NMYC and the Department of Trade and Industry (DTI) to calculate needs for craftsmen and

operatives to 1993 is summarized for illustrative purposes in Table 2.3. The table is indicative, reflecting only the needs of larger industries, assuming patterns based on previous years and not taking into account labor emigration which is substantial, averaging half a million contract workers over the past three years. The methodology provides a very weak basis for justifying any expansion and further analytic work would be necessary before any support could be given for an expansionary strategy. The table as developed by government illustrates, however, that the gap between needs and output for specialized craftsmen and general operatives (about 200,000 annually to 1993) is large enough to justify some training capacity expansion. This has been foreseen and government proposes that training places will be provided by NMYC in its provincial training centers (PTCs), by Community Training Programs (CTPs) and possibly by the DEC's Bureau of Technical and Vocational Education (BTVE) technical/vocational (tech-voc) schools. This report can add nothing to the discussion of expansion, but can, in later sections, predicated on government's intention to expand, indicate which of the current delivery systems are most cost-effective.

Table 2.3: DEMAND AND SUPPLY CAPACITY OF CRAFTSMEN AND OPERATIVES

Occupational Level /a	Number Employed 1987	% Annual Rate of Growth 1980-87	Projected Annual Rate of Growth 1988-93	Projected annual nos. needed (incremental)	Present output capacity (NMYC & BTVE) (Annual)
Craftsmen (General)	480,000	4.6%	6.2%	33,000	30,000 /b
Craftsmen (Specialized)	1,610,000	3.4%	9.5%	182,000	47,000 /b
Operatives (General)	950,000	4.1%	5.1%	50,000	10,000 /c
Operatives (Specialized)	730,000	4.0%	6.5%	50,000	on-the-job

Source: Industry Development Plan, 1988, DTI.

/a Definitions: Craftsmen (general) - machine tool operators, fitters, auto mechanics, plumbers, electricians, welders.
 Craftsmen (specialized) - tanners, tailors, footwear producers, furniture makers, jewelers, printers, potters.
 Operatives (general) - plant/machine operators, e.g., trailer drivers, heavy equipment operators.
 Operatives (specialized) - miners, quarrymen, chemical workers, spinners, weavers, food processors.

/b Shortfall expected to be met from new provincial training centers.

/c Shortfall expected to be met from CTPs and possibly tech/voc schools.

2.7 The broad development strategy provided in the National Development Plan 1987-92 properly emphasizes the need to address the rural employment issue through a special effort to strengthen rural enterprise programs and "non-formal" out-reach 1/ training to support income earning and livelihood

1/ "Non-formal" is a very general term and should not be interpreted as signifying a group of homogeneous educational efforts (either related to clientele, syllabi, methods or institutions). Its use dates from the early 1970s when, for analytic purposes and out of a realization that the traditional formal school appeared inadequate to meet the needs of the Third World, other educational modes conveniently termed nonformal (if organized) or informal (if

skills needs. The Plan, however, places undue emphasis on training as a cure for employment. Not uncommonly, training and particularly vocational training are seen as a way of creating jobs, alleviating poverty and providing self-employment opportunities. However, ways of reducing unemployment are part of the economic issue, and training is but one of a variety of responses needed to enhance modernization and development once the rural (or urban) economy begins to grow. Nonetheless, the ease with which workers trained by DTI and NMYC tends to confirm the opinion of industry and of the NGOs working in rural areas that there are significant and growing skills gaps to be met at lower and middle worker levels.

B. Current Training Approaches and Programs

2.8 This section sketches the organization, programs and output of the main agencies that provide vocational training. An important characteristic of the training system that can be flagged at the outset is the comparatively low level involvement of private industry in training and conversely the high profile role of the public sector. The conventional explanation for the lack of industrial involvement by both industrialists and public sector training managers is the "weakness" of industry and its small-scale nature to enable it to bear the financing and management of training. There are trends toward cost-sharing programs between the public and private sectors and these are described later. The general issue is also taken up in a later part of the review. It is one of the basic tenets that the national training strategy should provide that ultimately, and sooner rather than later, training costs to the extent possible, should be borne by the immediate beneficiaries.

2.9 In the public sector, the NMYC is the main agency charged with managing national vocational training, supporting its quality and development, and organizing training programs. The NMYC training program is the largest of all programs with an annual output of more than double all others together. DECS is another important provider of training through its Bureau of Technical and Vocational Education (BTVE) and Bureau of Non-formal Education (BNFE). The BNFE focusses on basic education and training from literacy to simple livelihood skills. In addition, DTI has a small program of basic craft training focussing on folk handicrafts, while the Department of Social Welfare (DSWD) focusses on the most deprived slum and poorest rural areas and provides non-formal basic education integrated into programs for basic livelihood skills development. In the private sector, the NGOs provide important, and usually free education and training programs throughout the country typically of the non-formal basic type. Private, fee paying, and "for profit" training is undertaken by small technical schools and private universities. In-

unorganized) were seen as necessary to help bear the educational burden. In the case of nonformal education, there was a particular interest in programs that were thought to be less costly and able to replace the school. In this chapter, the definition first elaborated in the Coombs study of 1973 is used: "any organized education activity outside the established formal system--whether operating separately or as an important part of some broader activity--that is intended to serve identifiable learning clienteles and learning objectives" (New Paths to Learning, UNICEF/ICED, 1973).

service programs provided directly by private industry are rare and typically limited to the multi-national companies. The current training capacity of the major providers is indicated in Table 2.4:

Table 2.4: ESTIMATED ENROLLMENTS AND OUTPUT OF VOCATIONAL TRAINING INSTITUTIONS, 1986 AND 1987

	1986		1987	
	Enrollment	Output per Annum	Enrollment	Output per Annum
<u>NMYC</u>				
NMTCs	n.a.		10,300	10,300
CTCs	n.a.		1,800] 30,000
CTP (Outreach)	n.a.		32,000	
PTCs	n.a.		6,000	6,000
TCS	20,600	20,600	22,100	22,000
IBs	n.a.		2,900	2,900
Entrepreneur Program	-		(491)	(491)
Total			75,100	74,200
<u>BTVE (DECs)</u>				
Post-Sec. Tech. /a Voc. Schools	30,200	10,000	35,000	12,000
<u>Private</u>				
Post-Sec. Tech. /a Schools	48,000	20,000	50,000	21,000
GRAND TOTAL	n.a.	n.a.	160,000	107,000

/a About 50% of tech/voc school places are in two-year courses. It is assumed that all places are for pure tech/voc courses, but this may not be accurate as graduates do not necessarily directly enter the labor market but may continue with tertiary training or education.

Source: Mission estimates based on NMYC and DECS data.

National Manpower and Youth Council

2.10 Mandate and Organization. In 1966, the Government created a Manpower Development Council to integrate various skills training activities in the Philippines under one body. From this beginning, the NMYC developed, with important statutory powers consolidated in an Act of Congress in 1969. The powers and functions of the Council were further enhanced by the promulgation of a Labor Code in 1974. The prime purposes of the Council under the Act and Labor Code are to: (a) recommend on the development of national training policies, strategies and programs to meet manpower needs; (b) provide "staff" support to agencies executing training programs through technical advice and assistance to improve training planning, management, quality, efficiency and relevance and initiate research and development, and (c) undertake training programs.

2.11 The NMYC is headed by a Council consisting of senior representatives from all training bodies in the country. These include both government bodies dealing with human resources and private sector representatives from labor, management and industry, and youth welfare organizations. The Council is currently chaired by the Secretary of Labor and Employment (DOLE), with the Secretary of DECS as Vice Chairman. Other government officials on the Council include: the Secretaries of Trade and Industry, Food and Agriculture, Environment and Natural Resources, Social Welfare and Development, Secretary of Science and Technology, Local Government, the Director General of the National Economic and Development Authority (NEDA) and the Chairman of the Civil Service Commission. From the private sector are two representatives from labor, two from management and industry, one for youth welfare and one for family organizations (See Attachment 2A). The Council membership was established some years ago and may not now be entirely appropriate. There is a case for reviewing the membership and increasing the representation from industry and NGOs. At present, the Council has four major standing committees covering major training areas: industry, agriculture, services and non-formal education. Each has functions for policy formulation and planning. These are shown in Organigram One at the end of the report.

2.12 The Council is provided with a full-time Secretariat headed by a Director General assisted by a Deputy Director General. The organization of the Secretariat is illustrated in Organigram Two at the end of the report. The Secretariat has developed a strong public image and "everyday" reference to NMYC usually indicates the Secretariat rather than the Council. Indeed, since its inception, the Council per se appears to have been very much a tool of its Secretariat. That, combined with the NMYC's strong "line" training activities has at times led to its appearing as a self-serving organization, militating against its smooth functioning in the role of a coordinator.

2.13 The NMYC organization is overly complex and not entirely in harmony with its functions. The Deputy Director General, was recently given responsibility for the line functions. Four Executive Directors head key Departments: the Manpower Planning Office (MPO), the Industry Manpower Office (IMO), the National Institute for Skills Development (NISD), and the National Skills Training Center (NSTC). The functions of these offices are summarized below and discussed further in Attachment 2.

2.14 The MPO has both line and staff functions and embraces three divisions; Planning, Rural Manpower Development, and Evaluation and Research. The MPO is intended to provide policy direction to the Council, including the mapping out of strategies for the preparation, utilization and conservation of the country's human resources. It should also provide consultative technical and advisory services on planning to the regional offices of NMYC, but to date has had limited capacity do so. The MPO is currently, inadequately staffed and managed. Though attention is being paid to its strengthening, there is far to go.

2.15 The NISD consists of divisions for Skills Standards Development, Training Technology, Trainers' Development, and Vocational Guidance. It is responsible to provide policy recommendations on trainers' training, skill standards development and certification, curriculum/training materials development, vocational guidance, and management and development of staff training. The NISD is one of the strongest of NMYC's offices, and its work is reflected in the comparative strength of the NMYC training programs. It is not clear that it impacts strongly on other agencies.

2.16 The IMO provides line support through an Industry Services Division and a Training Incentives Division. It is expected to recommend policy directions and oversee the implementation of industry-related manpower activities. Primarily, it seeks to maximize private sector participation in manpower development and conducts research on industry manpower trends.

2.17 The NSTC 2/ has divisions for training, new skills development and operations and includes what are essentially the line functions of a regional training center. It is intended to recommend policies on the establishment, administration and management of national manpower skills training programs and projects, including those undertaken through foreign financial and technical assistance.

2.18 At the regional level, NMYC has 14 regional offices (RMDOs), each headed by a Regional Director who reports to the Director General. The Regional Directors are virtually autonomous and responsible to plan and implement manpower development plans for their respective regions. They conduct training programs at the Regional Manpower Training Center (RMTCs) independently or in collaboration with local government, other national government agencies, private companies and NGOs. At the provincial level, six experimental provincial manpower training centers (PTCs) are being established together with 75 local community training centers (CTCs). The 16 RMTCs run courses of six months or less for operators and craftsmen in traditional skills such as mechanics, construction, and electronics, and are housed in well-equipped permanent structures. Three RMTCs have important functions in trainer training and trainer upgrading. The experimental PTCs run similar courses, but with an emphasis on addressing local industry needs. The CTCs are established in conjunction with implementation of the Community Training

2/ The national training center has a similar training program but also offers advanced skills upgrading and experimental training in new trades.

Program (CTP), a particularly important new local, grass-roots training initiative which is described in paras. 2.21-2.30.

2.19 Current NMYC Programs and Initiatives. In 1986, after the political revolution, new priorities were established by the Government to improve the economy, alleviate poverty, and generate more employment. In particular, government policies measures are being adopted to promote the growth of more small-scale, labor-intensive businesses such as those in the garment industry with a concentration on the rural areas as opposed to investments in urban-oriented, capital-intensive, and large-scale industries. These policies are providing the framework for NMYC programs.

2.20 The NMYC, transferred in 1986 from the President's Office to the Department of Labor, is benefitting from recent efforts to improve its effectiveness and efficiency. Under a new Director General, the Council's awareness of training issues is being heightened, the frequency of meetings has increased from one to at least four a year, and a more significant business agenda is being tabled and shared with Council members. To support the policy focus on industrial expansion and productivity improvement, the NMYC has oriented training efforts toward skills upgrading and in-plant training. Training-within-industry has been greatly enhanced through an expanded training contract scheme which grants subsidies to accredited workers' development programs. Livelihood skills training has been expanded to rural workers through the development of the CTP and establishment of community training centers. NMYC is now implementing a five-year plan (1988-1992) which emphasizes industrial training and livelihood skills and values education.^{3/} In addition, important new thrusts include: (a) introduction of entrepreneurship training; (b) improving quality of RTC training through transferring budgetary support from the NMYC central office to the regions; (c) increasing consultation with industry; and (d) intensifying dialogue with other training agencies.

2.21 The Community Training Program. NMYC developed the concept of the CTP to complement and build on the work of RMTCs and PTCs by increasing the access of rural youth and adults to basic vocational training at village level. Although CTP training is being provided directly by NMYC initially, the longer-term aim is to encourage local village and local area organizations to build up their own training capabilities and thus help meet local training needs more effectively. Evidence in areas where the CTP has been established indicates that the approach is developing successfully; in some cases, physical centers have been established by local communities, but this is not an essential feature of the program.

^{3/} "Values Education" is a government policy officially sanctioned in DECS Memorandum No. 99, s. 1986. Values development has been integrated into non-formal education programs/projects to promote desirable values such as love of country, faith in God, honesty, freedom, self-worth/self-esteem, social justice, conservation, responsible parenthood, loyalty, unity, hope and creativity.

2.22 The CTP is intended to provide a flexible response to rural, local training needs. In particular, the program is intended to be mobile, with no permanent physical structure (buildings are provided by other organizations and are mainly used for other purposes). Training courses do not need to run continuously, but can be part-time and once the training needs of a locality have been satisfied, courses cease.

2.23 The program attempts to fill gaps that exist in grass-roots training, as there are thousands of communities lacking these opportunities (some 1,500 municipalities alone, each composed of many barangays and the smaller sitios ^{4/} most of which have no training effort, the present NMYC target of establishing 75 CTP operational centers must be regarded as only an initial token.

2.24 The program attempts to maximize investment in training by ensuring that existing companies in the local community are able to absorb graduates; this goal is facilitated locally by Provincial Manpower Development Officers (PMDOs), based in the Regional Offices, who estimate needs and liaise with local employees. However, much of the training provided is equally relevant for self-employment, and some training courses have no application for existing companies (for example, machine sewing in an area where the only employer is a heavy industry) but are important for livelihood improvement.

2.25 NMYC's strategy in setting up the CTP is that it should have an "enabling" role, but would have no long-term management commitment. To this end, it will establish a CTP only if there is a local commitment to provide funding and other support (a fundamental requirement, for instance, is that premises are supplied by a local agency). In order to promote CTPs and at the same time minimize NMYC's long-term commitment, funding from NMYC is on a declining basis, as follows:

<u>Year of Operation</u> (for each CTP)	<u>NMYC Funding</u>	<u>Local Funding</u>
1st	80%	20%
2nd	60%	40%
3rd	25%	75%

2.26 Usually, local funding comes from the municipality or other local government authority; no policy has yet been decided about funding after the third year, but NMYC expects to continue the contributions as for the third year. NMYC Guidelines for course costs are P 12,000 (US\$571) for livelihood courses and about P 16,500 (US\$785) for basic industrial skills courses.

2.27 NMYC's operational strategy is explicit about the need for CTCs to be set up with appropriate and adequate tools and equipment before training courses are promoted. Inability to supply these inputs has severely limited

^{4/} Village.

the type of courses offered as well as their number and frequency. With commendable local flexibility, some equipment has been rented to allow courses to proceed, but typically with a consequent strain on an already limited budget. Delays also occur in the delivery of training materials due to NMYC's cumbersome system of ordering, purchasing, and accounting; some courses had been in progress for up to three weeks before training materials have been delivered. A further inefficiency arises because materials such as bamboo and rattan are usually purchased by the Regional Office and transported to the CTC, although prices may be lower at the local level, causing undue delays and expense. Such problems are more severe in the island provinces due to their particular transport difficulties and because most do not have a Provincial Manpower Development Officer who might expedite supply.

2.28 The delays in funding and the provision of equipment and materials not only delay training but also decrease staff enthusiasm for the Program. The personnel on whom the CTP system relies for local course provision--both administrators and trainers--become frustrated and lose the motivation necessary to operate such a flexible program. This applies especially to field personnel, for whom the CTP represents an additional element in their workload and who consequently view the CTPs as taking up a disproportionate amount of time.

2.29 Buildings for CTP activities are modest and limited for space (this is beyond the control of NMYC, as the buildings are provided locally, mainly by municipal governments). The average CTC physically accommodates only two classes of 25 trainees each at a time. This implies a maximum capacity at any one time nationally of 3,750 places (75 CTCs x 50 places).

2.30 The CTP accounted for nearly three quarters of NMYC's total training output in 1987. New training programs have been developed for emerging skills and for the special training needs of specific industry sectors such as garments. In spite of the difficulties noted here and known to the NMYC, the CTP is proving a very successful model.

2.31 Special NMYC Programs. Besides the 'center' based training programs, NMYC organizes and administers important training support programs which link directly with industry. These are the Training Contract Scheme (TCS) and the Industry Boards (IB).

2.32 Under the training contract scheme financial incentives are provided to industry to foster training. NMYC reimburses a firm undertaking its own training or a training institution undertaking training for a specific firm, a proportion of tuition fees, allowances and stipends for each trainee provided the trainee passes the relevant skill test. The proportion of NMYC financial support began at 70% of the per trainee training cost and has now declined to 50%, reflecting the willingness of industry to bear a greater proportion of the cost. In time, the proportion provided by NMYC may be further decreased. The TCS produces just over 20,000 (17%) of NMYC trained personnel (1987). Details of TCS enrollment growth are given in Attachment 2D.

2.33 The Industry Board Scheme 5/ was designed to assist in manpower development schemes and related activities such as trade and skill standards. Once fully operational, an Industry Board is expected to assume the relevant training activities of NMYC and ensure an adequate supply of trained workers at all levels of employment within its own industry grouping. IBs are also involved with trade standards and testing and placement assistance. The IB scheme, however, has never really taken root and caters annually for only some 3,000 trainees (1987). A key problem is the national approach taken by NMYC in administering the scheme, which does not take sufficiently into account the district-specific nature of industrial location and labor needs. The IBs have also become dependent on NMYC for staff support and funding for training. The best IB training program to date is that for garment manufacturing. This program is decentralized, thus overcoming the general IB weakness of insensitivity to local manpower needs. The program is run in association with the Department of Trade and Industry and involves the training of some 13,000 skilled sewers and machine operators, with about half being trained in NMYC RTCs. There is also a special trainers' training program. Garment manufacturing is a particularly important industry in the Philippines, with export receipts having grown from P 556 million (1983) to P 1.3 billion (1987). It provides employment for some 400,000 workers through around 30,000 small subcontracting firms, many in rural locations. In spite of the success of the garment industry IB, further study is needed of the potential in the Philippines for strengthening the IB system and of the system's overall viability as a vocational training instrument.

Department of Education, Culture and Sports

2.34 The DECS now produces about 12% of all vocational graduates for the operative and craftsmen market segment, but has the oldest government program for vocational training. This is implemented through a typical Bureau of Technical and Vocational Education (BTVE) rooted in a, now defunct, 4-grade secondary level, technical school program paralleling the secondary general program and producing graduates for university science and engineering post-secondary and tertiary level courses. Drop-outs and some graduates from the courses sought direct entry to the labor market at artisan level. In 1983, following a major secondary level curriculum reform, the four year secondary technical course was phased out and was replaced by more post-secondary, one- and two-year courses in trade skills for operatives and craftsmen (mechanical, civil, electrical, engineering, construction, refrigeration technology) with a general education content. Some graduates continue to higher studies, others enter the labor market. At the same time, the general secondary curriculum became 'comprehensive' and included pre-vocational skills training as part of the new general education program. In 1986, a new post-secondary, three-year course for technician training was introduced into 21 tech-voc schools converted and refurbished as Technical Education Institutes (TEIs).

2.35 Last year (1988) a survey was taken of all tech-voc schools with a view to assess their capability of providing quality courses. Of 330, a third

5/ Industries include automobile production, transportation, power, construction, hotels, and garment manufacturing.

were judged inadequate and were given a year to meet BTVE standards; 220 were assessed as capable of providing quality one- and two-year courses, but of these, not more than 40 had the potential of providing three-year courses. All schools, however, remain poorly equipped and staffed. A ratio of over 30 students to each instructor has been the norm, although in 1989, due to a reduction in the number of schools and the transfer of technical teachers, the ratio has improved to 20:1. According to industry employers the schools do not serve the labor market adequately though total enrollment reaches some 30,000 in the one-and two-year courses. Graduates from the schools, indeed, find difficulty in getting employment and frequently take further training at NMYC centers to facilitate employment. There is also an overlap in training provided by NMYC and BTVE.

2.36 Some of these deficiencies would be addressed under a proposed policy to change the DECS tech-voc schools program gradually, upgrading the best institutions into TEIs and to convert the remainder into general secondary schools or focal technical schools to service the pre-vocational element in nearby general secondary schools under the new vocationalizing curriculum. Some schools could, where appropriate in location and design, become PTCs, and there is scope for a joint training arrangement, with NMYC staff (increased as necessary) to undertake the practical training and BTVE the theoretical, capitalizing on the strengths of each system. The development of Technical Education Institutes and four regional centers for staff development has been supported by the Asian Development Bank with promise of further support from Australian aid. The new TEIs will produce their first graduates this year, whose employment appears assured in view of employer interest already expressed.

2.37 DECS also has responsibility for coordinating and implementing basic vocational training through its Bureau of Non-formal Education (BNFE) which expects to train some 480,000 (1987) out-of-school youths and adults in tailor-made, grass-roots programs of lengths varying from a few days to a few weeks. These are based in local buildings, including DECS schools, as available on an out-reach basis. The programs typically include literacy, family life, and health and have a livelihood skills focus with a potential for self-employment. Courses include garment making, auto maintenance and electronics (see Chapter 3 and Chapter 5 of the Philippines Education Sector Study, December 1988) and, as they generally respond to a local felt, need are both relevant and usually successful. About three quarters of the clientele of these courses are women and girls. While there is a potential overlap between these courses and the CTP and DSWD programs, cooperation among the agencies has avoided this problem thus far.

2.38 The Department of Social Welfare (DSWD) provides basic livelihood skills training in the poorest areas, typically through short courses in borrowed facilities and in cooperation with NGOs. DSWD claims to reach over 250,000 youths and adults annually. The programs are locally initiated and difficult to assess, though anecdotal evidence suggests that they work well in response to the local needs of the most deprived. The programs are run by Self-employment Assistance Workers employed by DSWD.

Other Government Programs

2.39 The DOLE has responsibility for apprenticeship development which, however, has had a very checkered history. In the early 1980s this became a source of low-cost labor for employers rather than, as intended, a skills development program for young workers. While the DOLE apprenticeship program was therefore allowed to run down, over the past few months, it has been given a fresh impetus with the issue of a new government order describing the general policy and guidelines for the implementation of a new apprenticeship program. It remains to be seen how well the new structure will be implemented, as detailed planning for its implementation is in its infancy and as yet DOLE has neither staffing nor resources for program development.

Private Schools for Profit

2.40 The BTVE also has nominal oversight for a variety of private, profit-making, technical schools and colleges. These cover a multitude of institutions that vary from small, typing schools to a few well-established technical schools, typically run on a fee-paying, cost-covering basis by private universities. They also include private secondary general schools with vocational courses. BTVE estimates that overall enrollment in these schools totals some 50,000 students annually, but this figure should be treated with great caution. There is no breakdown into type of vocational graduates being produced. BTVE is able to exert no quality control over the schools, and no data are available on the number of institutions, length of courses, number of places for each specialty or training level. As might be expected, the private schools concentrate on the less capital intensive training (typing, etc.). Private schools are typically very poorly equipped and their graduates are of poor quality. Graduates of the private universities that support technical schools which are typically of a high standard, are primarily aspirants for university entrance after a usual post-secondary, two-year training course.

Non-Governmental Organizations

2.41 NGOs are important organizers, providers and financiers of grass-roots, basic rural vocational skills training, typically as part of a program of family life or livelihood education. The Philippines has nourished a large number of national NGOs working at the grass roots and small local voluntary organizations that serve the needs of the local milieu. There is, however, no umbrella organization--or organizations--and it is not possible to monitor or to determine the volume of training--or other services being provided. An exception is the Churches, but even here centralized information is limited.

2.42 It will be for the NGOs to decide whether and, if so, how to create a few coordinating NGO bodies. Such bodies, however, could assist in channelling external aid to the NGOs aid. From field visits to a few NGOs, the high quality of training was sufficiently well evidenced to justify the recommendation that some kind of mechanism should be instituted so that the public sector can assist NGOs with their training work or vice versa without impinging on the independence of the NGOs or creating a feeling of dependency.

2.43 To illustrate the scope and high quality of training by NGOs, two examples can be cited. The first is an interesting, if not typical, large successful NGO that works with other NGOs and government: the Philippines Business for Social Progress (PBSP). The second, is a smaller, more typical local NGO, the Camarin Association.

2.44 PBSP is a national NGO, providing, inter alia, training and training funding throughout the Philippines. It was set up in 1970 and is now funded by some 120 private sector companies, each of which is committed to setting aside 1% of each year's net profits before taxes for social development. About 20% of this is given to PBSP. PBSP has annual income and expenditure of around P 57 million (US\$2.7 million). However, only P 1.65 million (US\$78,000) are used for operating expenses; the remainder goes to programs. It is thus a very efficient provider of services to the 485 local development projects it supports.

2.45 Besides funding local projects, the PBSP ensures the adequacy of training. It provides some training directly, using its own staff for training in technical, vocational and management skills. More importantly, it uses the expertise of its own staff as a multiplier, by running extensive training of trainers' courses for other NGOs and for representatives from local communities who will be trainers within these communities. Some PBSP training is funded by a grant from NMYC. In addition, PBSP sometimes uses other local NGOs to deliver some of its training. For example, in Baquio City, the Institute for Small Scale Industries Foundation Inc. (the extension department of St. Louis University) provides training on behalf of PBSP.

2.46 PBSP is also developing a network of support by encouraging its sponsoring companies to become involved in local projects by providing training, using the expertise of the staff of these companies; currently 28 local projects are benefiting from this Membership Involvement Program.

2.47 PBSP cooperates with government departments and overseas aid agencies, who often use this NGO and others as efficient vehicles for accurately targeting their funding.

2.48 The Camarin Livelihood and Community Development Association (CLACDA) is a small, locally-based NGO, providing local responses to local training needs. Camarin Barrio is a depressed semi-rural community with a total land area of 150 hectares, in which some 3,250 families reside, with an average household size of six. The majority of the heads of households are seasonally employed as factory and construction laborers, earning a monthly income of P 500 to P 1,000 (US\$25 to US\$50).

2.49 CLACDA began after the formation of the Camarin Livelihood and Community Development Program, an initiative of local people, with the help of the Sub-Parish Council and Our Lady of Lourdes Church. (Interestingly, training and other assistance was requested and provided from PBSP.) The program began by establishing two units, one is the Basic Commodity Center (BCC) which purchases commodities wholesale and distributes them to the small stores within Camarin, and the other is a Credit Assistance Group (CAG) which evaluates, administers, and monitors loans to individuals and collectives. These have now been incorporated as the Camarin Livelihood and Community

Development Association (CLACDA Inc.) and is registered with the Security and Exchange Commission (SEC). Besides the management of BCC and CAG, CLACDA has responsibility for overall technical and business training within the community and has set up four area-based community groups to undertake promotional work and the screening and monitoring of loan recipients.

2.50 Though the beneficiaries of the training and assistance program are men and women in almost equal numbers, the management committees are overwhelmingly women. The cooperative and collective nature of community-based initiatives encourages women to participate more fully than in traditional hierarchical structures (in CLACDA, the company officers, such as Secretary and Chairman, are women), while the local basis allows them to combine family duties with community service.

2.51 The main CLACDA training program started in 1986 as part of the Camarin Livelihood and Community Development Program. The Program is now largely self-sustaining and self-managing, providing technical and business training for individual entrepreneurs, coupled with small but effective grants, and training in organizing skills for the community. The training program includes: small business management, basic community organizing, personal effectiveness, food processing, photography, leadership skills, personal effectiveness, group decision making, an integrated livelihood program, practical swine raising and value formation.

2.52 Beside the organized courses, trainers have constant (if part-time) contact with beneficiaries and the community organization, giving guidance and advice in the form of continuous development training. Much of this training has been given by employees of a PBSP-sponsoring company.

2.53 Sycip, Gorres, Velayo & Co. (SGV) is one of the PBSP's funding sponsors. A member of the Arthur Young McLeland Moores international accountancy group, it has been donating staff time to the Camarin project since its inception; currently, two financial and management specialists spend 10% of their working time and some free time training the CLACDA members. SGV also employs a Development Worker, funded jointly by SGB and PBSP, who works full-time on the Camarin Project. The professionals from SGV originally found difficulty in communicating effectively with the CLACDA members as they come from different backgrounds and have radically different perspectives and knowledge levels. PBSP provided training for the SGV professionals in the appropriate approach to this type of training, which has enabled them to be more effective as technical trainers. The CLACDA operation is illustrated in Organigram 3 at the end of the report.

2.54 So far, the CLACDA training project has created 80 jobs in various enterprises including: Vending, Pigery, Poultry, Furniture Making, Iron Works, Sari-Sari Store, Rug Making, Watch Repair, Food Processing, Motor Repair Shop, Herbal and Tire Recycling.

2.55 The budget for the project in the current year is P 83,500 (US\$3,900); this amount is sufficient for the present capabilities of CLACDA and funding has not yet been a limiting factor in the rate of development. However, Camarin has been fortunate in being selected for assistance (albeit on its own initiative) and other communities may find more difficulty in

securing funding. CLACDA itself will require increased funding if its activities are to expand, and its training in community organizing skills will be tested by its need to secure finance once the PBSP/SGV support ends. It is seen as essential by PBSP/SGV and CLACDA that funding assistance be made available to beneficiaries in order to maximize the investment in their training. Those in the training courses are expected to generate at least P 50 (US\$2.5) additional income per month from a P 1,000 (US\$47) loan; loans range for P 1,000 (US\$47) to P 3,000 (US\$140). The effectiveness of the training is demonstrated by an 80% success rate in repayment of loans. This must be remarkable in such a poor community.

Training for Women

2.56 All training programs are open to women and girls. However, unless training is held at times when women do not have domestic and family duties, or unless facilities are provided for child-care, women are effectively prevented from taking courses even though the enrollment policy may be ostensibly open. In the rural areas, women undertake not only housework and childrearing, but often also the work of food production or other income-generating activities; though values training is attempting to change the roles of women and men, it will be a long time before this burden is removed. NGOs are active in women's training but data are difficult to gather. The CLACDA example described earlier is a good example of typical NGO assistance in training.

2.57 The BNFE makes a special effort in their livelihood skills program to attract women and has successfully organized traditional courses especially for them. Training subjects are usually "traditional," that is industrial/technical subjects are oriented towards men and domestic-type subjects (e.g., food preserving) are targeted, even if tacitly, toward women; this division mirrors the employment position, but unless women receive, or are encouraged to receive, training outside their normal subjects, the position will not change.

2.58 The BNFE Livelihood Skills Development Program has a large enough number of trainees (484,317 in 1987) to measure the effectiveness of their training for women. The enrollment and graduation ratios, and the drop-out and failure rates for men and women are shown below:

Table 2.5: BNFE LIVELIHOOD SKILLS TRAINING COURSES, 1987

<u>Enrollment Ratios</u>	<u>OSY /a</u>	<u>Adult</u>
Male	39.8%	35.4%
Female	60.2%	64.6%
<u>Graduation Ratios</u>	<u>OSY</u>	<u>Adult</u>
Male	44.6%	39.7%
Female	55.4%	60.3%
<u>Dropout/Failure Ratios</u>	<u>OSY</u>	<u>Adult</u>
Male	19.4%	24.4%
Female	33.8%	37.1%

/a OSY = Out of school youth.

2.59 Women, whether young people or adults, enroll and graduate in significantly greater numbers than men. More interestingly in relation to the effectiveness of the training for women, they have a much higher dropout/failure rate than men (over 50% higher).

2.60 The NMYC has also been active in promoting training for women. NMYC in 1980 launched an experimental project in training for women in non-traditional skills. Girls and women were trained in male-dominated courses such as welding, refrigeration and air-conditioning, building, wiring, electricity, home appliance servicing and others. An evaluation of the experiment showed that women willingly join industrial trades because of pressing economic needs. Employers are equally willing to absorb women workers into non-traditional occupations because of their high performance level, reliability and dedication. Manpower development officials including planners and instructors have also reacted positively to the NMYC experiment. To date, a few government agencies have tried to redirect some of their training programs for women into areas that are traditionally considered for males only.

2.61 Building on the NMYC experiment, a three-year project launched in 1988 is being implemented with support from the ILO and the Netherlands Aid agency. The project is designed to train more females, side-by-side with males. The areas of training include: electrician services, automotive trades, welding, furniture and cabinet making, refrigeration and air-conditioning, repair and maintenance of office equipment, plumbing, masonry and carpentry. Training is also given in entrepreneurship and self-employment. The choice of training areas is based on periodic studies conducted by NYMC's Regional Manpower Training Centers to determine area skills requirements and training priorities. Training will be conducted in RMTCs, PTCs and CTCs, and will also be industry-based.

2.62 To help the trainees' internalize their emergent roles in the world of men's work, one of the project components is the training of women trainers. These trained women trainers will instruct both males and females. Other actions being taken to change occupational attitudes are information and motivational campaigns, career guidance and counselling, and development of necessary materials for these activities.

2.63 The project aims to mobilize multisectoral support to help ensure the achievement of its objectives. The organizations include both government and NGOs such as the National Commission of Women (NCW), DECs, DSWD, the Trade Union Congress of the Philippines (TUCP), the Employers' Confederation of the Philippines, and the Public Information Agency.

2.64 In addition to this project, the CTP is being developed by NMYC for women's training. The enrollment at CTP courses (for example, an electronics course in Antipolo) showed a roughly equal balance between men and women, but the test will be whether the women trainees obtain a relevant job at the end of their training. NMYC has built in a mechanism to its training programs to trace the subsequent career of its trainees, but as yet no data are available.

III. CRITICAL ISSUES AND STRATEGIES

3.1 The review of training for operatives and craftsmen indicated issues clustered around the following five areas: (a) how to meet most effectively industrial sector manpower requirements and the need for training in rural areas; (b) the relevance and quality of industrial and rural training; (c) efficiency and financial issues; (d) planning issues; and (e) policy and institutional issues.

A. Meeting Manpower Needs

3.2 This report cannot recommend an expansion of the training of operatives and craftsmen for the modern industrial sector as no recent national employment survey or complete subsectoral employment needs assessments have been made. Although a small industry survey undertaken by the mission and the ease with which NMYC trainees gain employment are indicative of a case for increasing the supply of operatives and craftsmen this evidence is insufficient of itself. A recent government estimate shows an annual net shortfall of about 265,000 workers (Table 2.3) and on this basis government may encourage expansion. If this is the case, the issue is by which institutions. The overall output of more formalized training by the public sector to meet industrial needs at operative and craftsmen levels ranges from about 60,000 to 80,000 a year (assuming about 80% of all graduates from the BTVE technical/vocational and private schools go on to higher or other training institutions). This compares with the 750,000 new entrants to the labor force.

3.3 Small-scale industry is currently in no position to undertake its own training. There are also institutional, economic and social reasons why, in the short to medium term, any national training strategy must be built on the public sector. Among the key economic reasons is the general inability of industry to bear the cost of training when the industries are small and still

at an "infant" stage. Institutionally, industry has not been persuaded or assisted adequately to build up its own training capability and is therefore ill-equipped to do so. Socially, there remains a gap of about at least two years between the age when children complete four-year secondary school courses and the legal working age. While this is being partially filled by state organized training, there remains a need to assist the poorest urban and rural youth and adults through training and follow-up assistance to self-employment and to respond to the serious claim of women to state training and job placement assistance where traditional attitudes mitigate against women's employment. There is no doubt, however, that any training strategy should seek as quickly as possible, though not at the expense of quality or social deprivation, to shift the core burden of training from the public to the private sector through an incentive system. A contribution to such a system are the NMYC efforts to build up training capacity in the private sector, including the tax-incentive scheme, training contract scheme and the revitalization of DOLE of the apprenticeship support scheme. It is also necessary to remove disincentives. For instance, after six months of full-time employment, employers are obligated to provide "social security" benefits to employees which has led to the malpractice of dismissing workers within the six month period to avoid the additional costs. There is a strong case for moving further and more quickly in developing these and other measures.

3.4 Programs Capable of Expansion. The evidence is strong that the NMYC line programs offer the most effective vehicles for expanding industrial training development particularly through the PTC, CTP and out-reach programs (Section B).

3.5 The first priority, however, is to improve the existing NMYC PTC programs through a stronger provincial network of training centers, together with links with local industry and based on meeting identified local manpower training demand. PTCs provide a more local and "closer to industry" focus for strengthening IB developments and the TCS, both of which are worthy of considerable additional support and expansion. The PTCs should also be given responsibility for helping to back-stop the newly reorganized system of DOLE's apprenticeship training and to enable the increase of relevancy of skills being taught, particularly through multi-skill developments.

3.6 The role of BTVE in the training of industrial craftsmen and operatives should be reassessed. While there is a clear case for BTVE development of technician training and above, no such evidence exists at the lower levels of manpower training. BTVE's problems relate to relevance (paras. 3.14 and 3.16) efficiency of delivery (paras. 3.19, 3.25 and 3.41) and finance (paras. 3.26, 3.38). Notwithstanding recent efforts to improve BTVE, its one- and two-year courses are doubtful vehicles for new investment and, except where local political constraints delay the termination of this type of training, there should be a timely decline of public funding for such programs.

3.7 Rural Training. Expansion of vocational training in rural areas aimed at wage employment and self-employment would be best carried out through CTP, BNFE basic, non-formal training, and programs organized by NGOs in the private sector.

3.8 Grass-root training, however, needs to be further diversified. Although 46 different subjects covering basic industrial training, cottage skills training, and livelihood skills training have been approved or are in preparation, in practice, each local community typically offers only three or four traditional courses. At the same time, additional trainers and materials would be needed for diversification, which is beyond the existing capacity of local community resources (and of NMYC Regional Offices, as the PMDOs and the RTOs are already over-stretched.)

3.9 To help in this respect, NMYC should continue expanding its basic CTC program and should extend the range of subjects offered in the light of the core demand for training and self-employment. Given the basic rural personnel infrastructure, the NMYC could also increase trainee throughput over the next four years, from 21,000 trainees a year to 100,000 ^{6/} trainees a year, both to help satisfy effective labor market and social demand for wage and particularly self-employment. This would incidentally make the operation more cost-effective (21,000 trainees a year is not sufficiently cost-effective for a national training body with a regional and local staffing structure). Central funding of the program will need to be increased initially, but the strategy of passing control and ultimate funding over to local organizations should continue. In order to develop this program, full-time staff need to be redirected to the Regional Offices to manage CTCs; the present arrangement of attaching CTC development to PMDOs, who are already busy with other mainstream training work, means that CTCs are not accorded priority as they are perceived as an addition to the regular program.

3.10 Training provided by government agencies should concentrate on satisfying demand for the "core subject" training, because its easy replication suits centralized organizational structures and methods. It would be appropriate for government agencies to provide permanent and replicable non-formal training courses in the main population centers (towns of, say, more than 20,000 population). In towns where CTCs are established, they should form the basis for the government training effort. Elsewhere, coordination of activities between government agencies is required so that subjects and geographical areas are covered adequately without duplication.

3.11 The Government should encourage and support NGOs so that they can supply non-formal training in areas i.e., subjects, geographical locations, and sections of the population that cannot be otherwise reached. NGOs should be consulted about plans for training and should have representation on appropriate bodies (for example, the National Committee for Non-Formal Education).

^{6/} Assumed by the mission to be a minimum estimate based on field observation of rural employment opportunities and the success of existing courses in placing trainees. Local surveys would provide a sounder basis for CTC expansion and should be undertaken by NMYC.

B. Improving Relevance and Quality of Training

3.12 The issues posed in the previous section are essentially quantitative, basically, how to expand training for modern industry and rural economic development. Two quality questions call for answers. Is the training being given relevant to the needs of industry or the rural situation? If it is, is it of the required quality? If it is not, how far is this issue a reflection of trainer quality and/or poor facilities and equipment.

Relevance of Industrial Training

3.13 Recent tracer study evidence on job placement is lacking for all training agencies. The results of the small employers' survey conducted by the mission must be treated with caution. However, the long waiting lists for entry to NMYC's RTC/PTC programs, the result of old tracer work (1986) which show about 70% of new NMYC graduates getting jobs in the informal and small firm job market, and the positive attitude of employers in the survey toward NMYC graduates suggest that in relation to industrial needs, the programs are typically relevant. Employers, however, commented that NMYC courses could be improved by broadening the range of skills with more multi-skill course offerings so that trainees would be less specialized and thus local employment needs more adequately met.

3.14 As is typical of education ministries in many countries, BTVE is characterized by a built-in inflexibility in its formal and institutionalized training, fixed heavy equipment, traditional curricula and instruction, weak industrial links and poorer quality trainers, producing less relevant courses and poorer quality graduates. However, these problems are recognized by BTVE and important steps have been taken this year to correct them, including working closely with NMYC, DTI and DOA to improve quality and relevance of training; establishing technical advisory committees in each school, with local industrial representation; revising the curricula for the one- and two-year courses to increase the time spent on practical training, where possible within industry; and strengthening trainer training. It is, however, too early to evaluate impact and it is doubtful if any measure of significant improvement will result.

3.15 NMYC's CTC and outreach courses for rural enterprise basic skills and self-employment (no fixed premises and light equipment, etc.) are typically useful and well-managed, with graduates gaining wage or self-employment opportunities. The same also holds true for the BNFE courses. Programs run by NGOs naturally are highly relevant, as they typically respond directly to a locally perceived training demand.

3.16 Graduate Quality. The issue of BTVE graduate quality is serious. The quality of operative-level graduates from the one- and two-year courses of the BTVE voc-tech schools is generally seen by employers as unsatisfactory in the light of their industrial manpower needs. Employers complained of graduates being poor 'technically' and too theoretical. There is evidence that BTVE graduates who do not proceed on to higher training institutions remaining unemployed and enter NMYC courses as a remedial bridge to employment.

3.17 The quality of NMYC operative/craftsmen courses is reasonable but could be improved. It is suggested that a lengthened course based on a modular system be introduced, by extending sequential six-month courses over a year or more, and that more multi-skill training (i.e., giving trainees a repertoire of skills they can perform) at a greater depth than is currently the case. It is also evident that strengthening of instructors' teaching abilities facilities and materials is urgently needed, dramatically so in the BTVE tech/voc schools, but also in the RTCs.

3.18 Quality of Staff and Staff Trainers. RMTc staff are qualified, particularly be provided, in terms of industrial experience, but could benefit from further training. The Audit Department's 1986 evaluation showed that all instructors had passed relevant trade tests, about half had a bachelor's degree (of which half were in engineering-related subjects), 25% had experience in industry, and about 40% had received no training either at home or abroad.

3.19 On the other hand, few instructors in the BTVE schools have industrial experience, though this is being redressed partially through intensified training beginning in 1989. Those that possess industrial experience frequently switch to the private sector, which offers better pay and conditions.

3.20 It is suggested that instructor qualities and pay scales be further improved to ensure ease of recruitment and trainee retention. Efforts in this direction have already begun, along with building up stronger linkages with the labor market by permitting teachers to undertake income-generating work in industry and allowing them time for private work and consultancies without jeopardizing teaching quality.

3.21 Improvement of quality must also be tackled by standardizing and levelling up the qualifications of trainers. A vocational training instructors' licence (VTIL) system and a supporting training of trainers program for basic "licence" training and relevant upgrading would be useful. Care must be taken to avoid introducing the recruitment rigidities which characterize general education. Until now, there has been no VTIL system or exclusive trainer training institute in the country. The NMYC has mainly recruited its instructors from among those having class 3 trade skill certificates with more than two years experience who have passed the technical teacher's examination conducted by the Civil Service Commission. It then sends them on two-month skills upgrade courses, (180 hours) which allow them to gain class 2 trade skill certificates.

3.22 There are three Area Trainer Training Centers (ATTC) throughout the country. Currently, there are 264 skills trainers in RMTcs and PMTCs including NSTC, and 189 trainers in 63 CTCs who have been hired on a contractual basis. The 264 NMYC trainers are reasonably qualified with 10% first class, 32% second class, and 24% third class skill certificates; 7% are CBT holders and the remaining 27% do not hold certificates.

3.23 It is recommended that NMYC establish a Vocational Training Instructor Licence System by amending the pertinent laws and implementing regulations. The VTIL system should be nationally recognized, with all

trainers working for all levels of training centers obtaining their instructor's licence through agreed procedures. All trainers can then be monitored, upgraded and protected in jobs. The potential classification of the VTIL system would be grade 1 to 4 VTI, with grade 4 as the lowest level. Promotion to higher grades would depend on skill certificates and trainers training and development capabilities, and some four years of experience at the current grade. It should be emphasized that the promotion to upper grades should be made only when the experience and relevant skills certificates requirements are met or a graduation certificate for a recognized course is submitted.

3.24 Trainers at RMTCs and PMTCs should hold more than grade 3 certificates and those at NSTC and ATTC more than grade 2 certificates. The NYMC instructor upgrading training should be expanded not only from current skills upgrading for third class certificates to higher classes, but also for training and development capabilities. All the upgrade training should be conducted systematically within the VTIL system. In addition, the target population for an instructor's upgrade training should be expanded to include the trainers, training officers and managers working for outside training centers, including BTVE schools and voluntary agency short-term vocational staff. Initial education for trainers might be conducted by DITS, with upgrading by NMYC.

3.25 Equipment and Facilities. RMTCs are relatively well equipped compared to BTVE schools, where the little equipment provided is obsolete (some being more than 15 years old). However, PMTCs are unable to provide quality training because of inadequate equipment. In some RMTCs and PMTCs, basic equipment like lathes and milling machines have been left unrepaired due to a lack of spare parts and the expertise to repair them. There is no repair service and no standard training equipment list by course which can be used to assess the availability of necessary equipment. The BTVE tech-voc schools are in massive need of refurbishment and re-equipping. The national network has decayed physically through underfunding. If the tech-voc schools are to be used to develop operators and craftsmen, attention to their physical condition and equipping as well as instructors, materials and management is urgently required. This has been recognized by the Government and a ban was lifted in 1989 by Executive Order of the President to permit purchase of basic tools and equipment, though budgetary problems remain.

Rural Training

3.26 Basic government- and NGO-sponsored skills training programs for rural wage- and self-employment through Government agencies and NGOs are typically well designed and are relevant to the rural situation. The quality of graduates, however, is frequently an issue. The poor quality of training seems to be due to inadequate and/or insufficient teaching equipment and materials. The CTC and BTVE outreach training programs particularly need strengthening. A related and now critical issue, though not strictly a training issue, is the lack of strategies and programs for rural development to foster grass-roots employment (including opportunities for self-employment). Government commitment to rural development has yet to be turned into widespread viable programs. Where these programs do occur, advice and start-up resources to establish trainee graduates with capital and equipment

remain inadequate, though the need has begun to be addressed by NMYC. BNFE is also developing a small fund to help trainees set up their businesses.

Quality, Research and Development

3.27 Monitoring, evaluation and research and development (R&D) are intimately - though not solely - linked up with training quality. The establishment of a strong center for R&D and technology development is a priority as a vector for ensuring that training modes and curricula keep pace with international developments in training and reflect rapidly changing national and local training needs. Improving training quality also demands a systematic and thorough review of facilities and equipment, with a focus on re-equipping NMYC institutions and enlarging the number of types of skills being taught, and reviewing the role of the BTVE National Center for Technical Education (and three regional centers) in the R&D network.

Improvement of Trades Testing

3.28 Training quality can also be improved through expanded and improved trade testing. A total of 182 occupational skills standards have been developed, and 17 trades are now tested. A total of nearly 150,000 persons had been tested during the past 13 years (1975-1987). About 70,000 persons have been certified with an average pass rate of about 47%. This rate is somewhat low by international standards but not significantly so. Further study is nevertheless justified to isolate ways of improving the pass rate. Details of certification rates are given in Attachment 2D.

3.29 Based on experience of Japan and Korea, the annual testing achievements have been increased continuously, but the annual number of applicants in the Philippines, compared with the total population of the country, should be at least 300,000 persons. The occupational skills standards should, therefore, gradually be developed until some 500 trade titles are included and the testing capacity can be drastically expanded. The most important institutional arrangement needed is the rationalization of the trades testing system by (a) establishing a legal basis for it; (b) including all graduates from BTVE schools in trades testing conducted by NMYC; (c) introducing a compulsory testing system for all graduates from vocational training centers by amending the related laws and regulations; and (d) setting up an "Office of Trades Testing" as a separate office under the Director General of NMYC, with 14 regional testing workshops to increase the nation's testing capacities, including the number of testing staff. The testing workshops could be utilized for training purposes as required.

3.30 Recommendations to improve the existing testing system include: (a) establishing a "Question Bank" to improve quality and related matters; (b) introducing a re-registration system in addition to the current registration system for certificate holders, so as to systematically identify the nation's certified manpower every five years; (c) introducing a "compulsory hiring system of trade test certificate holders" as a preferential measure by government for certificate holders; (d) computerizing testing and related works, especially in such areas as the question bank, question paper editing, marking decision of passers, registration and re-registration; (e) involving more industries in trade testing and promoting the national

testing system to more firms through public relations activities. This would encourage firms to trust the system and the certified worker's competencies as described on certificates; and (f) expanding testing areas from the existing industrial trades to office worker and service worker trades.

Improving Rural Trainers

3.31 To increase the supply of competent rural trainers, a program of training for trainers should be implemented by NMYC. The program should have three components: (a) professional teachers should be trained to deal with trainees with low entering skill levels; (b) trainer artisans should be trained in teaching skills; (c) trainers recruited as graduates from, say, Regional Training Centers should be trained in teaching skills and undertake a work experience program which is integrated into the system for formalized training instructor preparation.

3.32 The training given in CTCs should be practice-based rather than theory-based. A large proportion of the trainers recruited should be artisans (given proper training themselves) who will impart skills to the trainees in relevant jobs and businesses.

3.33 The fees paid to trainers should be increased, say to P 20/hour (US\$1.00), to attract people who would otherwise be deterred by the low rates currently paid; though this will increase costs, unless enough competent trainers are recruited, investment in the CTC program will not be effective.

C. Efficiency and Financial Issues

3.34 Training is severely underfinanced, drastically limiting the quality and quantity of training provided. The Government, in support of private industry, has policies for industrial growth. The Government is equally concerned about rural (and urban) under- and un-employment and is seeking to implement strategies to improve rural incomes. There is, however, evidence of underfunding of vital training programs common to both. Issues include: should the government/public sector find the additional funds? If it cannot or should not, who could or should shoulder the cost burden? Can existing resources be made to go further?

Internal Efficiency: Better Use of the Resources Available

3.35 The issue of relevance or external efficiency has already been discussed. In summary, the NMYC vocational programs score reasonably while the post-secondary BTVE tech-voc programs appear more difficult to justify. In terms of internal efficiency, the evidence is that BTVE again scores less well. Making more effective use of existing funding has to be addressed before exploring possibilities for additional government funds or cost-sharing schemes with industry.

3.36 The budgetary allocation to BTVE tech-voc schools is not only low (para. 3.43), but it is also not well spent, at least as BTVE is currently organized. The large demand for trained operatives and craftsmen justify the

duplication ^{7/} of training by the NMYC and BTVE, if both agencies were equally efficient in producing graduates. However, this is far from the case. Mission calculations indicate that a trainee graduate from a tech-voc school typically costs nearly five times that of a graduate from an RMT/PTC of the NMYC. There is evidence of greater unemployment of BTVE tech-voc school graduates and a need for them to be recycled in NMYC institutions before gaining employment. BTVE's placement service estimates that half of all graduates from the tech-voc schools found employment or went on to higher training but that less than 27% of graduates are employed at the level and in the occupation for which they were trained. On the other hand, almost all NMYC graduates find direct employment (about a third of all graduates are already in jobs and released for training). Drop out and repeater rates in both NMYC centers and the tech-voc schools are negligible. The differences in unit costs accrue more through higher BTVE instructor costs per trainee, higher BTVE overhead costs such as buildings and facilities and greater throughput of trainees in the NMYC. This is not unusual. International experience shows Ministry of Education vocational training to be less cost-effective than that undertaken by agencies which are in close contact with industrial employers. The latter agencies, like the NMYC, have more flexibility to respond to the labor market, and can employ trainers and run courses more flexibly compared to the monolithic structures typical of Ministry of Education bureaucracies. The Philippines is no exception.

3.37 The issue of the efficiency of BTVE tech-voc schools is recognized by DECS, and one school of thought supports a phasing-out of the BTVE tech-voc schools, accompanied by the continuing conversion of some of the better schools into TEIs for technician training or to other uses such as general secondary schools. In NMYC RTCs, considerable improvements could be effected in course performance but internal efficiency is not a serious problem.

3.38 Unit costs were obtained from aggregated data collected by the NMYC and DECS, and from a few selected NMYC institutions. According to DECS data, the average overall student training cost for all technical programs (for 1987-88) was US\$221. A simple calculation based on the line-budget for tech-voc schools and the number of enrollments results in an amount of less than US\$20 per capita. This is very low by any standard and a similar Bangladesh vocational program considered underfunded is over US\$250 per capita annually. The annual average for the Region is around US\$500 per capita. Unit costs for NMYC training centers in 1986 varied widely from region to region and did not conform to any pattern. The larger NMYC institutions (in terms of student enrollments) did not seem to benefit from economies of scale. The unit cost of some institutions was US\$20-40 per annum while that of others was above US\$140. Such diversity warrants further investigation through a study of the composition of costs at each center. The first area for examination should be staffing, since in the majority of cases staff salaries account for over 71% of the recurrent costs. Consumable materials and "maintenance" account for a further 15% and 4%, respectively.

^{7/} The issue of duplication remains relevant even though BTVE course entrants require a secondary school diploma while NMYC trainees do not.

3.39 The data gathered for sample schools by the mission indicate that recurrent costs in BTVE are about five times higher than in the RMTCs where the mean recurrent cost of craftsman training is US\$50. The cause of this difference appears to be the more intensive use of facilities by NMYC, and the consequent higher level of trainee throughput.

3.40 Staff-student ratios compiled by NMYC average 1:22. However, this ratio also includes support staff. After separating out the professional teaching staff, the staff-student ratios average 1:9. This ratio is typical of vocational training establishments like the NMYC, though it is on the generous side and should be reviewed with a view to increasing the ratio.

3.41 BTVE's, teacher-student ratio averaged 1:35 (1987) which is too high for effective instruction and supervision. It also raises some important questions as to the cause of the high unit costs, since the explanation of these high costs does not appear to be generous staff/student ratios. In 1989, attempts were made to reduce the trainer-pupil ratio to 1:20, which is still very high and would increase unit costs further.

3.42 In terms of space utilization, BTVE (in the academic year 1987-88) had an abundance of space: the average classroom to student ratio was 1:12 for lectures and 1:8 ^{8/} for laboratory work. On the other hand, the facilities were underused, in many instances for only 12-15 hours per week. NMYC, which mounted purely skill-oriented programs at the RMTCs for short durations (of three to four months each) was able to "process" three batches of students per year and make intensive use of facilities.

Funding Levels and Arrangements

3.43 The little data available on private sector funding of industrial and rural training suggest that it is minuscule and can be disregarded. Public sector allocations are small; mission estimates suggest something less than P 400 million to support government capital and recurrent activities. The DECS capital and recurrent budget allocation (1987) to BTVE for technical/vocational training is less than 2% of the total DECS budget^{9/} and a budgetary per capita allocation of less than US\$20 has already been referenced. This is inadequate if any serious effort is to be made by DECS to address training needs and helps to account for the exceedingly sorry state of BTVE tech-voc schools. The NMYC has a budget less than a third of that provided for BTVE, which is strikingly low for the major government agency with both line and staff functions established to serve all vocational training agencies. Furthermore, budgets are not expenditures. The Bank's 1988 Education Sector Study indicates divergences up to 30% between budgetary allocations and spending. While NMYC seems to spend what it is allocated, the same probably does not apply to vocational training by DECS, although recent tech-voc expenditure figures were not available.

^{8/} Based on space per trainee of 9 sq m for lecture rooms and 6 sq m for labs/workshops.

^{9/} This has been increased from P 9 million in 1987 to P 13 million in 1989.

3.44 The willingness or ability of government to channel a large proportion of public funds to training is beyond the scope of this review. However, indications are that relatively small, carefully targeted budgetary transfers, particularly to NMYC, could support significant returns. Such allocations would be in line with national development plans to encourage industrial and rural development; indeed, more funds must be allocated to training if national development targets are to be reached. It is the task of NMYC to develop a master plan for expansion of industrial training, the level of funding required and how additional funding and resources could be acquired.

3.45 A significant dimension of the resource issue is the role of industry in preparing its own manpower, either by paying for it through subcontracting agencies or by undertaking training itself. The general consensus of both training specialists and industry representatives is that, with the exception of a few large international industrial concerns, most medium and small firms have neither the resources nor ability to undertake training. Government assists with incentives such as the Training Contract Scheme and is developing a fresh approach to apprenticeship. The introduction of a training levy on industry, however, is controversial and has been strongly resisted by industry as a whole. The few largest industries conduct their own training and view a levy as a tax; the middle- and small-sized industries seemingly can ill-afford a levy. This notwithstanding, there is no doubt that industry and/or trainees should bear a greater proportion of the cost (if not in some cases the total cost) if training is to be made more effective and expanded. Training institutions like NMYC should also show increased efficiency. The techniques and mechanisms for gaining a greater private sector financial support for training are discussed later. However, the appropriate total overall level of funding from private and public sources and the kind of vocational training needed deserve further in-depth study. What is clear is that ultimately industry must do more for itself. In the meantime, and for the foreseeable future, the public sector must assume most of the financial burden.

3.46 Funding Rural Training. Rural training is grossly underfunded by the public sector. The issue here, however, is not whether government financial assistance is needed--that is not in doubt, but whether the most effective training at this level and of this type is best executed by government agencies should be channeled to private agencies such as NGOs with a strong grass-roots decentralized approach to service their field work. There is a clear role for public bodies such as NMYC through its outreach programs and for the BNFE. Serious evaluation with available data is not possible, but indications are that funds are being well-spent and that their programs are worthy of further support especially where "core" basic training is concerned, which lends itself to a rationally generalized government "mass" approach.

3.47 Funding NGOs. Funding of NGOs should be provided, based on specified criteria, for training courses and employment creation projects. Funding should be on an administrative and accounting basis that is appropriate to NGOs and their activities and not necessarily to the Central Office of Accounting.

3.48 As NGOs, do not always wish to accept government funding, devices must be found to permit public (or publicly-initiated) funding to be directed to NGOs without threatening their autonomy or destroying their natural self-reliant, grass-roots strengths. There are models in other parts of the world where such devices have been instituted with very favorable outcomes (North Yemen, for instance). An approach to this would be to develop partnerships between the public sector agencies and NGOs.

3.49 Funding to NGOs to carry out training should not be in the form of grants, but should have a contractual basis. That is, the NGO should be contracted to carry out specified activities; the funding body then has only to ensure that the activities were carried out satisfactorily, and does not need to concern itself with details of NGO internal operations.

Financing Vocational Training

3.50 Means to Increase Funding for Vocational Training. There is, of course, a national interplay between public sector budgeting and planning. A careful review needs to be made of the justification for apparent underfunding of public sector support to vocational training and the possibilities of increasing the public budget (including the uses/functions to which additional funding might be put) and through the Secretaries of Labor and Finance, larger allocations be made. Similarly, a serious review should be undertaken of the realistic and practical options open for increased trainee fees and contributions from industry, increased cost-sharing schemes and apprenticeship and in-service training and retraining within industry itself.

3.51 Cost Recovery and User Fees. Neither NMYC nor BTVE charge fees for their rural outreach programs. In some instances, this is acceptable since it would not be socially desirable to charge fees for NMYC programs such as livelihood skills. Furthermore, many (24%) out-of-school youth (OSY) ^{10/} have reported that the high cost of education prohibited them from undertaking education and training. NMYC, however, operates numerous income-earning schemes, such as the Sariling Sikap Program.^{11/} One possibility worth exploring might be to charge for a few selected courses for which demand is high and employment prospects good (such as automotive mechanics, electricians, technicians) while ensuring scholarships for those who cannot afford the fees. Given the substantial number of applicants for these courses, it is unlikely that the imposition of a fee would have an adverse effect on recruitment.

^{10/} BNFE Survey 1987.

^{11/} In this scheme direct fees are charged to employees or trainees in selected courses (upgrading of electrician and welding skills, for instance). This system is nationwide and remits an average of P 1 million annually to NMYC. The program is managed by the NMYC Regional Directors.

3.52 Finally, however, and in the last resort, any initiative to control costs and raise additional funds for vocational training is predicated on there being a clear central government commitment to the task. At present this issue is not clearly on the agenda, and it needs to be put there, both at the central government and Department levels. Additional resources for training are badly needed, but so also is an institutional framework to direct these resources. At present, neither the productive sectors nor the public seem to recognize the true cost of not investing in training; furthermore the Government provides no particular incentive for industry to invest in training or perceived penalty for not doing so. Both should be addressed by NMYC through an operational research programs to demonstrate the value of training and by expanding the NMYC incentive schemes.

3.53 The following are ways of increasing funds for training, which build on approaches already being used in the Philippines. Some NMYC training centers (e.g., Cebu) are beginning to experiment with "training and production" programs: trainees are loaned to industry for brief periods to gain industrial experience, but with safeguards to avoid the perception of "cheap labor" or problems that beset the old apprenticeship scheme. Training center equipment may also be used to produce spare parts for contractors. There has been much debate about the desirability of combining production and training. On one hand, trainees are exposed to "real life" situations, but on the other hand, production and profits based on cheap labor begin to replace training as a priority and, in the worst case, tasks are assumed which are irrelevant to training. The latter dangers can, however, be guarded against. There is a stronger case for proposing the training-production approach for the BTVE programs than there is for the NMYC programs. Many NMYC trainees are very familiar with industrial working conditions, and are enrolling in NMYC courses to upgrade their skills. The same is not true for the BTVE program entrants who typically have no working experience. BTVE-industrial links, particularly at the school level, are also very tenuous, though are now being strengthened through the new technical council in each school and a school-industry linkage.

Incentives and Cost Sharing

3.54 It has already been argued that a measure of subsidy to industry for training is justified as a short-term measure, especially for the upgrading of existing workers skills. The Training Contract Scheme is an example of a cost-sharing program run by NMYC where funds are directly paid to participating companies (cash reimbursement) which undertake their own training. Industries may engage a training institution to do the job, which is reimbursed a proportion of the training cost. The average per capita trainee subsidy is about P 700 for supervisors and P 1,000 for lower-level workers. The total budget annually is about P 20 million covering over 20,000 workers. The scheme appears very successful and is being evaluated under the Bank-assisted Vocational Training Project (Loan 2200-PH).

A Levy System

3.55 The unfavorable climate in the Philippines toward a national training levy has already been underlined. However, many countries finance training through a levy system on industry, typically as a payroll tax. In the early part of this century, such a system existed in the United States and employers paid 5 US¢ for every employee to finance publicly-provided training. In Nigeria, today, all enterprises pay a 2% levy on payroll costs to an Industrial Training Fund, and approved expenditures on training are off-set against levy payments. In Morocco, around the same GDP per capita, about 50% of all training costs are borne by the private sector through a levy. Consideration should be given by Government on NMYC advice on the legal base for expanding sources of finance within a suitable and practical time-frame. A national levy system may not be immediately practicable due to the number of small enterprises that cannot afford such a levy. However, the following are some manageable steps that could begin a move to introduce a partial levy:

set-up Industry Boards. identify industries for in-plant training, and decide on optimum training rates as a proportion of the total number of employees annually. This should be done through consultations with each IB on the basis of a sectoral manpower demand and supply plan. The training rate would differ according to the type of industry, not by the type of IB, and the criteria for the target industry could, for instance, be those firms which have more than 500 employees. The training rate would best be limited at first and, for instance, not exceed 5% of the total number of employees. Compulsory training should include basic training and higher level courses. The target firms should be able either to elect to undertake their own training or pay a levy of an amount equivalent to actual training expenses. A "Vocational Training Fund" (VTF) could be established with the training levy collected for each industry. This should be used only for training by the specific sector. The levy contributions would be managed as a special account (Vocational Training Promotion Fund) by NMYC with participation by each IB. All the training programs under the compulsory in-plant training system should be approved, supervised and recognized by NMYC and locally by RMDOs. A training levy could also be managed, collected and used locally by RMDOs on the same flexible lines as described above.

D. Planning Issues

Overview

3.56 The urgent issues--those likely to receive early attention, even if only partially resolved--are those already posed and addressed: expansion of training places, improving quality (curriculum, facilities, etc.), and looking for resources (particularly external). These are, however, two groups of issues of critical importance--important, but which might not be seen as urgent--by misguided managers and implementers. These are the painstaking tasks of accurate basic data gathering, data analysis and serious planning, and related institutional issues such as management skills, research and development. The successful resolution of the first group of issues will be manifested by the degree to which strategies are developed and internalized through the latter institutional frame of action. It must be made clear that the present institutional framework is exceedingly weak in the training field, it has been badly neglected and, under any strategy for building up training, must receive urgent attention.

3.57 Responsibility for training strategy development and planning is the mandate of NMYC. These responsibilities have not been met. The extent of the seriousness of the situation is best reflected in the lack of consistent basic data on such fundamentals as the numbers of institutions, training places, and output.

3.58 How to improve and build-up macro- and micro-planning is a key issue. A first need is to review and improve basic data gathering by training institutions, with a view to streamlining the process and strengthening it where appropriate. After data collation by the NMYC Secretariat, data would be used for planning by NEDA, the government planning agency, the line agencies, and NMYC. Employment/unemployment data collection and policy making should be integrated with the training functions of NMYC to facilitate better planning for training program development. There is, however, a need for more manpower planners, and human resource economists in the NEDA, NMYC and line departments. Strong technical support must also be given to the training agencies and IBs to develop their subsectoral planning capabilities and attention paid to needs of decentralized administrative units where data are gathered and/or analyzed.

The Planning of Training: Institutional Responsibilities

3.59 The National Economic Development Agency is responsible for of long-term planning. Its Social Development Division has a mandate to coordinate education and manpower training programs and relies on NMYC for this. It also provides technical assistance in project preparation. Although it is nominally responsible for analysis of the labor market, very little attention can be given to this task in view of the few professional NEDA staff. Consequently, responsibility for labor market analysis is segmented.

3.60 Department of Education, Culture and Science. The Planning Division in this department has not undertaken any substantial assessments of the relationship between education and the labor market owing to lack of expertise

and institutional weaknesses (see the Bank's recent Education Sector Report). However, early this year, DECS, NEDA and NMYC, through the National Industry Manpower Training Council, started a review of labor market needs. Within DECS, the BTVE is responsible for administering and planning for technical education and training and for some 330 technical and vocational schools and colleges and for advising on technical schools run by 79 state colleges and universities.

3.61 The Department of Labor and Employment. The Department has two Bureaus responsible for the labor market: the Bureau of Employment Statistics and the Bureau of Labor and Employment. The latter is expected to analyze the data collated by the former. Unfortunately, it concentrates instead, through its Labor Market Information Division, on collecting data solely from DOLE's employment exchanges. More by default, therefore, another agency in DOLE, the Institute of Labor Studies, has taken over the role of analyzing the labor market, but little work has been completed.

3.62 Planning Government NFE Training. The National Committee for Non-Formal Education (NCNFE) of the NMYC was established very recently and is responsible for planning and coordinating nonformal education. It remains to be seen how this committee will execute its functions. It can, however, become a valuable support institution for nonformal training. In Turkey, for instance, a similar body, the General Directorate of Apprenticeship and Non-Formal Training, has a network of some 650 Public Training Centers providing a selected range of courses and having a throughput of over 600,000 trainees annually; like the CTC program, it uses the facilities of other bodies (e.g., premises) and takes on trainers as required, though it also retains a permanent staff of administrators and teachers (7,600 permanent staff and 37,000 day-workers).

Current Planning Arrangements

3.63 In common with other developing countries, manpower planning in the Philippines has had very little impact on policy making in the education training sector. In the formal technical education sector, there is little evidence that any systematic planning takes place. The DECS technical colleges and schools tend to adhere to the regulations of a highly centralized system. Enrollments are a function of social demand rather than by manpower needs.

3.64 The situation is slightly different in the case of the NMYC training centers; each center has greater autonomy to respond to local demand. Even so, in practice, "core" courses are established by the central agency (in Manila) and requests for funding of additional different courses have to be submitted to headquarters. Enrollments on the whole are determined more by availability of funds than by actual manpower needs. As the NMYC is responsible for national manpower planning, one could expect more guidance on intake levels by subject area from NMYC.

3.65 The Philippines, as elsewhere, has found national manpower plans to be of only marginal value. The National Manpower Plan (1983-87) completely sidestepped the issue of assessing current and future manpower needs by merely stating that "new forecasting methodologies will be explored." Recently,

estimates for 1988-92 have been made for a hundred occupations. The occupational code used is too highly aggregated to be meaningful to education planners. For example, engineers, architects and related technicians are all lumped together, so too are medical, dental, veterinary and related workers. In view of the uncertainty about future changes in the various sectors affecting the market for technical manpower, demand projections are at best speculative guesses, particularly when there is no clear educational requirement for technicians and craftsmen.

3.66 Owing to the disillusion with earlier efforts to forecast manpower requirements on a nationwide basis, the NMYC has turned to what it calls "specific skills training needs assessment." Assessments are undertaken by various NMYC divisions such as the Industry Manpower Office (IMO) which is primarily responsible for implementation of the Training Contract Scheme. It uses a network of Industry Boards/Associations to advise on skill and training needs. The National Institute of Skills Development (NISD), the National Skills Training Center (NSTC) and some of the RMTCs also carry out ad hoc consultations/studies on manpower needs.

3.67 Recognizing the need for a more systematic approach, the NMYC has introduced "institutional based manpower planning." As part of this approach, three NMYC sectoral committees (agriculture, industry and services) will advise on manpower plans to meet sectoral needs. Member agencies (of the Council) will establish manpower planning units and undertake their own manpower planning (e.g. DECS will assess the requirements for professional and technical manpower while DOST will assess scientific and technological manpower). NMYC will concentrate exclusively on craft-level manpower and "coordinate the activities of other member agencies." In addition, regional manpower needs will be assessed by regional manpower committees. The methodology is conventional in that it uses NEDA employment targets for each industry sector, and assumes a given occupational structure for a given industry and a ratio of skilled manpower occupations to total employment in that industry sector.

3.68 This approach, involving so many agencies, is likely to prove difficult. For example, it is not known how the NMYC manpower planning unit's forecasts will relate to those of the sector committees. Furthermore, it is not clear if NEDA employment forecasts represent desirable "targets" or likely attainments? As an analysis of the methodologies available to help manpower planners make more accurate manpower forecasts and the institutional arrangements to enable manpower planning to be more effective is beyond the scope of this report, a review is urgently required to clarify the role of manpower planning, its functions, methodology and institutional arrangements. For example, although there is a hazy idea of the longer-term objective, namely to assess skill requirements (and hence guide training needs), what is lacking is a clear notion how these objectives might be achieved. The major responsibility of manpower planners is to improve the quality of decision-making in the manpower development sector. It should therefore ascertain what are prime concerns of the decision-makers, how their work (i.e., that of the manpower planners) might assist, which should then determine the objectives of the Industry Manpower Office and a more pragmatic job description for its staff.

3.69 Secondly, where decision-makers require estimates of skill requirements, then a more realistic method of assessing current and future requirements should be adopted. The methodology should not concentrate exclusively on quantitative data. In particular, more emphasis should be placed on sectoral and subsectoral studies of key industries (such as garments and electronics) to make more realistic assessments of quantitative and qualitative requirements. More attention should be given to multi-skill training, and the traditional craft skills (bricklaying, carpentry, automobile) should be re-examined in light of the transition taking place.

E. Institutional Issues

3.70 The planning function is but one of the institutional issue dimension. The weakness of NMYC as a national institutional arrangement to consider and determine the general health of manpower training has led to neglect of not just planning key problems, cross-cutting the manpower development and training field issues, but policies and strategies for tackling them, research and development to ensure healthy adaptation in a rapidly changing technological environment, and management and administration for executing plans and programs. Training programs have grown pragmatically under a variety of agencies with an emphasis on quantity rather than quality. But the time has arrived where gaps exist (particularly in 'staff' functions) and duplication of programs is an issue that make it imperative to assure a more systemic view of national training, if only to provide an articulated case for funding, quality maintenance and that can lead to and improvement, balanced growth in training expansion and, not least, to ensure technological know-how is introduced as part of the substance of modern training.

3.71 Programs to meet critical labor needs in the development context are critical and pertinent questions must be continuously and posed and answered. Is there a system in place? If so is it relevant? Are there clear objectives and a realistic set of policies/strategies? Is there sound management? Are there effective planning and evaluation mechanisms? The NMYC has, for long, been legally mandated by Congress with the formulation of training policies. The NMYC Council membership with senior representation from all core agencies and departments involved in training, industry, unions, and NGOs provides a forum for the discussion of policy development. However, it has not yet done this. The NMYC Secretariat has neither been called to account by the Council membership nor have issues been raised at the Council that require policy development discussion. As a consequence, training is still provided by a variety of agencies piece-meal with all the inefficiencies that naturally arise from a piece-meal approach. The NMYC is charged by Statute with a remarkably complete set of "staff" functions including, for instance, national manpower training planning, setting training standards, research and development. But, to a large extent, the NMYC has set these contentious functions aside in favor of developing the less controversial 'line' programs through the NMYC pattern of RTCs, PTCs, CTCs and outreach programs. The Secretariat has also assisted the development, management and administration of industry-oriented training and resource mechanisms of an innovative and commendable kind and which can be extended but which has diverted attention from its failure to fill adequately the lacuna in policy frame-work, prioritizing training, data gathering and analyses, planning, and researching that has and still impedes systematic and sustainable training development.

This lacuna is not being filled elsewhere. NEDA and DOF rely on NMYC for planning and the other 'line' agencies are weak in planning, evaluation and research. For instance, the BVTE has limited capabilities or resources for monitoring and evaluating their programs though they have begun a computerized system and ought to be able to call on NMYC for stronger assistance. NMYC management has become increasingly aware of these needs and have begun planning steps to address them including not least, by calling more frequent Council meetings to heighten public awareness, and to encourage the Council membership to take a stronger leadership role in policy work and program development.

3.72 The absence of overt policies on such important training aspects as the type and level of training needed, and on sources of finance and priorities in resource allocation are no doubt the result of a lack of prioritizing and planning more systematically. Remedies remain with the NMYC and call for urgent and important attention for providing the necessary general policy frame for training.

3.73 In this context, the legal code deserves attention and updating to take account of the vital new training needs and support activities required. The code should require NMYC to: (a) classify the training centers by type and rearrange the responsibilities of various training organizations; (b) classify the training courses more systematically; (c) introduce and manage a training and training charge system; (d) adopt a vocational training instructor licence system; (e) strengthen the Staff technical assistance function of NMYC by not only specifying the functions but establishing the implementation entities; and (f) introduce a registration system of certified workers. It would be within the mandate of NMYC to formulate proposals on amendments to the legal code for Congress. The regular reporting (for instance annual reports) begun by the NMYC on its staff and line work achievements could be strengthened.

3.74 The absence of any or reliable data on most aspects of training has been noted as a weakness that needs to be corrected. On the other hand, a great deal of data are collected nationally, regionally and at lower administrative levels (mainly by NMYC on its programs) but remains unanalyzed or unused. The development of a data bank to decide what is essential and systematically collecting data on the totality of programs is a vital tool requiring development (whilst simultaneously relieving local agencies of the burden of collecting data that is of doubtful value or which will not be used).

3.75 The issues of policy making, planning, management, evaluation and research and development are as important for the more complex areas of rural basic training as for the more formalized training for the modern industrial sector. This area has, however, a much lower profile and is less well treated than industrial training (as indeed, is the case in many other countries) though it receives high priority in government development plans. There is a major need to address this issue.

The Role of NMYC and Institutional Support

3.76 While requiring some strengthening, NMYC Secretariat is well-placed to be as the Council's servant the lead agency for vocational training. Its performance and stature should, however, be raised so that it earns and gets the respect it deserves from its constituent Council members. The post of Director General (DG) of NMYC, formerly at under-secretary level, has been recently technically down-graded so that the DG reports not to the Secretary but to an Under-Secretary of DOLE.^{12/} The possibility of being further, and substantively down-graded as a result of an ongoing civil service review also exists which would effect the salaries, etc. of staff throughout NMYC. The perception of a down-grading of NMYC is dangerous to an organization charged by Congressional Statute with the overall national development of all forms of training and is detrimental to the proper functioning of its decision-making authority over governmental and other organizations in the training field.

3.77 In tandem with the proposed administrative upgrading, the NMYC Secretariat must take a lead in executing more vigorously its policy making and associated staff functions. Currently, its professional-level staffing is being weakened, partly as a result of the internally perceived lack of direction within NMYC itself and the departure of good staff to other institutions. A review is therefore required of minimum staffing needs, consistent with executing both staff and line functions of the Council. Unless NMYC begins to deliver an improved staff function to the vocational training institutions, there will be a strong case for transferring these institutions to another agency or agencies, as they are essential for the healthy development of a training system and for meeting the very urgent national needs for trained manpower.

3.78 What is required is for a national training policy to be articulated and set within the overall national macro-economic policies. Only under these circumstances will the consequences of not training reach central policy makers; only in this way will sufficient momentum develop to establish the requisite fiscal and institutional regime, and only then will, for instance, the priorities between overlapping agencies be resolved. A first step to be taken by the NMYC Council and Secretariat is to clarify key policy items including (a) priority levels and areas of training; (b) the modes of training to be supported (work-based or institutional or the type of mix to be aimed at); (c) the appropriate roles of each institution (including industry and NGOs) in training in their respective areas; (d) priorities in funding sources and design of funding mechanisms, indicating the relative roles of the public and private sectors; (e) the priority of R&D and evaluation and (f) the reporting system to the NMYC Council of progress when policy decisions are made and from the NMYC through its parental department (currently DOLE) to Congress in order to create and heighten public awareness.

^{12/} Before 1986, the NMYC was responsible to the Office of President.

Institution Building and NGOs

3.79 NGOs must organize themselves so that they can represent their interests, especially to Government. Their first step should be to form an informal interim group, with the initial task of compiling a directory of NGOs. This might be the basis for an organizing meeting that would establish a formal membership body. NGOs should also be represented on the NMYC Committee for Nonformal Education. There is no one who can provide localized training better than NGOs, but they need to make their case so that this is recognized by Government; in addition, NGOs must convince Government that community organizing is a necessary and beneficial part of their work so that official disapproval and military harassment is reduced.

3.80 Successful training approaches now being used should be documented, so that agencies, both government and NGOs, can learn from each other. A national databank should be compiled of training materials; either an NGO body or a government agency such as BNFE could undertake this work, but it should be completed quickly and made available to every organization in the field.

3.81 Finally, the Government should establish a distinct legal status for NGOs on the basis of a clear and simple definition, using criteria (such as responsible management of the NGO, use of income and assets) that are appropriate to NGOs and not necessarily to government agencies, local authorities or private business. Provided that an NGO met these criteria, it would be entitled to enjoy advantages such as exemption from corporation tax, value-added tax and local taxes, while donors would be given tax concessions on any donations made to NGOs. No compulsory registration scheme should be implemented for NGOs, as this would inhibit formation and operation of NGOs. They should continue to register with the Securities and Exchange Commission on a voluntary basis, as the advantages associated with having a defined legal status will be sufficient to attract NGOs without compulsion.

IV. CONCLUSIONS

4.1 A number of significant broad conclusions may be drawn on operative and craftsmen training. First, there are numerous positive features:

- There is at the highest levels of government (DOF, NEDA, DECS, DOLE, DTI, DSWD, etc.) a strong commitment to training for modern sector economic growth and for rural development needs. The Government is willing to take a lead in developing training though it requires guidance on its appropriate role;
- There exists in the NMYC an unusual quasi-government national training support institution, with Congressional Statutory power and with a basic staffing establishment for taking a nationwide systemic view of training needs at all training levels and administrative local levels and which can comprehensively support training through staff work in policy development, strategy, planning, skill grading and standards, curriculum and R&D;

- Even though many of these functions are ineffectively executed, some are performed very effectively. These include for instance work on curriculum development, trade testing and qualification standardization;
- The NMYC also has a major training function. The existing approach of NMYC in its line training activities, both for modern industry and rural development, is on the whole commendable: managers are sensitive to the need to serve clients and be near them, and programs are typically well managed, cost-effective and capable of expansion, albeit with scope for many improvements. BTVE is also appropriately experimenting with technician training in three-year courses in Technical Institutes; and
- The approach to rural basic training typically through NGOs but also through the decentralized programs of BNFE and NMYC appears essentially effective, even if small in relation to needs. The strength of these organizations lies in their responsiveness to the actual needs of the rural communities they serve.

4.2 There are, however, also less positive features:

- NMYC can improve on its functions in its staff support role. The view of training could be more systemic; national and local data are collected but unanalyzed; manpower planning is poor; and evaluation and application of lessons learned is weak.
- Although the evidence is that the public sector, at least in the short term, must shoulder the cost of training, public financing of training is inadequate. Budgetary reallocations could expand and strengthen provincial training centers through more and better facilities and equipment. DECS (BTVE) is starved financially but making efforts to improve the relevance of its one- and two-year formal courses and to develop links with industry. However, the NMYC Council should address the issue of whether there is an appropriate role for BTVE in operative and craftsmen training. The available evidence (its higher unit costs and poor job placement record) indicates that BTVE has no comparative advantage in operative/craftsmen training in relation to other agencies and that government funding would be more effectively used if directed to NMYC for this type and level of training;
- Attention is also required to public sector trainer salaries and to salary structures for trainers to facilitate their recruitment and retention;
- Although the short-term pre-eminence of the public sector in finance is clear, financing training through the private sector must be the longer-term goal. This has not, as yet been fully explored and remains a key area to be addressed by NMYC. A national levy on industry does not seem appropriate yet, but user charges on a selective basis on firms benefiting and trainees could be expanded;

- The efficiency of training is dependent on a knowledge of employment needs. Little work has been done on future employment needs, job profiles and skill level requirements. The linkage between employment data gathering and forecasting and the training organizations is very weak and requires strengthening, perhaps by including employment data work in the NMYC portfolio within a new Division;
- While curriculum work is broadly in the right direction to support modern industrial needs (less so perhaps in basic rural training), there are significant curriculum rigidities in NMYC (RTC) training programs and tech-voc schools, determined partly by the existing equipment available (for traditional skills training) and the less relevant knowledge and skills of instructors that have to be redressed, perhaps through retraining;
- It is axiomatic that training quality will be only as good as the quality of trainers. Pay and remuneration requirements have already been noted, but the legal basis of training and trainer licensing requires attention; and
- Finally, there is inequity in the provision of training between men and women. Among other needs, the special training needs of women requires closer attention, particularly in non-traditional skills (electronics, for instance).

Toward a Training System

4.3 An adequate training system should have the minimal qualities of (a) training program sensitivity to changing labor market needs; (b) systemic flexibility and adaptability and skilled managers, planners and implementors with foresight; (c) mechanisms for ensuring quality planning and management at the national and local levels; (d) self-sustaining growth through program evaluation, research and development, and feedback; (e) the ability to cater for pre-service training, in-service training, and retraining; (f) an allocation of responsibilities that permits the employer a maximum of influence over the training agencies and industry; (g) a funding system that encourages employers to bring requisite pressure on trainers to provide what is needed--this is best served when the employer is the major source of training agency income.

4.4 Some of the key urgent problems can be resolved by assisting NMYC to do the fundamental job for which it was created. Taking a systemic view of training would facilitate understanding and help indicate solutions to existing problems. A possible training system for operatives and craftsman needs an NMYC, as foreseen by Congress, to coordinate, support and steer the system. The NMYC (perhaps with a membership up-date to give a stronger representation to industry and NGOs) must define a strategy which includes the distribution of support activities (staff data collection, analysis, planning, manpower demand determination, research, and evaluation). Each aspect of support requires individual detailed attention and work program development. The NMYC Secretariat has a key role in this, coupled with standing working committees of the Council, to monitor tasks of the relevant existing divisions of the Secretariat. In some cases, particularly planning, attention to

quality of staffing and methodology is needed. The Council, with advice from the Secretariat, can consider the distribution of training responsibilities between organizations and determine jurisdictional issues. Hard decisions have to be made by the Council, for instance, on the most appropriate role for DECS (BTVE), on the conversion of the tech-voc schools to more useful training, upgrading some to technical training institutions, developing others in collaboration with NMYC to give them a stronger practical base, and perhaps converting the remainder to general secondary schools or PTCs.

4.5 Special attention can also be given and decisions made on the modes for providing incentives to industry and the possibility of expanding these as justified. At the same time, the longer-term objective must be to make industry bear the cost of its own training needs.

4.6 The line development of the training system must take into account the roles of the public sector (NMYC, DECS, DTI, DSWD), the NGOs and private industry. The, yet, shadowy ad hoc system being developed provides for a regional NMYC office and training center for support to staff work, and line training. Below the national/regional structure, a second tier of PTCs at provincial level yet to be fully set in place, but already successful 'pilot' models exist which act both as provincial foci for meeting local organizational, administrative and training needs. The PTCs in turn, would backstop and help manage the very successful 'outreach' CTP village training programs.

4.7 Within this frame provided by the NMYC, there is scope for other agencies (DTI, DSDW, etc.) to experiment with and run their own training programs. Indeed, the NMYC should and does encourage this in the same way that they are encouraging the decentralization of planning. However, this should be done within a systems framework that would help avoid duplication of effort and encourages sharing of assistance and experiences provided by the NMYC.

4.8 Urgent attention needs also to be given to assessing cost-effectiveness (and providing continuous assessment) of existing training modes and the build-up of evaluation capacity, both in NMYC and in the training agencies themselves.

4.9 A clear policy statement by the Council is required on the financing of the training system. While the existing evidence points to continuing and increasing support of Government for: (i) generic basic training through the system of NMYC centers and out-reach and support to NGOs; (ii) up-dating of the core training needs to reflect new technologies and demand for multi-skilled workers; and (iii) as a priority for the small infant firms with no training capacity. Industry however as a matter of policy should be prepared to bear the cost of specialized additional training for operations and craftsmen where this is needed which could be achieved either through training - within - industry schemes or supporting NMYC through fees and cost recovery. The training contract scheme is capable of and deserving of expansion. Conclusions on cost-effectiveness would provide a guide to where additional

investments would pay off best and assist in developing a case to government for additional funds to support the system. Close collaboration with industry and NGOs is vital, not least in reviewing cost-sharing and incentives provided to industry for training development and the grass-root and flexibility of the NGOs.

SUMMARY OF KEY RECOMMENDATIONS

I. GENERAL

Policy and Institution

1. The NMYC should develop a National Training policy (paras. 3.71, 3.72, 3.77, 3.78).
2. Training should be progressively executed and funded by industry as a basic policy (paras. 2.8, 3.45, 3.55).
3. A review needs to be made of training data needs, collection, analysis and interpretation (paras. 3.56 and 3.71).
4. A comprehensive employment study should be executed (para. 1.3).
5. The legal basis of training needs to be reviewed and strengthened to take account of new training needs, trainer qualifications, and support activities (para. 3.73).
6. A review is urgently required to clarify and enhance the role of manpower planning, its function, methodology and institutional arrangements (paras. 3.57 and 1.40).
7. The current divisions for manpower development and responsibility for employment should be abolished in DOLE and NMYC and the two functions integrated (para. 3.58).
8. It would assist the cost-efficiency of NMYC non-formal programs, if a "core" curriculum was established (paras. 3.10 and 3.17).
9. More training provisions should be targeted at women. Programs should take into consideration other commitments, family or otherwise, when being established (para. 2.56).
10. A "center for technology development" should be established (para. 3.27).
11. Rural training programs should only be developed where they can be effective in the context of for instance, integrated rural development programs and where there is infrastructural support, including start-up finance and/or equipment. Attention should be given to increasing such programs (para. 3.26).
12. A survey of agricultural training and its interface with rural skills training needs and programs should be made (para. 1.6).

13. A study should be made of higher (post-secondary) specialized training needs and programs (para. 1.5).

Finance

1. The reasons for the pervasive lack of perception of the true cost of not investing in training should be analyzed with a view to redressing this through an action program (para. 3.52).

2. A careful review needs to be made on the possibilities of increasing the public budget for training including the reasons for the current low level of public budgetary resources (para. 3.50).

3. As the government budget is limited, the training investments and operational expenses should be increasingly shared by industry. A serious review should be made of the options for increased financial contributions from industry (paras. 3.45 and 3.50).

4. In order to attract better quality and maintain morale instructors' salaries should be reviewed and they should be allowed to undertake work in industry to supplement their incomes (para. 3.20 and 3.33).

5. The training contract scheme and precedents being set by the garment industry are worthy of replication and support (para. 3.5).

Program Quality

1. More attention should be given to broad-based multi-skill training to improve trainee effectiveness through flexibility. The traditional specialized skills training should be re-examined in the light of the transition taking place which puts a premium on adaptability of workers (paras. 3.5, 3.7, 3.69).

2. Emphasis should be placed on sectoral and sub-sectoral studies of key industries (such as garments and electronics) in order to determine more specific manpower needs (para. 3.69).

3. The range of industrial skills taught should be reviewed and expanded in conjunction with industry needs; (para. 3.9).

4. Industry should be more involved in the trade testing system in order to assure its trust of the system and the certification of worker competence (para. 3.30).

5. A program of training should be implemented by NMYC to improve NMYC and BTVE instructors for industrial courses and to increase the supply of competent NFE trainers (para. 3.31).

II. National Manpower and Youth Council

Policy and Institutional

1. The secretariat and constituent departments of the NMYC, if it is to remain (and it should remain) the chief instrument for developing vocational training must be strengthened particularly to execute "staff functions" (para. 3.7).
2. NMYC should focus its programs on skills where it can gain from economies of scale, i.e., where there are foreseen long-term 'core' training needs and leave special, short-term or highly specialized region/location-specific needs to other agencies (para. 3.10).
3. Strong support should be given to the training agencies and the Industry Boards to develop their sub-sectoral manpower planning capability. And also to the needs of decentralized administrative units where data is gathered and/or analyzed (para. 3.58).

Program Quality

1. NMYC professional staffing should be reviewed and strengthened in particular to perform staff functions more adequately: manpower planners, economists, statisticians, evaluation (para. 3.77).
2. Nationwide training courses should be accredited by NMYC. In this context, NMYC should develop further its trade testing and standards function (para. 3.29).
3. To implement and manage CTP, full-time staff need to be appointed, especially in Regional Offices (para. 3.09).
4. Longer or sequential industrial training courses in major and high-tech trades should be established in RTCs to meet contemporary needs (para. 3.70).
5. In the older RMTCs and PMTCs new and additional workshops are required (para 3.25).
6. NMYC should explore the causes of failure rates in trade tests (para. 3.28).
7. Training R&D should be strengthened (para. 3.27).
8. A vocational training Instructor's License system should be developed and the NMYC should review as necessary pertinent laws and regulations (para. 3.23).

9. More up-to-date in-depth tracer studies of graduate employment should be undertaken by the NMYC, in order to assess the external efficiency of training programs (para. 3.13).

Finance

1. Improvements could be made to cost-efficiency of NMYC programs by attention to class size and instructor/trainee ratios (para 3.40).
2. Central and local funding of the CTC program should be increased and the management of CTC funding through local organizations should be increased (para. 3.9).
3. There is a wide variance in NMYC unit costs between different regions. This requires investigation (para. 3.38).
4. Training and production for profit should be extended (para. 3.53).

III. Department of Education, Culture and Sports

1. Evidence is that the one and two year BTVE program is not producing the skilled workers that employers require; it therefore should be reviewed with a view to either phasing it out or restructuring it with perhaps expansion of the three year technician program, stronger training links with NMYC to share responsibility for the training, and converting voc-tech schools to general secondary schools (paras. 3.16, 3.37).
2. Unit costs of the BTVE program are high, a review of the staff-student ratio should be considered as a way of reducing them (para. 3.38).
3. BTVE and NMYC should consider introducing limited fee charges for selected programs where post-training employment is assured and trainee demand is high (para. 3.51).
4. Training and production schemes should be introduced to reinforce the relevance of BTVE training and to assist in meeting training costs (para. 3.35).
5. Voc-tech. schools are very poorly equipped and attention should be given urgently to their re-equipping (para. 3.25).

IV. Non-governmental Organizations

1. A directory of NGOs should be compiled which could be the basis for established a formal membership body through which aid can be given as requested (para. 3.79).

2. The government should establish a legal status for NGOs to exempt them from corporation tax, value added tax and local tax (para. 3.81).

3. A mechanism should be established to channel public sector or international aid to NGOs (para. 2.42).

4. NGOs should be consulted on national and local agency plans for training and should be represented on appropriate bodies (for example, the NMYC Committee for Non-Formal Education) (para. 3.79).

5. A national databank of training materials should be compiled, by an NGO body or a government agency such as BNFE, and made available to field staff (para. 3.79).

6. The dialogue between Government and NGOs must be improved (para. 3.48).

ATTACHMENT 2

The Development of the NMYC (1966-1986)

1. The government created a Manpower Development Council in 1966 to coordinate and promote skills training. It was composed of representatives from the government, labor and industry sectors. From its inception, the new body concentrated mainly on direct 'line' skills training to complement existing manpower training efforts though it had policy responsibilities.

2. However, the government recognized that if national manpower resources were to be improved, a long range and all-encompassing program had to be undertaken with the objective of providing the country's youth, not only with necessary skills, but also with appropriate motivation, career guidance. A network of vocational/technical training institutions were foreseen as instruments to achieve this. Out-of-school youth were given priority in skills training and job placement as part of the government's plans for a mass employment push. To support this, Congress passed an Act (1969) to create a stronger statutory body (See Attachment 1A). Under the Act, the new National Manpower and Youth Council (NMYC) was designated as the national organization for manpower planning and policy development and was mandated by law, ambitiously, to 'take care of, train and develop human resources and to establish institutions and formulate integrated plans, programs and projects that will ensure efficiency and proper allocation, accelerated development and optimum utilization of the nation's manpower and out-of-school youth and thereby develop civic efficiency and strengthen family life.'

3. In the first years of operations, linked to the Ministry of Labor NMYC organized local manpower and youth committees to plan and organize training in pilot municipalities. Out-of-school youths were encouraged to train in vocational courses. District level offices of manpower-related government agencies (education, rural development) were tapped to participate in projects that would lead to the upgrading of vocational skills of rural-based industrial workers. The NMYC also began production of training materials.

4. Up to 1973, most of NMYC's efforts were focussed at enhancing the employability of the jobless and training those who were insufficiently skilled so that they could obtain better paying jobs. The promulgation of a Labor Code in May, 1974, reinforced the Council's mandate as the national agency for manpower development.

5. Specifically, the Labor Code empowered NMYC 'to carry out a national manpower development program, the objectives of which were to develop human resources, establish a network of training institutions and formulate plans to ensure efficient allocation and utilization of the country's labor force'. Other critical functions assigned to the NMYC under the Code include: (i) a long-term national manpower planning, (ii) carrying out the approved plan and

promulgating policies and standards for manpower and youth development to develop and upgrade occupational skills of the labor force, (iii) coordinating all manpower training schemes, particularly those related to the setting of skills standards and to regulate existing manpower training programs of the government and private sector to ensure they conform with the overall national development plan, (iv) establishing industry boards to assist in the establishment of manpower development schemes, trade skills standards and other functions to provide for direct participation of employers and workers in the fulfillment of the Council's objectives, (v) establishing industry training incentive schemes including providing additional tax deductions to persons and enterprises undertaking manpower development programs as approved by the Council, (vi) conducting continuous assessments and studies on the "nature, behavior and use of the country's stock of human resources", (vii) evaluating output of human resource development programs, focussing educational and training objectives on the requirements of the annual investment priorities, (viii) providing training assistance to any employer or organization upon approval of an appropriate project proposal, (ix) adopting employment promotion schemes for unemployed youth in order to meet projected manpower shortages, (x) establishing and implementing a national scheme of trade skills standards, testing and certification, (xi) coordinating employment service activities with the Labor Ministry's Bureau of Employment Services, particularly in the measurement of unemployment and underemployment rates, the conduct of local manpower resource surveys and occupational studies, and the establishment and maintenance, without charge, of a national registry of technicians and other skilled laborers who have successfully completed training under the Council, and (xii) exercising authority, administration and jurisdiction over ongoing technical assistance programs and grants-in-aid for manpower and youth development, both local and foreign financed.

6. The Act and Labor Code were far-reaching and ambitious and importantly emphasized the vital support role of NMYC to all agencies in training and in links with industry. It however, was weak in determining financial, resource sources, revenue modes and expenditure patterns. The Act still stands.

7. With the new mandate, the NMYC drafted its first manpower development plan based on the government's broader Four-Year Development Plan (1974-1977). It also developed an operational Secretariat and its own training programs for youth. Collaboration between the NMYC and the private sector in manpower development and training was strengthened. Innovative schemes were launched to encourage private sector participation, among them the Training Incentive Schemes (TIS) which offered tax rebates to firms organizing training. The organizing of Industry Boards (IB) in every major industry sector was institutionalized. Commencing in 1976, with the formation of the automotive Industry Board, the IBs spread to the construction, land transportation, garments and textile, printing, hotel and restaurant, and power and electricity sectors. However, neither of these initiatives have proved very successful. The TIS was abolished in 1984 after disuse and misuse was established. The IBs with few exceptions, have never been sufficiently motivated to extend beyond about 3000 trainee graduate annually.

8. In the early 1980s, ten Regional Manpower Training Centers (RMTC's) were successfully established to offer training courses of varying lengths specifically to meet industrial manpower needs in the regions. At the same time, the decentralizing, regionalization strategy was extended into the provinces to sustain, intensify and coordinate manpower development efforts at the grassroots.

9. Infrastructural support for training also by the early 1980s, had become a major NMYC concern. Besides expanding its "line" training programs, the NMYC improved its regional activities and developed services in manpower guidance and career counselling, training and job induction and initiated trade testing and skills certification.

10. The NMYC was transferred to the President's Office and enjoyed great prestige. A system for improved manpower forecasting was developed. During 1982 NMYC began implementing a Vocational Training Project funded by the World Bank which supported regional diversification, training needs of small and medium-scale export oriented industries and provided four additional Regional Manpower Training Centers (RMTCs).^{1/} A new initiative was developed with industry, the training contract scheme (TCS) which has proved very successful (para 2.20).

11. By 1978-1983, in the context of two national manpower development plans, 13 regional and 15 sectoral training plans (for the garment, hotel and restaurant, footwear and leathersgoods, construction, automotive, metals and engineering, wood products, utilities, printing, coal mining, land transportation, textile, electronics, cement, and food and beverage industries) were under implementation.

12. In 1983, economic crisis hit the Philippines and the NMYC was forced to make a review of its plans and programs which had been upset by the sudden rash of company closedowns, mass manpower lay-offs and business recession. The National Manpower Plan (1983-1987) and, later revisions dictated by the economic crisis, called for renewed emphasis on agricultural productivity and self-employment, with a balanced agro-industrial manpower development strategy, along with inculcating positive work attitude among workers and the youth.

^{1/} The project still continues and is due for completion at the end of 1989. It remains to be evaluated but initial indications are that it has achieved considerable success in expanding training places and some in infrastructural services development.

SIXTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
Fourth Session

II. No. 16845
S. No. 826

[REPUBLIC ACT NO. 5462]

AN ACT ESTABLISHING A NATIONAL POLICY ON MANPOWER AND OUT-OF-SCHOOL YOUTH PLANNING AND DEVELOPMENT, CREATING A NATIONAL MANPOWER AND YOUTH COUNCIL AND OTHER INSTITUTIONS, AND FOR OTHER PURPOSES.

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

SECTION 1. Title. This Act shall be known as the Man-power and Out-of-School Youth Development Act of the Philippines.

SEC. 2. Declaration of Policy. This Act is a social legislation intended to take care of, train and develop human resources and to establish institutions and formulate integrated plans, programs and projects as will insure efficient and proper allocation, accelerated development and optimum utilization of the nation's manpower and out-of-school youth and thereby develop civic efficiency and strengthen family life.

SEC. 3. Definitions. For purposes of this Act, the term "Manpower" shall be understood to mean that portion of the nation's population which has actual or potential capability of contributing directly to production of goods and services.

"Out-of-school youth" shall be understood to mean that portion of the nation's population between the ages of twelve to seventeen years who are not regularly enrolled and undergoing formal academic or vocational training in an institution recognized by the government.

SEC. 4. National Manpower and Youth Council; Creation and Composition. To carry out the purposes and objectives of this Act, there is hereby created in the Office of the President a National Manpower and Youth Council, hereinafter referred to as the Council composed of the Secretary of Labor as ex-officio chairman, the Secretary of Education as ex-officio vice-chairman, and as ex-officio members; the Chairman of the National Economic Council, the Secretary of Agriculture and Natural Resources, the Secretary of Social Welfare, the Secretary of Community Development, and the Chairman of the National Science Development Board; and the Director-General of the council who shall have no vote. In addition, the President shall appoint the following members from the private sector with the consent of the Commission on Appointments: two representatives of national organizations of industry; two representatives of national labor organizations; and two from national family and youth organizations for a term of three years and shall be entitled to per diem of twenty-five pesos for each meeting and payment of travelling

and necessary expenses incurred in connection with their duties therewith. The Council shall meet as often as may be necessary, but not more often than thirty times within one year.

SEC. 5. Functions and Duties of the Council. The Council shall have the following duties and functions:

(a) To formulate integrated, comprehensive, long-term plans for efficient allocation, accelerated development; and optimum utilization of manpower and out-of-school youth for economic and industrial growth and organize such training centers, programs and projects as may be necessary to attain the objectives of this Act: Provided, however, That all such programs and projects shall be purely voluntary on the part of the trainees;

(b) To establish a National Manpower Skills Center under its authority and supervision for demonstration and research in accelerated manpower and youth training as well as regional and local training centers for gainful occupational skills in suitable locations, utilizing its own facilities and/or those of selected educational institutions, government agencies, and voluntarily cooperating facilities and/or those of selected educational institutions, government agencies, and voluntarily cooperating employers, trainees and civic groups in nationwide, industry-wide or specific programs and projects, and to adopt employment promotion schemes to channel unemployed youth to critical and other occupations;

(c) To promulgate policies and standards for manpower and youth training, conduct series and gather information on the size and characteristics of the population and labor force, and adopt policies in skills development among unemployed and underemployed persons, as well as render assistance in skills upgrading among craftsmen, technicians, trainers, and other persons;

(d) To administer all existing manpower and development programs now being done under any department of the government of the Philippines and on-going technical assistance programs and/or grants in aid for manpower and youth development, and those which may be entered into between the Government of the Philippines and international and foreign organizations and nations, as well as persons and organizations in the Philippines. The Council shall have authority to enter into agreements needed to implement programs and to act on nominations of citizens of the Philippines for training in other countries or jurisdictions;

(e) To evaluate the output of human resource development programs to gear educational and training objectives to the requirements of the annual investment priorities plan and of rapid economic development, and to study levels of wages and incentives for the utilization of manpower in critical occupations;

(f) To provide training assistance to any employer or group of employers, upon filing of the appropriate petition with the Secretariat requesting for accelerated or other forms of training, commencement or expansion of operations and upon the finding that the trainees or a reasonable number thereof will be hired by the petitioning employer or industry at the completion of the training course, in which cases, screening, payment of training fees, and

pretesting of trainees shall pertain to the applicant firm or industry including the use of equipment and supplies for training purposes;

(g) To submit an annual report to the President and to Congress on plans, programs and projects on manpower training and out-of-school youth development. For this purpose, the Council may require all government agencies to provide information in the preparation of said report; and

(h) To perform such other functions as will fully carry out the declared national policy on manpower and out-of-school youth under this Act.

SEC. 6. Council Secretariat. For the fulfillment of the objectives of this Act and the efficient performance of its functions, the Council shall have a Secretariat headed by a Director-General appointed by the President on recommendation of the Council with the consent of the Commission on Appointments. The Director General shall organize the Secretariat, subject to the approval of the Council. The Secretariat shall have an Office of Manpower Planning and Development, an Office of Out-of-School Youth Development, and a National Manpower Skills Center.

The Director-General shall have the rank and emoluments of an under-secretary and shall serve for a term of ten years. The directors of the office and the skills center shall have the rank and emoluments of a bureau director and shall be subject to civil service rules. The Director-General and directors shall be natural born citizens, from 35 to 50 years of age at the time of appointment, have a masters degree or its equivalent, and experience in national planning and development of human resources. The director of the Skills Center shall, in addition to the foregoing qualifications, have undergone training in center management. Directors shall be appointed by the President on recommendation of the Council with the consent of the Commission of Appointments.

SEC. 7. Manpower Training Consultative Board and Youth Consultative Board. There are hereby established in the Secretariat the following consultative boards:

(a) Manpower Training Consultative Board of not more than 10 members, composed of the Director-General as ex-officio chairman, the directors of the Office of Manpower Planning and Development and the Bureau of Vocational Education as ex-officio vice-chairmen and, as members, three representatives of labor and representatives of such industries as shall be determined by the Council upon recommendation of the Director-General. The Board shall provide technical guidance and accreditation standards for measurement of proficiency among workers, and vocational-industrial trainers on all levels of industry and government.

(b) Youth Consultative Board of not more than 10 members, composed of the Director General as ex-officio chairman, the director of Out-of-School Youth Development Office as vice-chairman and as members: the director of the Women and Minors Bureau and such consultants necessary for the work of the Office of Out-of-School Youth Development upon recommendation of the Director of said Office and appointment by the Council, which shall provide technical guidance

in the planning and conduct of out-of-school youth training and development programs and projects, as well as long-range policies in their effective guidance for economic and industrial growth.

The honoraria and travelling and other necessary expenses of representatives and consultants shall be determined by the Council. In addition, the Secretariat may avail of the technical guidance of persons, groups, and organizations as may in its judgement aid in the effective performance of its functions and duties under this Act.

SEC. 8. Local Manpower and Youth Committees. The Council shall have the authority to establish in the provinces and chartered cities local manpower and youth committees: Provided, however, That such committees shall not include as members thereof officers, enlisted men or any personnel of the Armed Forces of the Philippines or of the Constabulary. Subject to the approval of the Council, the committees shall plan and conduct accelerated manpower training and out-of-school youth projects, determine manpower needs of industry, agriculture, and other sectors of the economy within their respective jurisdictions, and perform other duties as may be assigned by the Council or by law. Each committee shall be composed of the head of the city or provincial development board or agency as chairman, the head of the training center as vice-chairman, with one prominent leader of industry, one prominent labor leader, and one civic or education leader as members who shall receive no compensation except per diems at fifteen pesos for each monthly meeting and payment of travelling expenses incurred in connection with their duties therewith. Committee members shall be appointed by the Council and serve for a term of three years.

SEC. 9. Employment Service Training Functions. The Office of Manpower Services under the Department of Labor shall render assistance to the Council in the measurement of unemployment and underemployment, conduct of local manpower resource surveys and occupational studies including an inventory of the labor force, establishment and maintenance without charge, of a national register of technicians who have successfully completed a training program under this Act, and skilled manpower including its periodic publication, maintenance of an adequate and up-to-date system of employment information and for this purpose, all chartered cities and provinces shall organize local employment offices under the administrative control and the technical supervision of the Department of Labor.

SEC. 10. Qualifications and Appointment of Personnel. The Director-General shall appoint such personnel as may be necessary to carry out this Act, subject to civil service rules: Provided, That except for those appointed to positions involving purely clerical functions no person shall be entitled to permanent appointment except upon satisfactory completion of such career development courses as for manpower planning staff officers, manpower training officers, youth development officers, youth training officers and like or relevant courses as shall be prescribed by the Council: and Provided, further, That after one year from the approval of this Act, the Civil Service Commission, with the assistance of the Council shall hold appropriate competitive written and oral examinations as basis for permanent appointments therein. The Director-General shall see to it that appointees are selected on the

basis of superior performance standards in line with the highly specialized functions assigned in this Act and shall certify to the same in appointments submitted for attestation by the Civil Service Commission.

SEC. 11. Other Training Programs. To avoid duplication of functions and wasteful expenditure and in order to standardize the quality of skills training through trade test standards and measurements, training programs conducted regularly by other government agencies and instrumentalities, not otherwise covered by the provisions of this Act, shall be discontinued and whatever funds are being diverted or used for existing manpower and youth development programs shall revert to the offices to which they belong.

SEC. 12. Rules and Regulations. The Council shall issue the rules and regulations necessary to implement the provisions of this Act.

SEC. 13. Appropriations. To carry out the provisions of this Act, the sum of twenty million pesos or so much thereof as may be necessary is hereby appropriated out of the funds in the national treasury not otherwise appropriated to be distributed as follows:

(a) For personnel and maintenance expenses of the Secretariat of the Council, the Manpower Training Consultative Board, the Youth Consultative Board, and Local Manpower and Youth Committees, the sum of two million pesos;

(b) For the establishment of the Council site, buildings, and equipment of the National Manpower and Skills Center for the implementation of technical assistance projects with the United Nations and other foreign and international sources, the sum of six million pesos;

(c) For the establishment and operation of manpower training centers in the cities and provinces, the sum of six million pesos; and

(d) For the establishment, maintenance and operation of out-of-school youth centers, the sum of six million pesos.

Thereafter, the said amount or such amount as may be necessary shall be included in the general appropriations Act.

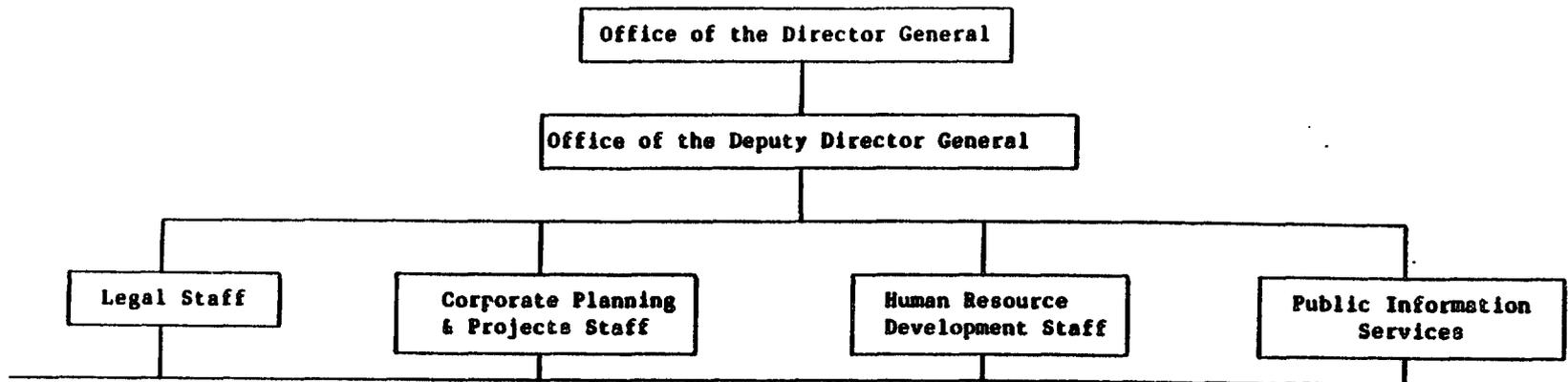
SEC. 14. Separability. If for any reason, any part of this Act is declared unconstitutional or invalid, no other section or provision of this Act shall be affected thereby.

SEC. 15. Repeal. Any and all Acts, statutes, rules and regulations or parts thereof inconsistent herewith are hereby repealed, including Executive Order No. 83 series of 1967 and Executive Order No. 53 of December 8, 1966.

SEC. 16. Effectivity. This Act shall take effect upon its approval.

Approved, April 11, 1960.

NMYC DEPARTMENTAL RESPONSIBILITIES



1. Advises different heads of organizational units on legal matters affecting the Council's policies and procedures.

2. Performs legal audit on documents, contracts, agreements, etc.

3. Receives evidences, conducts hearings, evaluates cases and recommendations and examinations in violation of Council rules, policies, etc.

4. Coordinates, collaborates with other government bureaus or offices on cases which may involve the Council.

1. Coordinates the preparation of the Agency's corporate plan and operational plan.

2. Implements the Agency's auditing and information system.

3. Updates and generates information on all activities of the Agency and processes them into useful forms.

4. Reviews/evaluates project proposals for foreign funding; monitors and prepares status reports of foreign assisted projects.

5. Provides secretariat support to Council Proper meetings, Executive Committee meetings, and special events.

1. Assists organizational units at estimating its human resources development needs.

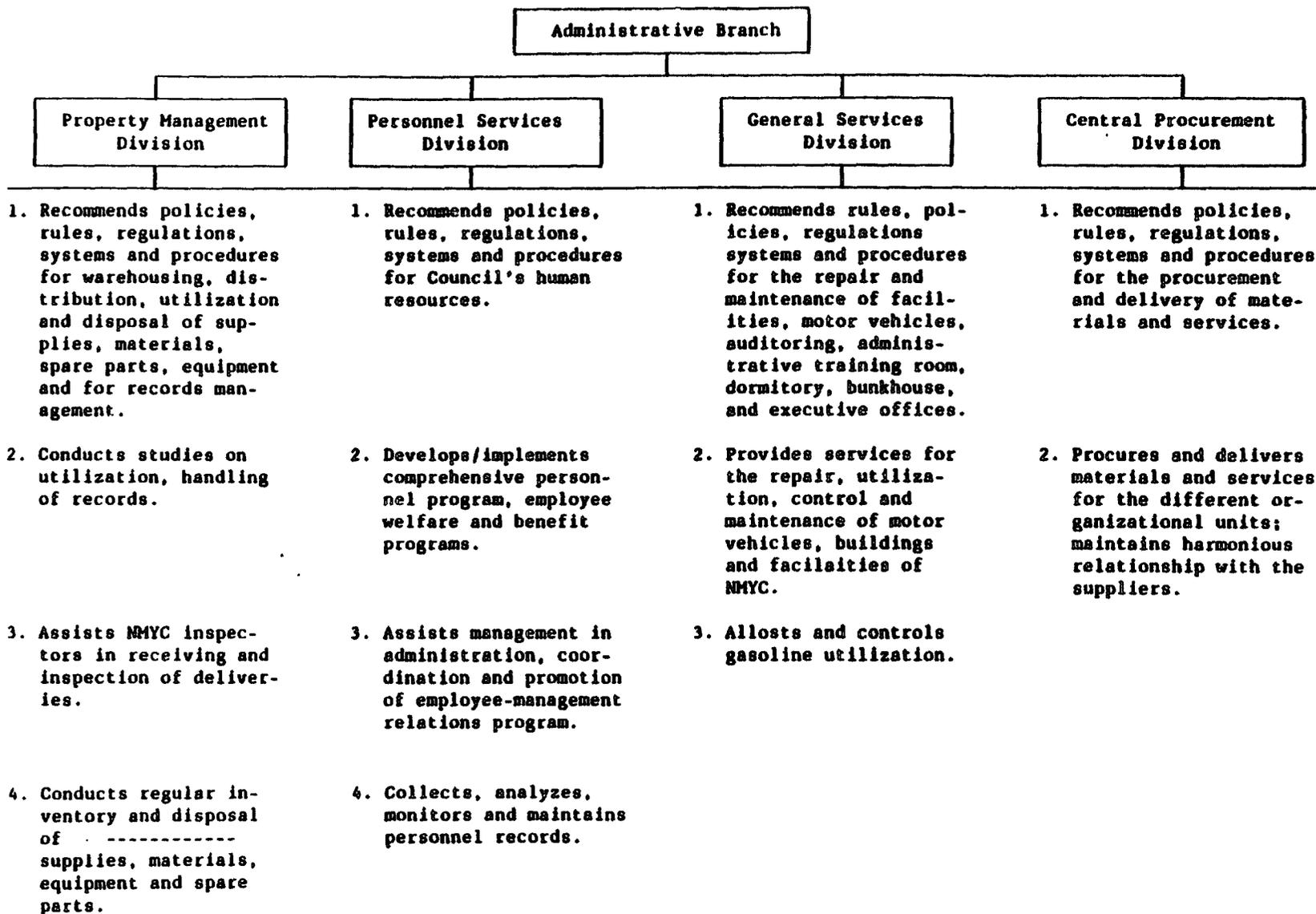
2. Helps design appraisal systems supportive of NMYC strategies.

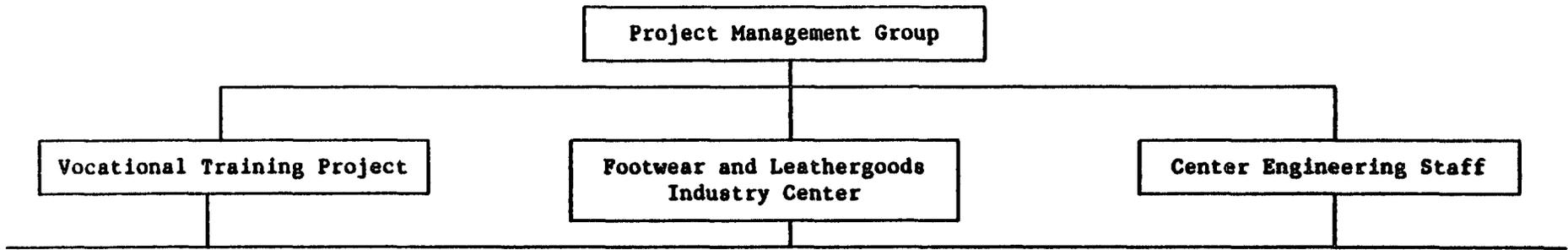
3. Designs activities to ensure that individuals are properly equipped with skills and knowledge to carry out their jobs.

4. Assists in creating mechanisms that would enhance skills, promotional opportunities, and career paths of NMYC employees.

1. Develops and sets up a public information program for manpower development and other NMYC concerns.

2. Monitors/coordinates with public information agencies and other public offices in the government.

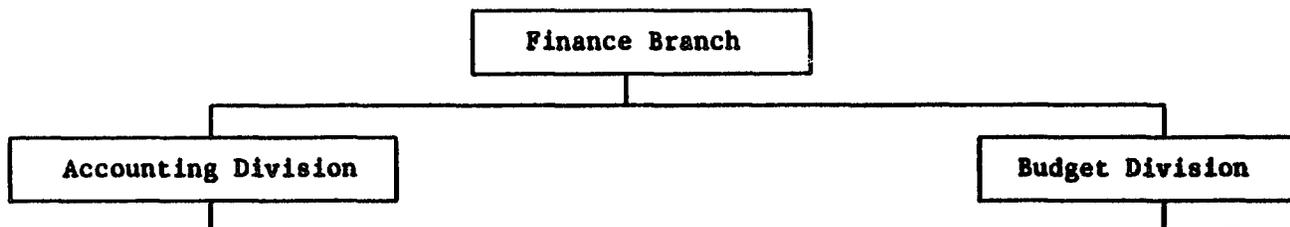




1. Recommends/controls and assists in development of policies and guidelines for efficient implementation of specific program component assigned.
2. Monitors the progress and provides feedback on implementation of program components.
3. Coordinates/conducts research work and periodic evaluation of project components.
4. Reviews/consolidates reports and studies relative to specific projects.

1. Assists/facilitates center operations and provide administrative and other auxiliary services in support of center operations.
2. Conducts training to acceptable international level in various fields.
3. Provides extension services to the footwear and leathergoods industry.
4. Conducts applied research on indigenous materials.

1. Prepares training equipment requirements and specifications for procurement of Training Center programs.
2. Develops/plans/coordinates the preventive maintenance system for the equipment and related facilities.
3. Designs and fabricates standard local training equipment tools and training aids.
3. Undertakes research on technology development to keep Center resources updated.



1. Provides management with financial information on regular operations fund.
2. Provides efficient processing of claims and obligations; monitors immediate settlement of suspensions and disallowances by COA.
3. Provides technical assistance to regional accountants.
4. Prepares accountability reports for internal/external information; coordinates with counterpart agencies on policies and other reports requirements.

1. Develops and improves budgetary methods and procedures corresponding to changes in the national budgetary system.
2. Provides technical assistance to budgetary units in application and utilization of budgetary method and budget system.
3. Prepares the Council budgetary estimates, work and financial plan; conducts budget hearings of financial requirement of all functional units; prepares financial reports.
4. Prepares/evaluates/supplements special budget for Council and functional units; review financial reports to determine the standards.
5. Exercises direct supervision over budgetary, accounting and treasury functions of the vocational training project.

Manpower Planning Office

Planning Division

Rural Manpower Development Division

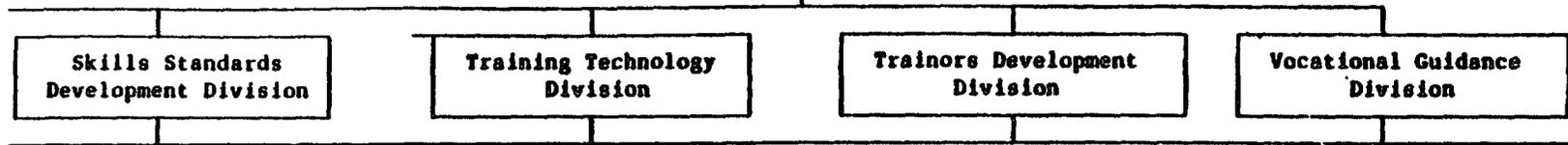
Evaluation Division

1. Maintains/strengthens linkages with national policy-making bodies and consultative entities for the formulation, annual review and updating of national/sectoral manpower plans.
2. Develops manpower planning systems, processes policy guidelines and data on manpower development.
3. Organizes multisectoral consultation, annual review, and updating of national/sectoral plans.
4. Provides consultancy services and conceptualization.
5. Conducts policy studies to serve as basis for recommendation.

1. Translates national policies, priorities, plans, directions into viable rural development programs.
2. Formulates policy/implementing guidelines and undertakes pilot implementation of Rural Manpower Programs and Projects.
3. Establishes/maintains linkages with other agencies/institutions involved in rural development projects.

1. Evaluates NMYC programs/projects based on national/internal policies, priorities, plans and program objectives.
2. Undertakes studies to develop/validate/recommend/implement concept, functional measures techniques for evaluating manpower projects and programs.
3. Conducts researches, surveys and maintains data bank on socioeconomic indicators relevant to manpower development.
4. Provides technical, advisory, and consultancy services in design and conduct of evaluation and research.
5. Establishes/maintains linkages and exchange of evaluation/research expertise with counterpart national/international agencies/organizations.

National Institute for Skills Development Office



1. Undertakes development and formulation of skills standard tests in consultation with employers' and workers' organizations, government authorities and trade experts.

2. Recommends policies to top management for implementation of the National Occupational Skills Testing and Certification program; Coordinates, monitors and controls the implementation of said program.

3. Provides technical and consultancy services in the development and implementation of skills standards and tests.

1. Designs/develops/acquires learning materials, training methodologies, approaches and system based on defined trade skills standards.

2. Conducts validation, pilot testing and evaluation of developed training technology.

3. Designs/develops/validates/reproduces training materials, multi-media training materials/aids and programmed instruction materials.

4. Designs/develops instruments/procedures for the validation/evaluation of curricula, multi-media training materials/aids, training approaches and methodologies.

1. Develops, reviews, revises schemes and strategies for implementation of training programs; conducts continuing studies and research on trainors-related development activities.

2. Coordinates skills training programs for all levels of trainors of NMYC.

1. Determines the vocational guidance requirement of the Institute of training development; develops, utilizes, validates schemes and strategies in recruitment and training.

2. Devises systems of utilization, control and serve as clearing house of assessment, career guidance and motivation materials and for data based management.

3. Undertakes researches and surveys to generate data for development of assessment career guidance and data based management.

4. Recommends policies; renders consultative and technical assistance to implementors of vocational guidance in training and development.

Industry Manpower Office

Industry Board Secretariat

1. Performs administrative and secretariat functions for Industry Board.
2. Promotes/expands membership base under direction of Board of Trustees.

Industry Services Division

Training Incentives Division

- | | |
|--|---|
| <ol style="list-style-type: none">1. Establishes the mechanism for proper consultation with various industry sectors; setup industry monitoring desk to keep track of development into manpower terms of each industrial sector.2. Formulates/monitors and evaluates new manpower training scheme that shall be directly relevant and beneficial to industries.3. Monitors and evaluates manpower training programs in various industries. | <ol style="list-style-type: none">1. Formulates policies and programs under the general direction of ISO and for consideration of the IB's Board of Trustees.2. Establishes the organizational planning, business development capability and monitoring activities of IB.3. Packages/promotes/facilitates implementation of IB training programs. |
|--|---|

National Skills Training Center

Service Center Unit

Trainers Training Unit

- 1. Facilitates On-the-Job Training and Trainers Group Job -----.
 - 2. Maximizes use of MSTC equipment and manpower; assists NMYC offices in observing cost reduction measures.
 - 3. Evaluates/determines training quality and acceptability of product output.
- 1. Conducts/coordinates/monitors Trainers Training Program and related activities.

Training Division

New Trades Development Division

Operation Services Division

- 1. Conducts skills training programs; serve as laboratory to pilot test newly-developed curriculum; provides updated technical expertise and consultancy services.
- 2. Performs immediate and minor repair of training facilities and equipment.

- 1. Coordinates and supports IMO in research and study on manpower needs.
- 2. Undertakes/pilot tests/recommends new training programs and/or courses.

- 1. Implements guidance program and provides counseling services to trainees; provides and monitors other training-related services.
- 2. Renders technical/administrative/maintenance services and safety programs.

Regional Manpower Development Office

Regional Manpower Training Center

Provincial Manpower Development Division

Community Training Center

1. Provides industrial basic skill training.

2. Upgrades courses for workers industry and trainers' training.

3. Serves as model skills training center.

1. Handles/coordinates/monitors reports periodically to operation staff the status of manpower development activities done.

2. Establishes multisectoral provincial training committees that serve as -----for rural community-based training programs.

3. Operates/maintains the provincial job center and skills data bank.

4. Assists the staff office in implementing all other manpower programs.

1. Implements quality training programs for the out-of-school-youth and unemployed adults based on opportunities, resources and technology available in the area.

2. Assists in building up training capabilities of local organizations.

3. Equips rural youth with livelihood and entrepreneurial skills.

NMYC PROGRAMS BY CLASSIFICATION

1. **Community Training Program (CTC)**
 - 1.1. **Satellite**
 - **Basic Skills Training**
 - **Livelihood**
 - **Cottage**
 - 1.2. **Class B**
 - **Basic Skills Training**
 - **Livelihood**
 - **Cottage**

2. **Manpower Training Center Program (MTCP)**
 - 2.1. **BMT/FLIC/NSTC**
 - **Basic Skills Training**
 - **Skills Upgrading**
 - **Tech/Voc and Engineering Students**
 - **Trainers Training**

3. **Training Contract Scheme (TCS)**
 - 3.1. **Non-IB**
 - **Basic Skills Training**
 - **Skills Upgrading**
 - **Supervisory**

- **Trainers**
- **Technical**

3.2. IB

- **Basic Skills Training**
- **Skills Upgrading**
- **Supervisory**
- **Trainers**
- **Technical**

4. Industry Boards (Non-TCS)

- **Basic Skills Training**
- **Skills Upgrading**
- **Supervisory**
- **Trainers**
- **Technical**

5. Training of Rebel Returnees (TRR)

- **Basic Skills Training**
- **Livelihood**

6. Women in Trades and Technology (WITT)

- **Basic Skills Training**
- **Skills Upgrading**
- **Livelihood**

7. **Community Training Center (CTC)**
 - **Basic Skills Training**
 - **Skills Upgrading**
 - **Livelihood**
 - **Cottage**

8. **Entrepreneurship Development Program (EDP)**
 - **YESDEV and TREND**

9. **Garments Industry Training Program (GITP)**
 - **Sewing**
 - **Knitting**
 - **Embroidery**

NMYC ACTIVITY TABLES

NMYC TRADE TESTING AND CERTIFICATION			
YEAR	TESTED	NO. CERTIFIED	CERTIFICATION RATE %
1975	48	20	41.67
1976	258	132	51.17
1977	674	372	55.20
1978	1,025	478	46.64
1979	2,440	921	37.75
1980	8,309	2,444	29.42
1981	9,723	3,609	37.12
1982	14,864	6,280	42.25
1983	18,848	8,745	46.40
1984	19,796	9,814	49.58
1985	27,041	14,683	54.30
1986	18,408	9,449	51.33
1987	<u>27,024</u>	<u>10,044</u>	<u>44.57</u>
Total	148,458	68,991	46.48

Source: NMYC.

Training Contract Scheme

A huge increase from 4,988 in 1986 to 20,599 in 1987 was achieved (see below).

LEVEL OF TRAINING	GRADUATES	
	1986	1987
Basic Skills Training	740	4,050
Skills Upgrading	860	7,444
Supervisory Training	3,388	6,641
Trainers Training	-	303
Technical Skills Training	-	2,161
Special Projects	-	-
Total	4,988	20,599

Source: NMYC.

**NMYC
PLACEMENT**

YEAR	NO. REFERRED	NO. PLACED	3 MONTHS OUT
1987	22,129	12,137	8,663
1988 /1	22,276	9,054	9,154
Total	44,405	21,191	17,817

/1 To August 30, 1988.

Source: NMYC.

NUMBER OF NMYC GRADUATES PLACED IN JOBS BY REGION - 1987

REGION	NUMBER OF WORKERS PLACED IN JOBS
I (Ilocos Region)	873
II (Cagayan Valley)	254
III (Central Luzon)	1,254
NCR (National Capital Region)	1,603
IV (Southern Tagalog)	1,383
V (Bicol Region)	1,506
VI (Western Visayas)	470
VII (Central Visayas)	855
III (Eastern Visayas)	930
IX (Western Mindanao)	683
X (Northern Mindanao)	871
XI (Southern Mindanao)	306
XII (Central Mindanao)	<u>1,149</u>
Total	12,137

Source: NMYC.

Placement

The placement of NMYC graduates through the Placement Assistance Center Program (PLACER) took off in 1987 with a total of 12,137 graduates placed, a 55% decrease from the total referred.

From 1987 to August 1988, a total of 21,191 graduates were placed in jobs.

RMTC Outputs

Output from the ten operating RMTCs decreased very little, from 8,526 in 1986 to 8,283 in 1987 (see below).

REGION	TRAINING OUTPUT OF RMTCs	
	1986	GRADUATES 1987
RMTC La Union	1,103	880
RMTC Tuguegarao	-	475
RMTC Mariveles	769	700
RMTC Guinguinto	1,111	1,409
RMTC Batangas	717	641
RMTC Pili	669	772
RMTC Talisay	1,176	698
RMTC Cebu	1,103	1,503
RMTC Davao	875	725
RMTC Iligan	<u>1,003</u>	<u>480</u>
Total	8,526	8,283

Source: NMYC.

Regional Training Output

There was a significant increase from 96,619 in 1986 to 156,346 in 1987, with the most impressive gains recorded in northern and central Mindanao (see below).

REGION	TRAINING OUTPUT BY REGION	
	1986	GRADUATES 1987
I (Ilocos Region)	8,035	10,775
II (Cagayan Valley)	7,018	8,775
III (Central Luzon)	13,797	15,314
NCR (National Capital Region)	7,073	14,917
IV (Southern Tagalog)	6,432	13,098
V (Bicol Region)	7,629	12,005
VI (Western Visayas)	9,543	13,200
VII (Central Visayas)	7,516	12,159
III (Eastern Visayas)	7,278	9,098
IX (Western Mindanao)	5,794	9,799
X (Northern Mindanao)	3,112	12,298
XI (Southern Mindanao)	8,314	9,579
XII (Central Mindanao)	<u>4,878</u>	<u>15,329</u>
Total	96,619	156,346

Overall Training Outputs

Table A illustrates the total number of graduates in 1987 by type of program; Table B indicates training outputs by level of training provided and Table C outputs by types of workers.

Table A

TRAINING OUTPUT BY TYPE OF PROGRAM	
	1987 GRADUATES
Community Training Program	122,980
Regional Manpower Training Centers	10,375
Provincial Manpower Training Centers	5,936
Training Contract Scheme	20,599
Industry Boards	2,896
Community Training Centers	1,769
Entrepreneurship Development Program	491
Training for Rebel Returnees	(814)
Training for Women in Non-Traditional Occupations	(1,125)
Training for Muslims and Other Cultural Minorities	(220)
Total	165,046

Source: NMYC.

Table B

TRAINING OUTPUT BY TYPE OF PROGRAM	
LEVEL OF TRAINING	1987 GRADUATES
Basic Skills Training	52,748
Skills Upgrading	11,475
Livelihood Skills Training	89,906
Supervisory Training	7,963
Trainers Training	793
Technical Skills Training/Special Projects	<u>2,161</u>
Total	165,046

Table C

TRAINING OUTPUT BY TYPES OF WORKERS

TYPES OF WORKERS	1986	1987
Professional/Technical Workers	2,373	3,766
Executive/Managerial Workers	1,702	14,106
Clerical Workers	2,162	2,026
Sales Workers	1,075	637
Service Workers	13,110	16,745
Agricultural Workers	5,037	9,915
Production Workers	<u>72,089</u>	<u>117,851</u>
Total	97,548	165,046

Source: NMYC.

ATTACHMENT 3

TRAINING PROVISION FOR WOMEN

Government Organizations

Technology and Livelihood Resource Center (TLRC)

Kababaihang Barangay (KBB) Projects - Development of model self-help community enterprise projects. This involves the organization of women and girls to undertake self-reliant livelihood projects with strong management support from TLRC which provides financial, technical, marketing and business management assistance. A pilot project was started in San Miguel Bulacan in 1977.

Target Group: Mainly womenfolk in the communities.

Results: The KBB project in San Miguel, Bulacan, has been highly successful and has been acclaimed as one of the best modern livelihood projects in Asia. Women (and some men/boys) 12 years old and above, representing around 12,000 households have successfully undertaken income-generating activities, including swine/frog raising, fruit tree nurseries, and export-oriented some industries such as knitting/crochet and stuffed toy making.

Department of Social Welfare and Development (DSWD)

Practical Skills Development and Job Placement Program - provides training courses in trades such as practical electricity and electronics, dressmaking, tailoring, animal husbandry, cottage industry, beauty culture, massage and cooking as well as a job placement program for the trainees.

Target Group: OSY's: unemployed men and women (women comprise around 74% of trainees).

Results: In 1987, some 61,521 were assisted securing open employment or job placement. Less than half of the graduates of any single course ended up working in occupations for which they were trained

(except trainees in massage which had a 100% absorption rates.

Women's Centers for Welfare and Development - organizes women to undertake group income-generating and livelihood projects.

Target Group: Economically disadvantaged women.

Results: The program benefited 14,200 women in 1987.

Philippines Business for Social Progress (PBSP)

Women 'Bilao' Vendors Project - a training and social credit assistance project for women 'bilao' vendors in Metro Manila. Taking off from the SELP-experience, the social credit scheme is similar to that of its predecessor. It provides soft loans to as much as P300 on the initial phase, P500 under the self-employment phase and up to P3,000 on a case-to-case basis depending on credit-worthiness.

Similarly, skills and small business management training programs are provided.

Target Group: Women 'Bilao' vendors of Metro Manila.

Results: Since it began in 1981 more than 100 women vendors have availed themselves of the program.

Women in Finance and Entrepreneurship (Wife), Inc.

Livelihood Project - this NGO serves as a 'broker' that paves the way for tie-ups between potential community-based micro-entrepreneurs and GO's and NGO's/PVO's to fund livelihood projects. Under this set-up, unemployed manpower in selected communities are grouped together, provided skills training, financial and technical services in handicraft industries such as basket-weaving, ceramics and pottery-making, etc., and may enter into viable subcontracting arrangements with capital financiers with local and foreign market tie-ups.

Target Group: Mainly community-based women workers and OSY's.

Foundation for the Advancement of Filipino Women (FAFW)

Tondo and Villamor Air Base Livelihood Projects - a joint venture with TLRC, these livelihood-cum-technology projects involved women's groups, similar to the Kababainang Barangay Projects.

Target Group: Mainly unemployed women among the urban poor communities in Tondo and Pasay.

Southern Philippines Development Authority (SPD^A)

Barter Trade Project - provision of administrative assistance for the operation of the barter trade in Southern Philippines whereby bonafide traders are accredited to undertake traditional trading with neighboring islands. Total project cost is P2.7M.

Target Group: Vendors, traders, housewives, rebel returnees in Jolo, Cotabato and Zamboanga.

Results: The projects, which started in July 1986, is still on-going.

Municipal Government of Pasig

Skills Training Program - this project identifies skills relevant to the industries in Pasig and training residents in these skills. At present, training programs are focussed on speed sewing and stuffed toy making. Other courses include automotive, refrigeration and air conditioning and practical electricity.

Target Group: Unemployed adults, OSY's and housewives.

Hospitality girls are trained in hair science and cosmetology to give them alternatives employment.

Results: Ongoing.

In co-operation with the National Manpower and Youth Council, these programs are conducted at the Manpower Training Center.

Livelihood and Loan Assistance Projects - civic and religious organizations such as the Rotarians, the Parish Pastoral Councils, Christian Family Movement, and Pasig Day Care Foundation have different livelihood projects in

different Barangays. The projects are monitored by social workers of the town's Department of Social Welfare.

Target Group: Housewives and OSY's.

Results: Ongoing, no available date on the number of beneficiaries.

National Manpower and Youth Council (NMYC)

Training of Women in Non-Traditional Areas, now known as Women in Trade and Technology (WITT) - started in 1979, the program provides skills training for women in areas traditionally occupied by men, including electronics, auto transport, electrical construction, printing and welding trades.

Target Group: Mainly female unemployed workers, OSY's.

Diversification of Women's Occupations Through Training (Demonstration Project) - proposed to be started in 1988, this project is a follow-up of the experimental project on training of women in non-traditional skills. It is designed to train more female along-side males, in traditionally male-designated skills such as electricity, automotive trades, welding, furniture and cabinet making, refrigeration and airconditioning, repair and maintenance of office equipment, plumbing, masonry and carpentry. It also includes training of women trainers. In support of training activity are ancillary actions for occupational attitude change such as information and motivational campaign, career guidance and counselling, and materials and curriculum development.

This will serve as a demonstration project for regions XII and IV. GO's and NGO's will be mobilized to support the program.

Target Group: Urban and rural women in Regions IV and XII.

Results: This 3 year project is being proposed for ILO funding. Total project cost amounts to P21.9 million.

Housing and Urban Development Coordinating Council (HUDCC)
National Housing Authority (NHA)

Redirected Livelihood Development Program - provision of credit assistance, training and technical assistance for the promotion of income-generating activities in all NHA housing projects. This is a P20.9M project of which P8.4M are from foreign sources (UNICEF, WB, GTZ, KFW).

Target Group: Vendors, OSY's, housewives, unemployed, ex-political detainees, handicapped individuals in Metro Manila.

National Commission on the Role of Filipino Women (NCRFW)

Balikatan sa Kaunlaran (BSK) - a program started in 1977 whereby women are organized into provincial councils, municipal chapters or parangay units to identify and implement projects on skills training and income generation, education and values orientation, personal development, nutrition and health co-operation with GO's and NGO's. While the BSK's implement projects, the NCRFW secures funding from local and foreign sources.

Target Group: Mainly rural women and their families.

Results: As of 1984, there were 132 duly organized provincial BSK councils with about 3 million members. Reports from 57 councils showed 3.6 million beneficiaries of 22 projects. The equivalent value of the members' services, goods, cash raised and money spent for these projects was P 55.6 million. By the end of 1988, the NCRFW, in line with its new thrust of concentrating on policy formulation rather than program implementation, has turned over the BSK program to a newly established NGO, the Balikatan sa Kaunlaran, Inc. The scope of the program has been expanded to include not only women but also the youth in both rural and urban areas.

Department of Education, Culture and Sports (DECS)

Functional Literacy and Livelihood Skills Development Project - provision of functional literacy and short-term vocational skills, technical courses and simple technologies on livelihood activities under the Self-Reliant Home Movement.

Target Group: Housewives, fishermen, OSY's, non-formal education clientele nationwide.

Results: Some 159,500 people have benefitted from the functional literacy and 484,300 from the livelihood skills development programs in 1987.

Department of Labor and Employment (DOLE)
Bureau of Women and Young Workers (BWYW)

Women in Development for Economic Planning - provision of credit assistance, training and technical assistance on good production and processing.

Target Group: Self-employed, low-income women , housewives.

Kapatiran Kaunlaran Foundation, Inc.

Exploited Women's Program - makes available a network of services, Christian in essence and action, to those women in need of rehabilitation and eventual integration in society. It includes academic scholarship and skills training to enhance employment opportunities, cash loan assistance for starting small business in order to achieve economic self-reliance, personality development and family life education seminars/workshops, and establishment of linkages with GO's and NGO's in support of these activities.

Target Group: Sexually and economically exploited women.

Pilipinas Shell Foundation, Inc.

Home Technology Program for Housewives/Magbuhay (Raghanapbuhay sa Bahay) Program - trains housewives on simple household technology transfer, food preservation and processing.

Target Group: Housewives of displaced sugar workers in
Negros Occidental.

Salvation Army, Philippine Territory

Income-Generating Projects - provision of capital loan assistance for small-scale business ventures. The amount of loans range from P300.00 to P5000.00 depending on the project type.

Target Group: Mainly women in low-income families.

University Community OUTreach Program (UNICORP)

Community out-reach and extension program of the Philippine Women's University

Livelihood Program - includes livelihood training on handicrafts, food preparation/preservation and vending, communal vegetable production; extension of loans for seedling, equipment and fertilizer needs as well as for small business ventures; and operation of the UNICORP store which serves as demonstration and distribution center for home products.

Target Group: Families designated by the NHA at Area A1 (Dasmarinas Bagong Bayan) who are former urban slum dwellers and squatters; mainly the community mothers.

Results: A total of 2,020 families in Area A1 are covered by the program.

Young Women's Christian Association of Quezon City

Development Education - provides training courses including sewing, tailoring, cooking, baking, creative crafts, beauty culture, painting, photography and steno-typing.

Target Group: Women and girls aged 5 and above who are residents of Manila.

Livelihood Skills Training Program - provides vocational skills training needed to set up and manage livelihood self-help enterprises.

Target Group: Housewives and jobless women who are Quezon City residents.

NOTE:

These examples are of training specifically target at women (or mainly at women); many other training courses are open to anyone, and women participate on the same basis as other groups.

**NMYC INSTITUTIONAL ARRANGEMENTS FOR MANPOWER
POLICY AND PLANNING**

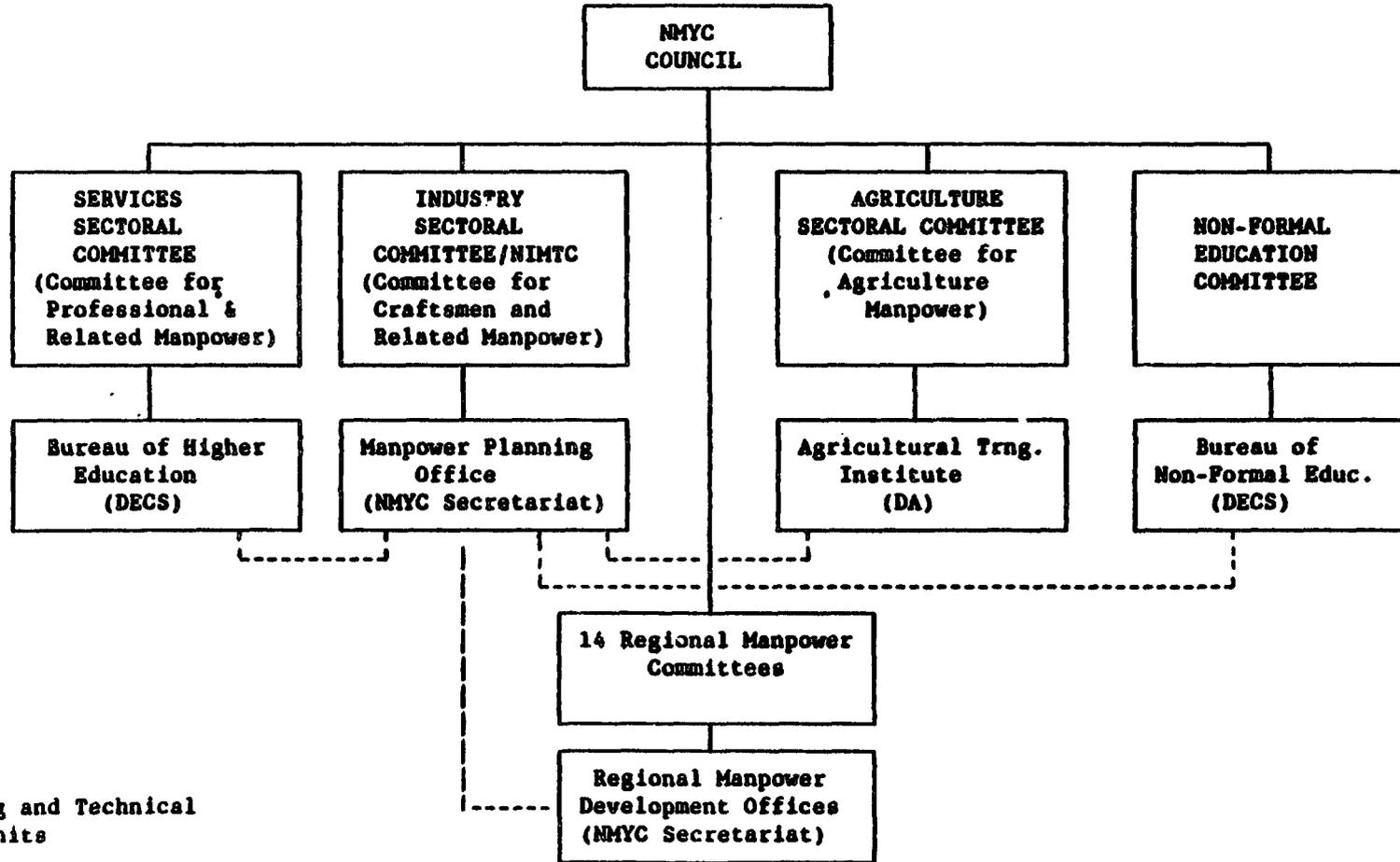
Plan approval/
Policy making

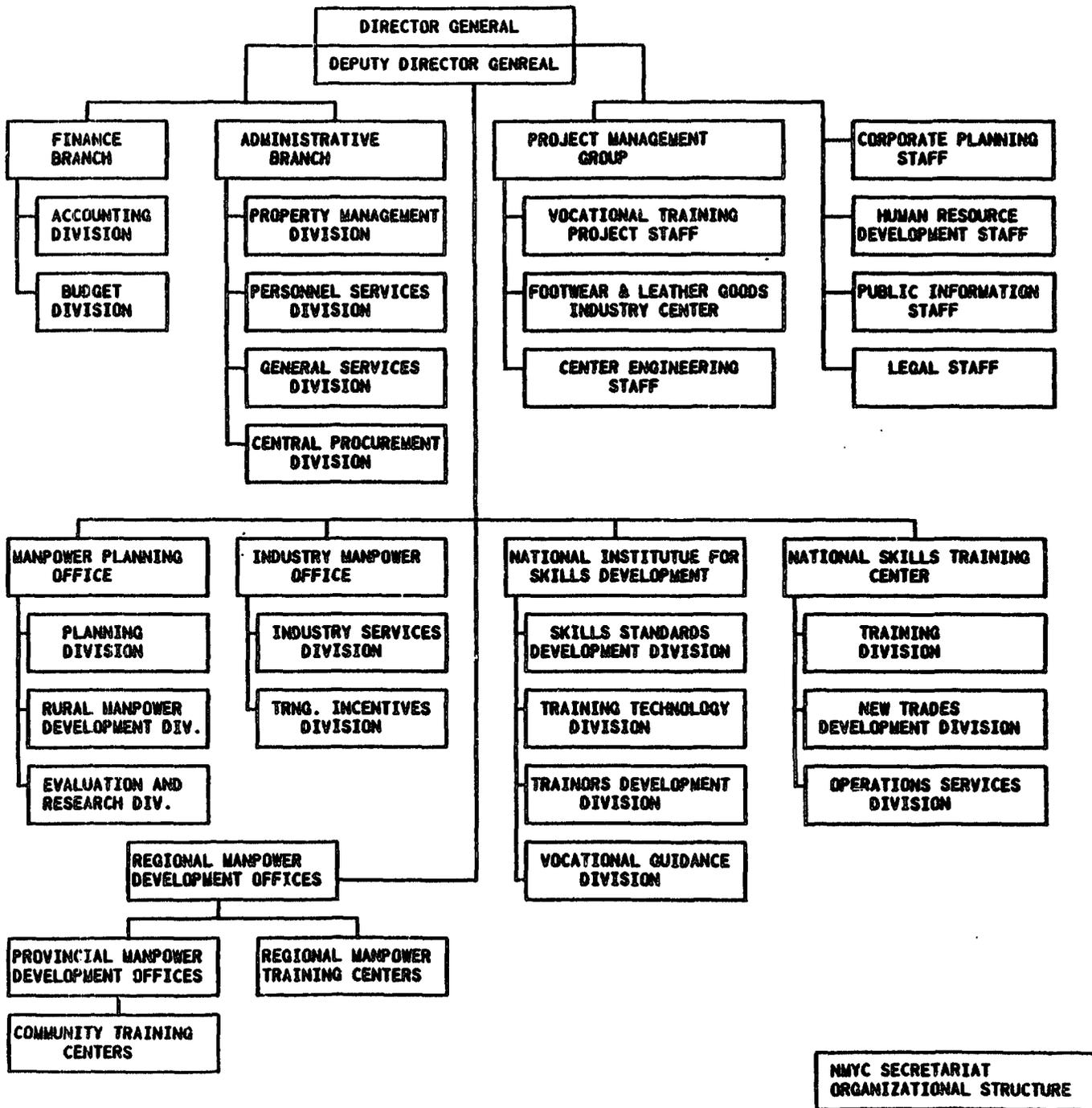
National level
Plan review and
Policy Advisory
Groups

Manpower
Planning and
Technical
Support Units

Regional Level
Plan Review and
Policy Advisory
Groups

Manpower Planning and Technical
Support Units





CLACDA

