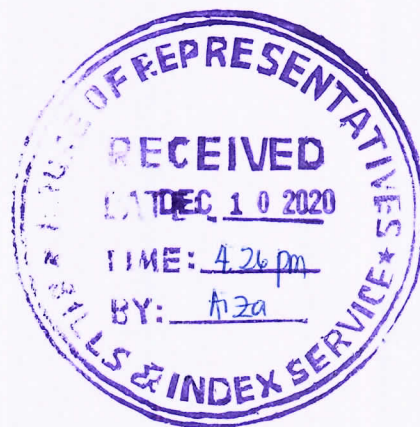


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
Second Regular Session

HOUSE BILL NO. 8210



Introduced by Honorable Mark O. Go

EXPLANATORY NOTE

According to the latest figures released by the PSA, unemployment in the country is slowly stabilizing, falling down to 8.7% in October from 10% in July, and 17.6% in April. However, of those who are unemployed 23.9% were actually college graduates, 16.7% were college undergraduates, 6.4% were senior high school graduates, and 36.8% were junior high school graduates, which includes those who graduated under the old secondary education curriculum. With the adoption and implementation of the K-12 system, we hoped to train our learners, particularly those enrolled under the technical-vocational strand, such that they will already be job ready by the time they graduate from senior high school. Actual figures however show that the country's unemployed is in fact composed mostly of the educated sector.

Job-skills mismatch has been one of our long-time challenges in developing the country's employment situation and in optimizing the skills, talents, and competencies of our working class. It also is a crucial concern in the proper utilization of the country's budget that goes into the education sector. Education and employment maintain a very intimate relationship. Particularly with the policy of universal education access to free tertiary education, it is imperative that the country ensures that the education system timely and adequately responds to the changing demands of industries and the labor market.

In 2016 the Philippine Institute of Development Studies released a study entitled, *Are Higher Education Institutions Responsive to Changes in the Labor Market*. The results of the study show that there is shortage in college graduates in the fast-growing service sectors. According to the study, our education curriculum is no longer responsive to the demands of industries and businesses operating in this global economy, and as a result, our graduates are unable to land jobs and occupations in line with the degrees they finished. As observed in the study, CHED has consistently encouraged incoming students to enroll in courses like agriculture, engineering, science and math, IT, teacher education, and health sciences. However, it can be observed that in reality, 1 in 4 college graduates finishes a degree in Business Administration. Meanwhile, only 3% of graduates studied agriculture. A study conducted by the International Labor Organisation on the labor sector in our country, even shows that as an individual receives higher education, or gain more skills, he tends to prefer to remain unemployed rather than take up just any kind of employment.

According to a separate study of PIDS, there are four observed difficulties in producing the appropriate manpower and skills. First, there is no one-to-one correspondence between courses and jobs, such that an engineer's involvement in an enterprise is not constrained to the stages of production only, but he can also be part of management. The second observation is that current indicators are not specific enough. Unemployment rate alone is a very crude measure. Skills and competencies of the people, their reasons for not landing jobs, and the demands of the industries that prevail must also be considered. Third observation is the rapid change in technology. The pace by which new technologies, and new methodologies, are being developed is unprecedented. According to the PIDS, in many cases, by the time students graduate, half of what they learned in school is already obsolete. Fourth and last is skill production lag. In order to keep applicants abreast with up-to-date and relevant skills and competencies, they would need to undergo continuous trainings and learning programs, and these require adequate time and resources.

In order to address these observations, this bill seeks to create a Tripartite Council composed of representatives from the government, academe and industry sector that will formulate and implement policies and relevant programs specific to job-skills mismatch. Creating a multi-sectoral council will allow educational institutions a better understanding of the labor market. This will help identify where the jobs are, and what skills and competencies are required to fill these vacancies. It would focus not only in ensuring that graduates were able to land jobs, but more so on whether they were able to truly utilize their particular set of skills and competencies. It would help the country identify the specific industry needs in terms of manpower requirements, and develop policies that would direct the youth towards these fields of study and profession. There must be established open and continuous communication lines between learning institutions and the business sector in order to sustain a mutually edifying symbiotic relationship between them. The synergy created would hopefully yield updated curricula, development of standards and industry practices, and increased productivity among others.

In view of the foregoing, the approval of this measure is earnestly sought,



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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

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HOUSE BILL NO. 8210

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AN ACT
MANDATING THE COMMISSION ON HIGHER EDUCATION TO CREATE A
TRIPARTITE COUNCIL TO ADDRESS JOB-SKILLS MISMATCH IN THE
COUNTRY AND FOR OTHER PURPOSES

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

SECTION 1. Declaration of Policy. – It is a declared policy of the State to promote the sustained development of a reservoir of national talents consisting of Filipino scientists, entrepreneurs, professionals, managers, high-level technical manpower and skilled workers and craftsmen in all fields.

Towards this end, the State shall ensure the relevance of academic courses, programs and curriculum offered in higher education and technical-vocational institutions that will correspond to the needs and requirements of the business and industry sector.

SEC. 2. Creation of Tripartite Council. - The Commission on Higher Education (CHED) is hereby mandated to create a Tripartite Council to be composed of the representatives from the government, academe and industry sector that will formulate policies and program to address job-skills mismatch in the country. The government side shall be composed of: CHED Commissioner; Deputy Director General of the Technical Education and Skills Development Authority (TESDA); and Undersecretaries of the Department of Labor and Employment (DOLE) and the Department of trade and Industry (DTI).

For the academe sector, it shall be composed of the presidents from the federations of public and private higher educational institutions (HEIs) namely: Philippine Association of State Colleges and Universities (PASUC); Association of Local Colleges and Universities (ALCU); and Coordinating Council for Philippine Education Association (COCOPEA).

The industry sector shall be composed of the presidents of the business and industry federations namely: Employers Confederation of the Philippines; Makati Business Club (MBC); Semiconductor and Electronics Industries in the Philippines Foundation, Incorporated (SEIPI); IT and Business Process Association of the Philippines (IBPAP); and the People Management Association of the Philippines (PMAP)

The CHED Commissioner shall serve as the Chairman of the Council and the TESDA Deputy Director General as the Vice Chairman.

The Council shall be formed and organized in accordance with the provisions of this Act three (3) months from the issuance of the implementing rules and regulations (IRR).

SEC. 3. Powers and Functions of the Tripartite Council. – The Tripartite Council shall have the following powers and functions:

- a) The Council shall be a regular coordinating body between the government, academe and industry sectors to monitor employment, underemployment and job-skills mismatch, and shall hold regular quarterly meetings;
- b) Formulate and implement short and long term policies, plans and programs that will address job-skills mismatch;
- c) Conduct an inventory, review and evaluation of courses, academic programs and curricula of public and private HEIs and TechVoc institutions;
- d) Conduct an assessment of qualifications and skills of students and graduates of tertiary and techvoc education and training;
- e) Conduct an inventory of job specifications and work requirement of industries;
- f) Recommend to the President, Congress and other government institutions policy measures that needs to be undertaken in addressing underemployment and job-skills mismatch; and
- g) Perform such other functions as may be necessary for the effective operations to achieve the mandate of this Act.

SEC. 4. *Annual Report and Assessment.* – The Council shall issue an annual report and assessment as a guide on the employment situation involving students and new graduates, and the various industries and business establishments.

SEC. 5. *Appropriations.* – The amount necessary for the operations and discharge of functions by the Council shall be included in the annual appropriations of CHED as contained in the General Appropriations Act.

SEC. 6. *Implementing Rules and Regulations.* - The CHED, in coordination with TESDA, DTI and DOLE shall issue, within a period of ninety (90) days after the effectivity of this Act, the necessary rules and regulations for the effective implementation of this Act.

SEC. 7. *Separability Clause.* - If, for any reason, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC. 8. *Repealing Clause.* - All laws, presidential decrees, executive orders, rules and regulations, issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 9. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.