

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2397



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND HON. TERRY L. RIDON**

EXPLANATORY NOTE

Job-skills mismatch, driven by outdated education systems and the rapidly evolving labor market demands, remains a persistent issue in the Philippines. On a micro level, it leads to unemployment, underemployment, wage inequality, and low morale of employees. An article published in the Philippine Institute for Development Studies mentioned that 39% of employed Filipinos are overqualified for their jobs, while 29% lack the necessary qualifications. It also highlighted that individuals affected by the job-skills mismatch often feel frustrated as they look for career opportunities with growth potential but realize they lack the necessary technical and digital skills that are now highly sought after.¹ For industries, this dilemma results in labor shortages, reduced productivity, and diminished competitiveness as employers often struggle to find workers who possess the specific skills and competencies required for evolving job roles. When overall operational efficiency of industries is affected, job creation is stifled and economic growth slows down.

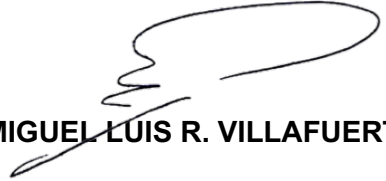
This proposed measure mandates the establishment of a tripartite council which shall serve as a national coordinating body tasked in formulating policies and programs to address the job-skills mismatch in the country. Likewise, the Council shall submit an annual report to Congress on the status of employment of college students and new graduates for the last five years, as well as an assessment of the trends in the labor market and the skills required by various industries and business establishments.

This bill is in line with the goals of Republic Act No. 12063, or the “Enterprise-Based Education and Training Framework Act” which boosts collaboration between education institutions and employers. It also supports the goals of the Philippine Development Plan, National Technical Education and Skills Development Plan, National Employment Recovery Strategy, and RA No. 11230, or the “Tulong-Trabaho Act,” all of which emphasize stronger industry-academe-government partnerships to address workforce needs and promote inclusive growth.

A similar bill was approved by the House of Representatives and transmitted to the Senate during the 19th Congress.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

¹ Philippine Institute for Development Studies. *Skills mismatch hampers Philippine economic growth, experts say*. Philippine Institute for Development Studies. <https://www.pids.gov.ph/details/news/in-the-news/skills-mismatch-hampers-philippine-economic-growth-experts-say>



HON. MIGUEL LUIS R. VILLAFUERTE



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HON. TERRY L. RIDON

Republic of the Philippines
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HOUSE BILL NO. **2397**

Introduced by HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO
RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND
HON. TERRY L. RIDON

**AN ACT CREATING A TRIPARTITE COUNCIL TO ADDRESS UNEMPLOYMENT,
UNDEREMPLOYMENT, AND THE JOB-SKILLS MISMATCH PROBLEM IN THE
COUNTRY, AND APPROPRIATING FUNDS THEREFOR**

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

SECTION 1. *Declaration of Policy.* – It is declared the policy of the State to promote the sustained development of a skilled citizenry and maintain a reservoir of national talents consisting of Filipino scientists, entrepreneurs, professionals, managers, high-level technical manpower, and skilled workers and craftsmen in all fields. Skills development can reduce unemployment and underemployment, increase productivity, and improve the standards of living.

To this end, the State shall ensure the relevance and adequacy of academic courses in the higher education curriculum and training programs offered in technical-vocational institutions in relation to the needs and requirements of the business and industry sectors and the over-all human resource requirement of the country pursuant to its economic development goals.

SECTION 2. *Creation of a Tripartite Council.* – There is hereby established a Tripartite Council, hereinafter referred to as the Council, that shall formulate policies and programs to address the job-skills mismatch in the country. It shall be a coordinating body among the government, academe and industry sectors to primarily monitor economic trends in the global and domestic markets, including those pertaining to business and commerce and the local labor market, and to generate information relative to employment, unemployment, underemployment, and job-skills mismatch. The Council shall be made up of representatives from the government, academe, and industry.

The government representatives shall be composed of the following: a Commissioner of the Commission on Higher Education (CHED); a Deputy Director-General of the Technical Education and Skills Development Authority (TESDA); an Undersecretary of the Department of Education (DepEd); an Undersecretary of the Department of Labor and Employment (DOLE); and an Undersecretary of the Department of Trade and Industry (DTI).

The representatives of the academe shall be the presidents of the federations of public and private higher education institutions (HEIs), public and private technical-vocational institutions (TVIs), and accreditation bodies of higher and technical-vocational educational institutions, which include the following: Philippine Association of State Universities and

Colleges; Association of Local Colleges and Universities; Coordinating Council of Private Educational Associations; Technical-Vocational Schools and Associations of the Philippines; National Network of Quality Assurance Agencies; and the Federation of Accrediting Agencies of the Philippines.

The representatives of the industry sector shall be the presidents of the following business and industry federations: Employers Confederation of the Philippines; Makati Business Club; Semiconductor and Electronics Industries in the Philippines Foundation, Incorporated; Information Technology and Business Process Association of the Philippines; Philippine Business for Education; Management Association of the Philippines; Philippine Business for Social Progress; and the People Management Association of the Philippines.

The Council shall be headed by a CHED Commissioner as Chairperson, and the Deputy Director-General of the TESDA shall be its Vice-Chairperson.

The members of the Council, except for the *ex officio* members, shall receive *per diem* for every meeting attended in accordance with existing rules and regulations.

The Council shall be attached to the CHED for administrative and budgetary purposes.

The CHED shall provide a secretariat to the Council to be manned by the organic personnel of the CHED and may be augmented by the employees from the member-agencies of the Council through detail or secondment.

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

- (a) Monitor the trends in the labor market, both domestic and international, and the incidence of unemployment, underemployment and the job-skills mismatch problem in the country;
- (b) Formulate short-term and long-term policies, plans and programs that shall address job skills mismatch, unemployment, and underemployment;
- (c) Conduct an inventory, review and evaluation of courses, academic programs and curricula of public and private HEIs and training programs implemented by TVIs;
- (d) Conduct an assessment of qualifications, skills and competencies of students and graduates of higher education courses and technical-vocational education and training and benchmark these with national and international standards such as the Philippine Qualifications Framework, Association of Southeast Asian Nations Qualifications Reference Framework, other frameworks, and international agreements to which the Philippines is a signatory;
- (e) Conduct an inventory of job specifications and skills requirement of various industries;
- (f) Recommend to the President of the Philippines, Congress and other government institutions policy measures that need to be undertaken in addressing the problems of unemployment, underemployment and job-skills mismatch;
- (g) Hold regular quarterly meetings; and
- (h) Perform such other functions as may be necessary for its effective operation to achieve the mandate of this Act.

SECTION 4. *Annual Report and Assessment.* – Upon the effectivity of this Act, the Council shall submit an annual report to Congress on the status of employment of college students and new graduates for the last five years, as well as an assessment of the trends in the labor market and the skills required by various industries and business establishments.

SECTION 5. *Appropriations.* – The amount necessary for the implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 6. *Implementing Rules and Regulations.* – Within ninety (90) days after the effectivity of this Act, the CHED shall, in coordination with the TESDA, DepEd, DTI and DOLE, as well as other education stakeholders, issue the rules and regulations for the effective implementation of this Act.

SECTION 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.

SECTION 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.

SECTION 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,