

HUMAN CAPITAL AND EDUCATION ADVOCACY PAPER 2022



ABOUT ECCP

The **European Chamber of Commerce of the Philippines** (ECCP) is a service-oriented organization whose main goal is to foster close economic ties and business relations between the Philippines and Europe. The ECCP does this through offering a wide range of consultancy services and by fostering connections between companies, organizations, and individuals with existing or potential business ties to Europe and the Philippines. It is also at the forefront of pro-business, pro-growth advocacy in the Philippines, representing European business interests for increased market access and trade facilitation, at the highest level of Philippine political discussions.

The ECCP views itself as the stepping stone for Europeans into the Philippine market and for Filipinos into the European market.



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Positions expressed in the advocacy papers are the result of the activities of the Sector Committees working under the ECCP.

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We would also like to acknowledge the support of our committee members.

METHODOLOGY

The 2022 edition of the ECCP Advocacy Papers features issues and recommendations developed after extensive discussions among members of the ECCP sector committees, consultations and meetings with representatives from the Philippine Government, and other stakeholders. Information gathered from organizing events that cover relevant topics, participating in numerous hearings and committee meetings in both chambers of the Philippine Congress, as well as in private sector consultations held by several government agencies were also taken into consideration upon writing.

Further, the recommendations provided in each paper were primarily based on the discussions during the quarterly sector committee meetings. The ECCP Advocacy Team carefully examined each issue and advocacy recommendation in close collaboration with the sector committee leaders and members to make sure they were in line with European business interests and priorities. Once the Advocacy Team had finalized the first draft of each sector paper, it was then disseminated to the Committee members and other important stakeholders for consultation. This allowed for the collection of input that would later be used to create the final draft of the papers.

The assessment of the status of each recommendation included in 2021 Advocacy Papers were examined under the following criteria:

Completed/Substantial Progress: Recommended action has either been completed or there has been significant progress towards the realization of the recommendation.

Some Progress: Movement towards realizing the recommendation has been made, but substantial work still needs to be done to fully achieve and complete the proposed measure.

No Progress/Retrogression: Minimal progress or no movement towards attaining the recommended reforms were done, or the status of the issue has worsened and has evolved to an even bigger bottleneck for European businesses.

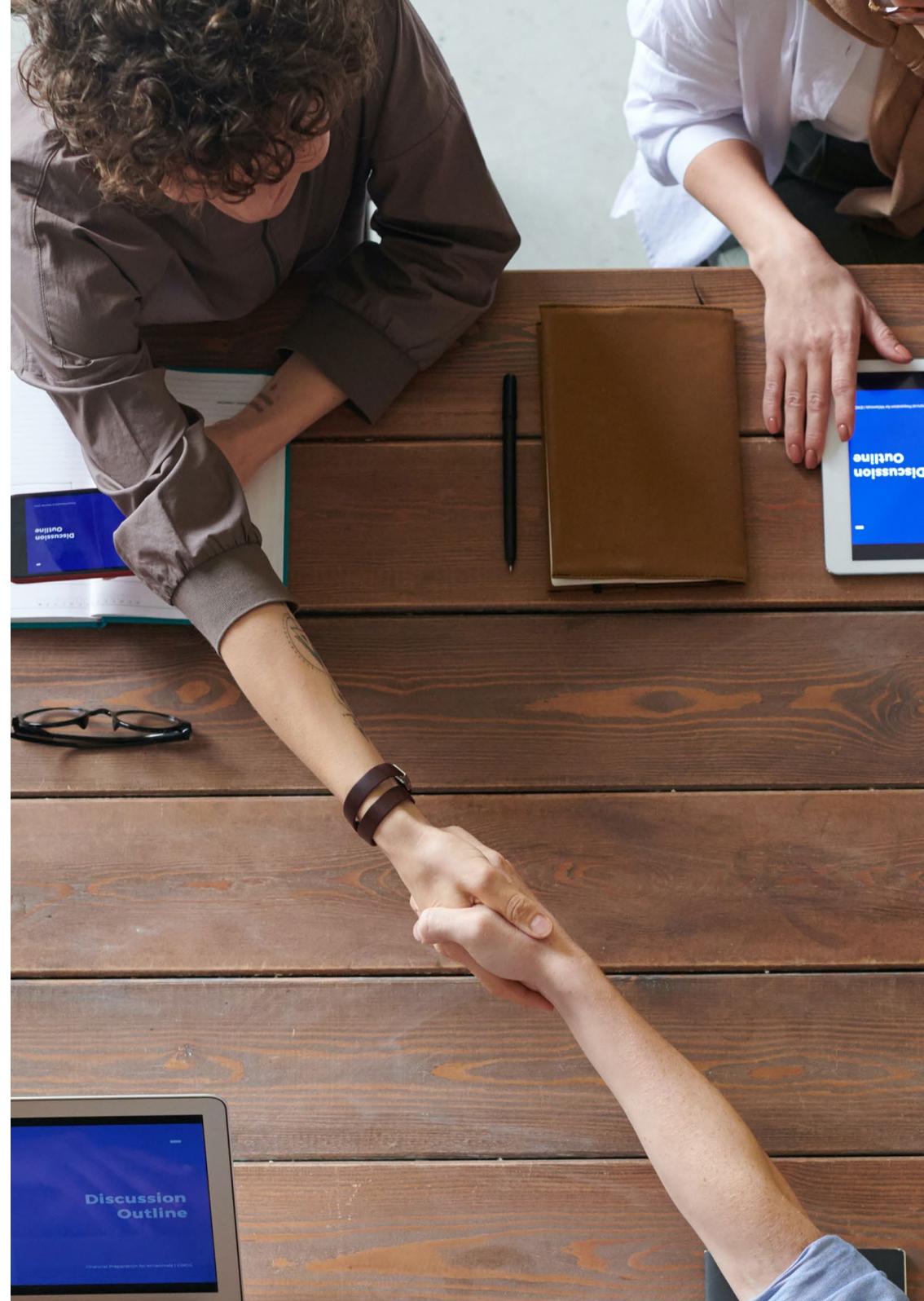
MESSAGE FROM THE ECCP PRESIDENT

I am pleased to present the latest set of the European Chamber of Commerce of the Philippines' (ECCP) Advocacy Papers. This features an overview of the country's current business landscape and industry-specific challenges identified by the Chamber's sector committees. More importantly, the papers put forward constructive policy recommendations for strengthening European-Philippine economic relations and promoting sustainability.

We have witnessed uncertainties and concerns arising from the Russia-Ukraine crisis, inflationary pressures, and disruptions in the global supply chain, among others. Nevertheless, we have seen significant progress such as the easing of COVID-19 restrictions, increased mobility for businesses and consumers, as well as solid headways in boosting business confidence and the country's position as a competitive destination for trade and investments. We are optimistic that we will see positive outcomes from the passage of game-changing economic reforms such as the amendments to the Public Services Act, the Retail Trade Liberalization Act, and the Foreign Investment Act. These will undoubtedly usher in foreign direct investments and create more jobs for Filipinos. Furthermore, for the year 2022, multilateral agencies have expressed optimism for the Philippines with an estimated 6.0% and 6.5% growth rate by the World Bank and the Asian Development Bank, respectively.

The ECCP seeks to continue to maximize the opportunities brought about by these recent socioeconomic developments. This year's set of ECCP Advocacy Papers is our contribution to addressing some of the remaining challenges to realize the potential of the European-Philippine economic ties as well as advance sustainable development. Lastly, I would like to extend my sincerest thanks to our Committee leaders, member companies, and the ECCP team who supported the completion of this publication. The ECCP is committed to working with the European-Philippine stakeholders in navigating this new era of progress, possibilities, and partnerships.

Mr. Lars Wittig
ECCP President



WHERE ARE WE NOW?

THE PHILIPPINES

The Philippines prides itself in its dynamic and robust economy, transforming into one of the region's top economic performers and attracting companies to invest and expand their operations. In the last decade, the country was able to sustain an average annual growth of 6.4% between 2010-2019 from an average of 4.5% between 2000-2009.¹ However, the onset of the unprecedented COVID-19 pandemic has resulted in a drastic decline of economic activity around the world. The Philippines has not been spared from the economic effects of the pandemic. The country's growth collapsed, with a negative growth rate of 9.6% in terms of Growth Domestic Product (GDP), in 2020 (Table 1). Among its neighboring countries in the Association of Southeast Asian Nations (ASEAN), the Philippines was ranked 10th in terms of Gross Domestic Product (GDP) growth rate (Table 1). Ranked last, the Philippines appears to be the Southeast Asian economy most affected by the pandemic in 2020.

Table 1. ASEAN GDP Year-on-Year Growth Rates, 2020 and 2021 (% per year)

Country	2020	2020 ranking	2021	2021 ranking
Brunei Darussalam	1.1	3rd	-1.5	9th
Cambodia	-3.1	6th	3	5th
Indonesia	-2.1	5th	3.7	3rd
Lao People's Dem. Rep.	-0.5	4th	2.3	7th
Malaysia	-5.6	8th	3.1	4th
Myanmar	3.3	1st	-18.4	10th
Philippines	-9.6	10th	5.6	2nd
Singapore	-5.4	7th	7.6	1st
Thailand	-6.1	9th	1.6	8th
Vietnam	2.9	2nd	2.6	6th

Asian Development Bank. Asian Development Outlook 2022²

Nonetheless, in 2021, the Philippines ranked second among the ASEAN countries in terms of growth rates. Growth was buoyed by robust private domestic demand, including a dramatic increase in investment in the second quarter of 2021 and a steady rise in household final consumption expenditure³.

Furthermore, for the year 2022, multilateral agencies have expressed optimism for the Philippines with an estimated 6.0% and 6.5% growth rate by the World Bank and the Asian Development Bank, respectively. A strong rebound in domestic demand with the easing of COVID-19 mobility restrictions in the country will support robust growth for the Philippine economy in 2022 amidst the Russia-Ukraine conflict, inflationary pressures and disruptions in global supply chains.

The growth projection for 2023 is at 5.8% and 6.3% by the World Bank and ADB, respectively. This is attributed to monetary policy tightening and accelerating inflation affecting domestic demand.

Additionally, the annual preliminary figures show that the country's employment rate rose from 89.7% in 2020 to 92.2% in 2021, with the services sector accounting for 58.1% share, followed by the agriculture sector with 22%, and the industry sector with 19.9%⁴. As of writing, the country's unemployment rate decreased to 5.2 percent in July 2022 from 7.2 percent in the same period last year.⁵

On the other hand, inflationary pressures have been widely felt. As of writing, inflation in the Philippines heated up to 6.9 percent in September 2022 from 6.3 percent in July, according to the Philippine Statistics Authority. This was mainly driven by faster rate of increases in prices of foodstuff as well as electricity and housing.⁶

In terms of the country's Foreign Direct Investments (FDI), the BSP officially recorded USD 10.518 billion net inflows for 2021. Majority of the equity capital placement came from Singapore (USD 526.69 million), Japan (USD 257 million), USA (USD 73.60 million), Germany (USD 29.20 million), and Hong Kong (USD 23.45 million)⁷. In the same year, top European FDI sources are include Germany (USD 32.94 million), United Kingdom (USD 15.77 million), Sweden (USD 6.24 million), France (USD 4.43 million) and Spain (USD 4.34 million). More recently, total FDI net inflows from January to June 2022 reached USD 4.64 billion, an increase of 3% over the same period last year. Specifically, the top source country is **Singapore** with USD 526.69, followed by **Japan** (USD 257), **USA** (USD 73.60), **Germany** (USD 29.20), and **Hong Kong** (USD 23.45).



	Jan-June 2022	Jan-June 2021	2021	2020
Globally	USD 4.64 billion (+3.07% year-on-year increase)	USD 4.50 billion	USD 12.41 billion	USD 6.82 billion
Europe (both EU and non-EU states)	USD 62.54 million (+53% year-on-year increase)	USD 40.87 million	USD 48.08 million	USD 326.47 million

⁴ Philippines Statistics Authority. Percent distribution of employed persons by major industry group July 2020 and July 2021. Retrieved from <https://psa.gov.ph/statistics/survey/labor-and-employment/labor-force-survey/tab1>

⁵ National Economic and Development Authority (September 2022). Ph Records Lowest Unemployment Rate Since Covid-19 Onset—Neda. Retrieved from <https://neda.gov.ph/ph-records-lowest-unemployment-rate-since-covid-19-onset-neda/#:~:text=As%20reported%20by%20the%20Philippine,Labor%20Force%20Survey%20since%202005.>

⁶ <https://psa.gov.ph/press-releases/id/168188>

⁷ Bangko Sentral ng Pilipinas. Net foreign direct investment flows (BPM6), by country. Retrieved from https://www.bsp.gov.ph/Statistics/External/tab10_fdc.aspx.

¹ World Bank. (07 April 2021). Philippines: Overview. Retrieved from <https://www.worldbank.org/en/country/philippines/overview>

² Asian Development Bank (April 2022). Asian Development Outlook 2022. Retrieved from <https://data.adb.org/dataset/asian-development-outlook-ado-2022-statistical-appendix-tables>

³ World Bank (June 2022). Philippines economic update 2022 edition. Retrieved from <https://documents1.worldbank.org/curated/en/099325006072264961/pdf/P177408091735101c0b25405cf39f312c86.pdf>.

The total external trade of the country in terms of goods was recorded at USD 192.532 billion in the year 2021, representing a growth of 24.2% compared to the USD 155.02 billion recorded during 2020, but most importantly an augmentation of 10 billion compared to the 2019, pre-pandemic data. Among the major trading partners are the People's Republic of China, Japan, and the USA⁸. The European Union (EU) followed as the fourth largest trading partner, accounting for 7.9% of the country's total trade in 2021⁹. Meanwhile, as for the Philippines' bilateral trade with the EU member countries, Germany ranked as the top trading partner, with a total of trade of USD 4.985 billion. Likewise, in 2020, Germany ranked as the highest trading partner with a total trade of USD 4.343 billion.¹⁰

Furthermore, in the 2022 World Competitiveness Ranking compiled by the Institute for Management Development (IMD), the Philippines ranked 48th out of 63 countries, climbing four spots from the previous ranking. Specifically, the report notes that the country moved up in two of the factors: Economic Performance rose 4 places to 53rd; Infrastructure climbed 2 spots to 57th. Meanwhile, the Philippines' ranking for government Efficiency slipped three more spots to 48th, and public finance fell six places to 51st.

Nevertheless, we have seen significant progress such as the easing of COVID-19 restrictions, increased mobility for businesses and consumers, as well as solid headways in boosting business confidence and the country's position as a competitive destination for trade and investments. We are optimistic that we will see positive outcomes from the passage of game-changing economic reforms such as the amendments to the Public Services Act, the Retail Trade Liberalization Act, and the Foreign Investment Act. These will undoubtedly usher in foreign direct investments and create more jobs for Filipinos.

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⁸ Philippines Statistics Authority. Highlights of the 2021 annual final international merchandise trade statistics of the philippines . Retrieved from <https://psa.gov.ph/content/highlights-2021-annual-final-international-merchandise-trade-statistics-philippines>, table 1 and 5.

⁹ European commission. Countries and Regions: The Philippines. Retrieved from https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/philippines_en.

¹⁰ Department of trade and industry of the Philippines. Philippines merchandise total trade, historical trend. Retrieved from <http://www.tradelinephilippines.dti.gov.ph:8080/total-trade>.





INTRODUCTION

Throughout the years, globalization has shifted - there has been a robust increase in the labor and skills demand. Human Capital development is considered to be among the significant elements in countries' economic growth as it reduces poverty and closes the market and skills gaps. Universally, it is recognized that the prioritization of education creates a well-educated labor force, thus leading to a remarkable growth record in human capital development. For instance, in the ASEAN region, according to the report of the Asian Development Bank (2017), raising the quality of education and skills created a tremendous increase in human capital development, as education and skills promote technological and innovation progress.¹

INDICATORS	EAST ASIA & PACIFIC	EUROPE & CENTRAL ASIA	LATIN AMERICA & CARRIBEAN	MIDDLE EAST & NORTH AMERICA	NORTH AMERICA	SOUTH ASIA	SUB SAHARA AFRICA
HCI Component 1: Survival							
Probability of Survival to Age 5	0.98	0.99	0.98	0.98	0.99	0.96	0.93
HCI Component 2: School							
Expected Years of School	11.9	1/3.1	12.2	11.6	13.3	10.8	8.3
Harmonized Test Scores	432	479	405	407	523	374	374
HCI Component 3: Health							
Survival Rate from Age 15 to 60	0.86	0.90	0.86	0.91	0.91	0.84	0.74
Fraction of Children Under 5 Not Stunted	0.76	0.90	0.85	0.82	-	0.69	0.69
Human Capital Index (HCI) 2020	0.59	0.69	0.56	0.57	0.75	0.48	0.40

Source: World Bank calculations based on the 2020 Human Capital Index (HCI) update.

Note: The table reports averages of the index components and the overall Human Capital Index (HCI) by World Bank Group regions. – = not available.

¹ Asian Development Bank. (2017). Human Capital Development in South Asia Achievements, Prospects, and Policy Challenges, 5-21. Retrieved from: <https://www.adb.org/sites/default/files/publication/385696/hcd-sa.pdf>

As presented in the Human Capital Index (HCI) 2020 of the World Bank Region,² the components mentioned above of human capital development served as a guide to directly measure the workers' contributions that will benefit the country's economic development. The Index shows that North American countries that scored 0.75 belong to the bracket range of $0.70 \leq \text{HCI} < 0.80$ are the regions that have high human capital development, which indicates that the productivity as a future worker of a child born today is 25% lower than what could have been achieved with complete education and full health.

On the other hand, East Asia and Pacific countries scored 0.59 in the total HCI, belonging to the bracket range $0.50 \leq \text{HCI} < 0.60$, which means that children born in the country today will only achieve half of their potential.

In the Philippine context, the National Economic Development Authority of the Philippines (NEDA) cited in the updated Philippine Development Plan 2017 - 2022 that it will prioritize and further strengthen the country's human capital development through prioritizing and solving the challenges and barriers that hinder the Filipino to reach its full potential, by specifically focusing on the areas namely, poor quality education, malnutrition, and early pregnancy, which aligns in the components of the HCI.³

On education, according to the preliminary findings of the Annual Survey of Philippine Business and Industry (ASPBI) released in February 2022, 13,624 institutions in the formal sector of the economy were involved in educational activities in 2019. Secondary/high school education has the most establishments, with 3,332, accounting for 24.5% of the total. Primary education is next with 2,945 facilities (21.6%), while educational support services, on the other hand, had the fewest institutions, with 31 in total, translating to 0.2%.⁴

Particulars	2019
Number of Establishments	13,624
Employment	409,241
Average Number of Workers per Establishment	30
Compensation (in thousand pesos)	98,598,349
Average Annual Compensation (in pesos)	244,364
Revenue (in thousand pesos)	222,647,989
Subsidies (in thousand pesos)	4,144,780

Source: Philippine Statistics Authority

In terms of employment, the industry employed 409,241 workers as of 2019. Higher education employed the most people in the sector with 188,644 workers, accounting for 46.1%. Secondary/high school education came second with 108,860 or 26.6% of the total. Meanwhile, educational support services employed the fewest workers, with only 569 individuals in the labor pool.⁵

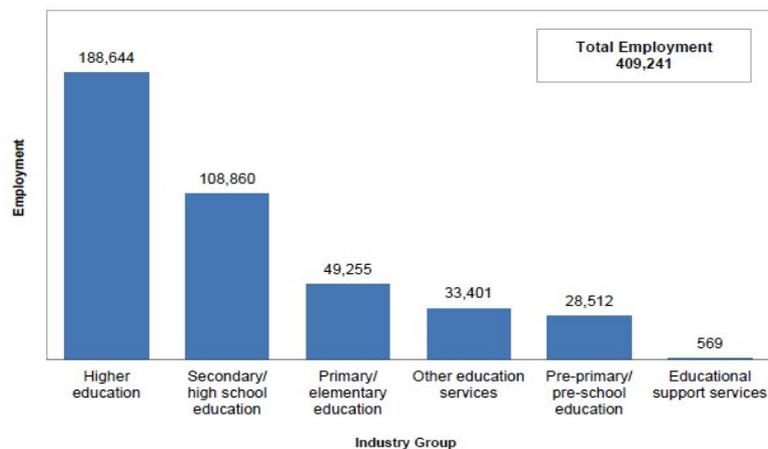
² Human Capital Index is composed of several components, namely: Health, Education, and Survival which served as a guide to capture the trajectory of the workers contribution from birth to adulthood.

³ National Economic and Development Authority of the Philippines (NEDA). (2017). Updated Philippine Development Plan 2017 - 2022. 5 - 12. Retrieved from: <https://pdp.neda.gov.ph/updated-pdp-2017-2022/>

⁴ Philippine Statistics Authority. (2022). 2019 Annual Survey of Philippine Business and Industry (ASPBI) - Education Sector: Preliminary Results. Retrieved from <https://psa.gov.ph/content/2019-annual-survey-philippine-business-and-industry-aspbi-education-sector-preliminary>

⁵ Ibid.

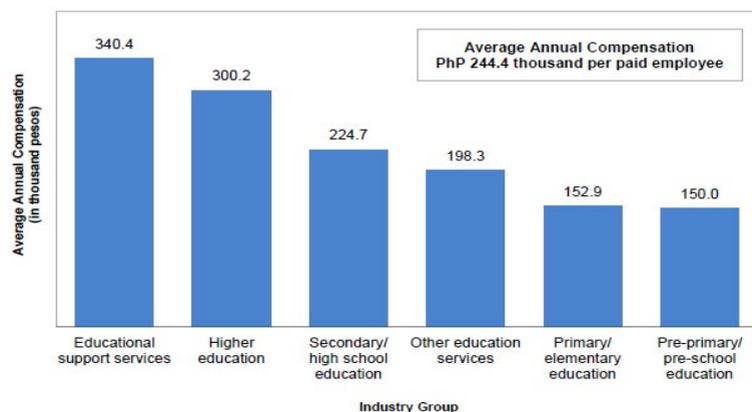
Figure 2. Distribution of Employment for Education Sector by Industry Group: Philippines, 2019



Source: Philippine Statistics Authority

As also reported by the Philippine Statistics Authority (PSA), educational support services had the highest average annual compensation of PHP 340,000 per paid employee across industrial groups. Meanwhile, the average yearly salary for pre-primary/pre-school education was PHP 149.97 thousand per paid staff.⁶

Figure 3. Average Annual Compensation of Paid Employees for Education Sector by Industry Group: Philippines, 2019



6 Ibid.

RECENT REFORMS AND INDUSTRY DEVELOPMENTS

Department of Labor and Employment (DOLE) issuances: Since 2021, the DOLE has and continues to release Department Orders (DO) and Labor Advisories (LA). Some of the most notable ones are as follows:

- **DO No. 236-22** on the increased amounts received by Workers in the Sugar Industry under the Sugar Workers' Maternity and Death Benefit Programs, Pursuant to Republic Act No. 6982.⁷
- **DO 234-22** on the clarification on workers covered under DOLE DO 222-21 or the Revised Guidelines in the Implementation of the Social Amelioration and Welfare Program for Workers in the Biofuel Industry, Utilizing Molasses as Feedstock.⁸
- **DO 40 J-22** on Amending Rule VII of the Implementing Rules of Book V of the Labor Code of the Philippines as Amended by DO No. 40, Series of 2003.⁹
- **DO 221 A-22** on the Guidelines in the Accreditation of Agents and Appointment of Employer's Authorized Representatives for filing of Alien Employment Permit (AEP) Applications and Related Documents.¹⁰
- **DO. 230-21** on the Guidelines on Support for Workers in the Informal Economy under Republic Act No. 11313, otherwise known as the Safe Spaces Act and its IRR.¹¹
- **DO 221-21** on the Revised Rules and Regulations for the Issuance of Employment Permits to Foreign Nationals.¹²

Department of Education (DepEd) issuances: The DepEd has released Department Orders, Memorandum, and Department Advisory to help in the recovery of the country after two years of COVID-19 pandemic. Some of the highlighted DO, DA, and Memorandum are the following:

- The Philippines restarted in-person classes on 15 November 2021, for the first time in two years since the onset of the COVID-19 pandemic. The DepEd has allowed 100 public schools to participate in the pilot run of restricted face-to-face sessions beginning November 15.¹³ In February 2022, Former Education Secretary Leonor Magtolis Briones allowed all regional directors to commence the progressive expansion phase of face-to-face classes for both public and private schools.¹⁴ More recently, Vice President and current DepEd Secretary Sara Duterte ordered that all public and private schools in the country must transition to five days of in-

7 Department of Labor. (2021). DO No. 236-22. Retrieved from: <https://www.dole.gov.ph/news/department-order-no-236-22-increasing-the-amounts-received-by-workers-in-the-sugar-industry-under-the-sugar-workers-maternity-and-death-benefit-programs-pursuant-to-republic-act-no-6982/>

8 Department of Labor. (2021). DO 234-22. Retrieved from: <https://www.dole.gov.ph/news/department-order-234-22-clarification-on-workers-covered-under-dole-do-222-21-or-the-revised-guidelines-in-the-implementation-of-the-social-amelioration-and-welfare-program-for-workers-in-the-biofuel/>

9 Department of Labor. (2021). DO 40 J-22. Retrieved from: <https://www.dole.gov.ph/news/do-40-j-22-amending-rule-vii-of-the-implementing-rules-of-book-v-of-the-labor-code-of-the-philippines-as-amended-by-do-no-40-series-of-2003/>

10 Department of Labor. (2021). DO 221 A-22. Retrieved from: <https://www.dole.gov.ph/news/department-order-no-221-a-22-guidelines-in-the-accreditation-of-agents-and-appointment-of-employers-authorized-representatives-for-filing-of-alien-employment-permit-aep-applications-and-related-d/>

11 Department of Labor. (2021). DO. 230-21. Retrieved from: <https://www.dole.gov.ph/news/department-order-no-230-21-guidelines-on-support-for-workers-in-the-informal-economy-under-republic-act-no-11313-otherwise-known-as-the-safe-spaces-act-and-its-irr/>

12 Department of Labor. (2021). DO. 221-21. Retrieved from: <https://www.dole.gov.ph/news/department-order-221-20-revised-rules-and-regulations-for-the-issuance-of-employment-permits-to-foreign-nationals/>

13 Fernandez, D. (2021, November 3). DepEd identifies 100 public schools for pilot of face-to-face classes on Nov. 15. Retrieved from <https://newsinfo.inquirer.net/1509856/deped-identifies-100-public-schools-for-pilot-run-of-face-to-face-classes-on-nov-15>

14 Department of Education. (2022). On the expansion phase of limited face-to-face classes. Retrieved from <https://www.deped.gov.ph/2022/02/02/on-the-expansion-phase-of-limited-face-to-face-classes/>

person classes starting November 2, contained in the Department Order (DO) No. 34, s. 2022.¹⁵

- Executive Order No. 174, dated 23 June 2022, adds five new posts for public school teachers and expands the career progression system. Educators can now be promoted to the following posts: Teacher IV, Teacher V, Teacher VI, Teacher VII, and Master Teacher V. The Order also directs the Budget Department to establish these new positions and put them in the salary grade index.¹⁶
- Following the expansion of face-to-face classes, the DepEd started establishing in March 2022 a learning recovery plan framework to assist schools in filling learning gaps caused by pandemic-related disruptions. The proposed policy is based on remediation and intervention in learning, professional development, health, safety, and wellbeing.¹⁷
- On 3 June 2022, the DepEd launched the Basic Education Development Plan 2030 (BEDP 2030) to establish a strategic framework for improving the delivery and quality of basic education. BEDP 2030 is the Department's first long-term plan for basic education, spanning formal education for children aged 5 to 18 and non-formal education for youth and adults. Through preserving and promoting the right to education, the plan intends to continue the Department's goals of enabling all Filipinos to reach their full potential and contribute meaningfully to a cohesive nation. BEDP 2030 is also designed to address the pandemic's immediate effects on learning, participation, and education delivery, as well as to close remaining access gaps, improve education quality, and foster resilience.¹⁸
- In April 2022, the Quality Control Checklist (QCC) for Completed Basic and Action Research was institutionalized by DepEd to strengthen the research culture in the Department. The QCC offers defined criteria and may be used as a tool in assessing the quality of completed studies for (a) research committees accepting BERF-funded research beginning in FY 2022, (b) archiving on the research portal, and (c) identifying technical support for researchers/grantees.¹⁹ The Department previously issued DO No. 16, s. 2017, entitled Research Management Guidelines (RMG), and DO No. 14, s. 2022 to create E-Saliksik as its official portal of education research. The policies were formulated to ensure uniformity and research integrity across the DepEd.²⁰

On legislation

- Republic Act No. 11551, or Labor Education Act, has been signed into law by Former President Rodrigo Duterte, mandating all public and private higher education institutions (HEIs) to integrate labor education subjects into their general education curriculum. The legislation acknowledges the necessity for the state to establish a framework to educate future workers, employers, and entrepreneurs on their rights and duties in fostering workplace harmony and societal advancement.²¹

¹⁵ Galvez, D. (2022, July 12). DepEd orders all schools to shift to face-to-face classes by November 2. Retrieved from <https://newsinfo.inquirer.net/1626494/dep-ed-orders-all-schools-to-shift-to-face-to-face-classes-by-november-2>

¹⁶ Yang, A. Y. (2022, June 24). Duterte approves new teacher positions with higher ranks. Retrieved from <https://www.philstar.com/headlines/2022/06/24/2190620/duterte-approves-new-teacher-positions-higher-ranks>

¹⁷ Department of Education. (2022). DepEd develops learning recovery plan as more schools conduct face-to-face classes. Retrieved from <https://www.deped.gov.ph/2022/03/29/dep-ed-develops-learning-recovery-plan-as-more-schools-conduct-face-to-face-classes/>

¹⁸ Department of Education. (2022). DepEd to launch Basic Education Development Plan 2030 as strategic roadmap for basic education. Retrieved from <https://www.deped.gov.ph/2022/06/02/dep-ed-to-launch-basic-education-development-plan-2030-as-strategic-roadmap-for-basic-education/>

¹⁹ Department of Education. (2022). Department Memorandum No. 28, s. 2022. Retrieved from https://www.deped.gov.ph/wp-content/uploads/2022/04/DM_s2022_028.pdf

²⁰ Department of Education. (2022). DepEd strengthens research culture through Quality Control Checklist. Retrieved from <https://www.deped.gov.ph/2022/04/20/dep-ed-strengthens-research-culture-through-quality-control-checklist>

²¹ Official Gazette. (2021). Republic Act No. 11551. Retrieved from <https://www.officialgazette.gov.ph/downloads/2021/05may/20210527-RA-11551-RRD.pdf>

- On 27 April 2022, Republic Act No. 11713, or the Excellence in Teacher Education Act, was passed into law. This strengthens pre-service teacher education by broadening the mandate and functions of the Teacher Education Council (TEC) chaired by the Secretary of Education.²² Amending RA 7784, the measure aims to enhance the quality of education and training of teachers in the country.
- 18th Congress Legislation
 - In 2020, the Senate passed on third and final reading Senate Bill (SB) No. 1092, otherwise known as the Teaching Supplies Allowance Act of 2020. This measure seeks to institutionalize and increase the teaching supplies allowance for public school teachers. It was sent to the House of Representatives requesting concurrence in November of the same year.²³
 - In November 2021, the House of Representatives unanimously approved on third and final reading the House Bill (HB) No. 10282 or the proposed Amended Higher Education Act strengthening the Commission on Higher Education (CHED). The measure intends to broaden the CHED's mandate to include oversight and regulation of programs offered by all HEIs. The bill would grant the CHED monitoring and regulatory authority over local colleges and universities offering degree programs, but not over institutions under the jurisdiction of the Bangsamoro Autonomous Region of Muslim Mindanao or international HEIs operating under Philippine laws.²⁴ As of writing, its Senate counterpart SB No. 2492 is still pending on second reading in the 18th Congress.²⁵



²² Retrieved from <https://www.officialgazette.gov.ph/downloads/2022/04apr/20220427-RA-11713-RRD.pdf>

²³ Senate of the Philippines. (2022). Senate Bill No. 1092 - Teaching Supplies Allowance Act of 2019. Retrieved from http://legacy.senate.gov.ph/lis/bill_res.aspx?congress=18&q=SBN-1092

²⁴ House of Representatives. (2021). House Bill No. 10282. Retrieved from https://hrep-website.s3.ap-southeast-1.amazonaws.com/legisdocs/third_18/HBT10282.pdf

²⁵ Senate of the Philippines. (2022). Senate Bill No. 2492 - Revised Higher Education Act of 2022

ADVOCACY RECOMMENDATIONS

1. Improve the quality of education in the country by enhancing the curriculum for the basic education system, facilitating enhanced training programs for the teachers, and addressing the issues on educational facilities

In order to address the issues revolving around the education system in the country, the Philippine government in 2012 launched the K to 12 programs to serve as a comprehensive reform of the educational system. However, the lingering issues in the education sector have been highlighted with the onset of the COVID-19 pandemic. Most countries, including the Philippines, were obliged to implement distance-learning solutions to maintain education continuity, and much of the argument has centered on the quality of education during school closures. School closures have affected more than 28 million students in the country alone.²⁶ Although enrollment in basic education for 2021-2022 is up 100.3% over the previous school year as of 15 September 2021, an estimated 27 million students in the Philippines have missed more than a year of in-person education.²⁷



Source: United Nations International Children's Emergency Fund

The Alliance of Concerned Teachers reported that distance learning had increased the education gap for children in poor and rural areas. This is highly attributed to the low internet penetration in rural parts of the country, as only 18% of households in the Philippines have access to internet connections at home. The National Economic Development Authority (NEDA) also calculated that extended school closures might result in a USD 219 billion productivity loss in the Philippines over the next 40 years, equating to an individual's life span in the labor force.²⁸

According to World Bank data, the Philippines' learning-adjusted years of school (LAYS) proficiency would be reduced from 7.5 years pre-pandemic to 5.9 to 6.5 years, depending on the length of additional school closures and the efficacy of the remote learning arrangement. This indicates that, despite the fact that the Philippine basic education system provides 12 years of teaching, Filipino students demonstrate competency comparable to just around six years of schooling.²⁹ Furthermore, as reported in the World Bank research from 2021, 80% of Filipino children "do not know what they should know," and only 10% to 22% of Grades 4, 5, and 9 students scored "at or above minimum

26 Tría, J. Z. (2020). The COVID-19 Pandemic through the Lens of Education in the Philippines: The New Normal. *International Journal of Pedagogical Development and Lifelong Learning*, 1(1), ep2001. <https://doi.org/10.30935/ijpdll/8311>
 27 United Nations International Children's Emergency Fund. (n.d.). Reopening schools safely in the Philippines. Retrieved from <https://www.unicef.org/philippines/reopening-schools-safely>
 28 Deutsche Welle. (2021, September 21). Philippines: COVID school closures threaten education 'catastrophe'. Retrieved from <https://www.dw.com/en/philippines-covid-school-closures-threaten-education-catastrophe/a-59250348>
 29 Magsambol, B. (2022, June 24). LIST: 5 education issues that the next DepEd chief needs to address. Retrieved from <https://www.rappler.com/newsbreak/iq/list-education-issues-next-deped-chief-needs-to-address/>

proficiency" on three international assessments.³⁰ More recently, the organization's 2022 State of Global Learning Poverty report shows the Philippines languishing at the bottom, with a learning poverty rate of over 90%. In other words, 9 in 10 Filipino children aged 10 struggle to read simple texts.³¹

In relation to the foregoing, the education crisis in the country can be associated with the low education spending in the Philippines, as posited by the state-run think tank Philippine Institute for Development Studies (PIDS). Public expenditure per student in primary and secondary education lags behind that of the country's peers in the Asia Pacific even as total education expenditures in the Philippines have increased by 6.4% yearly over the past 15 years.³² For 2022, the Philippine education sector, including the DepEd, state universities and colleges, and Commission on Higher Education (CHED), was provided the highest allocation of PHP 788.5 billion, PHP 36.8 billion or 4.9% higher than last year's budget.³³ In a recent statement, the Education Department proposes a budget of PHP 800 billion for the following year, which is 27% higher than the PHP 629.8 billion allotted for DepEd in 2022. A significant portion of the proposed budget for 2023 will be utilized for teacher compensation and the training enhancement of teaching personnel.³⁴

Table 1. SY 2020-2021 Enrollment as of November 15, 2021 compared to SY 2020-2021 Enrollment

Sectors	SY 2020-2021	SY 2021-2022	% (this SY compared to last SY)	Increase /Decrease in Enrollment
Public Only	22,712,409	23,900,041	5.23%	1,187,632
Private	3,375,748	3,212,728	-4.83%	163,020
SUCs/LUCs	118,755	103,551	-12.80%	15,204
Philippine Schools Overseas	20,110	15,775	-21.56%	4,335
Total	26,227,022	27,232,095	3.83%	1,005,073

SY 2020-2021 Enrollment as of 15 November 2021 compared to SY 2020-2021 Enrollment

According to the DepEd, there is an increase in the basic education system for the school year 2021-2022.³⁵ In addition, following the recent order of the Department of Education (DepEd) requiring all private and public schools to transition to face-to-face classes by November 2022, the DepEd accounts that 2.6 million learners have already pre-registered nationwide for the school year

30 CNN Philippines. (2022, May 20). PIDS: PH govt must focus on improving quality of education, training. Retrieved from <https://www.cnnphilippines.com/news/2022/5/20/PIDS-PH-improve-quality-of-education.html>
 31 Magsambol, B. (2022, August 13). Overworked teachers among causes of high learning poverty level in PH - experts. Rappler. Retrieved from https://www.rappler.com/nation/overworked-teachers-among-causes-philippines-high-learning-poverty-rate/?utm_source=facebook&utm_medium=social&fbclid=IwAR0-UqKq8WK-tNntG4eAYVqTjILQd6A7ywzs_Ao3bovBXlqKXIGkMqu4s&fs=e&s=cl
 32 Simeon, L. M. (2022, January 23). Philippines lags behind peers in basic education spending. Retrieved from <https://www.philstar.com/business/2022/01/23/2155700/philippines-lags-behind-peers-basic-education-spending>
 33 Department of Education. (2022). DepEd thanks Pres. Duterte, Congress as education sector gets biggest hike in 2022 budget. Retrieved from https://www.deped.gov.ph/2022/01/04/deped-thanks-pres-duterte-congress-as-education-sector-gets-biggest-hike-in-2022-budget/?utm_source=rss&utm_medium=rss&utm_campaign=deped-thanks-pres-duterte-congress-as-education-sector-gets-biggest-hike-in-2022-budget
 34 CNN Philippines. (2022, July 12). DepEd to propose P800 billion budget for 2023. Retrieved from <https://www.cnnphilippines.com/news/2022/7/12/DepEd-P800-billion-2023-budget.html>
 35 Department of Education. (N.D). DepEd posts 4% increase in enrollment for basic education in SY 2021-2022. Retrieved from: <https://www.deped.gov.ph/2021/11/18/deped-posts-4-increase-in-enrollment-for-basic-education-in-sy-2021-2022/>

2022-2023 as of April 2022.³⁶ However, studies suggest that 75 to 80 students are packed into one classroom in the Philippines, designed to only cater to 40 learners. Pre-pandemic, class shifting had been implemented to accommodate enrollees annually to compensate for the lack of classrooms. Hence, persisting classroom shortages are expected to impact the learning setup of students and teachers under the new normal.³⁷

As such, the ECCP, along with its Human Capital and Education Committees, urges the new government under the leadership of President Ferdinand Marcos, Jr. and Vice President Sara Duterte as the Secretary of Education to enhance the K to 12 program, facilitate the updating and/or revising of the curriculum, as well as allocate more budget for the training programs for teaching professionals and improvement of school facilities to address the issue on quality education.

Reinforce skills and capability development

The Kto12 in 2013 earmarked the most significant reform in the educational sector to improve Filipino quality education. Hence, the government envisioned that the Kto12 will be the key solution to the long-standing crisis faced by basic education in the country. After six years of its implementation, the Philippines remains to be the only country in ASEAN that promote and implement such an educational system. According to the report of the Asian Development Bank, there is an increase in the children and youth enrolled in schools from kindergarten to Grade 12.³⁸

Therefore, with the increase in the number of students, the ECCP continues to urge and recommend that DepEd increase the minimum **80-hour requirement** for the work immersion program to allow them more time to become more hands-on with the work environment and fully develop and retain the necessary skills and competencies required in the workforce.

Table 2: Participation Rates in Basic Education, School Years 2016–2017 and 2018–2019

Level of Education	Gross Enrollment Rate			Net Enrollment Rate		
	2016–2017	2017–2018	2018–2019	2016–2017	2017–2018	2018–2019
Kindergarten to Grade 6	106.34%	104.21%	102.65%	96.04%	95.76%	94.80%
JHS to SHS (Grades 7–12)	87.76%	85.55%	91.58%	75.33%	75.94%	79.93%

JHS = junior high school, SHS = senior high school.

Source: Task Force on National Educators Academy of the Philippines Transformation, 2019.

Enact a revised apprenticeship law

Another policy measure that would complement the government’s efforts to develop its future workforce is the enactment of a revised apprenticeship law. More specifically, the ECCP strongly calls for Congress to pass a Revised Apprenticeship Program Act to promote the employability and entrepreneurship of higher education graduates in the Philippines. This critical piece of legislation seeks to amend the Labor Code to ensure the professional development of pre-workforce individuals by equipping them with marketable and highly desirable technical skills based on the industry’s needs and providing a continuous supply of skilled workers, thus addressing youth unemployment. Likewise, the proposed measure will protect apprentices from exploitative and incompetent employers.

Ease restrictions on the employment of foreign nationals

In 2020, the world was at a standstill with the impact of the COVID19 pandemic on the labor force sector and the overall economy. In the Philippines, after two years of the pandemic, the gradual relaxation of the imposition of lockdown continues to support the recovery of the country’s economy. However, the restrictions on employment for foreign nationals continue.

The Department of Justice, in compliance with the inter-agency task force, adopted and approved the IATF Resolution No. 131-A, which served as a guideline for foreign workers to come to the Philippines to work in employment with a Philippine employer. However, the nature of the employment must be in relation to foreign-funded projects, such as infrastructure and transportation. Moreover, the Department of Labor and Employment released an issuance Labor Advisory No 16, which governs the Alien Employment Permit issuance for foreign nationals working for more than six months in the country.

The imposition of these restrictions hindrance the growth of the economy. Hence, the ECCP trusts that the Philippine government will revisit the law and regulations that served as a guide for the employment of foreign nationals, either medium or long term.

Fostering Industry and Learning Institution Partnership

Countries worldwide have different measures when it comes to the educational system, with several studies showing that there are varying levels of success in the implementation of such policies. In the Philippines, according to the 2022 study of the International Trade Administration, there are more than 900,000 Philippine micro-, small-, and medium-sized enterprises (MSMEs) seeking training to advance their business operations.³⁹ However, there are also limited platforms for MSMEs and learning institutions to foster collaboration and partnership.

Therefore, the ECCP trusts that the government develops a platform for industry and learning institutions to foster collaboration and align the industry needs in the curriculum of the learning institutions. We should also encourage foreign investors to partner with the MSMEs and learning institutions for our workforce and human capital to be globally competitive.



36 Sevillano, S. (2022, April 26). 2.6 million learners preregister for SY 2022-2023. Retrieved from <https://www.pna.gov.ph/articles/1172958>

37 Magsambol, B. (2022, June 24). LIST: 5 education issues that the next DepEd chief needs to address. Retrieved from <https://www.rappler.com/newsbreak/iq/list-education-issues-next-deped-chief-needs-to-address/>

38 Asian Development Bank. (2020). Advancing the Kto12 reform from the ground: A case study in the Philippines. Retrieved from: <https://www.adb.org/sites/default/files/publication/579901/sdwp-66-advancing-k12-reform-philippines.pdf>

39 International Trade Administration. (2022). Philippines - Country Commercial Guide: Education and Training. Retrieved from: <https://www.trade.gov/country-commercial-guides/philippines-education-and-training>



ASSESSMENT OF 2021 RECOMMENDATIONS

ADVOCACY	COMPLETE	SOME PROGRESS	NO PROGRESS/RETROGRESSION
Reinforce skills and capability development		In July 2022, Vice President and Secretary of Department of Education Sarah Duterte stated that DepEd has until July next year to finalize its review of the Kinder to Grade 12 (K-12) program.	
		In June 2022, President Ferdinand “Bongbong” Marcos Jr. has ordered the Department of Education (DepEd) to review the K to 12 programs to determine students’ level of comprehension and competitiveness. ⁴⁰	
Enact a revised apprenticeship law			Currently, there has been no significant progress on the revised apprenticeship law.
Ease restrictions on the employment of foreign nationals		On August 5, 2022, The IATF issued Resolution 131-A which serves as a guideline for visa issuance to foreign nationals who intend to come into the Philippines for purposes of long-term employment. This resolution was followed by the issuance and advisory implementation from DOLE and DOJ. ⁴¹	
Retain and protect investment in Human Capital		In 2022, DOLE and TESDA Region 1, along with the Local Government Unit trained the beneficiaries of Dubbed Noble Initiative for Countryside Opportunities by Mobilizing Enterprise Development for Economic Sustainability (NICOMEDES) of Bacarra as it aims to invest in human resource by providing 14 tech-voc courses. ⁴² On March 26, 2021, TESDA Secretary Isidro Lapeña stated that more collaboration with industries is needed.	
Fostering Industry and Learning Institution Partnership		In 2021, TESDA launched the 2021 National Industry Forum. The Forum aimed to encourage the participation of more potential partners to engage in the provision of quality tech-voc in the country. ⁴³	

⁴⁰ Manila Times. (June 22, 2022). Review K to 12 programs, Marcos orders DepEd. Retrieved from: <https://www.manilatimes.net/2022/06/22/news/national/review-k-to-12-program-marcos-orders-deped/1848275>

⁴¹ Business World. (7 September 2021). More than a year into the pandemic: New employment rules and procedures for foreign nationals coming into the Philippines. Retrieved from: <https://www.bworldonline.com/opinion/2021/09/07/394870/more-than-a-year-into-the-pandemic-new-employment-rules-and-procedures-for-foreign-nationals-coming-into-the-philippines/>

⁴² Department of Labor and Employment. (2022). DOLE 1 - TESDA-LGU Bacarra partnership helps over 300 acquire skills and engage in livelihood. Retrieved from: <https://ro1.dole.gov.ph/news/dole-1-tesda-lgu-bacarra-partnership-helps-over-300-acquire-skills-and-engage-in-livelihood/>

⁴³ TESDA. (2021). TESDA HOLDS FORUM TO STRENGTHEN INDUSTRY PARTNERSHIPS. Retrieved from: <https://www.tesda.gov.ph/News/Details/20048>





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