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Headline: Philippines urged to address skills challenges in key industries



MANILA, Philippines - The Philippines needs to address skills challenges in crucial industries like business process outsourcing, tourism and electronics and electrical manufacturing, to sustain its growth momentum according to a study by the Singapore Management University and global financial services firm JP Morgan.

The year-long study focused on the skills challenges faced by the ASEAN economies of Singapore, Malaysia, Indonesia, Thailand, and the Philippines.

SMU president Arnoud De Meyer said the Philippines enjoys a strong comparative advantage in its young workforce and low-skilled industries in manufacturing and services.

“But it needs to place more emphasis on education and relevant skills training, as well as encourage more private sector-led training programs, if it wants to elevate its economy to a middle-income status,” he said.

As such, the study recommends the Philippine government prioritize spending on education to raise the standards of teaching facilities and the quality of teachers and trainers.

“With more resources, the Technical Education and Skills Development Authority can expand its work at the regional and provincial offices and develop competency standards not just for entry-level but also mid-level workers,” the study said.

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It added there should be a mechanism for regular consultations between industry and educational institutions to help bridge the school-industry gap, which is the disconnect between the skills that educational and training institutions are imparting and what the industry is seeking.

Toward this end, the government can consider private sector-led trainings by offering incentives to large companies or multinational companies to play a more significant role in training workers, the study said.

A challenge facing the Philippines is the lack of technical and vocational education and training (TVET) offered by educational institutions.

“Poor funding is an issue — the Philippines has the second lowest fiscal spending on education among the five ASEAN countries, at 14 percent of state budget in 2015,” the study said.