Proposals to Improve the National System of Technical Vocational Education and Training in the Philippines

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Outline

• Review of the Characteristics
• Assessment of Performance
• Proposal to Improve the system
Review of the characteristics of NSTVET – 1/10

TVET Clients by education before training, 2012

- Mostly high school graduates (50%)
- Some college undergrads (19%) and graduates (13%)
- Previous TVET (9%)
Review of the characteristics of NSTVET -2/10

**Reason for taking TVET, 2012**

- Biggest for employment / to get job (45%)
- Next to gain skills (38%)
- Next skills upgrading / enhancement (7%)
Review of the characteristics of NSTVET -3/10

3 Major Modes of Delivery

• Institution-based (school-based and center-based)
• Enterprise-based
• Community Based
Review of the characteristics of NSTVET - 4/10

*Enrollment & Graduation: Biggest proportions are institution-based, followed by community based, a tiny proportion enterprise-based*
Review of the characteristics of NSTVET - 5/10

_Regional distribution of enrollment & graduates: Concentrated in few regions_

Concentration in:
- NCR
- Southern Tagalog (Reg IV-A)
- Central Luzon (Reg III)
- Central Visayas (Reg VII)
Review of the characteristics of NSTVET -6/10

Regional distribution of number of TVIs with registered programs: Concentrated in even fewer regions

Concentration in
- NCR (1,117)
- Southern Tagalog (Reg IV-A) (417)
- Central Luzon (Reg III) (380)
Review of the characteristics of NSTVET -7/10

*Sectoral orientation reflects the primary growing sectors*

- ICT (26.7%)
- Tourism (24.2%)
- Health, social and other community development (12.4%)
Review of the characteristics of NSTVET -8/10

Distribution by Type: Public accounts in terms of number of institution 10%; in terms of graduates 32%

TVI By Type Institution, Numbers

Private 4,266 90%
Public 467 10%
Other 21%

Graduates by Type of TVIs, Graduates 2012

Private 68%
Public 10%
TTI 11%
Other Public 21%
Review of the characteristics of NSTVET – 9/10

Governance and Management

• TESDA
  • Regulator
  • Provider – 120 TTIs; 21 regional training centers, 43 provincial training centers, and 56 technical vocational schools
  • Regulate private sector through an established quality assurance system
  • Provides technical assistance to community-based training programs
Review of the characteristics of NSTVET - 10/10

**Quality Assurance system**

- Mandatory program registration
- Promulgation of training regulations (TR)
  - Convenes experts from respective industries to develop TRs
  - Revisited and updated every 3-5 years
  - As of July 2015, 91% of the 20,329 registered TVET programs have TRs
  - Defines assessment competencies
- Assessment center accreditation – primary venue of assessment
- Assessment done only in the presence of with TESDA personnel at all times
- Trainer certification – 4 levels, regularly updated
- Graduate certification – mandatory assessment; full national certification (NC) or by competency area (COC)
Assessment of Performance of the Existing System -1/9

Estimation of Demand for TVET Services

• Enrollment and Graduation reflects the distribution of TVIs
• Sector concentration in growth areas such as ICT, tourism and health and social services
• Best estimate of total proportion of population/labor force who have had TVET training
  • Since 2012, added the question of who had graduated from TVET
  • LFS April 2014: 3.2 million (4.8%) of 66.2 million working age population graduated from TVET
Assessment of Performance of the Existing System - 2/9

**Access by Workers**
- No readily available profile data on enrollees, only graduates from IES

**Access by Vulnerable groups**
- By age group: dominated by young age group 15-24 (61%) and 25-34 (23%)
Assessment of Performance of the Existing System -3/9

Graduates evenly distributed between male (50.4%) and female (49.4%); but some difference in sectoral orientation; top choices, Male: ICT, Tourism, Automotive, Metals, Construction; Female: Tourism, ICT, Health, Social, Other Comm. Devt.
Assessment of Performance of the Existing System -4/9

**TVET training not clearly pro-poor**

Whether by enrollment or by highest grade completed, access to TVET does not favor the poor.

Enrollment in public cater more to poorer segment

TVET as highest grade completed, clearly not pro-poor

The poor already dropped out at the elementary grades?

Source of basic data: PSA APIS 2013
Assessment of Performance of the Existing System - 5/9

Major source of TVET funding: public (46%), trainees (29%), companies (29%)
By type: 1-3 year (47%), short courses (less than 3 months (20%), courses 3-9 months (6%)

Financing by Source, 2002

TVET Expenditure by Type, 2002

Source: Peano et al. (2008)
Assessment of Performance of the Existing System - 6/9

**Certification**

- Those taking certification exams clearly rising
- Certification rates consistently high (above 80%) except for Electronics and IT
Assessment of Performance of the Existing System

Pursus attention to firms’ valuation of certification

Measure: Do firms provides incentives to certificate holders?

Graduates’ perspective

Yes 26%
Not indicated 6%
No 68%

Employers’ perspective

Salary increase 20%
Job security 11%
Job promotion 9%
No incentive 60%

Source: 2013 IES

Source: 2014 ESS
Assessment of Performance of the Existing System -8/9

**Organizational structure and coordination across institutions**

- TESDA is both a regulator and a provider
- TESDA Board, the highest policy making body, the primary point of coordination at the policy level
- At the operational level, development and continuous review of TRs
- TESDA accredits assessment centers and assessors
- TESDA doing a good service by continuously doing the IES; it is the only data the provides trainee-level profile; should be made available to researchers to improve data quality and support more analyses
- TESDA also do regular Employers’ Satisfaction Survey (ESS)
Assessment of Performance of the Existing System -9/9

Links with other labor market policies

• Primary link with labor market policies is the TESDA Board, particularly, the Secretary of Labor – the chair

• No clear system how labor market information are supplied

• Even much less clear how whatever information is supplied been used to inform decision to review TRs, course offering of TVIs and decision of would be trainees
Proposals to Improve Philippine NSTVET -1/9

**TESDA should focus more on regulation and information provision**

- Global trend: government should primarily be in regulation and information provision; leave much of training delivery to private sector
- TESDA is currently both a regulator and operator 120 training institutions
- Information generation and provision should be continuously improved and provided regularly
Proposals to Improve Philippine NSTVET -3/9

Greater emphasis on enterprise-based training

• Preferred mode of delivery by many analysts but the thinnest amongst the modes of delivery

• Key issue: Understanding Better Enterprise-based Training
  • “If it is that good, why aren’t we doing more of it?”
  • What hinders it from expanding?
  • Incompatibilities in underlying incentives and sources of financing?
  • Wage-training contract difficult to monitor, hence, also difficult to enforce?
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Making training continuously relevant to industry needs

• Continuous review of curriculum and training regulations
• Interaction between government, TVET Institutions, firms and workers should be at all levels, not just at the national level
• Regular convening of industry councils for continuous labor market signaling
• Address skills needs of roadmaps and value chains
• Enhancing TVI-industry linkages
Proposals to Improve Philippine NSTVET -5/9

Ensuring Quality in Community-Based Training

• Contributing a substantial component of TVET graduates
• Fear that this is mostly supply-driven training with little regulation
• It is registering respectable employment rates
• It there really a problem in quality?
• Are they more responsive to community needs?
• Proper regulation means improvement in coverage of training registration
Proposals to Improve Philippine NSTVET -6/9

*Greater performance orientation in access to public training funds*

- Learning from the experience in collaboration with industry associations such as the experience with Information Technology-Business Process Association (IT-BPAP)
- Clear performance standards
- Competitive contracting
- Use Public Training Fund to Achieve Strategic Development Objectives
  - Use the considerable amount of training money to nudge TVET to achieve strategic development objectives? i.e. increasing more private sector training, really reduce unemployment rates of the young; increase the labor productivity of the poor
Proposals to Improve Philippine NSTVET - 7/9

**Improve targeting of financial assistance for TVET**

- Experience from scholarship programs show that more transparent selection criteria minimize influence peddling in the section of beneficiaries
- Proper targeting of financial assistance – GIA for the poor, loans for the non-poor
- Proper assessment of grantees to improve satisfactory completion
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**Improving Data generation and Dissemination on TVIs and Trainers**

- As TESDA focus more on regulation, effective regulation require better information
- One of the weak points in TVET data is the characteristics of TVIs and trainers
- It seems that data is available; what might be lacking is processing into useful information and wider dissemination
  - List of TVIs with registered training programs
  - List of trainers with certifications
Proposals to Improve Philippine NSTVET -9/9

Improving TESDA’s capacity for monitoring and evaluation

- As TESDA shifts more into regulation and strategic financing, capacity to design better instruments, test them and analyze their impacts rigorously should be systematically built up in the institution
Thank you!