



AMCHAM PHILIPPINES

The American Chamber of Commerce of the Philippines, Inc.

STATEMENT ON BILLS SEEKING TO PROMOTE FULL EMPLOYMENT AND IMPROVEMENT OF PHILIPPINE WORKFORCE

February 1, 2012

HON. EMIL L. ONG

Chairman
Committee on Labor and Employment
House of Representatives
Quezon City

Dear Chairman Ong:

Thank you for your letter dated January 25, 2012 inviting us to the public hearing and requesting our views on various House bills seeking to promote full employment and improvement of Philippine workforce.

We commend your Committee for deliberating on these measures intended to improve the labor sector. Human resources development is the first of a few initiatives identified by the National Competitive Council for the Philippines to be globally competitive.

I. Salient Features of the Proposed Legislation

The proposed legislation on promoting full employment and improvement of Philippine workforce, which includes the Mature and Older Workers Act (House Bill 1076 and HB HB 2555, and the proposed bills on establishing manpower and livelihood training centers and livelihood and employment resource centers in all municipalities throughout the country (HB 1274, 1275, 1335 and 5074), find support in Article 13, Section 3 of the 1987 Philippine Constitution.

Under the proposed Mature and Older Workers Act, an individual possessing the requirements provided for by the Act shall be eligible to participate in the program, which would include one or more of the following authorized trainings and support services: outreach and recruitment; intake and assessment; job search assistance; classroom and occupational skills training; on-the-job training; work experience; basic and remedial education and literacy training; supplemental services; and occupational placement assistance. The programs provided by service providers shall be under the supervision of the Department of Labor and Employment.

The other bills on the improvement of manpower and livelihood skills pertain to the establishment of manpower and livelihood training centers functioning under the Technical Education and Skills Development Authority (TESDA), and the creation of livelihood and employment resource centers to be organized, managed and operated by the Department of Trade and Industry, in coordination with the Department of Social Welfare and Development.

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II. Benefits of the bills

The proposed bills will address the perennial problem of the Philippine government on unemployment and underemployment. The closing down of banks, corporations, even small scale and medium scale enterprises result to mature and older workers who lose their jobs tend to suffer more because of the emergence of Information and Computer Technology.

The proposed legislation will improve the entire Philippine workforce, i.e. young and inexperienced, mature and suddenly jobless individuals. The bill establishing manpower and livelihood training centers and the livelihood and employment resource centers would bring education and empowerment to the grassroots level. By providing centers in all municipalities nationwide, we will be able to address the problem on lack of education and skills that result to increase in unemployment rate.

It is envisioned by the bills that we have growth in productivity by developing skills appropriate to the needs of the applicable sector, i.e. agriculture, industry, or service. Formal education does not always ensure skills development and employment. A good program on providing the people with the resources just within their reach that would enhance and develop their skills would not only provide them employment opportunities but their very means of livelihood.

The end-goal of each bill is to increase the competitiveness of the Philippine workforce. This way, we can ensure that investments will come in for different sectors.

III. Downside of the bills

The bills approach the same purpose differently. By providing for programs/centers with different agencies/departments managing the program, the bills would be counterproductive in the long run. The bills can serve better their purpose if they are consolidated into one comprehensive law on improving the capabilities and skills of our workforce.

The system proposed by the Mature and Older Workers Act needs improvement. Moreover, the use of private service providers in the program assisted under the bill has its pros and cons. The system might be open to abuse.

Likewise, there is this probability that the programs introduced by the bills are already covered by the mandates of the specific agencies/departments identified to head/implement the proposed law. One example is the establishment of manpower and livelihood training centers functioning under the TESDA. The TESDA may already have this mandate of the envisioned training centers. It will just have to ensure that its regional offices/satellite offices nationwide would address the need.

IV. Recommendations

We recommend that the bills be consolidated into one comprehensive law that will address each problem areas identified by each bill. This way, there would only be one system wherein we can ensure the development and improvement of the skills and competitiveness of our Philippine workforce. Likewise, if the programs proposed by each bill are not within the mandate already of the identified agencies, it would be better if an Inter-Agency Council is established to head the centralized program and system on the development of our workforce. Moreover, the skills for which persons will be trained by must identified in collaboration with various industries, to ensure more employability for the workers.

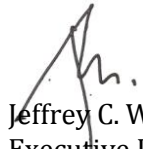
The establishment of a center in each municipality is highly recommended. The center can already address the services/programs envisioned in all bills: services/training program for the mature and older workers, the manpower and training skills services, and the livelihood and employment

resources. This way, we can properly utilize the budget to be allocated for all programs and do away with redundancy of functions of various agencies or training centers. This will also do away with the tapping of private service providers.

Lastly, appropriate funding must be provided by government, and there must be proper accounting, monitoring and audit to ensure that funds are used for the purpose and that the training actually results in employment or increased employability.

Mr. Chairman, thank you for considering our views.

Regards,



Jeffrey C. Woodruff
Executive Director
American Chamber of Commerce of the Philippines