

Suggestions for the Next Administration's Development Agenda:

Human Capital and Labor Markets

Box 7. A Social Contract for the Modernization of the Labor Code of the Philippines

1. Establish a "Social Contract To Reform Labor Laws, Regulations and Policies To Promote Gainful Jobs and Protect Workers' Income" to be agreed upon by labor, employers and government
2. Establish a systematic review of the Labor Code of the Philippines (LCP) by a Commission for the Modernization of the LCP
3. The task of the Commission would be to analyze and recommend revisions of the LCP to enable both workers and employers to efficiently adjust to technological and market changes and equitably gain from economic opportunities created by the FIRE as well as the job disruptions arising from it.
4. For credibility, the Commission should be composed of respected and independent-minded persons who have expertise in labor laws, labor economics, business management, labor relations and politics.
5. The Commission's report would be used to formulate mentioned Social Contract

Box 6. Options for Improving Workers' Skill Set and Ability to Get New or Better Jobs

1. Expansion of Enterprise-Based Training from about 3% to 15 % percent share of training outputs
2. Revision of Apprenticeship, Job Start Law, and other regulations relating to on-the-job and enterprise-based training
3. Expansion of the use of vouchers to support enterprise-based training and improve access to lifelong programs for skills upgrading and acquisition of new competencies.
4. Increase TESDA funds for enterprise-based training
5. Improving unemployment insurance by including: (i) adequate temporary financial assistance for training during episodes of unemployment and (ii) getting agreement on a fair and realistic sharing of insurance premium among workers, employers and government.

See discussion of above options in Section 3

Box 5. List of Proposals for the Next Administration's Development Agenda for Education

1. Re-calibrating government focus from "massification" of low-quality education to raising student learning achievements
2. Increasing government funding of education to at least 5 % of GDP to be more in line with the country's aspirational peers. The Philippines has been underspending in education compared its regional aspirational peers. In 2015, the combined public and private education spending of the Philippines was only about 4.5% of GDP. The corresponding figures for its regional aspirational peers ranged from 5-0% to 6.3% (see Annex A1). Part of the reason is that Philippine government spending on education as a share of GDP has been lagging behind that of comparator countries (see Annex A2).
3. Better use of available education resources to achieve better quality and more cost-effective education. This target can be achieved by
 - a) Promoting healthy competition among public and private schools by enabling students to go to schools of their choice and leveling the playing field between public and private schools (currently unfavorable to private education)
 - b) Establishing policy providing education subsidy to students regardless of whether they go to public or private schools
 - c) Strengthening and expanding DepEd's voucher programs providing financial assistance to students who choose to enroll in eligible private schools and increasing the value of the vouchers for target students to include more poor children and to reward academic excellence
 - d) Enabling the private education sector to play a more enhanced role in developing, piloting, and disseminating educational innovations to ensure that: (1) what children are learning in schools are responsive to market changes; and (2) teaching-learning methods and materials that address important issues facing public and private students and teachers are produced. [For example, some private school leaders have suggested that the law requiring compliance with standardized curricula governing public schools should be revisited and modified to allow private and public schools in partnership with DepEd to develop and test non-standard curricula.
 - e) Establishing a policy framework, developing a long-term perspective plan, and laying out a strategic road map to guide the establishment of an efficient and well integrated education system that capitalizes on the strengths of the public and private education sectors (see Box 3 for details).
 - f) Re-balancing of the allocation of the budget for education subsidies between public and private school students to minimize unfair marginalization of private schools that provide better quality and more cost-effective education than comparable public schools
 - g) Issuance of policy against promoting students to the next grade level without achieving minimum proficiency standards and eliminating unnecessary pressures on public school teachers to promote them to the next grade level.
 - h) Instituting more and better remediation programs for lagging students – teaching students at the right level
 - i) Increasing internet connectivity of schools and use of technology-based innovations to cost-effectively improve education, skills formation and labor productivity (see Annex B for specific ideas). Because internet connectivity at home is limited, priority should be given to supporting the development and adoption of innovations that improve the quality of teacher-learning interaction. To this point, government should consider lower cost interventions such as use of cell phones in view of the fact that they have almost universal penetration ratios. This can be more effective in improving teacher-student interactions with or without face-to-face learning.
4. Making public school and responsible education authorities more accountable for student learning through greater transparency of school performance, helping students/parents to recognize good/bad schools, and then encouraging them to speak out on the need for better schools.
5. Support the establishment of EdCom 2 to comprehensively and independently review the performance of the National Education System, including public and private sectors, and how to improve it in light of the FIRE, Constitution's provisions on education development, and lessons from local and international education experiences.
6. For other measures, read PIDS discussion paper by Orbeta and Paqueo (forthcoming), **Philippine Education: Situationer, Challenges and Ways Forward**.