Are Filipino professionals ready to meet international competition?*

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Introduction

With the conclusion of the Uruguay Round and the relaxation of trade in commodities, the trade in services, including professional services, will take a center stage in the next round of trade negotiations under WTO. The expansion of trade in the context of a growing services sector will have a significant impact on human resource development. There is need to improve the human resource capabilities of the Philippines so as to maximize whatever the country may gain and minimize the costs to bear in the process of liberalization in the trade in services.

Readiness of professionals to compete internationally may be viewed from several perspectives. On one hand, improvement of human resources is a preparation for foreign competition here and abroad. On the other hand, it can be viewed as an investment in human capital and part of expanding the infrastructure of the economy.

The study reviewed the current process of preparing, developing and upgrading Filipino professionals in the context of international competition.

II. General Agreement of Trade in Services (GATS)

The General Agreement on Trade in Services (GATS) has laid down the general legal framework that would govern the promotion of global trade in services. It consists of a set of rules limiting the intervention of governments and other institutions in the global trade in services by removing hindrances to market entry and providing equal treatment of foreign service providers. The major obligations required from member economies include, among other, market access, national treatment, non-discrimination and transparency.

Upon accession, member countries are required to make commitments along the four modes of supply; and identify their limitations on market access, limitations on national treatment and additional commitments. A major component of commitments is the identification of the member’s limitation on market access, limitations on national treatment and additional commitments. The Philippines is one of the 45 member countries in the category with the highest number of commitments with at least 80 committed sectors for liberalization.

III. Higher Education in the Philippines

The supervision of institutions of higher learning in the country has been assigned to the Commission on Higher Education (CHED) which was created under Republic Act (R.A.) 7722 or the “Higher Education Act of 1994”. The role of CHED was further articulated under R.A. 8292 or the “Higher Education Modernization Act of 1997.

The number of higher education institutions (HEIs) has been increasing in recent years reaching 1,379 in 1998 from 809 HEIs in 1991. In 1998 private schools account for 81% of the total number of higher education institutions in the country and 75% of all students. Programs in business administration and related courses have consistently attracted the bulk of students in higher education.

In terms of faculty, several studies have revealed the relative academic inadequacy of teachers. A little over 70% holds doctorate degree while 25% holds master’s degrees. Many of them are overworked carrying heavy teaching per semester.

In the field of research, the situation in many educational institutions is very discouraging. Many of our teachers do not have the necessary qualifications to conduct independent studies, and as a consequence there is hardly any research activity going on in our colleges and universities. Because of the heavy teaching load they can hardly do anything beyond academic...
must complete 60 units of CPE credits within three years for baccalaureate degree holders and 30 CPE credits for non-baccalaureate degree holders. Non-compliance means non-renewal of license and the possibility of de-listing from the roster of professionals authorized to practice in the Philippines. However, this requirement has been removed in the PRC Modernization Act of 2000.

VII. Absorption of Professionals

Professional, technical and related workers account for almost 13 percent of the total non-agricultural members of the labor force. In 1998, some 2.168 million workers were estimated to be included in this group. The bulk of these professionals is concentrated in community, social and professional services industry group which absorbs 75% of the total professionals. Based on PRC data, there are some 1.850 million registered licensed professionals in the country as of 1998. If we only count the number of professionals licensed since 1960, the adjusted stock of professionals estimated at 1.75 million.

From 1992 to 1998, a total of 318,392 professional, technical and related workers were reported deployed for overseas employment. More than half of these deployed overseas workers are composers and performing artists. In fact almost half (49%) of the total professional technical workers deployed for overseas employment are choreographers and dancers. Since choreographers and dancers are not professionally licensed under PRC, we can remove them from the total number of professionals deployed overseas. The remaining number of professionals absorbed by the external market constitutes about 9% of the total stock of professionals in the register of PRC.

IV. Curricular Programs and Licensing

Requirements of Selected Professions

The curricular programs of various disciplines including accountancy, civil engineering, teacher education, mechanical engineering, electrical engineering, industrial engineering, nursing, architecture, law, pharmacy, and general medicine were reviewed in terms of course offerings and academic units required to complete the programs. These programs in the Philippines were then compared with similar academic programs in selected ASEAN countries. A similar procedure was done with the licensing requirements of selected professions.

Based on this analysis, the competence of Filipino professionals is comparable with that of their ASEAN counterparts as indicated by the similarity and comparability of the educational qualifications as well as the curricular requirements in various professional programs.

VI. Continuing Professional Education

Continuing education encompasses practices and activities pertaining to the training of individuals after they have left the formal educational system. It includes continuing professional education and further non-formal and informal education and training (Edralin, 1999).

In the Philippines, the administration of continuing professional education is primarily a responsibility of the Professional Regulation Commission (PRC), together with the appropriate professional organization, as well as the Commission on Higher Education (CHED). PRC requires the that all licensed professionals
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tal. This upgrading process is not intended to protect Filipino professionals from foreign competition but more importantly to build a strong human resource infrastructure in the light of a globalized trading environment. Specifically, our readiness to compete internationally should be viewed in terms of the ability of our professionals to meet the standards and human resource requirements of foreign as well as domestic companies.

As we review the process of human capital formation in the country, we concur with the conclusions documented in various research and reports on the inadequacies of higher education in the Philippines. Several factors hinder the development of higher education in the country. The over-expanded higher education in the country is accompanied by inadequate faculty qualifications, lack of research orientation, underdeveloped graduate programs, misallocation of resources in public institutions, and over-concentration of enrollment in few programs.

In spite the inadequacies of our educational system, the curricular offerings of the various professions are comparable with international standards at least in the ASEAN region. We may producing a lot of graduates but the licensing examinations as well as the continuing education program serve as a process of selecting the best among these graduates who pursue a career in the profession. Moreover, the fact that close to 9% of the stock of professionals are able to work overseas including a good number of nurses, physician, and engineers speak highly of the academic training they have received in the country. However, with the liberalization of trade in services can the graduates of our educational sector compete with foreign professionals given that more half of them fail the licensure examinations of various professions?

The over expanded higher educational sector in the Philippines has been blamed for the mismatch of graduates and manpower needs of the economy as well as for the excess supply of graduates. To address this issue, there is a need to increase demand for educated labor through the improvement of the economy, greater employment generation and higher rates of savings and investment.

The development of human capital through various forms of schooling and training aimed at addressing the competitiveness of our professionals in the light of a liberalized environment have accompanying social costs. The loss of educated manpower through brain drain, the various social ills resulting from the overseas employment may not be fully compensated by the foreign exchange remittances brought into the economy.

Given these conclusions from the study, we propose the following recommendations:

1. There is a need for curricular programs of various professions to be updated regularly to keep up with the changes in the market, changes in technology and benchmark with some of the best academic programs in the region.

2. Refocus the continuing professional education program towards research, publications, inventions and graduate education and de-emphasize seminars program.

3. For further improvement and effectiveness of professional continuing education, give professional organizations more flexibility in developing their members through the institution of a professional ranking system.

4. Link the development of higher education with the improvement of continuing professional education.

5. Rationalize the allocation of government funds to higher education. There should be a moratorium on the establishment or conversion of state colleges and universities.

References
What factors influence manufacturing companies' observance of core ILO labor standards?*

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The issue of trade and international labor standards is not new. It predates even the creation of the International Labour Organization (ILO) in 1919, which declares that “universal and lasting peace can be founded only on the basis of social justice.”

Recognizing the increasing worldwide interest in and public attention to the nexus between globalization of trade and human rights, and taking into consideration the debate on the highly controversial issue of the social clause, this paper presents the degree of compliance by companies with the six core ILO labor standards ratified by the Philippines; and identifies the factors that hinder and facilitate the companies' observance of the core labor standards. This paper also presents the position of labor and management with regard to the inclusion of a “social clause” in international trade agreements like the WTO-GATT. Finally, this paper identifies the policies that would ensure the protection of basic labor rights and adherence to the core labor standards, and at the same time open markets, increase growth, create jobs, and share out the benefits of trade more fairly.

Using descriptive and comparative research designs, a survey among 125 unionized and non-unionized manufacturing firms in Metro Manila was conducted with both union and management representatives. A total of 175 respondents answered the survey questionnaire. Both descriptive and non-parametric statistics were used to analyze the data.

Profile of companies

Results show that a typical participating manufacturing company is non-unionized, comes from the food and beverage industry, owned by Filipino-Chinese, large in size both in employment and capitalization, registered as a corporation, has been operating for 21 years, and had an average level of profit the previous year.

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belong to the plastic products sub-industry, owned by Filipino-Chinese, large in size (both in capitalization and employment), registered as corporations, have been existing for 11 to 30 years, and experienced a loss of income last year. On the other hand, enterprises with relatively low satisfactory compliance with the labor standards are unionized, come from the rubber products sector, owned by Chinese, medium-sized in capitalization, small-sized in employment, registered as single proprietorship, have been operating for more than 40 years, and had low profit last year.

Adherence to the core labor standards
Among the six core labor standards, equal remuneration (ILO Convention No. 100) and freedom from discrimination in employment and occupation (ILO Convention No. 81) were highly complied with, while freedom of association and protection of the right to organize (ILO Convention No. 87) were least complied with by the manufacturing firms. Overall, the firms' level of conformity with the six labor standards is only satisfactory, and there is no significant difference in the average degree of compliance by the companies based on their characteristics except for the level of profitability and type of respondent.

Factors that facilitate compliance
The survey also indicated that what management and labor consider as significant facilitating factors affecting the degree of labor standards compliance, are the workers' efficiency, productivity, and harmonious relations with management; and the employers' adherence to the laws and respect for the rights and fair treatment of employees.

Factors that hinder compliance
The findings also succinctly showed that the significant blocking factors to full compliance with the core labor standards are related to the management's concern about the high cost of operating the business, the inefficiency and low productivity of employees; the government's legal requirements which are deemed impractical or unrealistic for the company; and the workers' fear of losing their jobs due to high unemployment, absence of clear guidelines and qualifications for employees, and non-adherence by management with labor standards.

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chemical products sub-sector, owned by Filipinos, registered as single proprietorship, have a large employment size, with medium capitalization, had an average profit last year, and have been operating its business for two to ten years.

Arguments for and against the social clause
Respondents in favor of a social clause cited several explanations for their position. Such a social clause, they said (1) helps implement labor standards; (2) enhances helps improve the quality and productivity of labor in the Philippines; (3) boosts the benefits that enable firms to better compete in the world market; (4) serves as guide/protection for both union and management (5) is beneficial to both employees and management; and (6) enables companies to upgrade their standards as required in the global market.
With the expansion of globalization and the increased liberalization of the economy, it is expected that the Philippines will continue to experience industrial adjustments and restructuring.

On the contrary, those who are not in favor of the social clause expressed the following reservations: (1) small capitalists/companies will be affected or would either sacrifice or cannot compete altogether; (2) it will reduce the competitiveness of developing countries like ours since our competitiveness depends much on lower labor costs; (3) it would cause further unemployment; (4) focus/stabilize our local industry/business first before going global/not yet ready to compete; (5) government should first have the capability to implement the required laws; and (6) there is no need for it or that it is not acceptable.

With the expansion of globalization and the increased liberalization of the economy, it is expected that the Philippines will continue to experience industrial adjustments and restructuring. Much needs to be done in the Philippines to protect basic workers' rights, particularly the freedom of association, the right to collective bargaining, the prohibition of forced labor and exploitative child labor, and non-discrimination in employment and occupation from the negative consequences of globalization. Moreover, the non-full compliance with the core labor standards cannot be solved effectively just by the adoption of a social clause. Such a clause could be a basis for imposing trade sanctions, yet it must be complemented at the global and national levels with integrated and comprehensive programs aimed directly at modernizing the industrial relations system, poverty reduction, educational reforms, disclosure of information, and human resource development.

Based on an analysis of data culled from the survey, policy recommendations were drawn to ensure the protection of basic labor rights and full adherence to the core labor standards, while at the same time realizing the goals to open markets, increase growth, create jobs, and share the benefits of trade more fairly in a globalized economy. Moreover, these recommendations address specific national needs and are presented based on priority areas of concern. These are as follows:

1) Modernize the entire Philippine industrial relations system
   a) Eliminate unnecessary rigidities in the exercise of workers' and employers' rights
   b) Change the role of the state from a regulatory to a facilitative one in orientation; realign national laws with the ILO Conventions and treaties
   c) Promote plant-level initiatives toward voluntary self-regulation
   d) Develop and organize fully industry-based unionism and bargaining
   e) Enhance participatory approach at the workplace

2) Revise/Update regulatory or legal conditions and support the mechanisms of implementing labor standards
   a) Strict enforcement of the core ILO labor standards
   b) Improve the monitoring system on firms
   c) Impose stiffer penalties for violations of the labor standards
   d) Set up an industry-wide labor standards tripartite task force
   e) Make the violation of labor standards laws a strikeable issue
   f) Conduct intensive information dissemination about the labor standards
   g) Create an independent free legal aid office with an expert ombudsman of high calibre

3) Develop human resources
   a) Upgrade skills of the workforce
   b) Promote employment security rather than job security
   c) Include the core labor standards
as a topic in various education and training programs.

4) Institute other support systems at the national and international levels
   a) Formulate corporate codes of conduct for companies.
   b) Monitor potential problem industries.
   c) Provide additional financing support to companies, particularly the small ones
   d) Accelerate the efforts of the government to alleviate poverty
   
   Forge stronger commitments to global ethics, justice and respect for the human rights of all people

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