



# ARE WE (*THE PHILIPPINES*) EDUCATING FOR COMPETITIVENESS?

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26 September 2007



## *Are We (the Philippines) Educating for Competitiveness?*

### OUTLINE OF PRESENTATION

1. Questions
2. A Note on Globalization
3. Five Disconnects
4. A Human Capital Approach to Education



*Are We (the Philippines) Educating for Competitiveness?*

## QUESTIONS

*In a globalizing world...*

- Are we educating for competence?
- Are we educating for competitiveness?



## *Are We (the Philippines) Educating for Competitiveness?*

### NOTE ON GLOBALIZATION

1. Globalization is the convergence of forces that are interconnecting the world in ways that are changing (a) interactions, (b) relationships, (c) transactions in real time and beyond borders.
2. Global Finance
3. Global Trade
4. Global Labor



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### GLOBAL FINANCE

- US\$4 Trillion in financial transactions daily, globally
- Funds move from international financial markets to regional markets to national markets and back seamlessly
- Real transactions (payments for goods and services) + arbitrage
- Upside: Remittances
- Downside: Asian Financial Crisis (1997-99) (Thailand → Korea → Malaysia → Indonesia → rest of Asia)
- The Worry: Hot money can undermine an economy as fast as it can shore it up
- Undermine a currency → devaluation → higher import prices → inflation



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### GLOBAL TRADE

- Global supply chains (many countries supplying specialized processes) out-doing national manufacturing (Li & Fung global manufacturing model)
- Manufacturing migrating to where there are efficiency/productivity gains (splits manufacturing into multiple steps)
- Reality: The Philippines becoming a service economy
- Upside: Filipinos are good service workers
- Downside: Service jobs can migrate very quickly (see the call center industry in India)
- The Worry: Philippines is de-industrializing (a foundation for growth missing)



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### GLOBAL LABOR

- Two schools of thought:
  - Export labor to where it is needed (Philippines approach)
  - Deliver to the world from a home base (new India approach; i.e. *Infosys, Wipro*)
- Reality
  - Developed countries importing professional labor
  - Developed countries blocking non-professional labor
- Result: Drain of knowledge workers from an economy
- Upside: Remittances
- Downside: Long term impacts on family life
- A skewed reality: Philippines started OCW in 1970s as a temporary solution to a stagnant economy → By 2000s, OFW becoming one of THE solutions to bolster the economy

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### HOW TO SURVIVE IN A GLOBALIZING WORLD (Friedman)

- Build human capital → science and math
- “Glocalize” – Global outlook, local operations (India model)
- Build the social and hard infrastructure → foundations for growth
- Constantly innovate (reflects an internal capacity)
- Let markets operate
  - Free markets encourage participation
  - Participation build a middle class
  - Middle class subscribe to democratic values
  - Democratic values create social/societal stability
- Key to sustainable growth: Human capital → Education (Basic, higher, continuing)





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### DISCONNECTS IN PHILIPPINE EDUCATION

1. Is Education a great equalizer or a great divider?  
FACT: Philippines has a two-class basic education system
  - Haves: Elite private schools
    - From 11 to 14 years of schooling before college
    - Better school endowments
    - Pre-school headstart
  - Have-nots: Public and non-elite private schools
    - 10 years basic (only around 18% with pre-schooling)
    - Little or no extra-curriculars; limited facilities
  - Many private schools opting out of Grade 7 to attract parents and students
  - Job market markedly biased towards graduates of top tier schools
  - Key: 12-year basic education cycle (to level the education field)

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### DISCONNECTS IN PHILIPPINE EDUCATION

#### 2. Teachers are subsidizing basic education with their low pay

- Public school teacher
  - Starting pay (mid-2007) – P9980/month basic (Teacher I)
  - To go up by 10% starting July 2007
  
- Elite private school teacher
  - Starting pay (2007) – from P14,000 to 16,000 average
- Non-elite private school teacher
  - Starting pay (2007) – from P5,500 to P8,500 average
  
- ...*versus* the call center agent
  - Fresh college graduate
  - Starting pay (2007) – P20,000 average



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### DISCONNECTS IN PHILIPPINE EDUCATION

#### 3. Filipino children starting schooling too late → driver for dropout-ism in later years

- DepED mandated age for Grade 1 – 6 years old (1995 policy)
- Public school reality (2005-06)
  - The majority of children entering Grade 1 are older than 6 years of age
  - 38% of children entering Grade 1 are 6 years of age (“right-age”)
  - 39% are 7 years of age (“of-age”)
  - 23% are 8 years of age or older (“overage”)
- Initial research
  - Most dropouts in Grades 1-3 are “right age” kids – problem of undernutrition and lack of stamina (why parents are postponing schooling for most public school kids)
  - But, after Grade 5, most dropouts are overage kids
- World norm
  - Children start pre-schooling at 4 and continue up through 18 years of age before college



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### DISCONNECTS IN PHILIPPINE EDUCATION

#### 4. We're becoming a nation of male underachievers

- Boys are dropping out of school 2-2.5 times more than girls from Grades 5 onwards [*DepED data, SY 2002-2005*]
- At the end of the high school cycle, there are more girl graduates than boys (53% versus 47% on average across regions) [*DepED data, SY 2002-2005*]
- Senior girls are more inclined to go to college than senior boys (58% versus 52%) [*DepED survey, March 2005*]
- Boys are dropping out principally because of “lack of interest” versus “work/employment” (see next slide)
- At the end of the college cycle, there will be as many as 20% more girls in the graduating class than boys. (*Author's hypothesis: still to be quantified*)



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### DISCONNECTS IN PHILIPPINE EDUCATION

Why are kids dropping out of school? (National Survey)

<b>Main Reason</b>	<b>%</b>	<b>5-9 yrs</b>	<b>10-14 yrs</b>	<b>15-17 yrs</b>
Not interested in school	31.4	30.0	32.5	30.8
Cannot afford	28.3	18.1	22.4	31.8
Employment	9.9	9.5	5.5	12.4
Help family business	9.1	7.8	9.4	8.9
School is too far	6.4	4.6	9.6	4.6

Source: Survey on Children 2001, Income and Employment Statistics Division, Household Statistics Department, NSO

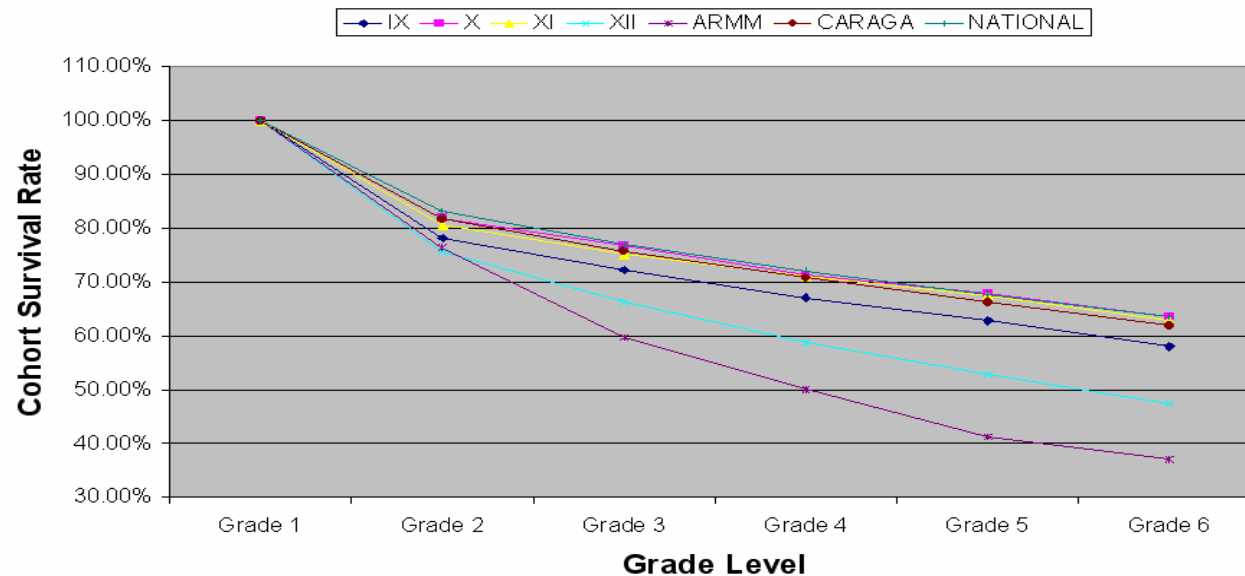


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### DISCONNECTS IN PHILIPPINE EDUCATION

5. We risk isolating Muslim Filipinos if we don't invest in Muslim Mindanao → this will sustain conflict

**Cohort Survival for Boys and Girls, 2003-2004  
(Public elementary only)**





# *Are We (the Philippines) Educating for Competitiveness?*

## *A Human Social Capital Approach to Education*

Immediate

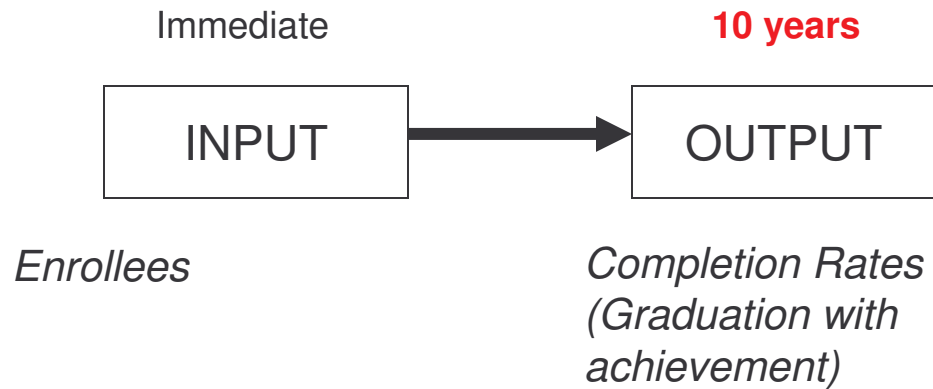
INPUT

*Enrollees*



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### *A Human Social Capital Approach to Education*

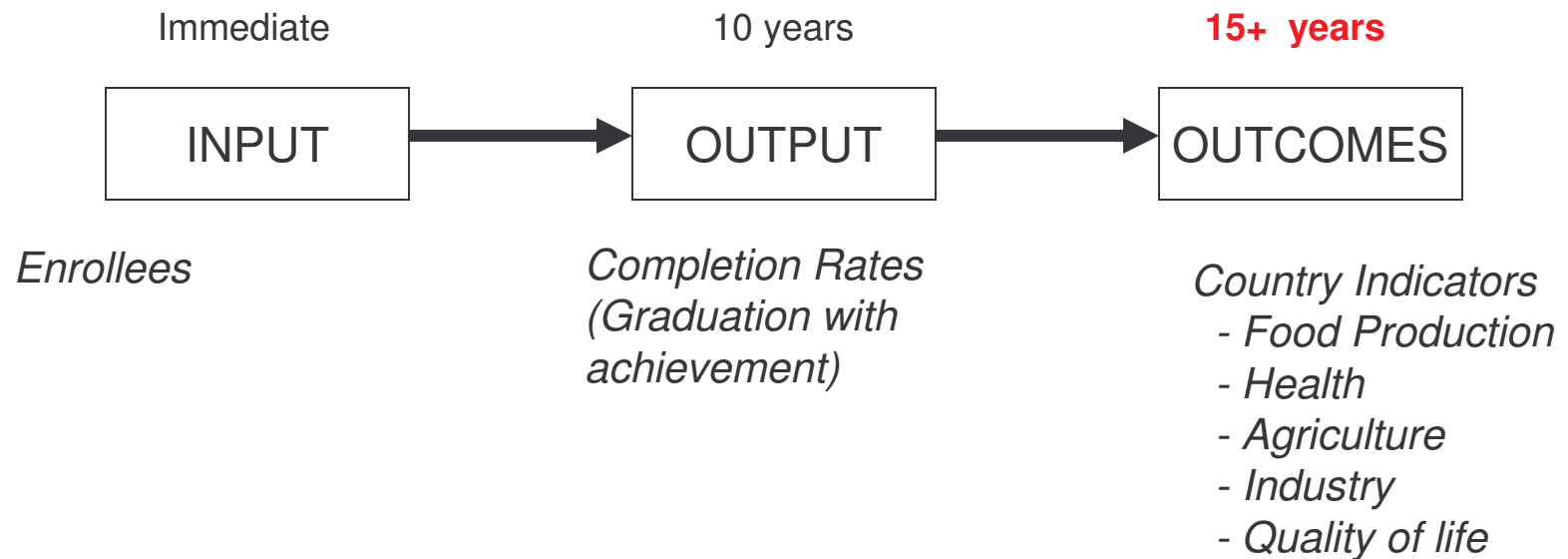






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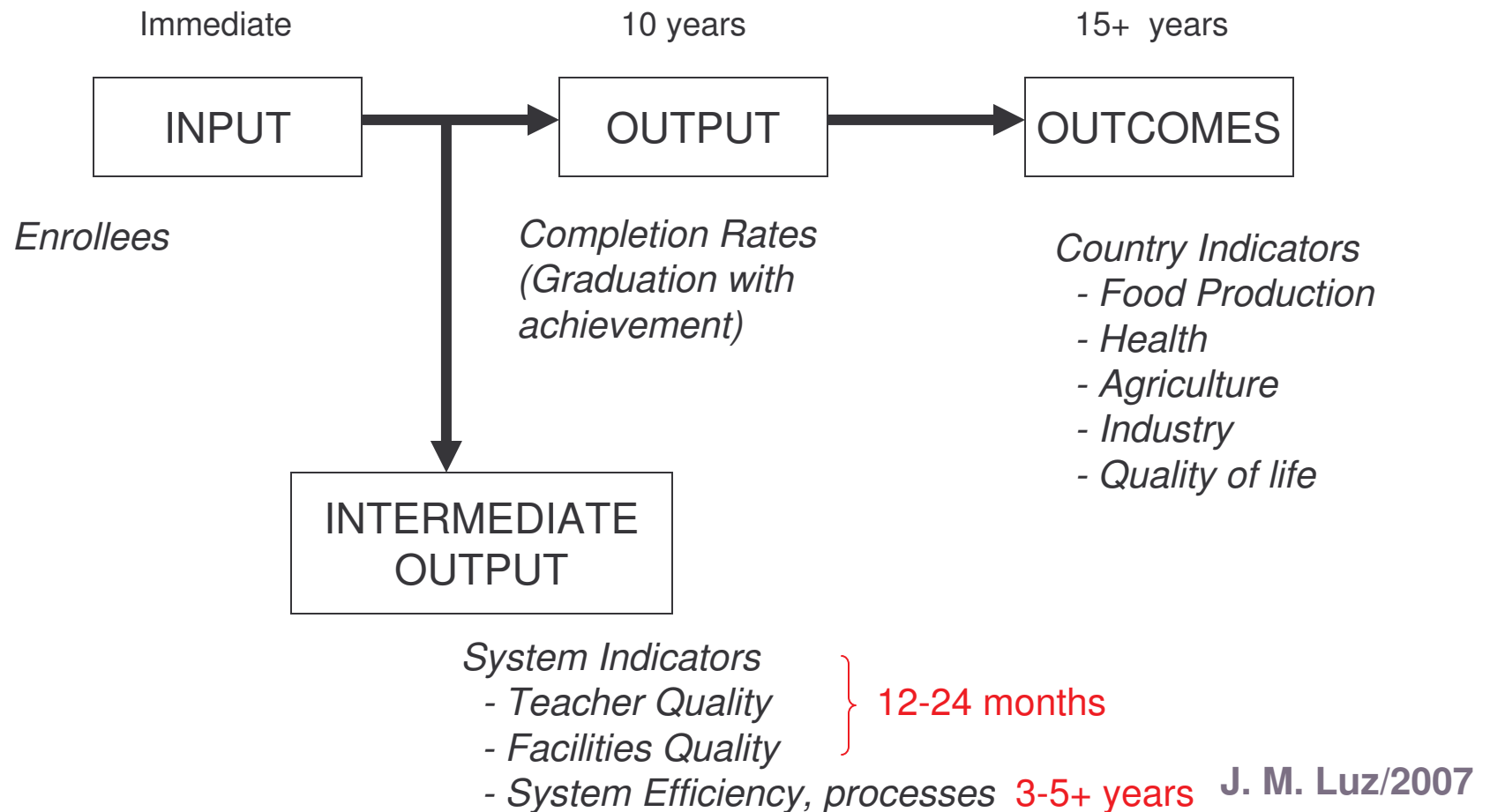
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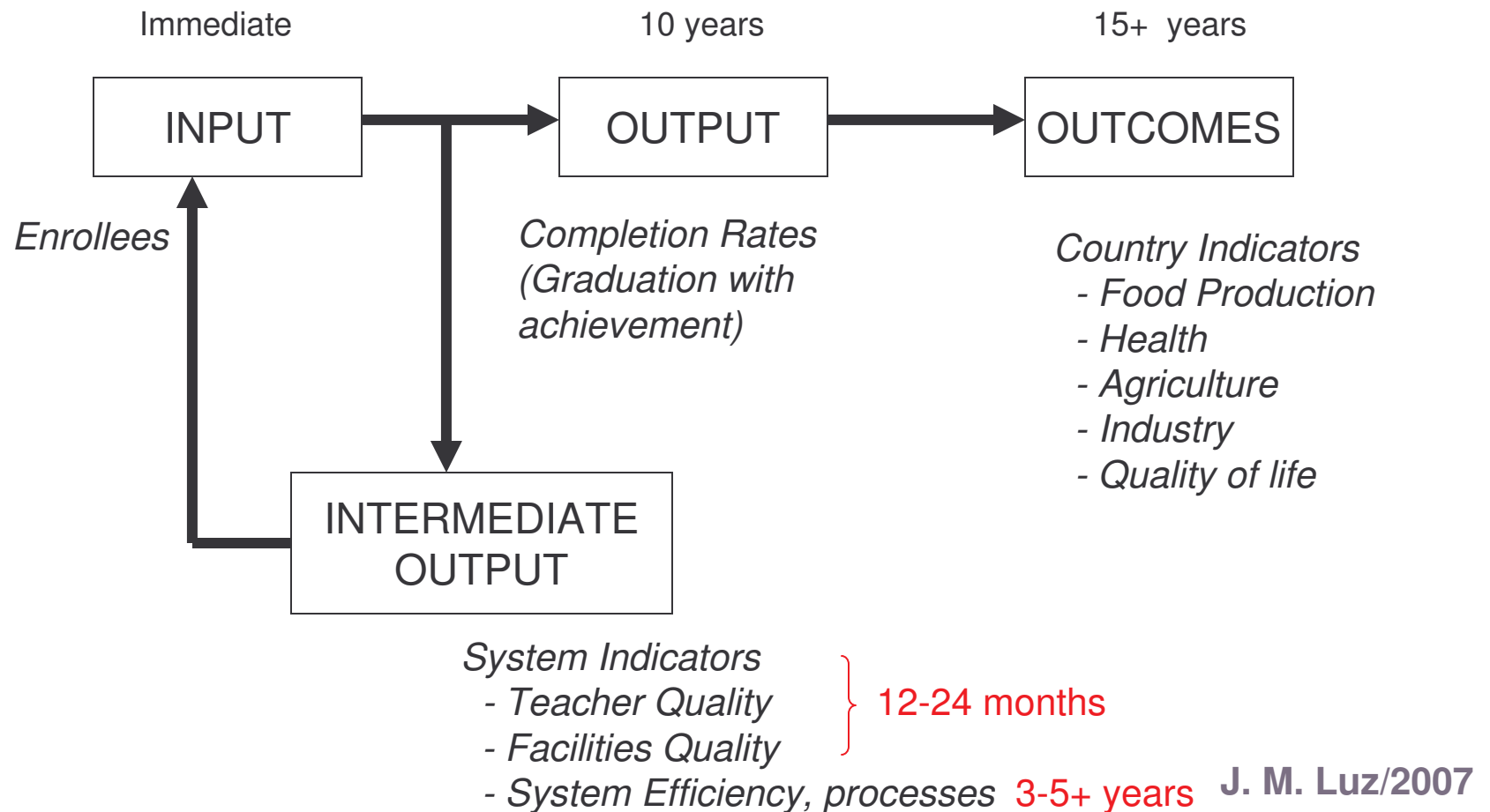
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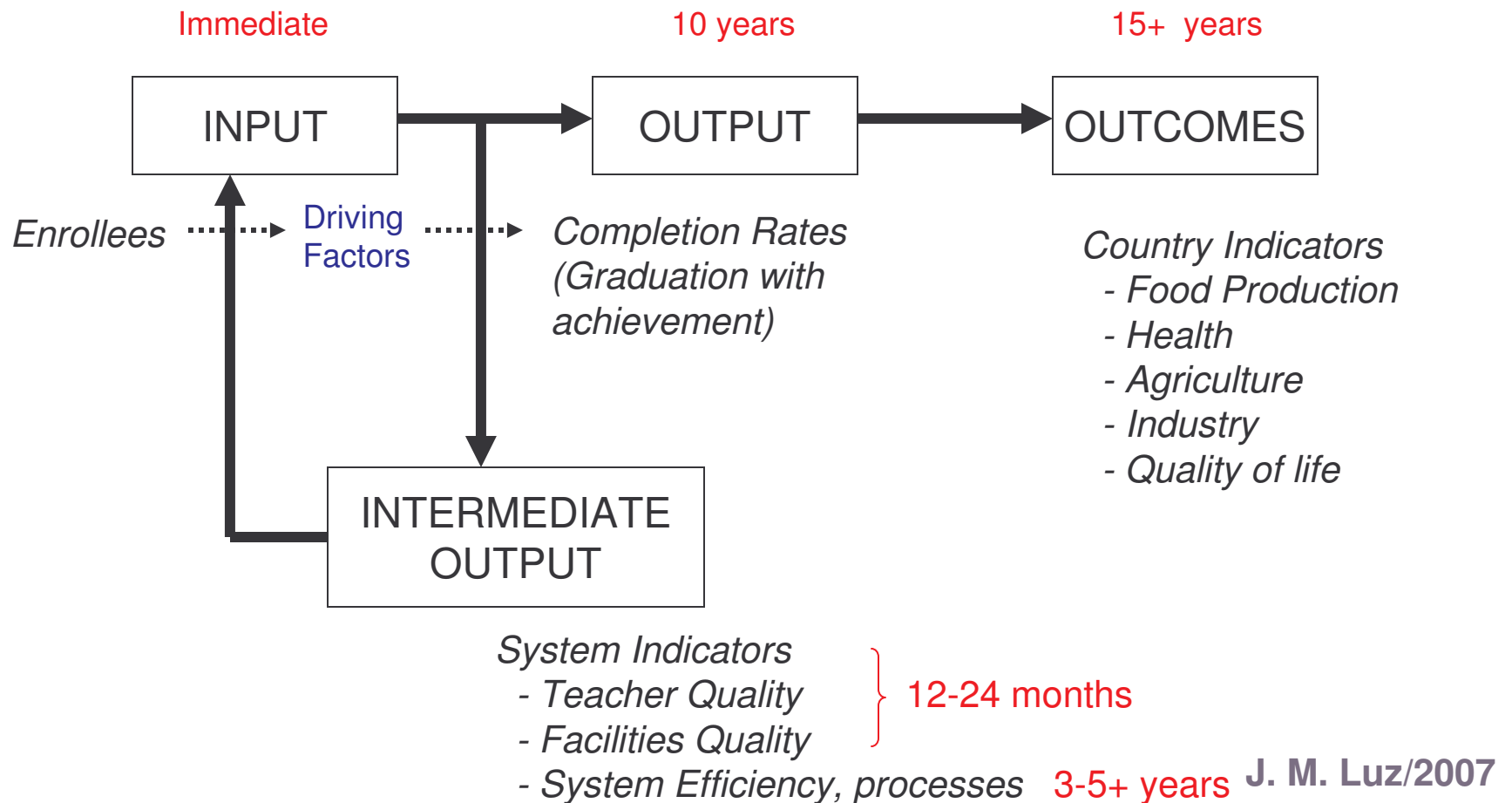
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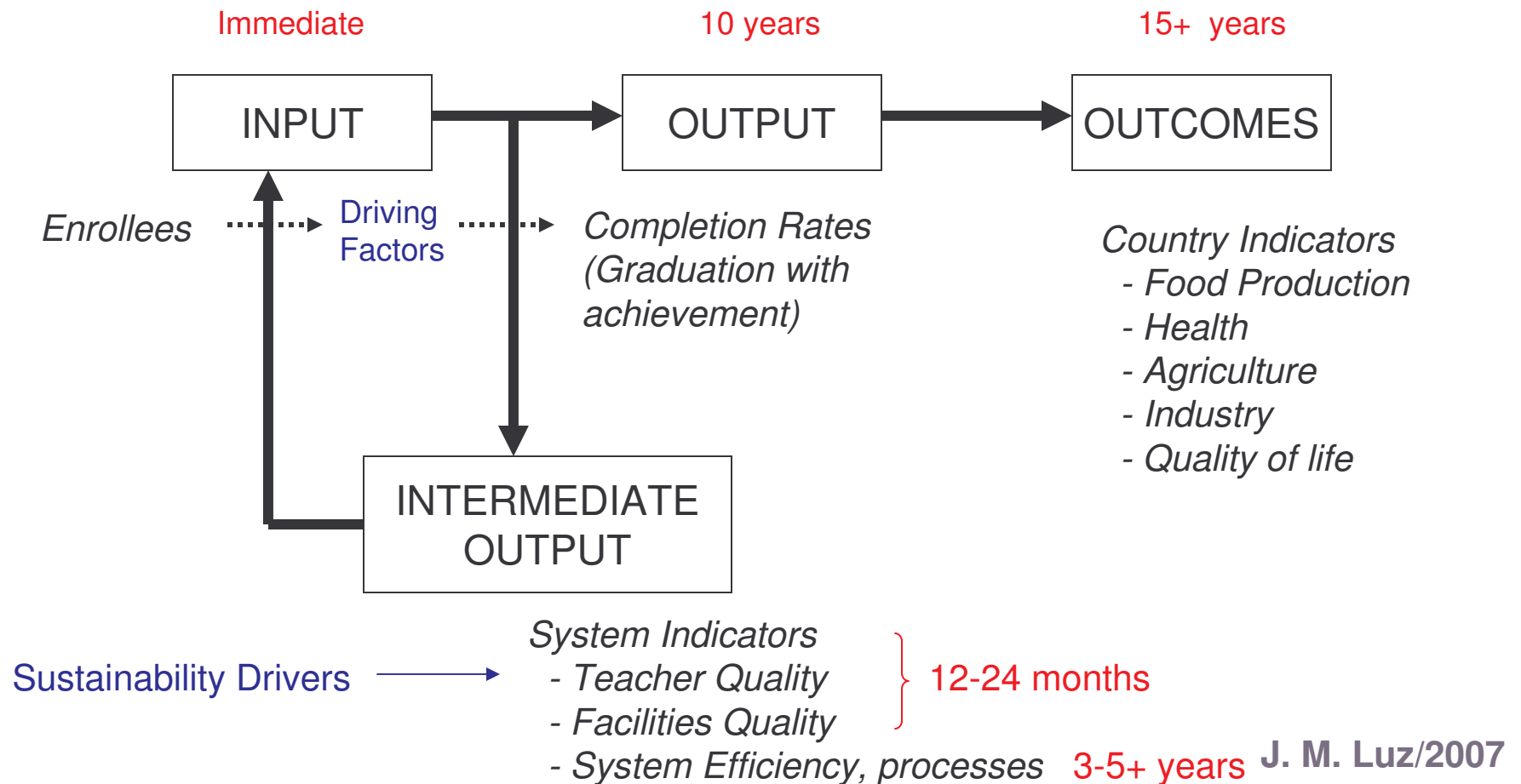
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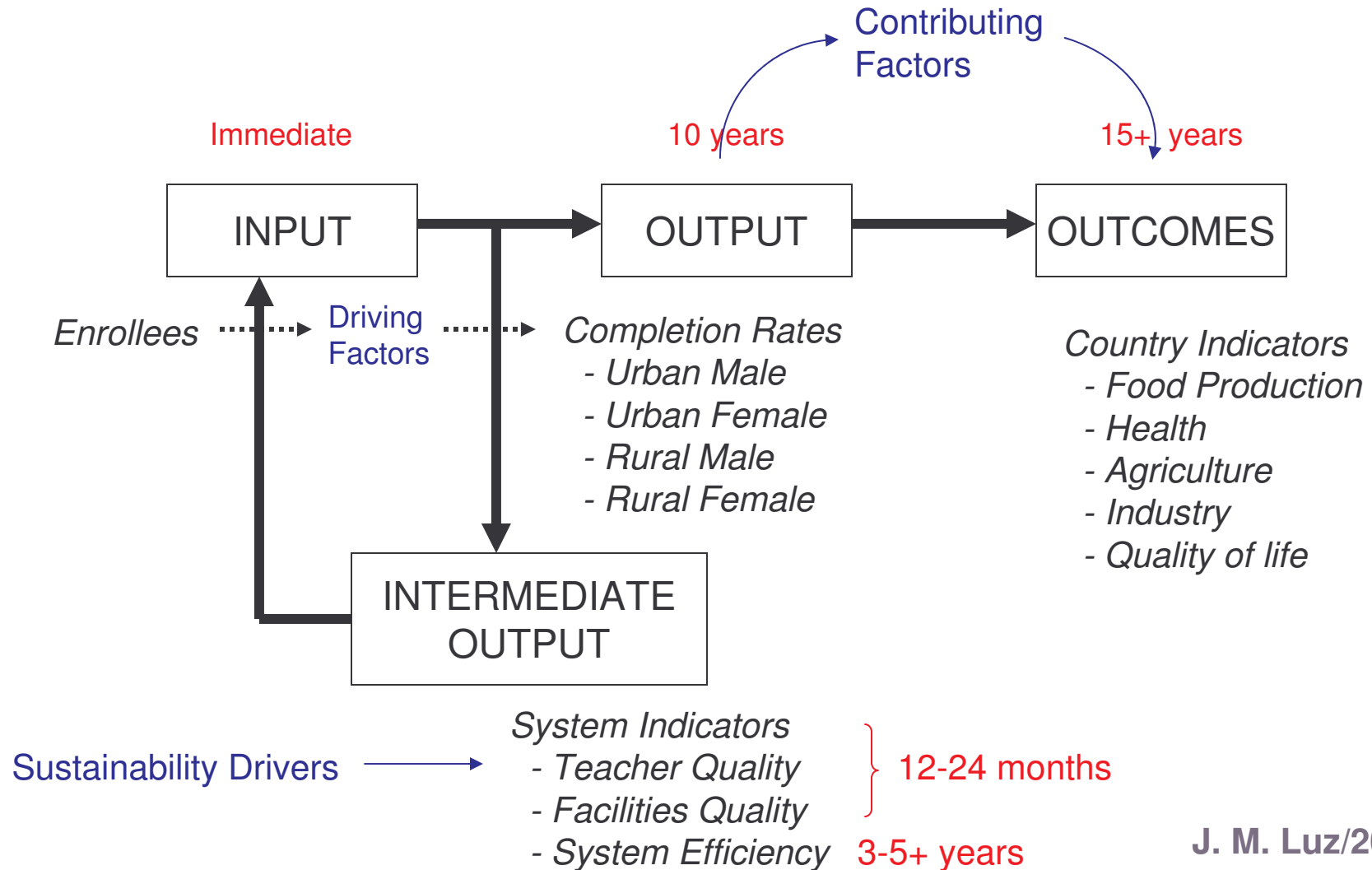
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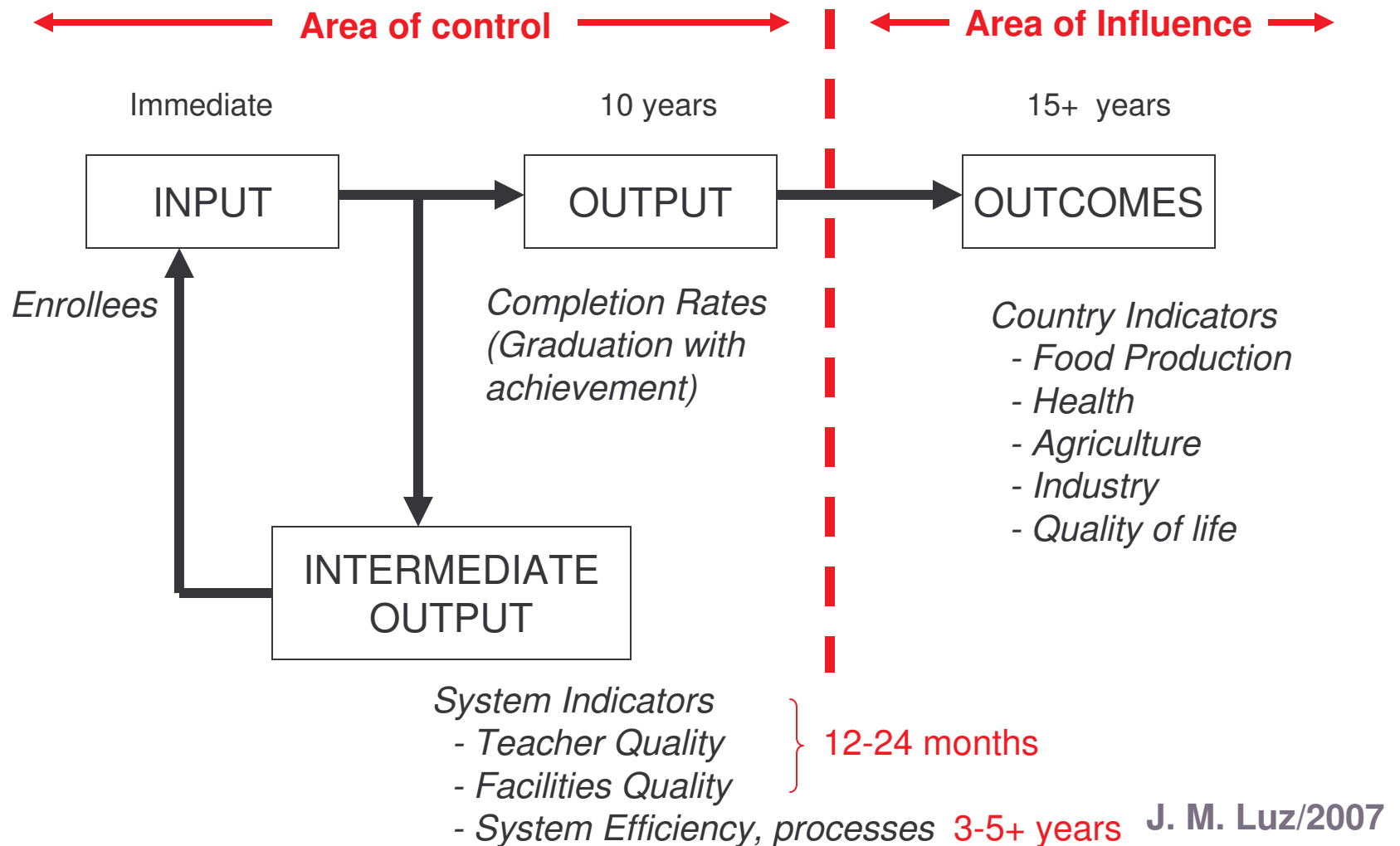


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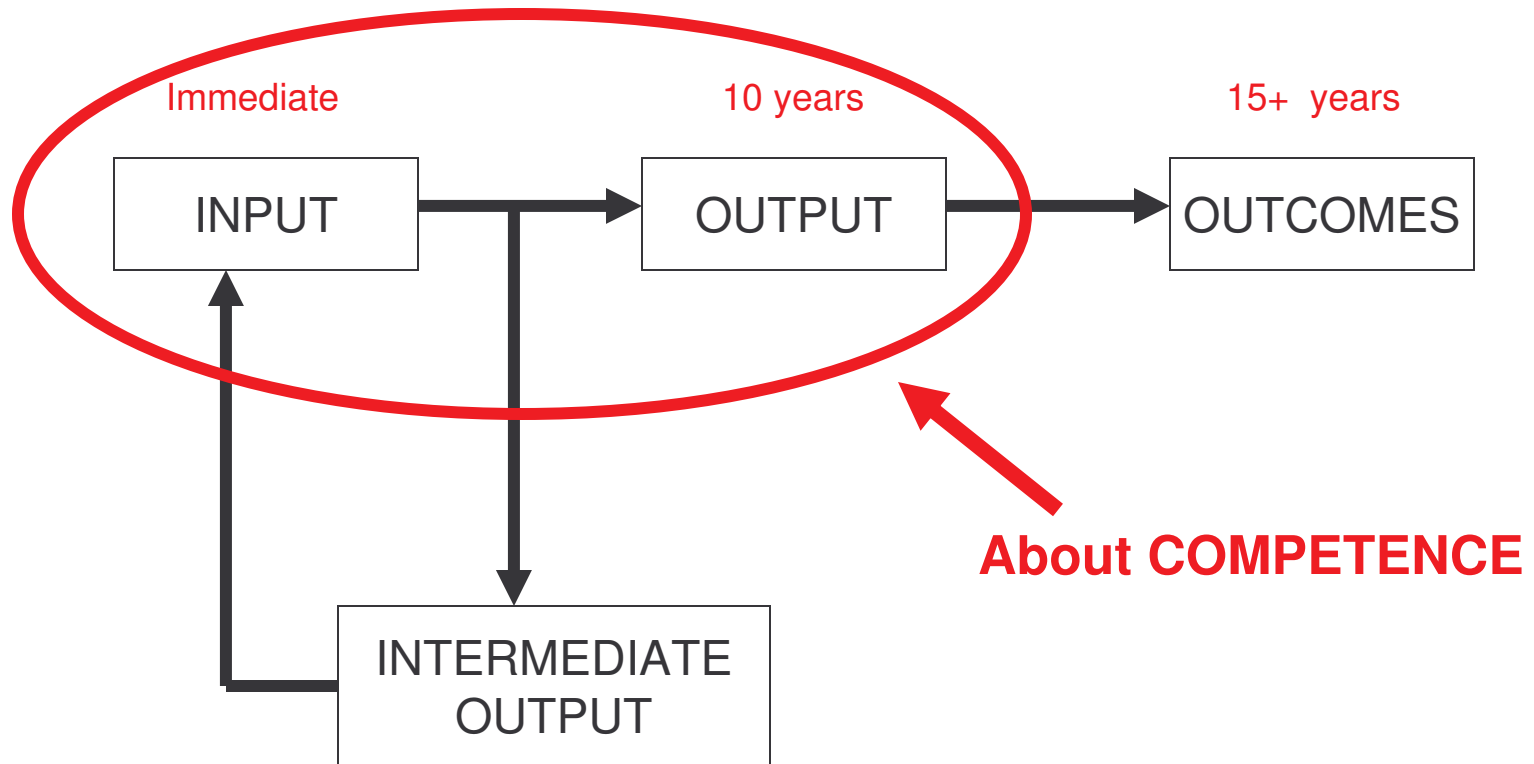
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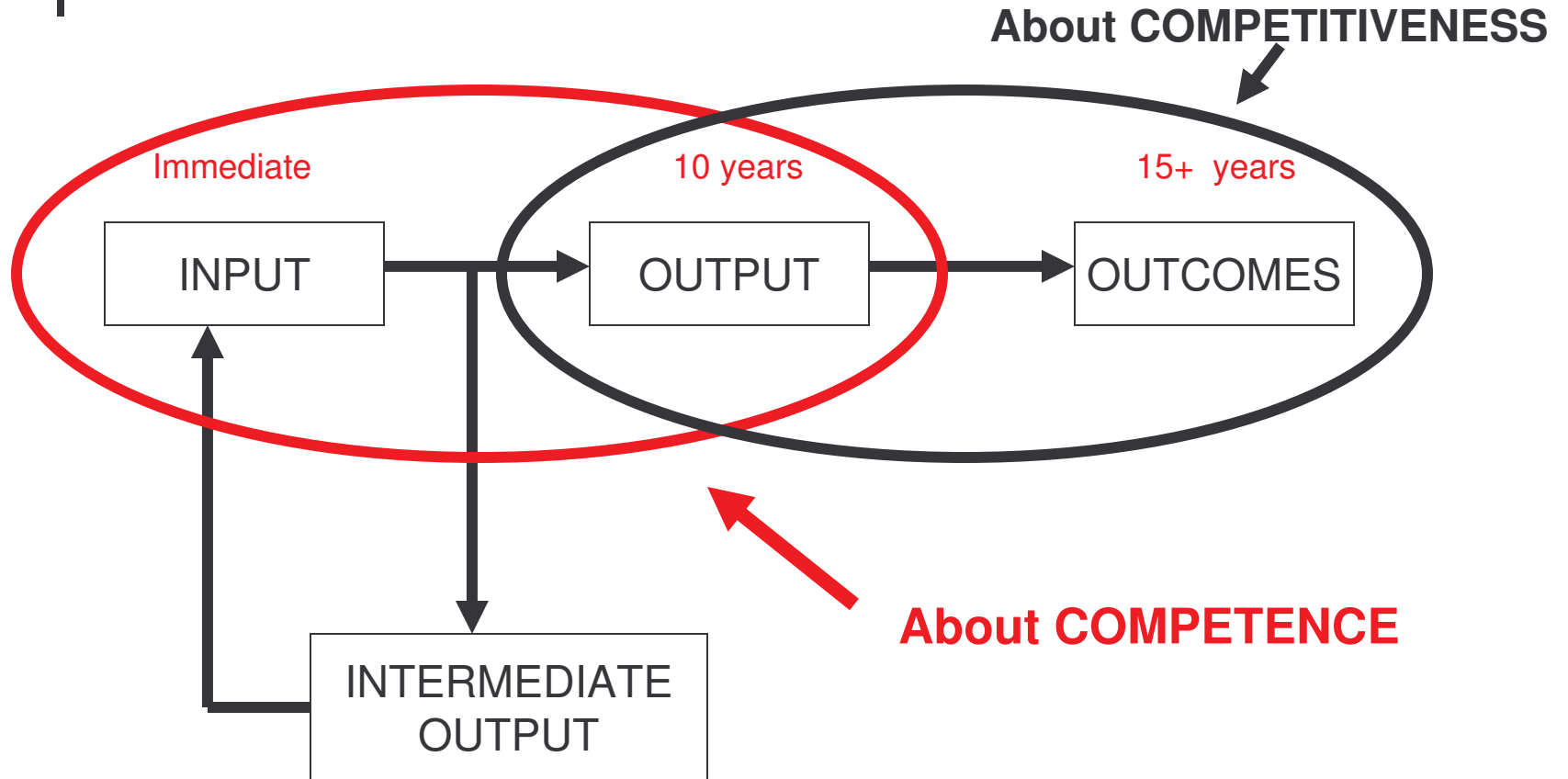






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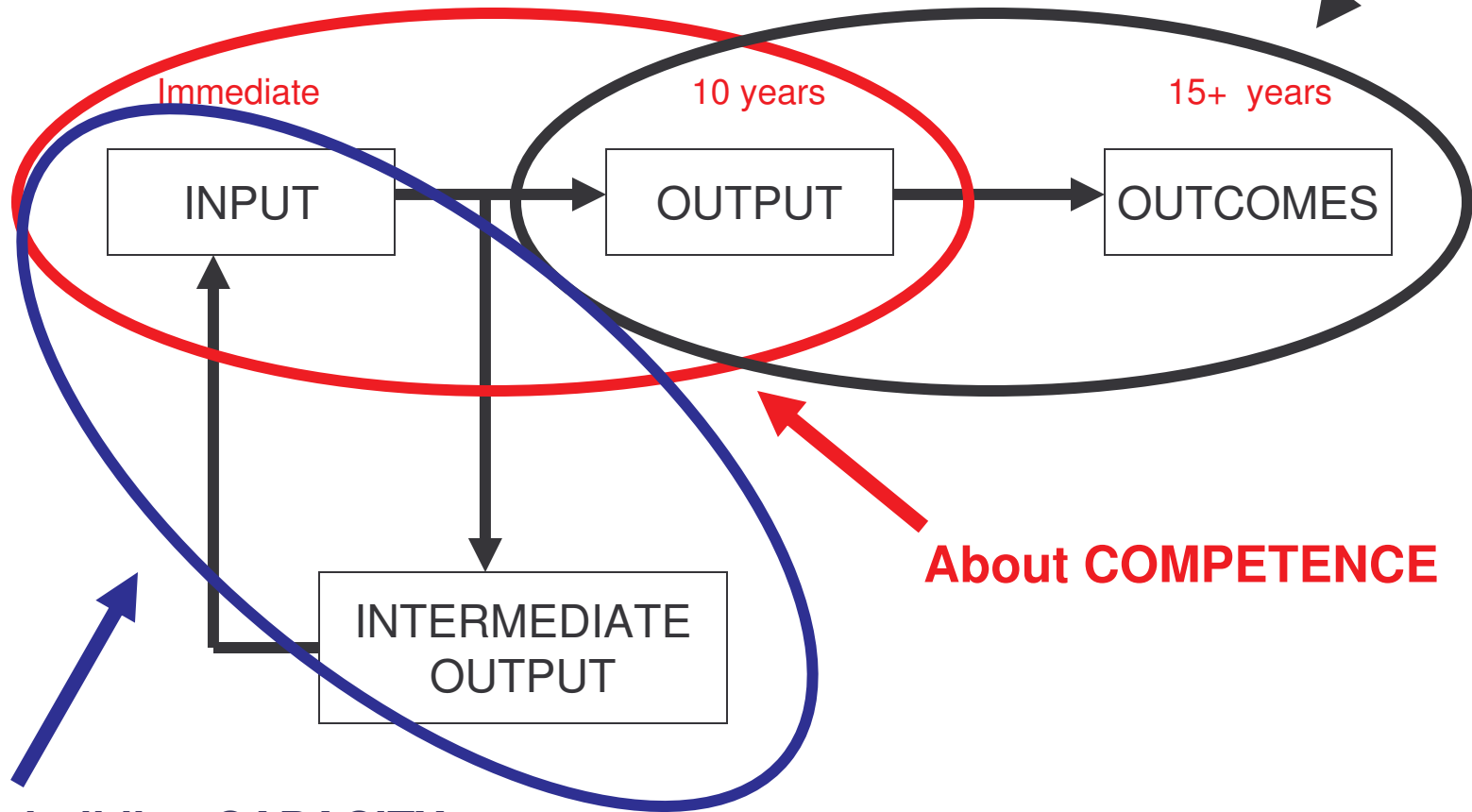




# Are We (the Philippines) Educating for Competitiveness?

## A Human Social Capital Approach to Education

About **COMPETITIVENESS**



About building **CAPACITY**

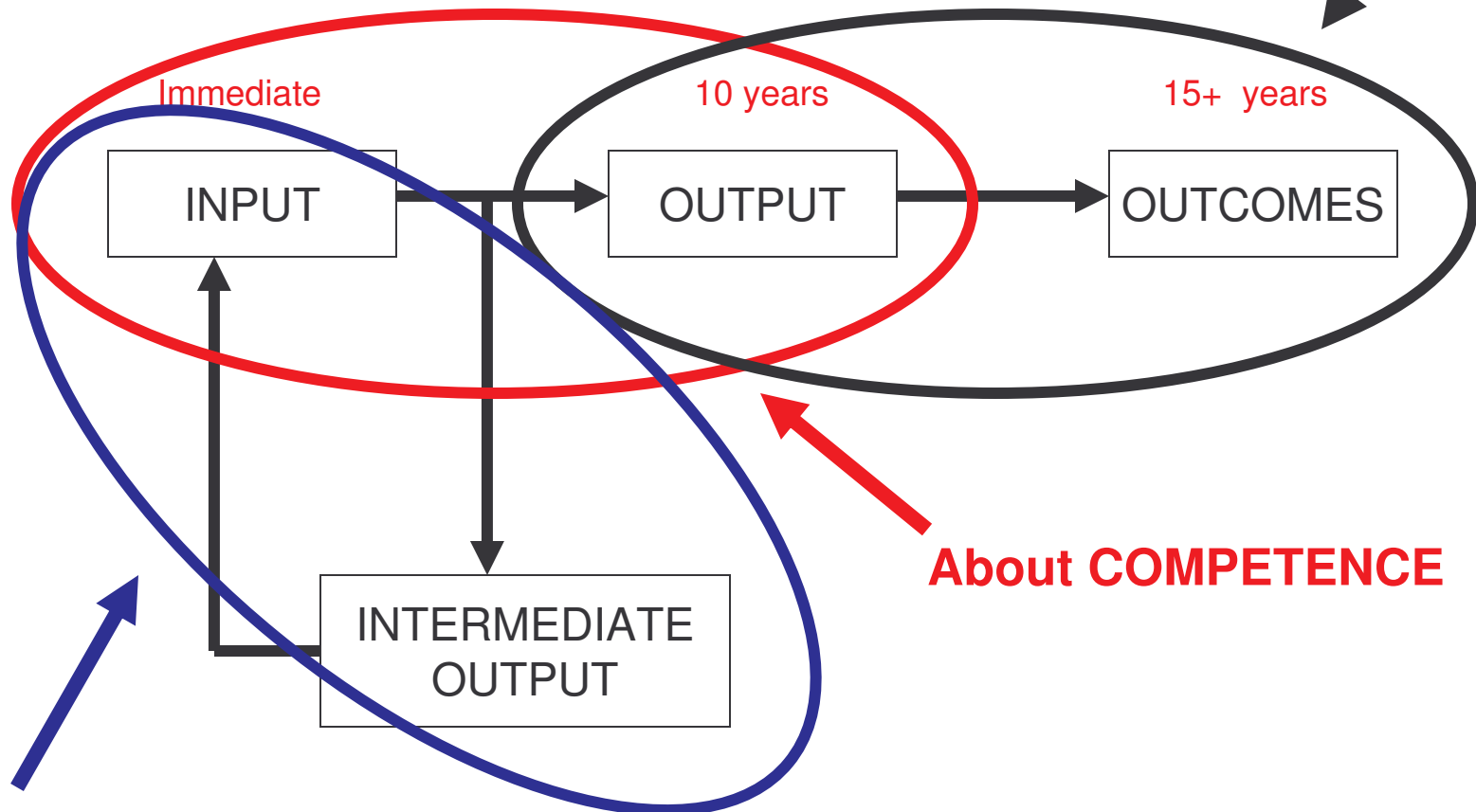
About **COMPETENCE**



# Are We (the Philippines) Educating for Competitiveness?

## A Human Social Capital Approach to Education

About **COMPETITIVENESS**



About building **CAPACITY**

**ARE WE BUILDING COMPETENCE?**

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## *Are We (the Philippines) Educating for Competitiveness?*

### **ARE WE BUILDING COMPETENCE (COMPETITIVENESS)?**

#### 1. Reading scores (Literacy + comprehension)

- Key: Every child a reader by Grade 3 (later, by Grade 1)
- Progressive maintenance (reading and comprehension at the right grade level)
- ***Philippine Reality:*** *Elementary school pupils are not learning to read (in English or Filipino) at the appropriate levels. The oral reading test administered in SY 2005-2006 reveal that a minority percentage of pupils are reading at the “right-age” level (i.e. are “independent” readers for their age and grade level)*

*Grade 1 - 26.98*

*Grade 4 – 40.47*

*Grade 2 - 40.01*

*Grade 5 – 32.99*

*Grade 3 - 33.95*

*Grade 6 – 40.60*

- *Inability to read at the Grade 6 level largely explains the poor performance and retention in high school.*



## Are We (the Philippines) Educating for Competitiveness?

### ARE WE BUILDING COMPETENCE (COMPETITIVENESS)?

#### 2. Science and math aptitude and achievement

- Literacy + numeracy = functional literacy
- Math → strong correlation with logical reasoning
- Science + math → builds a stronger technical basis → requirement for industry, manufacturing → driver for longer-term job creation
- **Philippine Reality:** *In the Trends in International Math and Science Survey (TIMMS), the Philippines scores at the bottom of the survey for both age groups.*

	1999 <u>TIMMS</u>		2003 <u>TIMMS</u>	
	<u>Math</u>	<u>Science</u>	<u>Math</u>	<u>Science</u>
<i>Highest score</i>	604	569	605	578
<i>World Average</i>	487	488	467	474
<i>Philippine score</i>	345	345	378	377
<i>Difference from:</i>				
<i>World Average</i>	142	143	89	97
<i>Highest score</i>	259	224	227	201



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### **ARE WE BUILDING COMPETENCE (COMPETITIVENESS)?**

#### **3. What are employers looking for in graduates?**

- Company managers were asked in studies done by the DAP (Productivity & Development Center) to determine when certain skills and knowledge should be acquired and the degree of attainment:

<u>Skill</u>	<u>Educational Level</u>	<u>Degree of Attainment</u>
Basic writing, reading, arithmetic	Elementary	Not quite
Theoretical knowledge and work skills	Secondary	Not quite
Practical knowledge and skills of work	Secondary	Hard to tell
Human relations skills	Secondary	Somewhat
Work habits	Secondary	Hard to tell
Will to work	Secondary	Not quite
Sense of responsibility	Secondary	Not quite
Social responsibility	Secondary	Not quite
Ethics and morals	Secondary	Not quite
Health and hygiene	Elementary	Hard to tell

- The consensus among employers is that a high school diploma with its current coverage is inadequate for their purposes. HS graduates show deficiencies in their ability to communicate, to think logically and to solve problems.

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## ARE WE (*THE PHILIPPINES*) EDUCATING FOR COMPETITIVENESS?

*Not by a long shot... We need to re-engineer our education system for quality results.*

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