

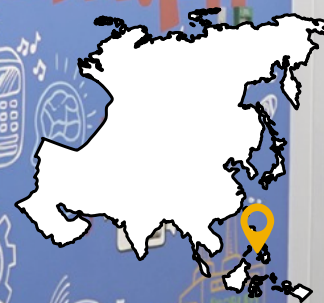


Preparing Filipino Workers for the Fourth Industrial Revolution

A Kampala Principles case study



Global Partnership
for Effective Development Co-operation



Introduction

Prior to the COVID-19 pandemic, the Philippines was one of the fastest growing economies in Asia and on track to be a middle-income economy by 2022 (NEDA).

The country has a large, young, and well-educated population, a key ingredient among emerging economies.

Yet the economic setback brought on by the pandemic highlighted the importance of a labor force that can keep pace with changing business and market landscapes.

Employee well-being, enterprise competitiveness, and sustainable communities all depend on raising the income potential and productivity of the workforce.

To achieve this potential requires coordination efforts across education, job training, health, and the environment in which employees live and work. The Philippine Chamber of Commerce and Industry (PCCI), with support from the Global Fund, has cultivated pioneering partnerships for workforce development that connect government, business, labor, and community organizations. Only through collaboration can PCCI realize synergies that turn complex problems into opportunities.

By following the **Kampala Principles** for private sector engagement (See Figure 2 and **orange text** throughout), PCCI and its partners aim to help Filipino workers adapt to the disruptions of the pandemic so that no one is left behind. The Kampala Principles sew together the expectations and responsibilities of partners to keep them on focus, deliver results, and ensure workers and communities have a stake in the outcome.

Preparing Filipino Workers for Economic Recovery and the Digital Age

The COVID-19 pandemic forced many businesses to close or decrease operations and, thus, reduce their workforce. Before the pandemic, the unemployment rate in the Philippines was at 5.3%. This figure rose dramatically to 17.6% or more than 7 million Filipinos at the height of the pandemic in April 2020 before easing to 8.7% in October of the same year (Department of Labor & Employment). This figure represented a sobering 3.8 million jobless Filipinos.

However, while many floundered during the crisis, some businesses in the logistics and agricultural sectors exhibited a degree of resilience in their operations. The challenge is that many Filipino workers do not have the skills needed for the available job opportunities. Technology is upending the current order of how people work and do business as the Philippines, like other countries, moves into the Fourth Industrial Revolution.

To upgrade the skills of the workforce to match these digital demands, the Filipino government has introduced changes to K-12 education and promoted technical and vocational education and training (TVET). **In March 2019, the Technical Education and Skills Development Authority (TESDA) initiated a strategy session with the private sector toward creating more efficient enterprise-based training (Kampala Principle 1: Inclusive Country Ownership).** One of the conclusions of this dialogue was to adapt training to industry needs through public-private partnerships.

PCCI also seeks to do its part to bring the Filipino labor force into the 21st century. With this in mind, in 2014 PCCI organized the Human Resource Development Foundation (HRDF) to support TESDA, the government agency tasked to promote TVET in the country. The PCCI HRDF has an enterprise-based training program with 10 chambers of commerce, funded by USAID. With the support of GIZ-Philippines, PCCI-HRDF has engaged enterprises in re-skilling and up-skilling their workers. The foundation receives part of its funding from PCCI and membership dues.

Below, PCCI's Sustainable Development Goals Committee in discussion with TESDA for the training partnership.





Chairman Bing Limjoco (bottom, fourth from right) together with the Board of Directors of the Philippine Chamber of Commerce and Industry who are set to serve for 2020 and 2021.

PCCI has a long history of working towards inclusive development. With the leadership of its Sustainable Development Goals (SDG) Committee, PCCI has partnered with government, business organizations, and UNDP to align with the 2030 Global Agenda for Sustainable Development, consistent with the Philippine Development Plan.

PCCI has contributed on multiple fronts. The chamber has mapped skills to help prospective training programs match employers' and industry needs. It has advocated to update the education curriculum to ensure Filipino youth have a future filled with opportunities. PCCI also took part in public consultations, together with GIZ-Philippines and TESDA, which led to the drafting of the Apprenticeship Bill, now being considered in Congress.

This Case's Connection to the UN Sustainable Development Goals:



Finding Synergies in Skills and Health

Previous up-skilling and re-skilling projects were predominantly enterprise-based training conducted in workplaces. Given the temporary closure of most businesses, PCCI needed to pivot to an online training modality. TESDA was offering online courses catered to workers on furlough—but how could PCCI add value?

It turns out that local chambers of commerce are valuable partners to TESDA because they map skills and can validate required competencies when training regulations are updated. Together, TESDA and the chambers could also assess and co-certify prior learning as an added incentive for workers to enter further training. In this challenging time, however, **the local chambers and their member companies needed a reason to participate, and chief among their concerns was health (Kampala Principle 2: Results & Targeted Impact).**

The Philippines has a very young population. This demographic potential is marred by the prevalence of tuberculosis (TB) and other lung diseases. The problem was aggravated by the onset of COVID-19, which is more lethal to individuals with co-morbidities like lung diseases.

Lung diseases are debilitating and negatively affect productivity. The high incidence of TB is a major contributor to why the Philippines lags in terms of productivity, placing fifth among nine ASEAN economies, and 56th globally among 140 economies covered by the 2018-2019 Global Competitiveness Report.

An opportunity to improve health and productivity came about through the relationship of the PCCI SDG Committee with the Alay Buhay Community Development Foundation. A private foundation with prominent business people among its leadership, Alay Buhay was established in 1986 to serve the marginalized. It has a history of implementing programs for education, microfinance, and health. Alay Buhay was awarded a grant by the Philippine Business for Social Progress, to track active TB cases in Central Luzon (also known as Region 3) under the aegis of the Global Fund.

PCCI and Alay Buhay Community Development Foundation agreed to work together in Central Luzon/Region 3—a region covering 20 provinces—to resolve training needs of employees and refer those vulnerable to TB to health services.

One of the country's growth engines, Central Luzon has a good mix of industry, agriculture, and a vibrant services sector, but was also one of the most affected by the COVID-19 lockdown. The area surrounding the National Capital Region, which includes Region 3, also has the highest incidence of TB in the country (DOH).

Sustaining Economic Recovery by Up-skilling and Re-skilling a Healthy, Young Workforce

The lead partners in the initiative set objectives that would respond to the pandemic situation, a moment when under-employed and furloughed workers could be engaged to improve their health and skills. More than that, the objectives were rooted in a holistic approach to fortifying the workforce for sustainable development:

1. Provide greater impetus for the recovery efforts of Central Luzon/Region 3 by helping address the tuberculosis problem while supporting the National TB Control Program of the Department of Health (DOH).
2. Help the workforce and other regional stakeholders assess their health status by supporting the region's active TB case finding efforts.
3. Provide opportunities for decent work and productivity for employees affected by tuberculosis and enhance potential for local business growth.
4. Enable access to relevant TESDA training programs by workers, the unemployed, and vulnerable but employable individuals.

The first phase of the project aims to identify companies that are willing to have vulnerable employees go through a free lung X-ray prior to returning to work and being provided training. **It will also engage the two largest labor organizations, the Federation of Free Workers and the Trade Union Congress of the Philippines, for their assistance (Kampala Principle 3: Inclusive Partnership).**

Those with confirmed cases of TB are referred to the Department of Health to undergo treatment. Vulnerable employees are classified as those who work or live in highly polluted areas, near cement factories and mining areas, or in populations with high incidences of smoking, among other factors.

Coverage will be extended to include employees' families and vulnerable individuals in companies' supply chains and communities (Kampala Principle 5: Leave No One Behind).

When companies offer referrals to health services, privacy of health information is protected through a project provision that incorporates the Data Privacy Act.

Employers are important partners in countering societal stigma, which is one of the primary reasons for the spread of tuberculosis. Despite being symptomatic, those afflicted try to hide their condition. The up-skilling training gives workers an incentive and opportunity to also access health screening.

In addition, all stakeholders are educated on the importance of eliminating air pollution and having a clean, healthy environment. This will contribute to eradicating this incapacitating but curable and preventable disease.

As part of the project partnership, PCCI identifies the companies, Alay Buhay tests the employees of participating companies, and those with symptoms are referred to the regional units of DOH. The project also includes a multilateral component as the Alay Buhay Community Development Foundation will enter this co-operation through a grant from the Global Fund. The Global Fund, itself a multi-stakeholder partnership, has adopted the principles of partnership, country ownership, performance-based funding, and transparency, which reflect many of the Kampala Principles.

The second phase of the project will provide opportunities for decent work to employees who have received screening and treatment. PCCI will work with TESDA to provide training for the cleared workers in the construction, ICT, or allied sectors (see Figure 1 on page 6). TESDA will contribute free training vouchers and will consult with local chambers through PCCI to prepare training regulations.

A mass TB screening that took place in May 2021 in Zambales, a province in the Central Luzon region.



Figure 1: Mapped Skills Priorities

Companies in Central Luzon have identified these priority skills, to be supplemented by additional priorities determined by local chambers.

Construction

- AutoCAD operation
- Electrical and plumbing
- Building wiring
- Field engineering work
- Nano microsatellites
- Surveying
- Civil engineering
- Quality control and inspection
- Green construction
- Leadman skills

Information Communication Technology (ICT)

- System integration
- Digital marketing
- Marketing specialization
- Bookkeeping
- Knowledge process outsourcing

TESDA, PCCI, and Alay Buhay have outlined their roles in a Memorandum of Agreement, summarized as follows (Kampala Principle 4: Transparency & Accountability):

TESDA

- Participate in skills mapping and determining competencies needed by industries, chambers, and related associations.
- Provide scholarship grants for training pertaining to skills requirements locally identified for vulnerable groups and communities.
- Jointly determine training requirements as well as training regulations that need updating.

PCCI (PCCI North Luzon Sector & SDG Committee)

- Encourage enterprises to map and assess enterprises, supply chain, families and communities for TB vulnerability.

- Provide the list of chambers, enterprises, workers, and other vulnerable groups, and schedule X-ray screening alongside Alay Buhay.
- Map skills; determine needed competencies and preferred training by industry.
- Provide TESDA with the list of beneficiaries.
- Recommend to TESDA areas for expanding skills mapping in North Luzon.

Alay Buhay

- Coordinate with local health offices, DOH regional health office, Philippine Business for Social Progress, and others to identify vulnerable groups.
- Register eligible local participants; ensure participants undergo X-ray screening; collect, record, and transport sputum specimens to testing sites.
- Coordinate with the Rural Health Unit to ensure confirmed TB cases are enrolled in treatment immediately.
- Provide for funding requirements of screening under the auspices of the Global Fund and the Philippine Business for Social Progress.

PCCI has member-chambers across the archipelago and aims to make this project national in scope. It views the Central Luzon project as an opportunity to fine tune the intervention before it is replicated across the country.

Conclusion

Engaging the private sector in supporting vulnerable communities in Central Luzon has enabled a timely shift toward the digital delivery of technical and vocational skills training while remedying lung ailments that erode employee health, industry productivity, and community vitality.

This Philippines-developed public-private collaboration, in partnership with the Global Fund, provides a comprehensive solution to the interlinked challenges of respiratory health and unemployment, both of which have been exacerbated by the COVID-19 virus. The project hopes to foster sustainable communities by upgrading the living standards in lower-income urban areas where TB prevalence is highest.

PCCI has brought coherence to this effort by weaving together agreements with two public agencies (TESDA and DOH), the Global Fund, community foundation Alay Buhay, and national and local business organizations (Philippine Business for Social Progress and local chambers).

Locally, the chambers of commerce provide crucial connections to participating employers and their workforce and feed up information on training needs and referrals for treatment.



Above, PCCI partnered with Huawei and Microsoft to provide industry standard training and certifications.

Below, TESDA visited the PCCI Innovation Center to see its facilities and its conduciveness to hold up-skilling and re-skilling trainings

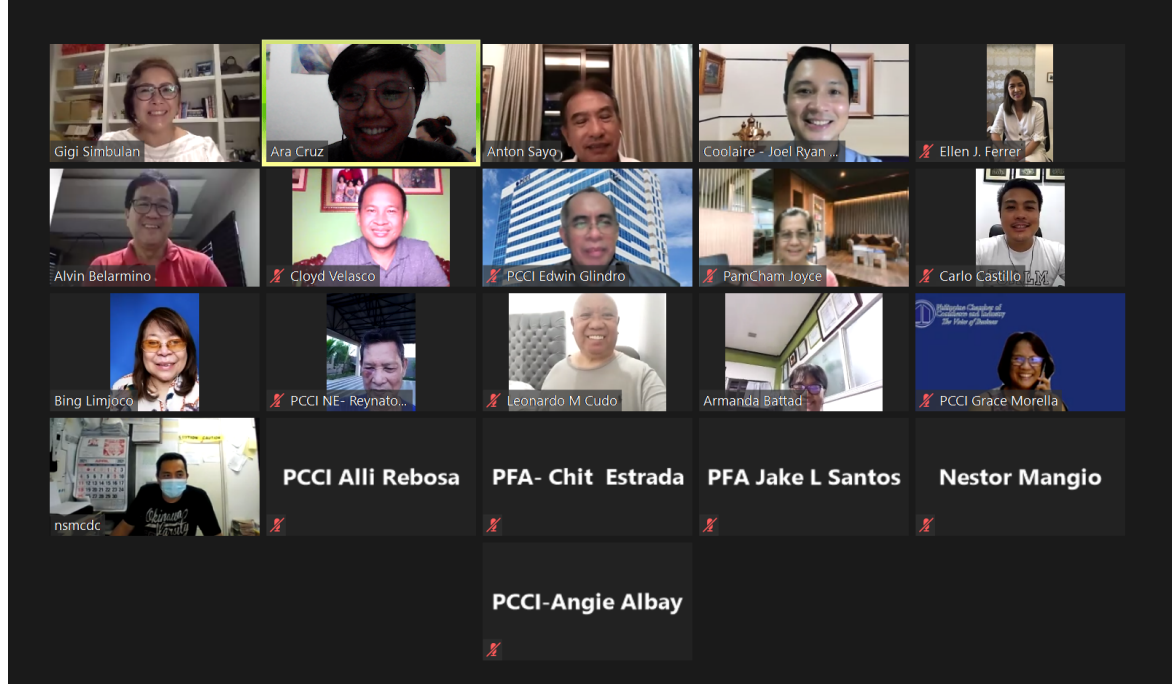


The chambers voiced the demand for health solutions and made possible this community-oriented solution to worker well-being and productivity.

PCCI is already preparing to expand online training opportunities to other skill areas and evolving labor needs through its PCCI Innovation Center—including in collaboration with Huawei and Microsoft. The association wants to equip a future-ready workforce so young Filipinos will have a variety of options to find decent work, whether as an employee or as an entrepreneur.

Forging new partnerships in the time of Zoom meetings:

The PCCI SDG Committee met with North Luzon Area Leaders to explore possible partnership and to give guidance in complying to SDG-aligned activities.



In Central Luzon, the program of the Global Fund is amplified by strong local ownership and a spirit of inclusive partnership that opens opportunity for workers by leveraging private sector and additional public sector contributions.

Partnerships require tending, and this one can flourish over time by applying each of the Kampala Principles. The Kampala Principles serve as a beacon to ensure the elements of quality, effective partnerships are in place.

We need more people to know about the Kampala Principles and #CooperationInAction!

- 1 Share the link: bit.ly/KampalaPrinciplesPH
- 2 Click here to post directly on Twitter
- 3 Join the Knowledge Platform and share your thoughts on this case.

Using the Kampala Principles in your work? **We want to hear your story!** Click here and tell us more.



For further information, consult the [Kampala Principles](#) or contact the Joint Support Team:



info@effectivecooperation.org



[@DevCooperation](https://twitter.com/DevCooperation)



Global Partnership

www.EffectiveCooperation.org

This case study was authored by Joel Ryan E. Tugade, Antonio L. Sayo, and Jake Santos in May 2021 on behalf of the GPEDC Business Leaders Caucus. Ara Cruz provided the photos for the case. Creation of this case study was supported by the German Federal Ministry for Economic Cooperation and Development (BMZ) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

Figure 2: Applying the Kampala Principles*

Principle 1: Inclusive Country Ownership

1A: Define national PSE goals through an inclusive process.

- Chambers of commerce validate required competencies for national training regulations (in co-operation with TESDA).

1B: Align and co-ordinate PSE through development co-operation with national priorities and strategies.

- Direct support to the Department of Health National TB Control Program and to TESDA on decent work and worker productivity.
- Complies with TESDA Circular No. 001, Series of 2021, on "Implementing Guidelines on the Skill Mapping and Prioritization of Skills Requirements".

1C: Invest in capacities for PSE through development co-operation.

- PCCI established an SDG Committee of volunteer business leaders for ongoing partnership management.

Principle 2: Results & Targeted Impact

2A: Focus on maximizing sustainable development results.

- Provide healthcare access to vulnerable people in Central Luzon, among the workforce, supply chains, and communities of companies that reduced or closed operations due to COVID-19.

2B: Ensure sustainable results by aligning core business and development interests.

- TB treatments and skills development improve workers' employability and income potential.
- Interventions increase worker productivity, a major concern of Philippine enterprises and the economy, and provide a healthy working environment.
- The government benefits from local information on health vulnerabilities and skills requirements.

Principle 3: Inclusive Partnership

3A: Fostering trust through inclusive dialogue and consultation.

- Labor unions will represent certain companies (e.g. cement factories operating in Bulacan Province) in coordinating X-rays for adjoining communities as well as training of the unemployed and employees on furlough.

3B: Promote inclusive, bottom-up, and innovative partnerships and raise awareness of engagement opportunities.

- PCCI has linked local chambers of commerce, vulnerable employees, and community members with Alay Buhay Community Development Foundation, the Global Fund, Philippine Business for Social Progress, the Department of Health, and TESDA.

**The table indicates which partnership practices and features correspond to specific Kampala Principles based on the authors' interpretation of available information.*

Applying the Kampala Principles (continued)

3C: Make partnerships more accessible.

- PCCI's SDG Committee connects local chambers of commerce—and the communities in which they operate—to partnerships with executive government agencies and international development partners.

Principle 4: Transparency & Accountability

4A: Measure results.

- Reporting and treatment of identified TB cases to the DOH.
- Reporting of re-employed or new workers to the Department of Labor and Employment.

4B: Disseminate results.

- Local chambers report their contributions in the lead-up to the annual Philippine Business Conference where PCCI recognizes the accomplishments of local chambers.

4C: Ensure accountability.

- Mutual commitments are outlined in a Memorandum of Agreement between TESDA, PCCI, and Alay Buhay.

Principle 5: Leave No One Behind

5A: Ensure that a private sector solution is the most appropriate way to reach those furthest behind.

- Local chambers of commerce and member companies have access to the workforce, unique information on industry conditions, and the ability to improve the work environment.

5B: Target specific locations, markets, value chains, and investor types that are most likely to have a positive impact on those furthest behind.

- The project serves vulnerable groups in Central Luzon: employees, supplier workforce, and industries identified as vulnerable (cement factories, mining companies, or those operating within polluted communities).
- Informal street vendors to benefit through an agreement with the Cooperative Development Authority.
- 21+ local chambers of commerce and affiliates, comprised of micro, small, and medium enterprises, to benefit from interventions.

5C: Share risks proportionately to incentivize private sector contributions to leaving no one behind.

- Local businesses are committed to operating in the project area; assist in directing development co-operation and public assistance most effectively while benefiting from increased employee productivity and well-being.

5D: Establish provisions to mitigate and manage risks.

- All data collected, disclosed, recorded, organized, used, or consolidated will comply with Republic Act No. 10173, the "Data Privacy Act of 2012", and its Implementing Rules and Regulations.