

THE ROLE OF UNIONS IN MATCHING JOBS TO SKILLS¹

Available data shows there are many jobs that cannot be filled up because of mismatch between jobs demanded by the labor market and skills supplied by workers.

The labor market changes very fast; consequently skills become obsolete sooner than later. It does not help that training efforts are both expensive and less responsive to fast changing demand for skills. To compete, employers demand “flexible” workers, that is, a multi-skilled workforce.

Mismatch leads both to structural and transitory unemployment.

Mismatch result in human suffering and waste of resources. A most dramatic example is the nursing profession and vocation. Not seven years ago, Filipino nurses were in demand abroad. Foreign employers started recruiting from our present stock. It came to a point where doctors were training as nurses. It came to a head when our own health system was on the verge of collapse for lack of trained nurses and doctors. The whole education and training system responded: nursing courses and schools multiplied like flies. Today, nursing graduates find it hard to find jobs that would enable them to recover their investments in their education.

However, we continue to send OFWs in droves. Estimates show that about 3,000 of them leave every day. Yet we must also ask this question: why are overseas Filipino workers in demand, while they can hardly find the jobs they want in the local market? The demand of OFWs also seem to be inexhaustible, given that we have been exporting Filipino labor since the first Ilocanos landed in Hawaii in the early 1900 as plantation workers.

¹ Paper Presented by Atty. Allan S. Montaña, President of the Federation of Free Workers (FFW-ITUC) to the DOLE-ILS Dialogue held at Casa Marinero, Intramuros, Manila, September 23, 2008.

In our opinion, the debate is more than the issue of job-skills mismatch; it is one of organizing the labor market and applying the proper labor standards. It is also one of failed development model from which maze we have so far not been able of see the light of day.

In all these aspects of problem, unions have a role to play.

However, in this presentation, we will focus on an approach, tried and tested by us, to contribute to the present debate on job-skills mismatch.

Training for Work

Training for Work is an approach that resolves the job-skills mismatch. It means that training institutions train, and trainees undergo training, with the end in view to remunerative and productive work or *kabuhayan*, either as employees or as self-employed, within the shortest time lag between training and placement at work. Supply then matches demand most efficiently. In this manner, investments in education and training are not only maximized. The returns on investment also become profitable for schools, trainees, employers and government alike, and for society at large.

The Issues

In my opinion, training for work raises three basic issues. These are trainability, lifelong learning and active labor market interventions.

Trainability requires a good grounding for trainees, that is, a primary and secondary education able to prepare the trainees for higher education and post-secondary training, as well as the ability for self-training and learning by one's self. For example, many high school graduates fail in higher education or post secondary vocational or technical education and training because of poor language and communication skills or computational knowledge and skills. The education cohort estimate plainly shows this problem: for every 100 that enters Grade 1, only 7 and 14 eventually graduate in post secondary and higher education courses, respectively. Thus evolved the "bridging" programs in education and training: a good effort but a waste of resources just the same.

Lifelong learning² is important, because of the fast obsolescence of skills and jobs in the modern labor market. Workers cannot stop training at the risk of having their skills becoming obsolete and of losing their jobs in a continually changing labor market. However, lifelong learning is now made possible and feasible by competency-based training³, that shortens the duration for acquiring and upgrading competencies needed by the labor market and by employers; likewise, by ladderized education.⁴

The presence of **active labor market interventions**⁵ for employment facilitation and skills enhancement is necessary, not only to reduce the cost of matching and placement for the individual worker and prospective employers, but also to

² Lifelong learning is continuing education plus. Both formal, non-formal or informal education and training is embraced by the concept of lifelong learning. Experience thus is also included. The viability of lifelong learning is constrained by the lack of assessment tools that can measure experiential learning for purposes of certification or award. Another constraint refers to opposition usually from higher education institution to competency-based training and assessment on the ground that such is not “true” or well-rounded education.

³ Competency-based training in the Philippine system breaks up pre-defined qualifications into sets of basic, common, core and elective competencies that must be learned and demonstrated by trainees in a formal assessment before they are awarded certificates of competencies or national certificates for the qualifications. Basic competencies are those that every trainee must learn no matter in what industry or economic sector he or she intends to work; common competencies are those that are needed to work in a defined industry; core competencies make up for a qualification level within a defined industry or sector. Competencies learned are portable across industries to the extent that they are equivalent or similar. Training duration is nominal, that is, it need not be learned inside classrooms or workplaces with a fixed duration; anybody can submit himself or herself for assessment in any competency, even without formal training. The final determinant of certification is whether or not one passes the assessment for a particular competency or qualification.

⁴ The ladderized education program in the Philippines allows certificated vocational or technical graduates to proceed to higher education with their previous certified competencies to be credited to equivalent units in higher education. For example, a worker with a qualification in automotive mechanic can proceed to finish an equivalent higher education degree course when his or her previous qualification certificates are credited to their equivalence in units of higher education.

⁵ Active labor market interventions are sets of policies, programs and projects that hasten or smoothen transition from training to work. This includes competency-based training, assessment and certification, employment counselling, job matching and placement.

smoothen the transition from training to work. This is why *training-at-work*,⁶ delivered through enterprise-based training that makes use of *dual training systems and methodologies*,⁷ may yet prove as the more cost-effective and preferred training modality, among others, because of its facility to absorb trainees as future workforce of enterprises. Estimates have it that around 90 percent of graduates in dual training systems are absorbed as workforce of enterprises.

Government should have primary responsibility in this respect while private efforts can serve to supplement or complement government efforts. In particular, government can create an enabling environment so that the private sector, unions included, find it worthwhile to engage in training for work.

Unions and Training

All over the world, the Philippines included, unions participate in training for work in three essential ways.⁸ These are: tripartism, collective bargaining, and direct training.

As part of **tripartite** efforts, unions participate in the formulation of training policies and regulations, in planning and in the implementation of training programs and projects. For example, aside from participating in manpower development summits and human resource development conferences, labor is represented by six trade unionists in the 22-member Board of the Technical Education and Skills Development Authority (TESDA). The Chairpersons of the TESDA Board Executive Committee and the Skills Standards Development Committee come from NFL and FFW respectively.

⁶ Also known as enterprise-based training, that is, training is done at the enterprise, similar to the apprenticeship system, which aims to transform the enterprise also as a training organization or institution. A dual training system is an alternative.

⁷ A dual training system is a training delivery mode where training takes place in an enterprise and school or training center, according to a pre-defined program. Enterprises are often reluctant to host training especially when it involves expensive equipments. Schools and common training center facilities can simulate machines actually used on the job to reduce the risk of equipment breakages in enterprises. Both enterprise-based training and dual training smoothens and shortens the transition from training to work, from trainee to employee.

⁸ See Annex 1 for indicative types of trade union involvement in training for work in other countries.

In **collective bargaining**, unions negotiate for preferential rights to training, for paid leaves of absences to attend training, for a variety of education and training benefits and for setting up specialized training funds, as follows:

- Clauses in a number of CBAs provide preferential rights for existing employees to train in operating new machines, especially those who may be displaced by the introduction of newer technologies in production.;
- Other provisions in CBAs provide for limited paid leaves of absences to attend trainings or professional examinations, or give limited educational assistance to employees or their dependents.
- A few CBAs provide a fixed amount of fund that may be used by the union for education and training of their members.

Some unions put up their **own training centers**, alone or in collaboration with other unions, NGOs or government, to train workers in skills that are in demand by the labor market. For example, the FFW and TUCP in partnership with the Workers' Fund, are into training and placement of prospective call center agents. With scholarship assistance coming from the TESDA's PGMA Training for Work Scholarship Program, FFW and TUCP use their own facilities to train prospective call center agents. In the last two years, more than 5,000 trainees have passed through the training program, with 60% of them having been placed and employed in call center jobs. Other graduates use the training to enhance their ability to retain their jobs or get promoted therein. AMOSUP has its own Maritime Training School to train and retrain and upgrade the skills of its members and prospective seafarers.

There are variations to these types of union involvement. For example, the Secretary General of NUWHRAIN is also the current Chairperson of the Tourism Industry Board, a foundation composed of employers, professionals and workers engaged, among others, in training workers in the tourism, hotel, and restaurant industries. Additionally, the affiliates of the Building and Woodworkers International (BWI) in the Philippines conduct training for their members on health and safety in construction, to prepare them to work in the industry. In many instances, union members are referred to private and public training organizations for skills training, re-training and skills upgrading, as well as in outfits that specialize in the assessment and certification of skills possessed or gained by their members.

Broadening and Encouraging Union Efforts in Job-Skills Matching

Union involvement in training is expanding labor union orientation from organizing workers for the purpose of collective bargaining to organizing the labor market for decent work. (See Annex 2 for FFW's Policy and Program on *Employment Facilitation and Enhancement*). This needs an enabling environment to promote unionism and collective bargaining, for the purpose of broader representation and social dialogue and to anchor the involvement of unions in organizing both the workers and the labor market.

But those that have been most successful, in particular to match jobs and skills, are based on a system of competency-based training, assessment, and certification on the one hand, and on career guidance, counselling, matching and placement on the other. The experience also tells that while unions can train their own members and the spouses and children of their members, these success factors point to the necessity of multi-partite cooperation or linkages.

In this respect, I emphasize that while unions can take initiatives, the extent of their success depends on effective social dialogue that creates an enabling environment for unions' engagement in training and that leads to employment or self-employment. Otherwise, training efforts will result in a lot of waste of public or private resources or both.

These are why other than lobbying to promote freedom of association and free collective bargaining, FFW supports public policies that will enhance employment facilitation while actively opposing policies, programs and projects that negate the workers' fundamental rights in the guise of matching skills with jobs. Thus:

- FFW actively supports competency-based training, assessment, certification and ladderized education, and the PGMA Training for Work Scholarship Program;
- FFW seeks partnerships with private and public bodies to enhance active labor market interventions, such as the Public Employment Service Offices (PESO),⁹ the Philjobnet, the e-TESDA's on-line education program, the Youth Profiling for Starring Careers, the Language Training Institute, the NWPC's

⁹ FFW is an accredited PESO in NCR

ISTIV, the programs of OSHC, and the promotion of Dual Training Systems for students and youth, among others.

- FFW opposes the Apprenticeship System as presently constituted. Our experience tells us that neither the training objective nor the protection value of the law is achieved in the way it is implemented. Instead, apprenticeship has become a source of low-cost, unprotected and vulnerable labor. To make apprenticeship more meaningful for decent work, we propose:
 1. to limit the coverage of apprenticeship only to trades and skills that are critical and which need longer training and exposure to work;
 2. to base the apprenticeship period on objectively defined training duration implemented in the context of competency-based training, assessment and certification and on ladderized education; and,
 3. to protect the apprentices from exploitation by establishing joint committees that involve unions and workers' representatives in the planning and implementation of apprenticeship programs, either through collective bargaining or as a separate agreement, and by limiting the number of apprentices to a number that will replace or fill available jobs within enterprises.

Towards a Trade Union Policy on Training for Work

It is also important that unions frame their own policies on training for work in order that their efforts are placed in the context of promoting workers' fundamental rights, particularly on freedom of association and collective bargaining. After all, the role of unions in addressing labor market mismatches rest mainly on their strength and ability to carry out both their traditional¹⁰ and non-traditional¹¹ roles.

¹⁰ Traditional refers to organizing workers for collective bargaining, dispute settlement, education and training in support of unionism and collective bargaining, and representation. It can also refer to the classic role and function of trade unions: representation of rights and interests, legislation, collective bargaining and mutual aid and protection.

¹¹ Non-traditional roles may embrace programs and projects that complement or supplement the unions' traditional roles that are generally aimed at enhancing, asserting, defending, developing the social and economic interest of workers including partisan political involvement in pursuit of the social and economic interest of workers.

This will require both law and practice that are supportive of freedom of association and free collective bargaining, making it necessary to align Philippine law and practice to universal precepts and global standards connected to promoting the four pillars¹² and six elements¹³ of decent work.¹⁴

In the broader context, FFW will lobby to review and amend the labor code to remove the constraints to freedom of association and free collective bargaining by aligning the provisions of the labor code and its IRR to make these more congruent to Conventions 87 and 98 and to other related ILO Conventions.

In addition, FFW will work for broadening the coverage of collective bargaining to include all types of workers and to make it possible to hammer out other types of agreements on a multi-employer basis, either as groups of companies or as industries, including clauses for training, the establishment of training funds and common facilities for training, assessment, certification, counselling, matching and placement.¹⁵

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Annex 1

¹² These are rights at work, productive work, social protection and social dialogue.

¹³ The six elements are: work, productive, free choice, equity, security and dignity.

¹⁴ APL, FFW and TUCP make up the labor groups which are part of the tripartite National Tripartite Advisory Council that plans and implements the National Agenda of the Philippine Decent Work Country Program.

¹⁵ The FFW is part of the Philippine Employer Labor Social Partnership, Inc., a foundation made up of employers, academicians and unions and engaged in developing social partnerships for decent work, productivity and competitiveness, including training for work.

STRATEGIC PARTNERSHIPS IN TRAINING PROVISION, INVESTMENT AND FUNDING: Abstracts from selected country studies:¹⁶

Canada: Partnership for multi-skilling in response to local needs. The pulp and paper industry has been a major employer in the St. Catherine-Thoroid area since early 1900s – which employs over 2,000 people, with an annual payroll of \$76 million and annual sales of \$400 million. It is suffering its worst depression since the 1930s. The five area mills have diversified their product lines and developed a technology training programme to enhance competitiveness. A partnership **between the Five Mills and Niagara College, the Lincoln Country Board of Education and the Ontario Training and Adjustment Board** involves about 280 trades people over the next three years for training and millwright, pipefitting, electrical trades, instrumentation, machining and welding.

The concept of “Flex Trades” is implemented to train workers to perform tasks to agreed levels within their associated trade area. For example, a millwright would be able to carry out welding and pipefitting tasks up to the agreed level, depending on the individual’s competence.

The Flex Trade concept will allow for more efficient use of personnel within the mechanical and electrical (maintenance) areas. In addition, each trade person will gain a higher skill level and an understanding of interdisciplinary relations (*Source: Adapted from: the Report of the Canadian task force on transition in employment, 1994*).

Yet another example in **Canada** concerns **training of displaced workers (and Linking Unemployment Insurance to Training)**. In 1992, when unemployment had risen from 7.5 per cent to 11.8 per cent (the second highest among industrialized countries at the time), a labour force development strategy was formed to promote a better industrial partnership for the development of a training culture. Employers received technical assistance and financial incentives to assume the primary responsibility for training at the workplace. Government assistance to employers and workers encouraged joint research, development and implementation of action plans according to sectoral or local adjustment needs on a cost-sharing basis. Community development programmes aimed to channel assistance to severely affected areas.

The Government assisted retraining and the Federal Job Development Programme provided training and work experience to the long-term unemployed. An evaluation in 1988 revealed that 62.1 per cent of the participants were employed or in training after one year and 74 per cent of those employed were using the skills they had acquired. In 1991, 52 per cent of participants were employed three months after the completion of training and did not draw unemployment benefits in the subsequent 12 months, while 50 per cent were able to move to higher skill levels.

¹⁶ Annex 1 in Asper, IAC: “Improving workers’ qualifications for work and investing in worker skills development: cross-country analysis, experiences, and policy implications for the Philippines”, extracts from the boxes in Mitchell, Ayse G., “Strategic training partnerships between the State and enterprises”, Training Policies and Systems Branch of the Employment and Training Department, ILO, 1998.

The use of unemployment insurance was authorized to fund the development of skills by unemployed workers. The developmental use of the unemployment insurance funds has expanded rapidly and annual funding levels are set for the “developmental uses” of the insurance funds.

The Canadian approach of linking retraining to unemployment insurance and the policy of individual, enterprise and community partnership to create a training culture have been considered effective by the World Bank in addressing the consequent social and skill development needs of a changing economy. The World Bank maintained that a system of labour market information and labour market programmes integrating training, providing income support, and job search assistance with the active involvement of enterprises, workers and the community was a critical foundation for meeting the needs of the unemployed and cost-effective public investment in training. (Source: World Bank, 1993).

Japan: Training in new technologies for competitiveness and equity. According to the “third sector” formula of public/private partnership adopted in Japan, **computer colleges** are being opened with the aim of meeting the high demand for skills in computer sciences and information technology, reviving declining sectors and regions, creating new job opportunities and retaining workers threatened by redundancy. Computer colleges combine the strength of public financing with the know-how of the private sector. The **Employment Promotion Corporation**, with the collaboration of the **Ministry of Labour** and support of local governments, constructs the facilities and provides the equipment. The private sector, training providers and local authorities ensure joint management and operation of colleges in their communities. The enterprise involved include IBM Japan, Fujitsu, Koe Steel, Nippon Steel, Kansai Electric Power, Sony and Mitsubishi Electric.

The **Employment Promotion Corporation** is also developing a network of human resources development service centres in all prefectures to provide advice and assistance for the planning and implementation of vocational training through provision of instructors, facilities and customized courses for smaller firms. The Corporation receives public financing, mainly from the **Employment Insurance Fund**. (Source: ILO Hamada, 1998)

Italy: The social partners establish a limited liability consortium to promote training. In order to manage vocational training efficiently, the Italian employers’ organization, **Confindustria**, and the **trade unions** have created a national bilateral training organization in the form of a limited liability consortium, with the specific aim of improving the vocational training, guidance and retraining system.

The Consortium will represent the various parties, which have been brought together for the first time in a structure with legal status. The aim of the new organization is to ensure a balance between labour supply and demand by reviewing existing legislation and developing flexible and efficient measures for implementation.

Confindustria believes that the Consortium will be an effective tool to link training supply and the needs of enterprises. The analysis of training requirements and the creation of a national data bank will help to indicate the direction to programme training in line with the needs of the labour market.

Ireland: Policy for Investment in continued training through social dialogue. The **Irish White Paper on Education** is the result of a lengthy process of consultation between all the major partners. It sets a future policy directions and targets with a view to achieving significant change. It sets up a new **Further Education Authority** to provide a coherent national development framework for vocational education and training, including continuing training, in addition to ten regional boards. The White Paper addresses the issue of investment in the continuing training of Irish workers to a level that is equivalent to the best practices of the country's competitors. It also places emphasis on social dialogue, which has been a distinctive feature of Irish labour market policy at the national level, and which has served as the source of innovation of partnership concepts. The partnership commitment extends from national to local structures, which involve the social partners and act as catalyst for innovative training. (Source: CEDEFOP, INFO 1/1996)

Malaysia: Partnership for competitiveness in global markets. The basic objective of Malaysian training policy, as established in the **Second Outline Perspective Plan, 1990-2000**, is to create a strong basis for education and training in order to prepare the economy for global competition. Integral to this policy is greater involvement by the private sector in the provision of industrial training. Under the system, the involvement of the private sector will include the development of curricula, the provision of enterprise-based training, the development of skills for new technologies and job placement for apprentices.

The initiatives adopted under the Plan cover the industrial attachment of trainers and the sharing of public/private sector facilities and instructors, especially through the skills development centres set up in various States.

One example is the **Penang Skills Development Centre** for electronics industry, which is based on a partnership between the State, private enterprise and academia. The Centre was established by multinational enterprises and the Penang State Government and is managed as a business by a management council composed of public and private sector representatives. The State provides cash grants, trainers, equipment, training materials and premises. The private sector supplies financing, equipment and trainers. The Centre is used both by the Government and the private sector. There are user fees for courses and membership fees. A one-time "founder-member" fee was S\$15,000, which offers a 10-30 percent discount on course fees. Full membership is a one-time fee of S\$20,000. The ordinary membership fee is graduated according to the size of the firm, ranging from S\$5,000 to S\$15,000. (Source ILO, Wong Yuk Kiong, 1998)

Germany: Tripartite collaboration in training. The **objectives** of the partnership are:

- Competitiveness in global markets;
- Initial training for youth;
- Public/private collective financing;
- Preparation for continuing learning;
- Education, labour market and industry policy linkages;
- Creation of public-private commitment for vocational education and training including retraining and further training.

The partnership is based on the joint responsibility of independent and equal partners with equal voting rights. Decisions are largely based on consensus.

Collaboration between Government, workers and employers is practiced at the:

- **Federal level** through the Policy Advice and Research Institute for Vocational Training, which is financed by the federal Government. Its Board includes federal and state governments, employers and workers as permanent guests of the Federal Employment Office and the Association of Local Communities. The partnership is based on the principle that employers and workers take joint responsibility and decisions. The federal Government has the role to invite them to negotiate the aims and content of vocational education and training and decides in agreement with the social partners.;
- **Regional and local levels** through Chambers of Commerce or local employment offices. (Source: Schmidt, 1994)

United Kingdom: Training for adult unemployed. Comet is a major high street electrical retailer, which faced a lack of qualified audio engineers for its Leeds sales and service headquarters in 1994. The Leeds Training and Enterprise Council (TEC) entered into a three-way discussion with training providers and Comet. It was agreed that Comet would provide premises, equipment and materials for training, while the training providers would supply the expertise and administrative support. The TEC would provide funding under the normal training for Work rules and quality assurance.

A customized training scheme was set up under the auspices of Training for Work to offer long-term unemployed electronic servicing engineers with little or no practical experience, the opportunity of in-house training, as well as the possibility of full-time employment with FComet. Candidates with an intermediate-level electronic servicing certificate were recruited by the State Employment Service for an intensive eight-week theoretical and practical training programme. The aim was for all the candidates to obtain an audio qualification.

A number of trainees were offered full-time employment with Comet and others were taken in a second training scheme. A majority of trainees have found employment at Comet and with a smaller local enterprise. The TEC is now sufficiently satisfied with the company's training to contract directly with the company to deliver training. Comet is to expand this programme which will benefit long-term unemployed. (Source: Crowley-Beinton, 1998)

Chile: Mobilizing local resources: The Regional Council for Education and Work (CRET) in Valparaiso Region was founded in 1992 at the initiative of local enterprise associations and the regional authorities of the Ministry of Education and the Ministry of Labour and Social Security. Its Executive Committee is composed of representatives from enterprise associations, universities, the teachers' union, other labour unions, headmasters of local vocational schools and the Government.

The CRET is involved in improving the performance of 35 public vocational schools located in socially deprived areas, providing training for teachers, technical assistance for curriculum design and financial support for the investments and expenditures of the schools. An Advisory Committee, in each school, includes local entrepreneurs. Over 50 large and medium-size enterprises are actively involved in the activities and funding of the CRET. Voluntary contributions from enterprises and conference admission fees provide key financing. The Government provides the physical facilities and secretariat support.

The CRET is facing three main problems: its limited capacity to provide technical assistance to schools due to budgetary constraints; difficulties in implementing a long-term strategy due to the irregular economic support from enterprises and enterprise association; and legal obstacles to curriculum reforms in vocational schools. (Source: Martinez, 1998).

Yet another case study in **Chile**, provides an example of efforts to ***transform training delivery from public to private sector***. The delivery of vocational training was originally the concern of the public sector in Chile. However, the system evolved into a structure in which the State does not offer training but finances and controls the use of public funds according to market demand. Under this market-oriented system, private training agencies sell their services to enterprises and execute government-sponsored training programmes. The Government also subsidizes enterprises-based training through tax rebates. In addition, it finances training for those who have no access to enterprise-based training.

The aim is to stimulate enterprise demand, with a view to orienting supply. Market competition is cultivated between training providers as a means of promoting efficiency and quality. Free public vocational training is also provided for new labour force entrants, unemployed adults and workers who have no access to enterprise-based training.

Although the system increased training opportunities from 97,0000 in 1980 to 400,000 in 1994, concern has been expressed about the low quality and high cost of training. (Source: Vasquez Corvalan, 1994)

Kenya: Informal Sector Training Fund for equity and growth. Kenya has recently established a micro and small enterprise training fund to upgrade skills in the informal sector, in an innovative partnership between the Government and the *Jua Kali Association* for Informal Sector (*Jua Kali*, meaning hot sun). The aim is to develop demand-driven training and enhance cost-sharing for enterprise-based skills upgrading. Public funds will be channelled on a competitive basis to training providers. The fund is managed jointly by the public/private members, appointed by the Minister for Research, Technical Training and Technology, with three representatives of the Kenyan Federation of *Jua Kali* Association (formed in 1992), three from the Government, and four from organizations working with the informal sector. Training vouchers are also used to encourage training in small firms. (Source: UNESCO, International Institute for Education and Planning (IIEP), 1997.

Britain: Individual Learning Accounts. ILAs, introduced in mid-2000, held in the name of an employed adult (age 19+) funds to be used to pay for approved learning activities, general and vocational. The Government contributed an initial 150 pounds to each account, the individual at least 25 pounds. Employer contribution were invited as well, to be treated as a non-taxable fringe benefit for the employee, and a tax-deductible outlay by the employer (as long as all employees were made eligible to benefit). A discount of 20 per cent (80 per cent for IT-related learning) was offered on course fees out of the first 500 pounds of spending from an account. At least one in ten ILAs was to involve a priority learner category (skill shortage, SMEs, the unskilled and non-employee returners to work).

ILAs performed well in volume terms: 2.5m accounts were opened during the first year, as against 1m expected. Nevertheless, the Government suspended the programme as of November 2001, citing evidence of the fraudulent use of ILAs by training providers to fund low quality courses irrelevant to

individual needs, and even to milk public funds without providing any learning services at all. The Government explanatory letter to account holders referred to “aggressive mis-selling... (of) low value, poor quality learning” by providers who “may not have your interest at heart”. Informed comment suggested two other factors: participation was slanted towards the highly skilled and qualified, most of whom would have undertaken the training anyway, and the high demand of public spending. No plans have yet been announced for the replacement of this central plank in the Government’s lifelong learning policies. (Source: Greany (2000a, Hillage et.al. (2000), DIES letter, 29.10.01; Financial Times, 25.10 and 24.11.01, as abstracted in Ryan, Paul, “Lifelong learning: Potential and constraints with special reference to policies in the United Kingdom and Europe”,

Latin America: Training initiatives by employers’ organizations. In Latin America, employers have assumed a leading role and are playing an increasingly influential part in terms of training infrastructure, knowledge, conceptualization and political influence. The move to create vocational training institutions in the region can be traced back to the birth in Brazil of two bodies associated with employers’ organizations: the National Industrial Training Service (SENAI) in 1942; and the National Commercial Training Service (SENAC) in 1946. These pioneering institutions have left a deep mark in Latin America. They were attached to the employers’ federations in the industrial and commercial sectors, and remain so to this date. Employers’ organizations consider training a central element of strategies to raise competitiveness and productivity. They are concerned with various aspects of training, including management, financing and methodologies, and strive to participate actively in vocational training institutions. Training institutions which successfully adapt to the current productive, labour and technological context invariably owe their success to a permanent dialogue and interaction with enterprise

Training is also perceived by employers as an instrument to upgrade the skills of both its middle management, executives and employers themselves, as well as workers. Employers’ organizations have introduced their own concepts and notions of training through national tripartite or bipartite agreements, sectoral agreements or bargaining at the enterprise level. The initiatives include:

Direct management of vocational training institutions by entrepreneurial chambers, such as SENAI and SENAC in Brazil, ICIC in Mexico, INACAP in Chile, INFOCAL in Bolivia, SENATI in Peru, SENAT in Brazil, CIED in Venezuela and others.

Some sectoral chambers providing research and development and technical education for their members such as the Chilean Construction Chamber, the employers of the agricultural sector under the National Agriculture Society and through its Social Development Corporation for the Rural Sector (CODESSER), and Production and Commerce Confederation through INACAP;

In Mexico, the work of the National Chamber of the Textile Industry (CANAINTEX) through the Textile Training Centre. (Source: *Training, labour and knowledge, ILO CINTERFOR, Montevideo, 1999 as abstracted in Skills in Asia and the Pacific: why training matters, op.cit.*)

The Role of trade unions. The crucial role of union in workforce trainings is emphasized in many countries. A new report by the National Institute of Adult Continuing Education (NIACE) in the United Kingdom commissioned by the Department of Education and Employment and the Trade Union Congress highlights their role in stimulating demand for learning from the workforce, and creating the conditions

necessary to transform workplace into learning organizations. (Source: *Partnership for learning, John Payne and Alistair Thomson, NIACE, 1999*)

The Danish Federation of Trade Unions (LO) estimated that up to 1 million private sector workers out of a total workforce of 2.9 million are entitled to one week of technical training every year. Enterprise-level agreements and creation of awareness among workers are essential to ensure that the right to training is actually used. Shop stewards acting as “ambassadors” of training are to mobilize workers to take advantage of learning opportunities (Source: Olesen, 1998)

In many instances unions assume direct management of vocational training institutions, foundations and programmes. In **Malaysia**, the Workers Institute of Technology in Port Klang and Ipoh offers training for young people *inter alia* in auto mechanics, electricity, computer sciences and architecture. Collaboration with multinationals such as Volvo, Bosch and Siemens is also helping workers to upgrade their skills. In **Argentina**, the Construction Training Foundation is associated with the construction workers’ union (UOCRA). Similar arrangements were made by unions in various sectors, including commerce, services, insurance and metal industries. Several unions jointly formed the Trade Union Forum for the Integral Training of Workers. In **Brazil**, major union federations CUT, Forca Sindical and UCGT carry out training programmes at central level and through their branch affiliates. In **Argentina**, trade unions offer vocational training on a regular basis with a significant coverage where enrolment is larger than in public training institutes. Unions are also involved in specific technical aspects of training, for example, certification of occupational competencies such as in **Mexico**. Some central unions carry out research on training to develop conceptual information and act as think tanks for workers organizations (Argentina, Brazil, Venezuela). (Source *Training, labour and knowledge, ILO CINTERFOR, Montevideo, 1999*)

The **Irish Congress of Trade Unions (ICTU)** has established a training company, the Education and Training Services Trust (ETS) which act as a training provider and broker of training services for members. Together with the National Council of Vocational Awards, the ETS deliver training in areas such as pneumatics, hydraulics, electronics and in core skills such as team working and problem solving. Courses include tests leading to certification. (Source *CEDEFOP Info 3/1998*).

Europe: Financing through collective bargaining and joint fund management. In a number of European countries, training is covered by sectoral collective bargaining agreements which have resulted in the creation of training funds, financed by enterprise payroll levies. They arise from voluntary bipartite agreements leaving the initiative and control to employers and workers, outside state control. They also allow for joint fund management by the workers and employers and include cost-sharing arrangements between firms.

In **Belgium**, a levy is imposed through collective bargaining agreements and collected by the social security to finance sectoral training funds. The funds finance training policy development and trade union training. In 1991-1992, firms also contributed a payroll levy of 0.25 per cent to finance training for disadvantaged groups. This levy is paid to the National Employment Fund and exemptions are granted to firms which provide the required level of training.

In **France**, training funds are managed by administrative councils composed of employers and trade unions. The funds can also receive subsidies and donations. Enterprises which pay into these funds are exempted from the compulsory employer payroll levy. Similar sectoral funds exist in the Netherlands and receive a government contribution to subsidize apprenticeship training.

A limited number of sectoral funds have been established in **Germany** under the terms of collective agreements. They operate without tax support. Training levies are paid by some Chambers of Industry to finance training for their members. In addition, four funds have been established by collective agreements for: the construction industry, horticulture, stone-masonry and roofing and tiling. The levies collected by these funds do not cover the total cost of vocational training for the firm. However, employer contributions are used to meet the cost incurred by firms in establishing multi-firm centres. *(Source: Adopted from Gasskov, 1996)*

Outline:**Initiatives to address the Job-Skills Mismatch:
The Employment Program of the Federation of Free Workers
(FFW-ITUC)**

- I. The Employment Program in the context of a Trade Union Social Movement¹⁷
 - a. The Worker. Every human being has the right to live and the duty to work for the betterment of human life. Consequently, every human being is entitled to and is responsible for affording other, including future generations, all opportunities for material and spiritual fulfilment.
 - b. The human being has the fundamental right and obligation to work. Through work the human being is able to transform, preserve and benefit from the resources of the earth, express and develop human personality and contribute to the building up of the human community. –(Principles from the FFW Constitution and By-Laws, amended in 1998)
- II. Mandate from the FFW 22nd National Convention
 - a. To achieve its Key Result Areas under the Policy and Program of Action (PPOA) of the FFW for 2006-2011, it is “Deploying Ten Strategies”. Those related to Employment are the following
 - i. Strategy (7): Through competency-based training, assessment and certification, in a lifelong learning continuum, equivalency and recognition of prior learning, build workers’ capacity for decent work and self-development towards controlling their everyday work life
 - ii. Strategy (8): Through employment counseling, matching and placement, provide continuing paid work and productive work for workers here and abroad
 - b. Part of its “Internal Advocacies” from the same PPOA is the “Building of Twelve Capacities” These are:
 - i. Capacity (3): Re-orienting its education and training programs about trade unionism and technical education and skills development along the frame of competency-based training, assessment and certification, including recognition of prior learning and equivalency within a lifelong learning continuum, and gaining the techniques to do this...
 - ii. Capacity (11): Gaining adequate capacity to run and expand in its branch offices, the FFW’s Public Employment Service Office (PESO) which has been a recognized outlet in NCR, and reconfiguring it as a one-stop shop common facility for employment counseling, matching, placement, access to training and livelihood or for incubating micro-, small and medium scale workers’ enterprises and cooperatives
- III. The FFW Employment Program: A Two-pronged Approach
 - a. Skills Training for Employment: Preservation of Jobs, Jobs Enhancement for greater employability, Creation of new Jobs
 - b. Entrepreneurial Initiatives
 - i. Workers’ Enterprises or Cooperatives
 - ii. Economic Activities for the Informal Sector (mostly retrenched members)

¹⁷ Culled from the Declaration of Principles, Statutes of the FFW

- IV. Skills Training for Employment
- a. Finishing Course for Call Center Agents (FCCCA)
 - i. Union members who have been retrenched, their family members, friends of the FFW and the public at large (mostly in the Manila area and nearby cities) are invited to become scholars and get free training under the PGMA Training-for-Work Scholarship Program
 - ii. Basic requirements:
 1. 18-55 years old
 2. at least a high school graduate
 3. able to converse in English
 - iii. Assessment
 1. applicants are initially screened based on the "basic requirements"
 2. applicants are assessed as to the level of their proficiency in English. These are in the areas of: pronunciation, fluency, vocabulary and sentence construction
 - a. written test
 - b. oral test
 - c. assessment proper thru a phone assessment.
 - i. A score of "55" or higher, indicates that the applicant is "trainable" and enables the applicant to avail of the Scholarship.
 - ii. A perfect score of "80" means applicant is "hire-able" and gives him/ her the option to pursue work in call centers at once
 - iii. A score less than "55" means the applicant is not set for work in call centers. Applicant is given other training options
 - iv. Training Proper
 1. A total of 100 hours
 - a. five or four-hour sessions from M-F
 2. Training for Work
 - a. Applicants who have no intentions of working in call centers are discouraged from availing of the scholarship
 3. Intensive Training
 - a. Trainers are highly qualified
 - i. With at least two years of experience in call center work
 - ii. Certified; with National Certificate II in:
 1. Assessor Methodology
 2. Training Methodology
 3. PC Operations
 - b. Competency-based training
 - i. Preparation for work in call centers (knowledge)
 - ii. English Communication and Accent Neutralization (skills)
 - iii. Gaining confidence (attitude)
 - iv. Call simulation (competency)
 - b. Placement
 - i. job fairs with partner/ linked companies are organized exclusively for scholars (pre-assigned dates; only the scholars apply on that day)
 - ii. scholars get assistance on preparing their resumés
 - iii. scholars are familiarized with the job application process and are given exercises on the same

- iv. job fairs are organized even before the 100 hour training ends (usually on the third week of training); the experiences gained in the same are part and parcel of the process of the training
 - v. scholars who get hired by call centers in the middle of the training automatically "graduate"; though they have the option to finish the training if their schedule permits it
 - vi. placement rate is at 60%
 - c. Follow up
 - i. Graduates of the FCCCA are monitored after training to follow up on the status of their employment.
 - ii. Those who are still unemployed are continuously invited to job fairs
 - d. Organizing as a Support Mechanism
 - i. The FFW has organized the National Association of Call Center Agents/ Specialists (NACCAS) as a workers association or craft guild to look after the interest of workers in the industry
 - ii. Eligibility for membership
 - 1. graduate of the FFW's FCCCA; or
 - 2. a call center employee
 - iii. Thrusts of NACCAS
 - 1. Continuing Training: retooling, upgrading of skills, training/ orientation on occupational safety and health
 - 2. Social Dialogue: a means for promoting labor standards
 - 3. Services: Development of ICT services; development of enterprises
 - e. Youth Employment
 - i. Establishment of Youth Committees at the National, TF, Regional and Local Union/ BSO levels
 - ii. Education Program (literacy) for child laborers (FFW area in Mt. Diwalwal)
 - iii. Skills Training
 - iv. Entrepreneurship
- V. Entrepreneurial Initiatives
 - i. Workers' Enterprises and Cooperatives affiliated with the FFW can avail of the **FFW-Social Credit Fund**
 - ii. Workers in the Informal Sector, mostly retrenched unionists organized under the **National Employment and Enterprise Development Association (NEEDA)** can avail of the services of the *Enterprise Development Program*
 - 1. Organized in 2003 for the benefit of retrenched unionists, who have a nose for business
 - 2. Provides training on entrepreneurship for members
 - 3. Has an existing revolving fund which members can avail of in expanding their business, purchasing raw materials or used in marketing