

State of Philippine Education: Where are We Now and Where are We Going?

*Rosario G. Manasan
Asian Development Bank
3 November 2016*

Overview of presentation

□ Objective of presentation

□ Basic Education

- **Formal**

- **Non-formal**

□ TVET

□ Higher Education

□ Intersectoral Concerns

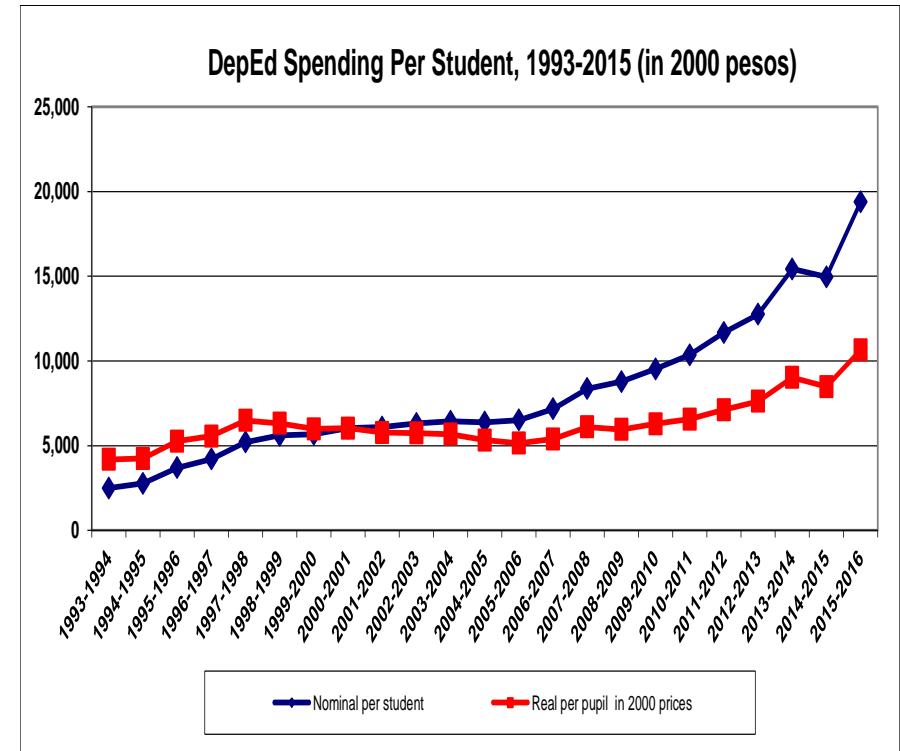
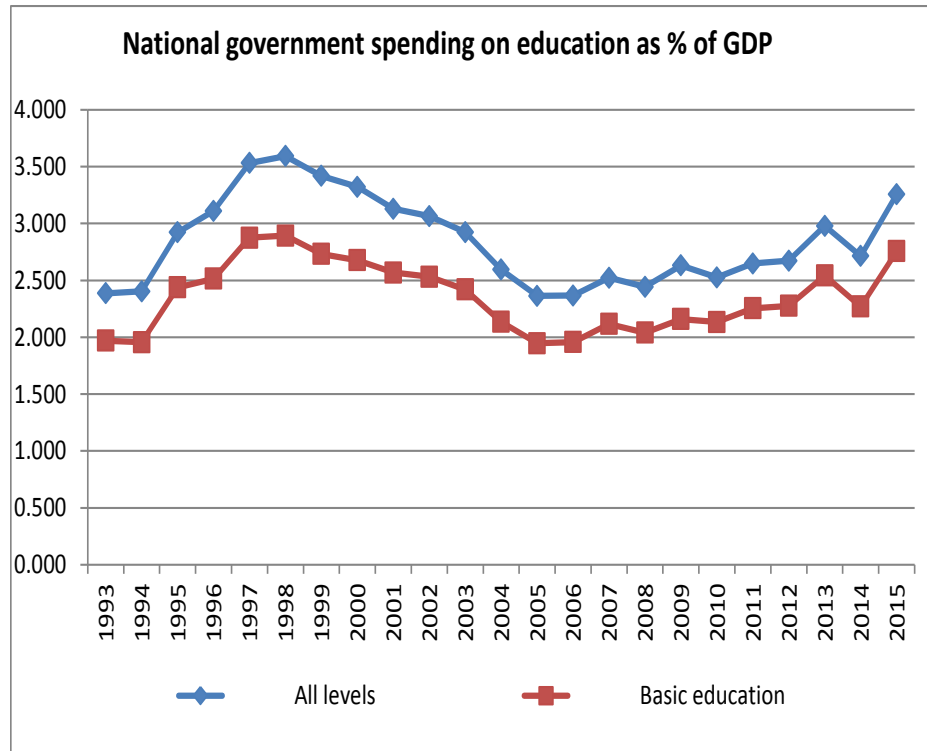
Objective of presentation

- Review and synthesis of some 40 studies/ researches conducted in last 5 years pertinent to the education sector to help guide policy and program development

Summary of issues related to basic education

- ❑ Significant increase in national government (NG) spending on basic education in 2011-2014 has resulted in increased spending on critical inputs (teachers, classrooms, learning materials, etc)
- ❑ Gains made in terms of access, equity but improvements in learning outcomes (i.e., quality) not so clear and could have been better with ...
 - Improvement in the allocation of new teachers, additional classrooms
 - More timely utilization of budget allocation
 - More active implementation of school-based management (SBM)
 - Provision of more resources to schools
 - Better coordination with LGUs in use of Special Education Fund
- ❑ Need to greater attention on needs of out-of-school youth for more inclusive growth

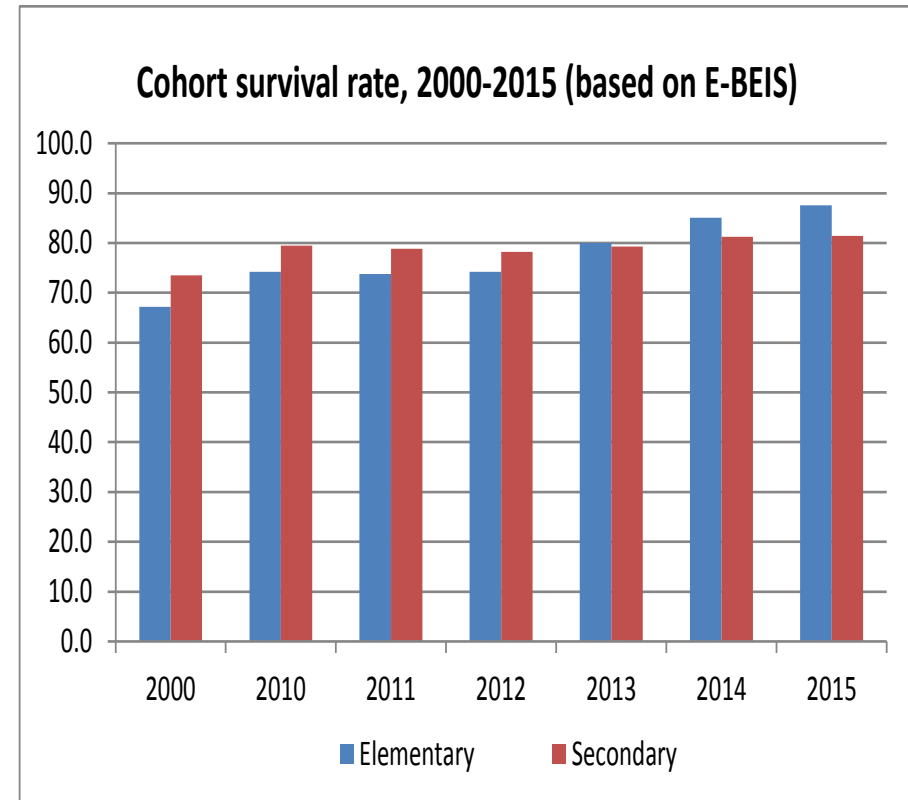
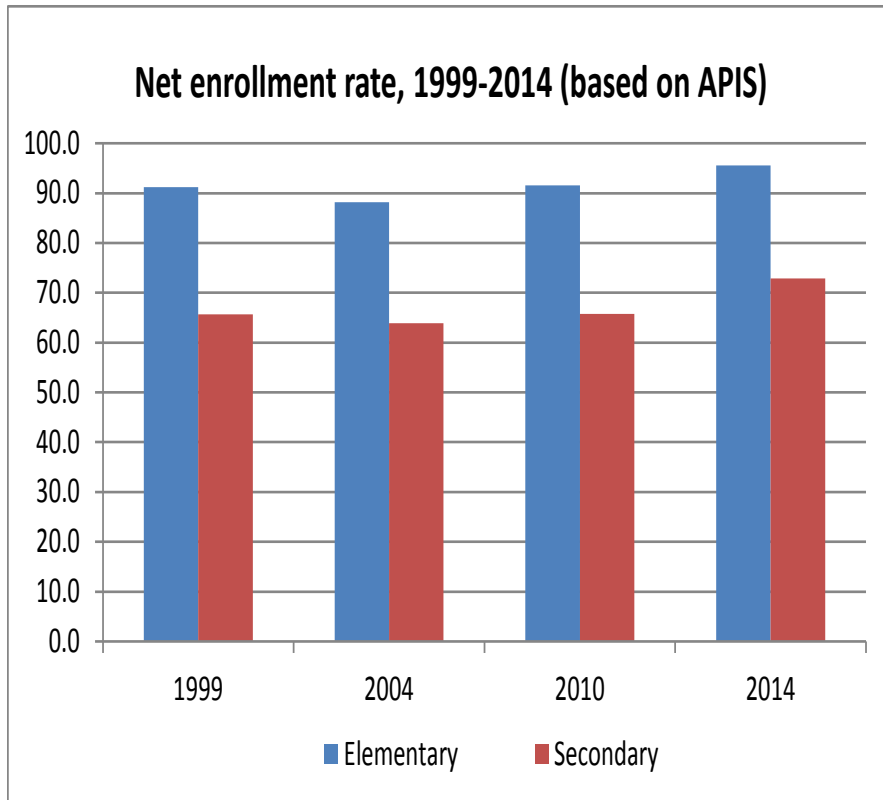
Significant increase in NG spending on basic education in 2011-2015



□ Turnaround in NG spending on basic education starting in 2006 but 2015 level (2.8% of GDP) still lower than peak level in 1997-1998

□ Per student NG spending (in 2000 prices) increased to PhP 10,644 in 2015, more than double the 2005 level and about 65% higher than its previous peak level in 1998.

Access and school retention improved in 2010-2014/15



- ❑ Net enrollment rate rose in 2010-2014 in both elementary and secondary levels

- ❑ Improvement in cohort survival rate more marked at the elementary level compare to that at the secondary level in 2012-2015

Equity – narrowing of income and gender divide largely due to CCT

Net Participation Rate, 1999-2004

	1999	2004	2010	2014
Elementary				
Quintile 1 (Poorest)	88.1	83.3	88.6	95.3
Quintile 2	90.9	89.5	92.1	95.7
Quintile 3	93.4	91.1	92.9	96.6
Quintile 4	93.8	92.5	94.5	95.2
Quintile 5 (Richest)	95.2	91.4	94.2	95.3
Total	91.2	88.2	91.5	95.6
Q5/Q1 ratio	1.08	1.10	1.06	1.00
Secondary				
	1999	2004	2010	2014
Quintile 1 (Poorest)	47.2	43.7	47.9	57.1
Quintile 2	62.3	62.3	65.9	74.4
Quintile 3	70.5	72.5	75.4	78.4
Quintile 4	79.4	80.2	81.6	87.0
Quintile 5 (Richest)	86.4	85.4	84.9	87.8
Total	65.7	63.9	65.8	72.9
Q5/Q1 ratio	1.83	1.95	1.77	1.54

Net participation rate, 1999-2014

	2004			2010			2014		
	Female	Male	F/ M ratio	Female	Male	F/ M ratio	Female	Male	F/ M ratio
Elementary									
Quintile 1 (Poorest)	85.1	81.7	1.04	89.3	88.0	1.01	96.2	94.4	1.02
Quintile 2	90.0	89.0	1.01	92.9	91.3	1.02	96.3	95.0	1.01
Quintile 3	91.6	90.6	1.01	93.2	92.7	1.01	97.6	95.7	1.02
Quintile 4	93.1	91.9	1.01	94.4	94.6	1.00	94.6	95.7	0.99
Quintile 5 (Richest)	92.2	90.8	1.02	94.1	94.2	1.00	96.0	94.6	1.02
Total	89.2	87.3	1.02	92.0	91.1	1.01	96.2	95.0	1.01
Secondary									
Quintile 1 (Poorest)	51.1	36.8	1.39	65.5	41.0	1.60	65.5	49.0	1.33
Quintile 2	69.4	55.0	1.26	81.6	60.0	1.36	81.6	67.2	1.22
Quintile 3	77.6	67.7	1.15	81.7	71.9	1.14	81.7	74.9	1.09
Quintile 4	83.0	77.3	1.07	88.8	79.9	1.11	88.8	85.5	1.04
Quintile 5 (Richest)	86.4	84.4	1.02	87.2	82.7	1.05	87.2	88.5	0.99
Total	69.6	58.2	1.20	78.1	60.8	1.28	78.1	67.8	1.15

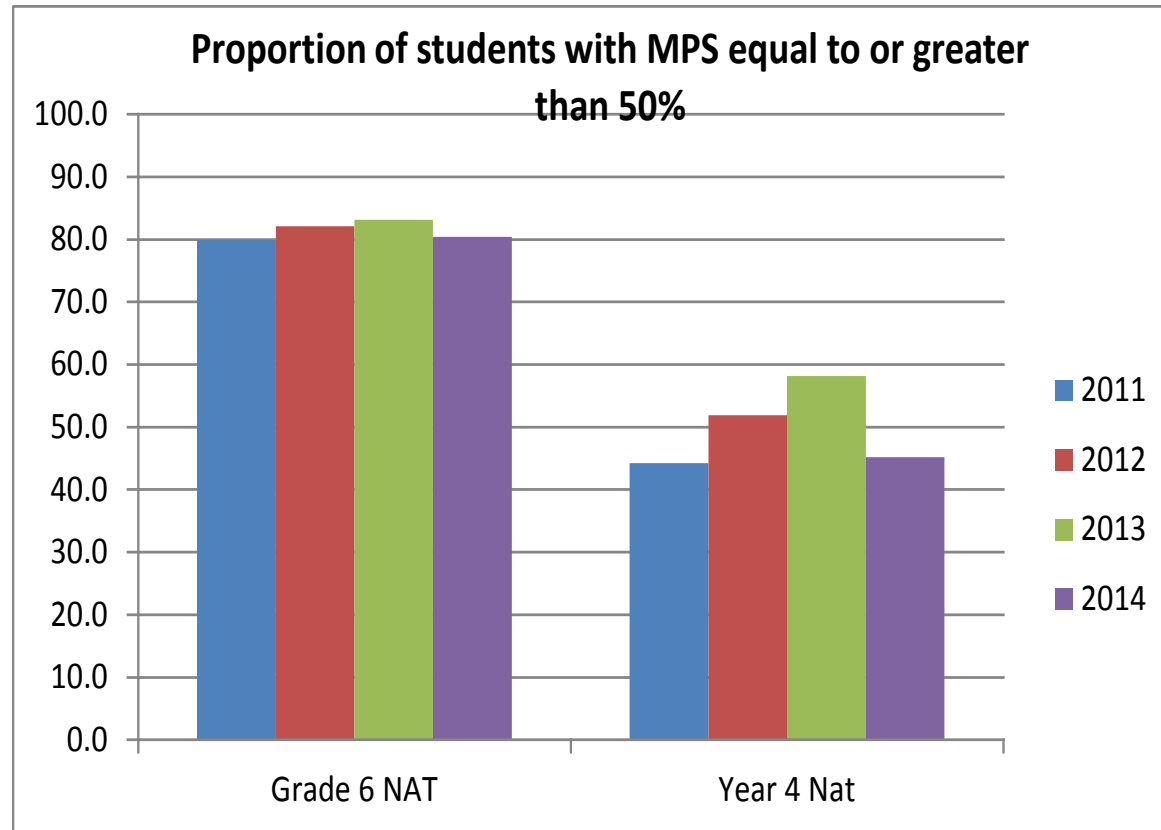
Source of basic data: Annual Poverty Indicator Survey

- Income divide at the elementary level has been closed between 2010-2014
- Accelerated narrowing of the income divide at the secondary level during the same period

- Gender divide (measured in favor of girls) widened almost imperceptibly at the elementary level in 2010-2014
- Significant narrowing of gender divide at secondary level during the same period

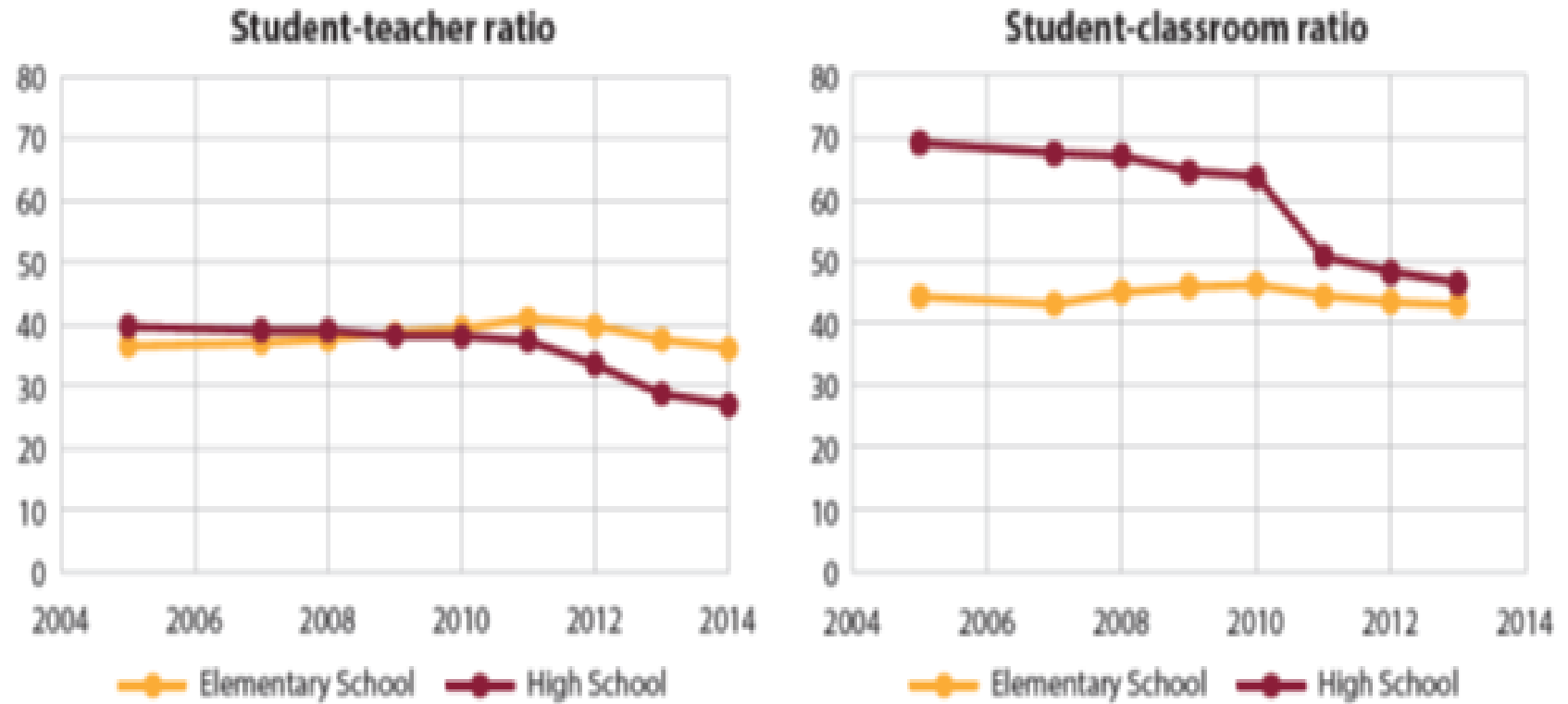
Manasan, R., forthcoming

Progress in improving learning outcomes/ quality less clear



- ❑ Studies have found inefficiencies in the allocation of new teacher items, new classroom construction and other critical inputs which if corrected are likely to improve education outcomes and optimize the use of scarce public resources

Higher NG budget allocations on basic education → hiring of large numbers of new teachers and construction of substantial number of classrooms in 2011-2014 → reduction in STR and SCR during the period



Sources: DepEd Fact Sheet and Enhanced Basic Education Information System (EBEIS)

Teacher allocation, hiring and deployment issues

- ❑ Allocation of new teachers in 2013 and 2014 was largely in line with need
 - Signs of weakness in teacher allocation evident → large number of elementary schools with teacher deficits were not allocated additional teachers in either 2013 or 2014 while a number of schools that already had relatively low STRs were allocated extra teachers, thereby increasing number of schools with teacher surplus

- ❑ Delays in the deployment of new teachers evident in 2013-2014 and 2016 (esp. for SHS)
 - About 33% of new teacher positions created for SY 2013-2014 remained unfilled as of the end of 2014

Reforming teacher allocation

- ❑ Further develop and issue clear guidelines/ standards for school-level teaching needs (particularly for subject-specific teachers in high schools) based on expected class sizes and curriculum load
- ❑ Monitor the distribution of teachers more closely to ensure efficiency and implement HRIS
- ❑ Revise teacher transfer policy to make it a more effective tool to improve teacher distribution

Reforming teacher hiring and deployment

- Further streamline the processes and procedures in hiring and deployment of teachers
 - Strengthen the accountability of regional and divisional offices for carrying out processes in a timely way
 - Improve monitoring to ensure hiring timelines are met and that teachers are in post at the beginning of the school year
 - Improve coordination between the DBM and DepEd regional offices

Issues related to teacher competencies

- ❑ Knowledge of subject matter among elementary and high school teachers (as indicated by their performance on content knowledge diagnostic tests) is low in most subjects
- ❑ Self-assessments of teachers' strengths and weaknesses may not be a good basis on which to plan professional development activities
- ❑ Need for high quality and regular professional development programs to address the weaknesses in the competencies of the existing teacher workforce

Reforming professional development of teachers

- ❑ Develop diagnostic teacher competency assessment to better identify teachers' in-service training needs
- ❑ TSNA may not be adequate for identifying teachers' professional development needs
- ❑ Develop content for professional development activities that will address existing weaknesses
- ❑ raise levels of funding to increase both the duration and quality of in-service training for basic education teachers
- ❑ Provide divisions and schools with a larger share of professional development funding to make training more relevant

Issues related to utilization and allocation of school infrastructure resources

- Allocation of government infrastructure resources broadly in line with need but there is significant room for improvement
 - About half of elementary schools that had classroom shortage were allocated new classrooms, while about 30% of schools with “excess” classrooms received new classrooms

- Utilization rates for school infrastructure funds have been persistently low in 2010-2014
 - During this period, only 54% of allotments were obligated in the same year they were allocated with the exception of 2013
 - The obligation-allotment ratio for DepEd’s infrastructure funding has never exceeded 65% in 2010-2014 with the exception of 2013 (91%)

Reforming the utilization and allocation of school infrastructure resources

- ❑ Methods used to identify and target school improvement projects need to be strengthened (e.g. using information on state/ condition of existing school facilities, amount of buildable space in the school)
- ❑ Strengthen the role of schools and school governing councils in infrastructure planning and project management
- ❑ Increase the capacity of DepEd and DPWH to monitor projects regularly
- ❑ Strengthen coordination between DepEd and DPWH
- ❑ Expand and establish partnerships to build and improve infrastructure

Issues in the implementation of school-based management (SBM)

- ❑ Recent studies from many different countries have shown that SBM can have positive impact on learning outcomes and access.
- ❑ Majority (about 60%) of schools assess their level of SBM implementation as low
 - Only a small proportion of funding available to schools is discretionary
- ❑ SGCs are not functioning as they were designed to do
- ❑ SBM implementation is less advanced and fewer discretionary funds are available in schools that serve poorer communities

Reforming the implementation of SBM

- ❑ Provide school principals, school governing councils, and parent-teacher associations further training on SBM
- ❑ Build the capacity of district and division supervisors to mentor schools in the implementation of SBM
- ❑ Increase the authority of schools over school-level funds
- ❑ Clarify the roles and responsibilities of SGCs and PTAs
- ❑ Increase the knowledge of SGC members on their roles and responsibilities through school-level training initiatives

Issues in providing schools enough resources

- ❑ School MOOE budget increased in real terms by over 50 percent between 2011 and 2015
- ❑ Not all schools receive their full MOOE allocation and the transfers are often not made on a predictable schedule
 - DepEd division offices failed to download the full allocation to over 80% of elementary and non-IU high schools in 2013
- ❑ Management of MOOE funds within schools - difficult and time-consuming

Reforming the provision of enough resources to schools

- ❑ Enforce existing regulations on the transfer of funds
 - Tighten and enforce the rules governing division offices procuring material on behalf of schools
 - Introduce transfer targets for DepEd division offices tied to performance bonuses
- ✓ Reduce the frequency of downloading and increase the time allowed for schools to produce liquidation reports
- ❑ Provide additional support to schools on MOOE management from district offices and provide school-level training
- ✓ Allow schools to deposit MOOE funds in bank accounts
- ✓ Explore the feasibility of treating school MOOE funds as a grant to simplify reporting requirements

Issues in local government (LG) funding of basic education

- ❑ LG funding - represents small and declining share of total public funding for basic education
 - Education - small share of total LG spending and has not changed much over the last decade
- ✓ low share of LG funding reaches schools and most is provided in-kind and thus, runs risk of not being responsive to most pressing needs of schools
- ❑ Local government funding is inequitable
 - Students from poorer households tend to attend elementary schools that receive less LGU per-student funding than is received by the elementary schools attended by students from wealthier households
- ✓ Schools are rarely involved in funding decisions of LSBs

Reforming LG funding of basic education

- ❑ Raise the share of local government funding provided directly to schools
- ❑ Reduce inequalities in SEF funding of basic education by adjusting the national funding formula
- ✓ Revise DILG-DBM-DepED guidelines regarding the utilization of the SEF so as
 - to clearly articulate priorities for the use of SEF funds
 - to prescribe consistent reporting formats to document amounts LSBs allocate to schools and the outcomes of school-level improvement plans
 - to document clearly the elements of funding formula so as to strengthen link between funding and school needs
- ✓ Increase coordination between LSBs and schools themselves
 - Make better use of schools' annual improvement and procurement plans in LSB planning

Basic education: non-formal

- ❑ Alternative Learning System (ALS) - second-chance, nonformal education program operated by the DepEd for out-of-school youths and adults

- ❑ ALS target population – number 4,776,000 in 2013
 - Basic literacy program – 12-26 years old, no grade completed – number 211,000 in 2013
 - ALS A&E elementary-level target population – 12 – 26 years old, have not completed elementary school, are not currently attending school – number 1,332,000 in 2013
 - ALS A&E secondary-level target population – 16-26 years old, have not completed high school, are not currently attending school – number 3,232,000 in 2013

Issues on implementation of ALS program

- ❑ About 66% of the target population (age 16-26) are currently employed
- ✓ Characteristics of ALS target population vis likelihood of enrolling, completing ALS program and passing A&E test
 - those who drop out of school due to financial problems are most likely to enroll and complete ALS program and pass A&E test
 - Females who left high school for marriage or pregnancy are the least likely to enroll in ALS program
 - Major reason for dropping out of ALS programs - inability to afford the expenses of the learning sessions
- ❑ → need for policy/ program intervention to reduce the opportunity costs of attending ALS program through scholarship or conditional cash transfer to ease learners' participation in ALS or in an alternative program such as the Alternative Delivery Mode (ADM)

Issues on implementation of ALS program

- ❑ No clear difference in performance of learning facilitators who are directly employed by DepEd and those who are not directly employed by DepEd despite the latter being paid substantially less than the former
 - Introducing performance-based payment may create effective work incentives and improve learning outcomes

- ❑ Labor market returns to ALS are significant only when learners successfully pass the secondary A&E exam but current pass rate is low (20%)
 - Need intervention to improve pass rate

Issues on implementation of ALS program

- ❑ Reduction in class size (below 40 learners per facilitator) significantly increases the A&E pass rate

- ❑ Monitoring activities performed by different supervisors from national and subnational education management tiers are not well coordinated
 - District ALS Coordinators (DALSC), who have dual role of teaching learners and monitoring other learning facilitators, perform less well than their counterparts who teach learners only

Issues on implementation of ALS program

- holistic approach is required for interventions to address needs of students who have not completed school and those who are at high risk of dropping out
 - In the context of K-12, ADM (which address learning needs of marginalized students) - more appropriate intervention for those at high risk of dropping out; early intervention is best
 - Expanding ALS should be coordinated with provision of ADM for high risk targets so as to avoid unintended consequence of distort incentives to study (or to continue studying)

Emerging issues in K-12 implementation

- Enrollment in Grade 11 - 1,445,107 (as of 7 Oct 2016)
 - 51.4% in DepEd SHS vs 48.6% non-DepEd SHS (45.8% in private SHS)
 - Share of private sector increase from 18% (for Grade 7-10) to 22% (for Grade 7-11)
 - 60.4% in academic track, 38.9% in TVL track and 0.6% in sports and arts/ design tracks combined
 - Transition rate from Grade 10 to Grade 11 - 96%

Emerging issues in K-12 implementation

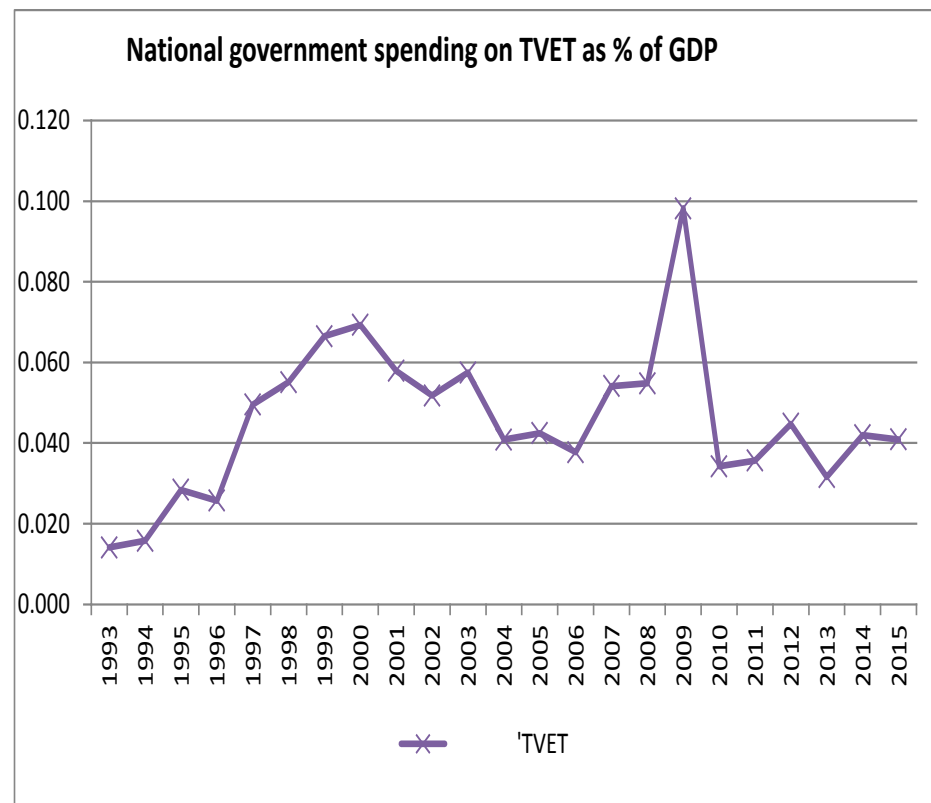
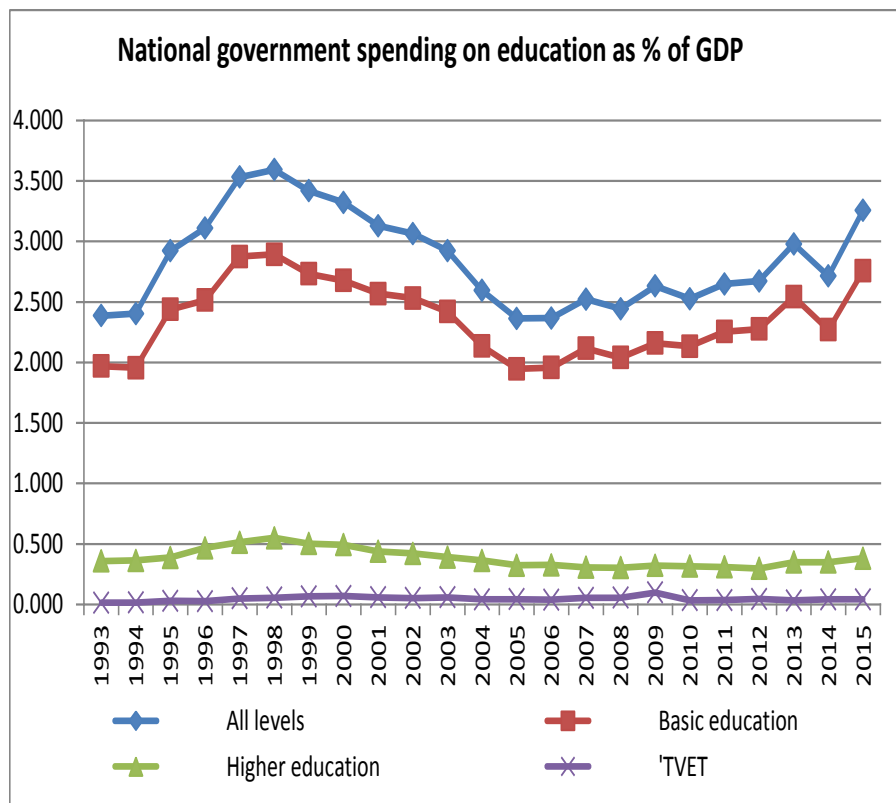
- ❑ Voucher program beneficiaries – 81.7% of total non-DepEd Grade 11 enrollment
 - program intended to empower students by giving them the opportunity to choose the type of school they wish to attend
 - program envisioned to increase the diversity of SHS providers by incentivizing the greater participation of non-DepEd SHS providers (both public and private) in the program → diversity promotes relevance of the SHS program
 - Student choice plus increased number of providers → greater dynamism in the system with greater competition among alternate providers
 - voucher program mitigates strain on government resources, both financial and institutional

- ❑ Critical to put in place quality assurance measures to ensure that quality of instruction in non-DepEd providers

Summary of issues on technical vocational education and training (TVET)

- Institutional arrangements – dual role of TESDA
- Service delivery
- TVET scholarship system and allocation of subsidies

NG spending on TVET



□ NG spending on TVET (as % of GDP) has stagnated in 2011-2015, unlike in the other education subsectors,

Issues in TVET – regulatory vis service delivery role of TESDA

- TESDA's current institutional arrangement - not conducive for efficiency
 - TESDA - heavily involved in direct service provision through its training centers
 - → TESDA training centers have little incentive to be efficient since their budget and salaries are not closely tied to their performance
 - TESDA - responsible for the accreditation and assessment of existing delivery modes
 - → means that TESDA is both a provider and a regulator of providers
 - Thus, present arrangements vest TESDA with undue advantages over private TVIs, resulting in the latter's being crowded out.

Issues in TVET – regulatory vis service delivery role of TESDA

- ❑ TESDA – has not been effective in discharging its regulatory function
 - Agency is suppose to conduct annual review of training centers compliance with Training Regulations (TRs) but extent to which this is actually being done is not clear (data on compliance rates and actions taken in cases where a violation has been discovered not available)
 - Agency's police power to implement the sanctions for noncompliance – weak

- ❑ Recommendation of past studies - change the role of TESDA from a direct service provider to a standard setter/regulator and enabler of other more efficient providers

Issues in TVET – Quality of TVET graduates

- ❑ Some improvement in certification rate – 88% in 2013
 - Likewise, in proportion of graduates assessed – 60%
- ❑ Low employability of graduates of technical and vocational education institutes (65% in 2013) -indicative of the low quality of TVET
- ❑ Low quality of training provided by TVEIs reported to be more pronounced in private institutions
 - associated with the lack of qualifications of trainers and the inadequacy of equipment and facilities
- ❑ relevance of TVE is held back by the limited range of course offerings and the use of outdated or low quality equipment
 - unable to familiarize students with new technologies used in the workplace

Issues in TVET – Quality of TVET graduates

- ❑ Relevance of education can be promoted further through a more extensive internship and apprenticeship program with firms

- ❑ Review of Apprenticeship Law may be needed to encourage firms to provide training to their employeesL
 - what maybe lacking in existing apprenticeship program is straight wage subsidy scheme where the program pays part of the salaries to encourage firms to hire workers, esp. young workers in case of NEETs

- ❑ Promote greater linkage between training providers and industry

Issues in TVET – TVET scholarship programs

Beneficiaries of TWSP, 2006-2013

Year	Enrolled	Graduates
Philippines	1,804,551	1,757,024
2006 - 2007	222,698	215,418
2008	450,189	345,286
2009	772,466	759,244
2010	107,314	98,752
2011	258,472	257,594
2012	178,680	177,217
2013	107,990	107,596

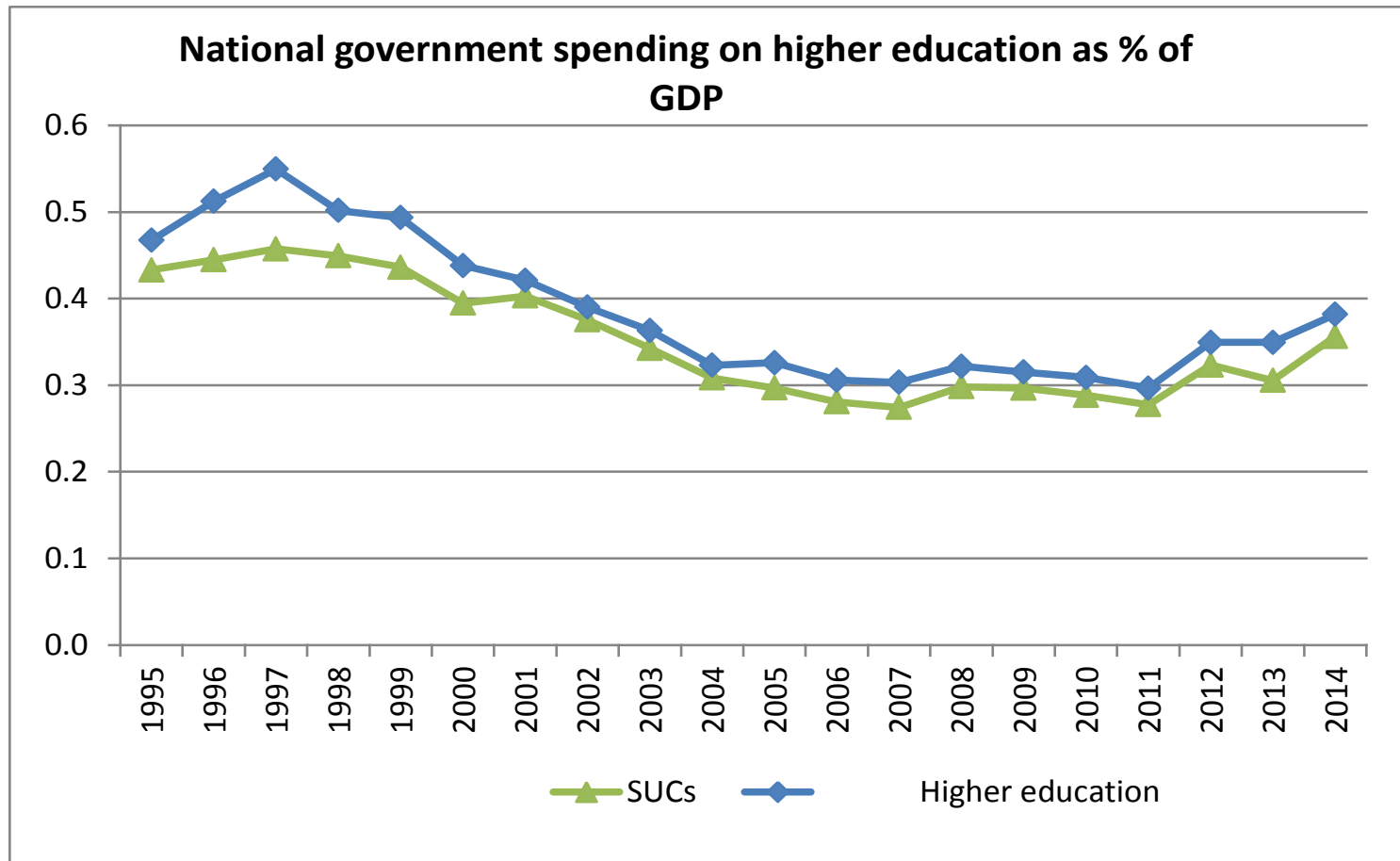
- ❑ Declining number of TWSP beneficiaries
- ❑ graduation rates higher at 98.5% for TWSP scholars and 99.1% for PESFA in 2009
- ❑ certification rates higher at 78% for TWSP and 70% for PESFA but only 50% of graduates are assessed for 2009

- TESDA's programs is that they are not appropriately targeted

Summary of issues on higher education (HE)

- Increased NG spending on higher education in 2013-2015 but issues have remained largely the same
 - Inefficient public HE delivery structure
 - Inadequate/ ineffective interventions to address equity of access objective
 - Low quality instruction
 - Relevance / external efficiency

NG spending on higher education



- ❑ Significant growth in NG spending on HE in 2013-2015
- ❑ NG spending on HE concentrated on budgetary allocations to SUCs

Rationalization of SUCs

- ❑ Rationalization of the public HE system premised on the pursuit of increased efficiency, i.e., to maximize the outcomes from the use of limited public resources allocated to tertiary education
 - sector is spreading thinly those resources among numerous SUCs; many of programs offered by SUCs are duplicative, leading to higher cost per student.

Rationalization of SUCs sector

- ❑ Initially, policy response is to put a halt (i.e., moratorium) to the creation/ establishment of more SUCs
 - Amalgamation of SUCS and development of regional university system – to reduce duplication of program offerings, streamline administration cost and exploit economies of scale; prototype in Region XI
 - Development of typology of HEIs – 5 horizontal rather than hierarchical categories

- ❑ For these reforms to succeed,
 - Strong political will and leadership on the part of the executive branch
 - Empowerment of CHED to enforce standards

Quality of instruction in HEIs generally low

Passing rate in Licensure Examinations

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
SUCs (with UP)	34.5	38.8	36.6	38.3	35.2	32.4	35.7	47.4	42.3	40.6	39.9
PHEIs	36.1	38.5	39.1	39.0	36.7	34.5	36.1	40.0	37.1	39.0	38.7
All HEIs	35.6	38.6	38.4	38.8	36.3	34.0	35.9	42.6	39.2	39.8	39.3

- ❑ Median passing rates for professional board examinations (PBEs) ranged from low of 34% to a high of 43% in 2005-2015
 - only 10 out of these 38 PBEs had average passing rates above 60% and only 6 have passing rates above 70%
- ❑ On the average, PHEIs performed better than SUCs in 2005-2011; reverse is true in 2012-2015 but edge of SUCs declining
- ❑ More worrisome is preponderance of HEIs (both SUCs & PHEIs with zero passing rate in many PBEs) → indicative of large number of low quality HEIs in both public and private sector

To improve quality of instruction in HEIs

- ❑ CHED to enforce CMO which provides that it will close existing programs where HEIs' performance in PBEs under par for three consecutive years
- ❑ CHED to strictly apply PSG (i.e., standards) evenly on all program offerings of all HEIs (PHEIs and SUCs alike)
- ❑ Some studies have shown that qualifications of faculty is key to quality of instruction → need for faculty development program

Towards improving equity of access

	HE GER (16-24 yo)	% distn of SUCs enrolment
Quintile 1 (Poorest)	5.8%	7.8
Quintile 2	10.8%	14.8
Quintile 3	19.7%	18.6
Quintile 4	27.1%	27.7
Quintile 5 (Richest)	43.2%	31.0
Total	21.3%	100.0

- ❑ GER in higher education (for youth aged 16-24) – increasing as household income increases
- ❑ Contrary to conventional wisdom, there is a higher proportion of SUCs students in lower-income quintiles than in higher-income quintiles

Towards improving equity of access

- ❑ Results of regression analysis (using the APIS 2008 data) indicate lack of significant correlation between the number of HEIs and SUCs and tertiary enrollment. The above finding belies the common notion that providing more places in the tertiary education sector will automatically increase the chances of the poor in getting tertiary education.
- ❑ → importance of targeted/ means-tested financial assistance and student loan program

Towards improving equity of access

- ❑ STUFAP budget has been found too limited to adequately deal with problems of fragmented programs, low coverage and inadequate grant sizes, low repayment rates, and poor targeting and selection.
 - In 2012, only 2% of about 2.7 million students enrolled received student financial assistance from the government.
 - A substantial proportion of StuFAP grantees are enrolled in low-quality HEIs whose PRC passing rates fall below 40%
 - The amount of financial assistance were hardly sufficient and only covered about half of the cost of top SUCs. The repayment rate for loans also stood at 2%.

Criteria for reformed student financial assistance program

- ❑ Increase in funding of StuFAP for students in tertiary education
 - The amount of assistance programs is positively associated with the number of semesters the grantee stays in the program, and the quality of schools grantees attend.

- ❑ Institution of transparent and consistent rules on eligibility, qualification exams, selection criteria, grant size, recipients' obligations, sanctions, and performance accountability systems
 - University entrance exams indicate academic performance in college and probability of finishing.

- ❑ Rationalization of student financial assistance

R.A. 10687 Unified Student Financial Assistance System for Tertiary Education

❑ Full-financing

- Following CHED's ESGP-PA program which grants up to PhP 60,000 per student per semester (of which tuition is only 20%)

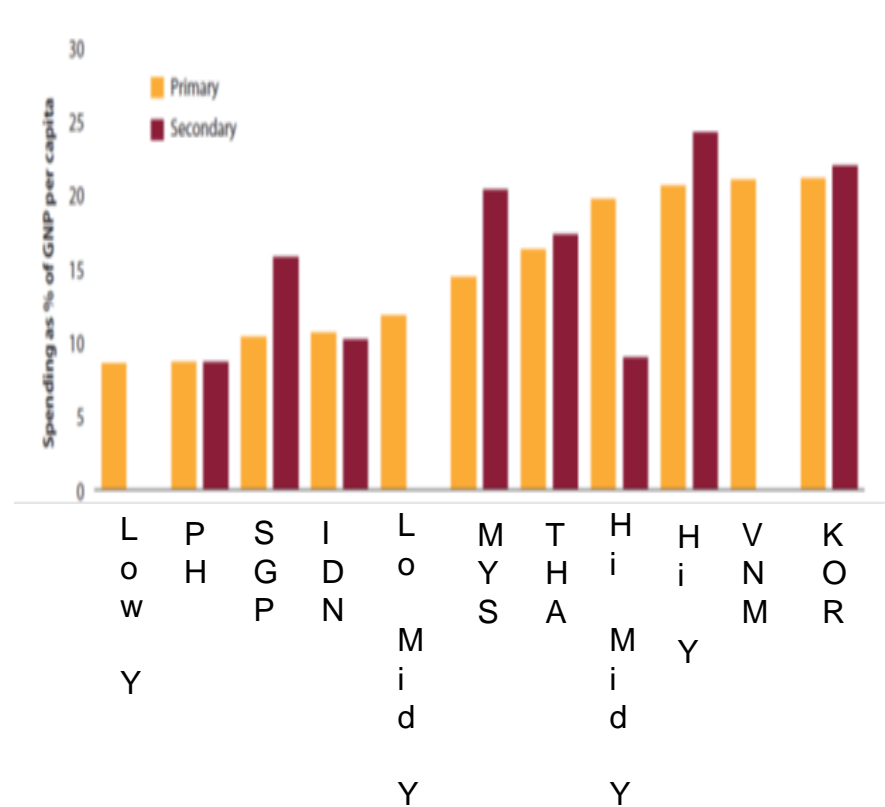
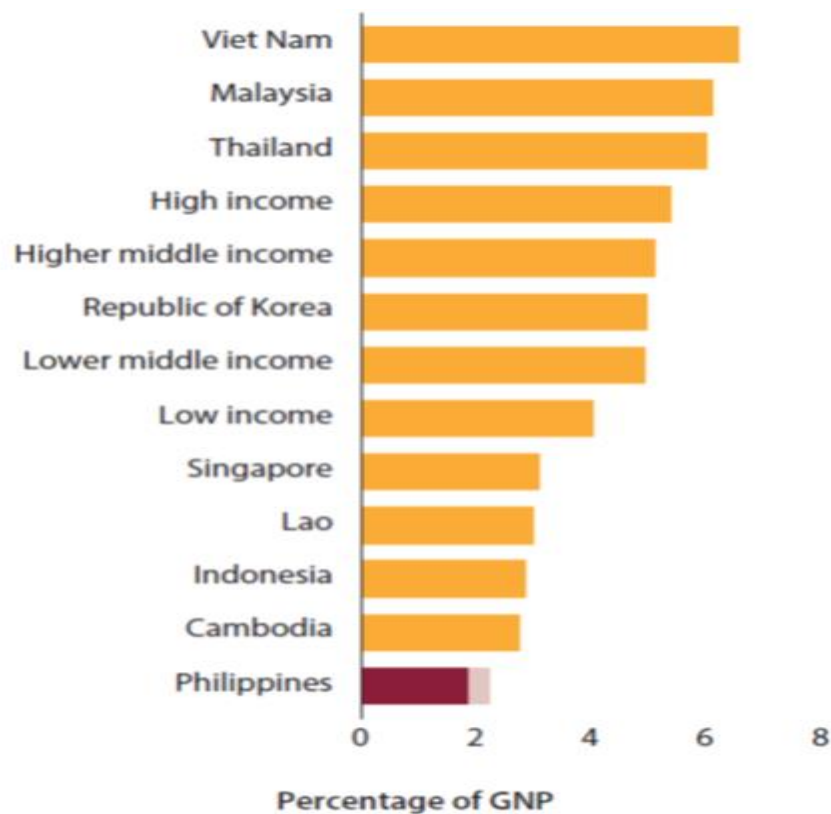
❑ Delineation of objectives for the use of public finance: scholarships (merit-based), grants-in-aid, and loans

- Rationalized access for each instrument and their use relative to issues being addressed and groups being targeted
- Test-based eligibility requirement

❑ Applicable to SUCs and private HEIs

- Freedom of informed choice of students and leveling of the playing field between public and private HEIs who would then compete for funded students with better and more effective programs

Overall level of NG spending on education low relative to other countries while unmet needs remain significant



❑ PH national government spending on basic education as a % of GNP lower compared to other countries in the region in 2012

❑ PH national government spends less per basic education student as a share of per capita GNP than other countries in the region in 2012

Thank You!
