

Coping with the Shortage of Talent for our Development Agenda

The 2015 Human Capital Report of the World Economic Forum emphasized the primary role of talent or expertise in “linking innovation, competitiveness, and growth in the 21st century.” Thus, taking stock of our talent pool is vital to the planning and implementation of a robust and sustainable national development agenda. The supply of highly-trained, high-performing individuals will provide public and private institutions the guidance to make strategic choices to realize the operational objectives of the development agenda—especially in addressing poverty issues.

Globally, poverty still persists in various degrees in all countries regardless of the level of development. Thus, the Sustainable Development Agenda has been designed so that countries will act to end poverty everywhere. This goal makes it more urgent for all nations to call upon talent and expertise to eliminate poverty by making progress more inclusive. This pool of expertise consists of physical and natural scientists, mathematicians, social scientists, engineers, technicians, and craftsmen.

There is increasing evidence of a shortage of talent in the Philippines and that the problem is worsening. The quality and quantity of our talent pool have been affected partly by the heavy outflow of Filipinos who prefer to work abroad for many reasons, as well as the decline in the quality of our educational and vocational skills training system. For example, recent media reports on the employment of foreigners as workers in the construction industry reflect the shortage in skilled workers in that sector. These are indications of the seriousness of our talent deficit.

It is also disheartening to note that our local engineers could not even undertake the maintenance requirements of the MRT; that local expertise was not available to review the cases on sudden unintended acceleration of a certain model of a motor vehicle; and that the license plates for our motor vehicles had to be imported. Many observers have already expressed concern that the talent deficit will be the critical element in the efficient and timely implementation of government programs to stimulate the economy such as the Build, Build, Build Program.

The hyper-regulated governance environment discourages investment and supports the existence of institutions that keep our country economically backward. The impact of the investments in talent development and retention in both the public and private sector has been modest and we continue to lag behind in rankings for competitiveness, innovation, and higher education. Given the decades of existence of the graduate programs in Philippine Higher Education Institutions, it is interesting to note that only 13% of the faculty of public and private higher education institutions has doctorate degrees.

While we have programs to support talent development in the form of scholarships to pursue advanced degrees here and abroad, the latest figures indicate that a measly number of young Filipinos have availed of these opportunities and a significant number do not return to the Philippines. Despite these investments in human capital, the rate of return has not been significant because of the inability of our local environment to retain highly-trained talent. Yet, we have done very little in exploring various options to attract both Filipino and foreign talent to provide expertise in moving our development agenda forward.

This vicious cycle resulting into a limited pool of talent in our country must end. As Jacob Bronowski said:

"But what in fact are they doing to help direct the society whose ills grow more often from inaction than from error?"

Studies have clearly shown that the shortage of talent restrict the inflow of capital and limits the growth of countries.

We urgently need to establish an environment that support increasing returns to our investments in human capital.

WILLIAM G. PADOLINA
Board Member