

NATIONAL PRODUCTIVITY CONFERENCE

Keynote Message

Secretary Silvestre H. Bello III

To our NWPC Commissioners, Lucy Tarriela and Dave Diwa, Asec. Glo Tango and other officials of the Department of Labor and Employment; To our friends from the Labor sector and the Employers' sector, representatives from the office of the Chair of the House Committee of Labor and Employment, Congressman Randolph Ting; To our friend from the embassy of Japan, Labor Attache Enoki; To the chairs, and members, and secretaries of the 17 Regional Tripartite Wages and Productivity Boards, including ARMM Board; To our social speakers; To our friends from the academic community, and other non-government organizations, to all participants, ladies and gentlemen: Magandang umaga po sa inyong lahat.

It is with great pleasure to speak before our partner institutions who have constantly shared with us the vision of a highly productive and competitive Filipino workforce and enterprises.

This year's theme "Productivity @ Work: creating value for workers and enterprises" is apt and timely because it supports one of the President's ten-point socio-economic agenda which is the promotion of rural and value chain development toward increasing agricultural and rural enterprise productivity and rural tourism. It affirms the strategic importance of productivity in sustaining the economic well-being of enterprises and in optimizing the contribution of our human resources. The team also recognizes that by linking small enterprises to value chains, we can accelerate enterprise growth and expansion, and provide jobs to the fast growing labor force.

The Department of Labor and Employment remains cognizant of the significant contributions of micro, small, and medium enterprises in the advancement of our country. Accounting for 99% of total enterprises in the country and contributing 36% to total gross domestic product and nearly two-thirds to total employment, the MSME sector is a critical driver of economic growth, mostly, supplying and providing critical support system for logistics services to large enterprises and exporters. Its inherent leverage to draw majority of our labor force into the economic and social mainstream through employment makes the viability and expansion of the sector critical to the country's goal of inclusive growth.

The 6.9 percent GDP growth in the first semester of 2016 provides a foundation for further sustainable growth to fully realize our country's potential and to spread the benefits of strong economic growth. This is being done by empowering and capacitating enterprises, especially MSMEs, realize high and rising levels of productivity that create profits for enterprises and higher real incomes for workers. The NWPC and the Regional Boards, through its Two-Tiered Wage System, have been helping workers and enterprises implement productivity based incentive schemes. The Regional Boards continue to issue advisories on productivity based incentive schemes to guide and encourage workers and enterprises to implement such schemes in their workplaces.

Tightening the link between wages and productivity improvement offers an effective and viable option of increasing profits and wages far more than fixed and modest minimum wage increases. Rewards contingent on productivity and performance have proven to be effective in reinforcing desirable work attitudes and behavior among employees.

The DOLE also recently collaborated with the DTI in its project KAPATID-Angat Lahat under the inclusive business model. It aims to link micro and small enterprises (MSEs) to medium and large enterprises as the suppliers and distributors to enable MSEs to engage in more sustainable and profitable business activities. In support of this project, the DOLE has committed to assist all KAPATID beneficiaries nationwide through its productivity trainings under the NWPC's Productivity Toolbox, which you know is a package of technical assistance on productivity improvements of MSMEs that contains a ladderized and needs-based menu of customized productivity tools and technologies. The DOLE will also promote the KAPATID project, through various advocacy and networking activities, and initiatives through events such as National Productivity Conference. Industry-driven skills training, assessment and certification through TESDA will also contribute to harnessing the global competitiveness of the country's MSMEs.

This collaboration supports the country's commitment to strengthen the role of MSMEs through the following strategic measures under the 2025 ASEAN Economic Community Blueprint. First, promote productivity, technology and innovation; Second, increase access to finance which was mentioned by ADG; Third, enhance market access and internationalization; Enhance policy and regulatory environment, that is the fourth; And last, promote entrepreneurship and human capital development. Backed by strong macroeconomic fundamentals, investments in human capital and infrastructure together with good governance, the prospects for the country's MSMEs will remain, by and large, positive.

Ladies and gentlemen, sustaining the momentum of the Philippine economic growth lies on the decisions we make and the actions we take today; as they provide the foundation on which to sustain economic activities that generate jobs and improve the lives of Filipinos. The challenge therefore is to secure this position, this position of strength and deliver on our commitment to our constituents, amidst change and challenges.

Together, let us strengthen our advocacy and partnership in deepening the national consciousness and culture of quality productivity and excellence for the Filipino workforce and enterprises. Let us keep the productivity spirit alive and kicking.

Maraming salamat po. Mabuhay tayong lahat!