

Diokno: Tuition-free college education 'unsustainable'

By Keisha B. Ta-asan
Reporter

FREE ACCESS to state university education is "unsustainable," Finance Secretary Benjamin E. Diokno said on Saturday, signaling a possible push to amend a signature piece of legislation signed into law during the Duterte administration.

Speaking at a forum organized by the University of the Philippines School of Economics, Mr. Diokno said he had been opposed to Republic Act (RA) 10931, or the Universal Access to Quality Ter-

tiary Education Act of 2017, when he was part of the economic team in the previous government.

Mr. Diokno, who had served the last government as budget secretary and central bank governor, also called the law "anti-poor" because "there are more poor people who do not attend college."

"This is really a subsidy to those who can pay for their college education," Mr. Diokno said. "Plus, it really consumes a lot of funds."

The law provides eligible students free tuition and renders them exempt from other fees charged by state universities and colleges (SUCs), as well as local universities and colleges.

It was passed at a time when government finances were looking solid, but before it took on massive debt to fund its pandemic containment measures.

According to Mr. Diokno, if the government wants to help the poor, it should focus more on enhancing basic education.

"If you improve elementary and secondary education, then you increase the chances of (gaining entry into) SUCs. So, I think we should focus more on (the basic education system) rather than the SUCs," he said.

Mr. Diokno also noted that if a fixed number of students enter SUCs and benefit from the free

tuition fee, funding for the law's entitlements will be "adequate."

"But now, a lot of students want to enroll, but drop out after a year in college. *Nasasayang ang pera* (the money is wasted)," he said.

Under the 2024 National Expenditure Program, education was granted an allocation of P924.7 billion, 3.3% higher than this year's budget.

This includes P51.12 billion to implement RA 10931, P12.04 billion for textbooks and other instructional materials and P11.71 billion for feeding programs in schools.

The Department of Education will see its budget rise 5.37% to P758.6 billion in 2024.

Pakistan textile mills pledge to supply Philippine garment exporters

PAKISTAN is seeking to build on the trade momentum created by its textile mills, which have pledged to supply the Philippine garment industry, according to an official from the Philippine Exporters Confederation, Inc. (PhilExport).

Robert M. Young, PhilExport trustee for the textile, yarn and fabric sector, said in a statement over the weekend that Philippine Consul General in Karachi, Muhammad Imran Yousuf, and Economic Diplomatic officer Digna Khan are planning to arrange a

visit by a Pakistan business delegation soon.

He had attended the ASEAN (Association of Southeast Asian Nations)-Pakistan Business Opportunities Conference at Lahore and Karachi between Aug. 7 and 11.

Mr. Young, who is also the president of the Foreign Buyers Association of the Philippines, said Pakistan's 10 biggest textile companies have pledged to supply textiles to the Philippine garment industry.

"Mainly 100% cotton sheets and denim... as the Philippines

has no such industry," Mr. Young said.

According to Mr. Young, Pakistan's textiles have a 15% to 20% cost advantage over those from other major suppliers.

"Pakistan has a lower production costs than China, India and Vietnam, while offering the same high-quality fabrics due to its skilled workers and yarn quality," Mr. Young said.

According to Mr. Young, Pakistan has expressed interest because of the advantages presented by upcoming free trade

agreements, the Regional Comprehensive Economic Partnership, and Philippine economic reforms such as the amended Foreign Investment Act.

"The Philippines' location is a critical entry point to over 600 million people in the ASEAN market and a natural gateway to the East Asian economies. It is likewise placed at the crossroads of international shipping and airlines," Mr. Yousuf said in an e-mail to Mr. Young. — **Revin Mikhael D. Ochave**

Site blocking touted as anti-book piracy measure

THE Intellectual Property Office of the Philippines (IPOP) said it is planning a system that will block sites containing pirated copies of Philippine books.

IPOP Director General Rowel S. Barba said the book publishing industry is facing the threat of digital piracy, which is being practiced more and more brazenly.

The pirates are "no longer just hiding in the shadows. They're sailing digital seas... making it tougher than ever to keep them at bay," Mr. Barba said during a briefing at the Philippine Book Festival in Davao City last week.

"(What) we want is to keep the book industry's treasure locked while still letting people have a (access)," he added.

According to Mr. Barba, the IPOP has been promoting legal frameworks such as the draft guidelines on voluntary site-blocking that could help book publishers. The guidelines have been finalized and are awaiting the signing of a memorandum of

understanding with internet service providers (ISPs).

Under the guidelines, Mr. Barba said rights holders can ask IPOP to order the blocking of a site containing pirated material.

He added that the IPOP could request ISPs to act on site-blocking requests if the IP Rights Enforcement Office confirms that the sites are committing piracy.

Mr. Barba said House Bill No. 7600 and Senate Bill No. 2150, written by Albay Rep. Jose Maria Clemente S. Salceda and Senator Jose P. Ejercito, Jr., respectively, would also authorize site-blocking. Both bills represent proposed amendments to the IP Code of the Philippines.

The House bill was approved on third and final reading in May while the Senate bill was filed in May.

"If signed into law, these measures will allow IPOP to issue the appropriate site-blocking orders and ISPs will have to comply with the order within 48 hours," Mr. Barba said.

Separately, Bureau of Copyright and Related Rights (BCRR) Director Emerson G. Cuyo, speaking in Davao, touted the benefits of registering copyrighted works.

"Year to date, the BCRR has surpassed its goal of hitting 4,000 copyright registrations for 2023, indicating just how eager Filipinos are in protecting their creative assets. I'm sure Davao has a treasure trove of artistry to guard, so I hope each of you protect them through the BCRR," Mr. Cuyo said.

In the first half, the IPOP filed 200 piracy and counterfeiting complaints, up 284.6% from a year earlier.

Piracy reports accounted for 76% of the total, against nine incidents logged a year earlier. Incidents of piracy involving software totaled 145, followed by movies at six, and e-books one.

Counterfeiting incidents increased 9% to 48, including 35 reported in the apparel sector. — **Revin Mikhael D. Ochave**

Passenger screen doors to feature in new rail stations

THE Department of Transportation (DoTr) said it is looking into the installation of passenger screen doors at new railway stations, including those on the North-South Commuter Railway (NSCR) and Metro Manila Subway, following an incident at Light Rail Transit Line 1 (LRT-1) on Saturday.

"We have learned a lot and because of that, all the stations of our NSCR project or the 147-kilometer Calamba-Clark Railway will have passenger screen doors. Even our subway and Metro Rail Transit Line 4 will also have these so that we can avoid such accidents," Transportation Undersecretary for Railways Cesar B. Chavez told reporters on Sunday.

On Saturday, a 26-year-old male passenger was reported to have jumped onto the southbound tracks of LRT-1 Blumentritt station.

Asked about plans for existing rail lines, Mr. Chavez said their feasibility is under study.

"It will be difficult for us to put up passenger screen doors in the existing lines, but we are currently studying their feasibility. Right now, we do not have a definitive plan yet," said Mr. Chavez.

For the meantime, the DoTr will continue to deploy security guards to intervene should such incidents recur.

Separately the DoTr and LRT-1 operator Light Rail Manila Corp. (LRMC) held a ceremony on Sunday to rename Roosevelt station along EDSA in Quezon City to Fernando Poe, Jr. station.

The change was authorized by Republic Act No. 11608 and Light Rail Transit Authority Resolution No. 002-2023.

"In renaming (the station), we hope that Filipinos will always remember and will be inspired by how Fernando Poe, Jr. lived with values of determination, courage, and hope. LRMC shares these values and supports the promotion of local arts and culture," LRMC President and Chief Executive Officer Juan F. Alfonso said.

Mr. Chavez said the necessary system updates will be effected to avoid confusion.

"All the systems will be updated. The signage and tickets, even the stored value cards, (among others), will be updated. All of these changes are already programmed," Mr. Chavez said. — **Justine Irish D. Tabile**

Gov't urged to pair lower agri tariffs with measures boosting domestic output

THE government's tariff-lowering on agricultural commodities must be accompanied by measures boosting domestic production, analysts said.

"It is crucial that for this policy to work that programs intended to increase productivity be initiated at the same time to support producers who may be adversely affected," Ateneo de Manila economics professor Leonardo A. Lanzona told *BusinessWorld* in an e-mail.

Mr. Lanzona said that a comprehensive industrial policy should ensure "greater utilization of domestic resources," alongside reforms that

will support the short-term needs of domestic producers.

"I am in favor of removing all forms of tariff that limit the entry of basic commodities to consumers and provide protection to selected group of industries," he said.

"However, while this policy may benefit consumers, this can prove detrimental to firms and

other producers, making this policy unsustainable," he added.

Industrial policy should promote expanded exports, which will generate resources to import goods that the Philippines cannot produce efficiently, he said. — **Sheldeen Joy Talavera**

FULL STORY



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OPINION

How generative AI creates value for financial services

The artificial intelligence (AI) landscape is constantly evolving, and large language models (LLMs) have gained global traction for their bespoke capabilities. Notably, ChatGPT reached 100 million users merely two months after its launch, making it the fastest-growing application in history. These developments showcase generative AI's abilities, pushing the boundaries of what technology can do with text and language.

However, the utilization of LLMs is controversial and has been the subject of debate among academia, regulatory bodies, and the general public. Skeptics point to hallucination as a significant drawback of AI models, which would be pronounced in cases where the model provides responses based on pattern recognition rather than reasoning. Various entities have urged the government to hasten AI-related regulation in response to the extensive adoption of generative AI models. Moreover, there are significant concerns with privacy, security, trust, and reliability. There is a serious threat of 'model collapse' when the knowledge base underpinning generative AI systems is inundated with imperfect information, deliberate misinformation, and uncontrolled synthetic data. The proverbial GIGO is at play — garbage in, garbage out.

Despite these apprehensions, generative AI is a comprehensive technology that can transform work for differ-

ent sectors. Corporations have been rapidly spending on AI, with several industries investing considerable time, money, and resources. While some organizations are moving at a steady pace, others have shared a multiyear commitment to integrating this technology across their functions. While there are sectors that find the current imperfections of generative AI unacceptable, there are those, such as financial institutions, that have actively experimented and deployed use cases in lower-risk areas.

THE VALUE PROPOSITION FOR FINANCIAL SERVICES

While banks and financial institutions have already been utilizing AI applications for different areas like credit risk and fraud, generative AI could further enhance other services, streamlining a broad array of business functions and uses that can elevate core offerings. Several applications and functions are suitable for AI adoption, including customer marketing, insurance claims processing, and financial planning. Internal services like application development, compliance monitoring, and maintenance also have potential.

Technological advancements help expand business-use cases, particularly when dealing with unstructured data like text. Thus, organizations can create or refine business content using generative AI's ability to query data in a natural, humanlike manner. However, the

technology is still in its nascent stage, meaning AI should be synergized with human expertise to generate accurate insights and create long-term value.

OPERATIONAL EFFICIENCY AND AUGMENTED INTELLIGENCE

Financial services firms could slowly integrate AI in lower-risk areas like augmented intelligence and operational efficiency to minimize risk. Differing views have tempered AI adoption, but organizations have been experimenting with various use cases due to the technology's reported benefits and strengths. To retain their competitive positioning, firms should assess and leverage AI in controlled environments.

Operational efficiency involves enhancing productivity and reducing costs by automating tasks like information categorization, review, and synthesis. On the other hand, augmented intelligence entails assisting experts by providing content, insights, and recommendations for clients.

CROSS-FUNCTIONAL CAPABILITIES

In the following areas, AI can support operational efficiency, reallocating human effort to other critical tasks:

Tax and legal. Augment tax file generation, streamline contract organization and refine diligence processes for legal teams.

Product, technology and IT. Create new product or service functionalities, generate natural-language-based code blocks and make test cases for evaluating code vulnerabilities.

Risk and compliance. Map risk controls with corresponding regulations and flag missing disclosures or regulatory risks like fair customer treatment and sales practice concerns.

FUNCTIONAL SOLUTIONS

Generative AI can also be leveraged in the following functions to streamline operations and innovate new ways of doing business:

Chatbots and virtual assistants. Provide tailored, end-to-end support using natural language. Specialists can configure this functionality based on internal or external knowledge or information, subject to the organization's discretion.

Knowledge management and generation. Appropriately sift through and retrieve institutional knowledge and intellectual property. Organizations can utilize generative AI to augment and create content based on internal or external knowledge databases.

Document intelligence. Execute advanced information extractions from unstructured or semi-structured data formats. The process can also focus on specific attributes and elements or generate insights from available information.

THE FUTURE OF AI IN FINANCIAL SERVICES

Generative AI has the power to transform businesses. For financial services firms, transformation entails capitalizing on the technology's strengths while managing the corresponding risks. Successfully creating value from AI involves a synergy between the latest technology



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