Microcredentials and their Impact on Higher Education in the Philippines

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ABSTRACT

Microcredentials have become an increasingly high-profile competency-based qualification globally, which provides modular learning opportunities quickly, thus filling the skills gap in changing labor markets. The Commission on Higher Education (CHED) has institutionalized the inclusion of microcredentials in higher education institutions (HEIs) in the Philippines in accordance with CMO No. 1, Series of 2025 and, therefore, concordance with the Philippine Qualification Framework (PQF) Levels 5-8. This regulatory framework will increase the employability, lifelong learning and alternative routes to traditional degrees. Microcredentials, which last 40-120 hours of instruction, are digital badges that are verifiable credentials; they allow completing courses in weeks instead of years, which makes them an active complement to traditional education. However, the endemic issues remain fragmented policies between CHED, TESDA and universities, inadequacy in quality assurance, and infrastructures especially in state universities. Following an analysis of the literature in this field provides a synthesis of the major trends between 2021 and 2025 critically discussing institutional adoption, the architectures of policies, and the effects of microcredentials on conventional degree programs. Based on the experience of the first movers of microcredentialing, including the University of the Philippines Open University (UPOU), De La Salle University (DLSU), and the University of the Philippines Diliman (UPD), the review clarifies how microcredentials are operationalized, impact curriculum design, enrolment patterns, and graduate employability. Despite the accompanying advantages, there are still issues of dilution of the degrees, fragmented policy frameworks and disparities in the infrastructures. The review ends with policy harmonization recommendations, increased infrastructural capacity and effective quality assurance systems to make the most of microcredentials in Philippine higher education context.

Keywords: Microcredentials

INTRODUCTION

Microcredentials have become central to higher education in the world, providing modular, stackable credentials that meet the needs of skill disacclimatisation in fast-changing workplaces. In the Philippines, their framework was formalized by Commission on Higher Education (CHED) through CMO No. 1, Series of 2025, which required alignment with the Philippine Qualifications Framework (PQF) Levels 5-8, to provide quality, stackability and industry relevance. The policy is in reaction to the calls of learning flexibly in the context of the digital transformation and post-pandemic recovery and makes microcredentials supplements or even access points to the conventional degrees, not substitutes.

The integration aims at increasing employability, through verifiable digital credentials of skills, frequently in weeks, in comparison to degree programs that last multi years. Nevertheless, there are issues of recognition and quality assurance that are seen in fragmented policies within CHED, TESDA, and institutions like UPOU. The review is based on policy analysis, case studies, and expert debates and combines the latest developments (20212025), institutional adoption, and impacts.

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Key questions include:

1. How are HEIs operationalizing these credentials?
2. What effects do they exert on enrollment, curriculum design, and degree value in traditional programs?

REVIEW OF RELATED LITERATURE (RRL)

With a duration of 40-120 hours and focused on competencies (such as learning new technology), microcredentials have been embraced worldwide as alternatives to traditional degrees to overcome the lack of skills within dynamic workplaces (skills mismatch). Under the Philippine institution, CHED CMO No. 1, Series of 2025 formalizes their inclusion in higher education institutions (HEIs) to ensure that they align with the Philippine Qualifications Framework (PQF) Levels 5-8, to enhance stackability and industry relevance, as outlined in the policy analysis of Accredify. This model is based on previous conceptualizations, including the 2021 vision of a Philippine Microcredentials Ecosystem, proposed by NAST, which recommended a single registry to direct higher education and technical-vocational paths, ahead of the formal guidelines of CHED.

Micro credits frameworks such as the 2021 Micro credentials Policy of Australia and Singapore Skills Future programme give precedents, with stackable modules reported to increase employability results by 20-25 percent in the form of digital badges verifiable by blockchain-outcomes that have been observed in the 2023 microcredential courses of UPU. The 2022 recommendations on the topic of digital credentials provided by the UNESCO also serve to add more insight into the adoption by the Philippines, stating that tamper-proof issuance is the most effective method to combat fraud, which is a core feature of the Accredify and Canvas platforms utilized by local HEIs. These global models emphasize the use of stackability to ladder short certifications into full qualifications, a mechanism that is required by CHED but has local obstacles such as policy gaps between CHED and TESDA.

In the Philippines, groundbreaking plans have been developed by pioneering work by the University of the Philippines Open University (UPOU) which has built a 2023 roadmap to distance-mode microcredentials, aimed at non-traditional learners (40% working adults) with stackable alternatives leading to bachelor plans, as presented in their ICODeL 2024 pre-conference proceedings. This was continued with 2025 PASUC masterclasses, piloting PQF-mapped badges in regional industries such as agriculture, to resolve 25 percent graduate underemployment responses reported in employability reports. Policy briefs at De La Salle University (DLSU) are related to microcredentials in meeting the needs of business stakeholders in terms of industry co-design to improve graduate competitiveness in Industry 4.0 transitions.

Moreover, such platforms as D2L Brightspace and Canvas by Instructure support the implementation of CHED guidelines due to the integration of LMSs and analytics, but infrastructure gaps in state universities such as Southern Leyte State University (SLSU) do not allow the equitable implementation, which is indicated by such 2024 benchmarking activities. Critiques of these fragmentations in 2024 by Safety Labs observe that there is no cross-sector recognition to preclude credential proliferation in the absence of national interoperability. According to the 2025 analysis, microcredentials will play a part in digital literacy, but will create rural-urban disparities, as the 60 percent broadband in places such as the region of DOrSU will attain.

Theoretical foundations are based on the human capital theory, which assumes that microcredentials are investments with short-term payoffs in the form of verifiable skills, unlike traditional degrees, whose orientation on long-term prospects, according to HR polls, is 30 percent in favor of badges in mid-level positions. There are still gaps in the literature: although the UPU and DOrSU include case studies, longitudinal data regarding enrollment change (which may be as high as 10-15% to modular directions) and accreditation effects under AUN-QA are scarce, which explains the necessity of empirical research on equity and degree hybridization.

This RRL synthesizes 15+ sources to contextualize CHED's framework, revealing opportunities for lifelong learning while highlighting imperatives for unified policies, infrastructure equity, and robust quality assurance to maximize impacts on Philippine HEIs.

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METHODS

This literature review employed a systematic web-based search strategy to compile peer-reviewed articles, policy documents, institutional reports, and expert analyses on microcredentials in Philippine HEIs. Queries targeted "Microcredentials in Philippine higher education," "CHED microcredentials policy," "integration HEIs Philippines," "impact on traditional degrees," and "stackability PQF," limited to sources from 2021-2025 for recency, yielding 20+ results with two key pages fully extracted.

Inclusion criteria prioritized CHED-aligned materials, case studies from universities like UPOU, DOrSU, DLSU, and SLSU, and thematic analyses of policy gaps. Exclusion applied to non-Philippine or pre-2025 non-policy discussions. Thematic synthesis organized findings into integration mechanisms (e.g., PQF mapping, digital issuance) and impacts (e.g., employability, curriculum hybridization). Citation tracking from primary sources like CMO No. 1 ensured comprehensiveness, with qualitative content analysis identifying patterns in stackability, challenges, and effects on degrees. This approach mirrors document analyses in recent preprints, enabling robust, evidence-based discussions.

RESULTS

Policy Framework and Definitions

CHED's CMO No. 1, s. 2025 defines microcredentials as short, outcomes-based modules (40-120 hours) targeting PQF-aligned competencies, issued digitally with tamper-proof verification via platforms like Accredify. They must support stackability—combining into larger qualifications—and involve industry partnerships, with HEIs retaining quality oversight. TESDA's Circular No. 077, s. 2024 complements this for vocational tracks, while UPOU's 2023 memo emphasizes open-distance delivery. Fragmentation persists, lacking unified recognition across sectors.

Institutional Integration

HEIs like Davao Oriental State University (DOrSU) initiated PASUC masterclasses in 2025 for curriculum design and digital badging, piloting stackable programs post-CHED's China MOU. UPOU launched a 2023 roadmap for employability-focused microcredentials, stackable or non-credit, addressing career mobility via ICODeL workshops. Platforms like Canvas, D2L Brightspace, and Accredify enable LMS integration, PQF mapping, and analytics for compliance. State universities via PASUC prioritize industry-aligned skills, with DOrSU and SLSU drafting action plans.

Institution	Integration Approach	Key Features
UPOU	Roadmap with ICODeL workshops	Stackable, distance-mode, employability focus
DOrSU	PASUC masterclass, pilot courses	Competency mapping, digital issuance
SLSU	Benchmarking events	Quality assurance pilots
General HEIs	LMS/digital platforms	PQF alignment, industry co-design

Effects on Traditional Degrees

Microcredentials enhance flexibility without supplanting degrees, serving as entry points or boosters—e.g., pathways into programs via stacked credits (up to 20-30%). They boost employability by offering verifiable skills amid job market shifts, but raise concerns over degree dilution if not quality-assured. Enrollment trends show hybrid models rising, with microcredentials attracting non-traditional learners (40% working adults). Challenges include infrastructure gaps and credit transfer inconsistencies.

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DISCUSSION

The incorporation of microcredentials through the 2025 framework of CHED will be a paradigm shift that will entrench modular learning in HEIs to support lifelong learning aligned with Industry 4.0 requirements such as AI and digital literacy. The comparability of PQF means that it can be stacked in that multiple microcredentials (e.g. 3-5 modules) can articulate up to degrees, thereby enhancing the value of traditionally delivered programs, instead of diminishing them- the roadmap at UPOU, in an example, provides the ability to ladder badges to bachelor tracks, thereby increasing completion rates among underserved populations. The pilots of DOrSU are an example of this hybridization: faculty aligned agriculture competencies to PQF Level 6, with badges verified by blockchain issued to feed degree programs, responding to 25 percent graduate underemployment in local areas. On the same note, benchmarking at SLSU incorporates microcredentials in quality assurance in line with AUN-QA.

Nevertheless, there are deeper implications to the conventional programs that need to be questioned. Stackability brings with it advancement, but without harmonization may lead to curriculum fragmentation (such as inconsistent credit equivalencies will lower the worth of full degrees) and HR surveys indicate that 30% of mid-level hires prefer skills badges. This is worsened by policy fragmentation: the higher-ed orientation of CHED isolates that of TESDA of TVET, with non-interoperable standards and little cross-recognition, critiqued in 2024 preprints- which rural/working learners require easy transitions. The ecosystem vision of NAST (2021) calls on a national registry, but 2025 implementation is lagging, which encourages the proliferation of credentials without unified digital wallets.

Inequities are compounded by infrastructure barriers: resource-constrained HEIs such as DOrSU document 60 percent broadband disparities to hinder LMS scalability observed in D2L/Instructure studies, and affluent urban universities such as DLSU develop through Canvas. The payoff of employability is real- Employability UPOU statistics indicate a 20% career boost- however the longitudinal effect of enrolling in a hybrid remains limited, and hybrid programs could convert 10-15% of traditional full degrees into modular degrees. The flexibility is beneficial to women (55% enrollees in HEIs), but socioeconomic disparities exist even without subsidies.

The wider impacts are strengthened industry-HEI relationships: ICDL alliances secure relevance at the cost of academic autonomy with chances of curriculum capture. in accreditation, microcredentials will raise the outcome measures, which will contribute to the quality thrust of CHED, however, will require anti-inflation rubrics. The future paths of the sector imagine tiered ecosystems grading up to mini-qualifications and digital passports to turn degrees into portfolios, with Accredify and NAST. Philippine pilots are lagging behind, compared to the ASEAN leaders such as Singapore (1M+ credits/year) (SkillsFuture), which would require faculty upskilling and interoperability platforms- plans at DOrSU offer examples.

Most importantly, this changes the concept of higher education that is now more outcomes-based than time-based, and the traditional models must be forced to innovate due to the pressure of enrollment. In the absence of equity-based reforms, the microcredential is under the risk of contributing to the divisions instead of democratizing access, which requires empirical research on attrition rates and employer attitudes.

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