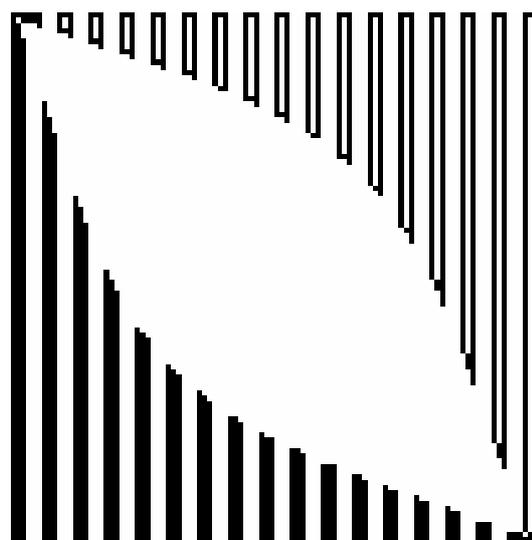


THEMATIC REVIEW ON ADULT LEARNING



PORTUGAL

COUNTRY NOTE

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1. INTRODUCTION

1.1. Purpose and organisation of the Thematic Review

When they met in January 1996, OECD Education Ministers argued that far-reaching changes were needed to make lifelong learning for all a reality. "Strategies for lifelong learning need a whole-hearted commitment to new system-wide goals, standards and approaches, adapted to the culture and circumstances of each country." Recognising that adults encountered special problems in participating in lifelong learning, Ministers called on the OECD to "review and explore new forms of teaching and learning appropriate for adults, whether employed, unemployed or retired". In October 1997, OECD Labour Ministers amplified the message. They recognised the adverse labour market consequences that arise due to the lack of access to lifelong learning and "underlined the importance of ensuring that lifelong learning opportunities are broadly accessible to all persons of working age in order to sustain and increase their employability".

In 1998, the OECD and the U.S. Department of Education co-organised an international conference, *How Adults Learn*, to review recent research results and practices with regard to teaching and learning adapted to the needs of adults (OECD and U.S. Department of Education, 1999). One of the conclusions from the conference was that a cross-country thematic review may be a valuable tool for identifying and analysing the lessons from different national experiences with adult learning, and understanding how the policy and institutional environment might be made more supportive. At the end of 1998 the OECD Education Committee launched the Thematic Review on adult learning as an activity conducted jointly with the Employment, Labour and Social Affairs Committee.

The purpose of the activity is to analyse policy options in the field of adult learning in different contexts. This necessitates examining whether learning opportunities for adults are adequate, how adults' access to and participation in education and training can be improved and how learning responds to the labour market. The other issues analysed are: patterns of participation and non-participation in adult learning; diagnoses of the problems that arise because of these patterns; policy programmes and institutional arrangements that have been used by OECD countries to expand learning opportunities for adults; and options that can be regarded as "good practices" under diverse institutional circumstances and how these can be applied more widely within and across countries.

A meeting of national representatives was held in June 1999 in Paris to discuss the proposed terms of reference and identify the countries interested in taking part. After this meeting, nine countries chose to participate in the Review: Canada, Denmark, Finland, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. A team composed of three experts, including a rapporteur, from different countries and with varied backgrounds (such as education, economics and the social sciences) and two members of the OECD Secretariat visit each country. Each visit lasts some ten days and enables the five experts to study both education and labour market issues. Each country prepares a background report drafted on the basis of terms of reference agreed to by the country's representatives and the OECD Secretariat.

The country visit allows the experts to analyse adult learning on the basis of the background report and discussions with representatives of the government, the administration, employers, trade unions and education professionals, and through field trips. After each visit the rapporteur, assisted by the rest of the team, prepares a country note analysing the main problems posed by adult learning and the measures taken to solve them. This note is organised on the basis of four broad themes targeting the problems that make it difficult for adults to participate in lifelong learning activities: inadequate incentives and motivations for adults to learn; complex pathways between learning settings and a lack of transparency in signalling learning outcomes across a variety of formal and non-formal settings; inappropriate teaching and learning methods; and, a lack of co-ordination between various public policies that directly or indirectly affect lifelong learning. A final Comparative Report will address the various issues examined and will present the possible policy responses in a comparative perspective on the basis of the information gathered in the participating countries.

1.2. Portugal's participation in the Thematic Review

The review of Portugal took place from 12 to 19 March 2001. The members of the Portuguese steering group, the authors of the background report and the members of the team of experts are identified in Annexes 1 and 2. It should be stressed that the present country note could not have been produced without the active and attentive participation of the steering group and many persons of note who answered the team's questions and supplied valuable direct information that greatly contributed to the substance and conclusions of the note.

The National Agency for Adult Education and Training (ANEFA) organised the programme of visits, which involved representatives of the Ministry of Education, the Ministry of Labour and Solidarity, public institutions, educational establishments, vocational training centres, business corporations and non-governmental organisations (see Annex 3 for the complete listing). The authors of the background report must be mentioned for their very comprehensive survey and special thanks are due to the president and members of ANEFA as organisers of the country visit.

Portugal asked that the review focus on the adult population with little formal education and low skills. Here some interesting facts emerged that go beyond the purely national context. First, it was found that adult education policy is as much concerned with the issue of citizenship and social integration as with the impact on employment and employability. This interlocking of the two objectives was a major theme that recurred throughout the visits and discussions with the different officials. Next, the lack of formal skills, as revealed in the international statistics, is clearly recognised as one of the chief obstacles to buoyant economic growth and the maintenance of social cohesion in Portugal in a period marked by the euro-linked development of the single market, as well as by competition with the rest of the world for some of Portugal's key industries. Because of the originality of the policies applied, such as simultaneous credentialling of job skills and scholastic attainment, this note may be useful to other countries confronted with the same problems. This applies particularly to the countries that have not taken part in the first round of international comparisons conducted by the OECD in collaboration with national governments, necessitating co-ordination between ministries of education and ministries of labour. Education/employment co-ordination is evident in the way adult learning is now being organised in Portugal, with the creation of a special agency under the authority of the two ministries concerned. This note describes certain "best practices" that may also be of help to countries where the problems posed by inadequate adult learning are less acute.

1.3. General organisation of the country note

The country note adheres as closely as possible to the suggestions of the OECD Secretariat so as to make the analysis of Portugal comparable with those of the other countries under review. Chapter 2 presents the general context of adult learning. First, it puts into historical perspective the problem of low skill levels in the majority of the Portuguese labour force, this problem being connected with the specific features of Portugal's education and training system and its political and social history. It then presents the key players in the provision of adult learning. For an exhaustive presentation, the reader is referred to the Portuguese background report (ANEFA, 2001b).

The core of the country note is Chapter 3, which examines the strengths and weaknesses of the present system relative to four main themes. How can participation and motivation of adults be improved? Can learning provision be better matched to the expectations of potential participants? Can the quality and variety of learning provision be increased, notably through teaching tailored to the specific needs of adults? Last, and most important, how coherent and effective are public policies and along what lines should they be reformed?

Finally, Chapter 4 sets out the main conclusions of the country note, which can be summarised as follows (see Table 1).

1. In recent years the Portuguese education and employment authorities have demonstrated a clear awareness that the persistence of a national workforce composed largely of low-skill, low-wage labour is a serious problem, even if the unemployment rate remains low. The need for a corrective strategy is becoming even more urgent with the prospects opened up by the information society and economy, the near-term admission of new countries to the European Union and capital flows to low-wage countries outside Europe. All these changes will compete directly with Portugal's traditional industries. A package of measures and the February 2001 agreement between the social partners have already paved the way for an ambitious plan of action for the medium to long term.
2. As of 1986, membership of Europe enabled Portugal to fund a large volume of adult training in accordance with European directives, and this certainly raised skill levels. But in the absence of procedures for credentialling the competencies and knowledge acquired by the adults trained, it is not statistically evident that the skill gap has been bridged. International comparisons of literacy suggest that it has not been, even allowing for the methodological difficulties involved in such surveys. Portugal has accordingly introduced a system of skill recognition and certification that should have two effects. First, it should now be possible to determine how much additional training will be required in order to meet future job specifications. Second, and most importantly, adults will have an incentive to learn inasmuch as their results will be evaluated and hopefully lead to recognition of skills and better career and pay prospects. Although this system is still in its infancy, it could be a guide for other countries, even if the skill gap is generally smaller there.

Table 1: Synopsis of the main conclusions of the country note
Difficult heritage, relevance of the strategy

Weaknesses and difficulties	Strengths and exemplarity
<p>1. Too slow an improvement in low-skill, low-wage labour equilibrium, but almost full employment.</p> <p>2. As from 1986 European programmes permit the development of adult training, but with no skill recognition procedure</p> <p>3. Adult learning difficulties stemming largely from inadequate school attainment, both for older persons and for a proportion of school leavers.</p> <p>4. A policy of learning provision by the State, thanks to standardisation of procedures, produces mass effects but takes insufficient account of the heterogeneity and differentiation of learning demand.</p> <p>5. Traditional separation between employment ministry and education ministry and lengthiness of procedures for their co-operation in matters of adult learning.</p> <p>6. Increased competition with the introduction of the euro, the admission of new EU members and the trend towards relocation is damaging the prospects of Portuguese economic growth based largely on low-wage, low-skill labour.</p> <p>7. Portugal's skill gap and the need to find a way to finance adult learning after 2006 are prompting the authorities to turn to foreign models (French, Swedish, German) for inspiration, but Portugal's situation is uncommon in the European Union.</p>	<p>1. General awareness and mobilisation of actors at all levels of responsibility in favour of adult learning.</p> <p>2. Exemplarity of the national system of skill recognition and certification centres (CRVCC): disclosure of skills, incentive to learning, greater transparency of the system.</p> <p>3. Originality of the CRVCC methodology: account taken of vocational skills in the assessment of scholastic knowledge. Recognition of the differences between pedagogy and andragogy.</p> <p>4. Multiplicity of non-central innovations: training in relation to citizenship, links between organisational changes and training promoted by certain trade associations, integrated approach within industry groups.</p> <p>5. In response to non-central initiatives, e.g. from local development associations, a common agency (ANEFA) is set up to pilot adult training and accredit attainments.</p> <p>6. Coherence and ambition of the February 2001 pact between the social partners and the State. The pact develops a set of strategies in favour of adult learning: vocational training of school leavers, continuing training, etc.</p> <p>7. Ireland is probably the most useful point of comparison, but what Portugal needs most at this time is instruments of observation and evaluation with which to gauge the impact of the innovative institutional arrangements being set in place since the end of the 1990s.</p>

3. It is clear to those involved in the provision of adult learning that many of the difficulties here are due to the inadequate knowledge of a large proportion of school leavers. In Portugal the problem is not solely rooted in the past, since even in recent years low school attainment among persons under the age of twenty-five has been a lasting professional handicap. Although that issue, addressed in an earlier report (OECD, 1999a), really lies outside the bounds of a review of adult learning, the team of experts thought it important to stress the importance of correcting this structural weakness, which is to be found in a number of other

countries¹. The response of the Portuguese authorities has been the creation of an institution (ANEFA) that now recognises vocational skills as part of education attainment. At the local level, many providers of adult training are showing definite interest in the development of a pedagogy specific to adults: andragogy.

4. Although the authorities' forceful policy of learning provision has made it possible for large numbers of adults to learn under standardised programmes, it is not certain that enough account has been taken of all the different categories and special types of demand that exist. For one thing, the system's centralisation makes it difficult to detect local best practices and then diffuse them. For another, the needs of small and medium-sized enterprises (SMEs), which predominate in the Portuguese economy, are insufficiently catered for, despite the action of certain trade associations. By contrast, the local development associations have had and continue to have a decided influence in proposing original forms of adult motivation and training. It might also be helpful if more account were taken of the experiments in lifelong learning, some of them exemplary, conducted by major corporations and by NGOs on the citizenship basis.
5. The adult learning system involves a large number of institutions and agencies whose organic structure is not always evident, and there is some segmentation of the ministerial departments in charge of adult training. Recent experience has shown that co-operation between ministries is possible but takes time to produce results. It might be useful if institutional adjustments of the kind that have brought the Ministry of Education and the Ministry of Labour and Solidarity into collaboration were further developed and other cross-ministry linkages formed to promote adult learning. Also, the present regionalisation of training would seem to be more a de-concentration of central government policy than a devolution of responsibilities for training provision and funding.
6. A number of uncertainties exist concerning Portugal's growth path over the next one or two decades. Given Portugal's specialisation, it will probably be necessary to develop individual training strategies for the sectors directly exposed to competition, for the more sheltered sectors like construction, and for the healthcare sector. Training policy must therefore take account of the skill variety bequeathed by the history of education in Portugal. Hence the significance of the social pact concluded in February 2001 between the different employer associations, the trade unions and the government. The pact provides for a thorough analysis of training provision and requirements and the development of a coherent strategy for removing the different obstacles to a raising of workforce skills in Portugal. It will be essential to closely monitor the practical outcomes of this agreement, which is as yet too recent for any firm judgement to be given concerning its long-term impact.
7. As regards the financing of adult learning, the Portuguese authorities realise the need to prepare for the years subsequent to 2006, when European aid to Portugal will very likely be reduced with the entry of new EU members, necessitating rationalisation and reform of the present training system. While it is helpful to refer to the French, German and Scandinavian systems, the special nature of Portugal's problems would seem to warrant more particular reference to a country like Ireland which, from a fairly similar situation in the 1960s, has made great strides in upskilling. But probably the most important requirement is that the ambitious reforms already introduced in Portugal be carefully evaluated, despite the intrinsic

1. Of the nine Thematic Review countries, Denmark and Spain at the end of the 1990s had respectively 22% and 32% of 15-29 year-olds who had left school at lower secondary level. In Portugal the proportion was 47% (Table C2.4, OECD, 2000).

difficulty of such an exercise. The emergent system of adult training under the social pact is very largely unprecedented, which means that new research and studies will be needed in order to determine the necessary adjustments for misalignments subsequent to the reforms introduced in the second half of the 1990s.

2. THE CONTEXT OF ADULT LEARNING

2.1. The three difficulties of adult education in Portugal

Short schooling

Most countries have an average labour force skill level lower than that of youngsters now leaving the education system, who have benefited from expanded access to primary, secondary and higher education. But the situation in Portugal is extreme inasmuch as that is the OECD country where the differential appears to be one of the widest. In 1996, 9.8% of the Portuguese labour force had had no schooling at all, 35.9% only four years' schooling and 16.9% only six years' schooling. All told, 62% of the working population had had a very short period of schooling (six years at most) and could be classified as low-educated (Table 2).

The contacts made during the country visit established the fact that actors at all levels of responsibility—ministers, state secretaries, officers of local development associations, heads of trade associations, entrepreneurs, trade unionists, directors of training centres and training officers themselves—were broadly agreed that adult education must have two goals: social inclusion and citizenship, and access to more highly skilled employment. One of the impressions given by the field visits was that community associations may use citizenship as justification for a request for vocational training, even though there was no clear evidence of this synergy.

Table 2: Labour force by level of education (1996)

Level of education	Total	%
Nil	469 077	9.8
Primary education		
First cycle (4 years)	1 718 353	35.9
Second cycle (6 years)	808 919	16.9
Third cycle (9 years)	694 043	14.5
Secondary education	545 661	11.4
Intermediate and technical	162 741	3.4
Higher education		
Pre-doctorate	354 201	7.4
Post-doctorate	33 505	0.7
TOTAL	4 786 500	100.0

Source: INE Employment Survey, 1996, Table 1 in ANEFA (2000e).

Generation divides in qualification levels

The distribution of the labour force by age group reveals generation divides in levels of qualification. Under-education concerns 86.4% of persons aged over 65 and 67.2% of those aged 45-64, whereas the proportions are 35.5% for the 24-44 age group and only 14.3% for the 14-24 year-olds (Table 3). These figures are for 1996 and it is reasonable to suppose there has been some improvement since then.

Table 3: Labour force by level of education and age group (1996)

Level of education	Age 14-24 %	Age 25-44 %	Age 45-64 %	Age 65 and over %
Nil	2.3	3.1	15.9	51.1
Primary education				
First cycle (4 years)	12.0	32.4	51.3	35.3
Second cycle (6 years)	39.0	19.1	6.5	2.7
Third cycle (9 years)	23.6	15.7	10.5	3.9
Secondary education	18.6	14.6	5.3	1.6
Intermediate and technical	1.4	4.0	3.7	1.3
Higher education				
Pre-doctorate	3.1	10.2	6.0	3.4
Post-doctorate	0.0	0.9	0.8	0.2

Source: INE Employment Survey, 1996, Table 1 in ANEFA (2000e).

In any case, this age pyramid has definite implications for adult learning in Portugal. As one of the personalities encountered during the country visit put it: "The education strategy of the under 35s takes after the American pattern, whereas for the over 35s work comes before education". So it might be said that Portugal combines the features of both the United States and Turkey.

This generational divide stems directly from the history of education and vocational training in Portugal, but also from that country's political history over nearly a century (Table 4). Throughout the first half of the 20th century, compulsory education seldom exceeded four years. The move to six-year and then nine-year compulsory education did not occur until the 1980s, which was late compared with other countries that experienced equivalent economic development. Furthermore, the Carnation Revolution did away with technical education in order to achieve a unification of schooling. Not until 1984 was an apprenticeship system created. In 1986, access to the European Social Fund (ESF) made it possible to reintroduce vocational training, both recurrent and initial. In 1989 vocational schools were created. Subsequent years saw the creation of agencies to monitor trends in employment and training (*Observatório do Emprego e Formação Profissional*, OEFP) and to encourage innovation in training (*Instituto para a Inovação na Formação*, INOFOR). The recently created ANEFA agency will further co-ordinate government action to promote adult learning.

Table 4: Key dates for analysis of the problem of low-qualified adults

Compulsory schooling		Education and training system	
1911	3 years		
1919	5 years		
1927	4 years		
1930	3 years		
		1947	Reform of technical education, which will last until 1972
1956	4 years for boys, 3 years for girls		
1960	4 years for boys and girls		
1964	6 years	1962	Creation of the Labour Development Fund [FDMO] and the Institute for Accelerated Training [IFPA]
		1975/6	Unification of 7,8,9 years of schooling Abolition of technical education
1979	Conditions establishing 6 years' effective schooling	1979	Creation of the Institute for Employment and Vocational Training [IEFP]
		1984	Creation of an apprenticeship system
		1985	Reform of IEFP
1986	9 years (ages 6 to 15)	1986	Access to ESF
		1989	Creation of vocational schools
		1992	Creation of national system of vocational certification Creation of OEFPP
		1997	Creation of education/training courses Creation of INOFOR
		1998	Creation of a task force on development of adult education and training
		1999	Creation of ANEFA
2001	Vocational training in 10 th year for all young persons not continuing their studies and completing their 9 th year at age 15	2001	Guarantee of rights to training and post-school education under social partners pact

Sources: CEDEFOP (1999) and Alonso, Imaginario *et al.* (2000).

Low level of recognised qualifications

In addition to this legacy of Portugal's political and social history there are the structural changes expected for the present decade. The Portuguese economy has grown faster than the EU average thanks to a technological and organisational catch-up, but it is still heavily specialised in sectors like textiles, leather, wood and light industry. Consequently it is striking that Portugal should be the country which, even by 2004, shows so large a proportion of low-skill labour and, above all, the slowest rate of educational catch-up of any country (Table 5). The contrast with Ireland is instructive, since that country is expected to join the group of high-skill countries, overtaking the United Kingdom. The low level of qualifications, as recognised by employers and by the statistical system, is therefore patent in Portugal.

Table 5: Cross-country comparison of low-qualified percentages of the employed labour force

Country	1992	1995	2004 (DE/MQE forecast)
Portugal	77.4	75.6	68.4
Spain	68.2	62.5	42.9
Italy	57.8	55.3	43.9
Greece	58.1	52.5	40.2
United Kingdom	46.7	42.7	36.7
Ireland	46.1	41.2	30.8
France	60.1	32.7	23.3
Belgium	37.6	32.8	22.1
Denmark	27.5	20.2	18.4
Germany	17.4	15.9	16.7

Low qualifications are defined as levels 0 to 2 of the International Standard Classification of Education (ISCED-UNESCO), i.e. a basic education of 9 years' schooling or less.

Source: EUROSTAT, Table 2 in ANEFA (2000e)

2.2. The main social, economic and political factors affecting adult learning

Portugal's traditional specialisation, notably in the sectors previously mentioned, is now being directly threatened by distinctly foreseeable changes:

- First, given wage differentials and the possibility of easier organisational transfers than in the past due to the codification of procedures through information technology, there is a strong chance that investment will flow into new zones, like India in the case of textiles, according to some of the persons spoken to during the country visit.
- Second, with the completion of the European internal market now that the euro has been introduced and new countries are set to join the EU, Portugal will almost certainly have to compete with some economies of Central or Eastern Europe for markets, inward investment and access to the ESF.
- Third, the steady advance towards the intangible information and knowledge economy is likely to be a decisive factor of long-term growth. The existence or not of a labour force with a high skill average will determine the growth prospects of the different European economies. In Portugal's case, the generational divide will be compounded by the digital divide if appropriate policy action is not taken.

Insufficient basic education of the majority of the Portuguese population

In countries where basic education is long established and accessible to the majority if not almost the entirety of each cohort, adult learning is mostly a question of updating vocational skills to match the technological advances specific to each sector. The foreseeable swing from an economy of labour and physical output to an economy of design and information makes lifelong learning an issue of paramount importance. This issue, first addressed by international organisations like UNESCO and the OECD, has been taken up by the European Economic Union which, at the Lisbon Summit in the first half of 2000, made the transition to the information economy and society an EU-wide priority. Portugal is committed to this goal and the social partners' pact of February 2001 is evidence that a strategy of lifelong learning is under way, since for the first time a right to recurrent training is acknowledged for all employees.

But the chief difficulty as regards adult learning in Portugal is insufficient basic education, which severely restricts the possibility of recurrent training. Without a sufficient grasp of reading, writing and arithmetic, the acquisition of technical skills is difficult, or actually impossible in the case of information and communication technologies. Although the information economy in the strict sense cannot be Portugal's mainspring in the present decade, the movement towards non-tangible production will assert itself in almost all sectors of economic activity and necessitate a general improvement in literacy and numeracy.

Consequently, even if unemployment is quite low in Portugal compared with the European average, the negative impact of low qualifications on employment prospects is already discernible. In December 1997, persons having had no schooling or less than five years' schooling accounted for 53.3% of the jobless aged over 25, whereas those with a secondary education accounted for only 10.2%. At the same date, the jobless total for the under 25s contained roughly equal shares for those with six years of primary school, those with 9 years and those with secondary education. Persons with an intermediate or higher education accounted for 7.1% of total youth unemployment (Table 6).

Table 6: Unemployment by age and level of education (December 1997)

Level of education	Youth unemployment (age under 25)		Adult unemployment (age 25 and over)	
	Numbers	%	Numbers	%
Nil	808	0,9	3 2 772	10,4
Primary				
First cycle (4 years)	7 151	7,8	134 680	42,9
Second cycle (6 years)	26 490	28,8	61 117	19,5
Third cycle (9 years)	21 308	23,2	37 179	11,8
Secondary	29 507	32,2	32 112	10,2
Intermediate, technical and higher	6 557	7,1	16 284	5,2
Total	91 820	100,0	314 144	100,0

Source: IEFP, Table 4 in ANEFA (2000e).

The pattern of unemployment by age and level of education reveals another special feature of the Portuguese economic and social context. In most other European countries, youth and adult learning has become a priority because of persistent unemployment and a realisation that academic qualifications and/or vocational training or apprenticeship are the best guarantee against underemployment and insecure employment. But in Portugal, unemployment has never been high enough to induce this realisation. Furthermore, even young persons with no qualifications quite easily find employment in sectors like construction and services, preferring to go to work immediately rather than engage in training for more highly skilled jobs. Thus in 1995 the unemployment rate in the population aged 20-24 was lowest for those with the least qualifications, whereas in the rest of the OECD area the opposite was the case (OECD, 1999a). A number of persons encountered during the country visit stressed the importance of the work ethic in Portugal and how this took precedence over investment in education. The result would seem to be a vicious circle in which an abundant supply of low-skill jobs encourages under-investment in education and training.

An opinion frequently expressed in this connection was that Portugal's culture is not conducive to a forceful policy for adult learning. This would appear to be the legacy from a society that was still poor a few decades ago and consequently unaware of the benefits, both individual and collective, to be derived from investment in education and training. Yet during their visit the team of experts from the OECD, while appreciating that cultural factors have an important influence on policy decisions in Portugal, noted certain signs that this culture of work is not omnipresent.

Economic incentives as well as the culture of work

Although lying somewhat outside this paper's field of investigation, one interesting point to note is that a significant proportion of Portuguese youth engages in university studies, although these do not always lead to high-skill employment, thus disappointing the initial hopes of some of these students. Is this not a sign that formal qualifications and education represent a value for Portuguese society, even if in this case interest does not focus on lifelong learning?

Many of the learners encountered on the visits to adult learning establishments stressed that all depended on environment and circumstances. In some cases, the fact that grandparents or even parents are able to follow the education of their grandchildren or children is a valuable motivation for attendance and diligence at the adult classes organised by local associations. Similarly, vocational training centres have found that once entrepreneurs become convinced that training like they have received would benefit their employees, there is heavy demand for remedial learning (Box 1). Thus the cultural factors that inhibit learning demand may be outweighed by other features of Portuguese culture such as family values and entrepreneurial vision.

Moreover, Portuguese culture has evolved greatly over the past fifteen to twenty years. Perhaps it should be remembered that today's culture, regarded as immemorial and unchanging, is never more than yesterday's innovation whose origin has been forgotten. As one key figure on the adult learning scene, Alberto Melo, put it so colourfully: "When *fado* is replaced by rock, attitudes regarding development and education change." Even if adults are not necessarily receptive to the musical tastes of the younger generation, it seems necessary to analyse developments in culture as well developments in the economy, given that education and training play a part on both fronts.

Interesting in this regard is a 1995 international opinion survey on lifelong learning. It showed that 68% of the Portuguese would like to continue to learn and receive training throughout life, a response equivalent to that of the Irish and the Dutch (Table 7). The survey drew a variety of national responses to the same question, with Portugal apparently in a median position as regards receptiveness to education. It is no doubt wrong to regard culture as an insurmountable obstacle to the efforts of the authorities to develop adult learning.

Table 7: Percentage of persons desiring lifelong learning opportunities

EU	Belgium	Denmark	Germany	Greece	Spain	France	Ireland
70%	63%	91%	...	83%	74%	79%	68%
Italy	Luxembourg	Netherlands	Austria	Portugal	Finland	Sweden	United Kingdom
65%	59%	67%	47%	68%	75%	76%	82%

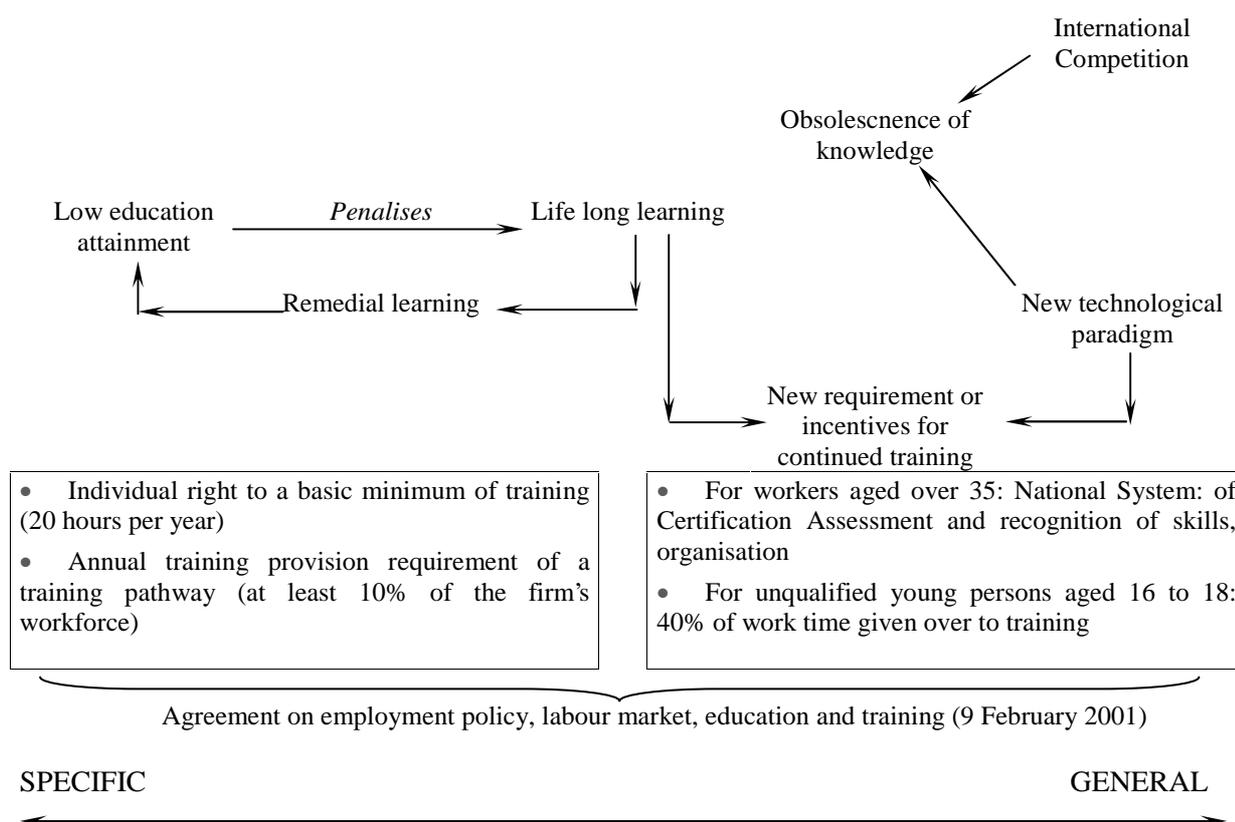
Source: Eurobarometer 44.0 and 44.1: Survey on Attitudes of Europeans, conducted for each country from a representative sample of the population aged 15 and over, autumn 1995; Table 5 in ANEFA (2000e).

As regards funding, the ratio of the budget for initial and continued education to GDP is again in the median position among OECD countries (OECD, 1996), i.e. 5.5%, which is very close to the figure for Ireland and New Zealand and also for Austria and Hungary. On the other hand, it is true that the level of education of the Portuguese population as a whole is lower than in any other OECD country with the exception of Turkey. It is disturbing that under-education also continues to involve the under 35s and not just the population as a whole, whose low level of educational attainment reflects the history of compulsory schooling in Portugal (see Table 4). The central issue thus seems to be the effectiveness and organisation of education rather than the cultural obstacle to its development.

Consequently, adult education can have two purposes: to give a second chance to those unable to receive adequate schooling and vocational training when they were young and to raise and then maintain the skills of those in employment, even if they have had an adequate initial education. These two components become one in the case of poorly educated adults, since the success of the strategy aiming to improve formal knowledge conditions the strategy of creating the skills necessary for employment in a medium- to long-term perspective. Then there is the need to prepare the Portuguese population for the information economy and society, which introduces a third element into adult learning policy.

Here the Portuguese experience reveals two types of education, one common to most countries, the other more specific to countries with low levels of educational attainment (Figure 1).

Figure 1: Overview of learning for poorly educated/qualified persons in Portugal



- The social partners' agreement of 9 February 2001 establishes an individual entitlement to a minimum amount of training for all workers set at 20 hours per year. This amount will be increased over time. Also, a minimum annual volume of training has been set at 10% of all workers. Such measures, which have long been in effect in most other EU countries whose

ambitions are still modest for the time being, nevertheless testify to an awareness of the essential importance of lifelong learning and to its integration into industrial relations.

- The arrangements introduced earlier, as under the National Action Plans for 2000 and 2001, aim at improving the general knowledge and the competencies of workers with the weakest school attainment. For workers over 35 years of age, the national certification system recognises practical skills acquired through work experience and organises training pathways to skill sets matching specific jobs in the different sectors. For young persons aged 16 to 18 without qualifications, the social partners' agreement mentioned above stipulates that 40% of work time must be given over to training.

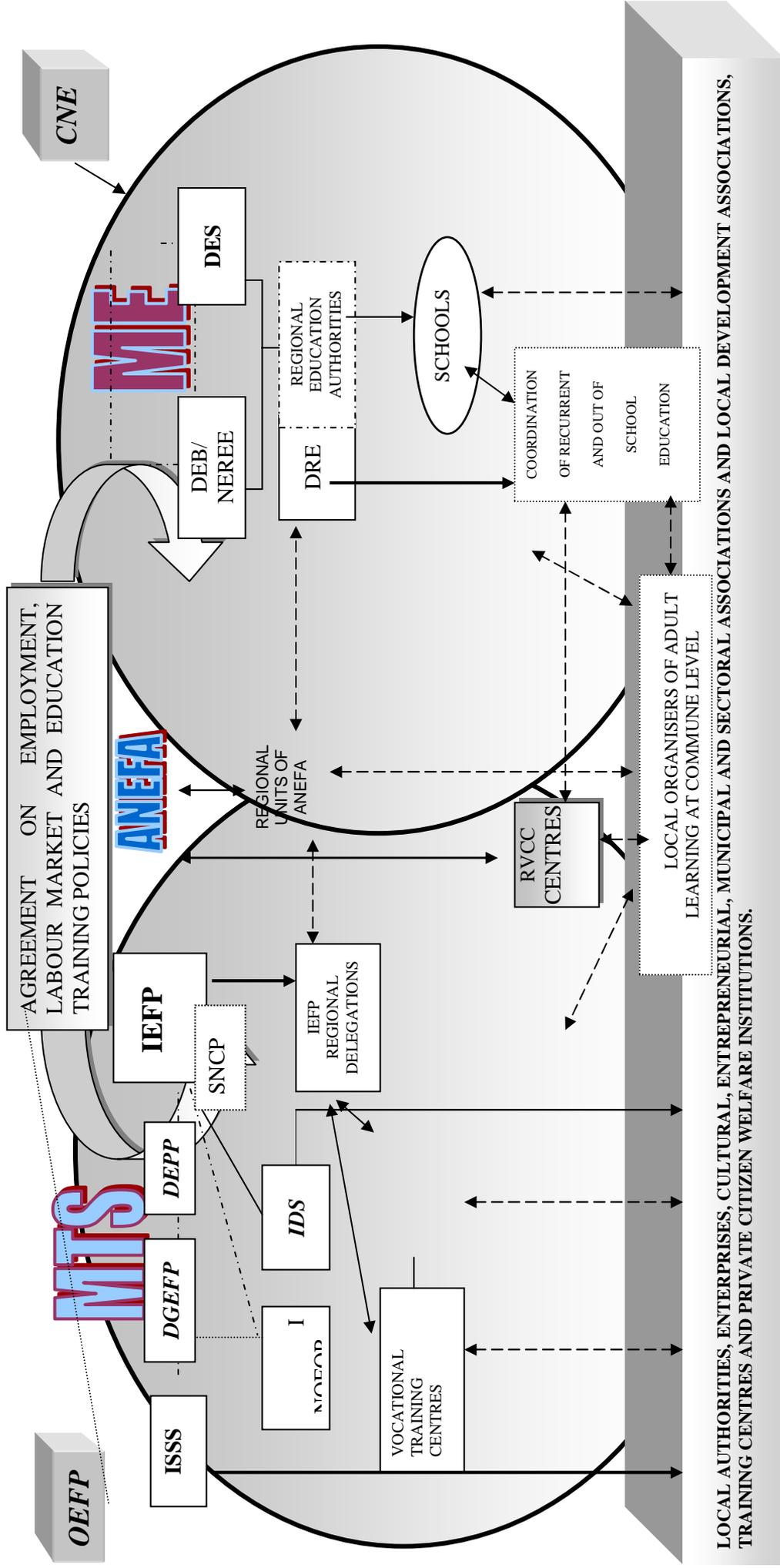
The measures taken since 1986 and the most recent policy developments indicate that Portugal is exploring original ways of bridging the qualifications gap that has characterised the adult workforce for so long. At the same time, the confirmed emergence of the information technology paradigm is opening a window of opportunity. The National Action Plan for 2000, which builds on the commitments for the European multiannual plan, has explored the implications of the IT paradigm for an accelerated catch-up and even a move into the lead by Portugal, as with its breakthrough in respect of electronic payment cards (OECD, 1999b). *Mutatis mutandis*, Portugal's introduction of laws on adult education in the era of the information society is permitting a better match to the present conditions of competitiveness, by comparison with countries that are more advanced but in which education is still marked by the legacy of mass production (Boyer, 2001a).

2.3. The main actors involved in adult education

The first, though possibly erroneous, impression gained by outside observers is of a complex learning system evolving continuously in order to meet the demands of each period and overcome the problems entailed by earlier policies or reforms. It is therefore difficult for the outsider to determine the system's operating principle and its coherence. The background report supplied by the Portuguese authorities (ANEFA, 2001b) lists no fewer than 119 abbreviations and acronyms for bodies that participate directly or indirectly in learning delivery. Even if one considers just the government agencies responsible for adult education, one is surprised by their diversity and the complexity of their interactions with education providers at the local level: local authorities, businesses, associations of different types, training centres, private welfare institutions, etc (Figure 2).

This situation is not peculiar to Portugal. Since most of the other country reviews of adult learning mention the same points, it would be useful to determine the reasons for this state of affairs. Whereas initial education is marked by clear objectives and can be represented in simple flow charts, adult education is diversified according to personal trajectories, sector of activity and projects for the medium/long term, without forgetting the implications of the economic climate for the future of certain cohorts. This is probably why it is so difficult to rely on market competition to promote efficiency and adequacy of adult education, particularly for adults whose low levels of school attainment pose formidable teaching problems (Boyer, 2000a).

Figure 2: Complexity of interactions and diversity of actors



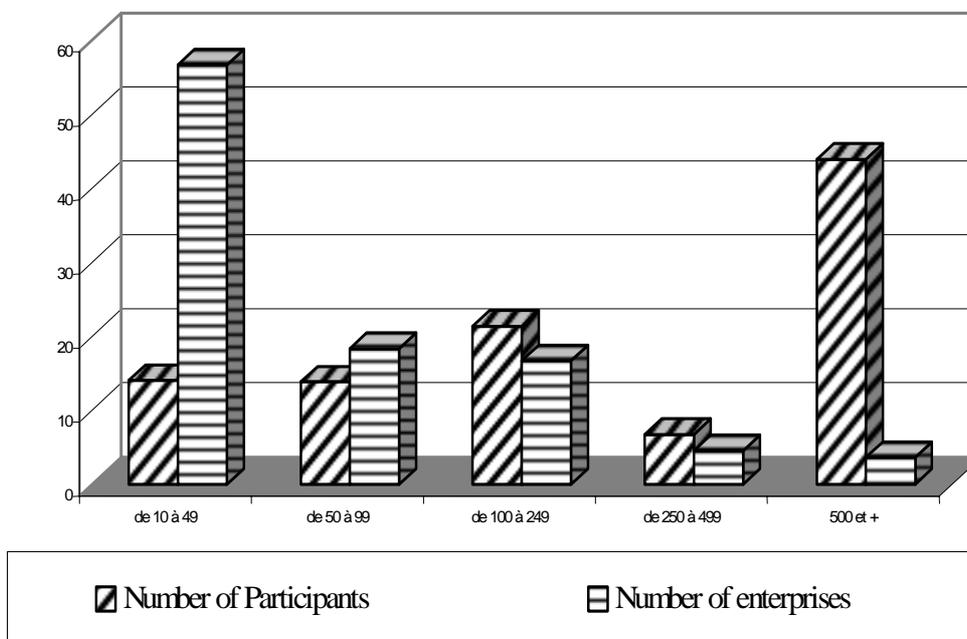
Source: ANEFA (2001b)

The analysis of adult education institutions and the meetings with education officers made it clear that in Portugal it is central government that initiates most of the measures—if only because public financing, which derives both from national effort and from European support (ESF), is crucial to the system's operation and development. The central government's dominance is also evident in the delivery of adult education, both directly and indirectly through the establishment of standards and conditions of access and organisation. The regions also deliver but in most cases, according to the actors concerned, they simply execute central government decisions, which represents de-concentration rather than devolution of policy.

The trade associations, both regional and sectoral, play an important part in policy implementation and even have certain powers of initiative, though these tend to be circumscribed by tight constraints as regards eligibility for training and the latter's duration and content. The team of experts gathered the impression that the influence of these associations is increasing and that, as a result, the quality of basic training is improving and drawing nearer to the requirements of employers. Also, contact with the field makes it possible to detect certain complementarities between counselling to firms and promotion of training (AIMINHO, 2001), a synergy that can greatly increase the effectiveness of public funding (Box 1). The trade associations are also well placed to spot certain dysfunctions such as those due to the difficulty of cross-ministry co-ordination. It would even seem that the creation of ANEFA in 1999 was in part a response by the central government to certain local actors that had realised the need for co-operation between ministries, in this case between the Ministry of Education and the Ministry of Labour and Solidarity.

Businesses, of course, contribute to adult learning. During the country visit the OECD experts did not have the contacts that would have enabled them to examine directly the part played by foreign multinationals in the learning process. But training officers and others they consulted told them that multinationals are highly selective when hiring and give intensive training to new employees, and that specific training programmes and subsidies are negotiated on a case-by-case basis. Understandably, the experts did not examine this aspect of adult learning, although it doubtless plays a significant part, given that Portugal attracts foreign corporations capable of increasing the technology content, quality and productivity of the goods made and re-exported. Here it would be of interest to compare one to one the strategies followed by Ireland in the early 1980s and by Portugal during the present period. On the other hand, the team's visit to the training centre of one of Portugal's large corporate groups (Box 5) revealed an interesting configuration in that a strategy for skilling youth and re-skilling older workers is developed for the group as a whole, with specific arrangements and targets not conditioned by the government subsidy system. But this strategy of internalising the direct and indirect benefits associated with training is not accessible to SMEs, which are the mainstay of Portugal's production base and account for 80% of total employment. Obviously it is difficult to distribute learning opportunities among all the different businesses, but the great variety of the efforts being made is evident. As in nearly all OECD countries, the employees of big firms in Portugal appear to have the best chance of access to recurrent training (Figure 3).

Figure 3: Distribution of learning opportunities by size of firm (1998)



Source: Table 43, ANEFA (2001B).

Neighbourhood and local development associations and NGOs play an important part in the education of low-qualified adults in Portugal, since their civic vocation puts them in touch with that population. Together they form a capillary network that attracts people outside or on the fringes of the labour market, such as retired persons, housewives, minorities and immigrants. Their essential purpose is to teach basic literacy skills, but those skills are a prerequisite for subsequent vocational training. It is in this sector of education that one finds a relatively high proportion of foreigners, most of whom are unable to benefit from the schemes described earlier.

This simple description of the actors in adult education points to certain difficulties of co-ordination, given that initial strategy levels, expectations and methods are so different. In addition there is a whole hierarchy of intermediate agents between the financing and the material organisation of this education. Funding is obtained from an allocation of 4.2% of the Social Security budget, itself financed by a 33% employer payroll tax. Use is also made of the European funds, which since 1986 have financed nearly two-thirds of adult education expenditure. Clearly it is difficult to achieve coherence between a system of essentially top-down financing and highly differentiated education requirements at the local level which in principle work their way up to the regional and national authorities.

3. ANALYSIS AND MAIN CHALLENGES

The field visits and analysis of adult education institutions and statistics showed that there are *two* main problems with the situation in Portugal. One is the difficulty of motivating and mobilising low-qualified adults (Theme 1), the other is the need to improve policy coherence and effectiveness in anticipation of the change in conditions of EU funding for adult learning due to occur in 2006 (Theme 4). In addition, various steps could be taken to better adjust learning provision to changes in demand and new needs (Theme 2) and to further develop the pedagogical innovations already introduced with the skill recognition and certification centres (CRVCC) (Theme 3).

3.1. Theme 1: Improving the incentives and motivation for adults to learn

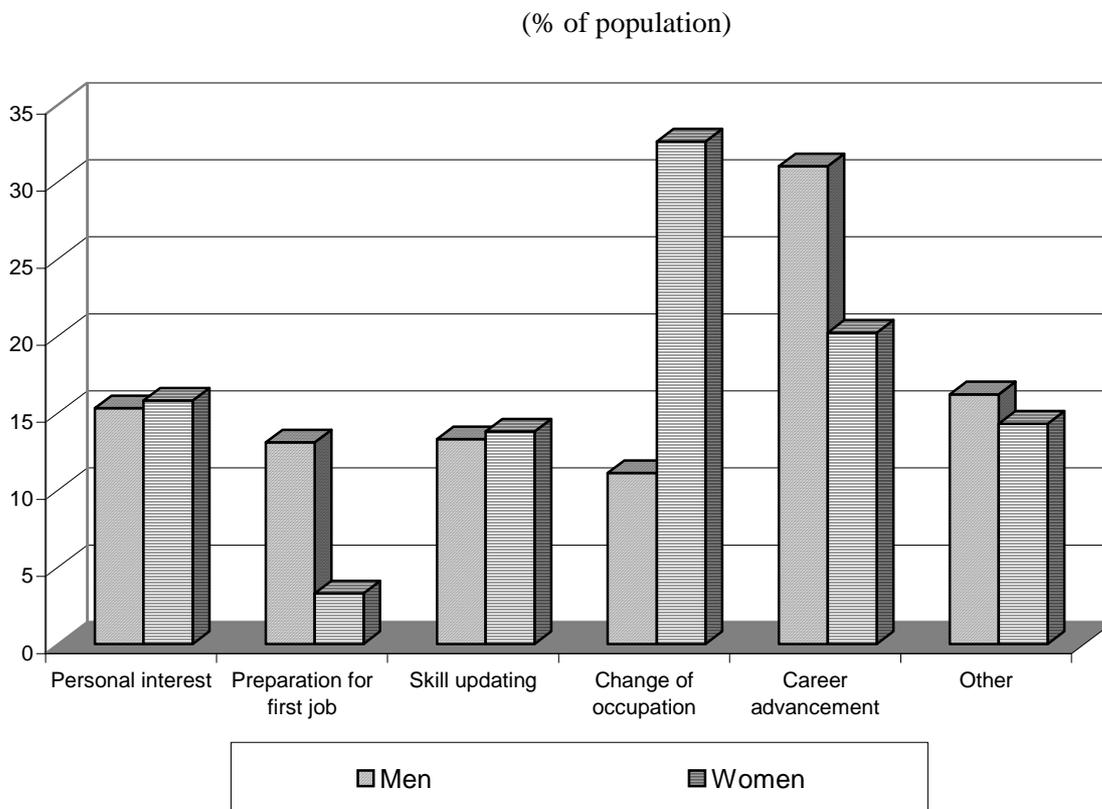
Uncertainty about economic returns

The researchers, trade unionists, human resource managers and adult learners met with during the country visit all said that learning payoffs are not readily apparent. This is not entirely surprising since the point has been made in other OECD studies, for example on the United Kingdom. Some explanation is required at a time when the Portuguese authorities have given top priority to skill learning in industry and action to combat inequalities and social exclusion.

First, it would seem that in matters of adult learning employers are productivity-focused, while unions are employability-focused. According to an impact study by INOFOR (cited in ANEFA, 2001b) covering the period 1994-1999, initial education provided by the State guarantees access to employment, while further training gives employees more knowledge and a better grasp of techniques but no material advantage. There do not seem to be any recent studies that would make it possible to quantify a systematic gain in productivity as a result of continued training. A survey for the period 1994-1996 (likewise cited in ANEFA 2001b) states that vocational training provision enabled 70% of firms to record an increase in productivity and 89% an improvement in the quality of goods and services. The social partners, for their part, confirm that collective agreements contain no clause linking completion of training with pay advancement. Consequently the main advantage for learners is not higher pay but easier access to jobs or retention of them. In the absence of institutional or market arrangements that respond to certain skill shortages, it may be that adult learning activities are not perceived as economically viable by individuals. Since, in addition, the money that funds adult learning is essentially public, attention tends to focus on the regularity of expenditure commitment rather than the impact on firms' management and on employability and pay levels.

There may be a second reason for the uncertainty about learning payoffs. The implicit object of evaluation is the human capital that will increase in value and performance over its whole life cycle as a result of learning. But adult learning is also concerned with access to citizenship, the regaining of self-confidence and the ability to function in an urban world where reading and writing have become essential to daily life and social relations. A monograph on lifelong learning for women confirms the impact on self-confidence and the ability to pursue new personal or professional projects (Duarte *et al.*, 1997). Questioned in the course of the country visit, learners attending courses organised by local associations stressed this point, many of them being retired workers and women wanting to participate in the education of their children or grandchildren. And statistics confirm that in more than 30% of cases the motives of learners with little or no education are not employment-linked (Figure 4).

Figure 4: Employment-linked and non-employment-linked motives of low-educated learners, 1998



Source: Table F, ANEFA (2001b).

Integration of adult learning with other components of social policy

Consequently there are at least four approaches that can be tried in order to increase the probability of success of learning activities for low-educated adults. They would all aim to integrate learning policy with other strands of social policy: respectively, improvement of firms’ management methods, development of inclusive local development strategies, promotion of the citizenship motive in order to make the advantage of learning clear and, of course, linkage of learning and improved skills with pay advancement and business performance.

It is increasingly acknowledged that training produces the expected effects only when it is related to a firm’s objectives for quality, productivity, innovation or response and rapid adjustment to market developments (Crouch, Finegold, Sako, 1999). The strategy presented by the Industrial Association of Minho at Braga is a case in point (Box 1). Here, instead of addressing an individual outside the context of the firm he works in or intends to work in, the idea is to make the individual’s training an integral part of the firm’s strategy. In the case of a small or medium-sized enterprise, the Association’s training officers try to convince the entrepreneur himself to undergo training or an updating of his basic skills. Once convinced and reassured that he will not be unsettled by collaborators with more skills, the entrepreneur will be the best possible advocate of training for his employees. This trade association adopts a similar approach to the larger firms. Training activity is preceded by a diagnosis of ways to improve management. Then the human resource department draws up a training plan to be passed on to the employees. Consequently there is a synergy between training and the general strategy of the firm, which is to improve productivity and quality. This practice in Northern Portugal is in kinship with an intuition formalised as "supermodularity theory"

which, for example, stresses complementarity between just-in-time production, teamwork and quality of information and decision-making (Milgrom, Roberts, 1990). In this case, a training effort without organisational change cannot produce the benefits expected, whereas synchronisation of the two, for those firms able to shift from one organisational pattern to another, will make them more competitive. The existence of this discontinuity among firms that have reorganised in response to the prospects opened up by ICT and other technologies has been clearly documented in the case of the United States (Brynjolfsson and Hitt, 2000; Askénazy, 2000).

Box 1: From business counselling to employer/employee training plans

A first example of complementarity: the Industrial Association of Minho at Braga

The principal activity of this association of enterprises is to counsel firms, for which it develops an overall analysis of the area's economic development and its competitive strengths and weaknesses. The shared diagnosis is of the danger of continuing specialisation in low-productivity industries. The aim is therefore to raise the quality of specialisation by way of an improvement in firms' organisation and their ability to master the necessary technologies. A distinctive feature of the Minho association is its emphasis on making training an integral part of an overall strategy for improving the quality of company management. Having found that in the 100 training activities conducted and for the 1 400 persons trained, four-fifths of them by attending evening classes, 75% of learners were being trained on an individual basis unrelated to the firms employing them, the association decided to work against this separation between individual training decisions and company management. Hence a number of schemes all designed to make training an integral part of company management.

- 1) Developing the diagnosis of firms' organisational and technological capabilities.
- 2) Convincing entrepreneurs of SMEs and human resource departments of larger firms to decide on training programmes aligned with the strategic goal of developing competitiveness.
- 3) Designing training plans for the selected employees that will enable their new skills to help the firm to develop.
- 4) Operating a CRVCC, accredited and piloted by ANEFA in collaboration with all the public agencies involved in training provision. The aim is to ensure a progressive raising of qualifications to match the skill sets required in the different occupations.

Source: Associação industrial do MINHO (2000) and interviews with training officers.

In areas of lower industrial density where the central problem is youth migration to the cities, the strategy developed by the Portuguese federation of local development associations (ANIMAR) is to link local development closely with training. The experience of ESDIME at Messajana reveals the conditions for success as well as some of the difficulties of this strategy (Box 2). Here success is represented by the creation of a construction company employing 80 persons and meeting a demand previously filled by firms outside the locality. In this case the learning payoff is not the matching of skills to local employment that is very limited, but more fundamentally a confidence in the ability to start up a job-creating enterprise. On the other hand, skill recognition may pose a problem inasmuch as while it gives access to local employment, it may also encourage young persons to migrate to the cities to seek and find jobs. In either event, the payoff for the individual is there; it is just that the local development strategy may be destabilised, though not necessarily so. Anyway, there are many grounds for thinking that in the long run skill recognition is beneficial to each individual and to economic growth generally.

Box 2: Learning as an integral part of overall strategy

A second example of complementarity: ESDIME as a vector of development for a declining local economy

What is the point of training jobless persons if the state of the local economy is such that there is no matching demand for want of enterprises and profitable business activity? It was in answer to this question that ESDIME, the local development agency for south-west Alentejo, defined its strategy: the only solution is to build an environment favourable to the emergence of new enterprises and thus create the jobs needed for the local situation to improve. In 1989 half of the 1 500 inhabitants of Messejina were unemployed. In 2001, the jobless rate was down to 18.1%, both because of the improvement in general economic conditions and owing to the strategy applied by ESDIME. The agency's goals are to bring about a change of values, halt the process of decline, foster new hopes and visions, and make it possible for individuals to take control of their lives so that some may become entrepreneurs. Three examples illustrate this synergy between learning and local development strategy.

1) *Unemployed persons* create their own enterprise

One hundred jobless were selected and trained over a period of two years. The learning programme encompassed technical and vocational training, personal development, and mastery of the methods necessary for starting up and running a small business. Of the 100 participants, 84 completed the programme; 70 are now employed and 17 small businesses, employing a total of 65 persons have been created.

2) Unemployed *women* are developing craft trades thanks to training.

With unemployment at 18.1% in 2001, more than 71% of the jobless were women. In response to this situation, ESDIME partnered by three townships devised an 18-month training project for low-educated women between the ages of 40 and 45. The outcome has been the creation of three craft businesses engaged respectively in cork processing, paper recycling and pottery painting.

3) Training for young persons *under 25 years of age* so that they remain in the locality.

Given the age pyramid and the fact that 20% of the jobless are aged under 25, training in such fields as ecotourism is being provided over a period of nine months. It is hoped to secure local employment for 10 young persons in this way.

Source: Merrit Marques (2001)

Social welfare institutions, for their part, are developing synergy between the promotion of citizens' rights and motivation for learning and subsequent attainment of job skills. CIVITAS is a case in point (Box 3).

Box 3: Access to citizenship as motivation for learning

A third example of complementarity: the CIVITAS Association

CIVITAS, an association for the defence and promotion of citizens' rights, operates small reception centres for immigrant workers who already have jobs but want to become better educated. Learning courses are provided each year in the subjects requested by participants, recruitment being by word of mouth and with a limit of ten learners to a class. The establishment visited, in Porto, delivered basic courses in Portuguese, English, computer literacy, bookkeeping and business management in 2001.

The basic aim is to give confidence to individuals with problems of integration due to difficulties of language or adjustment to Portuguese culture. Intelligence is regarded as more important than training, and sensitivity to citizens' rights as more important than skill development. Given the origins of the learners (nationals of Ukraine, Cape Verde, Mozambique, Angola), teaching focuses primarily on development of expression ability and understanding of the relations between different cultures. The technical courses like computer literacy, bookkeeping and business management are intended to build confidence so that learners can subsequently go on to more advanced training.

Thus citizenship learning is seen as an essential stage in a process of social integration and subsequent access to better jobs, although some or even many of the learners may hold foreign qualifications that would meet the requirements of such jobs.

Source: CIVITAS, various documents (1997 and 2000), and visit.

The persons targeted are Portuguese workers from overseas and recent immigrants from East Europe. The aim is to meet the specific requirements of each: mastery of Portuguese, computer literacy—too expensive if taught by a private school—knowledge of current events and, above all, mastery of speech and confidence-building for day-to-day social relations and business activity. This type of teaching is nearly always given out of work hours and is essentially intended for people made marginal by immigration or a colonial past. In the opinion of EU funding providers, such a system has proved its effectiveness, but the fact that it delivers requested teaching to a small public means that it cannot easily be reproduced on a very large scale.

Another approach used to encourage low-educated adults to participate in learning activities is to integrate these into the social networks that have operated locally for so long. This, for example, is the strategy applied, under the auspices of the local adult education boards and the Ministry of Education, by the sports association *Correr d'Água*. Located at Seixal, it uses the social facilities and connections of a football club to attract a number of retired workers, mothers and young girls belonging to the gypsy community and familiarise them with reading and writing. The programme, with no primer, is drawn up upon request for a heterogeneous public, the aim being to create a motivation to learn and thus overcome the feeling of exclusion or shame (not being able to read when one's children or grandchildren can). To quote the nice expression of one training officer, this association uses the "strategy of the cuckoo", i.e. nesting in neighbourhood associations in order to stimulate learning demand on the strength of local sporting and social activities. This experience calls to mind the strategy known as "inclusive learning" in the Anglo-Saxon countries and Northern Europe, i.e. to fit learning as closely as possible to the concerns of people by using their places of meeting and exchange. Although no evaluation as such has been made, there are indications that the return on the modest sums allocated to this type of association is very considerable, especially since learning is conceived in terms of access to citizenship and ending of social exclusion.

These four approaches to learning, very different in their methods, their publics and their outcomes, all seek to generate motivation and demand for education and/or skills by catering for each kind of personal requirement. In this way learners become the agents of their own learning. Success depends on

the ability of providers to fit their input into an overarching conception of the role and aims of learning. In contrast to the standardised approach, there has to be a measure of autonomy and room for innovation. So the central question is whether these "good practices" can be systematised and brought to the knowledge of groups with equivalent problems. In particular, what can be done if certain requirements with this type of learning come into conflict with general criteria like those established at national level or those related to eligibility for ESF funding? A number of learning providers and even learners themselves spontaneously mentioned a possible conflict between centralised administrative management, relying on criteria that are principally if not solely financial, and response to the needs of specific groups at specific times.

Promising innovations as regards skill recognition and skill building

One piece of information gathered during the OECD visit to Portugal was that skill attainments resulting from European-funded training programmes were not assessed and validated from the outset, an omission that has had unfortunate consequences. First, the international statistics indicate a low skill content of Portuguese jobs, and this is almost certainly due in part to the fact that the outcomes of the considerable investment in training since 1985 have not been taken into account. Second, non-validation has meant that the learners concerned have received no benefits in the form of higher pay and career advancement. Finally, learning incentives have been reduced for want of a clear perception of the advantages accruing to individuals and to firms.

Box 4: National system for the recognition, validation and certification of school attainment and personal experience

This system targets persons aged 18 or over who did not complete their schooling, have no professional qualifications and are often unemployed. It is organised at local level by ANEFA in partnership with CRVCCs, which are housed by local public and private institutions accredited by ANEFA. The institutions may be municipal and cultural associations, local development associations, business associations, municipalities, trade unions, schools or vocational training establishments.

The national system defined by ANEFA has three central components:

- 1) the system of key competency benchmarks with directives on the process of recognising and validating four key competencies (language and communication; ICT; everyday mathematics; employability and citizenship);
- 2) the methodology of assessing competencies;
- 3) a portfolio of key competencies.

The aim is to test the methodology established by ANEFA to develop individual training projects. Six pilot CRVCCs were set up in December 2000. By 2006 there should be 84 CRVCCs covering the whole of Portugal.

The team of experts visited two CRVCCs, one in Seixal hosted by the IEFPP, the other at Braga and hosted by the Minho Industrial Association. The Seixal centre is currently the only public CRVCC. Its technical team of three was selected by ANEFA and comprises a psychologist, a specialist in training from the Ministry of Labour and Solidarity and a specialist in education from the Ministry of Education. The center is open to anybody who wishes to have his competencies validated. The Braga center, on the other hand, focuses on the needs of businesses. Three people work there: a manager, who keeps in touch with the companies, and two psychologists, who interview the workers, either in the workplace or on the Association's premises. The process began with a briefing of HRM heads and entrepreneurs of the Minho Industrial Association. The idea is to get managers to join the scheme so that all of their staff will be involved in it. Although the arrangements for assessing competencies are well under way, the methodology of validating attainment based on the system of competency benchmarks has not yet been fully developed by certain actors in the field.

Source: ANEFA (2000a; 2000c; 2001a) and interviews with various officers and executives.

Validation of attainments is consequently an important challenge for Portugal, which is well behind other countries in this matter for reasons clearly identified. Certification of the upper levels of attainment poses no special problem, since the present system of higher general and vocational education takes care of this, certainly in the case of business executives now aged under 35 (Boal, 1999). On the other hand, there is a definite credentialling problem with basic education and training of low-qualified and unqualified adults. But a great deal is being done to put matters right as quickly as possible. There is now a clear strategy of developing a coherent system of attainment recognition and subsequent validation and creating suitable training pathways to benchmark skill sets. The outcome should be higher levels of competency and knowledge among those having had insufficient initial education (Box 4 above).

Credentialling of the different levels of basic education (4, 6 and 9 years of schooling) is being put into effect by the new CRVVC centres under the supervision of ANEFA. In this particular field Portugal is a pioneer, although it is too early to be able to assess the scheme's impact.

The first innovation here is that the vocational training establishments, using a modular credit system, certify not only technical competencies but also the corresponding levels of general education. At a time when all western countries are trying to achieve a closer linkage of vocational and general education, Portugal has now clearly moved forward along this long road.

The second is that the system of attainment recognition and validation is based on a set of competency benchmarks, devised in Portugal and implemented through the assessment centres. These benchmarks represent several groups of competencies, designated "key competencies", which are essential to civic responsibility and enable the individual to reach a suitable level of employability. Competencies acquired in various ways are recognised and then validated as equivalent to a corresponding school level. This does not mean that there is a one-to-one correspondence between knowledge gained at school and the competencies observed. This imaginative system of equivalency represents an essential step towards enabling adults with low school attainment to get into the professional training system. It also serves to reveal hitherto hidden competencies and thus to reduce Portugal's statistically recorded shortfall in education attainment among persons aged over 35.

It should be added that the work of the assessment centres will soon be facilitated by the widespread introduction of the *Saber Mais* (know more) centres of reception, guidance and information, located in areas of cultural and educational activity. It is common knowledge that the difficulty of educating adults traumatised by scholastic underachievement and convinced of their own incompetence is not only to devise a suitable learning programme, but also to make them dare to participate. The *Saber +* centres should serve as a bridge to the assessment centres, which are the points of departure for education and training. Here, too, Portugal has innovated. It now has a coherent and comprehensive system for assessment of knowledge and competencies, learning provision to make up shortfalls from benchmarks, and recognition and accreditation of learning attainments.

Incentives and potentials that vary with firm size

The impact of the adult learning schemes applied in Portugal differs significantly according to whether the learner is employed by a multinational, a large domestic firm or a small business. In the case of a multinational, the competencies required of Portuguese employees are the ones operative in the company's production units abroad. Local availability of these labour skills is the factor that determines a multinational's decision to set up and operate in a country with the knowledge that it will be competitive. Portugal stands to benefit from the activity of multinationals, with the creation of jobs in high value-added sectors able to withstand the keener competition implied by the development of the single market following the euro's introduction.

A similar contribution is being made by a few large Portuguese firms. The automotive company *Salvador Caetano*, visited by the OECD team of experts, makes continued learning an integral part of its business strategy (Box 5). Its model is the large Japanese firm that recruits from the labour market and then gives its employees the training needed to ensure satisfactory business performance as competition develops and technical innovations are introduced. Reference to human capital theory, which differentiates between specific competencies that have no value outside the firm and general knowledge that in principle is transferable, is a useful starting point for assessing the viability of this strategy of decentralised skill learning. First, the firm has to be large enough and sufficiently diversified to be able to shift employees from one activity to another, essentially by means of training. Second and most important, the work contract must be sufficiently advantageous for employees to want to stay with the firm, especially now that as work grows increasingly abstract a larger share of knowledge is becoming transferable. This is the case with computer skills, for example. Incidentally, credentialling is not necessary, unless it be to guarantee a worker's future employability in the event that the firm suffers such severe setbacks that it is forced to renege on its promise of virtual stability of employment. The originality of the Portuguese firm as compared with its Japanese counterpart is that it also upgrades the scholastic knowledge of its employees, thus internalising part of the cost of educating low achievers.

Box 5: An example of internalisation of education and training: the *Salvador Caetano* company

The visit to this company enriched the analysis of the strategies aimed at raising skill levels in the Portuguese economy. The company was established in 1945 by Salvador Caetano, who had not finished his initial education, but gradually went on to complete secondary school and earn an engineering degree, ultimately becoming the head of what is today a very large corporation comprising some 50 firms. Here emphasis is placed on the training of young employees, including those with low qualifications and poor academic skills.

On one hand, the company's management model is like that of a Japanese *Keiretsu* (a network of firms belonging to the same group), on which it may actually be patterned as it works with Toyota in the automobile sector.

- 1) Training targets a broad range of skills: technical skills (mastery of certain techniques), cognitive skills (analytical and organisational ability) and social skills (ability to listen, co-operate and communicate clearly).
- 2) To be profitable, this intensive training effort requires a degree of stability of employment, which is ensured by the company's paying higher salaries than its competitors and providing regular pay increases and various social benefits.
- 3) The constraints imposed by the public financing of training are sometimes seen as being detrimental to adapting the training programme to the specific needs of the company, for example when a minimum number of hours is required for each training session.

On the other hand, however, the training strategy is geared to the characteristics of the Portuguese economy and has been adapted to it in a number of ways through a process that could be described as hybridisation.

- 1) The credentialling process, which is beneficial to individuals and to society as a whole, may to some extent undermine this type of training organisation, for it means that the skills acquired in the firm become largely, if not entirely, transferable. This being the case, competitive wages and social benefits are an indispensable complement to the training strategy.
- 2) Since in some cases low levels of literacy or lack of basic mathematical skills prevent employees from acquiring job skills, the company has developed special programmes, such as that for 150 employees in its Gaia factory. As the company is providing basic training and remedial education in such cases, these programmes qualify for public funding.
- 3) Lastly, the company is opening up its training centres to outside firms that are either part of the group or act as subcontractors. In these cases, it works with the Association of Portuguese Enterprises (AEP). This is another example of an enterprise internalising a segment of training throughout the industry in which it is involved

Source: Salvador Caetano (1999) and meetings with company managers.

By contrast, it is in the case of SMEs that the question of skill recognition and certification assumes real importance. The goals of day-to-day output and performance tend to take precedence over learning and, even more, its formal recognition. Yet, given the fragility of many Portuguese SMEs, skill credentialling is a guarantee of easier re-employment for workers, whose external mobility has always been high. Lastly and most importantly, collective organisation of training relieves the small entrepreneur of the costs traditionally borne by the human resource departments of larger firms. And when training is made part of an overall strategy of business organisation, market research and adoption of new technologies, the gains to be expected are increased, although in the case of Portugal there are no econometric studies based on panel data that would show how use of new technologies, organisational change and training enter into synergy as observed in the United States (Brynjolfsson, Hitt, 2000) and in France (Greenan, 2001).

Importance of and need for more systematic monitoring and evaluation procedures

If this complex and innovative system of adult learning is to be managed correctly, much more systematic use must be made of evaluation procedures, as applied both to the determinants of participation in adult learning and to the efficiencies of the different settings and methods available. The interviews conducted in the training venues visited revealed broad agreement on the factors that condition participation of low-qualified adults in learning programmes. But there does not appear to have been any cross-population survey that would make it possible to determine the impact of the different factors mentioned, this being of considerable importance for public funding allocation.

Gauging the efficiency of learning provision presents even more problems, since the programmes are highly differentiated according to initial education attainments and the knowledge levels targeted. This, plus the fact that they are also differentiated according to sponsoring ministry, learning provider and local situation, makes it very difficult to evaluate their impact. A few partial assessments are available, but certainly no overall picture of learning outcomes. As yet, with but a few exceptions, the only information to hand concerns funding amounts, the number of learners and the enterprises involved. The segmentation of such data is evident from the statistical annexes to the background report on adult learning in Portugal (ANEFA, 2001b, vol.2). An effort at comparability and then aggregation would be welcome.

Given these gaps in research, no definite opinion can be offered as to the policies best suited to promote access to learning for the most disadvantaged adults. However, on the strength of the on-site visits made, it is possible to put forward a central hypothesis: namely that policymakers should focus less on the purely material advantages of learning and more on the synergy with other motives for learning, such as the regaining of personal dignity, the desire for independence, access to citizenship, parental participation in the education of children, or integration into community life. As with previous background reports—e.g. for the United Kingdom (Hillage, Uden, Aldridge and Eccles, 2000—the analysis of Portugal points up the potential value of **inclusive learning**, the consequences, costs and benefits of which now need to be identified more precisely.

3.2. Theme 2: Integrating learning provision with the particular needs of adults

A question of organisation more than financing

Adult learning is now so fragmented and diverse that some OECD countries have found it necessary to introduce brokerage services to enable people to find their way around the system. Where private enterprises have become learning providers competing with public bodies and non-profit organisations, brokerage services become important in that they can give adults access to the most

appropriate type of learning environment and thus improve the efficiency of the system as a whole. In Portugal, private enterprises do not seem to have taken much interest in the market constituted by low-qualified adults, whether because the adult learning system is still embryonic or because it is publicly funded, which would impose a set of constraints unfavourable to private initiative.

Brokerage in Portugal essentially serves to guide potential learners through the present system. Here one should mention the CRVCC centres, which are recognised by the ANEFA national system of accreditation (Box 4). Six of these centres were set up in 2000, with the number set to rise to 14 at end-2001, 22 in 2002 and finally 84 in 2006 (ANEFA, 2001b, p. 13). It would be helpful if a performance evaluation procedure were introduced as of now, so that the management and possible reform of the centres could be guided as they continue to develop. The year 2006, moreover, will see a complete review of European funding, which in 1997 covered 75% of Portuguese expenditure on vocational training and employment support (Cardim 1999a, p. 106). It is therefore essential before then to have cost and outcome indicators that will make it possible to institute a new financing system and to develop incentives consistent with continued efforts to raise skill levels. In 2001, according to education experts and practitioners, the shortfall in adult participation was due more to inadequate training organisation and motivation than to insufficient funding. This would point to the need of a programme for the networking of education and training actors.

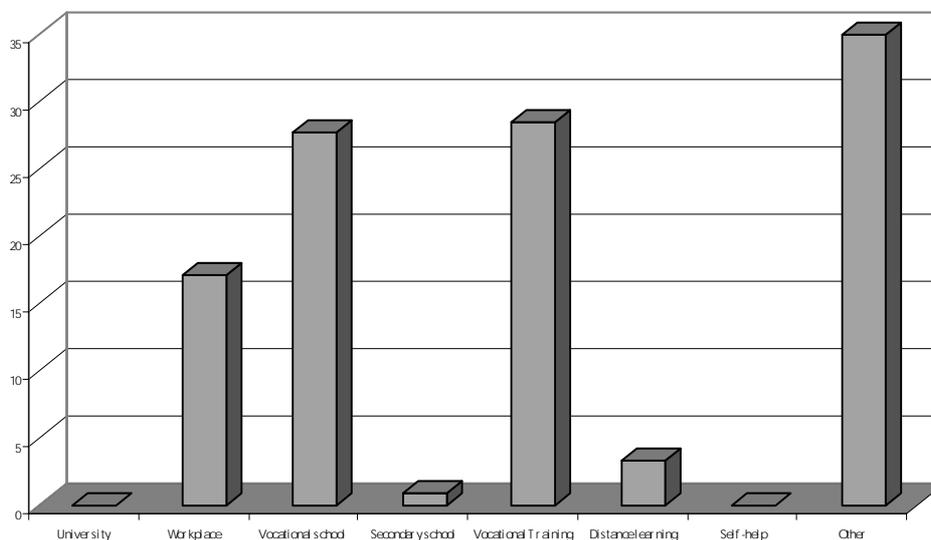
Removing the material barriers to participation

The visits to training establishments revealed broad agreement on the factors that constitute barriers to participation in learning activities by those with the lowest education attainments and vocational skills.

- First there is the question of *time and place*. For those who already have a job or family duties, time and place are very important. In some cases it would even seem that the constraints imposed by government funding preclude the necessary adjustments, e.g. by insisting upon a minimum number of learning hours or upon a particular learning venue, all too often outside the workplace or home (Figure 5).
- Then there are problems of *transport*. This is particularly the case in rural areas when training is intended to develop fairly specialised technical skills and is provided mostly in major urban centres. On the other hand, neighbourhood community organisations can cater for those in need of basic education.
- For *women*, family duties may be so constraining as to prevent them from engaging in any learning activities, under pressure from spouse, children or even the entire family. But the school career of women aged over 35 has often been shorter than that of men (Table 4), which would justify special access to learning in their case. Perhaps this accounts for the fact that in 1998 women represented 57% of learners in the low-educated population (INE, Employment Survey, 1998). The absence of child day care facilities is another barrier to learning, hence a proposal by some training officers to set up these facilities in the training place.

Figure 5: Distribution of learners by learning environment (2000)

(% of total)



Source: INE

- For low-educated *men*, being in work apparently counts for more than further learning, not only for cultural reasons, as already seen, but also because of material considerations. They generally favour overtime work, which gives them an immediate increase in take-home pay, as opposed to what they regard as a chancy investment in learning with no guarantee of a new job on completion of training. This factor probably has much to do with the *low-education trap* in which male workers aged over 35 seem to be caught (Box 9).
- Finally, the *meagerness of training grants* is another reason why immediate but low-skilled work is preferred to the prospect of higher-skilled employment but less income during the learning period.

Credentiailling, a necessary but not sufficient condition

Logically, the certification system should help to encourage employment-related learning, since the knowledge and competencies acquired can be validated by an independent authority and become in some measure transferable from one place of employment to another. But for the system to work optimally the improvement in the employee's skills must translate into higher pay. In the absence of labour-management agreement on that score, the strictly material incentive to learning will disappear, even if the learning arrangements themselves are satisfactory. Learning must be related to pay and be compatible with or, better still, complementary to a type of work organisation, a principle of remuneration and a type of mobility (Boyer, 2000a).

The team of experts came to the conclusion that the situation in Portugal is very special. In most OECD countries it has been rising unemployment, along with a change in production methods and keener competition as to prices, quality and innovation, that has induced young labour market entrants and job-

holders to increase their learning efforts. And the impact of unemployment on the low skilled has differed. In the United States wage flexibility has reduced low-skill pay, while in Europe wage rigidity has made access to employment more difficult for the non-qualified, some jobs even going to graduates. But nothing of the sort has happened in Portugal. Unemployment was comparatively moderate throughout the last two decades and the economy's specialisation has not penalised the low skilled as much as in other countries. Hence it can be argued that in Portugal it is ease of access to employment that has held back the learning efforts of those with low education attainments. On past economic performance it would not be irrational to favour immediate employment over longer learning, always provided that the Portuguese economy maintains its traditional specialisation. If, on the other hand, there is cause to expect a progressive decline of the industries that have made Portugal competitive, policymakers now have to accommodate this probability, which the wage system is incapable of doing. This is doubtless one of the reasons for the agreement between the social partners and government concluded on 9 February 2001 (Box 8).

Encouraging the diffusion of local initiatives and innovations

The team of experts noted the fact that in Portugal hardly any private for-profit bodies are learning providers for the low educated and tried to find out why this is the case. In many other countries the increase in joblessness and insecure employment has created a demand for learning which some businesses have been keen to meet, especially when the necessary funding has been provided by government under active labour market policies as opposed to passive financing of unemployment benefit. In Portugal, however, government plays an important role not only in the funding of training but also in its organisation, this being an economic policy tradition that sets Portugal apart from the Anglo-Saxon countries. At the same time, it could be that the small demand from low-educated individuals makes private learning provision in this category unprofitable and shifts it to the higher-educated categories.

But doubtless the main reason for the meagerness of private provision is that the trade associations, through their own initiatives and their innovations at the local level, have made a contribution equal to that of new private providers in other countries. The original methods developed by AIMinho, for example, have already been described. So it is really a question of diffusing the good practices introduced by local entities. On the institutional level, Portugal has various monitoring agencies more or less directly concerned with learning provision, but their observations have not as yet led to any changes in funding allocation or regulation of training activities. At the present stage it may be better to concentrate on generalising good practices, rather than attempt to encourage the emergence of private providers, whose time will come when the skills updating movement really gets under way. Thus tripartite agreements between government, management and labour are perhaps the best way of dealing with the low-education trap, since the private sector and market competition cannot better the economy-wide positive externalities of learning. Also, cross-country comparisons suggest that private enterprise favours higher-educated individuals over early school dropouts. What seems needed is co-ordinated action by the social partners to achieve a combination of Rawlsian social justice—helping the most disadvantaged persons in the labour market—with the strictly economic objective of improving dynamic efficiency.

Opportunities offered by the Internet

The opportunities for networking offered by the Internet are conducive to interaction and co-operation between the different actors in education. Moreover, the Portuguese authorities are greatly concerned with preparing their country for the information society and hence the knowledge society. Such preparations are part of the European agenda set at the Lisbon Summit (Working Group, 2001). The plan is to make computer literacy part of the school curriculum. Where adult learning is concerned, use of the Internet implies that the earlier-mentioned problems inhibiting poorly educated individuals will have been

overcome. Acquisition of basic knowledge is the pre-requisite here. Yet even in the case of management personnel, there seems to be little demand for *e-learning*, nor does the latter seem as yet to be making the learning process easier. Furthermore, learning units have to be standardized and modularized before they can be put on the web. New pedagogical methods specially designed for adults are doubtless being made possible, but it will take some time before they become operative (Imaginario, 1998).

The field inquiries showed that certain categories of adults find it difficult to participate in learning activities, owing to lack of information but also to organisational problems. This applies particularly to immigrants. In Portugal's case these are immigrants from the former colonial empire and, more recently, from East Europe. There appear to be no specific programmes to enable them to master the Portuguese language and to acquire the basic knowledge needed for social life. The problem is not so much one of inadequate basic education—learners in a local community organisation included a doctor and a media specialist—as one of special learning provision for immigrants. The number of individuals in need of such learning provision is fairly small as yet, but nonetheless significant and likely to grow with the increased mobility to be expected of persons from countries that will be joining the European Union.

3.3. Theme 3: Improving the quality, pedagogy and variety of learning provision

A problem clearly perceived by all

All the education experts and training officers met with agreed that it is not the volume of teaching supply in financial terms that is insufficient but the capacity to meet the special problems of low-educated persons. Given its structures and policy concerns, Portugal tends to favour a macroeconomic strategy as opposed to a case-specific approach. Yet the visits to different establishments revealed a wide variety of adult learning publics, approaches and goals. Beneath the apparent uniformity of administrative procedures a great many pedagogical innovations are taking place, the results and implications of which do not necessarily feed back to the Ministries of Education and Labour. According to the adult learning researchers, the problem is that the procedures for evaluating different teaching arrangements are partial and locally conducted. It is not so much a question of detecting good practices as of not encouraging bad ones that may persist for several years, given the inertia of procedures and the difficulties of evaluation.

The importance of pedagogical methods is recognised. Many learners state that the courses proposed are often quite inappropriate and that their co-workers, friends or neighbours consequently do not participate. They even say that the first thing a training establishment should do is to make a study of needs and then find ways to meet them. Another complaint is that training is often given outside the workplace, which means, for example, that the machinery and tools used in day-to-day work activity are not available to the learners. Some training officers would therefore like to see more in-firm training, theory included, especially for learners already employed in the related line of activity. More generally, the teaching methods applied to low-educated adults are too closely patterned on those used for youth education or continued training of middle and higher management personnel. Classroom teaching is very largely inadequate and so are the techniques used, even though effective ones exist in the business world. For example, one teacher training programme forbids participants to use PowerPoint software in order to make them think more about pedagogical tools supposedly more suited to their public. In another instance, learning courses provided by local associations were mixing young under-achievers with adults and retirees. For want of information it is not possible to determine precisely the impact of mixed group teaching on individual learning: although generally reputed to be unfavourable, group mix seems to have a positive effect on basic literacy learning. A final point to be made is that a number of the new immigrants are relatively well educated and so would benefit from teaching methods developed especially for them. In all these areas where improvements could be made, no firm benchmarks exist as yet.

European funding has stimulated learning, but with some untoward effects

Many of the experts and other persons spoken to, while appreciative of ESF funding for learning activities, said that this financing capacity outmatched the capacity to absorb the funds. And they all regretted that the expenditures were not linked from the outset with skill credentialling so that their impact could be gauged. Furthermore, certain entrepreneurs and association officers pointed out that the European procedures were very constraining as regards the organisation of learning—duration, timetable and even content in some cases. Learning modules had had to be lengthened just to make them fit the standards set. Even learners were critical. One of them, who had applied for a grant, said that all the European Commission does is to check on the nature of the expenditure with no subsequent evaluation of its impact on the competencies and knowledge of the learners concerned.

Moreover, for management reasons the Brussels services concentrate on medium/large-scale operations, the effectiveness of which is difficult to gauge, to the disadvantage of so many smaller operations much better adjusted to local demand. Finally, firms are very unevenly financed according to their size. In 1994, it appears, 72.2% of firms with 50 or more employees provided training as opposed to only 8.3% of those with fewer than 50 employees (Cardim, 1999a). But it is small business that accounts for the larger share of output and employment in Portugal. It may be added that evaluation culture has only recently arrived and that, for most firms, training is not perceived as an investment that should be booked as such and then appear in the balance sheet. But this shortcoming, which prevents firms from making a rational analysis of their training decisions, is not specific to Portugal and is to be found in almost all OECD countries.

Modularization as a response to diversified learning demand

Thus the Portuguese system seems to be facing a tradeoff between mass effect, by means of standardized programmes and procedures, and adjustment to demand, which by nature is very diverse. On this point, various interviewees mentioned the potentialities of the strategy now being drawn up whereby training will be divided into modules that can be reassembled to fit benchmark skill sets appropriate to each occupation. Some researchers stressed the extremely Cartesian nature of this approach, which may not match the expectations of low-educated adults whose motivations are largely unrelated to employment. On the other hand, modularization is perfectly conceivable and effective for technical skill training, once the basic general knowledge needed by trainees has been acquired.

With the information obtained from learners and instructors it has been possible to list the advantages and disadvantages of modularization (Box 6). One of the advantages is the possibility of combining scale effects—not repeating an earlier teaching effort but reusing it in the form of a module—with differential demand satisfaction—by re-sequencing training to bridge the gap between recognised competencies and the particular skill set targeted. Also, each module is shorter than its non-modular equivalent, so that the learning effort is less than that required for a long training course over a succession of stages that each learner has to pass or else fail the course. Training can thus be phased and its quality made comparatively homogeneous. A final advantage is that modularization allows for developments in work systems: for sectors in which needs change rapidly it is just necessary to withdraw the modules that have become obsolete and introduce new ones.

Box 6: Modularization for adult learning**Disadvantages**

Costly investment in module design

Cost of management and co-ordination of modules

Implies co-operation between labour-market actors and conditional on education actors

The module does not necessarily deliver a competency adults put off recognised in the labour market

Advantages

Return to scale and variety

More rapid adjustment to developments in the labour market and adult needs

Better integration into the labour market, agreement between the social partners

Flexibility of learning timing and appeal to by lengthy continuing training

But this attractive architecture incorporates a number of difficulties. Very considerable investment will be needed for the design of the modules, a task that could be Promethean if not precisely focused on specific publics and occupations. And since in most cases it is the overall result that will be recognised in the labour market and not any one module, learners who drop out along the way will not necessarily be better equipped to find jobs. More fundamentally, for the arrangement to work it must interface the requirements of employers or directly of learners with the criteria operating in the education and training system. While it can guarantee effectiveness and synergy if all partners agree, it may necessitate lengthy consensus building that could be overtaken by changes in job content. Finally, it has to be acknowledged that there are formidable pedagogical problems to be overcome if the intention is to produce modules of real quality, as opposed to conventionally labelled packages of instruction, and to maintain coherence of the learning system as a whole.

At the same time it is necessary to remember a point already made several times, namely that low-educated individuals may want to learn for reasons not related to employment. One should not forget the "strategy of the cuckoo" in which the appeal of a leisure organisation is used as bait for basic literacy learners. Likewise, instruction in computer use for immigrants will help them to achieve their goal of social integration, and it will also make them more employable. Sadly these strategies are unlikely to be generalised, as they stem from local initiatives and in many cases their success is idiosyncratic. This may explain why they are not detected with standard methods of evaluation, still less through the accounting procedures of programme management.

Teacher training as a guarantee of quality

With all the difficulties presented by adult learning, instructor quality is essential. The learning needs to be met are very varied and changing. Just as the goal for the knowledge society should be learning to learn, so teacher training should be recognised as all-important for the education system's long-term development. Considerable efforts have been made since the mid-1990s, since the number of teacher training courses rose from 1 465 in 1994 to 4 291 in 1997 according to IEF statistics (Cardim, 1999a). It should also be noted that in 1997 nearly 20% of all learners were student teachers and that the corresponding expenditure amounted to 7.1 per cent of the education total (Table 8). This is a very significant investment ratio similar to the one observed in the high-tech sectors, which of course invest heavily in R&D as the equivalent of teacher training.

INOFOR should also be mentioned for its accreditation of subsidised teaching establishments. The high standards of accreditation and the large number of establishments accredited in only a few years must be stressed. This accreditation is a guarantee of the quality of the instruction provided and the value of the credentials delivered to successful learners. Improvement of pedagogical skills has been another input. However, as in nearly all countries, the instruction provided by these establishments, in which teaching as such takes precedence over student support or mediation, is still very academic and only partially suited to adult needs. Adult learning specialists (Imaginario, 1998; Carneiro, 1999; Trigo, 2000) are aware that a particular type of teaching, different from that delivered to youth, is needed. This need is pointed out in the education and training reports on Portugal, which place emphasis on andragogy (Knowles, 1985; UNESCO, 1998).

Highly differentiated demand

Statistics on the distribution of learning activities show the diversity of programmes and their costs, which vary widely according to learning category (Table 8).

Table 8: Distribution of learning activities (1997) (%)

	Cost	Number of learners	Relative cost per learner
Additional basic education	19.7	11.6	169
Additional basic training	19.3	6.8	284
Continuing training	7.7	18.8	40
Teacher training	7.1	19.7	36
Training of the unemployed	11.2	6.4	175
Sector-specific training	19.1	28.2	68
Integration of the disadvantaged	10.6	2.9	365
Regional programmes	5.3	5.6	92
TOTAL	100	100	100

Source: Cardim (1999a), pp. 107-108.

In most European countries learning policy focuses on the jobless, since for many of them poor education is the main reason for their difficulty in obtaining employment. This concern is present in Portugal and accounts for part of the activity of the teaching establishments visited. But since employment is not skewed against low skills, the jobless are not the main source of learning demand. Additional basic education and training take up nearly 40% of the learning budget, for only 18% of all learners. Another major item is sector-specific training (agriculture, tourism, textiles, etc.). Disadvantaged population groups are targeted for the very different purpose of social inclusion, as confirmed by the visits to teaching establishments. Finally, there are the regional learning programmes. These are original in that they also aim at enterprise creation in rural areas affected by migration to the cities (Melo (coord.), 1998; Melo, 1999; Melo *et al.*, 2001).

Consequently, the central need is not so much to encourage the diversity of learning provision as to organise this diversity through an adjustment of decision-making structures and funding programmes. As already noted, the arrangements introduced at the behest of the European authorities vary in their ease of application according to the type of learning concerned, which should prompt renewed thinking on the part of the agencies that co-ordinate adult learning (ANEFA, IEFP and INOFOR).

3.4. Theme 4: Improving policy coherence and effectiveness

A fair amount has already been said on this question under the previous themes, so the paragraphs that follow will sum up and also discuss the difficult question of central government policy as related to the demand and new needs of regions, enterprises and citizen groups.

Co-ordination of adult learning initiatives: creation of ANEFA

Given the low scholastic attainment of much of Portugal's population, learning provision has to include remedial basic education. Hence a problem of co-ordination that can be resolved only through agreement on an integrated approach. This problem, experienced at the local level in learning establishments, prompted increased co-operation at central level between the Ministry of Education and the Ministry of Labour and Solidarity, the result being the creation of ANEFA in 1999 (Box 7).

The new agency will do more than co-ordinate the activities of the two ministries. Its primary assignment is to introduce a system of recognition and validation of formal and informal adult learning for the purpose of certifying scholastic and vocational attainments. The essential merit of this system, once it is set up and generally applied, will be to supply a set of criteria and common procedures for all public and private establishments that deliver or help to deliver adult learning. Credentialling, the necessary complement, will make the labour market more competitive and at the same time encourage learning, the outcomes of which will be easier to assess than in the past. The system will be of great value to SMEs, which do not have the human resource departments of large firms or anything like their training facilities. If the reforms undertaken since 1999 are applied perseveringly in the years ahead, the education/training system should become more transparent and, by extension, more coherent.

Box 7: An original experience: ANEFA

The founding of the National Agency for Adult Education and Training is a follow-up to the work of the task force for the development of adult learning and a response to the studies that showed the importance for Portugal of a linkage between education and adult training. The Agency institutionalises a co-operation between the Ministry of Education and the Ministry of Labour and Solidarity, often sought in the past. Its purpose is to surmount the differences in "culture" and style between the two ministries regarding the education-training linkage.

It is a public corporation, with technical and administrative autonomy, under the joint authority of the two ministries. Its aims are:

- 1) To progressively establish a system of recognition and validation of formal and informal adult learning with a view to scholastic and vocational credentialling of formal, non-formal and informal adult learning.
- 2) To promote programmes and projects for adult education and training, on its own initiative or through contracts with public or private establishments.
- 3) To develop and circulate pedagogical models, methodologies and tools specific to adult learning.
- 4) To carry out studies and promote research in the field of adult learning, notably through the training of specialists.
- 5) To support adult learning projects and initiatives that match the priorities set and are innovative.
- 6) To motivate, inform and counsel adults as to the importance and necessity of lifelong learning.
- 7) To promote collaboration between public and private bodies at the central, regional and local levels for the purpose of developing adult learning policies.

Source: ANEFA (2001d).

This regulatory role of ANEFA should logically extend to the detection of proven good practices and their spread to other teaching establishments, which would be achieved by progressive development of the learning evaluation, recognition and credentialing system together with learning modules. As already noted in previous country reports, the difficulty is not so much to detect promising innovations as to have them spread to other settings. Possibly the Internet will facilitate networking of adult education actors, given that research in andragogy will be needed in order to develop methods suited to the Portuguese context, which is marked by the very low scholastic attainments of a still large proportion of the population.

Making adult learning part of the overall economic and social strategy: the National Action Plan

A positive development has been the inclusion of adult learning in the strategy defined in Portugal's plan of action for employment (National Action Plan, 2000 and 2001), an outcome of the Luxembourg Summit decision to introduce comparative reviews of employment policies in the European Union. The Portuguese plan has four broad objectives that are essentially complementary. The first is to improve employability, with training policy playing a very large part. The second is to foster a climate favourable to entrepreneurship and business creation, which is line with local development strategies. But this also involves early schooling in information technologies and the creation of training pathways for technicians and engineers. The EU Lisbon Summit put these efforts into a comparative perspective, calling for a strategy combining technological innovation and a redefined concept of security in the new context (Rodrigues, 2001). The third objective of the National Action Plan is to increase the adaptability of workers and businesses by adjusting labour legislation, this being the most aggressive element of the strategy. The fourth and last objective is to promote gender equality. This, of course, is a prime concern in Portugal where, as in many other countries, the labour force participation rates for women have risen continuously. Equal access to education and training is therefore essential not only in terms of social justice but also in order to develop the productivity and competitiveness of the Portuguese economy.

Table 9: Trend of employment and productivity by major sector

	1995	1996	1997	1998	1999
Employment, all sectors (percentage changes from a year earlier)					
Male	- 0.9	0.5	1.6	1.7	0.9
Female	- 0.3	0.7	2.3	3.4	3.0
Employment by sector					
Agriculture	- 2.6	8.5	13.7	- 2.6	- 4.9
Industry including construction	- 2.1	- 2.1	2.6	1.2	0.0
Services	0.7	0.6	- 1.0	4.8	4.7
Unemployment rate (per cent)	7.2	7.3	6.8	5.0	4.4
Productivity (percentage changes from a year earlier)					
Total economy	3.1	3.0	1.7	1.3	1.1
Manufacturing	..	7.1	5.2	4.3	4.1

Source: OECD (2001).

It may be wondered whether this strategy is equal to the problems Portugal will have to resolve during the present decade. Recent years have brought structural challenges necessitating a redeployment of education and training strategy. In addition to higher female participation, the significant growth of manufacturing productivity is reducing the prospects of job creation in the traditional industries that have made Portugal competitive (Table 9). Services, on the other hand, offer better prospects of net job creation, so mastery of reading, writing and simple arithmetic are becoming even more crucial in that sector than in

the manual occupations performed in the traditional industries. The increasingly abstract nature of work, common to nearly all sectors, will necessitate greater efforts to ensure that school leavers have the basic competencies that will enable them to continue to learn throughout their careers (Ministry of Education, 1999).

Table 10: Portuguese and Irish specialisation compared

a) Revealed comparative advantages (RCA) and trend of exports: Portugal

Code	Main comparative advantage	RCA		Cumulative share of exports	
		1993	1998	1993	1998
84	Apparel and clothing accessories	17,48	20,33	11,64	14,30
85	Footwear	8,77	29,93	6,25	21,41
63	Cork and wood manufactures	4,15	34,47	3,76	25,65
66	Non-metallic mineral manufactures	3,24	39,25	2,03	29,24

78	Road vehicles	- 8,94	44,59	0,81	44,54

b) Revealed comparative advantages (RCA) and trend of exports: Ireland

Code	Main comparative advantage	RCA		Cumulative share of exports	
		1993	1998	1993	1998
51	Organic chemicals	6,67	9,40	14,56	17,69
75	Office machines and computers	6,36	27,78	2,39	40,03
11	Miscellaneous food products	5,74	34,09	1,44	41,93
01	Meat and meat preparations	5,27	39,90	1,95	44,43
02	Dairy products and eggs	3,41	43,91	1,19	46,21

1. The RCA indicators are based on observed net export flows and are calculated as follows:

$$RCA = (X_i / M_i) \times 100$$
where X denotes exports and M imports.
 2. As a percentage of total exports for the year.
- Source: OECD (2001b), Annual Survey of Portugal.

Here it is important to note the trend of trade specialisation in Portugal over recent years (Table 10a). Four "low tech" industries (clothing, footwear, cork, non-metallic minerals) accounted for nearly 40% of Portuguese exports in 1993 but only 29% in 1998, and their real comparative advantages (RCA) declined commensurately. The automotive industry, on the other hand, achieved a remarkable breakthrough, since from being a net importer of road vehicles Portugal just managed to become a net exporter in 1998. This doubtless reflects the provision of specific in-firm training by multinationals setting up business in Portugal. The decline in Portugal's overall competitiveness contrasts with the rapid transformation of the Irish economy (Table 10b). Not only has Ireland concentrated its efforts on the computer industry, a sector that expanded so greatly in the 1990s that the idea of the "new economy" was born. But in addition, the statistics on workforce training and skill development suggest that the process of upgrading has been much more rapid than in Portugal (see, for example, Table 5 above).

Portugal's combination of macroeconomic momentum and inertia in specialisation cannot be sustained much longer. As of 1997 unit costs in manufacturing industry have been losing ground against

European competitors, the result being a large and widening external deficit as exports have declined and then stagnated, whilst imports have continued to increase rapidly (OECD, 2001). Admittedly, with the single European currency this deficit is not as serious as it would have been in the past, when it would have sparked a run on the escudo. Even so, the once-for-all fixing of domestic parities against the euro has obliged Portugal to seek new sources of competitiveness over the medium to long term: acceleration of productivity, agreed wage moderation through the equivalent of an incomes policy, and the development of market niches in which Portuguese producers would earn certain oligopolistic rents. The first and third of these strategies certainly call for an upgrading of labour force skills, whether the aim be to improve productivity and quality of the products in which Portugal has specialised for so long, or to invest in new activities linked with the knowledge-based economy as opposed to simply using information technologies (Boyer, 2000b).

Involvement of central government and the social partners

All the employment policymakers met with are fully aware of Portugal's problems and have applied themselves to the task of building skill improvement into an overall strategy that will take account of sector-specific situations. Four lines of action are envisaged. For the sector exposed to international competition, the focus will be on national innovation policy, the creation of higher education courses in information and communication technology, and the development of co-operation between businesses and universities. On the whole it is the under 35s who create this sector's momentum, so there will have to be some readjustment of academic and vocational pathways and the creation of short courses leading to technology diplomas. A second line of action will be to develop activities linked with infrastructure and the environment, these requiring a fairly wide variety of intermediate qualifications. Third, there is the necessary restructuring of traditional sectors like clothing, furniture making and the agro-food industries (AFI) in response to competition from developing countries. This will necessitate an upgrading of average skills. The fourth and final objective of the strategy is to develop the personal services market with its considerable employment opportunities in such areas as home help, child day care and assistance for the elderly, all of them being activities in which the public sector figures largely. Overall, teaching provision will necessarily be somewhat heterogeneous, but public funding should be a compensating factor. But clearly the crucial area is employer/employee relations, for that is the level at which training decisions are taken and at which training incentives should be designed. The problem is that it takes longer for employees to learn than it does to recognise their attainments and use them to improve the firm's performance. Also the fact that skill recognition does not figure in industry-wide agreements may block the virtuous circle policymakers want to set in motion.

The strategy cannot be put into effect unless all actors collaborate, since learning has to keep pace with the country's industrial and economic policy and with developments in labour relations. This is where the February 2001 agreement between the social partners and the government is so important (Box 8). The aim is to develop an integrated approach to education, training and employment. The pact endorses and incorporates the policy measures introduced earlier, such as the establishment of a national certification system. It also introduces new employee entitlements and minimum periods of continued training. Admittedly, the entitlement for each employee to 20 hours of training each year from 2003, rising to 35 hours in 2006, is comparatively modest but it has the advantage of applying to SME employees as well.

Box 8: The agreement on employment, labour market, education and training policy

An agreement on employment, labour market, education and training policy was concluded on 9 February 2001 between the social partners and the government in the Economic and Social Council.

I. Context and objectives

1. The agreement proposes a diagnosis of Portugal's persistent weaknesses concerning the education and vocational skills of adults, notwithstanding a favourable situation as regards job creation and a lower unemployment rate than in the past.
2. It pursues equally the objectives of competitiveness and job quality and of social cohesion and inclusion.
3. The agreement reflects the three priorities of the National Plan for Employment:
 - To make up the shortfall in education attainment.
 - To promote the quality of employment.
 - To adopt active employment, labour market and training policies as a response to unemployment.

II. Lines of action

4. Promotion of education and training quality, accreditation and skill certification.
 - In order to consolidate the National System of Certification, the National Council for Vocational Training has been set up, incorporating the Observatory of Employment and Vocational Training (OEFP). In particular, the aim is to improve the linkage of existing bodies (IEFP, Certification Commission, INOFOR, ANEFA) and to rationalise the action of the different entities responsible for accreditation and professional certification.
 - A new move is to develop and apply methodologies for recognition and validation of experience gained in the course of life and to deliver certificates of competency acquired at work. The aim is to encourage transferability of competencies and hence geographical and occupational mobility.
 - The agreement specifies that research on education, vocational training and the labour market must take full account of the country's particular situation and that the findings must be applicable throughout the system. Methods of detecting best practices will be sought.
5. Development of training and the vocational skills of workers and consequent enhancement of firms' competitiveness. The targets here are the low-skilled population and continued training.
 - Consolidation of an adult learning system, through recurrent education and also through informal learning.
 - i) A benchmark set of key competencies, both vocational and scholastic, to serve as the point of departure of different training pathways for the low skilled.
 - ii) Different alternative arrangements for education and training so as to encourage participation.
 - iii) Provision of short, flexible learning modules, each carrying credit.
 - iv) Acquisition of basic competencies, traditional (reading and writing), new (technological literacy) and in the field of ICT.
 - Sustained support and incentives for the development of lifelong learning:
 - i) Support for enterprises exceeding the national training targets.
 - ii) Target for frequency of vocational training and a minimum number of certified training hours.
 - iii) Introduction of a time credit for training.
 - iv) Development of balanced territorial coverage by a network of Competency Recognition, Validation and Certification Centres (CRVCC) by the year 2006.
 - v) Obligation for each firm to provide training for at least 10% of its workforce every year (as from 2002).
 - vi) Development of continued training for all workers, with a minimum of 20 hours in 2003, rising to 35 hours in 2006.
6. Encouragement of initial education and the transition to working life. The purpose here is to prevent the continuation of low education attainment in future adult generations, by way of:
 - open and flexible education/training systems shaped to the problems encountered;
 - action to help low achievers.

Hence the following measures:

- i) In 2006, access to additional education or training for all young persons aged 18;
- ii) Training clause in the work contracts of persons aged under 18:
 - * guarantee of training for at least 40% of work time
 - * commitment by employer to provide at least 1 000 hours of training if so requested by employee.

These measures are backed by tax incentives.

7. Raising the status and quality of jobs.

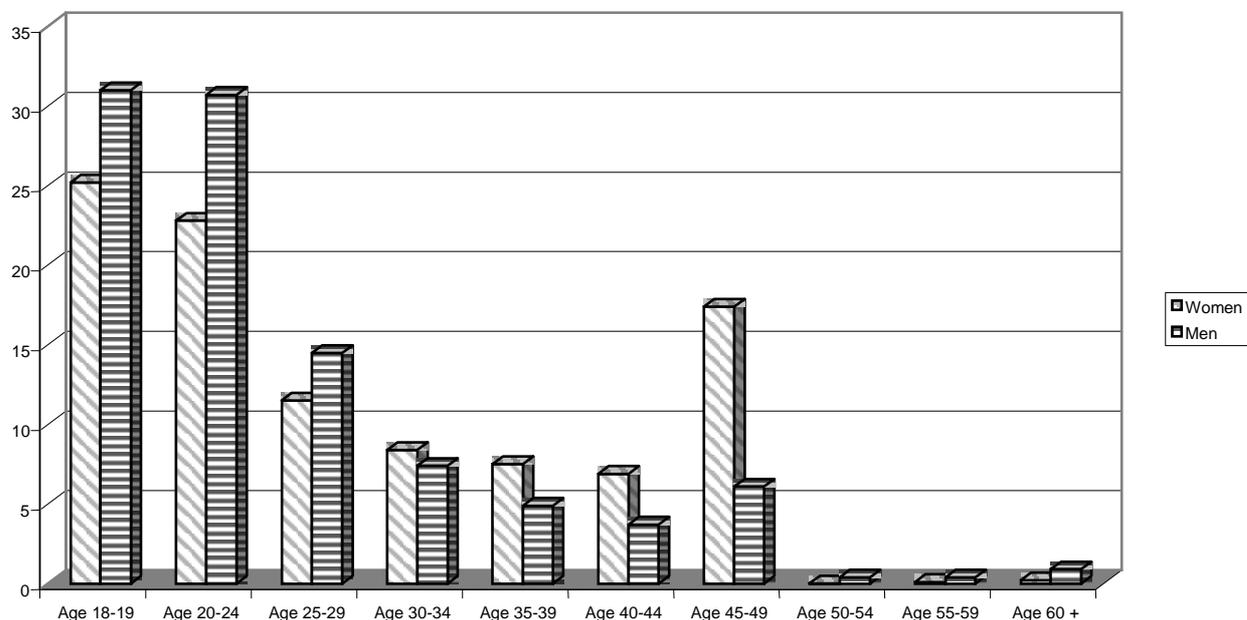
In particular, through participation in the information society:

- A diploma of basic competency in information technology
- A certificate of IT competency for professional purposes
- Extension of the Internet to schools
- Generalisation of Internet use in school curricula (1 computer for every 10 students in 2006).

Source: Conselho economica e Social, Lisbon, 9 February 2001.

One of the major shortcomings of the initial education system is the very heavy rate of scholastic under-achievement. According to various reports, between 25 000 and 30 000 school leavers have no academic or vocational qualification. It is proposed to offer these under-18s the possibility of additional learning so that they will not be handicapped at the start of their professional careers. And statistics show that the learning effort essentially concerns the under-25s and not, as might be thought, older workers whose knowledge has become obsolete (Figure 6). This linkage of improved initial education with lifelong learning is particularly important for Portugal. Finally, the need to prepare for the emergence of new occupations and sectors has been taken into account, since the February 2001 agreement provides for ICT education, with a certificate of competency in that field, and familiarisation with the Internet at the school stage. It would seem that ability to use ICTs and diffusion of their use make for increased productivity and economic growth, even in countries that are not hard/software producers (Boyer, 2001a).

Figure 6: Youth focus of learning opportunities for scholastic under-achievers (1997) (share of each age group in total learning activity, by gender)



Source: Ministry of Education DAPP, cited in ANEFA (2001b), Vol. 2, Table 9A.

Strategies for overcoming the low-education trap

However, strategy coherence does not guarantee success. Statistics on the Portuguese economy show a very slow improvement in learning attainments. In nearly all European countries the low-skill workforce is declining both in absolute terms and as a share of total employment, but in Portugal this share rose from 11.4% in 1990 to 12.8% in 1996. True, the presence of skilled and highly skilled workers increased, but only in relatively modest proportions (Table 11). The slowness of this improvement and the virtual stasis of unskilled labour warrant analysis, since they cannot be attributed solely to Portuguese culture or societal impediments.

Table 11: Trend of Portuguese workforce skills - (% of workforce total)

Skill level	1990	1994	1996
Upper and middle management	4.0	4.9	6.8
High skilled	7.9	8.3	9.5
Skilled	39.6	41.0	43.8
Semi-skilled	18.5	16.7	16.8
Unskilled	11.4	11.9	12.8
Apprentices	11.5	8.9	8.0
Other	7.1	8.3	2.2

Source: Ministry of Labour and Solidarity/Statistics Directorate, in Cardim (1999a).

From a strictly economic standpoint, the advances in growth theory throws some light on what may be called the "low-education trap", by analogy with what has been observed as regards the poverty traps in certain developed economies or the underdevelopment traps in many other countries. The basic

perception is simple: the social value of an individual's learning depends not only on the personal benefits consequently accruing to that individual, but also on the positive externalities accruing to society in an economy where average learning attainment is high. This argument is central to the theories of endogenous growth based on cumulativeness of knowledge (Romer, 1990). A low-education steady state can persist if learning decisions are complementary, in the sense that the education level of the economy as a whole positively affects the marginal return that each individual derives from his own learning effort. If individuals take their decisions independently of one another, they have no means of surmounting the local low-education steady state, even though they are fully aware of the advantages of a high value added/high wage/high skill steady state (Box 9, Figure 7).

This does not mean that the low-education steady state has to persist. History shows that economies that are now industrialised have also experienced episodes in which the actors were convinced that only low wages and low skills ensured employment and complied with these economic constraints. However, through collective action and a transformation of labour relations, most European countries have achieved a very different steady state combining high value added, high wages and improved qualifications. Where theory is concerned, the literature suggests that convergence of expectations may have some influence, although the conditions for self-fulfilling prophecies are generally restrictive and not met by the characteristics of economies as we know them (Farmer, 1999). Another solution is to make actors change course by imposing a minimum learning requirement significantly higher than what the current pricing system would justify. In other words, government would now set a constraint anticipating the future steady state, but this is rational only if all the actors go along. Seen against this admittedly very abstract formalisation, the provisions of the February 2001 agreement take on meaning, given that they anticipate a progressive raising of education/training requirements, even beyond the pact's time frame.

Box 9: Escaping from a low-education trap

1. A simple model

On the basis of the model proposed by Karla Hoff and Joseph Stiglitz (2001) for R&D-related externalities, it is assumed that the benefit which an individual derives from a learning decision f^i depends on the learning decision of the rest of the population f^{-i} and on the price system $p(f^{-i})$ that results from the action of all individuals, assuming that one individual does not have the power to influence the price system. Thus:

$$U^i[f^i, f^{-i}, p(f^{-i})] \text{ with } U_1' > 0, U_2'' < 0 \\ U_1 > 0, U_2 < 0$$

If each individual chooses in order to maximise his benefit from learning, given the choices of the other individuals, his demand for learning can be written as:

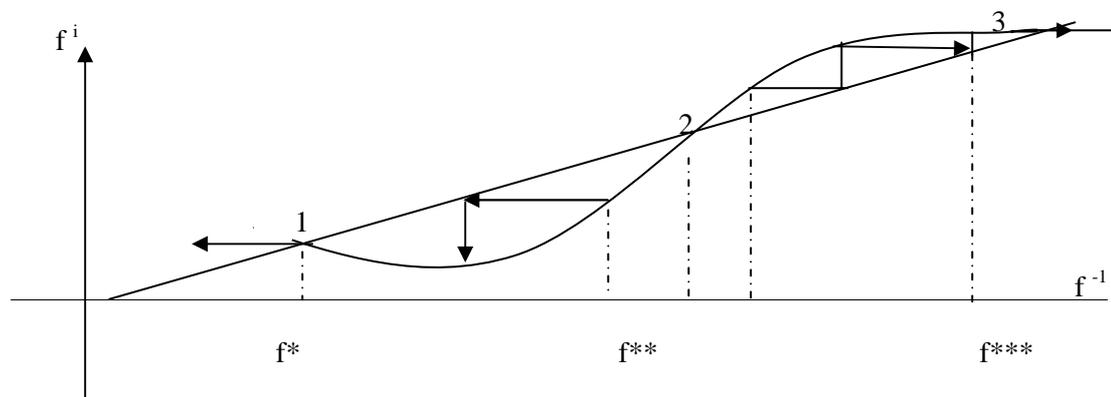
$$\partial U^i / \partial f^i [f^i, f^{-i}, p(f^{-i})] = 0$$

But there are cases where the marginal return from one individual's learning has a positive dependence on the learning of the others, so that their decisions are complementary:

$$\partial U^i / \partial f^i \partial f^{-i} > 0$$

For example, it is possible to imagine an interdependence of the type described by Figure 7.

Figure 7: A low-education trap resulting from strategy complementarity



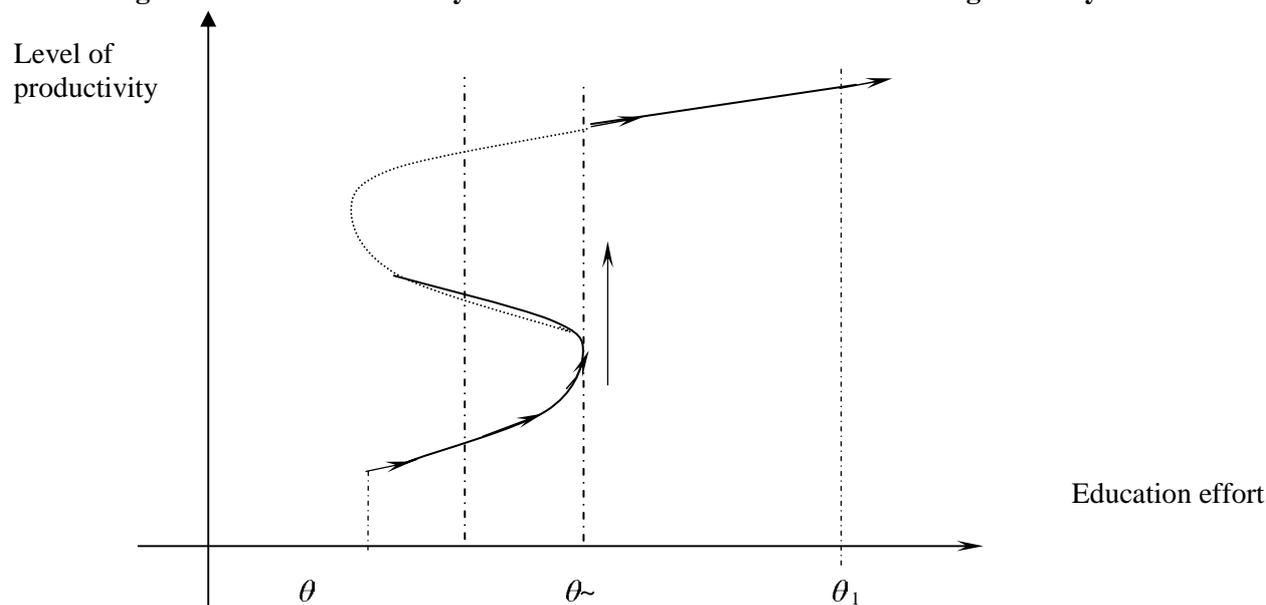
A symmetrical internal steady state is represented by the equation

$$dU / df [f^*, f^*, p(f^*)] = 0$$

More than one steady state can exist if complementarity between agents is sufficiently strong. Thus a low-education steady state f^* and a high-education steady state f^{***} can exist and are sustainable. The intermediate equilibrium f^{**} is unstable, an important factor in the issues under review.

Even if an individual appreciates the advantages to be gained from further learning, his efforts are blocked by the local persistence of the low education steady state f^* and the impossibility of attaining the f^{**} threshold. Consequently, his learning is insufficient to get the economy into a high-education steady state. A low-education trap will thus persist when it is not possible to reach the intermediate unstable f^{**} equilibrium.

Figure 9. Discontinuity of the transition to an intensive-learning economy



A policy of this kind therefore has to be applied for a sufficient length of time, despite modest results at the start, in order to achieve the shift to a new steady state. For that to happen there has to be evidence of strong positive externalities of learning. These may well be apparent on a cross-country average basis, but it is important to make sure that they exist or are likely in the country considered.

It goes without saying that the model is still very abstract, but it may provide some guidance in the interpretation of skill upgrading strategies.

Thus the essential tool for overcoming the low-education trap has to be a phased lengthening of the share of work time set aside for learning until, endogenously, the economy shifts to a high steady state (Figure 9). The analysis here is theoretical, admittedly, but the observed experience of the South-East Asian countries in the 1980s and Ireland in the 1990s shows that the transition is possible, even if it probably necessitates a high degree of co-ordination and coherence between the different strands of economic policy. In this regard, it is useful to compare Portugal with other small open economies in which this transition has also been organised through social pacts (Working Group, 2001). But it has to be remembered that the quality of a plan's execution matters just as much as the clarity of its theory and strategy.

Apportionment of responsibilities

Another important question concerns the role of the different actors as regards the financing, organisation and provision of learning. In Portugal's case the situation is made more difficult by the fact that shortfalls in initial education and training have had a negative impact on lifelong learning. Here, human capital theory provides a point of departure for analysis along with some useful insights. It is important to differentiate between two types of competency.

When competencies are *generic* and *transferable* from one job to another and if they manifest no positive externality between individuals—i.e. if one individual's learning does not favour another's—then the choice of learning level should be left to the individual. If he adopts a purely economic approach, he will treat learning as an investment. His optimal learning level will be a function of the direct cost, the

opportunity cost incurred during the learning period, and the income differential associated with the extension of competencies, adjusted by a discount rate taken as equal to the cost of borrowing. Relative to the Portuguese situation, this would imply that the wage spread reflects learning-derived gains and that individuals have unrationed access to credit, assumptions that remain to be verified.

When competencies are *specific* and not transferable from one firm to another, still less from one sector to another, the firm will in theory finance the investment in employee learning, but this normally necessitates the negotiation of a wage scale which will make that investment profitable (Lazear, 1993). Here the wage scale splits learning gains between the firm and its employees, and this will influence the volume of learning provision. More generally, the firm's growth and performances depend on the split of gains associated with the cumulativeness of competencies formed within the firm (Aoki, 1988; Koike, 1995). It should be noted that some of the big Portuguese firms follow this line of reasoning and include the upgrading of education attainment among their objectives for human capital formation (Box 5). The same firms are also organising learning for some of their subcontractors. This represents an internalisation of learning externalities within an industry, and therefore a very different mechanism from the one related to the formation of generic competencies.

But this is not the whole picture. There is also the major problem with regard to adult learning in Portugal: the *insufficiency of basic education attainment* due to short schooling (for the over 35s) and underachievement (for youth) makes competency building much more difficult. This problem is compounded by the fact that, through ICT, work is becoming increasingly abstract as it deals more and more with signs and symbols and not just the production of material objects (Caroli, 2001). Low education attainment is thus liable to accentuate the inequalities observed in the labour market. So in Portugal's case the principle of responsibility sharing, as outlined above, takes on other dimensions.

To begin with, *remedial education* to make up for insufficient schooling has to be provided by the State for at least two reasons. First, access to basic education is intrinsic to citizenship and recognised as a fundamental right, so clearly the State has to be the provider. Second, most individuals are unable to integrate the negative externalities of inadequate education into their decision-making. Hence an impairment of children's education, health, social inclusion, ability to exercise citizens' rights and access to gainful employment in an economy where structural change is intensifying. Understandably, therefore, the Portuguese State has sought to co-ordinate the Ministries of Education and Labour and to finance learning with the single tax and ESF allocations. And various government-funded agencies for learning advancement (IEFP, ANEFA, INOFOR, etc.) have been set up.

Next, there is a middle level between generic and totally transferable competencies and idiosyncratic competencies that are specific to one firm. From observation of practices in Portugal and a number of other countries it is apparent that certain *professional competencies* are common to a particular trade or industry. It is only logical, therefore, that a trade association or industry group should manage this collective resource and build competencies that will ensure competitiveness of the firms it represents. This is the case in Portugal, where associations of businesses operating in agriculture, industry and commerce receive government funding to provide learning and define its content. Here it would be conceivable for the associations to have greater autonomy and to finance a larger share of learning activity through voluntary or compulsory contributions from member businesses, as is the practice in Germany. In such a case, the State is not directly present, since it is the firms that decide to finance and manage learning, the content of which is negotiated and then written into collective agreements. At some point in the future this organisational system might prove applicable to certain sectors in Portugal. Its main advantage is to permit more appropriate and probably more efficient management of learning needs than can be achieved with a centralised system.

Finally, certain learning activities are built into a *local development strategy*, which means that the deciders are the regional or local authorities. This arrangement is used in Portugal and successfully integrates learning with the development of local entrepreneurship and employment creation. In addition, there is the work of the neighbourhood and local associations. These focus largely on access to citizenship but also promote competency building as a bridge to employment. Again, this citizenship learning is government-funded, which means that decisions are taken centrally and not locally. But decentralisation is very necessary inasmuch as learning externalities operate at the local or regional level and not in a sector-wide or nation-wide context.

Most of the specialists and experts met with during the country visit advocated devolution of decision-making to regional authorities, trade associations, or even to large firms if these prove capable of internalising a share of learning externalities. The central issue is thus simple to formulate, but difficult to resolve in practice: how to reorganise a state-dominated system to permit this diversification of players and areas of learning.

Use of international comparisons of learning systems

Here it should be noted that the actors met with, at all levels of responsibility, showed undoubted curiosity about learning systems elsewhere in Europe and in the rest of the world. Three references were repeatedly mentioned and should be considered here. Did not the Luxembourg Summit launch a process of systematic cross-country comparison or *benchmarking* of employment policies, as reflected in the document drawn up by the Portuguese authorities for their national plan of action for employment (National Action Plan, 2000 and 2001)?

Interestingly, when asked for their views on optimal organisation of adult learning provision and its funding, various persons referred to the *French system*. They liked the idea of each firm being required to invest a proportion of its revenue in employee training, the investment increasing as the firm's earnings increase. If the firm does not invest in training for an amount equivalent to the corresponding tax relief, it has to pay the same amount in social insurance without relief. This system operates in the context of lifelong learning policy, but it has had rather uneven outcomes since firms tend to pick their most educated and best-trained employees for upgrading (Boyer, 2000a). So the arrangement has not ensured a second chance for those who leave school with low attainments. Recently, however, legislation has been passed that entitles each employee to a set period of training, to be phased over the year by arrangement with the firm's representatives of management and labour. The Portuguese social partners have moved in this direction with the February 2000 pact. But care will doubtless have to be taken to see that firms spread their training provision evenly, given the temptation to focus on employees already possessing competencies and skills at a high level.

The need to provide differentiated training according to industry and occupation is reflected in an interesting *German system* (Streeck, 1997). Here the accent is less on alternating classroom/workplace training—theory and in-firm practice—than on the organisation of a trade that periodically redefines the skill sets necessary for each occupation and adjusts its training courses accordingly. To be effective, the system has to have two characteristics. First, the trade association concerned has to be mandated by the government to provide training and member firms have to contribute to its funding. Second, collective agreements and work contracts have to recognise the employee qualifications obtained as a result and incorporate them in a wage scale applicable to all member firms. The net result is an incentive system that internalises the benefits of competency upgrading for specific occupations. However, it would not seem easy to transpose this system to Portugal, where social pacts are more nation-wide than sector-specific and where, as yet, employee training gives no statutory entitlement to higher pay and career advancement.

Incidentally, none of those spoken to in the course of the visit cited this system, although it does encompass some of the practices already applied by certain Portuguese trade associations.

A third useful reference is, of course, the *Japanese model*. Some analysts have shown that it was able to achieve a very efficient distribution of roles in the Japan of the 1970s and 1980s (Rouilleaut, 1993). It was for the school system to provide the broadest possible basic knowledge, with no vocational orientation. And it was for the firm to teach the skills needed to perform a succession of occupations, a process often marked by specificity of each firm's wage scale. When innovations were essentially marginal in the Fordist paradigm, this system performed its function completely (Boyer, 2001b). The situation becomes problematical when a paradigm shift introduces new generic technologies (e.g. NICTs) and increased competition destroys jobs in traditional sectors, making it necessary to promote new lines of business activity. Portugal's productive system, moreover, is essentially dependent on small business and not on big corporations. Yet, curiously, elements of the Japanese model are present in Portugal, as demonstrated by the Salvador Caetano company. That particular approach seems to suit Portugal's automotive industry, which forged ahead in the 1990s (see Table 10 above). Also, since the auto industry depends on an extensive network of subcontractors, individual training supply can be organised in such a way as to increase competitiveness of the industry as a whole. Of course, this model cannot be generalised in Portugal to the point of contributing to overall macroeconomic momentum, as was long the case in Japan (Boyer, Yamada, 2000). Furthermore, stability of employment within a large corporate group, a necessary condition for training provided by the individual firm, may conflict with comparability of competencies to permit employee mobility in the event of crisis in the group and/or decline of the sector in which it operates.

Thus, none of the canonical models covers all the difficulties of the Portuguese education and training system. Yet it might be helpful to use these international references to try to detect the problems that will surely be encountered as a result of the reforms undertaken since the mid-1990s. What can be done to ensure that the training quotas imposed on firms do not penalise the less well educated? Can the French system give some guidance concerning arrangements for the financing of training after 2006, when ESF funding procedures will be revised? How can the trade associations be mobilised so that their proposals for learning content and organisation reach the ministries? To what extent would policy regionalisation permit more efficient use of public funding for learning activities? What can be done to assist the diffusion of methods that enable the ill-educated to participate in the general process of knowledge and competency improvement? What methods can be used to minimise scholastic underachievement, a condition still affecting much of Portuguese youth? On all these questions, Portugal's institutional innovations warrant original analysis that might be of benefit to other countries.

Finally, a comparison of the Portuguese and Irish trajectories would be of the greatest value. The two countries, although on different time paths, have much in common: relatively recent entry into the European Union, decisive role of European structural and social funding in the creation of infrastructures, accommodation of multinationals, initial handicap of a low-skill labour force, importance of social pacts designed to develop competitiveness and employment. On this comparative basis, study and reflection as of now by the Portuguese ministries concerned seems to be called for. It should provide useful guidance on how to pilot the reforms needed in order to negotiate the turning point represented by the end of Portugal's privileged status as a recipient of European structural funding.

4. Conclusions

The main conclusions drawn from the visit to Portugal have already been summarised in the introduction to this note (see Table 1). The general finding of the team of experts was that education and training for low-qualified adults is clearly recognised as a key policy objective, not only as regards

economic growth and adjustment to the European context but also in terms of citizenship, social inclusion and reduction of the generation divide. More specifically, the team's analysis of the situation in Portugal makes it possible to put forward a few basic proposals.

The contrast between the population aged over 35 and the youth of Portugal might suggest that under-qualification is simply an effect of the age pyramid and that cohort renewal should progressively resolve the problem. But, in fact, a very large proportion of Portuguese youth continues to be marked by scholastic underachievement. A considerable effort in initial education is therefore essential to prevent a continuing polarisation between well-educated workers and ill-educated persons who will have no place in an intangible economy.

As regards competency building, two major obstacles have to be overcome. First, it is necessary to remove the deterrents to learning through an integrated approach that takes account of all the economic and material factors that condition learner participation (transport, hours, child daycare, training grants and, above all, explicit linkage of competency with pay). Second, teaching methods have to be further developed to cater for the very special public whose lack of basic education obstructs competency building. Here it should be noted that ANEFA is right in proposing to link professional skills to general education attainments.

It seems essential to develop a system of evaluation with which to monitor the highly original programme being set in place. This needs to coincide with the introduction of CRVCCs, competency benchmarks and modularization of training courses. In this way enough longitudinal individual-level data will be compiled over a decade to permit rigorous evaluation of the reforms undertaken.

It is also important to achieve a better balance between the top-down approach to education and training, where central government defines the arrangements for their organisation and funding, and the bottom-up approach, whereby the entities closest to the field make known the obstacles they encounter and the innovations they have introduced in response. In this way nation-wide impacting would combine with better matching to highly differentiated learning needs.

The present system of funding through the single tax and the ESF is doubtless far from ideal, as pointed out by most of the education actors met with. The necessary revision of the system by 2006 should prompt some thinking on how to rationalise and reform funding arrangements. Here, reference to various other national systems might be useful. The French system, which does have a few drawbacks, was frequently mentioned but probably cannot be copied identically by Portugal.

The Portuguese authorities could make full use of the employment policy benchmarking system established by the Luxembourg Summit, since the education problems encountered in Portugal have something in common with those of many other countries. At the same time, Portugal's case in many respects is a special one and requires analyses and strategies that draw on the pooled experience of all the actors at the different levels of education and training.

Although the problem is as yet marginal, the difficulties of immigrants from East Europe and the former Portuguese colonies have been by no means fully answered by present learning arrangements, diverse though these are. The people concerned are well educated on the average, but they have trouble with the Portuguese language, Portuguese culture and, more generally, integration into Portuguese society. When new countries join the European Union, the problem may increase.

Finally and on a more general level, the ambitious programme launched by the social pact of February 2001 may pose a dilemma. On one hand, the payoffs will not show until after one or more decades, so changes in the political and economic climate may in some cases cause a relaxation of effort

for want of tangible outcomes in the relatively short run. On the other hand, there is the danger of continuing to apply inadequate arrangements because they are part of a long-run strategy. It is therefore essential to organise discussion forums and experience sharing and also to develop means of measuring the impact of the reforms. This, it would seem, is the precondition for defeating the low-education trap that persists in Portugal, despite the economic progress made during the past decade. Success here will require both talent and diplomacy. The conduct of this ambitious but delicate policy could be enlightened by renewed social science analysis and research, focusing both on the economics and sociology of adult learning and on pedagogical methods themselves.

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LIST OF ABBREVIATIONS USED

- AEP, *Associação Empresarial de Portugal* – Association of Portuguese Enterprises
- ANEFA, *Agência Nacional de Educação e Formação de Adultos* – National Agency for Adult Education and Training
- ANIMAR, *Associação Portuguesa para o Desenvolvimento local* – Portuguese Association for Local Development
- DAPP/ME, *Departamento de Avaliação, Prospectiva e Planeamento do Ministério da Educação* – Department of Evaluation, Forward Assessment and Planning/Ministry of Education
- DEPP/MTS, *Departamento de Estudos, Prospectiva e Planeamento do Ministério do Trabalho e da Solidariedade* – Department of Studies, Forward Assessment and Planning/Ministry of Labour and Solidarity
- DES/ME, *Departamento do Ensino Secundário do Ministério da Educação* – Department of Secondary Education/Ministry of Education
- DGEFP/MTS, *Direcção-Geral do Emprego e Formação Profissional do Ministério do Trabalho e da Solidariedade* – Directorate-General for Employment and Vocational Training/Ministry of Labour and Solidarity
- DRE, *Direcção (ões) Regionais de Educação* – Regional Directorate(s) of Education
- EFA, *Educação e Formação de Adultos* – Adult Education and Training
- ESDIME, Agency for local development in Southwest Alentejo
- ESF, European Social Fund
- EU, European Union
- FDMO, *Fundo de Desenvolvimento da Mão-de-Obra* – Labour Development Fund
- IDS, *Instituto para o Desenvolvimento Social* – Institute for Social Development
- IEFP, *Instituto do Emprego e Formação Profissional* – Institute for Employment and Vocational Training
- IFPA, *Instituto de Formação Profissional Acelerada* – Institute for Accelerated Vocational Training
- INE, *Instituto Nacional de Estatística* – National Institute of Statistics
- INOFOR, *Instituto para a Inovação na Formação* – Institute for Innovation in Training
- ISSS, *Instituto de Solidariedade e Segurança Social* – Institute for Solidarity and Social Security
- ME, *Ministerio da Educação* – Ministry of Education

MTS, *Ministerio do Trabalho e da Solidariedade* – Ministry of Labour and Solidarity

NEREE, *Núcleo da Educação Recorrente e Extra-Escolar* – Recurrent and Informal Education Sector

NICT, New Information and Communication Technologies

OECD, Organisation for Economic Co-operation and Development

OEFP, *Observatório do Emprego e Formação Profissional* – Observatory for Employment and Vocational Training

PRODEP, *Programa de Desenvolvimento Educativa para Portugal* – Programme for the development of education in Portugal

RVCC, *Reconhecimento, Validação e Certificação de Competências* – Recognition, validation and certification of competencies

SME, Small and medium-sized enterprises

SNCP, *Sistema Nacional de Certificação de Competências* – National system of competency certification

UNESCO, United Nations Educational, Scientific and Cultural Organization

ANNEX I

Steering Group

Ms. Maria Márcia Trigo, President of the Agency for Adult Education and Training (Anefa)
Mr. José Alberto Leitão, Vice-President of ANEFA
Ms. Lisete Matos, ANEFA
Ms. Maria Teresa Braz Gonçalves, ANEFA
Ms. Simone Araújo, ANEFA

Background report

Preliminary version

Mr. Luís Imaginário, Rapporteur, University of Porto
Ms. Sílvia Carimbo, Assistant

Final version

Mr. José Alberto Leitão, Vice-President of ANEFA
Ms. Isabel Duarte, Consultant to ANEFA
Ms. Lisete Matos, ANEFA
Ms. Maria Teresa Braz Gonçalves, ANEFA
Ms. Simone Araújo, ANEFA

Co-ordination and logistics

Ms. Lisete Matos, ANEFA
Ms. Maria Teresa Braz Gonçalves, ANEFA

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ANNEX II

List of experts

Robert Boyer (rapporteur)	Centre d'Etudes Prospectives d'Economie Mathématique Appliquées à la Planification (CEPREMAP) Paris France
Ross Finnie	School of Policy Studies, Queen's University Kingston Canada
Johnny Stroumza	Fondation pour le Développement de l'Education Permanente (FDEP) Geneva Switzerland
Anne Sonnet	Employment Analysis and Policy Division Directorate for Education, Employment, Labour and Social Affairs OECD Paris France
Patrick Werquin	Education and Training Division Directorate for Education, Employment, Labour and Social Affairs OECD Paris France

ANNEX III

Programme of events and participants at meetings

Monday, 12 March – Lisbon and Seixal

- Venue: ANEFA, Lisbon

09.00 - 09.30 *Welcome* by Ms. Maria Márcia Trigo, President, and Mr. José Alberto Leitão, Vice-President of the National Agency for Adult Education and Training (ANEFA)

09.30 - 11.00 *Discussion of the Background Report with the Rapporteur and the Steering Group of ANEFA*

Ms. Maria Márcia Trigo, President, ANEFA
Mr. José Alberto Leitão, Vice-President, ANEFA
Ms. Lisete Matos, Steering Group/Co-ordinating Group, ANEFA
Ms. Maria Teresa Braz Gonçalves, Steering Group/Co-ordinating Group, ANEFA
Mr. Luís Imaginário, Rapporteur, University of Porto
Ms. Sílvia Carimbo, Assistant to the Rapporteur

11.30/12.30 *Meeting with the Working Group*

Ministry of Education

Ms. Antónia Trindade, Department of Basic Education
Ms. Guadalupe Portelinha, Department of Secondary Education
Mr. Manuel Pisco, Department of Evaluation, Forward Assessment and Planning
Ms. Maria de Fátima Serrano, Office for European Affairs and International Relations

Ministry of Labour and Solidarity

Ms. Clarisse Tomé, Institute for Employment and Vocational Training (IEFP)
Ms. Hélia Moura, IEFP
Mr. Vasco Ferreira, IEFP
Mr. António Brito Ramos, Department of Labour, Employment and Vocational Training Statistics
Mr. Carlos Dias Pais, Directorate-General for Employment and Vocational Training
Ms. Antonieta Ministro, Department of Studies, Forward Assessment and Planning
National Institute of Statistics

Ms. Guilhermina Lopes, Department of Demographic and Social Statistics

14.00 - 15.30

IEFP vocational training centre

- Venue: IEFP, Seixal

This training establishment offers a variety of courses for workers in general and, more particularly, for young persons and low-educated adults. It houses a *Centro de Reconhecimento, Validação de Competências* or CRVCC (competency recognition and certification centre) set up on the initiative of ANEFA.

Ms. Maria José Esteves, Director

Mr. Viriato Fernandes, IEFP Delegate for the Lisbon region

16.00 - 17.30

Adult education in a community context

- Venue: *Correr d'Água* sports association, Seixal

In cases such as this one, informal learning courses are organised by the regional and local bodies of the Ministry of Education acting in liaison with local associations.

Mr. Carlos Silva, Co-ordinator of adult education for the Setúbal region

Ms. Isabel Mestre and Ms. Eulália Reis, Local adult education officers

Ms. Teresa Coelho, Instructor

Mr. Nuno Bitá, *Correr d'Água* sports association

Course participants

Tuesday, 13 March – Southwest Alentejo

10.30 - 11.30

ESDIME – Local development association; ANIMAR – Portuguese Federation of Local Development Associations; and Regional unit of ANEFA

- Venue: ESDIME, Messajana

ESDIME and ANIMAR promote adult and youth learning linked with local development in an economically depressed region.

Mr. José Carlos Albino, President of ESDIME

Ms. Dora Assunção and Ms. Paula Monteiro, ESDIME

Mr. David Marques, Instructor

Mr. Alberto Melo, President of ANIMAR

Mr. José Alberto Piteira, Regional unit of ANEFA

12.00 - 13.00 *IEFP vocational training centre*

- Venue: IEFP, Aljustrel

The centre specialises in the service sector and provides introductory training for youth and adults, as well as skill training courses (computer literacy, accountancy, taxation procedures, English) delivered after work hours for adults in general but more particularly for those with low education attainments.

Mr. António Cruz Guerreiro, Director of the Centre
Mr. Joaquim Cordeiro, Regional Delegate of IEFP
Mr. Paulo Rosado, Head of Vocational Training Division
Ms. Carolina Abel, Head of Training Unit
Ms. Ana Isabel, Vocational Guidance Counsellor
Mr. Augusto Lourido, Instructor

14.30 - 16.00 *Adult learning classes, ESDIME*

- Venue: Secondary school, Aljustrel

An experimental adult learning course that uses the pedagogical template created by ANEFA. It is provided by ESDIME in the context of local development, with support from ANEFA.

Mr. Jorge Palma, Local officer for adult education
Ms. Eunice Silva, Instructor
Course participants

Wednesday, 14 March – Lisbon

- Venue: ANEFA

9.00 - 10.30 *Meeting with the National Institute of Statistics and the Statistics Departments of the Ministries of Education and Labour*

Ms. Guilhermina Lopes, National Institute of Statistics
Mr. Manuel Pisco, Department of Evaluation, Forward Assessment and Planning
Mr. António Brito Ramos, Department of Labour, Employment and Vocational Training Statistics

Meetings with the social partners

The purpose of meeting with the social partners was to find out how they contribute to adult learning, notably for the low qualified: evaluation of action, diagnosis of adult learning needs; suggestions for expansion and diversification of supply and demand.

11.00 - 12.30

Management organisations

Ms. Clara Guerreiro and Ms. Sílvia Veríssimo, Confederation of Portuguese Farmers
Ms. Maria José Jantarada, Confederation of Portuguese Commerce and Services
Mr. Nuno Guedes Vaz, Confederation of Portuguese Industry
Ms. Norma Rodrigues, Portuguese Industrial Association

14.30 - 17.30

Labour organisations

Ms. Guerra Oliveira and Ms. Assis Pacheco, General Workers' Union (UGT)
Mr. Carlos Faria, Board Member of the UGT training centre CEFOSAP (*Centro de formação sindical e aperfeiçoamento profissional*)
Mr. Custódio Henriques, Board Member of the training centre of the CGTP (General Confederation of Portuguese Workers), INOVINTER (*Centro de formação e de inovação tecnológica*)

Thursday, 15 March – Porto

9.00 - 10.30

Meeting with representatives of the Northern Region

- Venue: Co-ordination Commission for the Northern Region

The purpose of meeting with the main institutional actors involved in adult learning at the regional level was to find out how they approach the different adult learning problems and requirements: integration with national policies in light of the different socioeconomic contexts and needs of regional and local development; methods of identifying adult learning needs and suggestions for present and future action. The payoff to learning for the individual and for society is a central issue, as is the opinion of employers on incentives (financial and others) to invest in employee education and learning.

Mr. Júlio Pereira, Co-ordination Commission for the Northern Region
Mr. Domingues Fernandes, IEFP Deputy Delegate for the Northern Region
Mr. Manuel Melo, Head of Training Division, IEFP
Ms. Paula Silvestre and Mr. António Pego, Association of Portuguese Enterprises, Department of Training
Mrs. Olívia Santos Silva, Co-ordinator, Regional Unit of ANEFA

11.00 - 13.00

In-firm training: Salvador Caetano auto company

- Venue: Company premises

Salvador Caetano is a pioneer in corporate learning provision. It has set up its own training centre in partnership with the IEFP and provides second-chance education and skill courses for young and older employees. Company training is vital to Portuguese industry.

Mr. A. Silva Fernandes, Assistant Manager, Human Resource Department
Mr. José Manuel Rodrigues, Head of Management and Development Division
Ms. Maria José Melo, Training Officer
Mr. Luís Caseiro, Head of Training Department

15.00 - 16.30 *Adult learning provision by a social solidarity institution (CIVITAS)*

- Venue: CIVITAS premises

CIVITAS is an association for the defence and promotion of citizens' rights. It caters primarily for immigrants, with simultaneous focus on personal and social advancement, citizenship and employability.

Ms. Maria Lurdes Maia, President of the CIVITAS Northern Network Learners

Friday, 16 March – Braga and Lisbon

09.00 - 12.30 *Minho industrial association*

- Venue: Association premises

The industrial association of Minho is an employer organisation that provides adult learning opportunities. It has a training establishment that houses an ANEFA competency recognition and certification centre (CRVCC).

Mr. Almeida Garret, Executive Vice-President
Mr. Florindo Ramos, Head of Training Department
Mr. Luís Rodrigues, CRVCC Director
Ms. Paula Marques and Ms. Márcia Enes, CRVCC staff

19.00 *Welcome by Mr. Paulo Pedroso, Minister for Labour and Social Solidarity*

- Venue: Office of the Minister, Lisbon

Saturday, 17 March – Lisbon

- Venue: ANEFA

10.00 - 12.00 *Meeting with adult education researchers*

Ms. Maria João Rodrigues, Consultant to the Prime Minister
Mr. Luís Imaginário, University of Porto
Ms. Lurdes Baginha, ANEFA Consultant
Mr. Justino Magalhães, University of Minho, Department of Pedagogy
Ms. Isabel Ferreira Martins, Intercultural Education Secretariat
Mr. Albino Lopes, Higher Institute of Labour and Enterprise Sciences
Mr. Luís Rothes, Porto College of Higher Education
Ms. Maria José Maranhão, Higher Institute of Labour and Enterprise Sciences
Ms. Isabel Duarte, Higher Institute of Labour and Enterprise Sciences
Dr. Alexandre Castro Caldas, neurologist developing a line of adult education research
Mr. José Joaquim Leitão, Vice-Chair of the Executive Committee of IEFP
Ms. Maria Margarida Abecassis, President of the Institute for Innovation in Training (INOFOR)

Monday, 19 March – Lisbon

09.00 - 10.30

Meeting with chief education/training officials

- Venue: Ministry of Education

This was a meeting with heads of departments of the Education and Labour Ministries involved in the design and implementation of adult learning policies.

Ministry of Education

Mr. António Fazendeiro, Department of Evaluation, Forward Assessment and Planning

Ms. Eduarda Boal, Head of the Bureau for European Affairs and International Relations

Ms. Emília Galvão and Ms. Fátima Serrano, Bureau for European Affairs and International Relations

Ms. Isabel, Deputy Director of the Department of Basic Education

Ms. Vítor Boavida, Deputy Director of the Department of Secondary Education

Mr. Acácio Baptista, Head of the Admissions Service, General Directorate of Higher Education

Ministry of Labour and Solidarity

Ms. Cristina Figueiro, Deputy Director of the Institute for Social Development

Ms. Conceição Afonso, Deputy Director of the General Directorate of Employment and Vocational Training

Mr. Mário Bairrada, Deputy Director of the Department of Labour, Employment and Vocational Training Statistics

Ms. Henriqueta Almeida, Deputy Director of the Department of Studies, Forward Assessment and Planning

Mr. José Joaquim Leitão, Vice-Chair of the Executive Committee of IEFP

Ms. Maria dos Anjos Almeida, Vice-President, INOFOR

ANEFA

Ms. Márcia Trigo, President

Mr. José Alberto Leitão, Vice-President

Ms. Lisete Natos, Steering Group/Co-ordinating Group

Ms. Maria Teresa, Braz Gonçalves, Steering Group/Co-ordinating Group

11.00

Welcome by Ms. Ana Benavente, State Secretary for Education

- Venue: Office of the State Secretary

14.00

Proposal to the ANEFA Steering Group concerning the Country Note

- Venue: ANEFA

Ms. Márcia Trigo, President of ANEFA

Mr. José Alberto Leitão, Vice-President of ANEFA

Ms. Lisete Natos, Steering Group/Co-ordinating Group, ANEFA

Ms. Maria Teresa, Braz Gonçalves, Steering Group/Co-ordinating Group, ANEFA

Ms. Simone Araújo, Steering Group, ANEFA

Ms. Maria dos Anjos Almeida, Vice-President, INOFOR