OECD Skills Studies

Skills Strategy Implementation Guidance for Portugal

STRENGTHENING THE ADULT-LEARNING SYSTEM



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Foreword

Raising skills is critical to Portugal's economic success and social well-being. After years of high unemployment and constrained public finances, Portugal's economy is now on the path to recovery. This positive outlook opens a window of opportunity to reinforce skills policies and continue to foster inclusive growth in Portugal.

As globalisation and digitalisation transform jobs, how societies function and how individuals interact, Portugal needs to equip its citizens with the right skills so that they can succeed in the 21st century job market. People will need a well-rounded set of skills, which includes cognitive skills such as literacy and numeracy as well as social, emotional and analytical skills. Fostering digital skills will be key to adapt to the jobs of the future, along with skills in science, technology, engineering and mathematics (STEM). Increasingly, in our globalised economies and societies, people will also need stronger global competences, which is why the OECD just launched the OECD PISA Global Competence Framework for the 2018 Programme for International Student Assessment (PISA).

Skills are so much more than an economic investment, they are an essential ingredient for health, well-being and social cohesion, as well as being key to strengthen competitiveness, boost productivity and foster innovation.

Portugal has put education and skills at the forefront of the political agenda for many years, and these efforts are paying off. Young Portuguese citizens are now likely to attend school for longer than the previous generation, and proficiency in reading, maths and science has increased. Secondary-school curriculum reforms have emphasised key competencies for the 21st century, from resilience and innovation to intercultural competence and awareness of environmental sustainability issues.

However, Portugal's historical deficit in education implies that many of its adult citizens are at risk of falling behind. Despite the remarkable progress made over the past decade, more than half of Portuguese adults aged between 25 and 64 have not completed upper secondary education. With the population ageing and a growing intergenerational divide, Portugal cannot afford to wait for the next generation to enter the labour market. Portugal should also address gender gaps, particularly around STEM-related skills, because women remain underrepresented in these fields.

The adult-learning policies that are now in place show great promise, but more needs to be done to improve accessibility and flexibility, and to promote the participation of all adults in learning, especially for those with low skills. A stronger focus on quality and monitoring outcomes would drive performance and could increase investments in learning by both firms and individuals.

The effort to make adult learning a responsive and sustainable system cannot be achieved by government alone: it requires a strong partnership between all the stakeholders, including every level of government, education and training providers, employers, trade

unions, the non-profit sector and learners. While no single action is the answer, a clear vision and concrete steps taken in concert by all stakeholders can ensure Portugal can bridge skills gaps and equip citizens, of all ages, with the skills they need to seize the opportunities of a rapidly changing labour market. A number of such actions are outlined in this report.

The OECD stands ready to support Portugal as it continues to design, deliver and implement better skills policies for better lives.

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Abbreviations and Acronyms

The following are the main Portuguese acronyms cited in the report. Other acronyms cited occasionally are defined where used.

AD&C	*Agência para o Desenvolvimento e Coesão*, I.P. (Agency for Cohesion and Development)
AE	*Agrupamento de Escolas* (groups of schools)
AES	Adult Education Survey
ALMP	Active Labour Market Policies
ANQEP	*Agência Nacional para a Qualificação e o Ensino Profissional*, I.P (National Agency for Qualifications and Vocational Education and Training)
APCEP	*Associação Portuguesa para a Cultura e Educação Permanente* (Portuguese Association for Culture and Permanent Education)
APEFA	*Associação Portuguesa de Educação e Formação de Adultos* (Portuguese Association for Adult Education and Training)
CCDR	*Comissão de Coordenação e Desenvolvimento Regional* (Regional Co-ordination and Development Commission)
CEDEFOP	European Centre for the Development of Vocational Training
CEF	*Cursos de Educação e Formação de Jovens* (education and training courses for young people)
CES	*Conselho Económico e Social* (Economic and Social Council)
CET	*Cursos de Especialização Tecnológica* (post-secondary non-tertiary vocational courses)
CIM	*Comunidade Intermunicipal* (intermunicipal community)
CNE	*Conselho Nacional de Educação* (National Council for Education)
CNO	*Centro Novas Oportunidades* (New Opportunities Centre)
CNQ	*Catálogo Nacional de Qualificações* (National Catalogue of Qualifications)
CQ	*Centro Qualifica* (Qualifica Centre)

CIM	*Comunidade Intermunicipal* (intermunicipal community)
CQEP	*Centros para a Qualificação e o Ensino Profissional* (Centres for Qualifications and Vocational Education and Training)
CSQ	*Conselhos Setoriais para a Qualificação* (Sectoral Councils for Qualifications)
CTesP	*Cursos Técnicos Superiores Profissionais* (short-cycle tertiary education courses)
DESI	Digital Economy and Society Index
DGEEC	*Direção-Geral de Educação* (General-Directorate for Education, Ministry of Education)
DGERT	*Direção-Geral do Emprego e das Relações de Trabalho* (General-Directorate for Employment and Labour Relations, in the Ministry of Labour, Solidarity and Social Security, or MTSSS)
DGES	*Direção-Geral do Ensino Superior* (Directorate-General for Higher Education in the Ministry of Science, Technology and Higher Education, or MCTES)
DESI	Digital Economy and Society Index
GDP	gross domestic product
ECTS	European Credit Transfer and Accumulation System
ECVET	European Credit System for Vocational Education and Training
EFA	*Cursos de Educação e Formação de Adultos* (education and training courses for adults)
EQAVET	European Quality Assurance in Vocational Education and Training
EQF	European Qualifications Framework
ESF	European Social Fund
EU	European Union
FMC	*Formação Modular Certificada* (certified modular training)
GVC	global value chains
HPWP	high-performing work practices
LFS	Labour Force Survey
IAPMEI	*Agência para a Competitividade e Inovação*, I.P. (Agency for Competitiveness and Innovation, Public Institute)

ICT	information and communication technology
IEFP	*Instituto de Emprego e Formação Profissional* (Public Employment Service)
INA	*Direção-Geral da Qualificação dos Trabalhadores em Funções Públicas* (National Institute of Administration)
INE	*Instituto Nacional de Estatística* (Statistics Portugal, I.P.)
I.P.	*Instituto Público* (Public Institute)
ISCED	International Standard Classification of Education
KPI	Key Performance Indicators
MCTES	*Ministério da Ciência, Tecnologia e Ensino Superior* (Ministry of Science, Technology and Higher Education)
ME	*Ministério da Educação* (Ministry of Education)
MEcon	*Ministério da Economia* (Ministry of Economy)
MF	*Ministério das Finanças* (Ministry of Finance)
MPMA	*Ministério da Presidência e da Modernização Administrativa* (Ministry of the Presidency and of Administrative Modernisation)
MTSSS	*Ministério do Trabalho, Solidariedade e Segurança Social* (Ministry of Labour, Solidarity and Social Security)
MPI	*Ministério do Planeamento e das Infraestruturas* (Ministry of Planning and Infrastructure)
NEET	Neither employed nor in education or training
NOI	*Iniciativa Novas Oportunidades* (New Opportunities Initiative)
NPT	National Project Team
NSS	National Skills Strategy
NUTS	Nomenclature of Territorial Units for Statistics
PIAAC	Programme for the International Assessment of Adult Competencies
PISA	Programme for International Student Assessment
POCH	*Programa Operacional Capital Humano* (Human Capital Operational Programme)

PPE	*Plano Pessoal de Emprego* (Individual Employment Plan)
PNR	*Programa Nacional de Reformas* (National Programme of Reforms)
QNQ	*Quadro Nacional de Qualificações* (National Qualifications Framework)
QREN	*Quadro de Referência Estratégica Nacional* (National Strategic Reference Framework)
RVCC	*Reconhecimento, Validação e Certificação de Competências* (prior learning recognition, validation and certification)
SANQ	*Sistema de Antecipação de Necessidades de Qualificações* (skills assessment and anticipation system)
SIGO	*Sistema Integrado de Informação e Gestão da Oferta Educativa e Formativa* (integrated system for the information and management of the education and training supply)
SME	small and medium enterprises
SNQ	*Sistema Nacional de Qualificações* (National Qualifications System)
STEM	Science, technology, engineering and mathematics
UFCD	*Unidades de Formação de Curta Duração* (short-term training units)
VET	vocational education and training

Executive Summary

A highly skilled workforce is critical to help Portugal recover fully from the last recession and meet the challenges of an increasingly global and digital economy. While Portugal has made great strides in boosting its educational performance, the population is ageing and the skills gap between educated youth and older adults is widening. Many adults are at risk of falling behind.

With an economy that is growing again, Portugal has an opportunity to reinforce the adult-learning system by raising both its accessibility and quality, especially for adults with low skills. This, in turn, can lead to greater growth and well-being for all.

OECD-Portugal collaboration on a National Skills Strategy Action Phase

The project *Building a National Skills Strategy (NSS) for Portugal* began under the XIX Portuguese government. A diagnostic phase was conducted from 2013-2015, identifying 12 key skills challenges for Portugal. These ranged from improving the quality of compulsory education to reducing youth unemployment and targeting adult learning to low-skilled adults.

In 2017, Portugal's XXI Constitutional Government and the OECD initiated work on the Action Phase of the NSS to identify concrete actions to improve adult learning.

The NSS Action Phase involved comparative analysis to identify best practices, collaborative work with an inter-ministerial government team, and extensive engagement with stakeholders, including government, firms, education and training providers, labour unions, employers' associations, academics and civil society organisations.

Improving adult skills is important to boost growth and well-being in Portugal

Successive governments in Portugal have pursued extensive educational reforms. These range from the extension of compulsory schooling and the reorganisation of the school network, to the expansion of vocational education and training options and the creation of new tertiary education pathways. Adult learning has also been a focus, with policies helping to raise interest in learning among adults. However, participation in adult learning remains slightly below the European Union average despite the need for many adults to upskill.

Strengthening adults' motivation for learning is critical for participation

Participation in adult learning remains unequal in Portugal: those with higher levels of education are much more likely to participate. Increasing awareness of the benefits of learning is especially important to overcome motivational barriers. Useful approaches include providing better information on returns and tailoring information to reach low-skilled adults. To boost motivation, Portugal can build on the reinforced guidance role of its adult-learning centres (Qualifica Centres), its system to assess the skills in demand in

the economy (*Sistema de Antecipação de Necessidades de Qualificações*, or SANQ), and recent efforts to develop a culture of lifelong learning in the public administration.

Efforts to raise the accessibility and quality of the system should continue

Mechanisms for recognising the prior learning of adults, modular training opportunities, and employer-sponsored training have expanded in Portugal. However, barriers continue to limit participation, especially for the low-educated. Stakeholders reported the lack of accessible opportunities in some areas and the need to make delivery more flexible and suited to the needs of users and employers. They often noted the need for more and better career guidance.

Better co-ordination between the many entities that provide adult learning is needed to clarify opportunities available to adults and reduce gaps and overlaps in the system. Stakeholders widely noted the value of a robust performance-monitoring and evaluation framework for adult learning, building on the work of the National Agency for Qualifications and Vocational Education and Training (*Agência Nacional para a Qualificação e o Ensino Profissional, I.P.*, or ANQEP).

Stronger governance and financing mechanisms are needed

The adult-learning system in Portugal involves many actors. Portugal could set governance structures that facilitate collaboration between central ministries, levels of government, and between government and stakeholders. Several bodies provide useful foundations, including the ANQEP and the intermunicipal communities (*communidades intercomunales*, or CIMs). Local business and civil society associations could further co-ordinate their actions to assess skills needs, improve outreach to learners, and develop flexible approaches to adult learning.

The project found a high reliance of the system on EU funding, important variations in funding levels over time, and little use of funding as a strategic policy tool to drive quality and outcomes. Financial incentives to individuals and firms could be better targeted, aligned with labour-market needs, and complemented by guidance measures to boost effectiveness. The Qualifica Programme's renewed focus on adult learning offers an opportunity to establish a longer-term funding approach, which would involve contributions from government and social partners.

Recommendations for action

Overarching recommendation: Develop a coherent adult-learning strategy that encompasses existing and new measures, and is aligned with other key economic policies.

Awareness of the value of skills and motivation for adult learning

1. Improve the collection, use and dissemination of information on skills performance and the returns to skills investments, building on existing tools.
2. Improve the dissemination of information by launching a comprehensive communication campaign to raise awareness of the value of skills and skills investments and tailoring outreach for specific groups.
3. Enhance measures targeting the public administration and providers of social services, to raise awareness of the value of upskilling both for themselves and for their users.

Access, quality and relevance

4. Improve the supply of high-quality, relevant and flexible learning programmes.
5. Improve pathways and the coherence of the adult-learning delivery network.
6. Strengthen quality assurance, including by developing a performance-monitoring and evaluation system and a set of key performance indicators.

Governance and financing

7. Set up dedicated governance bodies to oversee adult learning: a permanent inter-ministerial team and a permanent group within an existing multi-stakeholder institution.
8. Reinforce existing local networks at the municipal level, or develop new ones, to address current and future needs for skills that align with the local economic development context.
9. Establish a stable and quality-oriented funding model through a "skills financing pact", including targeted financial incentives for learners, employers and providers.
10. Introduce targeted financial incentives for employers (specifically small and medium enterprises) and individuals (specifically disadvantaged groups) to encourage provision of, and participation in, training.

Chapter 1. Improving adult learning in Portugal: Assessment and Recommendations

This chapter describes the economic and policy context for this project and outlines the importance of raising the skills of adults to support economic growth and social progress in Portugal. It highlights the challenges related to low educational attainment among adults and low productivity and the need to further boost participation in adult learning particularly for the low-skilled. It then provides an overview of the project's methods, and outlines the report's policy recommendations. These include an overarching recommendation and 10 detailed recommendations across three areas: i) raising awareness of the value of skills and adult learning, ii) improving the accessibility, quality and relevance of adult learning and iii) enhancing the governance and financing of the adult-learning system.

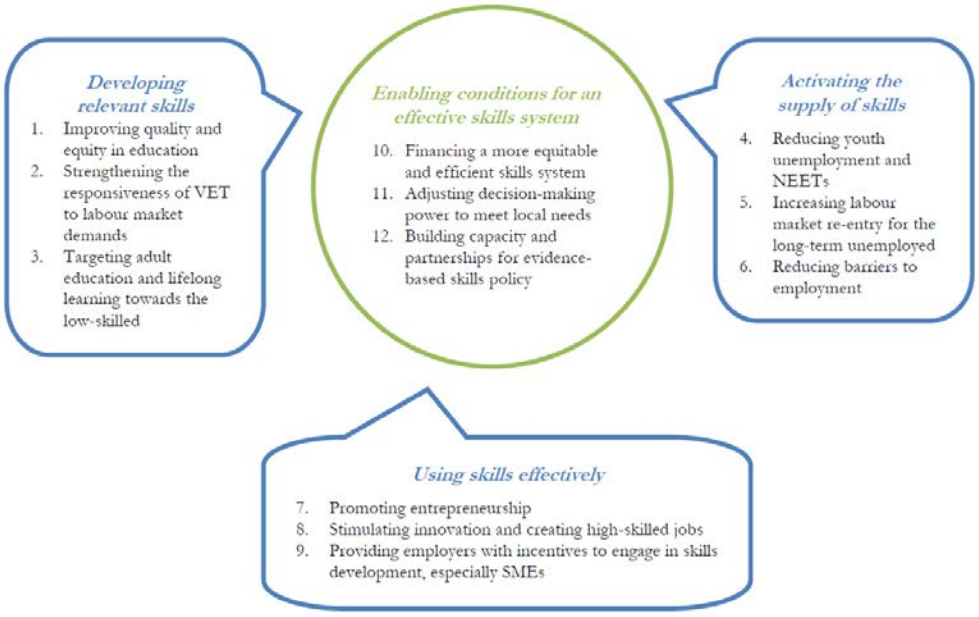
Raising adult skills is a key to Portugal's economic growth and social cohesion

Improving skills is a complex task. It requires reforms in a range of policy areas, from education, training and employment to taxation, economic development and innovation.

In Portugal, the need for multifaceted reforms was demonstrated by the results of the first phase of the OECD-Portugal National Skills Strategy (NSS) project (OECD, 2015[1]). This work, which engaged a wide range of stakeholders from the public, private and non-profit sector, concluded in 2015. It identified 12 skills challenges in four areas: developing, activating and using skills, and strengthening the skills system (Figure 1.1).

The present report builds on these findings and seeks to provide a detailed set of recommendations for action on improving Portugal's skills system. It focuses on one area that offers a good opportunity for improvement: strengthening the adult-learning system. This topic, identified jointly by Portugal and the OECD, was chosen for a number of reasons. First, there have been notable improvements since 2015 in employment, educational attainment, and in the skills performance of youth, as discussed below. Second, the large number of low-skilled adults in Portugal is a major barrier to growth and social cohesion. Third, leveraging both new government investments in adult learning and the National Skills Strategy process, which is both inter-ministerial and involves active stakeholder engagement, can help Portugal make progress in improving the skills of the adult population.

Figure 1.1. Building a skills strategy for Portugal: Results of the diagnostic phase (2014-15)



Recent reforms have helped improve employment and educational outcomes

Portugal was hard hit by the global financial crisis, and its public finances were severely constrained by the 2011-2014 adjustment programme. Since then, the economic outlook has significantly improved, with GDP growth expected to be about 1.2% in 2017, and more than 2% in 2018 and 2019.

The crisis had a greater impact on the labour market in Portugal than in most OECD countries. After peaking in 2013 at above 16%, the unemployment rate dropped approximately 5 percentage points, to 11% in 2016. In the fourth quarter of 2017, unemployment had further fallen to 8.6%, compared to a EU28 average of 7.6%.

The fall in unemployment is partly a factor of high emigration rates and participation in active labour-market policies (ALMPs). The economic recovery in OECD countries also played a role and in Portugal, employment grew substantially. Between 2013 and 2017, employment increased by 7.4% (an additional 327 000 people were employed), raising the total employment rate from 49.7% in 2013 to 53.7% in 2017. Conversely, unemployment decreased by 45.9% in the same period, which amounted to 392 000 people exiting unemployment (INE, 2017[2]).

Recent employment protection legislation reforms in Portugal may have also started to produce results (OECD, 2017[3]). These include changes to unemployment benefits that reduced maximum rates but expanded coverage and strengthened activation measures, such as short-term training opportunities. Other areas of reform included wage-setting mechanisms and options for firms to adjust their working time rather than staff numbers. Current strategies for raising the skills of adults (the Qualifica Programme), promote digital skills (the InCode2030 Strategy) and boost firms' competitiveness (Indústria 4.0) constitute a promising package of reforms to further improve skills, employment and economic growth.

Educational outcomes have also improved significantly in the last decades. Attainment rates at upper secondary and tertiary levels have increased substantially, and Portugal has steadily reduced the school dropout rate since 2000. The skills of Portuguese 15-year-olds have been steadily improving in science and mathematics, with the average three-year trend in PISA scores in these skills areas among the highest in the OECD. In 2015, Portugal scored above the OECD average in all three domains measured by the OECD Programme for International Student Assessment (PISA) survey.

This progress is due, in part, to Portugal's significant educational reforms in the last decades. Compulsory schooling was increased from 9 to 12 years in 2009. In addition, policies have been introduced to provide support for disadvantaged schools, to reorganise the school network to strengthen governance and quality, and to introduce national evaluations and various measures for reducing the school dropout rate, including expanding vocational and educational training (VET) pathways in secondary school (OECD, 2014[4]; Santiago et al., 2012[5]).

Skills are essential for better economic and social outcomes

Skills drive well-being

How well Portugal develops its population's skills, especially those of low-skilled adults, and puts these skills to productive use, will help determine the rate of its economic recovery (OECD, 2017[6]). Such a strategy can also avoid leaving people behind at a time

when globalisation and digitalisation are changing the skills needed for success in the labour market and in life.

Adults with higher levels of literacy, numeracy and problem-solving skills in a technologically rich environment, and who report using these skills, are more likely to be employed and earn higher wages than those with lower skill levels. They also tend to be healthier, are more likely to trust others and to volunteer more. Governments also stand to gain from a population with higher skill levels: the benefits range from higher tax revenues to lower social spending (OECD, 2013[7]).

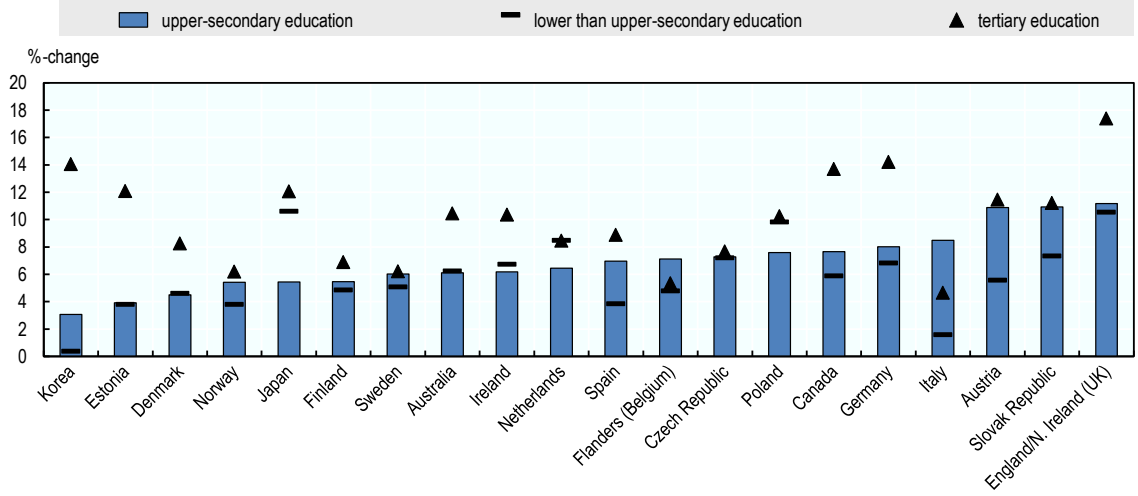
Social and emotional skills, including perseverance, self-esteem and sociability, communication, curiosity and interest in others are also associated with well-being, and increasingly, employers view these skills as complementary, and not secondary, to cognitive skills (OECD, 2015[8]; Deming, 2017[9]).

Many countries have increased their emphasis on raising educational attainment to improve skills, but the relationship between skills and qualifications is complex. The OECD Survey of Adult Skills (a product of the Programme for the International Assessment of Adult Competencies [PIAAC]) shows that a higher level of education has a positive effect on adults' proficiency in literacy, numeracy and problem solving in a technologically rich environment. However, individuals with the same qualifications can have very different skill levels, and skills have a distinct impact on economic and social outcomes that is independent of qualifications.

For example, Figure 1.2 shows that for any given level of education, those with higher levels of skills enjoy higher wages. This reinforces the importance of comprehensive lifelong learning systems that develop skills both in initial education and throughout life, in both formal and informal learning contexts.

Figure 1.2. Effect of literacy proficiency on wages, by education attainment

Percentage change in wages associated with a one standard deviation change in proficiency in literacy, by educational attainment



Note: Coefficients from the ordinary least squares (OLS) regression of log hourly wages on proficiency are directly interpreted as percentage effects on wages. Coefficients adjusted for age, gender, foreign-born status and tenure. The wage distribution was trimmed to eliminate the 1st and 99th percentiles. The regression sample includes only employees. Literacy has a standard deviation of 45.76.
Source: OECD (2013), *OECD Skills Outlook 2013: First Results from the Survey of Adult Skills*, http://dx.doi.org/10.1787/888932902569.

StatLink http://dx.doi.org/10.1787/888933711731

Demographic and economic changes make skills more important than ever

In Portugal, as in many other OECD countries, population ageing is creating pressures that may lead to labour and skills shortages. At the same time, globalisation and technological change are transforming production processes, destroying some jobs and industries, and creating new ones. These trends have important consequences for the skills that are in demand, and those that may be less relevant in the future (see Box 1.1 for examples).

Box 1.1. The impact on skills demand of global value chains and artificial intelligence

Global value chains make high skills more relevant

In the last two decades, the production of goods and services worldwide has become increasingly fragmented, and a large part of trade has become organised around global value chains (GVCs). Countries now specialise in tasks rather than in specific products, and trade in intermediate goods and services has increased.

New OECD research suggests that participation in global value chains can lead to productivity gains, which depends on a country's endowment of skills. Investing in skills can safeguard against the potential negative impact of global value chains on employment and inequality for at least three reasons:

1) High-skilled jobs are less exposed to the risk of offshoring, although this may be changing.
2) Using certain types of skills on the job (e.g. those associated with non-routine tasks and tasks involving person-to-person contact) makes jobs less likely to be offshored.
3) Developing the skills of workers in small and medium-sized enterprises helps these firms connect with multinationals and benefit from global value chains.

Countries' skills endowments and skills-related policies can shape a country's specialisation in GVCs and its opportunities to specialise in sophisticated industries, such as complex business services and high-tech manufacturing industries.

Artificial intelligence may further displace low-skilled workers

The rapidly growing ability of artificial intelligence to conduct tasks is reshaping the employment structure of economies and the skills requirements for jobs. In an exploratory study based on an expert assessment of computer capabilities, using data from the Survey of Adult Skills (PIAAC), 62% of workers in OECD countries were found to use literacy, numeracy and problem-solving skills in a technology-rich environment at a proficiency level that computers can currently reproduce or are close to reproducing. Only 13% of workers were found to use these skills on a daily basis with higher proficiency than computers, raising concerns about further job displacement.

Sources: (OECD, 2017[10]; Elliott, 2017[11])

The impact of these changes on employment and skills is highly relevant for all OECD countries. On the one hand, economists have highlighted the positive effect of increased

productivity resulting from globalisation and technological change on aggregate employment: more jobs are created than destroyed.

On the other hand, job destruction and creation has led to job polarisation. This is notable in OECD countries: the share of total employment in middle-skilled/middle-paying jobs has declined and is offset by increases in the shares of jobs requiring both high and low levels of skills. Most job creation is in the high-skilled, rather than middle- or low-skilled, category (OECD, 2017[12]; Autor, 2015[13]; Autor and Salomons, 2017[14]). This is likely to result in further inequality among individuals of different skill levels and calls for strong skills policies.

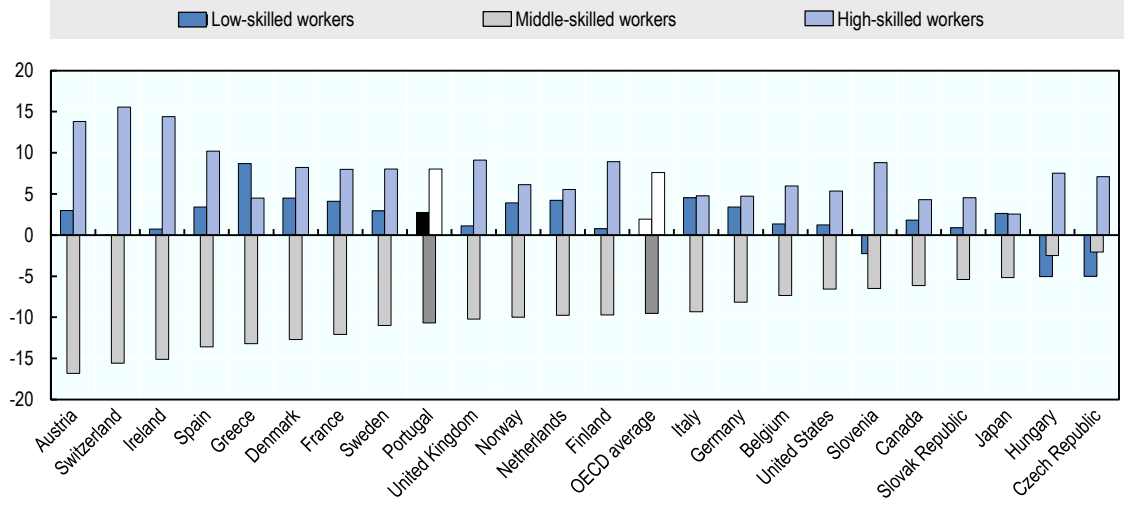
Like other countries, Portugal has been experiencing job polarisation, as shown in Figure 1.3.

The number of jobs in sectors such as construction, agriculture and mining has declined in the last decade, while the number of jobs in arts, recreation and health services increased. Yet, in 2016, the largest number of jobs was still in the manufacturing, wholesale and retail trade sectors (OECD, 2018[15]).

Projections of the European Centre for the Development of Vocational Training (CEDEFOP) for the next decade suggest that the number of jobs in some of these sectors with the highest employment will drop and that sectors such as trade, professional and administrative services, accommodation and real estate will hire more people. The rise in demand for higher levels of skills is expected to continue, with an increase for technical and professional occupations (CEDEFOP, 2017[16]).

Figure 1.3. Job polarisation in the past two decades

%-point change share of total employment, 1995-2015



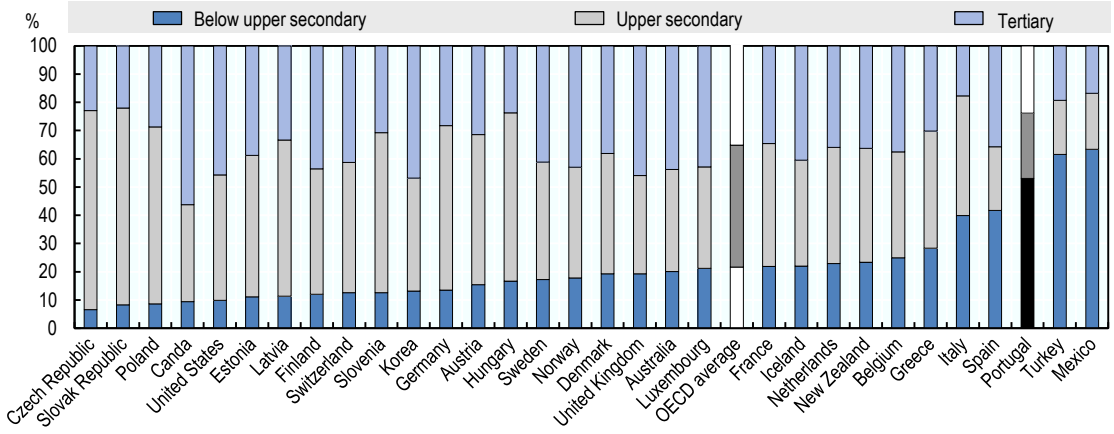
Note: See description of method in source below.
Source: OECD (2017), *Employment Outlook* 2017, Figure 3.A1.1, Job polarisation by country, http://dx.doi.org/10.1787/888933477940.

StatLink http://dx.doi.org/10.1787/888933711750

Improving the learning and skills of adults in Portugal with limited education shows great potential

The low educational attainment of a large percentage of adults in Portugal suggests that many of these adults have low skills. In 2016, 53% of Portuguese adults aged 25 to 64, and 31% of 25-34 year-olds, had not attained upper secondary education (Figure 1.4). Only in Portugal and two other OECD countries, Turkey and Mexico, have most adults aged 25 to 64 not completed upper secondary education (OECD, 2018[17]).

Figure 1.4. Educational attainment of adults (25-64 year-olds) in Portugal, 2016

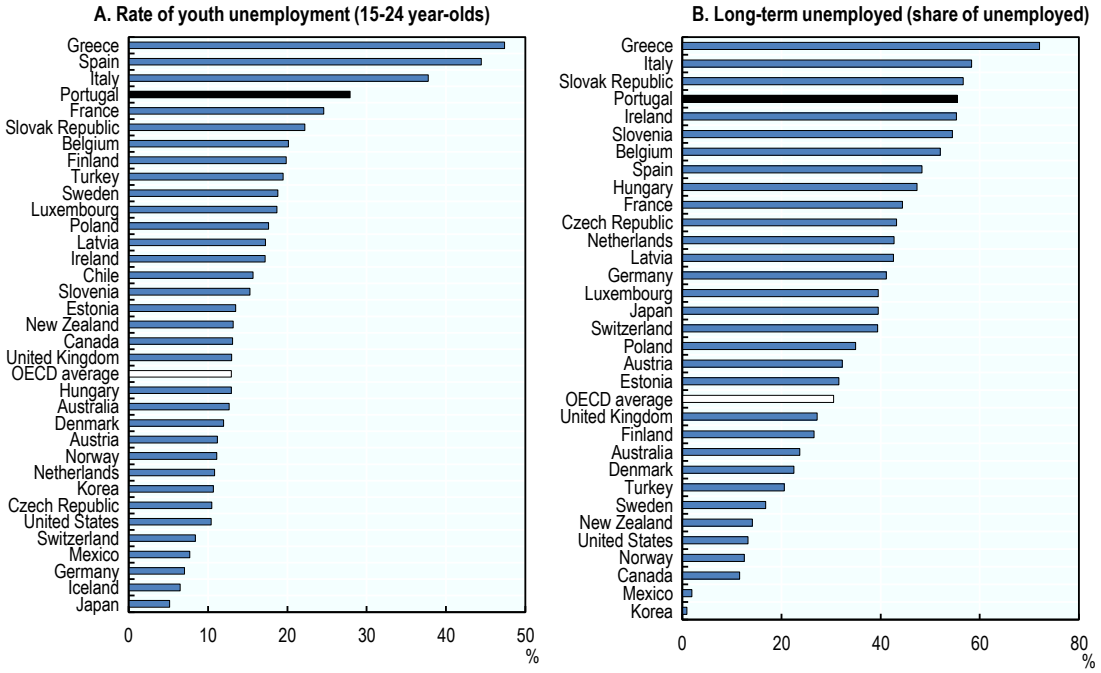


Source: OECD (2018), Adult education level (indicator), http://dx.doi.org/10.1787/36bce3fe-en.

StatLink http://dx.doi.org/10.1787/888933711769

Opportunities for individuals to use and further develop their skills, including at work, are also important. Despite Portugal's falling unemployment, the rates of youth unemployment and long-term unemployment remain high compared to the European average, and will need to be tackled to avoid an erosion of skills over time (Figure 1.5).

Figure 1.5. Youth unemployment and long-term unemployed, 2016



Source: OECD (2017), Youth unemployment rate (indicator), http://dx.doi.org/10.1787/c3634df7-en; long-term unemployed (indicator), http://dx.doi.org/10.1787/c3634df7-en.

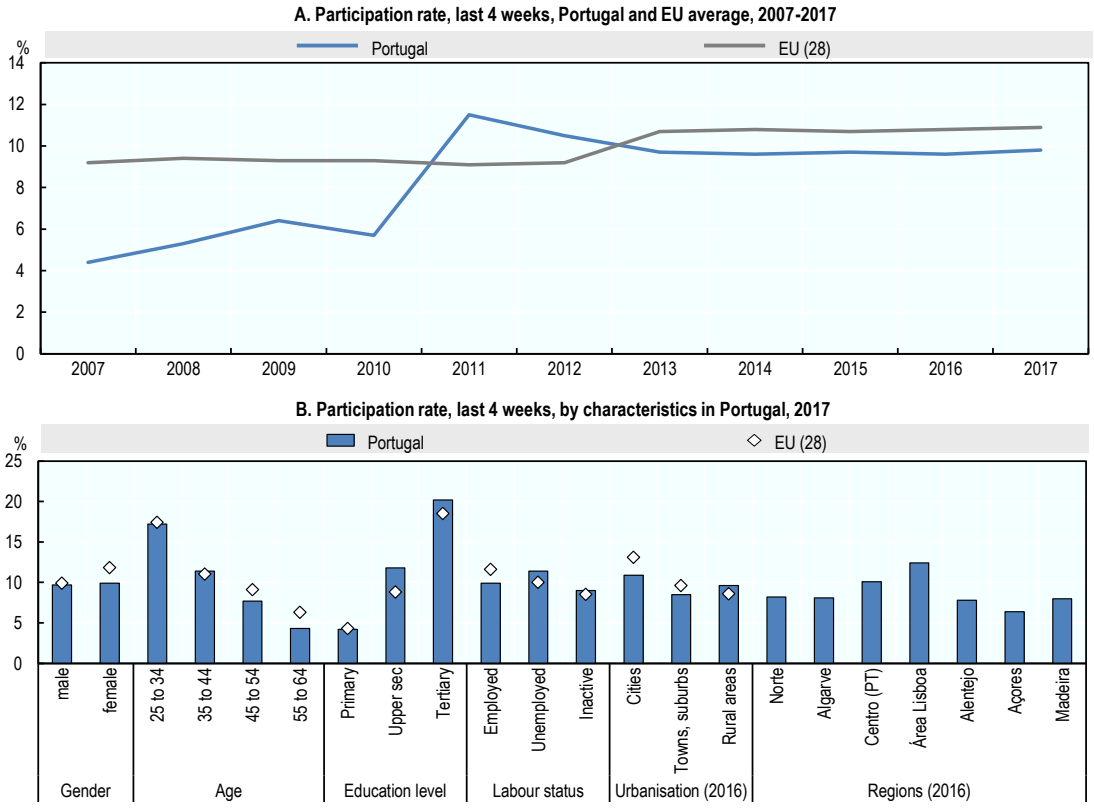
StatLink http://dx.doi.org/10.1787/888933711788

In Portugal, the participation of 25-64 year-olds in adult learning has grown in the past decade (for a definition of adult learning, see Box 1.2). It peaked and briefly surpassed the European Union (EU) average in 2010-2011, then declined and stabilised slightly below the OECD average in 2013 (see Figure 1.6). While Portugal is close to the EU average, the large number of low-skilled adults in the country calls for particular attention to boosting participation.

As in other countries, the least skilled are also the least likely to participate in adult learning. Consistent with the EU average, people in Portugal with lower levels of education and jobs requiring lower levels of skills participate the least in adult learning.

Employer-sponsored training represents the majority of all adult learning in Portugal, with over 800 000 individuals taking part in some form of employer-sponsored training in 2015. Yet, as will be shown in Chapter 3, small and medium enterprises (SMEs), and in particular, micro-enterprises with fewer than ten employees, are much less likely to provide training than larger ones. Micro-enterprises represented 83% of all firms in Continental Portugal in 2015, almost a quarter of the employed workforce (Ministério do Trabalho, 2017[18]).

Figure 1.6. Participation rate in education and training 2007--17, and by characteristics



Note: Participation is measured in terms of participation in at least one learning activity in the four weeks preceding the labour force survey.
Source: Eurostat (2018), *EU Labour Force Survey 2017*, Participation rate in education and training (last 4 weeks), trng_lfs_01, trng_lfs_02, trng_lfs_03, trng_lfs_14, trng_lfs_04, trng_lfs_05, trng_lfs_06, trng_lfs_08b, *http://ec.europa.eu/eurostat/statistics-explained/index.php/Adult_learning_statistics*.
StatLink http://dx.doi.org/10.1787/888933711807

Boosting demand for skills can strengthen incentives to invest in skills

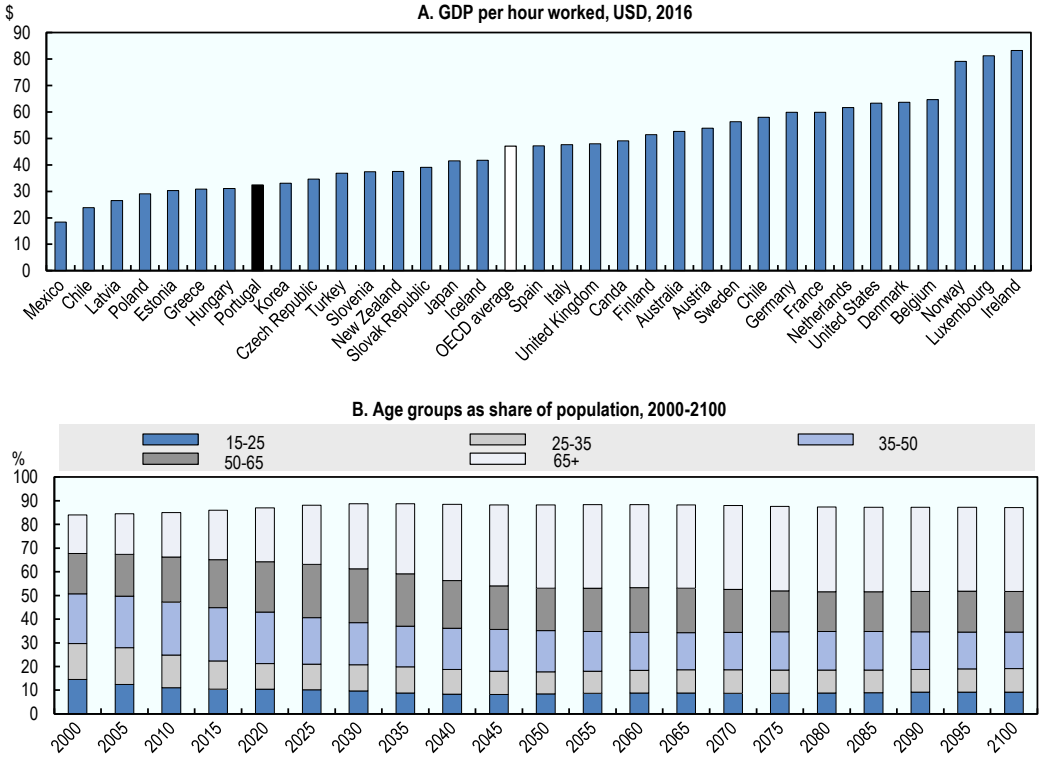
Skills development is not all that matters. The demand for skills, and whether a country's economic fabric can absorb skilled workers and use their skills effectively, is just as critical.

This is a concern in Portugal, which remains one of the European countries with the highest rates of tertiary-educated individuals who emigrate (11.4% in 2014, according to data from the Ministry of Science, Technology and Higher Education). In addition, many employers consulted during the project report a relatively low demand for high-level skills in many parts of the economy – except for specific sectors well-integrated into the global economy.

Boosting innovation and productivity both requires and encourages investment in skills. Portugal faces challenges in raising innovation and productivity, as illustrated in Figure 1.7. This is critical for supporting economic growth and offering enough good jobs for highly skilled citizens. By increasing innovation and productivity with such policies as Indústria 4.0, Portugal could strengthen the incentives for all parties to invest in skills, as well as discourage emigration.

The alignment of skills policy and economic development policy such as Indústria 4.0 is essential for achieving better economic outcomes and improving social well-being. The importance of co-ordinating key policies is emphasised in the overarching recommendation presented at the end of this chapter.

Figure 1.7. Labour productivity and labour force development



Source: OECD (2018), GDP per hour worked (indicator), http://dx.doi.org/10.1787/1439e590-en; United Nations (2017), *World Population Prospects 2017*, https://esa.un.org/unpd/wpp/.

StatLink http://dx.doi.org/10.1787/888933711826

Improving skills development in adulthood will require co-ordinated action

Focus on adult learning: definition and considerations

This National Skills Strategy Action Phase project examines four key themes identified as particularly relevant to adult-learning policy in Portugal: raising awareness of the value of skills and adult learning, improving access and quality, strengthening governance, and enhancing the financing of the system. This report is structured according to these four topics.

Improving adult learning involves many challenges, from both an analytical and policy perspective. Many of these are not unique to Portugal.

Defining adult learning is a first issue. The definition used in this report is aligned with other OECD and European Union definitions. However, it also allows some flexibility for studying groups of interest to the government of Portugal, such as young adults, who typically fall outside the definition of adults for the purpose of analysing adult learning (see Box 1.2). Challenges involving a lack of data, differing perspectives on the goals of

adult learning, and different measurement approaches must be also kept in mind in assessing the scope and performance of adult learning systems.

Box 1.2. Definition of adult learning

Adult learning is understood in this report as including both formal, non-formal and informal learning and the diverse contexts in which it is taking place. The purpose of adult learning may be either employment-related or broader, such as improving civic participation and improving preparedness for further learning.

Adult learners are defined as adults of between 25 and 64 who have left the initial education system (either primary, secondary, post-secondary or tertiary level) and are engaged in learning. However, for this project, the government noted the importance of adult learning for a broader group, including those of 18 to 24 and 64 to 75. For reasons of data availability, this report essentially focuses on the 25 to 64 age group. However, where available, it discusses groups that fall into the broader government definition, for example young adults who are neither employed nor in education or training (NEET).

In many OECD countries, adult learning has proved to be a challenging policy area involving complex problems of co-ordination (OECD, 2005[19]; Windisch, 2015[20]; Desjardins, 2017[21]). Portugal also faces these challenges, outlined below, and they are addressed throughout the report:

- **A lack of interest in pursuing adult learning is the main reason adults in OECD countries do not engage in learning**.

  In contrast to compulsory or higher education, the returns of adult learning are not well monitored and are not always clear. Furthermore, the barriers to participation are difficult to surmount (e.g. participation in adult learning is non-statutory and competes with other priorities, including work, family, etc.).

  Understanding why motivation for learning in adulthood is low, and raising awareness of the benefits of learning, is thus crucial. Equally, so is enhancing the rewards of learning by aligning education and skills policy with economic development and innovation policies, and removing barriers that limit access and success in adult-learning programmes.

- **Ensuring access and quality is complicated by the diversity and complexity of adult-learning systems**. In most countries, adult learning involves activities of different durations and intensity. Work-relevant or work-based learning may or may not be involved, as may formal education components and testing of the knowledge and skills acquired. The diversity of adult-learning systems has benefits: it allows the means and purposes of adult learning to reflect the diverse needs of adult learners. However, it can also make these systems difficult to navigate, especially for those with low skills.

- **Effective governance and financing mechanisms are needed to underpin adult learning.** However, both are often weaker than in other parts of the education and skills systems. Responsibility for adult learning is typically shared by several ministries or public agencies and different levels of government.

Adult-learning programmes are often provided by private and not-for-profit organisations, making monitoring more complex. Finally, by comparison with formal education or active labour-market policies, adult-learning policies tend to be piecemeal, and funding is limited.

The collaborative process of the Action Phase: Engaging stakeholders

A highly collaborative process was used to produce this report. The OECD team worked closely with the Portuguese National Project Team (NPT), which included expert advisors from the cabinet of seven ministers and the Prime Minister. Ministries represented included: Education (lead Ministry); Labour, Solidarity and Social Security; Science, Technology and Higher Education; Economy; Finance; Infrastructure and Planning; Presidency and Administrative Modernisation.

Input was sought from the NPT and stakeholders through six country visits between February and November 2017, including two workshops that each brought together about 80 participants from a range of sectors, including employers, unions, education and training providers, academia, community organisations, think tanks, government (at national and local level) and users of the adult-learning system (see table below and Annex D).

Table 1.1. Action Phase: engagement of Portuguese stakeholders

	Objectives	Participants
Kick-off seminar – Lisbon, 9-10 February 2017	Refine focus for Action Phase among ministers	Ministers and State Secretaries
Fact-finding mission – Lisbon, 22-24 March 2017	Map the current adult-learning system in Portugal	National Project Team and key government services
First stakeholder workshop and fact-finding mission – Lisbon, 3-5 May 2017	Understand barriers in the current system from stakeholders' perspective (including learners)	Diverse stakeholders
Fact-finding mission – 26-30 June 2017, Lisbon, Porto, Beja	Understand challenges in the provision of learning and the demand for skills	Employers, education and training providers, unions, etc.
Recommendations discussion mission, 9-10 October 2017	Obtain feedback on draft recommendations	National Project Team and key government services
Second stakeholder workshop – Coimbra, 10 November 2017	Obtain feedback on the implementation considerations for each recommendation	Diverse stakeholders

Other strands of work contributing to the Action Phase included comparative analysis on good practices in adult learning, which are included throughout the report. Additional tools developed to support the ongoing assessment of Portugal's adult-learning system include:

- a mapping of the current adult-learning system in Portugal (Annex A)
- a conceptual framework and potential key performance indicators, to help Portugal assess the performance of its adult-learning system (Annex B)
- a survey of participants in the second stakeholder workshop, on the relative importance of the recommendations and the key considerations for implementation (Annex C).

The input of stakeholders was instrumental in developing the report's recommendations and identifying the key considerations for implementation.

Highlights of stakeholder input

Overall, stakeholders agreed that no single issue can help improve adult learning in Portugal, but rather that improvements are required in the area of awareness, access and quality, governance and financing. Stakeholders attributed challenges in these areas to a combination of factors. These include: poor economic conditions, which reduce demand for skills and interest in investing in skills; the lack of a coherent adult-learning policy; inconsistent financing; and a complex patchwork of adult-learning programmes. Insufficient guidance and support helping learners to overcome barriers were noted as challenges particularly relevant for adults with low skills. Table 1.2 provides highlights of stakeholder perspectives in the four key themes discussed in this report.

As for possible solutions, the stakeholders who responded to the survey on implementation (see Annex C) rated each of the report's recommendations as "very important" or "essential" on a five-point scale. Strong consensus emerged on the importance of some recommendations, but the relative importance of others was debated. For example, all or most respondents, across various sectors, agreed that the quality of adult learning could be improved by performance monitoring and evaluation. They also noted the importance of better information to raise awareness of the benefits of learning. Opinions on governance and financing, however, varied widely. Non-governmental stakeholders, such as private companies and non-profit associations, for example, stressed the importance of financial incentives for learners and employers, and of both national and local governance bodies.

Table 1.2. Summary of stakeholder perspectives

General perspectives on adult learning in Portugal
• Further consensus about the notion of "skills" and the value of acquiring skills in adulthood is needed in Portugal. Portuguese citizens continue to value formal education qualifications more than skills or competencies. • Vocational education and training and learning in adulthood continue to be seen as options that are inferior to higher education, which is only accessible to a minority of individuals. • The lack of a coherent and long-term adult-learning policy limits improvements in the adult-learning system, despite progress in the past two decades. • The demand for skills appears to be limited, largely due to continuing high employment in some areas and low productivity and innovation in many firms.

Awareness	Access and quality
• Advanced technical skills and transferable skills (e.g. communication, management and "learning to learn" skills), are important but are insufficiently recognised. • Adults with low educational attainment tend to be less motivated to participate in learning, as are micro-enterprises. Many young adults are not interested in VET. • The motivation to provide employer-sponsored training tends to be lower in smaller than in larger firms. Not all firms have activities that require highly skilled workers. • Many factors influence adults' motivation to learn. These include how the adult-learning system is organised, whether broader public services (e.g. public transport, social support, etc.) are available to overcome barriers to access, and the economic context.	• The current system could be more accessible and flexible to attract low-skilled adults and help them succeed. • Dedicated financial support for adults undertaking learning above the secondary level and broader support (e.g. transport, social) could boost participation. • Employers noted the limited effectiveness of the regulatory regimes for employer-sponsored training. They also indicated a preference for tailor-made solutions. • The current regulatory framework could be more efficient and effective, for example the process to update the National Catalogue of Qualifications. Data collection exercises required of providers need to be streamlined, and these data need to be better used to assess performance and improve programmes.
Governance	**Financing**
• The lack of a clear "owner" of adult-learning policy weakens coherence in the adult-learning system. • Government efforts to engage local actors to improve collaboration and co-ordination could be improved, to help narrow the gap between national policy and local needs. • Local partnerships exist, but incentives for the sustained engagement of key players in these partnerships are limited, particularly for employers. • Stakeholders noted the importance of having well-identified governance bodies in charge of adult-learning policy to strengthen policy coherence. However, some pointed out that, to avoid duplication, the existing opportunities should be used to the extent possible.	• Fluctuations in funding have reduced the accessibility of learning opportunities. • Financial incentives to increase investments from individuals and employers are an area where most new government funding is needed. • Stakeholders noted that funding decisions on learning are highly centralised. This makes it difficult to use public funding for training solutions tailored to the particular location. Adult-learning providers are limited in their ability to adjust their staff and financial resources to respond rapidly and adequately to local needs.

Note: The summary of input on the four themes is based on the overall input received during the project. The views reflected in the implementation of recommendations reflect on average the views of the 38 respondents to the implementation survey (see Annex C for details).

Recommendations

The following recommendations have been developed using input from stakeholders and in close collaboration with Portugal's National Project Team. They offer specific advice and, taken together, provide a map for action.

Overarching recommendation

Develop a coherent adult-learning strategy that encompasses existing and new measures, and is aligned with other key economic policies.

Building on Portugal's existing policy efforts, lay out the blueprint for a coherent adult-learning strategy.

Key elements for consideration in such a strategy include:

- identifying the key skills important for Portuguese citizens, from early years to adulthood, to succeed in the labour market and in life.
- aligning Portugal's vision and goals for adult learning with other key policies, including basic, secondary and higher education strategies, economic development policies, such as Indústria 4.0, and other policies promoting innovation, productivity and job creation.
- ensuring the strategy is supported by sustainable financing and governance arrangements.

A consultative and collaborative process should be undertaken within six months of the completion of the Action Phase to secure broad support, and should:

- include consultation on Portugal's adult-learning policy with key national consultative bodies responsible for education, economic and social issues.
- engage all political parties to encourage broad-based support.
- engage national and local public service administration staff at all levels.

Awareness of value of skills and motivation for adult learning (Chapter 2)

1. Improve the collection, use and dissemination of information on skills performance and the returns to skills investments, building on existing tools.

This recommendation includes the following specific actions:

- Participate in Survey of Adult Skills (PIAAC), to generate information on skill performance and the returns to skills.
- Pursue the implementation and improvement of the current skills needs assessment and anticipation system (*Sistema de Antecipação de Necessidades de Qualificaçoes*, or SANQ).
    - Expand the use of SANQ to plan the adult-learning provision locally. Local networks (see Recommendation 8), should be involved in this work.
    - Improve the SANQ's governance, human resources capacity and funding for operations. This could be a priority for action of a skills council (see Recommendation 7).
    - Strengthen the reliability of SANQ assessments and projections through incorporating international best practices and undertaking complementary data collection exercises where needed (e.g., on specific regions/economic sectors, on SMEs and sectors that provide the most and the least training to better understand motivations and obstacles).

As part of complementary exercises, sectoral exercises would be important. One potential approach could be to establish sectoral commissions at the regional or local level, as needed, in specific sectors, involving relevant players from the education and training sector, government and industry. Such commissions could lead the annual diagnosis of training needs and alignment of the regional or local supply. They could be part of local networks (see Recommendation 8).

- Improve systematic collection and dissemination of data on the outcomes of adult learning, to raise awareness of its benefits:
    - Explore opportunities to construct a publicly accessible adult-learning database, following the approach of *Infocursos* for tertiary education and *Infoescolas* for secondary education.
    - Leverage existing data collection exercises that can shed light on the returns to adult-learning programmes (e.g. leverage data required for EU funds for policy and programme improvement purposes (see Recommendation 6, on a performance-monitoring framework and key performance indicators).
    - Expand data linking pilot projects across public institutions for policy purposes, and make key datasets (e.g. social security/tax information) available to researchers to enhance analysis of such data.

2. Improve the dissemination of information by launching a comprehensive communication campaign to raise awareness of the value of skills and skills investments and tailoring outreach for specific groups.

This recommendation includes the following specific actions, building on existing tools:

- Develop a multi-pronged, ongoing communication campaign, with a focus on proactive guidance tools.
    - The purpose would be to emphasise the value of acquiring skills in adulthood, and the range of available learning opportunities for different profiles of learners. It would also showcase the real-life impacts of learning such as successful personal experiences, as well as best practices in adult learning through national competitions/awards for employers. This, in particular, could encourage investment in training and highlight the benefits from the employers' perspective.

      This campaign should build on and further improve existing tools, such as the Qualifica Portal, and TV campaigns such as Minuto Qualifica, and interactive guidance tools such as the Qualifica Passport. Improvements should include: i) the co-ordination of different tools and sustainable funding to help strengthen the culture of lifelong learning over time in Portugal; ii) improved clarity and relevance of the information provided to different learners; and iii) the use of "nudge" strategies, such as the design of information provided strategically to prospective learners where they are likely to be receptive to it (e.g. providing adult-learning information for parents, and possible support to apply for a programme, at one-on-one parent-teacher meetings).

    - Measure the impact of communication tools over time, to ensure that those that are most effective are identified and maintained over time.

- Tailor information and communication approaches to reach key target groups.
    - These include the low-educated/low-skilled, unemployed and inactive adults, youth, especially those at risk and NEETs, employers and specifically SME and micro-enterprise owners and managers.
    - This tailoring of information should be based on understanding the needs of these groups, which requires adequate training of staff in Qualifica Centres and education and training providers (see Recommendation 6).

3. Enhance measures targeting the public administration and providers of social services, to raise awareness of the value of upskilling both for themselves and for their users.

This recommendation includes the following specific actions:

- Use the strategy of the Directorate-General for the Qualification of Public Servants (INA) to identify key skills needed in the public service, and raise awareness and motivation about the value of skills at all levels of government. This should include:
    - expanding approaches to identify skills needs at various levels and identify relevant training opportunities.
    - incorporating upskilling in the core business of public administration staff, e.g. through accountability tools.
    - developing incentives for staff to actively pursue training (e.g. job promotion opportunities, etc.).
- Develop training approaches tailored to local public and community services staff, to raise their awareness of the value of skills and upskilling, and raise their capacity to provide information and guidance to their clients about learning.
    - A large range of local services should be considered, including for example Qualifica and Public Employment Service (*Instituto de Emprego e Formação Profissional*, or IEFP) Centres, youth services, as well as other key social services (health, housing, etc.)
    - Incorporate a focus on raising awareness about the value of skills, and the provision of information and guidance, in the pre-service training required for adult-learning staff.

Access, quality and relevance (Chapter 3)

4. Improve the supply of high-quality, relevant and flexible learning programmes.

This recommendation includes the following specific actions:

- Assess the current provision of adult-learning programmes and identify where gaps need to be filled to raise the participation and improve the outcomes of key groups, in particular:

  - For low-educated adults, NEETs and the long-term unemployed: Ensure the availability of flexible opportunities that combine basic skills upgrading and work-relevant learning, in formats suitable to adults.
  - For employers, especially SMEs and micro-enterprises: Monitor existing programmes to ensure they reach a critical mass of SMEs and provide relevant training.
  - For young and medium-skilled adults: ensure that VET provision at both secondary and post-secondary levels is of sufficient quantity and quality, taking into account i) the urgent needs of certain economic sectors for skilled professionals (e.g. tourism), ii) the large number of young NEETs, and iii) the growing number of graduates from the vocational stream of secondary education (*cursos profissionais*) who may lack pathways to labour-market learning opportunities at the post-secondary level.

- Improve the quality of existing adult-learning programmes by filling gaps in provision and by funding models that demonstrate good results:
  - Leverage EU funding (e.g. develop Upskilling Pathways models) and provide targeted government funding to develop or scale up programmes that have shown positive results. Also pursue private funding through co-financing arrangement (see Recommendation 9 in Chapter 5).
  - Establish clear criteria for allocating funding, so that adult-learning programmes are designed or redesigned in a way that reflects good practice. This can be implemented when new measures are developed, or by including such criteria in calls for providers to design and deliver new programmes. These criteria may include a combination of the following, identified as good practice based on international evidence:

1. clear objectives and relevant performance-measurement approaches and indicators
2. strong justification for creating a new programme rather than using existing programmes (e.g. demonstrate existing gaps in the system, growing demand from employers and/or individuals that cannot be met with the current supply, etc.)
3. relevant content: as currently done in Portugal, combine provision of foundational and transversal skills training with technical/job relevant skills training. This includes expanding work-based learning opportunities, collaboration between different training providers (e.g. schools and employers) in the delivery of training, and involving local stakeholders in the design of adult-learning programmes, to ensure that they are relevant in the labour market.
4. effective and efficient delivery: Ensure all learning opportunities allow for flexible and modular approaches to address adults' time constraints and their potential need to stop and/or resume training at different stages; encourage co-location of services for more efficient delivery, etc.
5. transferability: Pathways and recognition mechanisms must allow movement and progression between new and existing programmes (see Recommendation 5).
6. Provide targeted financial and non-financial support to improve the access and success of disadvantaged groups. Also, ensure adequacy of broader support at the

local level (e.g. transport, child care) as a key enabling condition for the participation and success of learners.

5. Improve pathways and the coherence of the adult-learning delivery network.

- Assess the adult-learning delivery network in its entirety, to identify gaps and duplication, and adapt provision to the population density, client profiles and economic needs. This should involve an in-depth evaluation of the network's strengths and weaknesses, and areas where it can be more efficient and effective, which should be done in addition to the existing annual exercises conducted to plan for the provision of learning opportunities.
    - Build on approaches used by ANQEP to select Qualifica Centres, to ensure that the scale of provision reflects local population density, different client profiles and economic context.
    - Differentiate training provision based on the strengths of providers, and improve complementarities and synergies at the local level (e.g. by bringing together multi-disciplinary teams).
        - For example, providers with strong associations with local companies could assume a greater role in i) learning options that provide labour-market relevant skills, ii) improving access to work-based learning, and iii) facilitating the employment of learners after completion. Providers with a good track record in basic skills training should play a key role in delivering such training. Partnerships between these different providers are critical for ensuring that learners can benefit from the best-quality learning both in basic skills and in skills that are relevant in the labour market.
        - Efforts should meanwhile be made to maintain accessibility, for example by leveraging online learning options and providing supports for transportation.
    - Consider strengthening the role of polytechnics in providing adults with high-quality training, including both labour-market relevant and basic skills training.
    - Ensure the offer of VET for both youth and adults is coherent and easy to understand for users.
- Improve the assessment of clients' needs and matching learners to the right opportunities, to improve retention and completion:
    - Build on the Qualifica Passport and international best practices to develop advanced ways of determining user needs.
    - Ensure adequate training of adult-learning staff (see Recommendation 7).
- Develop or strengthen pathways between programmes.
    - These include pathways between different programmes, to allow low-skilled adults to progress between different programmes as they gain higher levels of skills. For example, this can include pathways allowing progress from basic skills provision and secondary school level, e.g. education and training courses for adults (*Educação e Formação de*

Adultos, or EFA), and certified modular training (*Formação Modular Certificada*, or FMC) onward to post-secondary, non-tertiary options, e.g. technical specialisation post-secondary non-tertiary vocational courses (*Cursos de Especialização Tecnológica*, or CET) and then to tertiary education, e.g. short-cycle tertiary education courses (*Cursos Técnicos Superiores Profissionais*, or CTeSP) and bachelor-level education.

6. Strengthen quality assurance, including by developing a performance-monitoring and evaluation system and a set of key performance indicators.

This recommendation builds on Portugal's existing work implementing the European Quality Assurance in Vocational Education and Training (EQAVET) framework and the new system to monitor the activities of the Qualifica Centres. It includes the following specific actions:

- Establish a performance-monitoring and evaluation framework for the adult-learning system, to articulate objectives, inputs, processes, outputs and outcomes.
    - Select a specific organisation with adequate resources to lead this work, ensuring that it complements and does not duplicate existing work. A skills council may, for example, lead this type of work (see Recommendation 7).
    - Based on international best practice, including EQAVET work, develop a limited set of key performance indicators that can be monitored publicly.
        - Include: i) core indicators common to all programmes and relevant to the adult-learning system (see Annex B for concrete examples), and ii) indicators tailored to specific programmes with different goals and learner profiles.
        - As a condition of receipt of public funding, require regular and comparable third-party evaluations for adult-learning programmes, to increase understanding of their impact, challenges and practices that work, allowing progress over time.
- Streamline and strengthen the quality-assurance system:
    - Simplify the reporting requirements required of service providers by:
        - co-ordinating data collection across ministries (e.g. single request)
        - requiring submission through a single and simple digital system
        - reducing the data requirements, focusing only on indicators relevant to the performance-monitoring and evaluation system.
    - Shift to a risk-based auditing approach: Dedicate resources for more frequent on-site audits in institutions that perform less well, based on the results of the performance-monitoring and evaluation system.
    - Reduce the number of institutions in charge of quality assurance for adult learning, or establish requirements to align practices across institutions.
    - Provide appropriate financial and human resources for institutions in charge of quality assurance.

- Ensure that adult-learning professionals are available in sufficient numbers, with the appropriate skills:
    - Identify the current supply of adult-learning staff compared to anticipated staffing needs once the ramp-up of Qualifica Programme is complete.
    - Encourage effective hiring and training practices to ensure that the adult-learning workforce has the right level and mix of skills for a variety of clients (including employers) and needs (e.g. teaching, but also guidance).
    - Make sure ANQEP continues to develop summative and formative evaluations of the Qualifica Centres, and extend this model to other organisations providing career management and training. This could involve legislative changes to allow the ANQEP to take on such role, and require additional resources for such task.
    - Engage in peer learning with countries requiring certifications for adult-learning providers, to assess the benefits and drawbacks of such models.

Governance

7. Set up dedicated governance bodies to oversee adult learning: a permanent inter-ministerial team and a permanent group within an existing multi-stakeholder institution.

- Make the National Skill Strategy project team, which involves seven ministries and four national support organisations, a permanent body.
    - Select an appropriate ministry/centre-of-government agency for the new Skills Team to report to.
    - Include a mechanism for consulting local-level entities involved in the planning of adult learning, such as CIMs, on a regular basis.
- Consider creating a permanent skills council to steer adult learning taking a whole-of-government and whole-of-society perspective over the long term.
    - Ideally, position this group in an existing national advisory body that has a secretariat and that involves participants from both government and stakeholders, to avoid reduplication of governance bodies.
    - Consider the Co-ordinating Council of the System for the Anticipation of Skills Needs (SANQ) created in 2014, due to its core stakeholder participation within and outside government, but also make it responsible for monitoring results and reporting to the public.
- For these two bodies:
    - Ensure an appropriate legislative basis and clear mandate for action, with public accountability requirements.
    - Provide dedicated budget and staff support.

8. Reinforce existing local networks at the municipal level, or develop new ones, to address current and future needs for skills that align with the local economic development context.

- Create or activate an appropriate number of local networks throughout Portugal for regular collaboration between local actors, including municipalities; intermunicipal communities; parishes; local enterprises; local trade unions/employee representatives; chambers of commerce; sectoral councils for qualifications; social service providers; community organisations; education and training providers, etc.
- The purpose of such networks would be to ensure a forum where key actors can:
    - Work with partners involved in implementing Portugal's system of skills assessment and anticipation (SANQ). Assess both short- and longer-term economic and labour-market needs in the local area (e.g. both immediate shortages reported by employers and the need to grow human capital to move up global value chains).
    - Develop plans to align local supply with identified needs.
    - Seek to maximise policy synergies by, for example, ensuring that funding targeted to regional development, both national and from the EU, take into account skills needs. Conversely, ensure that skills initiatives and funding support economic development.
- Wherever possible, use an existing local organisation to host and co-ordinate such local networks, and allocate dedicated funding to support the work of these organisations to strengthen adult learning (e.g. for a small secretariat staff). This funding should be linked to the relevant performance indicators.
    - The *Rede* Social is an example of a local network bringing together several community associations that, together with local education and local youth councils, could form a basis for establishing such a network.
    - Special attention should be paid to securing representation from the demand side (employers and industry associations).
- Develop a governance structure for the network (e.g. select a single co-ordinating organisation) and targeted incentives, to allow all key stakeholders, and employers in particular, to participate in these local networks (see Recommendation 9 on "skills financing pact").
- Pilot the approach in two or three local areas for 12 months, then undertake an evaluation before expanding the model.

Financing

9. Establish a stable and quality-oriented funding model through a "skills financing pact", including targeted financial incentives for learners, employers and providers.

As a first step, develop an inventory of funding sources (national, EU, employer expenditure, individuals' expenditure), annual amounts and allocation methods for distributing this funding to education and training providers or end users.

- Analyse the distribution of funding according to regions/local areas, demographic characteristics of learners/employers covered, and the types of programmes.

- Identify initiatives with greater potential for co-financing with employers.

Develop a "skills financing pact" signed by government and social partners that establishes a multiyear (e.g. five-year) funding commitment that would be subsequently renegotiated. This pact would lay out:

- The respective roles of various actors in financing adult learning, including EU, national and private sources, and notional amounts to be contributed, either as a requirement (e.g. from the state budget) or as an "aspirational target", in the next five years.
- Any co-funding requirement that could condition new employer-focused subsidies to a specific financial contribution from employers. Such requirements could vary based on company size and other factors.
- The types of priority initiatives to be funded, in line with evidence-based need and broader policy goals.
- The types of entities eligible for funding, including individuals and employers.
- High-level criteria and procedures for allocating funding to eligible entities, with a focus on incentivising quality provision and co-operation (see next section).
- Provisions to ensure funding to cover the delivery of programmes, administrative costs and provide flexibility for managing human and financial resources at the local level. Some funding may also be set aside for research and development in adult learning to test innovative practices.
- The pact should reflect the key objectives of the adult-learning policy and the performance-monitoring framework. Robust monitoring of programmes is critical for assessing the returns on investment made through the pact.

The pact should include incentives for providers to promote quality and co-operation:

- Review the "+23 route" and assess the size of the demand of adults for higher education. Incentivise universities and polytechnics to i) adjust the number of places for adult learners to meet demand, and ii) provide support services to increase the access, retention and success of adult learners.
- Ensuring funding to providers for expanding the CTeSP can serve a larger and more diverse population and address current gender and age imbalances. This funding could also help build bridges with providers that deliver adult learning at lower skill levels and may serve adults who may choose to pursue higher education in future.
- Use funding levers to promote an adequate supply of adult-learning opportunities, based on a robust assessment of skills demand now and in the future.
    - Levers might range from targeting new public incentives towards programmes that serve specific populations, to performance contracts, or the regulation of new publicly funded training programmes (e.g. by conditioning public funding for new programmes on meeting certain criteria – see recommendation 4 on high-quality programmes).
    - Funding should also be used to support the system as a whole, for example to promote strategic partnerships that support the alignment of skills supply and demand, such as local networks.

- Assess how providers of non-formal learning, ranging from employers to social organisations, might be incentivised to provide quality training:
    - Better target employer incentives (see Recommendation 10).
    - Ensure that funding for social/community organisations supports high-quality, relevant training, and is coupled with relevant accountability mechanisms (see Recommendation 6 on key performance indicators).

10. Introduce targeted financial incentives for employers (specifically small and medium enterprises) and individuals (specifically disadvantaged groups) to encourage provision of, and participation in, training.

- Review the effectiveness of current incentives.
    - Assess the impact on the productivity of both individuals and companies of incentives, and whether training would have been undertaken even if the subsidy had not been provided.
    - Analyse the impact of the tax system, including the structure and progressivity of the personal income tax and the amount of social security contributions on the returns to skills (and thus the incentives whether to upskill), and on the willingness of individuals to supply skills to the labour market.
- Consider larger and more targeted subsidies, using best practice to guide the amount and mechanisms used. Targeting should focus on:
    - employers who provide the least training and individuals who participate the least.
    - encouraging the provision and take-up of skills training with potentially broader and longer-term effects (e.g. foundational and transversal skills).
    - encouraging training in sectors of high demand that are aligned with the country's economic development goals, including those where shortages currently exist or are expected to emerge in future.

When developing new incentives, involve individuals from target groups, to better understand their motivation and increase effectiveness.

- Strengthen complementarities between employment and training incentives for the unemployed.
    - Consider coupling current targeted hiring subsidies provided through the public employment and vocational training service (IEFP), such as those targeted to youth, the low-skilled and the long-term unemployed, with incentives for employers to also train these individuals.
- Combine financial incentives with non-financial support (e.g. information, guidance, staff capacity for advising target client groups).
- Consider linking public procurement policies with requirements for successful bidders, to provide a specified amount of work-based training, such as apprenticeships, internships and other options, especially in sectors with shortages/tight labour markets.

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Chapter 2. Raising awareness of the value of skills and of adult learning in Portugal

Adults in Portugal, especially those with low education levels, continue to report low levels of motivation for further learning, despite the progress made in the past decade.

This chapter includes three parts. The first reviews the potential reasons for the low motivation among Portuguese adults generally, and low-skilled adults in particular, to pursue learning in adulthood. The report argues that a better understanding of these motivational barriers is critical to designing and implementing more effective adult-learning policies.

The second part focuses on how to raise awareness of the value of skills and of adult learning as a key approach for overcoming low motivation. Policy examples are provided to address low awareness of the value of skills and of adult learning: improving the collection and effective dissemination of information, providing more tailored guidance services, and strengthening the role and capacity of local services in raising motivation, particularly among unemployed and inactive adults, those with low qualifications and low skills, youth at risk and neither employed nor in education or training (NEETs) and owners and managers of small and medium enterprises (SMEs).

The third part offers recommendations for raising awareness of the value of skills and of adult learning.

Summary of stakeholders' views:

- The need for advanced technical skills as well as transferable skills, such as communication and management skills and "learning to learn" competencies, was noted as important to Portugal's current and future economic success, but as insufficiently recognised by society.
- Low motivation for learning was identified as particularly problematic for low-educated individuals and SME owners and managers. Concerns were expressed about young adults' lack of interest in vocational education and training.
- Motivation to provide employer-sponsored training varies among economic sectors and based on firm size. The demand for highly skilled workers also seems to be concentrated in certain economic sectors. In other sectors, the demand for skills is low.
- Motivation to learn is influenced by the way the adult-learning system is organised, the availability of broader public services (e.g. public transport, social supports, etc.) and the economic context. High staff turnover in Portugal's adult-learning centres (Qualifica Centres), especially among non-teaching staff such as psychologists, was raised as an example of organisational challenges. In addition, in areas where unemployment remains high, individuals may lack the incentives to participate in adult learning, given that they expect low rewards in the labour market.

Despite improvements in recent years, low motivation is still the main barrier to raising participation

Participation in adult learning could improve

The participation rate in adult learning is close to the European Union (EU) average. In 2017, 9.8% of adults responded that they had participated in some adult learning in the previous four weeks in 2017, compared to a EU28 average of 10.9%. However, this is low compared to top performers, such as the Nordic countries, and as noted earlier, this could be higher given the large number of low-skilled adults in Portugal.

This rate represents a large improvement from a decade ago. In 2007, only 4.4% of adults reported having participated in learning in the previous four weeks, whereas the EU average was 9.2%. Several factors appear to have contributed to the rapid increase in participation during these years. As will be discussed later, in 2009 Portugal introduced legislation requiring employers to provide 35 hours of professional training to their employees annually. In addition, the government's New Opportunities Initiative (*Iniciativa Novas Oportunidades*, or NOI), in operation between 2005 and 2013, helped a large number of adults participate either in processes that recognised their prior learning (*Reconhecimento, Validação e Certificação de Competências*, or RVCC) or in training. By 2010, over 500 000 adults had participated in some form of adult learning through the NOI, the majority by completing RVCC.

Participation peaked in 2011 and then decreased as noted in the previous chapter. This corresponded with a drop in the supply of learning opportunities from 2011 and the end of the NOI programme in 2013. From 2013 to 2015, participation rates stabilised, at slightly below 10%. It is too early to analyse the results of the Qualifica Programme,

launched in early 2017, but data collected to date suggest that the programme is a promising attempt to increase participation, as noted in Chapter 3.

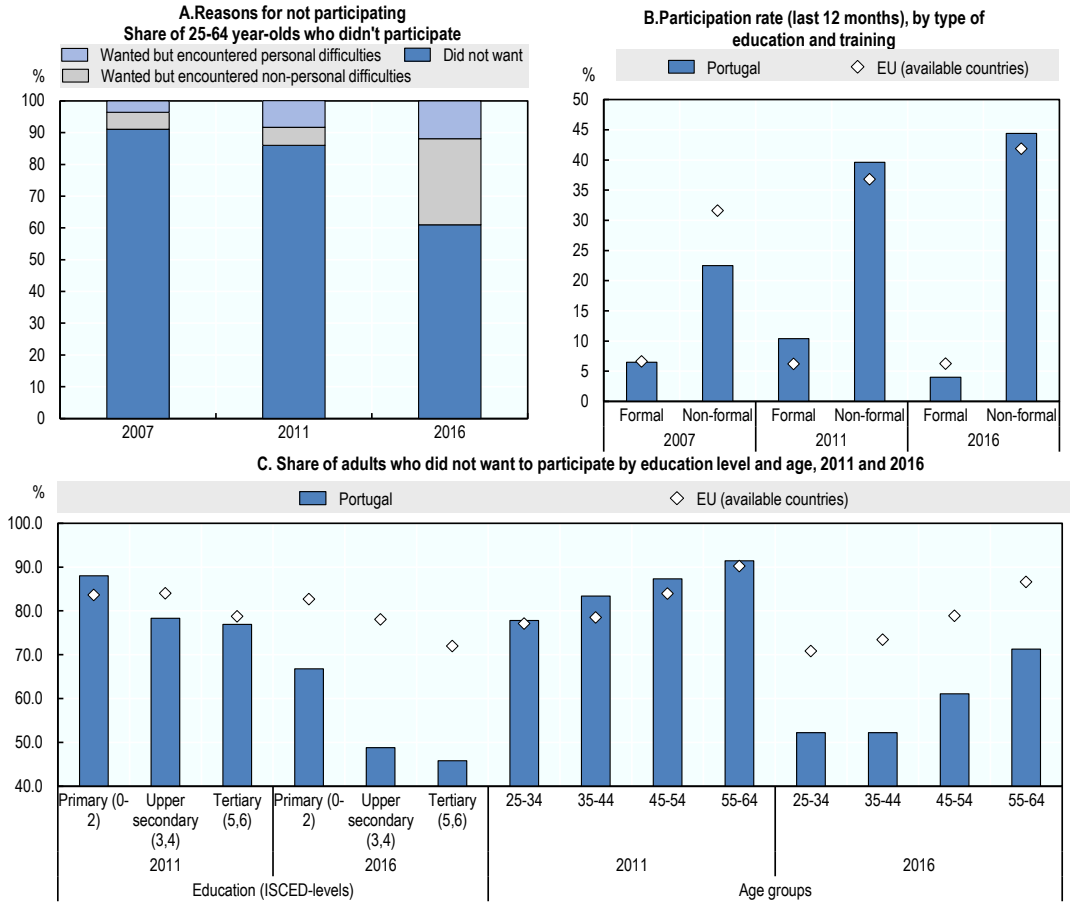
The low-skilled are the least willing to participate in adult learning

In Portugal, as in other European countries, the main reason cited for not participating in adult learning is, overwhelmingly, a lack of interest. In Portugal, three out of five adults who did not participate in adult learning indicated in 2016 that the main reason for this was that they were not interested in pursuing it. For other European countries, this lack of motivation is even more prevalent. Almost four out of five non-participating adults gave lack of interest as their main reason for not participating.

Lack of motivation is still a major barrier for participation in Portugal, despite the significant progress made in recent years. In 2007, more than 90% of non-participating adults cited a lack of desire to participate as the main reason, and in 2011, this share was still 86% (compared to 83% for EU28). This fell to 61% in 2016, compared to about 80% for EU countries, with data available at the end of 2017. This notable increase in willingness to participate may reflect the lack of other opportunities, given the weak labour-market opportunities after the economic crisis. It may also indicate a heightened awareness of the value of learning in Portugal.

However, this increase in willingness did not translate into a similar jump in participation rates in the 12 months[1] preceding the survey (Figure 2.1). In fact, participation in formal education has decreased in recent years, offsetting an increase in non-formal adult learning. Further, some stakeholders noted that the recent recovery of the economy – and especially the large number of jobs created in the tourism sector in the past two years – may have resulted in more adults giving up learning or not pursuing learning, in favour of immediate access to employment – even if it was low-skilled or precarious work. These trends highlight the relevance of other barriers to adult learning, in addition to low motivation, which will be discussed in Chapter 3.

Figure 2.1. Participation rate and reasons for not participating in adult learning in the last 12 months



Note: EU averages in Panel B and Panel C are based on available countries in 2016.
Source: Eurostat (2018), *Adult Education Survey 2016*, trng_aes_100, trng_aes_195, trng_aes_196, trng_aes_197.

StatLink http://dx.doi.org/10.1787/888933711845

Like participation rates, motivation varies significantly according to age and education levels. In Portugal, the gaps are particularly large, compared to other European countries, between those with the low and high skills, and between younger adults (under 44) and older adults. Changes in the type of learning pursued are also interesting: between 2007 and 2016, participation in informal learning, which represents the main channel for participation in adult learning, has continued to grow. By contrast, participation in formal learning declined. Several factors are likely at play behind this trend: while the availability of formal opportunities may have declined during the cut in the budget for adult learning after the crisis (see Chapter 5, Table 5.1), there may be other reasons for the increased interest in non-formal learning. One likely driver is the rise in employer-sponsored training after the requirement, noted earlier, that all employers provide training to their employees. Other explanations might include adults' preference for more flexible learning options.

Understanding low motivation is critical for designing effective policy

Expected economic benefits and legal requirements play a key role

Motivation to participate in adult learning is influenced by both intrinsic and extrinsic factors.

Table 2.1. Motives for participation in adult learning

Intrinsic Motives	Extrinsic Motives
Epistemic (learning for its own sake)	Economic benefits
Socio-affective (search for interpersonal relationships)	Prescribed by a third party
Hedonic (being in educational setting)	Derivative (participation to avoid other situations)
	Professional-operational (wanting to acquire professional skills)
	Personal-operational (wanting to acquire skills for activities outside the workplace)
	Vocational (demand for skills or symbolic recognition to obtain, preserve or evolve in a job)
	Identity-based (demand for skills or symbolic recognition of one's identity/improving one's status)

Source: Rothes, Ana et al., "Motives and beliefs of learners enrolled in adult education", *Procedia – Social and Behavioral Sciences* No. 112 (2014), p. 940.

Studies from France and Portugal suggest that extrinsic motives are particularly strong for some groups, including men, adults with lower qualifications and unemployed adults (Rothes, Lemos and Gonçalves, 2014[1]; Duarte, Pires and Nobre, 2017[2]; Carré, 2001[3]). At the same time, these groups also display low intrinsic motivation. These findings raise particular challenges for Portugal:

- **There remain challenges in the labour market that can be a disincentive for learning.** Despite the drop in the unemployment rate in the past two years, the labour market in Portugal still faces challenges. In 2016, the rate of long-term unemployment was 55.4%, as opposed to 30.5% on average in the OECD. Labour under-utilisation, a measure that combines unemployment, inactivity and involuntary part-time work, is high (22.2%, compared with 14.6% on average in the OECD in 2015). Average earnings remain low, at USD 8.6 per hour versus USD 16.6 on average in the OECD in 2015 (OECD, 2018[4]; OECD, 2018[5]).
- The impact of poor labour-market prospects on adults' willingness to participate in learning is not clear. On the one hand, poor prospects can reduce the motivation of those hoping to secure employment or increased earnings. However, Portuguese adults' greater reported willingness to undertake learning over the period 2011-2016, and the low increase in participation, suggests that more complex issues are at play. It is possible that individuals are expressing a general interest in learning, but only decide to engage if they consider the investment worth it", and if they face few barriers.
- **Sanctions may increase participation without raising motivation.** In 2016, almost 20% of Portuguese adults already participated in learning and did not wish to continue, a figure slightly below the EU average of 25%. This is an improvement from 2011, when 31% of individuals reported that they were not willing to continue. Still, this leaves many participants in adult learning in

Portugal who may have participated for reasons other than their own intrinsic interest. Two reasons may explain this situation: recent changes to employment protection legislation and active labour-market policies (ALMPs) have made receipt of benefits more stringent and conditional on participation in some form of training or work experience (OECD, 2017[6]). Further, since 2009, employers have been legally required to provide at least 35 hours of training annually to their employees. This could explain that in 80% to 90% of cases, it is the employer and not the employee who initiated training activities (Ministério do Trabalho, 2017[7]). While employer engagement in providing training is helpful, there is room to encourage employees' interest in adult learning.

- **Extrinsic motivation is less effective than intrinsic motivation.** Individuals motivated by extrinsic factors tend to have low levels of persistence and may require additional supports to avoid high dropout rates (Rothes, Lemos and Gonçalves, 2014[1]). By contrast, intrinsic motivation is found to have a positive impact on persistence, concentration, the use of deep-learning strategies, time management and higher grades. Strategies to increase awareness should thus emphasise the value of learning beyond immediate labour-market outcomes, to reinforce intrinsic motivation to learn and to improve outcomes.

  Several studies identify certain characteristics of learning in adulthood that can increase motivation both to start and to complete adult-learning programmes. These findings, briefly outlined in Box 2.1, should be considered when considering the quality of adult-learning programmes, discussed in Chapter 3.

Box 2.1. Adult learners' engagement with learning and implications for policy responses

The role of self-confidence. Adults tend to display higher levels of engagement and self-efficacy than younger learners (Beder et al., 2006[8]; Santos et al., 2016[9]). In research conducted in the United States, workers' confidence in their ability to increase their productivity through training was found to increase their willingness to sign training contracts with their employers that contain pay-back clauses if they quit their job (Hoffman, 2011[10]).

"Reciprocity" attitude: In research conducted in the Netherlands, workers who have reciprocal attitudes (i.e. who are willing to return a favour) have a higher training rate than those with low reciprocal attitudes. In other words, those who favour reciprocity are willing to participate in training offered by their firm, even if they do not see an immediate benefit for themselves. The strong, statistically significant relationship found in the study suggests that important attitudinal elements are also at play in training decisions (Leuven et al., 2005[11]).

Potential implications for Portugal. In some sectors and firms, leveraging employees' attitudes and organisational culture may be a cost-effective way to increase adult learning. For example, Portuguese employers in such firms or sectors could consider testing arrangements such as contracts with pay-back clauses, or provide information about learning opportunities that are available within their firm or sector.

Employers' motivations depend on immediate needs and expected returns

In the course of this project, the views of Portuguese employers were solicited to help understand their motivation for providing training. In interactions with large employers or umbrella associations representing SMEs in the Lisbon and Porto areas, as well as from some employers in Alentejo, several insights were identified:

- The size of companies has a key influence on the perceived value of investing in learning. As will be shown in the next chapter, large employers invest more, while many representatives of SMEs noted that training was typically provided as a response to legal requirements, and seldom viewed as a productive investment.
- In some cases, adult learning was viewed as a way to deal with specific labour shortages in given sectors and regional areas at a given time (e.g. seasonal work in Alentejo).
- The incidence of training also varies by economic sector. Some companies in advanced manufacturing that are well-integrated in global value chains saw the upgrading of their workforce as the key to expansion and business development. As shown in the following chapters there is also more training in sectors where the workforce is on average more educated.
- The institutional context also plays a key role in motivating employers to provide training. Employers encountered during the project indicated that they needed the freedom to design customised training (*formação à medida*), often in partnership with sector-specific training centres. At the same time, several noted that they had already provided substantial financial contributions to professional training, as will be discussed in Chapter 5, and needed the government's financial support to complement their own investments.

These insights indicate the potential for a trade-off between employers' immediate needs and motives for providing training on the one hand, and, on the other, the potential interest of employees and the government in obtaining or promoting the acquisition of transferable skills to boost adults' long-term employability. These different types of motivation need to be addressed by policy measures, both financial and non-financial.

Awareness-raising measures, for instance, need to stress the value of upskilling to address both immediate business needs and the productivity of Portugal's workforce in the longer term. Designing programmes, as discussed in Chapter 3, must consider the relevance of training opportunities both for employers and for learners. This might involve combining work-relevant components that benefit employers and their firm's productivity, as well as basic skills training to enhance trainees' long-term employability. Other mechanisms can also help balance these goals, as will be discussed below. These include governance bodies involving employers, such as the 16 Sectoral Qualification Councils, in the design of adult-learning programmes, as well as targeted financing mechanisms and incentives.

Better understanding employers' motivation can help increase employer engagement in adult learning and build successful demand-driven systems. In several countries, policy makers have shifted their focus from a mainly supply-oriented approach to skills development to stimulating employer demand for skills. This is done in particular by encouraging an increase in the skills content of jobs (Buchanan, Anderson and Power, 2017[12]). Demand-driven approaches, however, may not succeed if the employers that the government targets for building partnerships to promote participation in adult learning are not motivated to move up the value chain (Payne, 2011[13]). Experience from countries

trying to create "skills ecosystems" suggests that public policies are more likely to have an impact if the employers targeted for strategic and longer-term partnerships appreciate the benefit of training for their own growth strategy.

Improving motivation by raising awareness of the value of skills

Countries with well-developed adult-learning systems, such as Nordic countries, Germany, the Netherlands and several Anglo-Saxon countries, place a strong emphasis on raising awareness for adult learning through the use of multiple policy levers. To do so, they use approaches such as providing high-quality information on learning opportunities and creating strong linkages and pathways between adult-learning activities and the mainstream education and training system (European Commission, 2012[14]; Desjardins, 2017[15]).

The next section reviews examples of policies and practices for three strategies, reflected in the chapter's recommendations: the systematic collection of data on skill levels, the returns to skills and the outcomes of learning programmes.

Better information is needed about skills and the returns to learning

Mechanisms for measuring skills are needed

The Portuguese government has committed to participating in the next round of the OECD Survey of Adult Skills (a product of the Programme for the International Assessment of Adult Competencies [PIAAC]). These data will furnish a wealth of information on the skills of the Portuguese population in literacy, numeracy and problem solving in a technologically rich environment. It will be useful for critical analyses, from assessing the labour-market outcomes of individuals at different skill levels and the skills of individuals who have different types of qualifications.

Information on the skills performance of adults and the returns to skills would complement the information Portugal already has in terms of the returns to education. It will also allow more detailed assessment of the skill levels of different population groups (e.g. by age, gender, labour-market status, socio-economic background, educational attainment, etc.). This, in turn, will help target, shape and improve Portugal's education and training programmes. For example, it will help assess the specific skills where focus is most needed (e.g. literacy, numeracy or problem solving), and refine the demographic groups where the need for skills is most necessary. The opportunity to measure skills can also be helpful, using such tools as the OECD Education and Skills Online. These tools can help measure the level of skills of target populations and the impact of educational and training programmes, helping to direct investments where they add most value. It could also contribute to greater consensus in society at large on the importance of updating one's skills throughout life.

Portugal could reinforce its tools for assessing skills needs

The accelerated pace of economic and social change driven by digitalisation and globalisation leads to a paradox. On the one hand, countries need better skills anticipation systems for preparing for the future, as past experience quickly becomes obsolete. Meanwhile, this rapid change increases the difficulty of predicting which skills will be necessary for individuals to succeed at work and in life.

For example, in Portugal, perceptions diverge on the extent of skills mismatches. On the one hand, workers reported a low rate of mismatch in 2010, below the EU27 average (OECD, 2016[16]). By contrast, 35% of employers in Portugal reported difficulties filling job vacancies in a 2016-2017 Manpower Group survey. This figure was below the average of the 43 countries that participated in the survey (40%), but above that of France (23%), Spain (26%), or Italy (31%) (Manpower, 2017[17]).

OECD estimates also suggest that Portugal is a country with one of the highest shares of overqualified workers, at 25% (2017, p. 93; 44[18]). Yet, some caveats must be borne in mind. These calculations mean that 25% of workers had a higher educational attainment than the modal (most common) level of education in that particular occupation. The low attainment rate of older Portuguese adults may thus contribute to this high rate of over-qualification. In addition, Portugal continues to lag behind other European countries in terms of tertiary attainment, which is important to pursue to support the long-term capacity of the country to strengthen productivity and innovation. The share of tertiary graduated among 30-34 year-olds rose by 17 percentage points between 2005 and 2016, much more than the average 11 percentage-point increase in the European Union. However, in 2016, the attainment rate for this group was still lower in Portugal than on average in the EU, at 34.6% versus 39.1% (Eurostat, 2018[19]).

To anticipate skills needs and to better align the supply of skills with labour-market demand, OECD countries have developed various types of skills assessment and anticipation exercises. These often face various issues in implementation, such as a lack of reliable data and the lack of financial and human resources for these exercises (OECD, 2016[16]).

In Portugal, the system for anticipating the need for qualifications (*Sistema de Anticipação de Necessidades de Qualificações*, or SANQ), created in 2014, is the main system for assessing skills needs and planning the delivery of vocational courses (see Box 2.2). At present, this system only involves youth, i.e. the planning of secondary-level vocational education and training courses. The SANQ is co-ordinated by the National Agency for Qualifications and Vocational Education and Training (*Agência Nacional para a Qualificação e o Ensino Profissional* or ANQEP) and includes a consultative board that includes the Public Employment Service (*Instituto de Emprego e Formação Profissional* or IEFP), representatives of workers and employers, and also involves technical assistance from the International Labour Organization (ILO).

Box 2.2. The functioning of the SANQ

- **A diagnostic exercise** assesses skills needs for Continental Portugal at the NUTS (Nomenclature of Territorial Units for Statistics) II regional level, as follows:
  - a retrospective assessment of labour-market trends associated with qualifications in the National Catalogue of Qualifications (*Catálogo Nacional de Qualificações*, or CNQ). The indicators used measure the share and number of jobs requiring each qualification, and their growth.
  - a forecast of the demand for each qualification. This involves quantitative data from questionnaires to employers, forecasts from the European Centre for the Development of Vocational Training (CEDEFOP) of skills supply and demand and data from the employment services (IEFP) regarding employment offers registered in the employment centres. A complementary exercise uses qualitative information, such as interviews and focus groups, to ensure a more detailed analysis that takes into account sectoral and regional dynamics.
- **A planning exercise** establishes priorities and criteria for the provision of vocational training for youth, namely apprenticeship courses and upper secondary vocational courses.
- **Both exercises are conducted at sub-regional level:** The National Agency for Qualifications and Vocational Education and Training (ANQEP) leads the work at the NUTS II level, and several intermunicipal communities (*Comunidades Intermunicipais* or CIMs) at the NUTS III level.

  Since 2013, the CIMs have been responsible for ensuring co-ordination among municipalities, and between municipalities and central government, in matters of education and professional training. Of the 23 CIMs in Portugal, 12 were engaged by ANQEP in 2015 to pilot the implementation of the SANQ at the sub-regional level (NUTS III).

As a new initiative, the SANQ faces several challenges, including an uneven commitment at the political level, a need for co-ordination between all relevant agencies and a lack of human resources with the relevant knowledge and experience (OECD, 2016[16]).

The scope of the SANQ could be expanded. It now focuses on youth, specifically on the supply of vocational courses at secondary level and on apprenticeship courses. It would be worth extending its mandate to guide the supply of adult-learning opportunities. The reliability of the data and the methodology could also be increased. Taking a stronger sectoral approach, through regular involvement in assessment and anticipation exercises of key actors from a particular economic sector (e.g. tourism), could help identify and meet sectoral needs at the local level.

One issue that emerged during the project is that the result of the SANQ exercises have not always been well co-ordinated with the results of other anticipation exercises. Possible solutions include improving the methods used: enlisting independent bodies, such as universities, for data collection and treatment, continuing participation in international dialogues, such as through the CEDEFOP Skills Forecasting Network, of which ANQEP is a member, encouraging the integration of all the anticipation exercises

currently conducted in Portugal, and offering employer and worker organisations a better-defined, more active role (OECD, 2016, p. 74[16]) Investment in economic models for enhancing forecasts has also been attempted in other countries, as the Canadian example shows (see Box 2.3).

Box 2.3. The Canadian Occupational Projection System

Employment and Social Development Canada (ESDC) uses *i)* the models of the Canadian Occupational Projection System (COPS) and *ii)* Canada's National Occupational Classification system to develop projections of future trends in the numbers of job openings and the numbers of job seekers by occupation at the national level. The COPS is a set of economic models for developing macroeconomic and industrial scenarios, and forecasts of national trends in level, composition and sources of supply and demand for labour, broken down by occupation and industry.

Scope of projections: The projections identify occupations that may face labour shortages or labour surpluses in the medium term. This helps the government design immediate solutions (e.g. identifying migration opportunities or developing short-term worker training schemes) as well as long-term policy orientations (e.g. developing apprenticeship programmes in certain fields). The latest projections span the 2015 to 2024 period. Projections were developed for 283 occupational groupings that cover the entire labour force.

Information for the public: Users can find resources at various levels of sophistication and detail on ESDC's website and from the Job Bank, a one-stop portal for job search and learning and labour-market information. They can search for summaries of projection results by occupation or industry; detailed projection results by occupation or industry, including information on the factors that are expected to influence occupational labour markets, such as demographics, labour force participation rates by age group and level of education; and synthesis documents covering the major components of the projections, i.e. the economic scenario, the industrial breakdown of economic activity, job openings by occupation, job seekers by occupation and projected labour-market conditions by occupation.

The Job Bank provides an interactive experience for users, tailoring the information to users' interests. Additionally, new features such as the Job Bank's Job Match service for employers reinforce the role that this tool can play in providing detailed and timely labour market-information.

Source: (Government of Canada, 2018[20]; OECD, 2017[21])

Opportunities exist to better track the returns of learning of adults

Stakeholders consulted during the project noted that Portugal collects a large amount of data on education and the labour market. The Ministry of Education and the Ministry of Labour, Solidarity and Social Security, and their key agencies, as well as the Agency for Development and Cohesion (AD&C), which is responsible for reporting on the use of European structural funds, together collect a wealth of data. This includes information about the number of participants in various programmes, thanks to a unique number

assigned to an individual that is used throughout their education and training. Some background information on participants, such as age, gender and previous education, is also collected, although information on their background, such as employment status, family income and other socio-economic variables, is limited.

Information is collected on the activity levels of training providers, including the number of users who access and complete learning programmes. The Ministry of Education's SIGO system (*Sistema Integrado de Informação e Gestão da Oferta Educativa*, or Integrated system of information and management for education) gathers much of this information. It is already being used as *i)* the main source of data on non-tertiary education; *ii)* a source of information to feed the user-focused Qualifica Passport; *iii)* a tool for issuing the certificates that learners obtain after completing learning. As of spring 2017, the ANQEP uses the SIGO to provide monthly reports on providers and learners to the Qualifica Centres. The Qualifica Centres can use these data to monitor and improve their own performance, while the ANQEP monitors overall activity against planned goals.

However, stakeholders consulted during the project stressed that there is a lack of consistency in how adult-learning providers enter information into the SIGO system, for various reasons (e.g. multiple reporting requirements, use of paper over digital tools for reporting, etc.). Efforts are under way to improve the integration of the different platforms in collaboration with the IEFP and two large private-sector training providers (Sonae and Jéronimo Martins).

In higher education, the *Infocursos* portal offers information on the number of graduates of each course enrolled in an employment centre. This information is systematically reported and spans several years. Some higher education institutions also maintain "observatories" that track the outcomes of their students. In addition, existing technical capacity and enabling legal frameworks have been used on a small scale to develop pilot projects across ministries to link data on higher education participation and employment and earnings.

Finally, the reliance on EU funds discussed in Chapter 5 is increasingly conditional on fulfilling reporting requirements on outcomes, including on rates of employment or continuing study six months after an intervention. This creates another incentive for improving the reporting of outcomes. Importantly, however, although the Portugal 2020 framework includes financial penalties for failing to meet agreed-upon targets, stakeholders consulted during this project noted that "end providers" (e.g. schools) rarely felt these consequences directly.

Despite the availability of data and the progress achieved, the outcomes of adult learners are not systematically monitored and impact evaluations of adult-learning programmes are limited (OECD, 2015[22]; OECD, 2017[23]). The lack of comprehensive background information on participants noted above was identified as a key issue, preventing more targeted analyses about populations of interest, such as the low-skilled. The lack of "pre- and post" information about learners can be attributed to several factors. One is the limited sharing of data between ministries, except in the case of the pilot projects mentioned above. Reasons cited range from Portugal's privacy legislation, which allows for linking only if the data are anonymised. This requires the use of costly techniques and adequate expertise. In addition, the lack of connectivity among the multiple data systems, and the public services' limited capacity to analyse and use such data, were noted as obstacles to a more effective system.

To conclude, it will be important to increase monitoring of key outcome indicators, including employment and earnings gain in the medium to long term, as well as direct skills outcomes wherever possible. Expanding the use of counterfactual analyses can help assess impact. Chapter 3 and Annex 2 provide pointers of potential outcome indicators of interest. At the international level, research has identified various types of economic and social benefits of adult learning (Box 2.4). Generating such data systematically in Portugal would help raise awareness of returns, help identify what works in adult learning and increase quality, and incentivise private investments.

Box 2.4. Overview of evidence on the returns of adult learning

There is a considerable body of research on the impact of adult learning. Findings depend on the outcomes considered, programme features, learners' profiles and other factors.

Private economic and social benefits: Participation in adult learning was found to have some positive effects on the probability of employment, worker earnings and worker productivity in many studies, including studies utilising randomised experiment designs (OECD, 2005[24]; Overman, 2016[25]; Card, Kluve and Weber, 2015[26]; McCall, Smith and Wunsch, 2016[27]). Research findings on the well-being and social returns for individuals are more limited, although some report positive effects on outcomes and behaviour, such as health and propensity to volunteer (European Commission, 2015[28]).

The following provide some examples of the variations on the timing of impact and the size of impacts of adult learning.

- **Timing of impact:** In a review of 200 econometric studies, Card et al. (2015[29]) find some positive impacts in the short term, i.e. within a year of programme completion, in 40% of the programme assessments studying this variable. The impact rises over time: for assessments looking at medium (1 to 2 years after completion) or long-term (after 3 years) impact, 52% and 61% respectively of the assessments reviewed were found to have significantly positive results (2015[26]). They also find that training programmes tend to have effects in the medium to long term, whereas job assistance and subsidies have effects in the short term.
- **Size of impact:** the size of effects on earnings ranged from no impact to rates of 30% in a Portuguese study (Oosterbeek, 2013[30]; Budría and Pereira, 2007[31]). The impact on productivity identified in these studies also varies widely, from 3% to about 28% (European Commission, 2015[28]). In Portugal, Almeida and Carneiro found that a return to training generated, on average, an 8.6% increase in productivity (2009[32]).

Public economic and social benefits: Several studies identify broader benefits associated with human capital development that is both broad-based (i.e. does not simply support the top end of the skills distribution) and lifelong.

Associations were found between high participation and investment in adult learning (both public and by companies) with: higher GDP growth, higher employment rates and literacy scores (above Level 3 of the Survey of Adult Skills [PIAAC]), lower income and skill inequality, and higher rates of innovation (Desjardins, 2017, pp. 214-231[15]; Dohmen, 2013[33]).

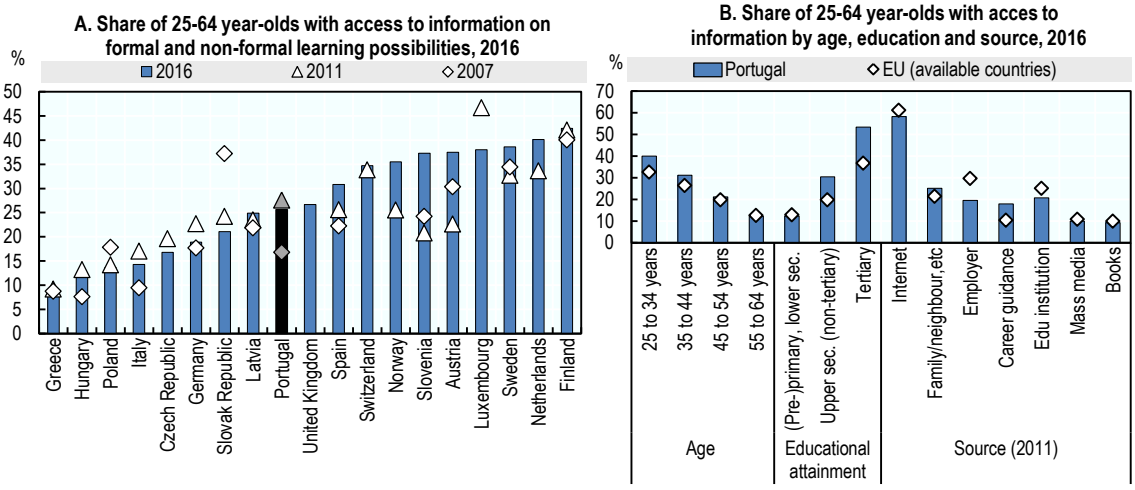
Portugal should improve the accessibility and quality of learning information

Information needs to reach all adults, especially the low-skilled

Providing information on available learning opportunities for adults is important to overcome low motivation for learning, provided it can be used effectively. Government efforts should focus on a dual objective: to ensure that communication campaigns are targeted to those who tend not to look for information proactively, and to ensure that any information provided, either through campaigns, general information or through one-on-one guidance, is clear and accessible to the intended audience.

Portugal does have some information on learning, although there is room for improvement. Results from the Adult Education Survey (2016) suggest that access to learning information has increased since 2007, as shown in the figure below (Panel A). Access to information, however, depends on individuals' age and educational attainment (Panel B). In Portugal, individuals with higher educational attainment reported greater access than their less educated peers: 53.4% of the tertiary-educated report access to such information, as opposed to 30.5% of those with upper secondary education (in both cases substantially above the EU average of, respectively 36.6% and 19.7%). By contrast, only 12.3% of those without upper secondary education reported having access to this information, slightly below the EU average of 12.9%. This suggests that education and skills levels are an important determinant of access to information on learning opportunities, thereby potentially perpetuating the skills divide. Additionally, it raises questions about the effectiveness of the information for specific groups, discussed below.

Figure 2.2. Access to information, 2016



Note: EU average in Panel B is based on available countries in 2016.
Source: Eurostat (2018), *Adult Education Survey 2016, trng_aes_182, trng_aes_183, trng_aes_184, trng_aes_186.*

StatLink http://dx.doi.org/10.1787/888933711864

As for targeting low-skilled adults, large-scale campaigns would appear to be important tools in Portugal, given the large number of adults who fall into this category. The government has made significant efforts for more than a decade to raise the interest of Portuguese citizens in participating in learning, including through public websites (ANQEP, IEFP) and broad-based awareness-raising campaigns during the New

Opportunities Initiative. These appear to have played a role in raising participation (Carneiro, 2011[34]), and possibly in the large increase in interest in learning noted earlier in the chapter.

More recently, the introduction of the new Qualifica Programme, which aims to reboot Portugal's strategy to upgrade the education and skills of adults, has been supported by several information tools. One includes a large-scale television campaign launched in July 2017. Called *Minuto Qualifica*, the campaign includes 100 different video clips one to two minutes long, describing real-life situations and the impact of adult learning. The Qualifica Programme also has a web portal (*Portal Qualifica*), which provides access to a range of information on adult learning through multiple channels, including social media.

Any new or expanded communication campaign, however, should build on past experience and avoid pitfalls such as overly general information and messages. In particular, stakeholders suggested that to be effective, any new campaign would need to *i)* raise awareness about the quality and rigour of the learning opportunities and processes used in adult learning, such as prior learning recognition, validation and certification or RVCC, and *ii)* deliver well-targeted messages in innovative ways to reach populations with low motivation and participation. A complementary approach also suggested during the project would be to showcase best practices and stories from individuals, and create national awards to recognise investments in training (for instance by employers). The results of such campaigns should be carefully monitored, to maximise their impact and cost-effectiveness.

The new Qualifica Passport is an important tool to provide information on learning opportunities, and could play a key role as a one-stop shop for information on adult learning. Created in 2017, this new user-oriented online tool and platform provides information on individuals' own educational and training record. It also directs users to potentially relevant learning opportunities based on the qualifications they have already acquired. Stakeholders consulted during the project, however, noted the complexity of the tool in its current design, whose clarity and usability is now being revised, with the addition of a new mobile phone application. These efforts will be important if it is to be used by all adult learners, especially those with low skills.

'Nudging' can help improve the clarity and impact of information

Portugal could explore approaches for maximising the impact of information-based tools, by enhancing their design and use. Several OECD countries are developing innovative measures to increase the motivation of individuals to invest in education and training while coping with constrained public resources. Such efforts build on the growing body of research in behavioural economics, which takes as its starting point the observation that individuals do not tend to act rationally, especially when making decisions of long-term impact, and that the "nudge" can be helpful in applying pressure to direct citizens towards a given objective (Kahneman, 2011[35]; Madrian, 2014[36]).

Examples of these practices include, for instance, the use of text messaging to influence students' learning behaviour. Groot, Sanders and Rogers (2017[37]) assess the role of supportive text messages sent by family or friends on student persistence in further education colleges in the United Kingdom. Results show a statistically significant impact, with improved class attendance for students who received weekly text messages about course content and/or providing encouragements, compared to a control group. Using a similar framework, Bettinger et al. (2012[38]) show how simplifying information,

providing tailored assistance and using existing practices and infrastructure can motivate engagement in learning for students from low-income families, as shown in Box 2.5.

Box 2.5. United States: The Free Application for Federal Student Aid (FAFSA) Experiment

Overview: This research explored whether simplifying the application process for financial aid might increase the applications of students from low-income families to *i)* obtain aid and *ii)* participate in higher education.

Approach: This research used a randomised field experiment model. The families were chosen based on the following criteria: having an annual income below USD 45 000, one family member aged between 15 and 30, and the target participant having no prior higher education qualification. The families chosen had also been receiving help in preparing their tax forms from a tax office.

- One group received full treatment: *i)* immediate assistance from the tax office professional to fill out the financial aid form, given that much of the requested information on the higher education financial aid form is available on tax forms, and *ii)* information on the estimated financial aid individuals could receive compared to the tuition fees of colleges in their local area.
- One group received partial treatment: customised information on the likelihood of their financial aid eligibility compared to college tuition, but no assistance.
- Control group: no assistance or information.

Results: the full treatment had a significant impact on rates of application for financial aid, and on individuals' enrolment and persistence. The group receiving information but no assistance did not have improved outcomes. Student enrolment rose from 34% to 42% in the year after the experiment, for those whose parents received the help. It increased by 16% for adults out of high school with no prior college experience.

Source: Bettinger et al. (2012).

These experiments are interesting in the Portuguese adult-learning context for a number of reasons. First, stakeholders repeatedly commented on the need to simplify information, such as the guidelines and standards for the assessment and recognition of prior learning (the RVCC process), which targets low-skilled adults. Streamlining such standards, which are already focused on describing the key skills required at each qualification level, is not an easy task. The clarity of such instruments is critical if they are to be effective. The ANQEP's current work to revise the guidelines for RVCC and education and training courses for adults (*Educação e Formação de Adultos,* or EFA), which target basic education levels, provides a good opportunity to bring greater clarity to these standards.

Second, as shown in Panel B of Figure 2.2, the social network (family, neighbours and friends) is the second most important source of information and support for pursuing adult learning in Portugal, well after the Internet but slightly ahead of employers or educational institutions. This order is reversed in the EU on average, with the Internet, employers and educational institutions taking precedence. This suggests that outreach methods that rely on social and family networks at the local level could help in Portugal.

Finally, stakeholders consulted during this project stressed that social perceptions play an important role in motivating low-skilled adults, including different expectations of

achievement based on socio-economic background. This suggests that targeted outreach efforts need to be combined with a broader societal consensus on the value of adult skills and lifelong learning, as noted in Chapter 1. Government efforts initiated in 2017, such as *Minuto Qualifica* or the Qualifica Portal, are promising, but they need to be sustained to show a continuous commitment to lifelong learning.

Making it relevant to the low-skilled: lifelong guidance should be a focus

Career guidance is an integral part of the adult-learning system in Portugal. Various parties, including the new Qualifica Centres and the Public Employment and Vocational Training Services (IEFP), provide it as part of their regular services. As shown in Chapter 3, guidance provided through the Qualifica Centres rose in 2017, even though many prospective learners are not aware of such services. During the first stakeholder workshop held as part of the project, a lack of information and guidance was singled out as one of the most important barriers to interest and participation in adult learning, even more than the perceived lack of accessibility and flexibility of the system, and concerns about low labour-market rewards.

This is confirmed by data from the European Commission (2014), which found that in Portugal, 59% of respondents reported not having used a guidance service because they had no access to one. This was well above the EU average of 45%. Only 13% responded that they had used such a service before, as opposed to 24% on average in the EU. By contrast, over a third of respondents reported using guidance services in countries such Austria, Denmark (the highest, with 55%), Germany, Ireland and Sweden (2014, p. 86[39]). This suggests that these countries have been more effective than Portugal at making guidance an integral component of the adult-learning system.

Finally, proactive outreach to learners in Portugal unlikely to access the adult system on their own initiative seems clearly to be required, but this may not be consistently implemented. From a policy perspective, outreach to vulnerable adults was described as a national priority by the staff of the Qualifica and IEFP Centres consulted during this the project. Similarly, the Qualifica Centres are required as part of their mandate to raise awareness in their local communities and to use local networks and organisations to guide prospective learners towards appropriate learning options. Stakeholders on the ground noted, however, that the level of activity in this area depended to a large extent on the individual leaders and staff of the Qualifica Centres.

Information and guidance practices in OECD countries are extremely diverse. They range from the development of electronic databases centralising information about available learning opportunities to the provision of free career guidance services through a network of providers, typically through public employment services or local community or education institutions. As in Portugal, multimedia advertisement campaigns and "Adult-Learning Weeks" in countries including Denmark, Finland or Slovenia are widespread (European Commission, 2012[14]; Eurydice/European Commission, 2015[40]).

Evidence of the effectiveness of outreach measures is limited and mostly restricted to qualitative case studies (European Commission, 2015[28]). However, the literature identifies features found to have been most successful in engaging hard-to-reach participants (Powell, Smith and Reakes, 2004[41]; Windisch, 2015, p. 47[42]). These include first-media campaigns, including television, a central component of Ireland's *Adult Educational Guidance Initiative* (Box 2.6) presented in Box 2.6. This initiative improved the national approach to guidance for adult learners, which had previously been fragmented, overlapping and not accessible to all adults (Phillips et al., 2010[43]). The

other approaches are word-of-mouth referrals from instructors and former participants and community outreach programmes, discussed in Chapter 4 in the context of local partnerships for adult learning. Such partnerships also typically involve unions and employers. In conversations with stakeholders, all three features have been explicitly noted as relevant in the Portugal context.

Box 2.6. Ireland's *Adult Educational Guidance Initiative*

Governance: Ireland's National Centre for Guidance in Education (NCGE) is an agency of the Department of Education and Science that provides centralised co-ordination and quality monitoring of guidance services. An Adult Educational Guidance Initiative Advisory Group, representing the agencies providing guidance and the associations of professionals in adult counselling, advises the Department of Education and Science on guidance policy.

Funding: Funds come from Ireland's National Development Plan since 2000.

Target groups and coverage: The initiative had a deliberate focus of supporting learners in adult literacy, the Vocational Training Opportunities Scheme (VTOS) and the Back to Education Initiative. In 2006, the initiative provided services to close to 63 000 clients, with about 38 000 enrolled in adult literacy programmes, close to 20 765 in the Back to Education Initiative and 3 550 in the VTOS scheme.

Actual groups accessing guidance services: Clients who participated in vocational education for adults (VTOS) were most likely to access the service (45%), whereas students in programmes for improving their literacy were less likely to access these services (0.5% to 22% accessing guidance services across the territory). Access rates were also relatively low for the Back to Education Initiative clients. These findings suggest that some of the clients who were hardest to reach for guidance were also those with the lowest skill levels.

Quantity and quality of guidance staffing is the key for achieving positive outcomes: The evaluation team found an average ratio of guidance counsellors per client of 1:1 012, which they considered appropriate. They also noted discrepancies in ratios across the country. They stressed that entities with the best results had skilled and committed staff, with a clear focus on their target groups and effective referrals to internal and external learning services.

Client outcomes: One hundred participants across eight guidance sites were interviewed. Results indicated the positive impact of guidance for a large majority of participants, ranging from greater motivation to ability to persist with education, progress, increased confidence and knowledge of available options.

Over 20% of respondents identified guidance as instrumental in their remaining education or training. Literacy clients, who reported the lowest expectations in the adult-learning system, were among those most likely to report that guidance services had had a strong positive impact.

Source: Philips et. Al. (2010)

Upskilling public and community services at the local level is important to better reach the low-skilled

Improving lifelong guidance requires the capacity to conduct outreach activities at the local level. Portugal could focus attention on raising awareness of the value of skills among providers who deliver services ranging from education, training and employment support, to housing or health assistance. These are both public servants at the national and local level, and local community service providers.

Stakeholders consulted during the project noted the importance of the central administration as a target group for awareness-raising measures, first because it is a large employer, and next because improving the skills of public servants is likely to generate broad returns in terms of general policy capacity. They also noted Portugal's need for a culture shift to recognise the value of adult learning and professional development. They suggested that such an effort be launched at the central level, with high-level managers in central ministries, to be subsequently expanded to all staff and to the local level.

For public servants at the local level and for community service providers, stronger awareness of the value of skills and learning in adulthood could be beneficial in two ways. First, it might encourage them to upgrade their skills, thus raising the quality of services delivered. Second, staff who are aware of the learning opportunities in their local area can help raise participation among their users, particularly among the low-skilled. Stakeholders emphasised that "mediators", who provide advice on a personal and individualised basis, are essential in Portugal for reaching out to vulnerable groups and convincing them of the value of adult learning.

Making better use of the existing interactions between vulnerable groups and local public and community service providers could be an important means of leveraging and strengthening tailored outreach services. However, this requires that staff at the local level be aware of the value of skills and be equipped with the skills to play an effective role in offering information and guidance.

Developing a culture of lifelong learning in the public service is essential

Portugal is actively working on improving the awareness among staff in the national public service of the value of skills and professional development. Barriers to adult learning in the public administration are comparable to those in other sectors. For example, the adequacy of training to meet the needs of workers and of public sector employers, and the effectiveness and impact of training, are not systematically assessed. Guidelines for developing training strategies in the several bodies are also lacking, often leaving approaches to individual managers (INA, 2016[44]).

The Directorate-General for the Qualification of Public Servants (*Direção-Geral da Qualificação dos Trabalhadores em Funções* – INA), is developing a new strategy to identify the skills needed in the public service and to progressively incorporate skills development in the core activities of public servants (Box 2.7).

The government has also engaged in administration modernisation, simplification and digitalisation through a dedicated ministerial portfolio. This promotes the vision of a public service engaged in lifelong learning. However, translating these broad goals and strategies into practice may require incentivising staff in the public administration to participate in adult learning, and/or including such activities as part of their core professional duties.

Box 2.7. Promoting a culture of lifelong learning in Portugal's public administration

Legislative framework: As of December 2016, new legislation requires the public administration to make available training opportunities to all workers.

Scope: The Directorate-General for the Qualification of Public Servants has under its purview approximately 600 000 workers in a range of organisations, including public servants at the national and local level, public institutes and independent administrative entities. It also includes teachers of state schools, public workers in IEFP centres and institutions of higher education.

Roles: INA has three main roles: *i)* it co-ordinates all professional training in the public service and sets quality standards, *ii)* it designs and provides training to public servants, both initial and continuous, and *iii)* it supports human resource planning by identifying skills needs, described below.

Assessing the need for skills in the public service: This includes helping identify the key skills required in the public service by developing a Model of Skills Management in the Public Administration (*Modelo de Gestão por Competências na Administração Pública*).

This model identifies four levels of technical and behavioural skills: *i)* transversal skills required for all public servants; *ii)* functional skills, such as human resources management, relevant only to certain groups of professionals in the public service; *iii)* transversal skills specific to a particular public organisation, and *iv)* specific skills for a particular workplace.

INA identifies the key skills for the first two levels, using a four-stage methodology. This includes interviews with experts and establishing an expert panel that represents the diversity in public administration and focus groups for refining the list of required skills. Similar stages and methodologies are involved for the other levels, but these are implemented by the specific public body, with optional consulting provided by INA (2016[46]).

INA has created a method for assessing the impact of training in public administration, as well as guidelines to help public organisations implement and prioritise training programmes that need an impact assessment (2016[47]).

Potential challenges:

- Mechanisms to ensure use of model are lacking: INA offers its services to help implement the strategy, but both the implementation of the strategy and the use of INA guidance are voluntary.
- Funds supporting the effort: The budget allocated to INA amount transferred fell by 13.5% in 2017. While some of this has been made up by other sources of funding, the overall budget for 2017 is still about 5% lower than in 2016 (2016[48]).

Upskilling local staff is likely to enhance the impact of national efforts

Research on guidance, particularly for low-skilled adults, offers helpful insights on how to strengthen the guidance capacity of local public servants and community services (Hooley, 2004, p. 44[45]; Hawthorn et al., 2009[46]). Three strategies have been identified in particular. First, local-level staff should have the right set of skills, through hiring policies or training. This includes the skills for understanding, evaluating and satisfying their clients' needs. A second category of factors relates to the staff's ability to develop strong relationships with local employers and local organisations, which will be discussed in Chapter 4. A third element relates to the way local services are managed, with an emphasis on quality assurance and impact measurement, discussed in Chapter 3.

Staff in local public services and community organisations need to be equipped to provide information and guidance on the value of skills and adult learning. This is not only relevant for education and training providers such as schools, but for a variety of organisations. Stakeholders interviewed during the project emphasised that organisations such as local social service providers (e.g. housing or health), youth associations and poverty alleviation groups may often be the first line of approach for many low-skilled and hard-to-reach clients, rather than schools, Qualifica Centres or IEFP centres.

As discussed in the next chapter, Portugal is among a minority of countries that requires initial, pre-service qualifications for teaching staff in adult-learning services (UNESCO, 2016[47]). However, such requirements only appear to apply to teaching staff, whereas the research referenced above highlights a range of relevant, non-teaching related skills and competencies to provide effective guidance. This is of particular concern given the comments by stakeholders during the project indicating that non-teaching staff at Qualifica Centres tend to have precarious job contracts, which would make this group even less likely to benefit from ongoing training opportunities. Incorporating training on the provision of information and guidance, especially to low-skilled adults, in any pre-service and ongoing training for both teaching and non-teaching staff involved in adult learning could be a relevant step for enhancing staff capacity in local public services and community associations.

Examples of practices range widely. They include providing practical guides to adult-learning staff on how to identify adults with barriers (Germany); leveraging parent-teacher meetings and asking parents to complete short writing tasks to detect their basic skills challenges (UK) (Windisch, 2015, p. 46; 50[42]); the systematic promotion or requirement of pre-service qualifications; and broader quality-assurance mechanisms.

Recommendations

1. Improve the collection, use and dissemination of information on skills performance and the returns to skills investments, building on existing tools.

This recommendation includes the following specific actions:

- Participate in the Survey of Adult Skills (PIAAC) to generate information on skill performance and the returns to skills.
- Pursue the implementation and improvement of the current skills needs assessment and anticipation system (*Sistema de Antecipação de Necessidades de Qualificaçoes*, or SANQ).

  - Expand the use of SANQ to plan the adult-learning provision locally. Local networks (see Recommendation 8), should be involved in this work.
  - Improve the SANQ's governance, human resources capacity and funding for operations. This could be a priority for action of a skills council (see Recommendation 7).
  - Strengthen the reliability of SANQ assessments and projections through incorporating international best practices and undertaking complementary data collection exercises where needed (e.g., on specific regions/economic sectors, on SMEs and sectors that provide the most and the least training to better understand motivations and obstacles).

    As part of complementary exercises, sectoral exercises would be important. One potential approach could be to establish sectoral commissions at the regional or local level, as needed, in specific sectors, involving relevant players from the education and training sector, government and industry.

    Such commissions could lead the annual diagnosis of training needs and alignment of the regional or local supply. They could be part of local networks discussed in Recommendation 8.

- Improve systematic collection and dissemination of data on the outcomes of adult learning, to raise awareness of its benefits:
  - Explore opportunities to constitute a public-facing adult-learning database, following the approach of *Infocursos* for tertiary education and *Infoescolas* for secondary education.
  - Leverage existing data collection exercises that can shed light on the returns to adult-learning programmes (e.g. leverage data required for EU funds for policy and programme improvement purposes (see Recommendation 6 on a performance-monitoring framework and key performance indicators).
  - Expand data linking pilot projects across public institutions for policy purposes, and make key datasets (e.g. social security/tax information) available to researchers to enhance the analysis of such data.

2. Improve the dissemination of information by launching a comprehensive communication campaigns to raise awareness of the value of skills and skills investments and tailoring outreach for specific groups.

This recommendation includes the following actions, which build on existing tools.

- Develop a multi-pronged, ongoing communication campaign, with a focus on proactive guidance tools.
  - The purpose would be to emphasise the value of acquiring skills in adulthood, and the range of available learning opportunities for different profiles of learners. It would also showcase the real-life impacts of learning such as successful personal experiences, as well as best practices in adult learning through national competitions/awards for employers. This, in particular, could encourage

investment in training and highlight the benefits from the employers' perspective.

This campaign should build on and further improve existing tools, such as the Qualifica Portal, and TV campaigns such as Minuto Qualifica, and interactive guidance tools such as the Qualifica Passport. Improvements should include: *i)* the co-ordination of different tools and sustainable funding to help strengthen the culture of lifelong learning over time in Portugal; *ii)* improved clarity and relevance of the information provided to different learners; and *iii)* the use of "nudge" strategies, such as the design of information provided strategically to prospective learners where they are likely to be receptive to it (e.g. providing adult-learning information for parents, and possible support to apply for a programme, at one-on-one parent-teacher meetings).

- Measure the impact of communication tools over time, to ensure that those that are most effective are identified and maintained over time.

- Tailor information and communication approaches to reach key target groups.
  - These include the low-educated/low-skilled, unemployed and inactive adults, youth, especially those at risk and neither employed nor in education or training (NEETs), employers and specifically SME and micro-enterprise owners and managers.
  - This tailoring of information should be based on understanding the needs of these groups, which requires adequate training of staff in Qualifica Centres and education and training providers (see Recommendation 6).

3. Enhance measures targeting the public administration and providers of social services, to raise awareness of the value of upskilling both for themselves and for their users.

This recommendation includes the following specific actions:

- Use the strategy of the Directorate-General for the Qualification of Public Servants (INA) to identify key skills needed in the public service, and raise awareness and motivation about the value of skills at all levels of government. This should include:
  - expanding approaches to identify skills needs at various levels and identify relevant training opportunities.
  - incorporating upskilling in the core business of public administration staff, including through accountability mechanisms.
  - developing incentives for staff to actively pursue training (e.g. job promotion opportunities, etc.).

- Develop training approaches tailored to local public and community services staff, to raise their awareness of the value of skills and upskilling, and raise their capacity to provide information and guidance to their clients about learning.
  - A large range of local services should be considered, including for example Qualifica and Public Employment Service (Instituto de Emprego e Formação Profissional, or IEFP) Centres, youth services, as well as other key social services (health, housing, etc.)
  - Incorporate a focus on raising awareness about the value of skills, and the provision of information and guidance, in the pre-service training required for adult-learning staff.

Notes

[1] Eurostat's Adult Education Survey uses a 12-month reference period to measure the rates of participation in adult learning. This explains the high rates by comparison with other measures that are commonly used, such as those reported through the labour force survey, which use a four-month period and is cited at the beginning of this section. Notably, the Europe 2020 goal for EU members to reach 15% of adult learning participation uses the labour force survey as a data source.

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Chapter 3. Improving access, quality and relevance of adult-learning opportunities in Portugal

The supply of adult-learning programmes has expanded and diversified in Portugal over the past two decades. Yet the provision of opportunities that are relevant and flexible enough to respond to the needs of adults with low skills appears insufficient. The provider network is complex, which may cause confusion for learners. This complicates efforts to improve quality assurance, which also faces capacity constraints.

This chapter includes three parts. The first gives a brief overview of successive policies in adult learning in Portugal in the past two decades, which resulted in the creation of a range of adult learning programmes.

The second section focuses on key issues in the current system and provides policy examples to improve access to adult learning, as well as its quality and relevance. Specifically, three approaches are discussed. The first consists of expanding supply where gaps exist, in particular through programmes for the low-skilled that combine essential skills and work-relevant learning. The second is to improve the coherence and transparency of the delivery network to increase trust in the system. Lastly, expanding recent efforts to develop a robust outcomes monitoring and evaluation system could help improve the effectiveness and efficiency of adult learning.

The third section presents recommendations for improving access to adult-learning opportunities, as well as their quality and relevance.

Summary of stakeholders' views:

- The current adult-learning system offers many modular learning opportunities organised by the National System of Qualifications (SNQ). Stakeholders described the SNQ as supporting the transparency, stability and navigability of the education and training supply.
- Several stakeholders, however, noted certain obstacles facing low-skilled adults, including the lack of accessibility in some areas, delivery methods that are not always flexible enough to address the constraints of work and family, and difficulty in navigating the adult-learning system. Others noted the need for dedicated financial support for adults undertaking learning above the secondary level and a general need for broader supports (e.g. transport, social).
- Employers noted the limited effectiveness of the regulatory regimes for employer-sponsored training. They indicated a preference for tailor-made solutions which do not always fit with those offered by the National Catalogue of Qualifications, and they noted the need for government support to develop such solutions.
- Concerns were expressed regarding the limited efficacy of the current regulatory framework to ensure high-quality and relevant provision of adult learning. The time needed to update the National Catalogue of Qualifications was highlighted as a challenge. Stakeholders also noted the need to streamline the data collection exercises required of providers, and to use such data more effectively for assessing performance and improving programmes.

Portugal's adult-learning system is diversified, but participation remains low

The system's foundation, the SNQ, is slow to adapt

The Portuguese adult-learning system has expanded considerably since the 2000s. The agreement reached in 2007 between government and social partners to reform professional training was a key milestone, leading to the creation of a National System of Qualifications (*Sistema Nacional de Qualificações*, or SNQ) by Decree-Law No. 396/2007, of 31 December. Revised in 2017 to include new features after the launch of the Qualifica Programme, the SNQ is the foundation of the adult-learning system in Portugal. It ensures that all qualifications are based on the standards set in the National Catalogue of Qualifications and recognised by all other providers in the system, which makes it easier for workers to pursue learning over time, and for employers to recognise the credentials they acquire. It is also a vehicle to improve the flexibility of the supply, for example by increasing the offer of modular training. This system also sets minimum standards, by specifying the training hours required in specific areas and credits attached to these training hours to achieve the qualifications included in the Catalogue.

The SNQ involves several instruments that clarify the content and level of various learning opportunities, according to a standardised structure based on the Portuguese National Qualifications Framework (*Quadro Nacional de Qualificações*, or NQF). These tools aim to clarify the structure of available opportunities and to institutionalise quality-assurance and monitoring mechanisms (see Box 3.1).

Box 3.1. The SNQ in practice – overview of key instruments

- **The National Qualification Framework** (NQF) defines a hierarchical structure of qualification levels aligned with the European Qualifications Framework (EQF).
- **The National Qualifications Catalogue** (*Cátalogo Nacional de Qualificações*, or CNQ) is the catalogue of non-tertiary qualifications (EQF levels 2, 4 and 5) under the purview of the National Agency for Qualifications (*Agência Nacional para a Qualificação e o Ensino Profissional* – ANQEP) and vocational and educational training (VET). For each qualification, the CNQ identifies relevant skills, broken down as "skill units" (*unidades de competência*) as well as relevant training units of short duration (*unidades de formação de curta duração* – UFCD). The UFCD are independent units that can be used in various ways to obtain different qualifications.
- The **National Credit System for VET** uses the modular structure of the CNQ to allow for flexible training paths. Every skill unit or UFCD earns a specified number of credits, allowing users to capitalise on prior skills acquisition as they pursue new qualifications.
- The **Integrated System of Information and for the Management of the Education and Training Supply** (*Sistema Integrado de Informação e Gestão da Oferta Educativa e Formativa,* or SIGO) is a platform for registering training activities of individual learners with providers in the SNQ, whether their qualifications are part of the CNQ or not. When a training activity is completed, a certificate is issued by SIGO that is automatically registered in the user's Qualifica Passport.
- The **Qualifica Passport** is a navigation tool that provides information to learners about their learning paths, helping them access further learning opportunities, thus putting in practice the flexibility of the credit system.

A major challenge for the SNQ and the CNQ in particular is to adapt to new needs while ensuring standards. The CNQ's updating process is overseen by 16 Sectoral Councils for Qualifications (*Conselhos Setoriais para a Qualificação*, or CSQ) constituted by up to ten specialists chosen by relevant ministries, worker and employer associations, and training providers. Within these Councils, 134 meetings were held during 2016 and 2017, 17 new qualifications were created, 122 were updated and 5 were removed. In addition, 25 new standards for prior learning recognition were developed and another 17 were updated. Despite this level of activity, stakeholders expressed concern that the updating of the Catalogue is not nimble enough to meet labour-market needs. They noted, in particular, the lack of human resources within the ANQEP to support these processes.

Several stakeholders, within and outside government, were sceptical whether all qualifications should eventually be governed by the CNQ. This highlights the vital trade-offs between transparency, stability, objectivity on the one hand, and responsiveness to changing labour-market needs on the other. Possible solutions for addressing the transparency of learning programmes and responsiveness to labour-market demands are addressed in this and the following chapter.

The availability of programmes for low-skilled adults may not be sufficient

Participation in programmes at basic skill levels has fallen

Low-skilled adults have a choice of various education and training options at upper secondary level or below if they wish acquire basic skills and qualifications. As outlined in the map of the system (Annex A), these include:

- Short-term basic skills training programmes (*Formação em Competências Básicas*).
- Upper secondary evening classes (*ensino recorrente*).
- Education and training courses for adults (*Educação e Formação de Adultos*, or EFA) which offer dual certification (academic and vocational) at EQF Levels 1, 2 and 4, in place since the early 2000s.
- Certified modular training (*Formações Modulares Certificadas*, or FMC), created in 2008, which are based on shorter, transferable and "stackable" units allowing learners to acquire a recognised certification.
- The national system of prior learning assessment and recognition (*Sistema Nacional de Reconhecimento, Validação e Certificação de Competências*, or RVCC) allows adults' skills to be recognised, so they can obtain qualifications at the primary and secondary education level.

After increasing from over 130 000 learners in 2001 to more than 200 000 a decade later, enrolments in adult-learning programmes at the upper secondary level or below have since declined (see Figure 3.1). They fell to below 40 000 enrolments in 2014, in large part because of budgetary constraints and programme cuts (OECD, 2015[1]). While enrolments at this level have rebounded somewhat, reaching 62 000 adults in 2017, this is still a relatively small number, given that almost 1.8 million adults between 25 and 64 have not completed upper secondary education in Portugal (INE, 2017[2]).

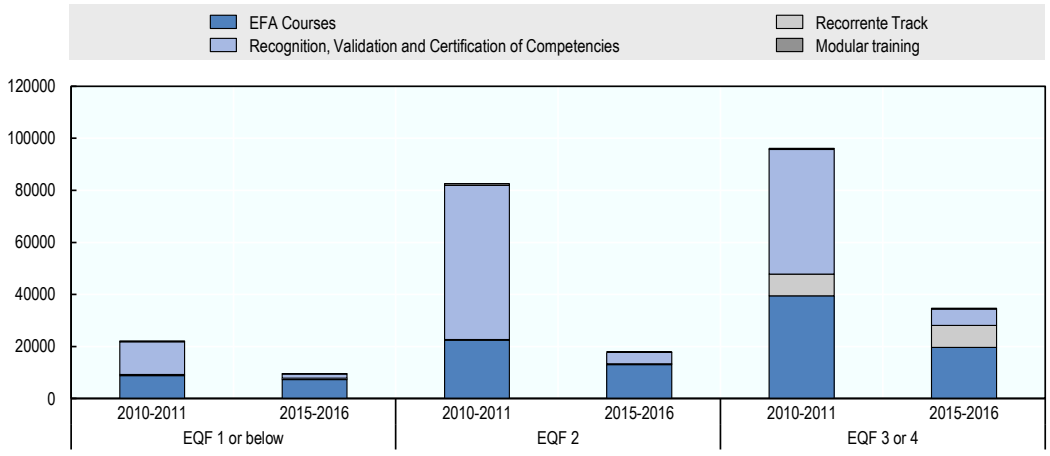
More adults are enrolled in programmes at the upper secondary level (EQF 3 or 4) than in programmes at basic levels of education (EQF 2 and below). Further, while about 100 000 people were enrolled in programmes at EQF Level 2 and below in 2010-11, there were fewer than 30 000 in 2015-16, largely due to the drastic reduction in prior learning assessment and recognition processes (RVCC).

This fall in RVCC may have reduced the participation of those with lower educational levels, especially among adults over the age of 30, the majority of Portugal's population with low educational attainment (INE, 2017[2]).

Finally, there are noteworthy regional differences in enrolments up to upper secondary level. The regions with the lowest educational attainment rate, such as the North and Centre of the country, occupy a relatively small share of national enrolments in the initial cycles of primary education. Possible causes for these imbalances are unclear, and worth exploring further to understand whether they are related to low demand or other factors.

Figure 3.1. Total enrolments in non-tertiary programmes targeted to adults

By level of adult-learning programmes



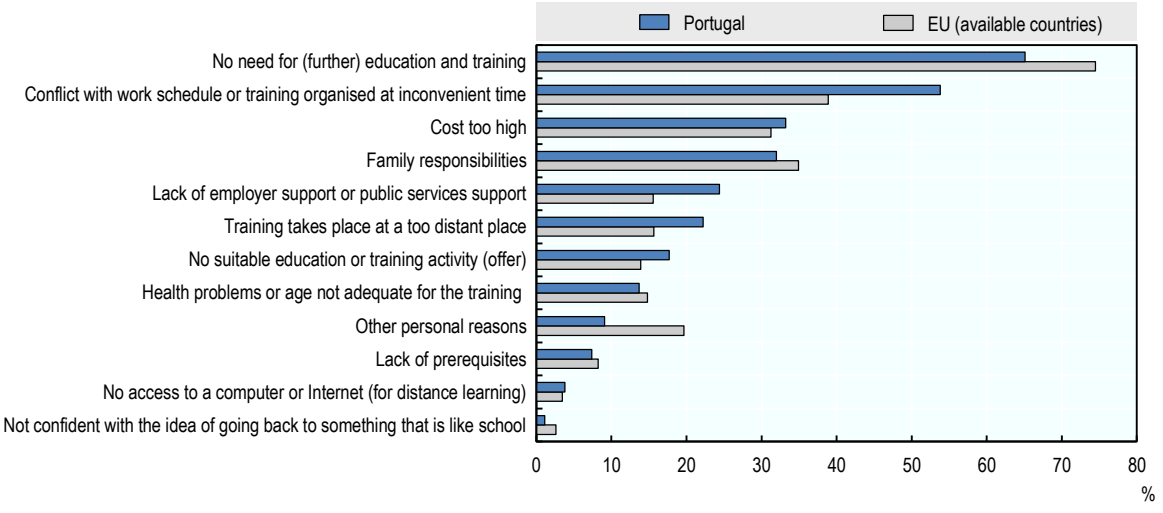
Source: DGEEC, 2012, 2017.

StatLink http://dx.doi.org/10.1787/888933711883

Many stakeholders attributed falling participation to the rolling back of the New Opportunities Initiative, including the reduction in the number of adult-learning centres across the country. More recently, the strengthening of the economy and drop in unemployment has been identified by some stakeholders as a possible reason why individuals might favour work over upskilling opportunities.

Results of the 2016 Adult Education Survey (AES) confirm the importance for Portuguese adults of the accessibility and flexibility of adult learning.

Figure 3.2. Obstacles to participation in adult learning as a percentage of total, 2016



Note: EU average based on available countries in 2016.
Source: Eurostat (2018), *Adult Education Survey 2016*, trng_aes_176.

StatLink http://dx.doi.org/10.1787/888933711902

As shown in Figure 3.2, the lack of need for training was still the most commonly cited barrier to participation, consistent with the lack of motivation discussed earlier. Conflicts with work schedule, or training organised at an inconvenient time, were the second-largest obstacle cited, reported by over 54% of respondents, well over the European Union (EU) average of about 39%. In addition, over 22% of respondents reported that training is conducted too far away from their homes or work, a figure that is over the EU average of about 16% (see

In early 2017, the government launched the Qualifica Programme (*Programa Qualifica*) to boost participation in adult learning. A network of 303 centres across the country, the Qualifica Centres, is a key feature of the programme (Box 3.2).

Box 3.2. Portugal's adult-learning network: The key role of the Qualifica Centres

There are 303 Qualifica Centres across Portugal (300 in Continental Portugal and 3 in Madeira), which specialise in the provision of adult-learning services. They are operated by various types of institutions, public and private. About a third are secondary schools, a third are Public Employment Services (*Instituto de Emprego e Formação Profissional*, or IEFP) centres, and the last third is made up of such institutions as private companies, employers' confederations, union training centres, local associations and municipalities.

Qualifica Centres offer information, vocational guidance, and recognition, validation and certification of skills (RVCC), to adults age 18 and above, free of charge. Not every centre offers every type of service, and each centre specialises in RVCC in certain fields of training or in specific qualifications. Qualifica Centres do not offer training but are often found in institutions that do. Staff in centres includes a co-ordinator, technical staff specialised in RVCC, as well as trainers or teachers specialised in the fields or qualifications for which the centre provides recognition.

Qualifica Centres replace the Centres for Qualifications and Vocational Education (*Centros para a Qualificação e o Ensino Profissional*, or CQEPs, closed in 2016) and the New Opportunities Centres (*Centros Novas Oportunidades*, or CNOs, closed in 2013).

Over 2017, the activities of the Centres have grown, particularly with respect to referrals to training.

Sources: Ministry of Education, ANQEP.

In the first year of the programme, over 125 000 adults sought support at Qualifica Centres, with monthly participation increasing throughout the year. These figures are promising for a number of reasons. First, both participation and completion increased compared to previous years. For example, data from the SIGO comparing 2017 to 2015 indicate an increase of 88% in adults participating in some form of training, and of 125% in prior learning assessment and recognition. The number of adults obtaining a certification, while modest compared to overall participation, increased by 282% compared to 2015, with 10 157 adults certified in 2017 (see Table 3.1). Given that the Qualifica Programme was officially launched in March 2017, and several Qualifica centres started operations later in the year, participation may continue to rise as the Centres are fully operational. Training activities to promote high performance of the

Qualifica Centres and media campaigns to raise public awareness that took place over the course of 2017 may also further boost participation.

The programme includes notable shifts from previous adult-learning policies: participation in training is strongly promoted alongside the completion of prior learning and recognition processes (RVCC), with almost three adults involved in training for each adult involved in RVCC in 2017. By contrast, in 2011-12, during the New Opportunities Initiative (*Iniciativa Novas Oportunidades*), more adults were involved in RVCC than in education or training (see Table 3.1). The Qualifica Programme also includes a focus on guidance, with more tailored advice for learners based on their previous education and training record, through instruments such as the Qualifica Passport (see Box 3.1). Some stakeholders also noted the need to expand the role of the prior learning assessment and recognition system (RVCC) to recognise and certify vocational competencies acquired through all channels, both including non-formal and informal. Suggestions were also made to extend the use of RVCC up to EQF Level 5, to make it easier to recognise vocational skills of entrepreneurs and intermediate managers.

Monitoring efforts have also increased, against a set of national targets to be met by 2020. These include: *i)* ensuring that 50% of the active population completes secondary education, *ii)* increasing the adult-learning participation rate to 15% by 2020 and 25% by 2025, *iii)* serving 600 000 adults and the young who are neither employed nor in education or training (NEETs) by 2020, and *iv)* reaching 40% of higher education attainment in the 30 to 34 age bracket.

It is too early, however, to have data on the outcomes of participants and the impact of the Qualifica Programme. It should be closely monitored over the coming years.

Table 3.1. CNO, CQEP and Qualifica Centres: results from 2015 to 2017

	2011	2012	2013	2014	2015	2016	2017
Number of centres	452	424	4	241	241	241	303
Adults participating in some form of activities	257 971	87 147	776	40 483	58 747	88 321	125 893
Participation in education and training	65 751	39 279	1 563	15 911	36 318	61 532	68 281
Participation in recognition of prior learning (RVCC)	146 372	52 327	515	4 389	12 980	17 548	28 804
Adults receiving a certification	102 932	75 250	3 400	37	2 658	8 150	10 157

Note: Adult-learning centres took on different forms and names over the years. New Opportunities Centres (CNO) were in place until 2012. The Centres for Qualifications, Vocational Education and Training (CQEP) were in place between 2013 and 2016, and were replaced by Qualifica Centres in 2017.
Source: SIGO (2018), provided by the Ministry of Education.

Adults still make up a small share of post-secondary education enrolment

In countries with large-scale adult-learning systems, adult higher education tends to be well-developed, and the student population in higher education is older on average than in other OECD countries (Desjardins, 2017[3]). Reasons for this, in addition to upskilling, may include career changes, for example. It is nevertheless notable that adults, despite their work and family commitments, are accessing formal higher education in relatively

large numbers in these countries. In Portugal, 91% of new entrants to tertiary education were under 25 in 2015, compared to an OECD average of 82% and only 72% in Denmark, a country with one of the highest participation rates in adult learning in the OECD. The average age of tertiary students in Portugal is 20, versus 22 on average in the OECD, and 25 in Denmark (OECD, 2017, p. 283[4]).

Tertiary education

Students typically access tertiary education in Portugal by taking a standard exam after secondary school (*concurso nacional de acesso*). Since 2006, adults over the age of 23 have had a special access regime that allows students to sit a special exam, distinct from the one taken by graduates of secondary education to enter higher education programmes at the bachelor level. This so-called "+23" regime requires that a 5% minimum of total vacancies in universities and polytechnics be earmarked for students over the age of 23. This percentage can be increased to 20%, or even more if there are unoccupied vacancies in the general regime of access. Conversely, if the 5% places are not taken by students of over 23, they can be occupied by younger students.

Approximately 6 000 adult students accessed higher education through the +23 route in 2013-2014. This represents a decline from previous years (approximately 10 000 students in 2007-2008). The degree of institutional autonomy in higher education has led to regional and sectoral variation (DGEEC, 2017[5]). According to stakeholders consulted during the project, larger shares of adult enrolments take place in institutions and regions whose population is declining.

Post-secondary non-tertiary and short-cycle tertiary education

Adults can also pursue two types of post-secondary programmes with a vocational orientation: technology specialisation courses (*Cursos de Especialização Tecnológica*, or CET), a post-secondary non-tertiary option, and new short-cycle tertiary education programmes (*Cursos Técnicos Superiores Profissionais*, or CTeSP).

The CET grant double certification, both academic (EQF Level 5) and vocational, is delivered by various training providers, such as schools, IEFP training centres, Tourism of Portugal schools, technological schools and training providers certified by the *Direção-Geral do Emprego e das Relações de Trabalho* (DGERT, in the Ministry of Labour, Solidarity and Social Security). Established in 2004-2005, these courses used to be offered by various institutions, including schools, training centres and polytechnics and enlisted more than 12 000 participants in 2014-2015. As of 2015-2016, polytechnics are no longer authorised to offer these courses. Student numbers declined that year to 6 300. It is possible that many students moved to the new CTeSP courses at this point, although this is not clear from the available data. The CET were described as playing a predominant role in helping companies hire qualified and specialised staff, and have been shown to have employability rates above 90%. These courses were seen as valuable for rapid entry into the labour market and meeting the needs of firms for technical skills. In the tourism sector, stakeholders suggested expanding the use of CET as a way of providing adults skills relevant in the labour market.

The CTeSP were created in 2014 and offer a route for adults seeking a post-secondary VET educational qualification, although they do not grant a professional qualification. In 2016, a decree law upgraded the CTeSP, by integrating them into the legal regime of "higher education diplomas" (European Commission, 2017[6]). These courses are now classified at EQF Level 5. Delivered by polytechnic institutes exclusively, CTeSP provide

courses that last two years, including one semester spent on the job through an internship, and deliver 120 credits in the European Credit Transfer and Accumulation System (ECTS). Students graduating from CTeSP courses can access further tertiary study. These courses are rapidly expanding. They started with 395 students in 2014-2015, serving 6 340 participants in 2015-2016 and 11 048 in 2017-18.

The CTeSP have been described by some stakeholders as an important way of expanding and reinforcing the VET system in Portugal. The courses are also viewed as a way of raising tertiary education attainment. Despite substantial growth in the past decade, Portugal's tertiary attainment is still below the EU average, as noted in the previous chapter. At the same time, the pool of students allowed to pursue tertiary education through the traditional route – the academic stream in secondary education – is shrinking. This is due to a combination of demographic trends, with smaller student cohorts expected in the future, and the increased proportion of students pursuing vocational secondary education: in 2017, 45% of all secondary students in Portugal graduated from the vocational track (OECD, 2017[4])

If the CTeSP are to become a useful route into tertiary education, both allowing for further study and relevant to the labour market, it will be important to emphasise broad access to a diversity of student profiles, including adults, and to provide mechanisms that ensure the quality of this new option.

Whether the new CTeSP will become an important learning pathway for adults over 30 remains to be seen. In 2015-2016, the typical CTeSP student was a male (64%) over 20 (67%) but under 25 (84%), a full-time student (63%), and a high-school graduate (91%) receiving no financial aid (>77%) (DGEEC, 2017[5]). Recent information for providers interested in funding these courses suggests that the target population is adults of 18 to 30 (Programa Operacional Capital Humano, 2017[7]). To attract low-skilled adults, robust pathways between programmes at a lower skill level and CTeSP would be required.

Gender imbalances are also noteworthy, in both CTeSP and CET. In both programmes, the participation of women has been low. In 2015-16, women represented about a third of enrolments in these programmes (DGEEC, 2017[5]). According to the National Council for Education, excluding universities from offering CTeSP has clarified the different missions of universities and polytechnics but may have excluded certain fields of education and training only delivered by universities that had had a high participation of women (CNEDU, 2014[8]).

Another important issue relates to the respective roles of the CET and CTeSP was the subject of much debate during the project, with many stakeholders raising concerns about their relationship and possible overlap. Indeed, these are both vocational programmes, include compulsory on-the-job training and serve as an entry point to higher education for high-school graduates in professional tracks.

Clarifying their roles is critical to ensure that learners access the programme to suit their particular needs and that providers have a clear understanding of the goal of each programme and its specificity. This is particularly important from the perspective of orienting low-skilled adults to programmes to meet their needs. Clarifying the role of both programmes would also help ascertain how individuals could move from one programme type to the other.

Barriers to access and success in higher education

The higher education system in Portugal has fast expanded and quality has improved over the past decades. Despite budget constraints in the years following the crisis, investments in the system are rising again. However, a clear strategy for the tertiary education, research and innovation system underpinned by a stronger funding framework are needed to support a more innovative and productive economy, with widely shared benefits across society (OECD,(n.d.)[9]). The access and success of adults in higher education is one area that can be improved.

Stakeholders suggested that many barriers continue to affect adult students who may be interested in higher education. The economic crisis was one factor cited as possibly having led to the drop in adult enrolments through the +23 regime described earlier. This may be due in part to the financial constraints involved in pursuing higher education and the lack of dedicated financial support to cover fees and other expenses (see Chapter 5 for fee levels in Portugal). Other factors may also explain this decline. One raised by stakeholders is the lack of information about the benefits of higher education and on the possible routes to higher education. Another potential explanation may be that the number of adults who are both interested and academically prepared to engage in higher education has started to decline after the robust growth in enrolments that followed the opening of the +23 route.

In a similar vein, the lack of academic preparedness of many adults is a barrier that affects both access and success, given that many Portuguese adults left education long ago. Stakeholders noted an insufficient provision of dedicated academic support for adult students. They also noted the lack of flexibility of delivery as complicating participation. Another critical element would be to ensure that effective pathways exist between adult-learning programmes targeted to different skill levels, so that adults who may first need basic skills upgrading can move on to further levels of education and training.

As for labour-market outcomes of post-secondary and tertiary graduates, strong outcomes require co-ordinated inter-ministerial action, so that the supply and the demand of highly skilled individuals go hand in hand. In Portugal, degrees in higher education yield high returns; earnings are almost 70% higher than earnings of workers with upper secondary education (OECD, 2017, p. 114[4]). However, to maintain high returns, opportunities for individuals to use their skills are also critical. This issue is reflected for instance in a recent study that showed that the wage premium of a CET over an upper secondary diploma significantly increased between 2006 and 2015. Most of this wage advantage was explained by differences in occupation and type of contract, i.e. in the better jobs that CET graduates secure. These results indicate that some of the returns may not be easily scaled up: to maintain such outcomes, the growth of quality jobs in Portugal would need to keep pace with the growth in the number of graduates at this level (Figueiredo et al., 2017[10]). This should be borne in mind given the current expansion of post-secondary non-tertiary courses.

Employer-sponsored training can be improved

Portugal is encouraging employer-sponsored training through two main policy levers: legal requirements, as noted in Chapter 2, and specific programmes targeted to employers. Laws introduced in 2009 regulate employers' duties for providing professional training. Every employee is entitled to a yearly minimum of 35 hours of education and training, which may be postponed for up to two years. Cumulatively, employers are require to give training to a minimum of 10% of their workforce annually.

Despite these requirements, and the fact that employer-sponsored training constitutes a large part of all adult learning taking place in Portugal (see Annex A), the rate of employer-sponsored training is relatively low in a comparative perspective. According to a 2015 Eurofound survey, less than 20% of Portuguese workers reported participating in the past year, compared with a EU28 average of over 40% (OECD, 2017[11]). Employer-sponsored training in Portugal is mostly delivered by large firms, tends to be very short in duration, and involves modest investments per participant on average (see Box 3.3).

Further, stakeholders consulted during the project, including employers, noted that there is a widespread practice of providing a minimum number of training hours to meet the legal requirement, and often in general-purpose courses or mandatory fields (e.g. health and safety), as opposed to training directly relevant to the firm's production processes or learner's needs. In other words, the value and relevance of the training that does occur may need improvement.

Box 3.3. Employer-sponsored training in Continental Portugal in 2015

Participation rate: Over 800,000 employees, or about 33% of all employees.

Firm size: Of companies below 10 employees, 11.9% provided training, compared to 56.7% of enterprises with 500 employees or more.

Sectors: Workers in network industries (electricity, water, gas) and finance and insurance were a large majority of those receiving training, with rates of 81.5% and 75.1%. They represented close to 5 500 and 60 000 workers, respectively.

By comparison, more than 200 000 employees worked in manufacturing (*indústrias transformadoras*), but only 33.7% participated in training. Trade (wholesale and retail, including automobile) accounted for over 300 000 workers; training rates ranged between 36% and 43% of employees.

Training providers: 70.4% of workers received training by the employing firm itself, 23.5% were trained by specialised training companies, and 18.5% by companies that were not specialised in training. Fewer than 10% of workers received training from union or employer associations, universities or schools, or the IEFP (public employment and vocational training service).

Training areas and intensity: Training in health and safety represented the largest share of training (over 20.3%), followed by organisational and business management (12.8%). The average duration of training per employee was 28.7 hours.

Costs: In total, firms invested more than EUR 229 million on training. Almost all costs (94%) were borne by firms, over half of which came in the form of lost work, because 92% of workers underwent education and training during work hours. The average cost per trainee was just below EUR 400.

Participant profiles: No significant difference was observed in participation across age cohorts, but the higher the level of education, the greater the participation.

Source: Ministério do Trabalho, 2017.

For unemployed individuals, active labour-market policies (ALMPs) are a main channel to access training. Participation in ALMPs in Portugal between 2010 and 2014 rose more than 50%, from close to 340 000 participants to approximately 535 000. This was likely due to the combination of high unemployment rates after the recession, and Portugal's labour-market reforms in the period 2011-2015, which linked the receipt of unemployment benefits to requirements such as participation in training (OECD, 2017[12]).

Yet, compared to other OECD countries, in 2014, relatively few job seekers participated in ALMPs in Portugal (OECD, 2017[11]). In addition, stakeholders noted that the amount of work-based learning included in training programmes that are part of ALMPs is limited in practice. This raises concerns that the policies as currently designed may not be able to increase the employability of the unemployed effectively.

Training with work-based components for youth who are NEETs has also grown in the context of the EU's Youth Guarantee, which includes a commitment to finding a job, traineeship or some form of training programme for every young person within four months of their leaving the education system (OECD, 2015, p. 66).

According to the latest OECD data, close to 21% of the cohort of 20 to 24 years old was NEET in 2016, placing Portugal above the OECD average of 16.3%, and close to countries like France and Ireland. The equivalent Eurostat rate was 17.2% (Eurostat, 2017[13]). This difference is largely explained by the exclusion of youth who are in non-formal learning from the NEET rate. This suggests that they may be a substantial level of participation of such youth in non-formal programmes, although what these programmes entail in terms of content, format and learning outcomes is not clear.

Practices to improve access to adult-learning opportunities and their quality and relevance

Targeting the supply where need is greatest and raising quality is needed

Any expansion of the system should be targeted

In a context of scarce public funding, Portugal faces important trade-offs when considering the sustainability, improvement and expansion of its adult-learning system.

This section proposes an overall focus on low-skilled adults, understood as being those who have not completed upper secondary education. Several other groups at risk of having low skills, or of skill erosion, such as NEETs and the long-term unemployed, are also identified.

This focus is consistent with Portugal's efforts for many years, is currently pursued through the Qualifica Programme, and was broadly supported by stakeholders during the National Skills Strategy project during the diagnostic phase (OECD, 2015[1]). It supports the economic imperative to raise the skills of the population to support national growth and productivity (OECD, 2017[11]). At the same time, it recognises how skills can promote inclusive growth, an important priority in Portugal given its large socio-economic and inter-generational inequities (Governo de Portugal, 2017[14]).

Low-skilled individuals, however, represent a large proportion of Portugal's adult population. This has raised questions as to whether further targeting would be appropriate. A focus on certain economic sectors, for instance, tourism, where there is an urgent need for qualified workers (Box 3.4), may constitute a relevant target to help meet

the fast-growing demand. At the same time, building a highly skilled workforce for the long term requires a broad diversity of skills to ensure that workers can move between sectors and occupations.

Another consideration in identifying specific target groups in a context of limited resources is the potential trade-off between economic and social outcomes. For example, focusing on young, low-skilled adults can generate higher returns for individuals and government, because they will stay longer in the labour market. On the other hand, older adults with less time to benefit from the investment are likely to have the lowest skill levels and the greatest need for basic upskilling.

Box 3.4. Tourism in Portugal: A sectoral example of skills needs

The tourism industry is a sector that has been one of the fastest-growing in Portugal in the past two years. The present situation highlights the need for rapid upskilling of a large number of individuals in the tourism workforce:

- 53 000 new jobs were created in the tourism industry in 2017, 40% of all new jobs created in Portugal that year
- 80 new hotels will be built in Portugal in the next two years
- 30% of individuals working in tourism have completed secondary or post-secondary education. The Tourism Strategy 2027 of the country expects this number to grow to 60%.
- substantial growth in tourism from new markets, especially Asia, will require new competencies (e.g. foreign languages).

Source: Ministry of Economy, 2017.

Low-skilled adults, NEETs and long-term unemployed

Low-skilled, NEETs and the long-term unemployed need opportunities that combine foundational skills and technical skills relevant in the labour market. Participation in courses below the upper secondary level fell between 2011 and 2015, and after a period of stability, started to rise again in 2017. The current policy of expanding access to these programmes, with a focus on the programmes' quality and outcomes, is thus recommended.

The Upskilling Pathways initiative of the European Commission, launched in December 2016, offers a useful instrument. It provides funding to develop training specifically for adults who have not completed upper secondary education, focuses on foundational skills training and labour-market relevant qualifications, and offers flexible delivery. The model emphasises a three-step approach that tailors the training to: *i)* an assessment of the individual's particular need for skills, *ii)* solutions tailored to what the individuals have already learned and their current needs, and *iii)* skills validation and recognition. This model, which Portugal has already began to implement by focusing on dual certification, both academic and vocational, is worth further pursuing.

Employers, in particular SMEs and micro-enterprises

In line with the low levels of education among adults, close to 54% of firms' owners or managers in Portugal have attained only a lower secondary education (OECD, 2017[11]).

The use of high-performance work practices (HPWP) in firms is a useful indicator of how much and how well employers utilise their employees' skills to encourage productivity and innovation. These practices include aspects of work organisation (teamwork, autonomy, task discretion, mentoring, job rotation and applying new learning) and management practices (employee participation, incentive pay, training practices and flexibility in working hours). Data for Portugal suggest that HPWP tend to be more frequent among more educated workers and also lower in the manufacturing sector, compared to other workers and sectors in Portugal (Ferreira, Neira and Vieira, 2010[15]). Given the large number of low-educated workers, and given that manufacturing is an important employment sector, the use of HPWP is probably low. This in turn limits skills use and productivity (OECD, 2016, p. 79[16]).

To address low provision of training in small firms, Portugal has complemented its regulatory regime with other approaches, including the Action Training model (Box 3.5).

Box 3.5. Training Action in Portugal: Focus on employers

The Training Action (*Formação-Ação*) model has been developed in Portugal since the late 1980s and has taken different forms over the years. It is currently considered to be a business incentive as part of the programme Compete2020, which aims to boost the qualifications and internationalisation of small and medium-sized enterprises (SMEs).

Approach: The Training Action Programme SME Academy is one of several Training Action programmes, and takes place over a 12-month period. Each participating SME benefits from training workshops, bringing together several SMEs (119 hours per SME), and consulting services tailored to each company (78 hours). The training focuses on themes such as boosting the efficiency of production processes, marketing and sales, financial management, business in a digital environment and internationalisation. The consulting services aim to help employers develop training plans.

Results: In 2008-2015, the Training Action SME Academy supported 1 482 enterprises, through 42 projects (north, centre regions, Alentejo and Algarve).

Funding and targets: Funding for Action Training programmes is largely based on EU structural funds. The budget approved in 2017 for the Training Action SME Academy programme was about EUR 405 000, with a goal of covering 600 SMEs. The overall budget for Training Action programmes as part of Compete 2020 is about EUR 71 million, and the goal is to reach 23 000 SMEs by 2020.

Governance: the National Agency for Competitiveness and Innovation (*Agência para a Competitividade e Inovação*, or IAPMEI, I.P.) is responsible for co-ordinating the funds received through the European Social Fund's Human Capital programme for Action Training programmes. About 20 sectoral business associations across the country promote the programmes locally.

Financial incentives, discussed in Chapter 5, constitute another approach used in Portugal to encourage the provision of employer-sponsored training.

Other groups: young adults and those with "medium skills"

The lifelong learning needs of groups who will play a key role in raising the country's productivity now and in the future are also of key concern. These include adults already in the workforce who have medium levels of skills and education and who could upgrade those skills to adapt to new and more complex tasks and jobs. They also include the many recent graduates from secondary-level VET programmes.

For adults with a medium level of skills, a diversified and quality VET at all levels, including post-secondary, is necessary. Portugal has substantially expanded vocational education and training since the 2000s, reversing a trend of disinvestment in VET in the 1970-80s. Yet, while upper secondary level VET has grown rapidly, options beyond that level or at that level but focused on an adult audience are limited. Despite the perception in Portugal that VET remains a second-choice option, many participants in the first stakeholder workshop of the project commented that VET options would in fact address the needs of a wide range of adult learners with different profiles, including the long-term unemployed and NEETs, and those who are employed.

The adult-learning system may also provide an opportunity for training groups that do not benefit from regular provision. A growing number of migrant youth in Portuguese secondary schools need further skills, including learning Portuguese as a second language. While there is a dedicated programme for this purpose in secondary education, the provision is insufficient to guarantee access for all, and students who opt for VET programmes may not have access to such programme. This often incentivises migrants that have recently arrived to the country to opt for the academic route, rather than a vocational one, which may not always be best suited to their needs (Liebowitz et al.,(n.d.)[17]). The adult-learning system may, in such cases, offer training in Portuguese as a second language to young migrants who have no other options in the education system.

Programmes need to be more flexible and relevant to the labour market

The design of adult-learning programmes is important to promote participation and improve outcomes. Several studies offer insights on practices for increasing participation in adult learning (OECD, 2005[18]; European Commission, 2015[19]; Windisch, 2015[20]). Increased participation is viewed as a key objective, based on the benefits of participation outlined in Chapter 2 (Box 2.4). Regarding active labour-market policies, where more information is available, research highlights some of the specific features and conditions linked to positive results (Box 3.6).

Box 3.6. Evidence on government-sponsored training programmes: Programme features, target population and economic context matter

Evidence of the returns of adult learning from international studies was presented in Chapter 2. The findings presented here focus on specific aspects of adult-learning programmes found to have an impact on participants' outcomes. These findings apply in particular to active labour-market policies, for which more evidence is available than for other types of adult-learning programmes.

Content: In Portugal and other countries, higher returns (employment and earnings) are found for active labour-market programmes that involve work-based components, such as subsidised internships or contracts, compared to classroom-based training (Dias and Varejão, 2012, p. 129[21]; OECD, 2017, p. 52[12]; McCall, Smith and Wunsch, 2016, p. 632[22]). Yet, Lima (2012[23]) found the *Educação Formação de Adultos* (EFA) courses improved the likelihood of transition to employment, and that *Formações Modulares* (FMC) reduce the length of unemployment.

Populations targeted: Effects of programmes depend not only on the design of programmes but also on the characteristics of participants. In a review of government-sponsored training in Denmark, France, Germany, the United Kingdom, the United States and Sweden, better outcomes were found for women participants and the long-term unemployed, whereas poorer results were found for older workers and youth (Card, Kluve and Weber, 2015[24]; McCall, Smith and Wunsch, 2016[22]). Not all approaches work for all learner profiles. For instance, McCall et al. report that vouchers do not work well for disadvantaged groups, who fare better with approaches that provide skills assessments and guidance (2016, p. 629[22]).

Economic context*:* McCall et al. find that the effectiveness of government-sponsored training for adults is higher when the unemployment rate is higher at the start of the programme, and lower when training is required to renew benefit eligibility (2016[22]). On the other hand, training apprentices may be more beneficial to employers in tight labour markets (Mühlemann, 2016[25]).

While a number of important features are listed in Recommendation 4 at the end of the chapter, two important areas of focus are described in detail below: flexibility of delivery with adequate support, and providing a broad set of skills through work-based learning.

Flexibility and supports: a requirement at all skill levels

Flexible delivery approaches suited to the needs of adult learners can help encourage participation, and apply to all learning programmes, whether at the level of foundational skills, VET or in higher education (European Commission, 2015[19]; Windisch, 2015[20]).

Research on adult learners in the Portuguese polytechnic sector provides specific examples of practices to make learning programmes more flexible. For example, adequate guidance and supports, delivery modes (such as "b-learning", which includes both on line and face-to-face components) and schedules (both weekdays and weekends), and the inclusion of practical and work-based components were all found to help increase the persistence of adult learners (Duarte, Pires and Nobre, 2017[26]). In the tourism sector,

innovative training approaches that provide flexible access and methodologies, including work-based learning, were raised as a critical way of meeting the immediate demands for qualified employees. Flexibility is also important from the perspective of efficiency and effectiveness. Flexible programmes can help with retention and completion of adult-learning programmes, which is particularly important in Portugal, since challenges remain in this area (Agência para o Desenvolvimento e Coesão, 2016[27]).

In this context, current efforts to modularise training should be pursued and co-ordinated. These efforts include: the implementation of the European Credit system for Vocational Education and Training (ECVET); the short training modules included in the National Catalogue of Qualifications that can be combined in various ways (UFCDs) and approaches such as those of the modular training courses (FMC) mentioned above. It also includes innovative initiatives, such as the "Learning Factories" as part of the Indústria 4.0 strategy, which involves a set of physical "labs" where learners can develop relevant skills (e.g. digital and technical skills relevant to specific sectors) and apply these skills in a real business context.

Supports for learner persistence are also important, and dedicated investments should be set aside for this purpose. As previously noted for higher education, several stakeholders noted that the lack of dedicated pedagogical and academic supports for adults may be limiting participation in (and completion) of programmes.

Finally, costs were raised as a potential barrier. Direct costs are low for adults who want to participate in programmes at the secondary level and below, as these are mostly free of charge. However, indirect costs, such as transport or child care costs, and the opportunity cost of not working, are significant. These costs may be particularly high for some disadvantaged populations (e.g. low-income, immigrant and Roma communities) and in some local areas (e.g. rural and inland) that tend to have high concentrations of different types of disadvantage. In higher education, the insufficient support provided by the regular aid system and the lack of dedicated financial support for adults to cover fees and other expenses was noted as an obstacle. Targeted financial aid to support adult learners may need to be considered, as will be discussed in Chapter 5.

Providing a broad set of skills through work-based learning

In a fast-changing economy, individuals increasingly require a broad set of skills, including basic cognitive skills, socio-emotional skills and technical skills relevant in the labour market. At the school level, Portugal has made major efforts to identify a "skills portfolio", outlined in the Student Profile by the end of compulsory schooling in 2017 (Box 3.7).

Box 3.7. Students' profile by the end of compulsory schooling in Portugal

In 2017, Portugal developed students' profiles, setting out what young people are expected to have achieved by the end of compulsory schooling. This reference document for the organisation of the education system is informed by stakeholder consultation. It presents the principles and the vision for the educational system, and the values and competences students should develop.

Several **principles** form the basis for this profile, which is intended to incorporate humanistic values and to be a stable reference point for the education system. It emphasises the centrality of knowledge and learning and aims to promote inclusion, coherence and flexibility in educational practice. It also stresses the importance of adaptability, audacity and raising awareness of environmental sustainability issues as critical to a 21st century educational approach.

The **vision** outlines what is expected of young people who leave compulsory schooling. This includes the expectation that the citizen develop critical thinking, self-awareness, autonomy and responsibility. Individuals should be able to cope with uncertainty in a fast-changing world, to use the skills they have developed, to continue lifelong learning, and should respect the fundamental principles of democratic society and the rights, guarantees and freedoms on which it is based.

A set of **values** is outlined, for students to practice in all learning activities. These include: responsibility and integrity, excellence and high standards, curiosity, reflection and innovation, citizenship and participation, and freedom.

The **competences** to be acquired require a combination of knowledge, skills and attitudes, and are of a diverse nature. These include: the use of languages and texts, information and communication, reasoning and problem solving, critical and creative thinking, interpersonal relations, autonomy and personal development, well-being, health and environment, aesthetic and artistic sensitivity/awareness, scientific, technical and technological knowledge, and body awareness and mastery. Operational descriptors are provided to help implement practices leading to the acquisition of these competences.

Source: Martins et. al. (2017[28]).

Adults need a broad skill set relevant to the labour market, whether they are working, looking for employment, hoping to upgrade their skills to improve their resilience and future employability, or in search of changing jobs, occupations or sectors.

Programmes that combine foundational skills with the acquisition of an education qualification and/or delivered in work-relevant context have proven valuable for adults in various countries.

For instance, in Norway, providing basic skills in a work-relevant context is promoted by funding targeted to employers for the delivery of relevant training (see Box 5.9, in Chapter 5). In the United States, Washington state's I-Best programme, which combines literacy and numeracy training and on-the-job training has been found to have a positive impact on the learning of adults and to yield public benefits through increased wages and tax payments (Jenkins, Zeidenberg and Kienzl, 2009[29]; Washington State Board for Community and Technical Colleges, 2013[30]).

During the project's first workshop, conducted in May 2017 in Lisbon, stakeholders were asked to reflect on the key skills needed by the Portuguese economy, in 2017, and then in five years. The following highlights reflect the views of participating stakeholders:

- **Digital and socio-emotional skills**, including teamwork, creativity and communication, were identified as critical both today and in the future.
- **"Technical" skills** were more frequently cited as required in the current economy, but more advanced or specific technical skills were seen as increasingly needed in the future (e.g. computing, data analysis).
- **Entrepreneurship, critical thinking and resilience** were most often noted as required skills for the future.
- **Language skills**, including English, French, German, and Mandarin were noted as being particularly useful in the tourism sector to prepare professionals to interact with tourists, but were also noted as important in other sectors for interacting with foreign investors and residents.

The Portuguese government has begun tackling poor digital skills, which are widespread among adults in Portugal (see Box 3.8). Its youth perform relatively well compared to those of other EU countries as shown in Figure 3.3 (European Commission, 2017[31]). The government is addressing low digital skills in the large-scale Incode2030 strategy. Spanning the period 2016-2020, the strategy involves both existing measures from programmes such as Qualifica and Indústria 4.0 and new measures. It also includes quantified targets: 20 000 enrolments in digital literacy programmes by 2020, 2% of GDP invested in R&D by 2025 and 80% of the population with basic digital skills by 2030 (Governo de Portugal, 2017[32]).

The strategy is comprehensive, based on five domains of action. Inclusion is a first priority, with measures to raise awareness of the benefits of digital skills, online platforms for self-diagnosis and skills development, and a system to certify the digital skills. Second, the strategy aims to improve the use of digital resources and teacher training in schools. Third, new qualifications focused on information and communication technologies at EQF Levels 4 and 5 will be created, along with centres for digital training in higher education institutions and IEFP centres. The fourth and fifth axes focus on a specialisation in advanced digital technology through the creation of bachelor and master's degrees, and increased research activity in the field. As noted in Chapter 4, several ministries have a role in implementing this strategy; for example, the Directorate-General for the Qualifications of Public Servants is responsible for the improvement of digital competencies in the public service.

Tracking the results of this strategy will be necessary. While Incode2030 involves a notable number of activities for the young, Portugal is among the ten EU countries with the highest digital skills among teenagers and young adults. Socio-economic inequality is still a cause for concern among these cohorts, but inter-generational inequality is particularly acute in this area. Keeping track of the outcome of the strategy for adults over 25 is important for both economic and social outcomes in Portugal.

Box 3.8. The digital economy and society: Strengths and weaknesses in Portugal

In 2017, Portugal ranked 15th out of 28 countries in the European Commission's **Digital Economy and Society Index (DESI)**. Portugal performs relatively well in integrating digital technology in enterprises (No. 9), developing digital public services (No. 10), despite a notably low score for open data. It also does relatively well in Internet infrastructure coverage (No. 9), despite low take-up of mobile broadband.

Portugal's performance is among the lowest in the EU28 with respect to levels of Internet use (No. 19) and particularly human capital (No. 22). However, there is a strong inter-generational divide regarding digital skills. Portugal had the eighth-highest share of graduates in science, technology, engineering and mathematics (STEM) and levels of digital skills in the 16 to 24 age cohort, scoring significantly above the average in the European Union (see Figure 3.3). By contrast:

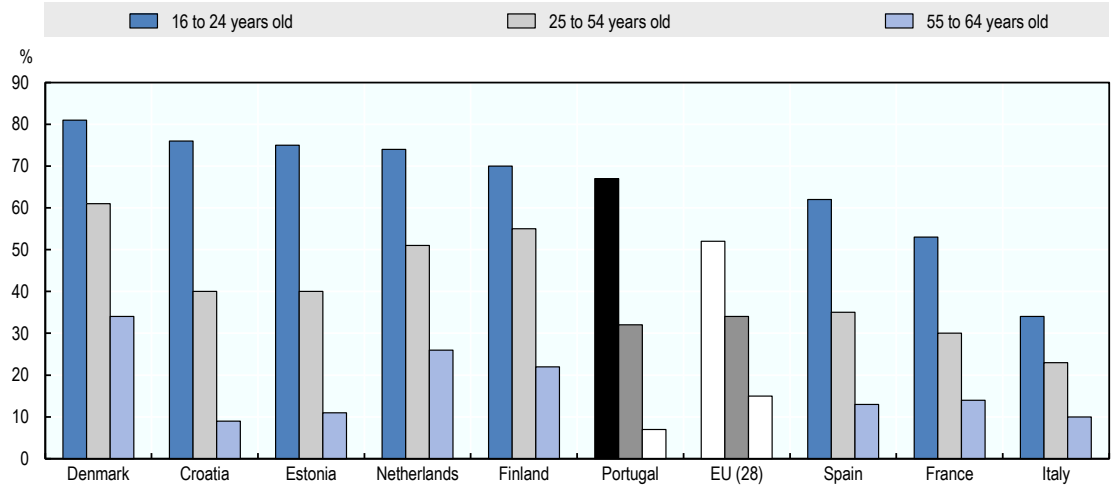
52% of the Portuguese population lack basic digital skills, 30% having no digital skills at all (based on types of information and communications technology, or ICT, usage by individuals and an estimate of the skill levels required for such usage).

26% of the adult population, and 22% of the active labour force have never used the Internet, compared with EU averages of 16% and 22%

Portugal ranked 22nd in the percentage of ICT specialists among those employed, at 2.2%.

Source: (European Commission, 2017[31]; Eurostat, 2017[33])

Figure 3.3. Above-basic overall digital skills, share of individuals, 2016



Source: Eurostat (2018), *Individuals' level of digital skills* [isoc_sk_dskl_i], http://ec.europa.eu/eurostat/cache/metadata/en/tepsr_sp410_esmsip.htm.

StatLink http://dx.doi.org/10.1787/888933711921

Clarifying roles and better co-ordinating adult-learning providers is critical

Building on providers' strengths would help avoid duplication

The adult-learning delivery system is, like the programmes available, highly diverse. Providers include elementary, secondary and professional schools (both public and private), IEFP centres, as well as other education and training bodies supervised by various ministries. These, include, for instance, schools managed by Tourism for Portugal, training providers certified by DGERT, and institutions of higher education. Employers, of course, are also a major provider: in 2015, over 45 000 companies provided some form of employer-sponsored training in Continental Portugal (Ministério do Trabalho, 2017[34]).

In this complex landscape, stakeholders noted the challenges of maintaining quality. An appraisal of the delivery network is thus needed to limit duplication and strengthen synergies between different institutions, which would help improve both the efficiency of the system, its clarity for users and quality monitoring and improvement. Throughout the project, stakeholders described various providers as having distinct strengths:

- Qualifica Centres were described as a single point of access for adults, assessing user needs and directing them to appropriate training options.
- Schools were viewed as well-equipped for basic skills delivery and accessible due to their strong footprint in communities – for example, a focus on parents can help raise adults' interest in learning.
- IEFP Centres were viewed as well-placed to direct and deliver labour-market relevant training, due to the strong relationships they have established with employers and experience with labour-market needs.
- Polytechnic Institutes, which have quality-assurance mechanisms similar to those in universities[2], hold promise for developing a more robust and recognised VET offer at tertiary education level that can serve a broad audience, including adult learners.

The co-ordination of these various institutions can be improved, and the existing infrastructure leveraged. This is particularly important, as the funding available for the network of Qualifica Centres is lower than what was available during the New Opportunities Initiative, which ran from 2006 to 2013, although the funding declined from 2011. These reduced resources further increase the importance of finding complementarities and synergies within the delivery network.

As both Qualifica and IEFP Centres are responsible for counselling adults and matching them to learning opportunities, some stakeholders have noted that competition for users, rather than co-operation, can occur at the local level. Given the limited staff capacity, efforts should be made to clarify roles and increase co-ordination. This could build on ANQEP's current work to promote collaboration among Qualifica Centres at the regional level, through frequent visits and meetings, and also involve other key local entities, such as IEFP offices.

To do so, stakeholders outlined the need for enabling conditions, in particular appropriate governance and financing mechanisms, which clarify the mandate of the various institutions, and incentivise providers to partner at the local level. These issues are discussed in the next two chapters.

Better assessing learners' needs can help maximise the use of the system

Adequate skills needs assessment and guidance can raise motivation to engage in learning and also help improve learners' outcomes and the effectiveness and efficiency of the delivery system.

The new Qualifica Passport, discussed earlier, is a promising online tool that provides self-directed guidance for learners, based on their education, training and employment history, current situation and objectives. It can also be a key tool for staff at Qualifica Centres to direct them to appropriate learning opportunities. Good practices in the area of individual skills assessment and guidance can also be found in the public employment services, which have developed skills profiling systems to match people with jobs (for Portugal, see Box 3.9). Beyond a focus on access to employment, these approaches may be useful for the matching adults with the right programmes to raise their skills.

Box 3.9. Practices from Portugal's Public Employment and Vocational Training Service (IEFP)

The high unemployment that characterised the years 2011-2014 spurred authorities to improve employment services. Closer monitoring and more effective interventions to limit long-term unemployment were initiated. New tools were devised that promote job seekers' active participation in devising tailor-made solutions for their particular situation, and ensure wide accessibility through ICT technology. These new instruments include:

- A Personal Employment Plan (*Plano Pessoal de Emprego*, or PPE), which is formulated either on line or live by the job seeker, together with the employment services, and sets out actions, to which the job seeker commits, for finding employment, as well as the active employment measures to be delivered. The PPE may be readjusted or even reformulated over time.
- A profiling system that predicts a job seeker's risk of remaining unemployed for more than a year by using the estimates obtained with a discrete choice (logit) model applied to historical data. The model controls for individuals' characteristics, such as gender, age, work experience, or education. Job seekers are then segmented into one of three groups, depending on the predicted risk of long-term unemployment. The segmentation is validated by a counsellor, and determines the intensiveness and frequency of the measures applied.
- Career Managers are officers responsible, among other things, for matching employers' needs with job seekers', and for following up on the matches made.

Sources: Andersen, Feiler and Schulz (2015[35]); www.iefp.pt.

Profiling methods are promising but require intense engagement of both learners and service providers. They are often enforced through mutual obligation frameworks (with

participation as a condition of receipt of employment benefits), which may be difficult to replicate in the context of adult learning beyond ALMPs.

Other tools, such as self-directed assessments, have some advantages, including low cost, confidentiality and ease of use, provided that prospective learners are aware of these tools. One example is the OECD Education and Skills Online tool (OECD, 2017[36]). In Ireland, the National Adult Literacy Agency (NALA), an independent charity created in 1980 with the mission of helping those with low literacy, numeracy and digital skills, takes an original and low-cost approach to self-directed basic skills assessment, which is described in Box 3.10.

Strengthening pathways between programmes

Pathways between programmes are important from the perspective of accessibility and to improve system efficiency. For learners, credit recognition – already well-developed in higher education at the European level – enables mobility, increases study options and saves both time and cost by not repeating previously acquired knowledge and skills. In the area of adult learning, efforts to promote such recognition are equally important, and are contingent on strong quality-assurance mechanisms. One approach that Portugal should further pursue is to facilitate the recognition of vocational education and training (VET) credits, through the implementation of the European Credit System for Vocation Education and Training (EQVET). Further work to facilitate pathways within the formal adult-learning system may also be needed, for instance to ensure that pathways exist between courses up to the upper secondary level, post-secondary non-tertiary courses (e.g. CET), and short-cycle tertiary courses (e.g. CTeSP).

Mechanisms to enable learners to have their informal learning recognised, such as that acquired through employer-sponsored training, can help facilitate pathways between the formal and informal parts of the adult-learning system. Being able to assess learning outcomes acquired informally is an important step, as discussed in the next section.

Box 3.10. Ireland: WriteOn programme

Overview and Objectives: Active since 2008, the WriteOn programme is part of a broader Distance Learning Service (DLS) managed by the NALA.

It aims to provide quality, free, confidential literacy support on line and by telephone with qualified tutors. Specifically, the programme provides online skills assessment and online learning opportunities to facilitate both the acquisition of literacy skills and accreditation for adult learners at Levels 2 and 3 of the National Qualifications Framework of Ireland.

Skills assessment and orientation: The programme offers an online tool allowing individuals to undergo a step-by-step process to assess their skill levels. It then provides access to learning resources and individualised tutoring on a free telephone line.

Outreach: An important aspect of the NALA's role in providing broad information on literacy opportunities is through mass media, in particular through the broadcasting since 2000 of 13 prime-time TV series funded by the Broadcasting Authority of Ireland. Reaching audiences of close to 300 000, the series focused on showing the relevance and returns to basic skills in daily life, inviting viewers to access NALA services, including the free tutoring service.

Results: Data collected by NALA suggest that there are 10 000 calls annually from adults seeking advice on how to upgrade their skills, that 32 000 learners have created an online learning account, and 2 500 learners went on to obtain 14 500 national certificates at Levels 2 and 3.

In addition, 180 learning centres across the country and 31 of the 33 national vocational education committees use the WriteOn programme to support blended teaching methods and accreditation.

Evaluation approach: Annual monitoring visits are conducted by Quality and Qualifications Ireland (QQI). Independent evaluations are regularly commissioned for the programme and the overall distance learning strategy.

Source: National Adult Literacy Agency (2017[37]).

Mechanisms to promote, monitor and assure quality need reinforcement

The importance of raising the quality of adult learning has been a recurring theme in the project. Stakeholders emphasised the importance of quality to enhance outcomes for learners, increase participation, and encourage the sustainability and expansion of public and private investment in adult learning.

Monitoring of outcomes in both formal and informal learning is needed

Although it collects a large amount of data, Portugal lacks a systematic approach to monitor the inputs, outputs and outcomes of adult learning.

To strengthen monitoring and evaluation, Portugal can build on several efforts under way. These include the ANQEP's new practices to monitor the activities and results of Qualifica Centres discussed in Chapter 2. Work undertaken by the National Institute of

Administration (*Instituto Nacional de Administração*, or INA) to assess skills needs and enhance skills development in the public administration is also promising in this area. Relevant aspects include: *i)* the collection of information about skills needed in the public service, as discussed in the previous chapter, but also on training completed, *ii)* a digital platform to co-ordinate training, using a business intelligence solution and open data, which provides a broad view of the training undertaken across the public service and helps to guide quality improvements, and *iii)* methodological supports to increase the capacity of the public service to manage training, including assessing the impact of the training completed.

In addition, measuring and reporting on outcomes such as employment and continuing study after programme completion has become a requirement for programmes funded by European structural funds, especially the European Social Fund (ESF), as part of the current funding agreement between the EU and Portugal (Portugal 2020). In addition, in the current programming period, 6% of all structural funds are set aside, to be paid at the end of the period, based on performance.

Further to this agreement, Portugal has established national outcomes standards, requiring that 50% of individuals who have completed certain ESF-funded programmes be employed or continue studying six months after the end of the programme. These include programmes with dual certification, such as vocational education and training courses at secondary level, the CET, the CTeSP, and education and training for adults (EFA courses). They do not include short-term training such as modular training or short-term basic skills training. For the programmes subject to these regulations, the programme will no longer be financed by European funds if the result is less than 50%.[3]

The Portuguese government is also contracting specific targets regarding employment and continuing study with the providers benefiting from EU human capital funding. Programmes funded through the Human Capital Operational Programme (POCH) and most of the regional operational programmes with human capital investments are covered by this approach. The government requires that at least 85% of these contractual targets be met in areas with high population density, and 75% in those with low density. If they are not met, the government reserves the possibility to reduce funding by 0.5 percentage point for each percentage point away from the target, with a maximum funding cut of 10%. Rewards can also be provided if targets are exceeded.

Work should continue on implementing the framework for European Quality Assurance in Vocational Education and Training (EQAVET). This provides guidance on quality criteria and indicative descriptors to underpin monitoring and reporting arrangements and common indicators to support the evaluation, monitoring and quality assurance of VET systems and providers. Initially focused on school-level VET, work at European level is under way to ensure that the EQAVET instruments are adjusted to reflect the growing need of quality in continuing VET for the adult population (EQAVET, 2015[38]).

Taking into account and co-ordinating these efforts, it would be valuable to develop a coherent monitoring and evaluation system that includes a set of performance indicators reflecting Portugal's policy objectives for the adult-learning system.

Interactions with multiple stakeholders during the project revealed a range of views on the goals of adult learning. The choice of performance indicators depends on the theoretical framework used and what is considered "success" in adult learning.[4] Performance indicators should thus help take the diversity of objectives of adult learning into account. They should also help measure the progress of learners rather than only

outcomes, as these can be heavily influenced by the socio-economic background of participants, as was noted in previous research on improving school-level evaluations (Santiago et al., 2012[39]).

To assist in clarifying relationships between several components of the adult-learning system, a framework was produced as part of this project, and is presented in Annex B. For each component of this framework, possible indicators are provided that can help measure how well the system works at various stages. A set of potential key performance indicators is suggested, based on international examples and data available in Portugal.

The result of this exploratory work on a draft framework for adults showed that:

- Both quantitative and qualitative approaches are required to assess the quality of the adult-learning system, including inputs, processes and outcomes. Many inputs and processes (e.g. the quality of adult trainers, governance capabilities or the types of learning activities and setting in which they are delivered) matter for producing good outcomes, but often can only be assessed qualitatively. Outcomes should be quantified wherever possible to help evaluate the impact of private and public investments. To help communicate the outcomes to the public, a small subset of indicators can be helpful.
- The data collected in Portugal on adult learning are extensive, but is not sufficient to clearly outline the outcomes of learning or in guiding the improvement of the system. Some of the administrative data collected about learners, providers and processes may not be needed for all providers and/or on a frequent basis.
- Priorities should include *i)* refocusing the collection of data on inputs and processes on those that matter the most for producing good outcomes, and *ii)* collecting and disseminating outcomes and impact data (e.g. the value added of learning programmes). To complement such an approach, more effective quality-assurance mechanisms would be necessary (see next section).

Several countries have attempted to measure the outcomes of education and training programmes. The province of Ontario, Canada, provides an interesting example with respect to measuring key outcomes of formal adult education systematically. Its 24 public colleges of applied arts and science are roughly equivalent to Portugal's polytechnics. These provide programmes at various levels, ranging from essential literacy and numeracy to post-secondary degrees in specific applied areas of studies, and are required to report on a simple set of key performance indicators (KPIs) made available publicly (see Box 3.11).

Box 3.11. Key Performance Indicators in the Ontario (Canada) college system

Since 1998, the Ontario government has required that colleges, i.e. post-secondary, technical or applied institutions, conduct surveys measuring the satisfaction of students, recent graduates and employers, as well as graduation and employment rates of one- to four-year courses. The data are compiled and analysed by an independent research company, and released to the public as a small set of KPIs at the institutional level.

The KPIs include: *i)* average employment rates six months after graduation; *ii)* average graduation rates, following a reasonable intermission; *iii)* a ranked measure (satisfied, neither satisfied nor unsatisfied, unsatisfied) of students' satisfaction regarding *a)* the usefulness to the future of the knowledge and skills acquired in studies, *b)* the quality of the learning experience, *c)* the quality of the services provided and *d)* the quality of the available facilities and resources; *iv)* a ranked measure of graduates' satisfaction six months after completion; and *v)* a ranked measure of the satisfaction of employers that hired graduates from the previous school year.

These indicators are not meant to rank the institutions, and do not allow for differences in the skill levels of students at time of admission, their size, the duration and fields of the courses offered, or the conditions in local labour markets. Still, they provide objective and subjective information on outcomes that is useful for informing the choices of prospective students, policy makers and the institutions themselves, and improves transparency and accountability.

Source: Colleges Ontario (2018), available at www.collegesontario.org.

With respect to employer-sponsored training and informal learning, the definition of learning outcomes and measurement of these outcomes is particularly important.

In Portugal, efforts are under way to recognise non-formal learning undertaken by youth, as a way to keep young people, including drop-outs, engaged in learning. The approach used by the Youth Pass (*Passe Jovem*) involves an individualised process of defining relevant learning outcomes between the young learner and the provider, often services of the Portuguese Youth and Sports Institute (*Instituto Português do Desporto e Juventude*, or IPDJ) or youth associations. Training guidelines are available for these associations to help with defining learning outcomes and recognising the skills acquired.

In countries that have well-developed employer-sponsored learning, like Norway, efforts are underway to reduce the distinction between formal and informal learning. Employer associations are working with employers to assist them in formulating their needs in terms of learning outcomes that can be assessed and recognised. This is expected to help increase the quality and value of employer-sponsored learning (see Box 5.5 in Chapter 5).

Portugal could improve quality assurance

Research on the impact of quality-assurance schemes on raising participation is limited, but the absence or inadequacy of such frameworks may undermine trust in the system. For example, some stakeholders consulted during the project expressed doubts regarding the consistency of programme quality, across the country, fields of study and providers.

Providers working within the National Catalogue of Qualifications (*Catálogo Nacional de Qualificações*, or CNQ) are regulated by their respective overseeing ministry

(e.g. schools by the Ministry of Education, IEFP centres by Ministry of Labour, Solidarity and Social Security). All other public and private providers working outside the CNQ must apply to a division of the Ministry of Labour, Solidarity and Social Security (*Ministério do Trabalho, Solidariedade e Segurança Social*, or MTSSS) if they wish deliver recognised training, obtain state or EU funding, or deliver training in regulated professions. These different processes and the involvement of several actors in assessing quality increase the risk of inconsistencies.

In particular, stakeholders raised the lack of capacity and resources of institutions conducting quality assurance as an obstacle to improvement. They doubted, for example, the capacity of DGERT, which oversees a diverse array of providers and several fields of education, to undertake quality-assurance processes other than only reviewing documents submitted by applicants. DGERT data for 2011 to May 2017 shows that 93 audits took place. This seems low, given that 2 360 providers were certified during this period, which represents over 85% of all applicants.

As some stakeholders noted during the project, utilising risk-based audit practices may help to better focus resources and more effectively identify cases where quality needs improvement. Implemented in the United Kingdom's higher education system, such audits focus on institutions where challenges have already been identified, rather than using a broad-based approach (Department for Business Innovation & Skills, 2012[40]). In Portugal, adult-learning audits could be targeted based on results from the set of key performance indicators discussed earlier. More broadly, some countries leverage their regular collection of data on adult learning, to take corrective action where needed. In the Netherlands, successive Action Plans on Adult Literacy have been designed using data collected through the monitoring process, to ensure that policies both respond to the educational needs of low-skilled adults and effectively reach migrants and minorities (European Commission, 2015, p. 72[19]).

Hiring and training practices need to focus on equipping staff with the right skills

As in other levels of education, and despite limited direct evidence in the area of adult learning, quality teaching is expected to have a significant impact on outcomes (European Commission, 2015[19]). In Europe, many countries require their adult-learning professionals to have the same qualification requirements as teachers in the system of initial education and training. However, a few countries, such as Norway or Slovenia, require that they complete modules on teaching adult learners (Eurydice/European Commission, 2011[41]).

In 2011, Portugal introduced a requirement for all adult-learning professionals operating within the National Qualifications System to obtain a Certificate of Pedagogical Skills, with exceptions for experienced staff in companies who serve as supervisors for on-the-job learning, university professors and all those who have academic qualifications for teaching. For comparison, of countries responding to UNESCO's latest report on adult education and training, 53 reported requiring specific qualifications for adult-learning professionals in all cases, 62 reported having such requirements in some cases only, while 20 responded they had no such requirements and another 62 did not respond to this question (UNESCO, 2016[42]). Further investigation is needed to assess whether such an approach produces positive results, such as raising the skills of trainers and improving the consistency of quality of teaching across a country.

Other factors also influence Portugal's ability to attract, retain and train adult-learning professionals, including the stability of their working conditions. In Portugal, some

stakeholders highlighted the unintended impact of the rapid expansion of the adult-learning system, noting that the "massification" of RVCC and growth in the number of courses such as EFA in the previous decade had required massive recruitment and left little time for adequate selection and training of adult-learning professionals. This expansion also led, according to some stakeholders, to reducing the use of learning appropriate to the needs of adults, as adult-learning professionals focused on providing access to all prospective learners at the expense of individualised support.

Budget cuts during 2012-13 were also reported to leave many workers in the field without an opportunity to use their qualifications and experience, and for some to leave the profession altogether. This may make it difficult in future to attract the large number of high-quality adult-learning professionals needed to deliver the Qualifica Programme.

This suggests that improving the quality of instructors and adult-learning service providers will require some combination of: better hiring and training procedures, sufficient earnings and employment stability to attract talent, and access to relevant lifelong training opportunities for staff. Box 3.12 provides examples of strategies used in other countries to safeguard access to sufficient numbers of qualified adult-learning staff.

Box 3.12. Raising the quality of teaching: Country examples

Austria uses a quality-assurance approach requiring adult-learning providers to demonstrate that they have qualified staff as part of the accreditation process. This conditions access to public funding and when inspections are conducted (European Commission, 2015, p. 76[19]).

In the **United States,** organisations like the National Council for Adult Learning (NCAL), a national public charity, supports research and peer learning efforts to identify how to strengthen the professional development of the adult-learning professionals. For example, in 2016, the NCAL identified six priorities for creating an effective professional development system for adult educators, including *i)* consulting with providers, *iii)* defining what constitutes an effective adult education teacher, *iii)* identifying and adopting/adapting good training models and approaches, *iv)* building professional development explicitly into adult education planning, *v)* improving data collection for professional development and *vi)* developing clearer communications. Seminars were then held with practitioners to identify concrete ways to incorporate these priorities into practice (Corley, 2016[43])

More broadly, if adult learning is considered to be a mainstream component of the adult and learning system, adult learning may become a more attractive profession. **Denmark** is an example of a country that has made adult learning a leading policy priority, stable over time and increasingly co-financed by both the public and private sector, specifically by fees from learners (Desjardins, 2017[3]).

Recommendations

4. Improve the supply of high-quality, relevant and flexible learning programmes.

This recommendation includes the following specific actions:

- Assess the current provision of adult-learning programmes and identify where gaps need to be filled to raise the participation and improve the outcomes of key groups, in particular:
    - For low-educated adults, NEETs and the long-term unemployed: Ensure the availability of flexible opportunities that combine basic skills upgrading and work-relevant learning, in formats suitable to adults.
    - For employers, especially SMEs and micro-enterprises: Monitor existing programmes to ensure they reach a critical mass of SMEs and provide relevant training.
    - For young and medium-skilled adults: ensure that VET provision at both secondary and post-secondary levels is of sufficient quantity and quality, taking into account i) the urgent needs of certain economic sectors for skilled professionals (e.g. tourism), ii) the large number of young NEETs, and iii) the growing number of graduates from the vocational stream of secondary education (*cursos profissionais*) who may lack pathways to labour-market learning opportunities at the post-secondary level.
- Improve the quality of existing adult-learning programmes by filling gaps in provision and by funding models that demonstrate good results:
    - Leverage EU funding (e.g. develop Upskilling Pathways models) and provide targeted government funding to develop or scale up programmes that have shown positive results. Also pursue private funding through co-financing arrangement (see Recommendation 9 in Chapter 5).
    - Establish clear criteria for allocating funding, so that adult-learning programmes are designed or redesigned in a way that reflects good practice. This can be implemented when new measures are developed, or by including such criteria in calls for providers to design and deliver new programmes. These criteria may include a combination of the following, identified as good practice based on international evidence:

1. Clear objectives and relevant performance-measurement approaches and indicators.
2. Strong justification for creating a new programme rather than using existing programmes (e.g. demonstrate existing gaps in the system, growing demand from employers and/or individuals that cannot be met with the current supply, etc.).
3. Relevant content: as currently done in Portugal, combine provision of foundational and transversal skills training with technical/job relevant skills training. This includes expanding work-based learning opportunities, collaboration between different training providers (e.g. schools and employers) in the delivery of training, and involving local stakeholders in the design of adult-learning programmes, to ensure that they are relevant in the labour market.

4. For example, combine provision of foundational and transversal skills training with technical/job relevant skills training, expanding work-based learning opportunities and involving local stakeholders in the design of adult-learning programmes, to ensure that they are relevant in the labour market.
5. Effective and efficient delivery: Ensure all learning opportunities allow for flexible and modular approaches to address adults' time constraints and their potential need to stop and/or resume training at different stages; encourage co-location of services for more efficient delivery, etc.
6. Transferability: Pathways and recognition mechanisms must allow movement and progression between new and existing programmes (see Recommendation 5 for more details).
7. Provide targeted financial and non-financial support to improve the access and success of disadvantaged groups. Also, ensure adequacy of broader support at the local level (e.g. transport, child care) as a key enabling condition for the participation and success of learners.

5. Improve pathways and the coherence of the adult-learning delivery network.

- Assess the adult-learning delivery network in its entirety, to identify gaps and duplication, and adapt provision to the population density, client profiles and economic needs. This should involve an in-depth evaluation of the network's strengths and weaknesses, and areas where it can be more efficient and effective, which should be done in addition to the existing annual exercises conducted to plan for the provision of learning opportunities.
    - Build on approaches used by ANQEP to select Qualifica Centres, to ensure that the scale of provision reflects local population density, different client profiles and economic context.
    - Differentiate training provision based on the strengths of providers, and improve complementarities and synergies at the local level (e.g. by bringing together multi-disciplinary teams).
        - For example, providers with strong associations with local companies could assume a greater role in i) learning options that provide labour-market relevant skills, ii) improving access to work-based learning, and iii) facilitating the employment of learners after completion. Providers with a good track record in basic skills training should play a key role in delivering such training. Partnerships between these different providers are critical for ensuring that learners can benefit from the best-quality learning both in basic skills and in skills that are relevant in the labour market.
        - Efforts should meanwhile be made to maintain accessibility, for example by leveraging online learning options and providing supports for transportation.
    - Consider strengthening the role of polytechnics in providing adults with high-quality training, including both labour-market relevant and basic skills training.

  - Ensure the offer of VET for both youth and adults is coherent and easy to understand for users.

- Improve the assessment of clients' needs and matching learners to the right opportunities, to improve retention and completion:
  - Build on the Qualifica Passport and international best practices to develop advanced ways of determining user needs.
  - Ensure adequate training of adult-learning staff (see Recommendation 7).
- Develop or strengthen pathways between programmes.
  - These include pathways between different programmes, to allow low-skilled adults to progress between different programmes as they gain higher levels of skills.

    For example, this can include pathways allowing progress from basic skills provision and secondary school level, e.g. education and training courses for adults (Educação e Formação de Adultos, or EFA), and certified modular training (Formação Modular Certificada, or FMC) onward to post-secondary, non-tertiary options, e.g. technical specialisation post-secondary non-tertiary vocational courses (Cursos de Especialização Tecnológica, or CET) and then to tertiary education, e.g. short-cycle tertiary education courses (Cursos Técnicos Superiores Profissionais, or CTeSP) and bachelor-level education.

6. Strengthen quality assurance including by developing a performance-monitoring and evaluation system and a set of key performance indicators.

This recommendation builds on Portugal's existing work implementing the EQAVET framework and the new system to monitor the activities of the Qualifica Centres. It includes the following specific actions:

- Establish a performance-monitoring and evaluation framework for the entire adult-learning system, to articulate objectives, inputs, processes, outputs and outcomes.
  - Select a specific organisation with adequate resources to lead this work, ensuring that it complements and does not duplicate existing work. A skills council may, for example, lead this type of work (see Recommendation 7).
  - Based on international best practice, including EQAVET work, develop a limited set of key performance indicators that can be monitored publicly.
    - Include: i) core indicators common to all programmes and relevant to the adult-learning system (see Annex B for concrete examples), and ii) indicators tailored to specific programmes with different goals and learner profiles.
    - As a condition of receipt of public funding, require regular and comparable third-party evaluations for adult-learning programmes, to increase understanding of their impact, challenges and practices that work, thus allowing progress over time.

- Streamline and strengthen the quality-assurance system:
    - Simplify the reporting requirements required of service providers by:
        - co-ordinating data collection across ministries (e.g. single request)
        - requiring submission through a single and simple digital system
        - reducing the data requirements, focusing only on indicators relevant to the performance-monitoring and evaluation system.
    - Shift to a risk-based auditing approach: Dedicate resources for more frequent on-site audits in institutions that perform less well, based on the results of the performance-monitoring and evaluation system.
    - Reduce the number of institutions in charge of quality assurance for adult learning, or establish requirements to align practices across institutions.
    - Provide appropriate financial and human resources for institutions in charge of quality assurance.
- Ensure that adult-learning professionals are available in sufficient numbers, with the appropriate skills:
    - Identify the current supply of adult-learning staff compared to anticipated staffing needs once the ramp-up of Qualifica Programme is complete.
    - Encourage effective hiring and training practices to ensure that the adult-learning workforce has the right level and mix of skills for a variety of clients (including employers) and needs (e.g. teaching, but also guidance).
    - Make sure ANQEP continues to develop summative and formative evaluations of the Qualifica Centres, and extend this model to other organisations providing career management and training. This could involve legislative changes to allow the ANQEP to take on such role, and require additional resources for such task.
    - Engage in peer learning with countries that require certifications for adult-learning providers, to assess the benefits and drawbacks of such models.

Notes

[2] The CTEsP grant higher education diplomas, not degrees. According to Decree-Law no. 63/2016, of 13th of September, CTEsP are registered by the Directorate-General for Higher Education (DGES) of the Ministry of Science, Technology and Higher Education. The Agency for the Evaluation and Accreditation of Higher Education (Agência de Avaliação e Acreditação do Ensino Superior, or A3ES) is not responsible for quality assurance for these courses.

[3] See Portaria No. 60-A/2015, of 2 March.

[4] For example, econometric approaches attempt to isolate the specific impact of participation on employment rates and wages (Oosterbeek, 2013[44]) (Buchanan, Anderson and Power, 2017[45]). Political economy approaches outline correlations between adult learning systems characterised by high participation rates, and macro-economic outcomes such as GDP growth or employment (Desjardins, 2017[3]) (Buchanan, Anderson and Power, 2017[45]). Such studies suggest that adult learning is part of a broader set of policies that all favour economic growth and social cohesion, but the specific role of adult learning in generating these outcomes is not well understood. Educational psychology research focuses on other indicators, emphasising the importance of outcomes such as self-confidence, persistence and autonomous motivation for learning, as valuable in themselves but as intermediary outcomes that can encourage improved economic and social outcomes (Rothes, Lemos and Goncalves, 2017[46]).

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Chapter 4. Effective governance of adult learning in Portugal

This chapter provides an overview of the governance of Portugal's adult-learning system, and recommendations for improving its performance.

A strong legislative framework establishes key features of adult learning in Portugal. However, the effectiveness of the system is limited by the fact that several ministries share responsibilities for adult-learning policies and co-ordination among them is uneven. The engagement of local economic and social actors in the development adult-learning policy and programme has also been less than optimal.

The chapter is divided into three parts. First, the current governance landscape is discussed, including the limited co-ordination mechanisms across ministries (horizontal co-ordination), between national government and local authorities (vertical governance) between government and stakeholders. Second, international examples of policies and practices to address key challenges are described, including how contractual mechanisms and dedicated governance structures at the national and local level can establish clear roles and responsibilities and improve accountability for adult-learning policies. The third part outlines the chapter's recommendations for improving the governance of adult learning in Portugal.

Summary of stakeholders' views:

- The lack of a clear "owner" of adult-learning policy was identified as an underlying factor behind the lack of coherence in the adult-learning system.
- Government efforts to engage local actors to improve collaboration and co-ordination are seen as *ad hoc*, rather than systematic, and viewed as not always sufficient to take into account the challenges encountered by stakeholders on the ground.
- While local partnerships exist, there are no incentives for the sustained engagement of key players in these partnerships, particularly employers.
- The lack of coherence and collaboration was broadly agreed upon as limiting the effectiveness of the adult-learning system. However, there were different views on how to address this challenge: some stakeholders noted the value of a clear governance body in charge of adult-learning policy that can bring together all relevant stakeholders. Others noted the importance of avoiding the duplication of governance bodies and noted that using existing bodies would be preferable to creating new ones.

Stronger governance and financing mechanisms could enhance the effectiveness of adult learning

Strong governance is a condition of an effective adult-learning system. Government and stakeholders should work together to develop adult-learning policy, which is particularly important given the multi-dimensional nature of this policy area. Many ministries are involved in various aspects of the adult-learning system (see Table 4.1), and much adult learning takes place outside the formal education system, which actively involves social partners. This diversity can generate gaps and misalignments between ministries and with stakeholders.

Strong co-ordination is essential, on several levels: horizontal co-ordination across ministries, vertical co-ordination between ministries and local authorities, and co-ordination between government and stakeholder engagement in policy making. These three types of co-ordination are vital for generating consensus on policy objectives, facilitating implementation, and improving the longevity of policies beyond political cycles (OECD, 2005[1]; OECD, 2010[2]).

Robust monitoring and evaluation systems are also an important basis of strong governance, as they can generate information on the returns of adult learning and the effectiveness of various programmes. These systems help design and implement evidence-based policies, and assess whether the adult-learning system is meeting its objectives (see Chapters 2 and 3 for the returns of adult learning, and of monitoring and evaluation systems).

Countries use a variety of tools to co-ordinate policy. Box 4.1 summarises some of the most frequently used, outlines some of their benefits and drawbacks, and identifies where they are discussed in the report.

Box 4.1. Mechanisms for effective vertical and horizontal governance

Governments use a range of multi-level governance mechanisms, which are also relevant to stakeholder engagement. The report's recommendations address several of them, as noted below.

Legal mechanisms and standard setting

Legal mechanisms (legislation, regulation, constitutional change) are one of the strongest and most commonly used methods for multi-level governance. They can ensure clear responsibilities and provide the necessary resources. However, legal mechanisms are slow to adapt and may crowd out the self-initiative of different parties. For example, legislated funding may increase dependence on transfers and limit sub-national revenue. Standard setting is less binding than legislation, but defines the inputs, outputs and/or outcomes required for an activity.

Contracts, agreements and pacts (see Recommendation 9)

These tools allow parties to commit either to take action or to follow guidelines that transfer decision-making rights between them. Their advantages are that they are based on mutual agreement, do not require legislative change and are public and transparent. However, contracts can be costly to negotiate, implement and enforce, especially if the parties are reluctant to give up their prerogatives or priorities. They thus require substantive debate and agreement on common goals and benefits to all parties if they are to be effective.

Vertical and horizontal (quasi-)integration mechanisms

These include mergers and horizontal and vertical co-operation at the sub-national level. Co-operation can occur through inter-communal structures and joint municipal authorities, which may be legally recognised and subsidised. They can help build critical mass and scale for better results. A drawback of these mechanisms, mergers in particular, is that they may obscure responsibilities or diminish locally tailored services.

Co-ordinating bodies (see Recommendations 7 and 8)

Co-ordinating bodies promote dialogue, co-operation and collaboration, build capacity, align interests and timing, and share good practices. They can be government or non-government groups. They are relatively straightforward to establish, and facilitate enterprise learning and locally tailored solutions. However, if these bodies are to have an effect on outcomes, binding or accountability mechanisms are important.

Performance measurement (see Recommendation 6)

Performance measurement utilises indicators to measure the inputs, outputs and outcomes of a public service. Performance measurement can promote learning, stimulate effort in critical areas, improve transparency and accountability, and help reinforce other governance mechanisms. However, it is costly to develop and maintain and may affect behaviour and outcomes in unexpected ways. Performance measurement should be collaboratively designed, express clear, comprehensive objectives and be built with end users in mind.

Source: (Charbit and Michalun, 2009[3])

The legislative framework governing adult learning is comprehensive, but governance mechanisms could be improved

The legislative framework is comprehensive, but it has drawbacks

Since the early 2000s, and especially since the introduction of the National System of Qualifications (SNQ), Portugal has developed a body of legislation that establishes a comprehensive adult-learning system. Legislation defines some of the key features of the adult-learning system, including the roles and responsibilities of several actors in implementing the system.

Examples include: the role of the National Agency for Qualifications and Vocational Education and Training (ANQEP) and Sectoral Council for Qualifications (CSQ) in regularly updating the National Catalogue of Qualifications (Portaria No. 781/2009, of 23 July), the role of government services in certifying the training providers to allow them to operate within the National System of Qualifications (SNQ) (Portaria No. 208/2013, of 26 June), or the creation and mandates of the Qualifica Centres (Portaria No. 232/2016, of 29 August).

The SNQ also includes practical instruments for designing and developing adult-learning programmes and services (see Chapter 3) that orient the adult-learning system towards achieving certain objectives. For instance, the establishment in 2017 of the national credit system for vocational education and training (VET) and the creation of the Qualifica Passport (Portaria No 47/2017, of 1 February), is intended to make the adult-learning system in Portugal more user-centred, in an effort to promote both modular and labour-market-relevant training, and training that responds to users' specific needs.

In addition, in the public administration, new legislation requires the public administration to make training opportunities available to all workers (Decreto-Lei No. 86-A/2016, of 29 December). The Directorate-General for the Qualifications of Public Servants (*Direção-Geral da Qualificação dos Trabalhadores em Funções Públicas* – INA) is responsible for establishing a new model to co-ordinate and improve professional training in the public administration, as described in Chapter 2 (box 2.7). This legislation involves important governance aspects, as it creates two new bodies with consultative and co-ordination roles to strengthen professional training in the public service. These are the General Council for Professional Training (*Conselho Geral de Formação Profissional*, or CGFP) and the Commission for Co-ordinating Vocational Education and Training (*Comissão de Coordenação da Formação Profissional*, or CCFP). The CGFP is presided over by the minister in charge of public administration, and includes the heads of relevant public services and agencies. Its role is to advise government in the definition and ongoing improvement of professional training in the civil service. The CCFP has a co-ordinating role and involves the heads of services responsible for training in the public service at the national, regional and local levels.

Despite this well-developed legislative framework, stakeholders reported a number of limitations in implementing these policies, and in making the different parts of the system work together. The focus of government on supporting the exchange of good practices and co-ordination between ministries, between ministries and local authorities, and among local actors, may take time to translate into practice. For example, the development of partnerships with other local entities has been part of the mandate of the Qualifica Centres since 2016, and is supported by the ANQEP's guidance (Portaria No. 232/2016, of 29 August).

However, the nine Qualifica Centres that reported good practices over the course of the project suggested that such practices were mostly based on their own initiative, through the creation of *ad hoc* partnerships with civil society actors (see Box 4.7 for these good practices).

In all countries and policy areas, there are advantages and disadvantages of using different governance instruments, as noted in Box 4.1. In Portugal, the unintended consequences of using legislative and regulatory mechanisms as the main instruments to shape the adult-learning system were particularly evident. Legislation was often seen as lacking the flexibility to respond to fast-changing stakeholder needs. Several Portuguese employers interviewed during the project noted that the bureaucratic process to update the National Catalogue of Qualifications sometimes limited its responsiveness to labour-market needs. While some employer representatives recognised that the updating of the Catalogue requires more commitment on their part, they reported having little time to engage in this process. Instead, several employers advocated for autonomously planning and managing adult-learning opportunities. For some adult-learning providers interviewed during the project, the national-level approach to managing financial and human resources management was also reported as a key obstacle to effective provision, suggesting that vertical co-ordination mechanisms were not sufficient to adapt legislation and national-level policies to local realities.

Another side effect of a strong legislative framework was the perception that the legal framework sometimes results in a lack of initiative among civil society actors in the adult-learning system. Several stakeholders commented on a frequent over-reliance on ministry directives, with little interest in innovative practices not specifically set or required in law. However, this issue does not appear to be specific to adult learning, but to be related to the historical relationship between a centralised state and a civil society with a limited role in policy. This perception was not unanimous, however: other stakeholders mentioned significant local-level activity, as will be discussed later in the chapter.

Co-ordination mechanisms can play an important role in complementing the legislative framework. It can also provide flexibility to implement policy according to local needs, and greater clarity on roles, responsibilities and accountability.

Limited governance capacity affects government policy broadly in Portugal

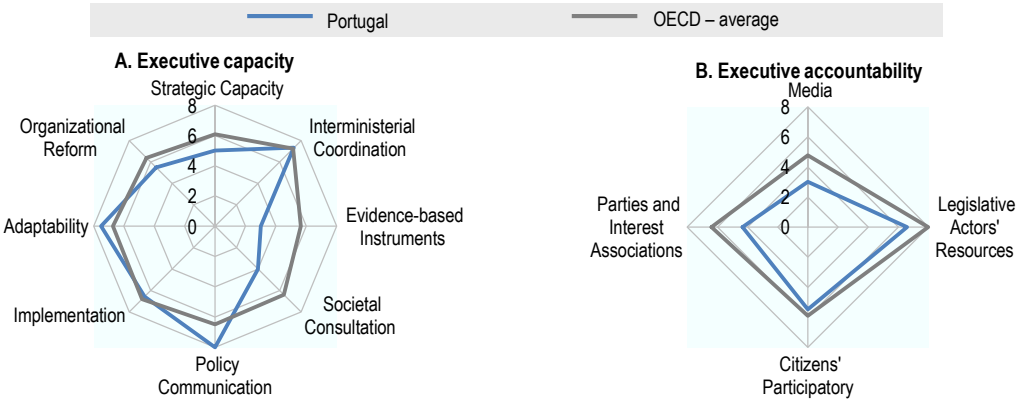
In Portugal, across policy areas, governance arrangements need improvement. In 2017, Portugal ranked relatively low on an exercise assessing governance performance across 41 countries along two dimensions: executive capacity and executive accountability (Bertelsmann Stiftung, 2017[4]). Figure 4.1 illustrates these results.

Despite improvement in executive capacity, which refers to how well the government is able to develop and implement effective policies, Portugal remains in the middle ranks of the countries assessed (at No. 23 out of 41). A key finding in this area is that public bodies that could play a more strategic role in assessing the strength of proposed policies, such as the Prime Minister's Office, have a limited policy role. In addition, regulatory impact assessments are rarely used, despite the government's focus on maintaining fiscal balance.

Executive accountability refers to the extent to which government involves non-governmental actors in policy making. Citizens and intermediary organisations (e.g. media, political parties, etc.) are informed of policies, and the capacity of the

legislature to hold the executive branch accountable. On this indicator, Portugal ranks low (No. 34 out of 41); parliament lacks the resources to effectively use its formal powers, and civil society still remains weak, and non-economic actors have limited influence on government.

Figure 4.1. Governance performance



Note: for exact definitions, see www.sgi-network.org.
Source: The Bertelsmann Foundation, Sustainable Governance indicators (SGI), 2017.
StatLink http://dx.doi.org/10.1787/888933711940

Horizontal co-ordination is needed to improve the coherence of adult-learning policy

Horizontal co-ordination refers to how government officials collaborate on policy making across ministries.

The Portuguese government has already begun to recognise the inter-ministerial nature of skills issues, in several ways. A key example was the creation, in the late 1990s, of an agency jointly overseen by the Ministry of Education and the Ministry of Labour, Solidarity and Social Security (*Ministério do Trabalho, Solidariedade e Segurança Social*, or MTSSS), to develop adult education and prior learning recognition. The New Opportunities Initiative led to the inclusion of a focus on vocational education in 2005.

Since 2012, this agency has been the National Agency for Qualification and Vocational Education (*Agência Nacional para a Qualificação e o Ensino Profissional*, *Instituto Publico*, or ANQEP). It is mandated to co-ordinate and implement VET policies for young people and adults, and to develop and manage Portugal's extensive national system of prior learning recognition and certification (*Sistema Reconhecimento, Validação e Certificação de Competências*, or RVCC). The ANQEP was widely recognised by key stakeholders during the project as a main player in adult learning. Many stakeholders advocated for an expansion of its mandate to lead work on this report's recommendations (see Annex C).

Another promising example are the inter-ministerial approaches taken by the government to develop broad policies. For example, for both the Qualifica Programme and the InCode2030 strategy, multiple ministries were consulted at the stage of policy development. In addition, some strategies involve implementation by various ministries. For instance, the InCode2030 strategy is led by the Ministry of Science, Technology and Higher Education (*Ministério da Ciência, Tecnologia e Ensino Superior*, or MCTES), but

several ministries play a role in implementation, for example the Ministry of Education (responsible for the education axis of the strategy) and the National Institute of Administration (INA), which is responsible for the part of the strategy applicable to the public administration. Such inter-ministerial collaboration shows promise and should be pursued. However, it could be helpful to establish ongoing governance mechanisms to align the initiatives taken by all ministries with a role in adult learning, from policy development to design, implementation and performance monitoring. As noted in Table 4.1, at least seven ministries are active in adult learning, with a wide range of initiatives. Some are part of comprehensive strategies, while others are discrete initiatives.

It would be helpful to establish regular collaboration mechanisms between the ministries responsible for designing adult-learning opportunities and the people responsible for evaluating demand in the labour market.

Such mechanisms could promote policy complementarities, the mutually reinforcing effects that different policies can have on a given outcome. In economic development policy for instance, implementing innovation, industrial and trade policies simultaneously is more effective at increasing the competitiveness of a region or country than initiating any of these policies alone, or at different times (De Macedo and Martins, 2008[5]; OECD, 2017[6]).

In the case of skills, it is important to ensure that education policies intended to raise the educational attainment of the population are supported by economic development policies to stimulate productivity and innovation, such as the Indústria 4.0 programmes in several European countries (including Portugal). Demand-side policies are critical for boosting the demand for a higher level of skills and increasing the economy's capacity to absorb highly skilled individuals, helping to limit emigration. The premium for higher education in Portugal is still among the highest in the OECD. However, there are signs that the demand and rewards for skills in the labour market are too low, as suggested by the high level of emigration of the highly skilled by comparison with those of other EU countries.

In other words, without such complementarities, the premium for education might decrease over time, wasting private and public resources, risking an erosion of skills among the highly skilled and crowding the low-skilled out of the labour market.

Table 4.1. Shared responsibilities in adult learning in Portugal: Initiatives of seven ministries

Roles and responsibilities	Supply of adult-learning opportunities (skills development)	Demand for skills (skills use)	Funding of adult learning	Governance of adult learning
Ministry of Education (*Ministério da Educação*, or ME)	• General education policy and delivery • For adults, provision of education and training opportunities, including during evenings (e.g. Educação e Formação de Adultos and Ensino Recorrente) • Qualifica Programme (includes involvement of MTSSS)			
Ministry of Labour, Solidarity and Social Security *(Ministério do Trabalho, Solidariedade e Segurança Social*, or MTSSS)	• Public Employment and Vocational Training Service (IEFP) and active labour-market policies (ALMPs) • Qualifica Programme (includes involvement of ME) • Certifies training providers	• Close relationships with employers and unions		
National Agency for Qualification and Vocational Education (*Agência Nacional para a Qualificação e o Ensino Profissional,* or ANQEP, Public Institute (*Instituto Público*, or I.P.) Joint agency of ME, MTSSS, and MEcon	• Co-ordinates and implements VET policies for young people and adults • Develop and manage the system of competency recognition, validation and certification	• National responsibility for the system of skills assessment and anticipation		• Co-ordinating Council of the System for the Anticipation of Skills Needs
Ministry of Science, Technology and Higher Education (*Ministério da Ciência, Tecnologia e Ensino Superior*, or MCTES)	• Regulatory role to create and modify public higher education institutions and to ensure that private higher education entities comply with legal requirements applicable to this sector • Co-ordinates the InCode Strategy to raise digital competencies			
Ministry of Economy (*Ministério da Economia,* or Mecon) and Agency for Competitiveness and Innovation (*Agência para a Competitividade e Inovação, I.P.,* or IAPMEI) & Tourism Portugal, I.P.	• Indústria 4.0 (human capital development measures) • Training for employers (e.g. Action Training) • Tourism Portugal: qualification and training of human resources for the tourism sector, by designing and implementing initial and continuing training courses for young people and adults, including Tourism Schools	• Indústria 4.0 (measures to strengthen productivity and innovation) • Training for employers (e.g. Action Training)		
Ministry of Planning and Infrastructure (*Ministério do Planeamento e das Infraestruturas*, or MPI) and Agency for Cohesion and Development (*Agência para o Desenvolvimento e Coesão, I.P.*, or AD&C)			• Co-ordinates National Programme of Reforms (funding and targets) • EU structural funds	
Ministry of Finance (*Ministério das Finanças*, or MF)	• Oversees the Directorate-General for the Qualification of Public Servants (INA)		• Financial incentives to businesses	
Ministry of the Presidency and Administrative Modernisation (*Ministério da Presidência e da Modernização Administrativa*, or MPMA) and Administrative Modernisation Agency (AMA)	• AMA: manages a network of physical Citizens' Spots, assisting citizens with limited digital proficiency to use eServices	• Promotes digital citizenship • AMA: responsible for government eServices development		

Improving vertical co-ordination between national and local levels of government would help align national policy with local needs

There are few vertical co-ordination mechanisms in Portugal for adult learning. Policies are developed at the national level and then implemented by local providers, and intermediary bodies play only a limited role, if at all. This is partly a result of the centralised nature of the state: Portugal has two main levels of government, the central government and the 308 municipalities. Two other types of administrative structures, recently created, also exist, but they play a limited role in education and skills (Box 4.2).

This structure has the advantage of simplicity, but it entails certain risks. During the project, stakeholders noted the recurring issue of a misalignment between national policy and local needs.

Box 4.2. Territorial governance in Portugal: CCDRs and CIMs

Five Commissions for Co-ordination and Regional Development (*Comissões de Coordenação e Desenvolvimento Regional*, or CCDR) were created in 2003 in Continental Portugal to replace previous administrative bodies. The CCDRs are deconcentrated services of the national administration. Their mandate is local development, both economic and environmental. The CCDRs were not frequently mentioned during the project, and have no specific roles in education and skills policy.

The Intermunicipal Communities (*Comunidades Intermunicipais*, or CIMs), formerly informal groupings of municipalities, were formally recognised in 2013, and were granted legislative authority to focus on local economic development. Some have been participating on a pilot basis rolling out the system to assess and anticipate skills needs (*Sistema de Antecipação de Necessidades de* Qualificação, or SANQ), in partnership with the ANQEP. According to stakeholders, the involvement of CIMs in planning learning opportunities to meet local economic needs varies widely, depending on their individual capacity; 12 CIMs are already involved in SANQ, in co-operation with ANQEP.

Portugal has a tradition of centralised policy making in education policy, although significant changes have been introduced in recent years. For example, "autonomy contracts" provide schools that sign such contracts greater flexibility in areas such as pedagogical organisation, human resources, curriculum organisation, school social support and financial management. The number of schools with autonomy contracts rose from 22 schools in 2010 to 212 in 2013, accounting for 26% of the school clusters, which are groupings of several schools (OECD, 2014[7]). Higher education institutions in Portugal have a considerable degree of autonomy (OECD, 2014[7]), but in practice, however, fiscal constraints imposed under the economic adjustment programme have limited their freedom of manoeuvre.

In adult learning, however, providers operate within legislative requirements that constrain their ability to adapt decisions to the local context. Examples of this situation were noted during the project: first, providers are required to obtain ministry approval for in-year human resources decisions, such as renewing staff contracts beyond the initial duration, which can lead to gaps in service. Second, the minimum number of students required to open an adult-learning course was reported as being the same for the country, despite widely different population density and economic contexts. It should be noted,

however, that the legislation allows for exceptions to this rule, if they are justified and authorised by the relevant regional services.

Stakeholder engagement in adult-learning policy is not systematic

In recognition of the low involvement of civil society in policy making, Portugal has made strides towards a policy of open government, recently launching several initiatives that will help build a whole-of-society approach to policy development and implementation. Examples include, in 2017, a national-level participatory budget, where citizens were invited to decide how to invest EUR 3 million in projects related to culture, science, adult education and training, and agriculture. This pilot project was the first at the national level, drawing on experience with these types of mechanisms at the municipal level.

Other initiatives also demonstrate Portugal's focus on opening the policy-making process to external stakeholders, such as the active involvement of the private sector in the design of Indústria 4.0 in Portugal. This strategy was developed using a bottom-up approach. It involved participation and input from companies operating in the Portuguese market, trade associations and public organisation, and included interviews, workshops and auditions. The process involved over 400 people from more than 120 entities, such as multinationals, sector leaders, start-ups, associations, technology providers and centres and government agencies. Participants were primarily from the four priority industry sectors, Automotive, Fashion and Retail, Agro-industry and Tourism. The sectors were selected because of their economic contribution, relevance among small and medium enterprises (SMEs) and exposure to digital transformation.

However, for adult learning, the co-ordination mechanisms between government and civil society to support policy development remain limited. While many advisory bodies could play a greater role in adult learning, for example because they deal with education or labour-market issues, adult learning is not part of their core mandate.

This is the case both for formal advisory bodies that government is mandated to consult, but also for education and training co-ordinating bodies that could have valuable input on education and training opportunities for adults:

- Examples of formal advisory bodies are the National Council for Education (Conselho Nacional de Educação, or CNEDU) and the Economic and Social Council (Conselho Económico e Social, or CES). The CNEDU has a large stakeholder membership (political parties represented in the National Assembly, unions, employer associations, government, academic societies, educational institutions, etc.). It is an important voice in education debates but has mostly focused on youth education policy.

  The CES serves as a constitutional body for consultation and social concertation. Within the CES, a Standing Committee on Social Concertation (Comissão Permanente de Concertação Social, CPCS), brings together the government, employer associations and trade unions (Bertelsmann Stiftung, 2017[4]). However, the CES has only marginally discussed adult-learning issues to date.

- Formal education providers, from the primary to the tertiary level, have co-ordinating bodies with advisory functions. For example, the Council of Schools (*Conselho das Escolas)* advises the Ministry of Education on education policy from pre-school to upper secondary. At the tertiary level, the Council of Rectors of Portuguese Universities (*Conselho dos Reitores das Universidades*

Portuguesas), the Co-ordinating Council for Polytechnic Institutes (*Conselho Coordenador dos Institutos Politécnicos*), the Portuguese Association of Private Higher Education (*Associação Portuguesa de Ensino Superior Privado*), and the new Co-ordinating Council of Higher Education (*Conselho Coordenador do Ensino Superior)* all provide advice to government on higher education issues. However, none of these bodies appear to have a focus on adult-learning issues.

By contrast, civil society organisations promoting adult learning do not have regular co-ordination channels for working with government. Organisations such as the Portuguese Association for the Education and Training of Adults (APEFA) and the Portuguese Association for Lifelong Learning (APCEP) pursue research and convene actors specialised in adult learning with the aim of influencing public policy. While they are consulted by government, and for instance, invited to workshops during the project, there are no regular channels for government to engage stakeholders with expertise in adult learning. Establishing such channels could provide government with more insight into the needs of adult learners and help identify best practices, to support a more effective and efficient system.

Engagement with employers at the national level in adult learning is limited. The Ministry of Education does not have direct relationships with employers, while ministries that do, such as the Ministry of Economy, is not involved in defining and implementing adult learning policy. Another issue is the approach currently used to involve employers in adult-learning. For example, employers are represented on organisations such as the ANQEP Council and the Sectoral Qualifications Councils (*Conselhos Setoriais para a Qualificação*, or CSQ) in charge of proposing and approving changes to the National Catalogue of Qualifications. However, some stakeholders questioned the extent to which the CSQs were effectively used as a forum to discuss and plan skills supply in alignment with labour-market needs, despite their high level of activity. This suggests there may still be room to better use these existing co-ordination structures.

Further, the degree to which employers are involved at the policy level (i.e. broad objectives, responses needed, appropriate targets, etc.) and in the design of adult-learning programmes is unclear. Several stakeholders noted the difficulty of bringing employers to the table to discuss the question of skills, which they attributed to the employers' lack of time and the perception of many that skills investments are of limited value to their business, as discussed in Chapter 2.

Horizontal co-ordination at the local level can be further leveraged

Stakeholders reported a rich network of community-based associations, some of which play an important, multifaceted role in supporting adult learning among disadvantaged groups.

These organisations were reported to work in networks, referring clients, based on their identified needs, to other organisations better able to serve them. National policy encourages collaboration to some extent. Entities that apply to be operated and funded as a Qualifica Centre have to demonstrate that they work in partnership with other local agents as part of the selection criteria. Collaboration is also implicitly encouraged by the result targets monitored by the ANQEP. In many areas, achieving those results may not be possible without local partnerships.

However, stakeholders reported that collaboration is often *ad hoc* or informal. The frequency and effectiveness of meetings was reported to depend on such factors as

personal relationships between staff in key providers such as Qualifica or Public Employment Service (*Instituto de Emprego e Formação Profissional*, or IEFP) Centres. Furthermore, stakeholders reported that competition for clients among providers, both public and private, is common. This suggests that more explicit incentives or targets related to local-level collaboration may be warranted. More systematic collaboration at the local level could use the dense network of local providers to serve more adult learners and employers, by leveraging the strengths of various types of providers, as discussed in Chapter 3.

Practices to improve the governance of the adult-learning system

This section outlines a variety of country examples of co-ordination mechanisms, both horizontally across government, vertically between levels of government and between government and stakeholders.

Information is often lacking on which types of mechanisms work best, as is likely highly contingent on a country's institutional set-up and other contextual factors. However, these examples illustrate the need for co-ordinating policy, and for a wide array of approaches.

Many of these mechanisms are applicable to multiple policy areas, but they are particularly relevant in cases where responsibilities are shared or siloed, such as adult learning. This makes such mechanisms critical for policy effectiveness.

Organisations dedicated to adult skills can help align policy between ministries

In OECD countries, mechanisms to support horizontal co-ordination between different ministries can be more or less formal, temporary or permanent, and broad or narrow in scope. They offer useful examples applicable to policy areas requiring strong inter-ministerial collaboration, such as adult learning.

- In the **United Kingdom**, the Cabinet Office recently developed a Code of Good Practice for partnerships between government departments and public bodies, and conducts surveys of the heads of public bodies to assess levels of collaboration with departments in implementing this code (Smith, Maloney and Thornton, 2017[8]).
- In **Mexico**, the National Productivity Committee has a mandate to raise productivity, and has a forum for horizontal policy discussions. The committee is an inter-ministerial body in which the Ministries of Education, Labour, Economic Affairs and Finance participate, plus CONACYT, the National Council for Science and Technology (OECD, 2017[9]).

Skills-related horizontal bodies exist in several countries as well, although they tend to have been set up more recently, as governments become increasingly aware of the transversal nature of skills policy.

- In **Norway** in 2017, the government and social partners launched a National Skills Strategy for the period 2017-2020, to ensure that the skills developed promote a competitive business sector, an efficient public sector and an inclusive labour market. The strategy includes the establishment of a Future Skills Needs Committee, composed of a broad range of ministries, as well as stakeholders and experts (Ministry of Education and Research, 2017[10]).

- In **Ireland**, the government established a National Skills Council (NSC) as part of a new infrastructure for skills policy that also involves a regional co-ordination mechanism. It also strengthens stakeholder engagement, in particular regarding the issue of assessing skills needs and the response of the national education and training system to meet such needs (see Box 4.3). This example combines mechanisms that address horizontal and vertical governance mechanisms, as well as stakeholder engagement. It may be of particular interest to Portugal, as will be outlined in this chapter's recommendations.

Box 4.3. New multi-stakeholder skills bodies: Ireland

In 2016, Ireland issued a National Skills Strategy to 2025, which resulted in the launch in April 2017 of a new infrastructure for skills, including a National Skills Council and nine Regional Fora:

National Skills Council:

- **Composition:** The Council is chaired by the Minister for Education and Skills and includes representation from leading private-sector firms, high-level officials from various ministries with social, economic and fiscal portfolios, and the CEOs of key agencies, including the further education and training agency, the Higher Education Authority, Quality and Qualifications Ireland, Ireland's inward investment promotion agency (IDA Ireland), Enterprise Ireland and Science Foundation Ireland.
- **Mandate:** The Council oversees research and advises on prioritisation of identified skills needs and how to deliver on these needs. It promotes and reports on how education and training providers respond to these needs.

Regional Fora:

- **Composition:** The Department of Education and Skills appointed nine Regional Skills Fora Managers, who are single points of contact for employers in a region and are in charge of promoting regular collaboration between employers and the education and training system at the regional level.
- **Mandate:** These managers *i)* provide a cohesive structure for employers and the further and higher education system to work together to respond to their regions' skills needs; *ii)* help employers better understand and access the full range of services offered by the education and training system; *iii)* enhance links between education and training providers in planning and delivering programmes, reducing duplication and informing national funding decisions.

Source: (Government of Ireland, 2016[11]).

Vertical co-ordination mechanisms can enhance the implementation of policy

Vertical co-ordination is particularly important in federal countries where sub-national governments are responsible for education and skills (e.g. Canada, the United States, Germany and Spain), but also in unitary countries moving towards increased decentralisation (France, Italy, Spain and Portugal).

Regardless of their policy and administrative structures, countries like Portugal, with significant local variations in economic and social contexts, need strong mechanisms to promote co-ordination between national and local levels on the issue of skills.

Countries use a wide variety of mechanisms to support vertical, also called multi-level, governance. Some of the most common include legislation, contracts, co-ordinating bodies such as municipal associations or thematic working groups, and the use of *ad hoc* informal meetings between levels of government (Charbit and Michalun, 2009[3]). Importantly, performance measurement and implementation are also key instruments for supporting co-ordination and capacity-building between different levels of government.

Contracts between different levels of government can be found in various OECD countries. The following examples illustrate where such contracts focus on skills, either as the main focus or as a part of a broader local economic development strategy. In other cases, dedicated bodies promote vertical governance in skills policy.

- In **Canada**, the federal government allocates large amounts of annual funding to the provinces and territories to support adult-learning programmes, focused on both return to employment and skills upgrading. These funds are set out in bilateral agreements that stipulate both the agreed-upon objectives that the funding should achieve, and establish key features of the programmes to be delivered, while leaving a high degree of flexibility to each provincial or territorial government to adjust programmes to meet the specific needs of their adult population.
- In **France**, six-year contracts set out funding flows from both the central state and the regions, based on agreed-upon objectives that cut across a range of policy priorities, such as infrastructure, higher education, environmental policy, digital economy, territorial development and employment (Commissariat Général à l'Egalité des Territoires, 2017[12]).
- In **the Netherlands**, the Technological Pact, co-ordinated by the National Science, Technology, Engineering and Mathematics (STEM) platform, offers an example of a national-local governance mechanism that involves stakeholder engagement. The long track record of such collaborative mechanism in the country, and positive results in STEM enrolments, demonstrate the value of the approach (see Box 4.4).

Box 4.4. The Technological Pact in the Netherlands: Multi-level governance to increase the supply of STEM graduates

Scope/goals of initiative: The Technology Pact (*Techniekpact*), signed in 2013, is an example of a multi-stakeholder partnership and multi-level governance co-ordinated by a dedicated body, the National STEM platform.

The pact involves 60 partners, promoting co-operation between government, industry and education providers ("triple helix co-operation") in an attempt to improve structural alignment between education and the technology job market and to reduce the shortage of technically trained staff. The 12 main objectives of the national Technology Pact cover the entire "talent pipeline", from primary education to the labour market. To achieve its objectives, the Technology Pact relies on policy support and strategic co-ordination (rather than direct funding). For example, existing funding instruments like the Regional Investment Fund VET are used to (co-)fund specialised centres that facilitate public-private partnerships that support the objectives of the Technology Pact.

Regional approach: Programmes and objectives within the pact are set at a national level, but implementation is regional (and often sub-regional), creating a strategic mix of "top-down" and "bottom-up" interventions. Co-ordinated by the national platform, in close collaboration with regional partners, this approach results in targeted initiatives in various formats that respond to regional challenges, which are often translated into (sub-) regional pacts.

Results and lessons learned: The method has proven successful in various ways, for example in increasing STEM enrolment in pre-university and higher education. The longevity of the pact, which builds on work initiated in 1998 and is focused on building on existing best practices, also demonstrates the value of the approach. As a result of these outcomes, other countries have already instituted pacts based on the Dutch model. The EU STEM Coalition, a network of national STEM platforms, also promotes the model.

In Portugal, the strengthening of vertical governance mechanisms should build on current efforts to encourage municipal actors to engage in skills and economic development issues.

The involvement of certain intermunicipal communities (CIMs) in Portugal's system of skills assessment and anticipation (SANQ) is a positive step, noteworthy in the context of a centralised state with no tradition of involving local-level authorities in policy making. This pilot approach, which could be leveraged, demonstrates efforts to better link national policy and local needs, and specifically to match the supply of skills with local labour-market needs. The CIMs can also help promote horizontal partnerships among actors at the local level, thus strengthening vertical governance, horizontal governance locally and stakeholder engagement. The *CIM do Ave*, in the North of Portugal, provides an interesting example of such practices (see Box 4.5).

Box 4.5. Improving vertical co-ordination: The role of *CIM do Ave* with SANQ implementation

The Intermunicipal Community of the Ave region (*CIM do Ave*) is an association of eight municipalities in northern Portugal, with a combined population of 425 411 people.

Creation of an intermunicipal education council: In 2013, *CIM Ave* created a council of political representatives from its several municipalities, to develop a VET strategy for the region, working with each municipality and the central government. The council has developed several networks, including a network for co-ordinating the supply of education and training, with all local education and training providers, and a network of Qualifica Centres, to promote partnerships, develop common practices, train Qualifica Centre professionals, and support the centres' interaction with ANQEP and other central bodies. *CIM Ave* was one of the pioneers in implementing the SANQ framework.

Role of CIM in SANQ implementation: The experience of *CIM Ave* with the SANQ shows the benefits of building on the trust that municipalities have developed over the years with local stakeholders. It also demonstrates the advantages of engaging independent institutions to forecast future skills needs (in this case, a public university in the region, the University of Minho). *CIM Ave* is also developing campaigns to fight the stigma associated with VET and raise employers' awareness of the advantages of a skilled workforce. It is also building partnerships with the private sector, promoting specialisation in the education and training supply of the region, and contributing to the National Catalogue of Qualifications by proposing changes in the curricula of qualifications relevant to the region.

Existing bodies and local networks can help increase stakeholder engagement in adult learning at the national and local level

Stakeholder engagement is important for enhancing the relevance and sustainability of policy in a wide variety of areas (OECD, 2010[2]; OECD, 2017[13]). For adult learning, stakeholder engagement could help address several issues identified during the project, including the need to *i)* align adult-learning policy and programmes with users' needs, *ii)* generate confidence in the value of the system, *iii)* raise the participation of users and employers in the adult-learning system and *iv)* promote the sustainability of the system across political cycles by sharing the responsibility for the adult-learning system between government and stakeholders.

As for horizontal and vertical governance, the options for stakeholder engagement in OECD countries are varied, ranging from informal meetings and networks to formal and permanent mechanisms of engagement.

Consultative bodies are a common approach, and typically involve such stakeholders as social partners, whose role is to provide non-binding advice to government. Consulting such bodies can be made a requirement before the approval of legislation or key policies. As noted earlier, these bodies are used in Portugal to provide advice on both education and labour policies, but adult learning is seldom addressed by the two consultative bodies focused on these issues, the CNEDU and CES.

By contrast, the role of Co-ordinating Council of the System for the Anticipation of Skills Needs, created in 2014, is more directly relevant to adult learning. It includes representation from key government bodies and agencies, employers and unions. Its core mandate is to support the development and implementation of the SANQ. It could also be further leveraged to strengthen ongoing stakeholder engagement in adult learning.

In Nordic countries, umbrella organisations represent the views on adult learning of various actors, including providers, social partners and users (Desjardins, 2017[14]). Denmark's Council for Adult and Continuing Education advises government on work-related competencies, particularly for the low-skilled. In vocational education and training, engagement with social partners is particularly important (see Box 4.6).

Box 4.6. Stakeholder engagement in VET for youth and adults: The example of Denmark

Role of social partners in designing VET programmes: The National Trade Committees (NTC), made up of labour-market organisations representing a sector's employers and employees, play an active role in assessing labour-market needs and helping align supply and demand. Trade-specific committees dedicated to adult learning have also been set up, which are mandated to respond to the needs of their stakeholders, and propose new VET programmes. These proposals must include forecasts of necessary skills, and estimate the employability of future graduates from the new programme and the expected intake.

Role of consultative bodies in advising the Ministry of Education: Programme proposals produced by the trade committees are presented to the Ministry of Education, which considers the advice of the National Council on Initial Vocational Education and Training or the National Council for Adult Education and Continuing Training before making decisions. The curriculum results from an agreement between the proposing committee and the ministry, and the committee is required to make regular evidence-based recommendations to keep the programme abreast of changes in the trade in question. The committee also plays a role in certifying training establishments.

Local perspectives: To ensure that local needs are adequately addressed, Denmark also relies on local committees affiliated with local providers of VET. They include representatives of local employers and employees appointed by the national committees, and of students, staff and managers of institutions that provide instruction. These local committees have an active role in adjusting the curricula of programmes supplied by local providers, as well as the duty to maintain quality standards and ensure an adequate number of traineeship vacancies for students.

Source: (Andersen and Kruse, 2016[15]).

Strengthening local networks can improve the accessibility and relevance of adult learning

Stakeholders reported local-level relationships between various actors in adult learning in Portugal as particularly important for promoting best practices and improving the experience and outcomes of individual adult learners.

Strong local partnerships can draw on a dense network of local associations and institutions. For example, there are about 1 000 youth associations are registered in

Portugal. Decentralised departments of the Portuguese Institute for Youth and Sports, mainly through their *Ponto Já* youth information offices, co-operate with Youth Guarantee local services. Stakeholders consulted during the project suggested that many of these organisations, as well as youth workers, could be used as key points of contact for information and guidance for learning for young adults, including those who are neither employed nor in education or training (NEET) and not easy to reach through other channels. Community associations are also widespread, which provide a "single door" to adults in disadvantaged areas and refer learners to appropriate adult-learning services in their area. Examples of such associations encountered during the project include the *Moinho da Juventude* association in the Cova da Moura suburb of Lisbon, which targets a local population of low-income migrants by offering tailored social support, including connecting users to basic skills development opportunities.

The Qualifica Centres play a pivotal role in creating informal partnerships for adult-learning opportunities that leverage a range of public, private and non-profit actors, often without government involvement or specific legislative requirements (see Box 4.7).

Box 4.7. Informal partnerships in Portugal and their role in improving opportunities locally: Examples from Qualifica Centres

During the project, nine Qualifica Centres shared best practices to improve awareness of the benefits of skills, and the accessibility and quality of the adult-learning system.

Most of the best practices submitted involved the creation, expansion or more intensive use of partnerships at the local level. These involve a large array of organisations, including employers, educational institutions, municipal associations, health centres, residents' associations, youth associations, municipal libraries and housing associations. Benefits of such partnerships were identified as:

- Improving the capacity to reach out to learners proactively and directly in their local community to provide tailored counselling and support. Approaches used include staff traveling across the local area and placing staff in various partner organisations throughout the community to deliver services. Impacts identified include increased enrolment, retention and completion rates.
- Facilitating the creation of cultural and craft activities involving community members of all ages, helping local residents develop employability and entrepreneurship skills and obtain educational qualifications. These activities and events are also used as channels to promote the learning opportunities that are available locally. Impacts noted include improvement in both soft and technical skills, and employment outcomes.
- Increasing the availability of work-based learning opportunities to learners, resulting in improvement in professional skills.
- Offering direct delivery of prior learning assessment and recognition and training to SMEs owners and workers within companies, in sectors including manufacturing, commerce and agriculture.

Source: Best practices provided to OECD by nine Qualifica Centres, July 2017.

To ensure such partnerships are systematic, countries have taken different approaches, often involving significant involvement from both central government and the municipal level – such as embedding the creation of local networks in national policy plans and objectives, providing funding, or selecting the institutions to partner together.

In Germany, the Learning Locally Programme ran from 2009 to 2014, in about 40 local governments. These were chosen in a competitive process with a view to promoting co-operation between local governments and civil society stakeholders in creating sustainable structures in educational monitoring, management and consulting, and improving local capacities in knowledge management. This programme was considered a success, thanks to its lasting impact (Busemeyer and Vossiek, 2015[16]).

In Portugal, an example of strengthening partnerships can be found in the requirement that polytechnics develop networks with vocational schools (see Box 4.8). It could be helpful to consider how such models could be expanded to adult learning.

Box 4.8. Local partnerships in Portugal: Polytechnics and vocational schools

Policy challenge: transition from vocational tracks to higher education

Portugal has a low rate of upper secondary graduates from vocational tracks who transition to higher education. Although these students represent about 45% of all upper secondary graduates, fewer than 1 in 20 move on to higher education through the general access regime. One reason for this is that upper secondary VET courses (*ensino profissional*) are not designed to prepare students to sit national exams. Another issue may be the lack of pathways allowing individuals to move between vocational and general education streams.

Policy responses: strengthening partnerships

To improve such transitions, successive governments have forged links between professional upper secondary and post-secondary non-tertiary courses, and between post-secondary courses and bachelor degrees.

Recently, a change was made to require that every polytechnic that offers the new short-cycle tertiary courses (*Cursos Técnicos Superiores Profissionais*, or CTeSP) develop a network with local professional schools. The objective is to improve transitions of these students to these courses, which provide an entry point for higher education at the bachelor level.

Polytechnics may also earmark some vacancies for CTeSP, and offer financial incentives to upper secondary graduates of their partner institutions. For instance, the Polytechnic Institute of Castelo Branco offers half off the tuition to the best students of professional courses from partner institutions who enrol one of its CTeSPs. These networks once required ministerial approval, but, since late 2016, institutions have been free to develop them autonomously.

Recommendations

7. Set up dedicated governance bodies to oversee adult learning: a permanent inter-ministerial team and a permanent group within an existing multi-stakeholder institution.

- Make the National Skill Strategy project team, which involves seven ministries and four national support organisations, a permanent body.
    - Select an appropriate ministry/centre-of-government agency for the new Skills Team to report to.
    - Include a mechanism for consulting local-level entities involved in the planning of adult learning, such as CIMs, on a regular basis.
- Consider creating a permanent skills council to steer adult learning taking a whole-of-government and whole-of-society perspective over the long term.
    - Ideally, position this group in an existing national advisory body that has a secretariat and that involves participants from both government and stakeholders, to avoid reduplication of governance bodies.
    - Consider the Co-ordinating Council of the System for the Anticipation of Skills Needs created in 2014, due to its core stakeholder participation within and outside government, but also make it responsible for monitoring results and reporting to the public.
- For these two bodies:
    - Ensure an appropriate legislative basis and clear mandate for action, with public accountability requirements.
    - Provide dedicated budget and staff support.

8. Reinforce existing local networks at the municipal level, or develop new ones, to address current and future needs for skills that align with the local economic development context.

- Create or activate an appropriate number of local networks throughout Portugal for regular collaboration between local actors, including municipalities; intermunicipal communities; parishes; local enterprises; local trade unions/employee representatives; chambers of commerce; sectoral councils for qualifications; social service providers; community organisations; education and training providers, etc.
- The purpose of such networks would be to ensure a forum where key actors can:
    - work with partners involved in implementing Portugal's system of skills assessment and anticipation (SANQ). Assess both short- and longer-term economic and labour-market needs in the local area (e.g. both immediate shortages reported by employers and the need to grow human capital to move up global value chains).
    - Develop plans to align local supply with identified needs.
    - Seek to maximise policy synergies by, for example, ensuring that funding targeted to regional development, both national and from the European

Union (EU), take into account skills needs. Conversely, ensure that skills initiatives and funding support economic development.

- Wherever possible, use an existing local organisation to host and co-ordinate such local networks, and allocate dedicated funding to support the work of these organisations to strengthen adult learning (e.g. for a small secretariat staff). This funding should be linked to the relevant performance indicators.
    - The *Rede Social* is an example of a local network bringing together several community associations that, together with local education and local youth councils, could form a basis for establishing such a network.
    - Special attention should be paid to securing representation from the demand side (employers and industry associations).
- Develop a governance structure for the network (e.g. select a single co-ordinating organisation) and targeted incentives, to allow all key stakeholders, and employers in particular, to participate in these local networks (see Recommendation 9 on "skills financing pact").
- Pilot the approach in two or three local areas for 12 months, then undertake an evaluation before expanding the model.

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Chapter 5. Effective financing of adult learning in Portugal

This chapter provides an overview of the financing of Portugal's adult-learning system, and recommendations for improving its performance.

Shifting priorities of governments in Portugal in the past decade have led to variations in public funding. The reliance of adult-learning policy on European structural funds is substantial, which raises concerns about the long-term sustainability of the system. Financing mechanisms to stimulate private investment and promote the quality and relevance of adult learning are limited.

The chapter is divided into three parts. First, the current financing landscape is addressed. Second, international examples of policies and practices to tackle key challenges are described, including examples of financing mechanisms to steer provision towards improving access and quality and to stimulate private investment in adult learning. The third part outlines the chapter's recommendations for improving the financing of adult learning in Portugal.

Summary of stakeholders' views:

- The unpredictability of funding in the last decade has decreased the accessibility of adult learning, and the ability to attract learners.
- Financial incentives to encourage increased investments from individuals and employers are one area where most new government funding is needed.
- Concerns were expressed about the way funding can be used. Several stakeholders emphasised the overly centralised nature of decision making on the funding of adult-learning programmes. Centralised decision making, they argued, makes it difficult to *(i)* use public funding to support tailor-made training solutions, and *(ii)* for local providers to adjust their staff and financial resources to respond quickly and adequately to demand.

Better financing mechanisms are needed to make adult learning more effective

Financing mechanisms are key policy levers for ensuring that the adult-learning system is accessible and of high quality. In this chapter, the levels, sources and uses of adult-learning funding are discussed, as they all contribute to shaping the adult-learning system and its outcomes.

While the relationship between funding and participation is not automatic in the countries with available data on adult-learning funding, a threshold level of funding for adult learning is important to make the system viable, and enhance both access and quality (see Box 5.1).

Appropriate cost-sharing between government, firms and employers can enhance total investments, and help share costs as equitably as possible among the beneficiaries of skills investments. The way funding is used, for example the level of targeting governments adopt, and the mechanisms through which it is distributed, can influence the performance of the system, and participation rates in particular (Desjardins, 2017[1]; OECD, 2017[2]).

State financing for adult learning is increasing after years of constraint, but it could be used more strategically to promote access and quality

In Portugal, information collected during the project suggests that adult-learning funding is characterised by three main features:

i) State investments have been fluctuating over the past decade, and public funding is heavily reliant on EU funding.

ii) Adults seldom invest in adult learning.

iii) Firms commit an important part of funding through social security contributions (SSCs) and an annual compulsory training requirement. However, according to some stakeholders, employer-sponsored training tends to be of little relevance to firms' productivity and to the employability of workers.

Box 5.1. Adult learning funding and participation: An international perspective

Existing data suggest that spending on adult learning from public and private sources ranges from 0.6% to 1.1% of GDP across 18 OECD countries with available data. Of these amounts, governments contribute about 0.1% to 0.2% of GDP. Employers are the main funders of adult learning, typically providing around 0.4% to 0.5% of GDP. Individuals spend around 0.2% to 0.3% of GDP.

No automatic correlation between funding and participation

Countries with the highest level of spending on active labour-market policies (ALMPs), from 0.9% to 1.8% of GDP, such as Denmark, Sweden, Finland and the Netherlands, also have the highest probability of participation in adult learning among disadvantaged adults, with 35% to 42% of adults reporting having participated in adult learning over the past 12 months.

However, countries like Austria, Belgium or Germany spend higher shares of GDP on adult learning (0.7%-0.9% of GDP), than countries like Canada, the United States and the United Kingdom (0.1%-0.3%), but they have lower participation rates among disadvantaged adults (20%-25% as opposed to 25%-30%). Countries achieving relatively high participation with lower expenditure tend to target funding for a smaller group of people (the most disadvantaged).

Funding and outcomes: Insights from PISA

Not enough data are available to establish a relationship between funding levels and outcomes in adult learning. The OECD Programme for International Student Assessment (PISA) data show that in countries with cumulative expenditure per student below USD 50 000 annually, the effect of spending is significantly associated with higher PISA scores. But for countries with cumulative expenditure above USD 50 000, like Portugal and most other OECD countries, the effect of spending is not significant.

Source: FiBS and DIE (2013[3]), Desjardins (2017[1])

Public funding for adult learning has varied over the past decade

A preliminary inventory of public funding presents information for several years between 2006 and 2017 (Table 5.1). There is no single budget for adult learning, and defining a clear scope for adult learning is challenging as noted in Chapter 1. For this reason, the information presented in the table should be treated with great caution, as a first attempt to identify adult-learning spending across various ministries. Due to these limitations, the table does not provide total spending amounts for adult learning, or spending as a share of GDP. The following insights can nevertheless be drawn from this exercise:

- A large part of the overall spending on adult learning comes from European structural funds. EU funding represents about 40% of the Ministry of Education's budget for adult education and training and of the budget of the Public Employment Service (*Instituto de Emprego e Formação Profissional*, or IEFP).
- The Ministry of Education budget for adult learning supports several key programmes, such as the prior learning recognition processes (*RVCC*), the adult

education and training courses (*EFA*) and the operations of the Qualifica Centres. Over the past ten years, this budget increased to peak at its highest level in 2009-2011 during the New Opportunities Initiative, a programme largely supported by European funding. This budget was then reduced from 2012 onwards and began rising again in 2016, although reaching lower levels than during the peak investments in around 2010. Nevertheless, in 2017, the budget of the Ministry of Education for adult learning was about twice that of 2006. Similarly, the budget of the organisation in charge of professional training for public servants (INA) benefitted from a major increase in 2016.

- The budgets for the IEFP (Public Employment and Vocational Service) and Tourism of Portugal fluctuated throughout the period but to a lesser extent, and only part of these budgets support adult learning, as noted in the table. By contrast, the budget of the ANQEP declined throughout the period.

Table 5.1. Public funding for adult learning: A preliminary inventory

2006-2017, budgeted expenditures (in million euros)

	2006	2008	2010	2012	2014	2016	2017	Notes	Source
Ministry of Education – funding dedicated to Adult Education and Training	19.7	27.1	55.6	47.3	38.9	38.7	39.5	For 2017, includes RVCC, Qualifica Centres, secondary-level evening courses (*ensino recorrente*), education and training for adults (EFA) courses and other measures. In 2017, about EUR 15 million of the budget came from EU funds.	(1)
Agency for Qualifications and VET (ANQEP)	Not available (n/a)	24.4	20.2	9.3	7.8	7.9	7.7	**Note:** includes total ANQEP budget, not only activities focused on adult learning. In 2017, about EUR 0.3 million of the budget came from EU funds.	(2)
IEFP	1 029	797	1 120	918	959	939	853	**Note:** includes the total IEFP budget, including the *Cheque Formação*. In 2016, of the total IEFP budget, the budget supporting programmes represented EUR 701 million. Of this, 58% was spent on employment, 39% on professional training, and 3% on professional rehabilitation. Some initiatives, such as apprenticeship courses (*cursos de aprendizagem*) are included in professional training. These courses target only the 15–25 year-olds and in 2016 represented EUR 67.5 million. In 2016, more than 40% of planned expenditures were from EU funds.	(3)
INA	9.7	9.3	11.5	8.4	6.4	19.5	18.6		(4)
Tourism for Portugal Institute	288	190	341	230	232	245	256	**Note:** includes total Tourism for Portugal budget, not only activities focused on adult learning.	(5)
Ministry of Economy	(n/a)	(n/a)	(n/a)	(n/a)	(n/a)	(n/a)	71	The 2017 figure represents funding commitments through the COMPETE programme over 2 years to support 329 *Formação-Ação* (Action Training) projects starting in 2017 and administered by various business associations. EUR 16 million has been paid already by early 2018. This programme is funded by the Ministry of the Economy and other sources. Information for other years is not available.	(6)

Note: The figures represent budgeted expenditures, not executed budgets. Of note, budgets that are lower when executed than when planned are common in Portugal. Only programmes with information publicly accessible to the OECD team were included, hence some funding sources may be missing. Other funding in the table, by contrast, supports activities beyond adult learning (e.g. the ANQEP, IEFP and Tourism of Portugal budgets). Secondary VET courses (*cursos profissionais*) are excluded as they represent a large programme mostly targeting youth. However, they are similar to the apprenticeship courses noted in table. The importance of ensuring coherence between VET options for both youth and adults is noted in this report.

Sources: (1) for 2006 and 2008: Ministério da Educação (2006; 2008) Orçamento por Acções; for 2010: Ministério das Finanças (2010) Relatório do Orçamento do Estado 2010; for other dates: Ministério da Educação e da Ciência (2011, 2013, 2016) Relatório do Orçamento do Estado 2012, 2014, 2017 - Nota Explicativa; (2) for 2008 and 2010: State Budget (Map VII); for 2012, 2014, 2016: ANQEP (2014, 2015, 2017) Relatório de Atividades 2013, 2014, 2016; for 2017: State Budget for 2017 Map VII; (3) for all dates: State Budget Map VII and Instituto do Emprego e da Formação Profissional (2016) Orçamento Ordinário 2016. (4) for 2006: State Budget 2006 Desenvolvimento das Despesas dos Serviços Integrados; for 2008 and 2010: State Budget (Map VII); for other dates: INA Plano de Atividades 2012, 2014 and 2016 and 2017; (5) for all dates: State Budget (Map VII); (6) information provided to OECD team by Ministry of the Economy.

StatLink http://dx.doi.org/10.1787/888933712054

The importance of public funding in Portugal

While there are various views about the role that the state should play in funding adult learning (see Box 5.2), there are reasons for Portugal to ensure adequate levels of state investment. These include:

- Given the many low-skilled adults in Portugal, public spending is important to ensure access. This is supported by past experience, where increases in public spending occurred concurrently with a spike in participation (see Table 1.6 in Chapter 1). Conversely, declines in public spending associated with the end of the New Opportunities Initiative resulted in drops in participation, especially among the low-skilled, as shown in Chapter 3 and the first phase of this project (OECD, 2015[4]).
- Improving the flexibility and quality of the system also requires adequate financing, including for the targeted supports to help overcome barriers to participation, retention and success discussed in Chapter 3. These can take the form of targeted financial, social or academic supports, which can improve outcomes.
- Raising investments from individuals and firms would be likely to require public supports as well: stakeholders who responded to the OECD survey on implementation noted that the recommendations regarding financial incentives would be the ones requiring the most new funding (see Annex C).

Box 5.2. The role of the state in funding adult learning: Various perspectives

Several arguments support focusing public funding on youth education rather than on adult learning, and on lower levels of education, rather than higher levels of education:

- There is a higher return to society of investments in youth rather than on adults.
- The lack of information and short-term decision making are more frequent among individuals at lower levels of education than those at higher levels.
- The private returns to learning increase with the levels of education, thus justifying greater investments on the part of individuals at these levels.

Arguments for increasing public funding for adult learning include:

- Positive outcomes such as higher employment, lower skill inequality, or higher innovation in companies can be observed in countries with large adult-learning systems that involve substantial funding from all sources, including government.
- Economic trends, such as increased market inequality, changing job requirements, stagnant wages and ageing increasingly require government intervention to update and raise the skills of workers.
- Public funding is the only funding source, compared to funding from firms and individuals, closely associated with increased participation rates.

Sources: (Oosterbeek, 2013[5]; Heckman and Jacob, 2010[6]; McCall, Smith and Wunsch, 2016[7]; FiBS and DIE, 2013[3]; Desjardins, 2017[1]).

Relying on EU funding has drawbacks

European structural funds play a key role in funding Portugal's policy priorities as outlined in the National Reform Programme (*Programa Nacional de Reformas*, or PNR), the government's medium-term economic strategy launched in April 2016, whose first pillar focuses on raising the qualifications of the population.

However, the reliance of Portugal on structural funds for adult learning has three main limitations. First, EU funding may decrease in the future, as the EU reconsiders its priorities in a context of increased demands, from migration to security and defence. In addition, the EU budget will be reduced by the United Kingdom's departure (European Commission, 2017[8]).

Second, as EU structural funds are time-limited and typically distributed through public tenders, gaps exist in the provision of learning opportunities in between programming periods, or when policy changes occur and require public authorities to apply for EU funds and then to launch public tenders. As some stakeholders reported during the project, one example of this challenge is the waiting time experienced by some adults who wish to engage in training programmes and prior learning recognition, validation and certification (*Reconhecimento, Validação e Certificação de Competências*, or RVCC), but these are not available in their local area.

Third, the funding priorities and rules for the use of the funds, established for six years by a given government, may change during the period. For example, the EU funds available for adult learning during the 2007-2013 National Strategic Framework (*Quadro de*

Referência Estratégico Nacional, or QREN) were a major source of funding for the New Opportunities Initiative. By contrast, the programme for 2014-2020 (Portugal 2020) has refocused human capital funding on youth rather than adults, and dedicates a large share of the total funding envelope to competitiveness and internationalisation efforts: about 41% of the Portugal 2020 envelope focuses on this theme, significantly above the EU28 average of about 27% (Agência para o Desenvolvimento e Coesão, 2016[9]).

While during the QREN, adult-learning programmes were funded through one main operational programme, the funding for these programmes in Portugal 2020 is fragmented across several thematic and regional operational programmes. According to stakeholders met during the project, this change in funding focus and more complex funding structure lower the amount of EU funding that the Portuguese government may use to support its current focus on improving adult learning among the low-skilled.

On the other hand, the reliance on EU funding and increased focus of the European Commission on outcomes in the current programming period has injected the need for increased accountability and outcomes reporting in Portugal. This is an important feature that should be enhanced and expanded to all-adult learning policies and programmes by establishing a performance-monitoring and evaluation framework, as recommended in the Chapter 3.

Results-based financing is limited, and the use of funds could be improved

In Portugal, public funding supports the delivery of a range of adult-learning programmes to ensure accessibility, but is seldom used to encourage quality and outcomes. In addition, formal education institutions, especially higher education institutions, lack incentives in their funding models to target adult learners, except where demographic decline reduces their traditional student base.

Performance contracts between the government and providers of adult learning are rare, although they are starting to develop in the context of programmes funded by the European Social Fund. Reasons include, in part, the lack of clearly defined policy objectives for adult learning and outcomes indicators to measure success. This lack of a systematic monitoring system limits the government's ability to reward performance or to identify practices that work, and then use funding to encourage expansion of practices found to deliver results.

However, there is progress in this direction: in 2017, the ANQEP started to establish service contracts with Qualifica Centres, although such contracts do not exist with other providers of adult-learning programmes. This is a concern, as Qualifica Centres are not a main provider of training: while they can counsel users, perform prior learning and recognition processes, they need to partner with external organisations to deliver training. At this point, these contracts focus exclusively on target numbers of clients to be served by each Centre. Collecting data on the background of participants and their outcomes, and assessing the value added of programmes as part of these contracts, would provide important information. This could help to use funding strategically, for instance by varying the intensity of funding based on various criteria, such as the background of participants or the interventions shown to add the more value for participants (e.g. increased skills levels, positive labour-market outcomes).

Implementation constraints also limit the use of funding as a strategic lever to promote quality. The widespread practice in Portugal of disbursing funding for adult learning

through competitive processes (*concursos*) should, in principle, allow for a thorough quality review of providers before allocating funding.

In practice, stakeholders reported that the time and human resources allotted to such tasks is limited. The ANQEP, which plays a key role in selecting providers to be funded, has been subjected to budget reductions in recent years (see Table 5.1). This issue was highlighted by stakeholders regarding, for instance, the short window for establishing a network of 300 Qualifica Centres across the country by the end of 2017. For some stakeholders, this process amounted to largely reinstating previous providers, with little opportunity for a new assessment of quality. The establishment of a monitoring process managed by the ANQEP for all Qualifica Centres is an improvement in this regard, as it can lead to corrective action or to closing low-performing centres if needed.

The investment of Portuguese adults in lifelong learning is limited

The contribution of individual learners to financing adult learning appears limited, for several reasons. First, most programmes at secondary level and below are free of charge for all participants. Second, almost all costs involved in employer-sponsored training are borne by employers themselves (see Box 3.3 in Chapter 3). Finally, while adults participating in higher education programmes at polytechnics or universities pay tuition fees (see Box 5.3), the number of adults participating in higher education through the "+23 route", described in Chapter 3, and new post-secondary vocational routes, are still largely pursued by younger students.

Box 5.3. Tuition fees in Portugal

In Portugal, higher education institutions enjoy broad autonomy. However, the financing of public higher education and the setting of tuition fees are subject to a specific legal framework (Law 37/2003).

In public higher education, the tuition for first cycles is fixed at a minimum value corresponding to 1.3 times the national minimum wage and a maximum value calculated from the application of the consumer price index of the National Institute of Statistics. For the academic year 2017-2018, this maximum value is EUR 1 068.47.

In practice, stakeholders report that few public institutions charge the maximum tuition fees. Polytechnics tend to have slightly lower fees than universities, at around EUR 700 to EUR 800 annually, according to stakeholders.

Costs for private institutions are freely established.

Source: Ministry of Science, Technology and Higher Education (2018).

Despite the higher expected returns than in many other OECD countries, few adults in Portugal access higher education.

Several factors may explain this: first, in all countries, the rewards of investing in skills decline with age, because individuals have less time left in the labour market to benefit from the returns on their investment. Second, the very high returns of higher education for government suggest that a large amount of the returns to higher education may be taxed away in Portugal (OECD, 2017[2]). Third, stakeholders cited economic reasons that have dampened interest in pursuing higher education, both during the crisis, due to the costs of participation, but also in the recovery period. Many adults have adopted a "work-

first" strategy, rather than a longer-term skills updating and upgrading strategy. The current return to growth may exacerbate this effect: in the past year, about 40% of new jobs created were concentrated in the tourism sector, and these are likely to be low- to medium-skilled jobs.

Other factors help to explain the low education levels of Portuguese adults, many of whom are not prepared to access higher education and the barriers in the adult-learning system itself, discussed in Chapter 2 and 3. These include insufficient accessibility and flexibility of the supply for adults with busy schedules, a lack of financial and academic support for adult students in higher education, and insufficient information about the returns.

Setting aside compulsory participation as part of ALMPs, the financial incentives targeted to individuals to invest their time and resources in adult learning are limited in Portugal, regardless of the level of education or training considered.

The Training Cheque (*Cheque Formação)*, created in 2015, is a subsidy targeted to either employees or employers. This incentive is supported by a total investment of (EUR 6.2 million and is expected to cover 75 000 learners). It provides firms and employees with up to 50 training hours and EUR 175 per person, or up to 150 training hours and a maximum of EUR 500 in the case of unemployed persons.

Results to date show that this instrument appears to be mostly taken up by employers rather than individuals, which suggests the Training Cheque may assist with employers' short-term needs (Aráujo, 2017[10]). The low participation of individuals implies, on the other hand, that the incentive is not attractive to adult learners. While the reasons are not clear, the low amount may be a contributory factor, since it is insufficient to assist adults in pursuing opportunities that involve direct and substantive costs, such as higher education, or to compensate for the opportunity cost of not working.

Companies contribute a large share of funding but it could be better used

Since 2009, employers have been more heavily involved in the financing of professional training. Every employer contributes to social security with an amount equivalent to 23.75% of workers' gross earnings, with an extra 11% borne by workers. Of these contributions, 5% are set aside to finance active labour-market policies and to professional improvement (*valorização profissional*). However, stakeholders reported that the use of the funds collected through this levy was not fully transparent. The perception was that the funds go to the state's general revenues without a clear understanding of how they support adult learning.

In addition, the cost of the required provision of 35 hours of training annually to employees is mostly borne by employers (see Box 3.3. in Chapter 3). In 2015, the total expenditure of companies in Continental Portugal on required employee training reached EUR 229 million. Over half of this amount was spent by companies of 500 employees or more, which represent 0.15% of all companies. There is wide variation in spending across industries, with water and energy industries spending double this amount per trainee.

The average expenditure per trainee is slightly under EUR 400 annually, with an average duration of training of 28 hours. A large portion of such costs covers hours not worked during the time spent training. From an international perspective, Portuguese enterprises are among those that have increased both the spending on training and hours of training over time, which is likely to reflect the policy change introduced by the 35-hour training requirement. In terms of enterprises' direct expenditure for continuous training, Portugal

still ranked slightly below the EU28 average in 2010, despite a large increase since 2005 (Cedefop, 2015[11]).

The impact of employer incentives for providing training is unclear

In addition to the Cheque Formação, Portugal has several subsidies for employers that provide support for training and other productive investments, and include a co-financing element. Active Training (*Formação Ação*), discussed in Chapter 3, is a programme that targets groups of small and medium-sized enterprises (SMEs). These participating SMEs have the opportunity to explore coherent solutions to common problems or opportunities. The programme also funds entities whose work is focused on SMEs, like business associations, for instance, that may deliver a combination of training activities (for employers and/or employees) alongside specialised consulting services, to improve management in SMEs. The amount of the subsidy varies up to a maximum value per beneficiary company of EUR 180 000 (AVISO Nº 6/SI/2016). Co-financing requirements also vary, with the minimum amount of eligible expenses being EUR 100 000, and the subsidy covering from 50% to 70% of eligible costs if funded by the state budget, and up to 90% for micro and SME companies exclusively, through funding from the European Social Fund.

There are also subsidies targeted to the training of entrepreneurs and workers, to improve innovation and productivity through specific training-related projects. These subsidies provide support for *i)* training associated with business investments in three streams: innovation and entrepreneurship, qualification and internationalisation of SMEs, and business R&D centres, *ii)* training associated with projects of modernisation of the public administration and *iii)* "collective action" projects, which require several companies to identify common challenges that allow them to use the subsidy to design solutions. These subsidies cover costs of training, but also physical or immaterial investments.

Importantly, for this last type of subsidy, a share of financing by the firm is required, as the subsidies cover from 50% to 85% of costs. Portugal uses a small portion of these employer subsidies to promote training in micro-enterprises and SMEs and for disabled or disadvantaged workers, by covering a higher amount of costs when the support is targeted to these firms or workers.

Despite these provisions which encourage targeted investments, the lack of information on outcomes makes it difficult to assess the effectiveness of these measures in meeting their objectives.

Employer-sponsored training appears to be of limited relevance and quality

Despite increases in training amount and expenditure, stakeholders raised concerns about the relevance of such training. Support from employers for more intensive vocational programmes that involve work-relevant skills appears limited.

For example, while apprenticeship is an important way of providing work-based learning, apprenticeship courses in Portugal target youth age 15 to 25 only. For comparison purposes, the investment per apprentice in 2016 exceeded EUR 2 500, based on 2016 figures (see Annex A). This higher cost per student reflects a course structure similar to secondary-level vocational education and training (VET) courses (*cursos profissionais*), involving a longer duration than most adult-learning programmes and a combination of school- and work-based components.

Apprenticeship is just one form of work-based learning, but it provides a good example for understanding the drivers for employers to deliver this type of training. Box 5.4 provides an overview of the factors that may influence employers in their decision to engage in work-based learning.

Box 5.4. Costs and benefits of work-based learning: Making it work for employers

Mühlemann (2016[12]) and Kuczera (2017[13]) discuss the costs and benefits of apprenticeship for employers, apprentices, government and society. Kis (2016[14]) focuses on ways to engage employers in providing work-based opportunities for youth at risk. Their findings help identify factors that have an impact on the costs and benefits of training:

- **Size**: While large firms may pay higher wages to trainees like apprentices, they tend to recoup costs more easily via economies of scale.
- **Economic sectors**: The net costs of providing training in technical occupations, which represent the second highest expenditure for employers in apprenticeship after the apprentice's wage, are higher for technical than for other types of occupation (e.g. commercial).
- **Parameters**: These include first the duration of an apprenticeship, since it is the balance of the growing productivity of the employee and the employee's (often growing) wage that determines the value of the initial investment over time. Another factor is the wage of an apprentice, and the variation that can exist across economic sectors and as a result of productivity growth. A third element is the balance between time spent learning, in formal education contexts for instance, and effectively contributing to productive work.
- **Financial incentives**: These can be another motivating factor for employers to engage; but universal subsidies have limited effects, and effective targeting is complex and can have negative impacts on groups that are not targeted.
- **Non-financial incentives**: These may have a key role to play, such as adjusting the parameters of work-based learning, and ensuring appropriate programmes to upgrade basic skills to improve trainees' success and productivity before and during work-based learning.
- **Economic and institutional context**: Employers are likely to see apprenticeships or other work-based learning approaches as more valuable in the context of tighter labour markets and labour shortages, or when large gaps exist between the wages of skilled workers and those of apprentices.

Sources: Kis (2016), Mühlemann, S. (2016), Kuczera (2017).

As noted in the previous chapter, employer representatives interviewed during the project reported that many employers in Portugal do not see employee training as a strategic investment for their business. They cited the immediate costs of training, both direct and indirect, compared to the potential benefits, which accrue only in the longer term. Another issue raised was the nature of specific sectors that make training more

complicated or costly to organise, such as sectors where seasonal work is widespread. Varying sectoral needs were also apparent, with a continued prevalence of low-skilled activities among many Portuguese firms. Some stakeholders noted that many jobs in the booming tourism industry required mostly stronger basic skills and certain technical skills, but not necessarily a uniform rise in skill levels. Employers who described training as a strategic investment tended to be part of sectors such as advanced manufacturing, or of sectors that have increased their presence in internationally competitive markets (e.g. the shoe sector).

Practices to improve the financing of the adult-learning system

Financing efforts should focus on sustainability and a strategic use of funds to improve access and quality

Several tools can improve the sustainability and use of public funding

Enhancing the level of state funding is a difficult goal in the context of competing policy priorities and constrained public resources, yet over-reliance on European funds can limit the long-term sustainability of Portugal's adult-learning system.

OECD countries have adopted different strategies to enhance the financial sustainability of their adult-learning systems. Among these, three approaches discussed below may be of interest to Portugal: *i)* improving opportunities for adults to achieve recognised qualifications through formal and non-formal adult-learning programmes that make adult learning an integral part of the education and training system, along with education, higher education and active labour-market policies; *ii)* increasing the contributions of social partners and individuals, and *iii)* doing more with fewer resources, through better targeting. These approaches are not mutually exclusive, and can be combined, as will be discussed later in the section.

Better connecting adult learning to other parts of the education and training system

Nordic countries offer useful examples for Portugal, as they have achieved high rates of participation in adult-learning programmes, as well as high rates of formal qualifications attained through adult learning, which are two key objectives of Portugal's Qualifica Strategy.

For example, in Denmark, nearly 20% of the adult population has attained an ISCED 3 or lower qualification by means of adult education programmes. In Norway, 12% of holders of tertiary credentials have obtained them as adults. In these countries, similar patterns emerge: strong government leadership in adult learning, through high levels of public investment that have made possible a wide variety of training, and the promotion of a clear government-wide vision for adult learning, largely shared among stakeholders (Desjardins, 2017[1]).

Increasing the contributions of social partners and individuals

Non-formal adult learning, sponsored and often delivered by social partners, represents a large share of all the learning undertaken by adults in Portugal and in other OECD countries (see Figure 2.1 in Chapter 2). Given fiscal constraints, co-financing is often used even in countries with large shares of public funding. As the benefits of skills

investments are shared by governments, individuals and firms, there is a strong argument for all parties to contribute to cover the costs of adult-learning investments (see Table 5.2).

Communicating the benefits of learning is therefore important, as noted in Chapter 2. The table below provides a broad overview of the types of costs and benefits of skills investments. This illustrates how assessing the returns of adult learning can help guide cost-sharing between the various parties benefiting from skills investments.

Table 5.2. Costs and benefits of skills investments for government, individuals and firms

	Government	Individuals	Firms
Costs	Foregone taxes Education spending Costs of scholarships and grants to students Cost of skills-related tax expenditures for individuals and businesses	Foregone after-tax earnings during education Direct costs, such as fees	Payments into training funds Direct costs, such as fees Cost of replacing the worker during training
Benefits	Higher taxes after education Reduced spending on social benefits, including unemployment benefits Higher economic growth	Higher after-tax wages Better employment prospects Better social and health outcomes	More productive workforce and higher profits Potentially reduced social and health expenditure

Source: Adapted from OECD (2017), OECD Skills Strategy Diagnostic Report: the Netherlands, 2017.

Even when the returns of adult learning are difficult to assess, models exist to establish reasonable cost-sharing approaches. Norway uses a strategy that links the primary funder to the objectives of adult-learning programmes. In other words, the expected, rather than the measured, returns guide the cost-sharing approach. This strategy is complemented by active policy efforts to enhance the transparency and credibility of all adult-learning activity, including non-formal learning (see Box 5.5).

In addition, public funding can be used to leverage private funding, especially from social partners. Such mechanisms can take various forms, including agreed-upon plans between government and social partners that contain both funding commitments and agreed-upon objectives, as shown in the following examples, which were featured in a recent OECD review of financial incentives (2017, p. 95[15])

- In **France,** the Employment and Skills Development Actions programme aims to help employers solve sectoral skills pressures. It provides government funding for specific skills development projects, which are then designed and implemented by social partners.

  To implement this programme, a framework agreement is signed between the government and an employer organisation to make funding available for various training programmes. The amount of funding is negotiable and depends on the nature of planned interventions, the size of firms involved, the degree of disadvantage of groups targeted, and the extent of co-financing with employers.

- **The Netherlands' sector plans:** These instruments are temporary plans to help overcome specific education and training challenges in certain sectors or regions, such as a mismatch between the demand and supply of labour.

The social partners are heavily involved in drafting and implementing these plans, and contribute a substantial share of the funding, but the state covers up to 50% of the total cost for a period of up to 24 months (36 months in the case of "BBL" or work-based qualifications, a specific type of vocational training.)

Box 5.5. Norway's approach to encouraging firms' investments in skills

Co-funding according to objectives of programmes: Norway distinguishes whether programmes provide basic skills, enhance job performance or support worker mobility. The source of funding for each category is determined according to the party that is expected to benefit the most from the programme – whether it is primarily about government raising the basic skills of its population, firms benefiting from productivity gains, or individuals enjoying higher mobility in the labour market.

Establishing a more equal status for formal and non-formal education

- **Standards for learning outcomes:** To improve the public confidence in non-formal learning, the outcomes of both types of learning should be captured in national standards for qualifications and skills. Norway is developing a common approach to learning outcomes for the formal education system and for workplace learning, and providing guidance for companies on why and how to write learning outcomes.
- **A coherent adult-learning policy needs a skills policy framework:** These tools aim to provide a reference point for all stakeholders, by documenting desirable skills for success, and describing how they are acquired in working life.

Source: Information provided by Tormod Skjerve, Virke, Stakeholder Workshop in Coimbra, 10 November 2017.

Collective bargaining arrangements also offer an opportunity to negotiate the financing of training. Research has shown a link between unionisation and the provision of employer-sponsored training in the United Kingdomand Germany, for example (Booth, Francesconi and Zoega, 2003[16]; Dustmann and Schönberg, 2009[17]). Similarly, the existence of bodies representing employees in companies (such as work councils in Germany) is positively correlated with the provision of employer-sponsored training (Kriechel et al., 2012[18]).

The higher level of employer-supported training may be explained in countries such as the Netherlands or Germany where collective bargaining is a key decision-making tool, compared to Portugal, which relies more on legislative frameworks. It does suggest that negotiations between social partners can influence and improve both the financing and relevance of training.

Targeting funding to basic skills and disadvantaged learners

In countries such as Canada, the United Kingdom and the United States, targeting policies to disadvantaged groups have enabled the government to maximise the use of constrained resources for specific policy goals.

Examples of ways to target public funding are diverse: they can take the form of limiting access to certain adult-learning programmes, targeting more intensive and costly interventions to key groups, while also often including a "preparedness" criterion. Other countries have tuition for adult education programmes, even for basic training, which are waived for people demonstrating financial need, typically those who are eligible for social benefits. Examples of these two approaches are included below.

- In **England,** adults who are out of work and meet the Education and Skills Funding Agency's eligibility criteria can access free training. This can include units and full qualifications in English, maths and information and communications technology (ICT). Where English is not a claimant's first language, English tuition is made available: 14% of all learning by benefit claimants in 2013/14 was in English and mathematics (Kuczera, Hendrickje and Windisch, 2016[19]).
- In **Ontario (Canada**), the Literacy and Basic Skills Programme helps adults develop communication, numeracy, interpersonal and digital skills. To be eligible, participants must meet criteria such as: having literacy and basic skills assessed at the start of the programme as being lower than the end of Level 3 of the International Adult Literacy and Skills Survey (IALSS); be at least 19 years old; and be proficient enough in speaking and listening in English or French to benefit fully from the language of literacy and basic skills (LBS) instruction.

The three strategies can be combined, as the example of Denmark shows (see Box 5.6).

Public funding can also be used to increase access to adult learning and enhance its quality

Public funding plays an important role in steering education and training systems towards achieving governments' policy objectives. A recent review identifies at least five funding approaches governments use to nudge education and training providers towards various goals, often to increase the labour-market relevance of training as well as the education and employment outcomes.

These include: *i)* public subsidies to encourage the creation or expansion of programmes in certain fields, *ii)* performance-based funding, *iii)* performance-based contracts, *iv)* the regulation of new programmes, i.e. basing public funding for new programmes on specific criteria, *v)* one-off capital funding, and *vi)* tuition fees (OECD, 2017[15]). Many of these tools are relevant to adult learning. Table 5.3 provides brief country examples of these tools, and outlines how they may be useful to promote adult learning.

Funding approaches designed to meet specific policy objectives need to be designed carefully. For example, performance funding can have unintended effects, such as inadvertently encouraging institutions to select students with the best chances of success ("creaming"), which can impede the effort to serve adults who face barriers to learning.

To avoid this, it is important that steering tools consider a broad set of performance indicators and criteria (see Annex B, for example). Focusing on the value added of learning opportunities is also important. This way, it is progress towards gains in skills that is rewarded, for instance, rather than the final level attained by learners, which may reflect their pre-programme abilities.

Box 5.6. The financing of adult-learning courses in Denmark

Adult vocational training programmes (*Arbejdsmarkedsuddannelser*, or AMU) target workers at all skill levels and deliver a range of skills (general, sector/job-specific, career-related, etc.). The financing model for AMU courses is as follows:

- **Mostly public:** As for other education institutions, providers of AMU receive funding based on a "taximeter" system, which involves a block grant, taking into account costs on a per-student basis. This is calculated primarily based on student activity that results in passing examinations. Annual negotiations between providers and the Ministry of Education set budgets and targets.
- **Individual contribution**: There is a participant fee for most courses, of about EUR 100 per week on average, generally paid by the employer. Unemployed participants taking part in AMU as part of their individual employment plan are exempt from fees.
- **Financial aid to participants, funded by all employers:** Participants are entitled to a fixed allowance, the state grant system for adult training (VEU *godtgørelse*). In 2016, the amount available for this grant was DKK 3 344 (EUR 450) per week, or 80% of the maximum unemployment insurance benefit rate. As most participants are employed and receive a full salary during training, this allowance is primarily paid to employers as partial wage reimbursement.

  As with apprenticeship training, expenditure for the allowances is covered by the employers' reimbursement scheme, to which all enterprises contribute a fixed amount, regardless of levels of participation in adult education and continuing training activities. Participants may also receive a transport allowance and financial support for board and lodging.

Sources: (Andersen and Kruse, 2016[20]; Desjardins, 2017[1]).

Another risk relates to imposing financial penalties on providers, given that their scarce resources may be part of the reason for their low performance. The overall weighting of performance funding should thus be limited in scope, and include mechanisms to review reasons for low performance and to design improvement plans.

Finally, the effectiveness of any financial incentives for providers depends on how well they are implemented. Cases have been reported of institutions gaming the system by reporting on certain indicators focused on quantity, at the expense of quality indicators that are more difficult to measure. In other cases, demonstrating the existence of labour-market demand, for example to advocate for creating and securing public funding for a new learning programme, are mostly bureaucratic and lack strong evidence (OECD, 2017[15]).

Table 5.3. Using public funding to steer the provision of learning: Examples of tools and relevance to adult learning

Country example	Relevance to steer adult learning
Public subsidies	
In **South Australia**, a subsidised training list shows the range of VET courses that may be publicly funded through the WorkReady initiative. Courses are assessed for their public value, taking into account a number of factors including: alignment with government priority industries, industry growth prospects, and the extent of the employment outcome from the qualification. The list is routinely updated.	Subsidies focusing on labour-market relevance and outcomes can be attractive to adult learners, given how important labour-market outcomes are in motivating adults to embark on further education.
Performance-based funding	
Many US states use performance-based funding to encourage the provision and completion of courses, especially in science, technology, engineering and mathematics (STEM) subjects, health and education. In **Wisconsin**, performance metrics reward the number of degrees and certificates awarded in high demand fields and the number of programmes or courses with industry-validated curricula. They also include a measure related to the rates of graduates employed in their field of study.	A focus on completing programmes can lead to an increased emphasis on providing student support. This can be relevant for adult learners, because low completion rates are often an issue for adults who have been away from formal learning environments for a long time, and have many constraints on their time (e.g. work, family).
Performance-based contracts	
Performance contracts usually include mutually agreed targets between government and providers, and may or not include conditions for funding. In **Scotland**, outcome agreements set out what colleges and universities plan to deliver in return for funding from the Scottish Funding Council. In outcome agreements for 2015-16, institutions committed to providing education that best meets Scotland's changing social and economic needs. These include: offering more opportunities in STEM subjects, collaborating where possible on nursing training, and supporting the National Gaelic Language Plan.	Performance contracts can include a wide range of targets, presenting a "softer" instrument than performance funding. Targets can be designed to encourage access and success of adult learners (e.g. fields of provision, flexibility of delivery, academic support, etc.).
One-off capital funding	
Funds are often used to expand facilities in fields requiring high investments, STEM and digital technologies. In some cases, they can be used to help build entirely new institutions. In **Italy**, higher technical institutes have been set up in collaboration with the regions to rapidly respond to local economies' demand for skills, particularly in technological areas covered by the Industry 2015 plan.	A robust network of physical institutions can play an important role in promoting adult learning, particularly when transport issues create obstacles (in cost and time spent) to participation.
Regulating new programmes (conditioning public funding for new programmes on specific criteria)	
Regulating new programmes allow governments to direct new funds strategically. Increasingly, institutions have to show how their proposed programmes meet the needs of the labour market and other criteria. In **France**, requests for new VET qualifications (which are most likely to originate in professional branches, but sometimes come from individual companies in certain sectors) are sent to the Ministry of Education. They must be supported by an "opportunity study" that sets out the economic/technological case for the new qualification, as well as its employment prospects.	The use of new funding offers an opportunity to encourage programmes that are designed from the start to support the participation and success of adult learners.
Tuition fees	
Most countries regulate tuition fees, and many tuition fees depend on the field of study. These variations, however, are rarely used to encourage take-up in specific fields. In fact, fees are often higher for fields that are in high demand, offer high rewards and whose cost of delivery is high, such as engineering and medicine. Levels of tuition fees should be considered together with financial aid available for individuals.	Tuition fees may affect adult learners disproportionately (e.g. worsen the opportunity cost of learning). Adults may also have limited access to financial aid, and have less time to capture the returns in the labour market. Financial support for individuals may thus be needed to help address cost barriers.

Source: Country examples from OECD (2017[15]).

Governments can also attempt to make sure that their entire network of education and training providers supports the participation of adult learners. Viewing this from a systemic perspective, they can combine funding and governance levers to extend the mandate of certain publicly funded learning providers, to include, for example, a focus on serving a more diverse student population, including adult learners.

In Canada and the United States, publicly funded community colleges play such a role. The Canadian example is illustrated in Box 5.7.

Box 5.7. Community colleges in Canada

Main features and role: In Canada, community colleges offer access to good post-secondary education relevant for the labour market to a diverse student population, including older students, immigrants and disadvantaged students. Some also offer programmes below post-secondary level, including upgrading to obtain an upper secondary qualification and basic skills training.

Funding and governance:

Community colleges in Canada receive a large part of their funding from the government. While in most provinces they also charge tuition fees, the public funding offers government a potent lever for making sure colleges meet public policy goals and increase the accessibility, quality and relevance to local labour markets of post-secondary and second-chance learning opportunities.

The governance of community colleges also increases responsiveness to government policy goals. Usually created by government, these colleges enjoy less autonomy than universities, although they do have a high degree of flexibility in operational matters.

The colleges are accountable to a broad range of local stakeholders. Governing boards of colleges typically include representatives of employers, industry, community groups, government, and in some cases faculty, staff and students. Employers are also present on advisory bodies that oversee the development of programmes, actively helping to shape the curriculum content.

Source: ADB (2015[21]).

Ensuring that serving adult learners is included in the mandate of formal education institutions that receive public funding can be a powerful way of increasing the diversity of opportunities available and the pathways to further studies at a more advanced level, and also of helping to raise public confidence in the quality of adult-learning opportunities.

In Portugal, polytechnics play this role, and could become more involved in delivering quality adult learning. Stakeholders interviewed during the project emphasised the importance of considering the potential of all higher education institutions, including universities, to support adult learning, as a way of fulfilling their "third mission" to contribute to the social and economic development of their local area.

Incentives for individuals and firms can be reinforced by careful design and associating guidance measures

Incentives for individuals

Subsidies are the most commonly used type of tool government uses to promote specific outcomes, such as increasing participation of specific groups of learners, or promoting their participation in specific programmes (see Box 5.8). Subsidies include grants, scholarships, bursaries, allowances, vouchers, training cheques and credits, and can be targeted to various groups, such as low-skilled workers, the unemployed/inactive, etc. Other tools that are less commonly used include savings and asset-building mechanisms (e.g. individual learning accounts), time accounts, tax incentives, subsidised loans or study leaves.

Subsidies are perhaps the most flexible tools for targeting specific groups (e.g. disadvantaged students) or encouraging specific actions (take-up in specific fields, timely completion of programmes, etc.). One important advantage of subsidies is that they can benefit individuals even if their income is low. This is in contrast to tax credits which individuals can take advantage of only if their income is above a certain threshold. Such non-refundable tax credits exist in several OECD countries, including Portugal (OECD, 2017, p. 43[2]). In this sense, the use of subsidies may be a useful channel for government to promote investments in learning by low-skilled adults.

Subsidies do have drawbacks, however, since they require effective administrative systems. Unlike tax incentives, they require sophisticated assessment methods, often developed in higher education systems with high levels of student aid, to evaluate the eligibility of students applying for aid and to allocate funds effectively to beneficiaries. The more carefully subsidies are targeted; the more capacity they need to be well-implemented. On the other hand, the absence of a targeting approach leads to disproportionate take-up by highly skilled individuals who are already more likely to pursue learning, and high deadweight costs (OECD, 2017[15]).

Several factors are worth considering in designing subsidies to encourage adult learning:

- **Amount of the subsidy:** Small amounts, provided through subsidies or individual learning accounts, tend to have a limited impact on participation (OECD, 2017[15]; Oosterbeek, 2013[5]). The low amounts provided by the Training Cheque (*Cheque Formação*) mentioned above may partly explain why individuals so infrequently apply for them. The amount may not be enough to motivate individuals to engage in learning, especially in programmes of longer duration and those involving a fee.
- **Targeting of the subsidy to specific populations or skills:** Subsidies such as scholarships or grants are largely used in VET and higher education and are typically targeted to specific groups, such as low-income individuals, or to specific skills or fields, often those with high labour-market demand in STEM subjects. Some countries combine these approaches, targeting both specific populations and specific skills. Examples are provided in Box 5.8 (OECD, 2017, p. 41[15]).

  In Portugal, aligning the study interests of adult learners with the demands of local labour markets was noted as a challenge. Targeting key groups may be warranted, but certain types of training are considered critical for economic and

social success, including technical skills that are in demand and, most importantly, training in literacy, numeracy and digital skills, as well as transferable skills that stakeholders noted are lacking in Portugal but are essential for resilience.

As noted, targeting can involve costly administrative burdens, and may potentially reduce interest and buy-in. The example of Norway's Basic Competence in Working Life (BKA) programme is interesting, because it targets both a specific population and a type of skill, but shifts to employers the requirement to provide the incentive, according to set criteria (see Box 5.9).

- **Guidance measures:** Training subsidies are used countries such as Australia, Belgium, France, Germany, the Netherlands and the United States, but results are limited. When results are positive, subsidies tend to be bundled with counselling or guidance services (McCall, Smith and Wunsch, 2016[7]). This highlights the need to combine financial and non-financial incentives for learning, including the awareness-raising and guidance measures recommended earlier in the report.

Box 5.8. Subsidies promoting learning in initial education and in adult learning

- **Initial education – VET and higher education: different types of targeting:** In **British Columbia (Canada)**, the British Columbia Access Grant for Labour Market Priorities provides up to CAD 16 400 in up-front grants and loan reduction. The grants target foundation programmes and pre-apprenticeship programmes, primarily in STEM fields. They include a specific focus on low-income students, but not on high achievers.
- In **the United States**, the National Science and Mathematics Access to Retain Talent (SMART) provides up to USD 4 000 annually for studies in STEM and foreign languages at tertiary level and target both low-income students and high achievers.
- In **Australia (New South Wales)**, the "jobs of tomorrow scholarships" provide AUD 1 000 over a four-year period to pursue VET studies in STEM fields. The subsidy does not have specific targeting.

Adult learning – the UK government's adult-learning loans

These loans aim to provide support to students who need it, while letting them choose the courses that best suit them. It also aims to increase private investment in learning and to encourage providers to be responsive to student needs.

The loans cover fees only, and are contingent on income. Repayments are made based on income as well, not on the amount of the funds borrowed, and only start when students earn about GBP 21 000 a year. Learners only pay 9% of any income above that threshold. While no rigorous impact evaluation has been conducted, 76% of students responding to a survey on the programme reported that they would not otherwise have been able to pursue learning.

Sources: OECD (2017[15]), Department for Business and Skills (2016[22]).

Tax incentives are another important type of support for encouraging investments. These are potentially easier for governments to administer and users to access. They can, in theory, be more effective in encouraging skills investments with relatively low returns, as the tax incentive provides a larger benefit than the tax that will be paid on returns.

However, they do have limitations. Their impact for high-return skill investments is limited, as the returns on such investments are taxed away much more than any cost offsetting by a tax incentive. Second, some of the advantages of tax incentives predicted by economic theory do not translate into practice. For example, subsidies benefiting learners with higher rather than lower incomes have a limited effect in encouraging low-income learners to invest in their skills. Third, it is difficult to carefully target tax incentives, and can lead to high deadweight effects. Finally, such incentives often target workers' current employment, potentially limiting the mobility of labour and exacerbating skills mismatches.

Tax incentives, if they are used, need to be designed carefully. They must be clearly designed and accessible, to encourage take-up. Further, they can be designed to encourage various outcomes, such as timely completions of programmes or encouraging learning in fields with promising employment and earnings prospects (OECD, 2017[2]).

Overall, focusing efforts on combining reductions in labour income taxation with increased subsidies for disadvantaged individuals may be one of the most effective ways to increase skills investments (OECD, 2017[2]).

Incentives for employers

Incentives for employers often involve similar tools as those discussed above for individuals, such as subsidies and tax incentives. Employer-sponsored training has a main advantage in principle, which is to support highly responsive labour-market relevant training. However, it also has drawbacks.

One, noted earlier, is that employer-sponsored training may be too firm-specific and may not address individuals' broader needs (OECD, 2017[23]). The administrative burden associated with accessing incentives, especially for SMEs, can also reduce take-up of incentives.

In Portugal, employer-sponsored training involves a simple levy scheme based on social security contributions and a requirement to provide 35 hours of training annually to employees. The results of these schemes are mixed. First, training remains largely concentrated in large firms and those that employ highly- skilled staff (e.g. water and energy, finance and insurance). Small firms and those with large numbers of lower-skilled staff (e.g. manufacturing and hospitality) are less likely to offer training. Secondly, the type of training offered by firms in Portugal is too often of limited relevance to firm productivity and does not increase workers' skills. Many stakeholders reported that the training was delivered mostly to comply with legislation, rather than for business reasons.

Different approaches have been used to improve training in SMEs, and the impact of training on both productivity and workers' skills. First, levy schemes can be designed to encourage employers to deliver more, better-quality training if they include certain conditions. Countries such as Denmark, Greece, Korea, Italy, Poland and the United States have designed levies allowing employers to recover the amount paid if they deliver training. In the case of levy-grant schemes, they can even access larger training grants than the costs entailed as a result of the levy. Another approach, used in Denmark, France

and the United Kingdom, are "train-or-pay" or "cost-reimbursement" schemes, where the levy is reduced to zero if employers demonstrate that they have invested in training.

Levy approaches carry advantages from the government perspective. These include leveraging resources from employers, ensuring a steady flow of funds to support training, and enabling economies of scale if training is procured collectively. Levy-grants can also provide an opportunity for government to encourage training in specific fields or towards specific groups. Cost-reimbursement schemes may mostly increase the quantity, rather than the specific type, of training: they provide more freedom to employers in that they can choose the training delivered.

Levy schemes also have drawbacks. None fully avoid deadweight costs (which employers may have spent on training in any case) or the issue that employers may deliver training to qualify for a reduction in the levy or to access a grant, without intentional efforts to deliver good, relevant training. These concerns have already been identified in the case of Portugal's levy.

Subsidies are another approach governments use to increase the provision of training, including training of certain types (e.g. apprenticeship, foundational skills), and to increase the quality and completion of training. Norway's BKA programme provides a useful example. It offers subsidies to employers to offer training to low-skilled workers, who would typically benefit the least from training, but it also requires that the subsidised training respond to employers' business needs – two targeting elements that Portugal's programmes do not include, such as the Training Cheque, for example. Box 5.9 illustrates how this programme works in practice.

Another approach, used in Austria, is to provide subsidies that encourage the provision of specific types of work-based training that are proven to respond to labour-market needs, such as apprenticeship. Austria promotes apprenticeship through the provision of incentives, such as waivers of health insurance contributions for the first two years of the apprenticeship, of accident insurance for the entire period of the apprenticeship, as well as "completion" subsidies given at the end of each year of apprenticeship to the employer (OECD, 2017, p. 78[15]).

Box 5.9. Norway's Basic Competence in Working Life Programme (BKA)

Overview and objectives: Launched in 2006, this initiative is overseen by Skills Norway (formerly Vox) and has several objectives. These are to: *i)* increase the competence of employees with low levels of education, *ii)* prevent the risk of exclusion from working life and society of individuals with low basic skills, *iii)* meet both the needs of individuals and the workplace, and *iv)* in the long term, increase both the offer and the demand of basic skills training for adults.

Approach: Any employer, public or private, can apply for funding for projects that meet key criteria defined by the Ministry of Education and Research. These are: *i)* basic skills training should be linked to job-related activities and learning activities should be connected with the normal operations of the employer; *ii)* skills taught should correspond to those of lower secondary school level. Courses need to reflect competence goals in the Framework for Basic Skills for Adults, and *iii)* courses should be flexible to meet the needs of all participants and to strengthen their motivation to learn.

Participation: Steady growth in participation was achieved, with over 700 enterprises benefiting from the programme and over 30 000 participants to date.

Budget: The total amount allocated to this programme has increased from NOK 14.5 million in 2006 to NOK 162 million (EUR 16.4 million) in 2017. Funding is provided by the Ministry of Education and Research. Any employer in Norway can apply for the full funding of training measures in reading, writing, arithmetic, the use of ICT and, since 2014, oral communication.

Evaluation approach: Several tools have been developed to measure learning outcomes and monitor the programme. Detailed information on participants is collected (e.g. gender, formal education, industry, etc.) to ensure that the programme reaches the targeted audience and in the long term, to facilitate impact measurement.

An evaluation report from 2012 noted that more than 61% of participants were over the age of 40, and 68% had upper secondary education as their highest educational attainment. The majority of participants in ICT courses were women, while men tended to receive more training in reading and writing.

Source: UNESCO Institute for Lifelong Learning, last accessed 22 August 2017, http://litbase.uil.unesco.org/?menu=8&programme=126

Finally, to complement financial incentives and possibly to enhance their effect, Portugal could consider additional approaches that do not require public funding:

- **Encouraging contractual solutions:** Training contracts with pay-back clauses are an example of this approach. Under these plans, individuals receiving training paid by their employers agree to remain in the firm for a given amount of time or to repay some of the investment. This can help reduce concerns around "poaching", i.e. losing a training investment if the employee leaves, and can be beneficial to employers as shown in the case of the United States (Hoffman, 2011[24]). In the Netherlands, such approaches are increasingly used, reaching 47% of employees in 2015, up from 10% in 1999 (OECD, 2017[23]).

- **Leveraging public tenders to encourage work-based learning:** The award of public contracts can be made conditional on the provision of some type of training. Examples of countries using such approaches include Norway, Switzerland and the United Kingdom, using non-financial supports such as guidance for employers on effective training. As noted earlier of apprenticeship, training, if it is designed properly, can provide benefits to employers that outweigh the costs. It could be helpful to provide information about these schemes, and guidance to employers, especially in SMEs and micro-enterprises, on how to implement this type of.
- **Information, guidance and partnerships:** Demonstrating the value of delivering high-quality, relevant training is a challenge in Portugal, especially among SMEs, which often lack the capacity to undertake human capital planning as part of their business and growth planning. Information would be valuable on the returns to different types of training and guidance from public services (including employment and Qualifica Centres) to improve the take-up of government incentives. Further, encouraging the sharing of best practices and training costs among employers at the local level can be helpful.

  Ireland, for instance, has a 63 "Skillnets" networks. These groups of private businesses in the same sector or region work together to offer training-related activities they could not carry out on their own. These activities include identifying the immediate and long-term skills needs of the network's members, finding training solutions and providing the training, promoting collaboration and the exchange of best practices, and monitoring results, providing performance indicators and quality standards for the training.

  With the costs shared between government and employers, this approach was found particularly helpful for employers and especially SMEs, by reducing the administrative burden of training. Because government provides some funding, it also requires that Skillsnet take into account government's economic development priorities, and evidence on effective training, as it develops its activities (OECD, 2017, p. 91[15]).

Recommendations

9. Establish a stable and quality-oriented funding model through a "skills financing pact", including targeted financial incentives for learners, employers and providers.

As a first step, develop an inventory of funding sources (national, EU, employer expenditure, individuals' expenditure), annual amounts and allocation methods for distributing this funding to either education and training providers or end users.

- Analyse the distribution of funding according to regions/local areas, demographic characteristics of learners/employers covered, and the types of programmes.
- Identify initiatives with greater potential for co-financing with employers.

Develop a "skills financing pact" signed by government and social partners that establishes a multiyear (e.g. five-year) funding commitment that would be subsequently renegotiated. This pact would lay out:

- The respective roles of various actors in financing adult learning, including EU, national and private sources, and notional amounts to be contributed, either as a requirement (e.g. from the state budget) or as an "aspirational target", in the next five years.
- Any co-funding requirement that could condition new employer-focused subsidies to a specific financial contribution from employers. Such requirements could vary based on company size and other factors.
- The types of priority initiatives to be funded, in line with evidence-based need and broader policy goals.
- The types of entities eligible for funding, including individuals and employers.
- High-level criteria and procedures for allocating funding to eligible entities, with a focus on incentivising quality provision and co-operation (see below for further suggestions).
- Provisions to ensure funding to cover the delivery of programmes, administrative costs and provide flexibility for managing human and financial resources at the local level. Some funding may also be set aside for research and development in adult learning to test innovative practices.
- The pact should reflect the key objectives of the adult-learning policy and the performance-monitoring framework. Robust monitoring of programmes is critical for assessing the returns on investment made through the pact.

The pact should include incentives for providers to promote quality and co-operation:

- Review the "+23 route" and assess the size of the demand of adults for higher education. Incentivise universities and polytechnics to *i)* adjust the number of places for adult learners to meet demand, and *ii)* provide support services to increase the access, retention and success of adult learners.
- Ensuring funding to providers for expanding the CTeSP can serve a larger and more diverse population and address current gender and age imbalances. This funding could also help build bridges with providers that deliver adult learning at lower skill levels and may serve adults who may choose to pursue higher education in future.
- Use funding levers to encourage an adequate supply of adult-learning opportunities, based on a robust assessment of skills demand now and in the future.
    - Levers might range from targeting new public incentives towards programmes that serve specific populations, to performance contracts, or the regulation of new publicly funded training programmes (e.g. by conditioning public funding for new programmes on meeting certain criteria – see the related recommendation 4 on high-quality programmes).
    - Funding should also be used to support the system as a whole, for example to promote strategic partnerships that support the alignment of skills supply and demand, such as local networks.
- Assess how providers of non-formal learning, ranging from employers to social organisations, might be incentivised to provide quality training:

  - Better target employer incentives (see Recommendation 10).
  - Ensure that funding for social/community organisations supports high-quality, relevant training, and is coupled with relevant accountability mechanisms (see Recommendation 6 on key performance indicators).

10. Introduce targeted financial incentives for employers (specifically small and medium enterprises) and individuals (specifically disadvantaged groups) to encourage provision of, and participation in, training.

- Review the effectiveness of current incentives for both individuals and employers.
  - Assess the impact on the productivity of both individuals and companies of incentives, and whether training would have been undertaken even if the subsidy had not been provided.
  - Analyse the impact of the tax system, including the structure and progressivity of the personal income tax and the amount of social security contributions on the returns to skills (and thus the incentives whether to upskill), and on the willingness of individuals to supply skills to the labour market.
- Consider larger and more targeted subsidies, using best practice to guide the amount and mechanisms used. Targeting should focus on:
  - employers who provide the least training and individuals who participate the least.
  - encouraging the provision and take-up of skills training with potentially broader and longer-term effects (e.g. foundational and transversal skills).
  - encouraging training in sectors of high demand that are aligned with the country's economic development goals, including those where shortages currently exist or are expected to emerge in future.

When developing new incentives, involve individuals from target groups, to better understand their motivation and increase effectiveness.

- Strengthen complementarities between employment and training incentives for the unemployed.
  - For example, consider coupling current targeted hiring subsidies provided through the public employment and vocation training service (IEFP), such as those targeted to youth, the low-skilled and the long-term unemployed, with incentives for employers to also train these individuals.
- Combine financial incentives with non-financial support (e.g. information, guidance, staff capacity for advising target client groups).
- Consider linking public procurement policies with requirements for successful bidders, to provide a specified amount of work-based training, such as apprenticeships, internships and other options, especially in sectors with shortages/tight labour markets.

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Annex A. Map of Portugal's adult learning system

This map aims to provide a snapshot of the adult-learning programmes in Portugal, along two dimensions: the level of skills provided and the context in which they are delivered. Quality assurance, information tools and data supporting the system are also included.

For the purpose of the National Skills Strategy Action Phase for Portugal, adults are broadly defined as adults age 18 to 75. However, in many cases, the report focuses on adults aged 25 to 64 for data availability purposes.

Adult learners are adults of 18 to 75 who are participating in learning that is:

- formal, informal and non-formal
- delivered by:
    - education programmes (up to 12 years of schooling)
    - post-secondary non-tertiary programmes
    - tertiary education programmes
        - Focus on programmes targeting individuals who had a break in their education pathway
        - Students in CTeSP (*Cursos Técnicos Superiores Profissionais*) should be included
    - employers in workplaces, also called "on-the-job" learning
    - other types of training institutions targeting adults.

Sources:

- National Project Team workshop on 24 March 2017
- Ministry workbooks submitted to OECD in April-May 2017
- Relatório Anual de Formação Contínua 2015
- Statistics from Direção-Geral de Estatísticas da Educação e Ciência (2015-16)
- Figures for Training Action were provided on 30 June 2017 by Ministry of Economy
- Figures for the National Reform Programme, Cheque Formação, Coop Jovem, InCode and Indústria 4.0 were provided on 31 July 2017 by Ministry of Planning and Infrastructure.

Note:

- Budget figures are usually expressed in million euros (noted as EUR *x*M).
- Where available, reference periods for participants or budget allocations are noted.
- Information provided is as received, with certain gaps for programme budgets and number of participants.
- EQF levels are equivalent to the National Qualifications Framework (QNQ) levels.

Multi-ministry overarching policy initiatives – with impact on adult learning

NATIONAL REFORM PROGRAMME (NRP) 2016-2020
EUR 8 952M invested in Pillar 1 "Qualifications of the Portuguese Population" (2017) through government budget (EUR 3 601M) and Portugal 2020 (EUR 5 301M)
Through Portugal 2020, investments of EUR 2 302M in the Training and Qualifications of Adults

INCoDE.2030 – DIGITAL SKILLS STRATEGY: Expected participants: 20 000 individuals

INDUSTRIA 4.0 EUR 414M Expected participants: 50 000 enterprises

Policy and strategic planning:
- Central Ministries (MEDU, MTSSS, MEcon, MF, MPI, MSTHE, MPA) & PMO
- Agency Cohesion and Development
- ANQEP
- Co-ordinating Council of the System for the Anticipation of Skills Needs
- Sector Qualifications Councils
- INA & National Governing System for Public Administration Training
- High Commission for Migrations
- National Youth Council
- National Federation of Youth Associations

Local planning and delivery:
- CIMs
- Municipalities
- Qualifica Centres (QC)
- IEFP Centres
- Tourism Portugal schools
- Schools
- Higher education institutions (HEIs)
- Local associations
- Employers
- Other private training

Adult learning programmes by skill level (vertical axis) and delivery setting (horizontal axis)

Higher education

Total university students: 234 614 (2015-16)
Total polytechnic students: 121 785 (2015-16)
"+23" route: from 10 000 to 6 000 students between 2007-08 and 2013-14

CTeSP (in polytechnics)
6 430 students (2015-16)
11 048 students (2016-17)

CET
6 299 students (2015-16)
Delivered in vocational training centres, schools and other providers (not higher education institutions)

HIGHER LEVEL SKILLS

Training for SME managers
- Action Training: EUR 70M
- Business Empowerment Training; Financial training

Coop Jóvem:
EUR 13.9M; 2 700 participants

National Model of Recognition & Validation of Non-Formal Education for youth

Cheque Formação
EUR 6.2M
75 000 participants (target)

Empreende Já
630 participants (2016-18)
EUR 3.3M (2018)

Sector-specific. e.g.
Creative Tourism Factory & Open Kitchen Labs
100 participants (both)

Employer-sponsored training

(35h annual requirement, according to Lei nº7/2009 of 12 February*)*
About 880 000 workers (2015)
More than EUR 229M

FORMAL LEARNING (MOSTLY IN EDUCATIONAL INSTITUTIONS)

Overarching education strategies: National Programme for School Success; Student profiles for the 21st century; Project for Curricular Autonomy and Flexibility

Compulsory education: secondary (EQF 3 & 4)

- Youth: 330 858 students in 2015/16 in tracks for youth (excluding Apprenticeship Courses), with 60% in academic stream and 40% in vocational stream (see table below for details)
- Adults: 6 280 participants in *Ensino Recorrente*, + distance pilot (ESRaD): expecting 189 students (2017/18). Other tracks include: EFA, FMC and RVCC, totalling an extra 28 390 participants

Compulsory education: basic (first cycle to EQF 2):

- 986 022 students in 2015-16 in tracks for youth
- 831 participants in *Ensino Recorrente*

(Other tracks for adults, see EFA, FMC and RVCC, totalling an extra 26 544 participants)

Apprenticeship courses (youth only)
EUR 67.5M (2016)
26 010 participants (2015-16)

EFA courses
39 997 participants (2015-16), about half at EQF 3 to 4, half at EQF 2 or below

Tourism Portugal Schools Professional Training
7 500 participants (2016-17)

NON-FORMAL (MOSTLY IN LABOUR MARKET COMMUNITY)

Vida Ativa, including *Formação Modular*, on-the-job training, RVCC
2016 (November): EUR 46M, 135 471 participants
2015: EUR 71M, 280 387

Formação Modular Certificada
399 participants (2015-16), 151 at EQF 2 or below

Prior learning assessment and recognition (RVCC)
12 288 participants (2015-16), about half at EQF

Qualifica Centres EUR 129M for Qualifica Centres - 303 centres in 2018

LOWER LEVEL & BASIC SKILLS

SYSTEM SUPPORT FEATURES

System structure and quality assurance

- National Qualifications System
- National Catalogue of Qualifications
- ANQEP (EQAVET/ECVET implementation)
- MEDU policies
- MTSSS – DGERT policies
- MSTHE + A3ES policies

Information and guidance systems & tools
SANQ
Qualifica Passport
Portal Qualifica
Garantia Jovem website
Information campaigns (e.g. *Minuto Qualifica*)

Data collection tools and systems

- DGEEC, including SIGO
- MTSS-GEP – *Relatório Unico* (companies), IEFP data, LFS
- ANQEP
- INA – *Relatório de Gestão de Formação* (RGF)

Name of programme	Description (from top left to bottom right)
Higher level and/or technical and transversal skills, formal delivery setting in educational institutions	
National Reform Programme	Medium-term government strategy based on six pillars: *i)* Qualifications of the Portuguese population; *ii)* Innovation of the Portuguese economy; *iii)* Territorial promotion; *iv)* State modernisation; *v)* Enterprise capitalisation; *vi)* Cohesion and equality Investments in the Qualifications of the Portuguese Population focus on the following areas: *i)* Expansion of compulsory school and increase in educational success; *ii)* Expansion of the socio-economic profile of HE students; *iii)* Reform of professional higher education; *iv)* Adult training: Qualifica; *v)* Digital competencies
InCode 2030	Initiative to increase digital skills among the Portuguese population
Indústria 4.0	Initiative to promote the adoption of Indústria 4.0 by Portuguese companies
Higher education	Includes all tertiary programmes EQF 6 to 8, ISCED 5 to 8
CTeSP	Short-cycle tertiary education with 120 ECTS delivered in polytechnics
CET	Vocational, post-secondary non-tertiary courses (EQF 5) with 60 to 90 ECTS, granting double certification, and delivered in several non-tertiary educational establishments.
Tourism for Portugal's schools	Schools offering courses at EQF Levels 4 and 5, as well as continuous training in the fields of tourism, hospitality and culinary arts and sciences.
Higher-level and/or technical and transversal skills, mixed-delivery setting (formal, non-formal, informal) including labour market and community	
Formação-Ação	Programme for delivering management training in firms and promoting organisational change.
Business empowerment training	Actions to develop entrepreneurial skills and practices that facilitate management or lead to entrepreneurial projects.
Cheque Formação	Financial incentives to firms, employed and unemployed people wishing to participate in training.
Empreende Já!	Programme supporting 18- to 29-year-old NEETs with at least compulsory education in developing and implementing a business project
Coop Jóvem	Programme supporting 18- to 29-year-old NEETs with EQF 2 or greater in creating a co-operative
Employer-sponsored training (*Formação Continua*)	Training offered by companies to employees. Legal minimum of 35 hours per year, created by *Lei nº7/2009* of 12 February.
Lower level and/or basic skills, formal delivery setting in education institutions	
National Programme for School Success	Programme for schools to develop measures to increase quality, and decrease retention and drop-out rates.
Student Profile for the 21st Century	Reflection on the skills and educational that profile students should have acquired upon completing compulsory education, intended to serve as guidelines for educational policy – https://dge.mec.pt/sites/default/files/Noticias_Imagens/perfil_do_aluno.pdf
Project for Autonomy and Flexibility	Pilot programme for 2017-18 for interested public and private schools offering autonomy and flexibility in organising school hours and developing and implementing pedagogical projects
Compulsory – secondary education	Years 10-12, equivalent to EQF 3 or, in the case of double certification, EQF4. The two major tracks for youth are *i)* Regular *Científico-Humanístico* (EQF 3), for those

	wishing to access higher education, with 206 346 enrolments in 2015/16 and *ii) Cursos Profissionais* (EQF 4), conferring a double certification, with 112 395 enrolments. Other tracks for youth are *Cursos Tecnológicos* (3 913), *Cursos de Aprendizagem* (26 010), *Cursos vocacionais* (5 244), *Cursos CEF* (506), and *Ensino Artístico-Especializado* (2 454). Tracks for adults at that level are *i) Ensino Recorrente* (8 530), *ii)* RVCC (6 280), *iii) Formação Modular Certificada (*248) and *iv)* EFA courses (19 612).
Compulsory – basic education	Years 1-9, divided into three cycles, 1st (1-4), 2nd (5 and 6, equivalent to EQF 1), and 3rd (7-9, equivalent to EQF 2). Tracks for youth are *i)* Regular (947 773), *ii) Ensino Artístico Especializado* (2 513), *iii) Percursos Curriculares Alternativos* (6 433), *iv) Cursos Vocacionais* (26 574), 5) *CEF* (2499) and 6) *Cursos Profissionais* (230). Tracks for adults at that level are *i) Ensino Recorrente* (831), *ii)* RVCC (6 008), *iii) Formação Modular Certificada* (151), and *iv)* EFA courses (20 385).
Ensino Recorrente	Courses in compulsory education (1st cycle to EQF 4) targeting those over the age of 15 wishing to finish basic education, and those over 18 wishing to finish secondary education. This track is adjusted to adults by offering flexible schedules, evening classes and distance-learning (including the pilot *Ensino Secundário Recorrente à Distância*, or ESRaD).
Programa de Formação em Competências Básicas	Set of short-term training units (50 hours each) for adults (aged 18 or over) lacking the most basic reading, writing and digital skills
Cursos de Aprendizagem	Courses targeting 15- to 25-year-olds who have not completed high school. They confer a high-school degree, and a dual certification of educational and professional attainment equivalent to an EQF Level 4.
EFA courses	Courses for adults, ranging from EQF Level 1 to 4. Some offer a double certification, academic and professional.
Lower-level and/or essential skills, mixed-delivery setting (formal, non-formal, informal) including labour market and community	
RVCC	National system for recognising, validating and certifying academic or professional skills obtained throughout an individual's life. Allows recognition from EQF Levels 1 to level 4.
Formação Modular Certificada	25- to 50-hour courses on specific subjects, enabling a flexible acquisition of skills, update of competences and requalification.
Vida Ativa	Measure to boost an unemployed individual's employability by offering tailored *Formação Modular Certificada*.
Qualifica Centres	Access points to RVCC and career guidance. Open to all low-skilled adults and to those wishing to requalify – target up to NQF/EQF level 4. Aim to reach 600 000 to 1 million by 2020.

Annex B. Adult-learning framework and key performance indicators

Introduction

Recommendation 6 of this report proposes to develop a performance-monitoring and evaluation system, including a set of key performance indicators (KPIs).

To facilitate the implementation of this recommendation, the OECD team has developed *i)* an adult-learning framework for Portugal that can be used as a preliminary policy tool, and *ii)* a preliminary list of KPIs, categorised by recommendation. These indicators are meant to be illustrative and to help start a national discussion on the set of indicators that should be developed to monitor the performance of the adult-learning system, based on agreed-upon policy objectives.

The adult-learning framework

Purpose of framework

Developing an adult-learning framework helps to illustrate the relations and interactions between different elements that, together, compose Portugal's adult-learning system.

The framework could be used as a policy tool to: *i)* serve as the basis for the monitoring of adult learning, by connecting performance indicators to the different components of the adult-learning system (input-processes-outputs-outcomes), and *ii)* provide a systemic overview of the various adult-learning initiatives to guide ongoing analysis, evaluation and improvement of the components of the adult-learning system.

In the context of this report, the draft framework informed the analysis by identifying available data, reflecting on relevant indicators, and supporting the assessment and recommendations provided in this report.

Existing adult-learning frameworks

The framework builds on previous OECD work on adult learning, and builds on the analysis of the Portuguese system developed in this report. Through a set of thematic reviews conducted in the early 2000s, key features of strong adult-learning systems were identified. Between 2005 and 2008, through country consultations, discussions and analysis undertaken by a group of adult learning experts identified a list of 18 policy goals in the domain of adult learning, in the following areas:

- Develop skills for the knowledge society and economy, ensure basic skills for all adults, and encourage lifelong learning for non-economic goals.
- Reduce inequalities by improving demand for, access to and success in learning opportunities for low-skilled, older persons in employment and society, and others facing barriers or underrepresentation.

- Enhance public and private investments and efficiency of adult learning, and ensure an adequate supply of teachers and trainers.
- Facilitate access by improving information and active guidance provisions.
- Develop an appropriate certification system, tools, and support mechanisms to support the recognition of skills, self-directed learning and prior learning assessment.
- Optimise modes of delivery while involving stakeholders and cross-sectoral learning experience, encourage the provision of courses, ensure quality and measure impact through evaluation strategies and teacher training.

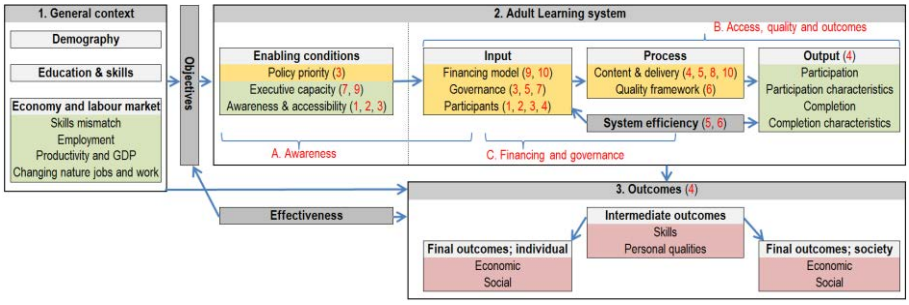
In 2013, a theoretical framework for adult learning was developed that translated these policy goals into a set of definitions and indicators to measure achievement of these goals (Borkowsky, 2013). The draft adult-learning framework developed during the project is largely based on the Borkowsky framework, but also combines insights from other work. The goal is to optimise its effectiveness for the analysis of adult learning in Portugal, for example the conceptual framework developed as part of the benchmarking higher education system performance project (OECD, 2017). The European Commission and UNESCO have also identified best practices and produced guidance on the indicators and outcomes measurement (EC, 2015; UNESCO, 2015).

Changes to Borkowsky framework

The draft framework aims to adapt the Borkowsky framework (2013) to enhance its usefulness for assessing the adult-learning system in Portugal. Changes were made to address the following goals:

1. **Leverage available data:** Because Portugal did not participate in the first rounds of the Survey of Adult Skills, non-OECD sources had to be used, which had implications for the indicators. Eurostat databases were primarily used, most notably the Adult Education Survey (AES), the EU Labour Force Survey (ELFS), the Continuing Vocational Training Survey (CVTS), and CEDEFOP EU Skills Panorama.
2. **Assess performance of as many components of the system as possible:** quantitative and qualitative data were identified to help assess components of the system, in addition to final outcomes. These include, for instance, inputs such as strong governance mechanisms. Information to help assess these types of inputs or processes can be found for instance in the UNESCO Global Reports on Adult Learning and Education (GRALE) and the Bertelsmann Stiftung Sustainable Governance Indicators (SGI).
3. **Balance simplicity and Portugal-specific information:** Efforts were made to keep the framework simple, to facilitate comparisons with other countries. At the same time, elements known to be particularly relevant in Portugal were included (e.g. the focus on educational attainment in the context section of the framework).

Figure A B.1. Adult-learning Framework: A potential policy tool for Portugal



Note: The numbers in red refer to the ten specific recommendations contained in the report. They indicate which sections of the framework, and potential KPIs, are most relevant to each recommendation.
The colours indicate the general availability of data on the specific section, in terms of quality and quantity; ranging from good availability (green), to mediocre availability (yellow) and no availability (red), indicating the lack of outcome measurement.
Source: Add the source here. If you do not need a source, please delete this line.

Key performance indicators for recommendations

To support national reflections on performance measurement, the OECD team developed a preliminary list of key performance indicators (KPIs) (see Table 1).

The 52 indicators were identified through a review of data available and indicators used in the literature, and are directly linked to the 11 recommendations of the report (one overarching and 10 specific recommendations), across the three areas of focus (Awareness, Access and Quality, and Financing and Governance). In some circumstances, the indicators reflect specific sub-recommendations, or refer to a specific target group identified in a recommendation.

The purpose of the list of KPIs is to provide input for developing a monitoring and evaluation system, which focuses on two dimensions:

1. **Implementation:** indicators that suggest the extent to which the recommended policies have been carried out, often expressed in available financial and human resources.
2. **Effectiveness:** indicators that indicate the effect of the implemented policies, i.e. the extent to which the policy goal has been achieved.

Importantly, while efforts were made to propose indicators that can be measured with existing data, not all the proposed KPIs can be measured using existing and/or readily available data sources.

The proposed list thus aims to facilitate a discussion on the value of the proposed indicators and the feasibility of implementing them in Portugal.

Figure A B.1. Key performance indicators (KPIs): A preliminary proposal

Policy goals	Recommendation	Category	No.	Indicator
Improving the performance of the adult-learning system	Overarching recommendation: Develop a coherent adult-learning strategy that encompasses existing and new measures.	Effectiveness	1	Participation rates of target groups in adult-learning system
			2	Completion rates of target groups in adult-learning system
			3	Impact of participation in adult-learning system on employability and wages
			4	Impact of participation in adult-learning system on willingness to learn/future enrolment
Raising awareness of the value of skills and benefits of adult learning	1. Improve the collection, use and dissemination of information on skills performance and the returns to skills investments, building on existing tools.	Implementation	5	Financial resources for collection, evaluation and analysis of data on (returns of) adult-learning programmes
			6	Human resources for collection, evaluation and analysis of data on (returns of) adult-learning programmes
			7	Number of datasets on education and skills available as open data or with possible data linking
		Effectiveness	8	Share of target groups with access to information on learning possibilities
			9	Share of programmes with published information on quality and performance
	2. Improve the dissemination of information by launching a comprehensive communication campaign to raise awareness of the value of skills and skills investments, as well as tailoring outreach for specific groups.	Implementation	10	Financial resources for adult-learning communication and awareness campaigns
			11	Human resources for adult-learning communication and awareness campaigns
		Effectiveness	12	Share of target groups willing to participate in adult learning
			13	Change in share of target groups willing to participate in adult learning
			14	Share of target groups looking for information on learning possibilities
			15	Change in share of target groups looking for information on learning possibilities
	3. Enhance measures targeting the public administration and providers of social services, to raise awareness of the value of upskilling for themselves and their clients.	Implementation	16	Financial resources for measures targeted to the public administration and social services providers for upskilling
			17	Human resources for measures targeted to the public administration and social services providers for upskilling
		Effectiveness	18	Existence of training or guidelines on the value of upskilling
			19	Guidance and referral on upskilling for local staff
Improving access, quality and outcomes	4. Improve the supply of high-quality, relevant and flexible learning programmes.	Implementation	20	Resources (financial/human) available to implement quality assurance in adult learning
			21	Resources (financial/human) available to implement the skills assessment and anticipation system (*Sistema de Antecipação de Necessidades de Qualificações*, or SANQ)
			22	Requirement of initial, pre-service qualifications and ongoing professional development for adult-learning teachers
			23	Number of quality-assurance audits performed annually
		Effectiveness	24	Accessibility of adult learning; share of target groups not experiencing barriers
			25	Participation rates of target groups in each adult-learning programme
Policy goals	Recommendation	Category	No.	Indicator
			26	Completion rates of target groups in each adult-earning programme
			27	Impact of participation in each adult-learning programme on employability and wages

			28	Impact of participation in each adult-earning programme on willingness to learn/future enrolment
			29	Average time for completion of adult-learning programmes
			30	Availability of programmes designed according to best practices (duration, work-based, flexibility)
			31	Enrolment in VET by unemployed young adults
			32	Number of *Comunidades Intermunicipais* (CIMs) that implement the SANQ
	5. Improve pathways and the coherence of the adult-learning delivery network.	Implementation	33	Number of adult-learning providers
			34	Availability of assessment to identify clients' needs
		Effectiveness	35	Efficiency of the whole system; input-output confrontation
			36	Mismatch between demand for and supply of adult-learning opportunities
	6. Strengthen quality assurance, including by developing a performance-monitoring and evaluation system, including KPIs.	Implementation	37	Existence of monitoring and evaluation framework and key performance indicators
Making governance more effective	7. Set up dedicated governance bodies to oversee adult learning: permanent inter-ministerial team and a permanent group within a multi-stakeholder institution.	Implementation	38	Existence of legislation supporting activities and accountability of programme
			39	Financial resources for human resources
		Effectiveness	40	Improved quality of general governance and co-ordination
	8. Develop a model for local training networks at the municipal level to address current and future local economic development needs.	Implementation	41	Number of CIMs that implemented the SANQ
		Effectiveness	42	Mismatch between demand for and supply of adult-learning opportunities on local level
Making financing more effective	9. Establish a stable and quality-oriented funding model through a "skills financing pact".	Implementation	43	Financing adult learning; implementation of different cost-sharing schemes
		Effectiveness	44	Total spending on adult learning as a share of GDP
			45	CVT costs; share total labour costs and per participant
			46	Resources per participant in adult learning
	10. Introduce targeted financial incentives for employers (specifically small and medium enterprises, or SMEs) and individuals (specifically disadvantaged groups) to encourage provision and participation in training.	Implementation	47	Financing adult learning; implementation cost-sharing schemes for employers and individuals
		Effectiveness	48	Share of costs for training covered by employer
			49	Share of costs for training covered by employer in SMEs
			50	Share of costs for training covered by employer in Manufacturing and Services sectors
			51	VET: share of adult population (25+) enrolled in vocational/professional programmes
			52	On-the-job training: Training enterprises as % of all enterprises, by type of training

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UNESCO (2016), "3rd global report on adult learning and education: The impact of adult learning and education on health and well-being; employment and the labour market; and social, civic and community life", http://uil.unesco.org/system/files/grale-3.pdf (accessed on 31 July 2017).

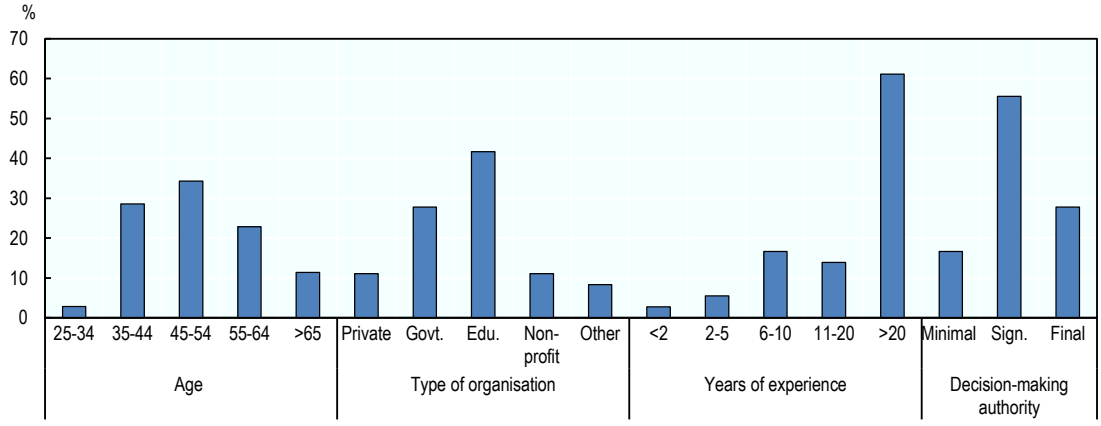
Annex C. Stakeholder perspectives: Implementation considerations

An online survey was administered to the stakeholders invited to participate in the second Skills Action workshop, held on 10 November 2017 in Coimbra.

Profile of respondents

- Of about 80 participants in the workshop, 38 responded to the survey.
- Most respondents (69%) are over age 45.
- Most worked for education and training institutions (42%) or government (28%).
- Most indicated they had more than 20 years of experience in their field (61%).
- Of the participants, 83% reported they had significant or final decision-making authority.

Figure A C.1. Characteristics of respondents, by percentage of total respondents



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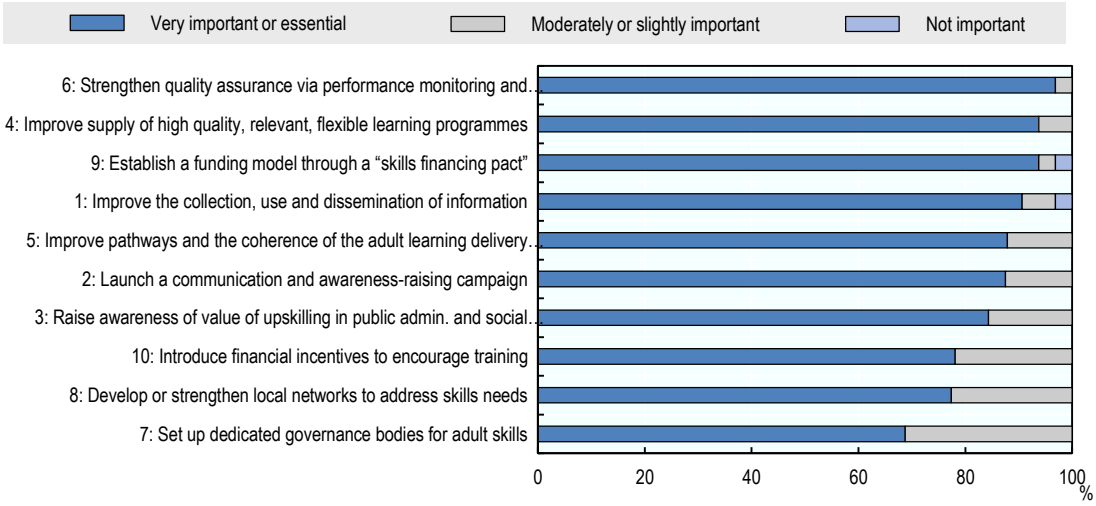
Relative importance of recommendations

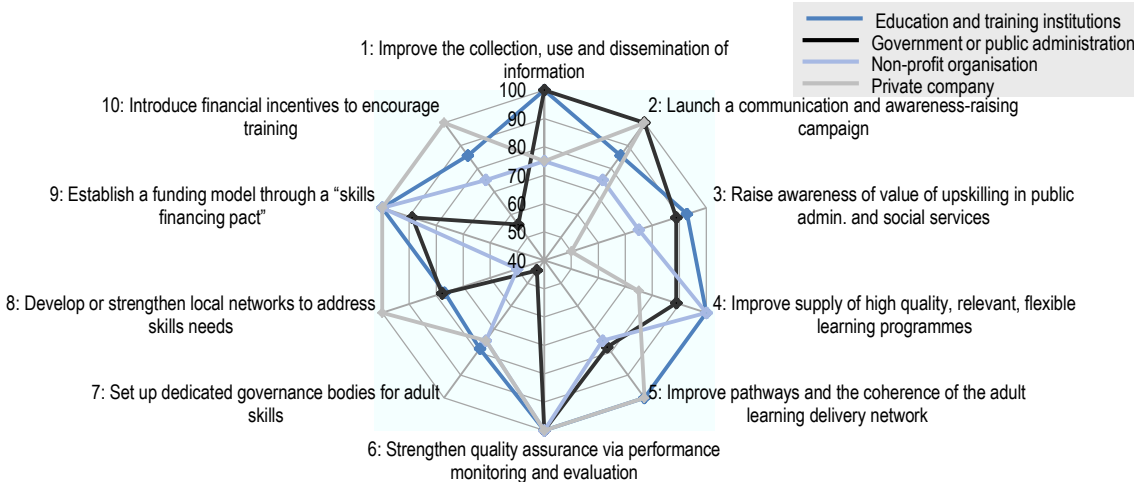
Respondents were asked to categorise 10 of the 11 recommendations of this report (all but the overarching recommendation that includes all other recommendations) on a five-point scale, from essential to not important. All recommendations were identified as at least very important. The figure below illustrates them in order of how frequently each recommendation was viewed as "very important or essential".

Figure A C.1. Relative importance of recommendation, by percentage of respondents



StatLink http://dx.doi.org/10.1787/888933711978

Figure A C.2. Percentage of respondents who find recommendation very important or essential, by type of organisation



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Key findings

Respondents were asked to assess the funding and time required to implement each recommendation, the institution that should lead implementation, and to rank from most to least important seven conditions for success (see Figure A C.1 for full list of conditions). Detailed answers by recommendation are included in Table A C.1).

- **Funding:** There is a large variation in the estimated cost of implementing recommendations, and a significant number of respondents reported that they were not able to provide a cost estimate for one or more of the recommendations.

- Of the 18 respondents who did provide an estimate, a large percentage indicated that for Recommendations 5 (the delivery network), 7 (governance bodies for skills) and 8 (local networks for skills needs), no new funding was required. On the other hand, for Recommendations 4 (supply of learning programmes), 9 (the "skills financing pact") and 10 (financial incentives), a large share indicated that more than EUR 100 000 was needed, particularly for Recommendation 10 on financial incentives (see Figure A C.3).
- For some recommendations, the funding estimates given by different stakeholders varied significantly. For instance, respondents from the private sector attributed a much higher cost for implementing Recommendation 2 (an awareness-raising campaign), while respondents from non-profit organisations found that Recommendation 9 (the "skills financing pact") would cost less than what was estimated by the other respondents.
- **Timing:** Of the respondents, 75% indicated that they believed the recommendations could be implemented within two years. On average, Recommendations 2 (awareness-raising campaign) and 3 (awareness in public administration and social services) were expected to take the least amount of time to implement. Recommendations 9 and 10 on financing were expected to take the longest amount of time to implement (see Figure A C.3).
- Respondents from the government or within the public administration estimated that implementing the recommendations would take, on average, longer than other respondents' estimates. For instance, they were five times more likely to believe that recommendations would take, on average, more than three years to be implemented than respondents from education institutions or non–profit organisations.
- One exception to this trend was the estimate of respondents from non-profit organisations on Recommendation 5 (the delivery network), which they estimated would take much longer than others estimated.
- **Lead institution:** By close to half of the respondents, the National Agency for Qualifications and Vocational Education and Training (*Agência Nacional para a Qualificação e o Ensino Profissional*, I.P., or ANQEP) was designated as the organisation best suited to become lead the implementation of the recommendations.
- **Key conditions:** In terms of the key conditions for a successful implementation, political consensus around the recommendations was consistently ranked as the most important (37% of the responses), followed by "the potential impact and benefits of the initiative are clear to all stakeholders" with 24% (see Figure A C.4).
- Respondents from the non-profit sector reported more often that sufficient funding was the most important condition for success. Respondents from private institutions, in turn, were more likely to consider that political consensus around the recommendations was the most important condition.

Figure A C.1. Funding and time required for implementation, by percentage of respondents

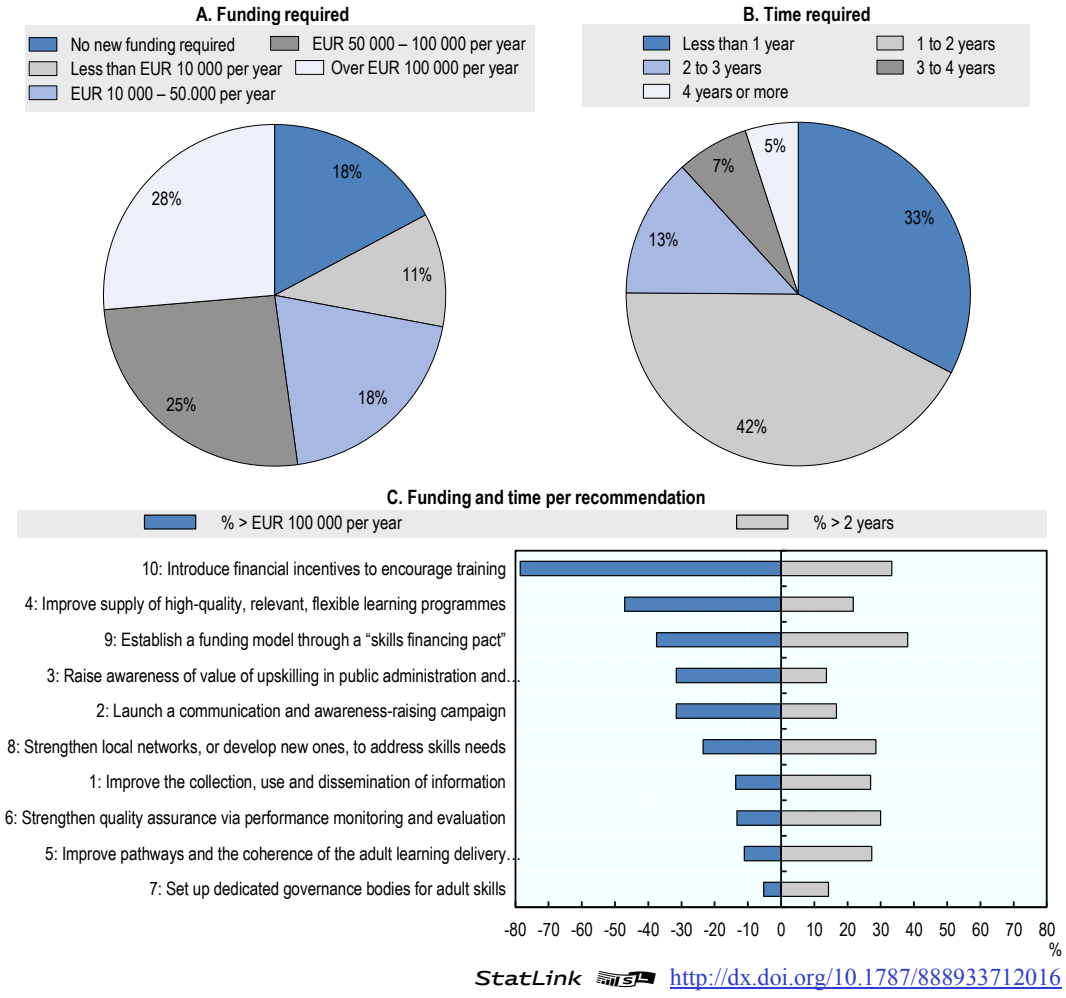

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Figure A C.2. Key conditions for success, by percentage of times ranked as top condition, by total and by type of organisation

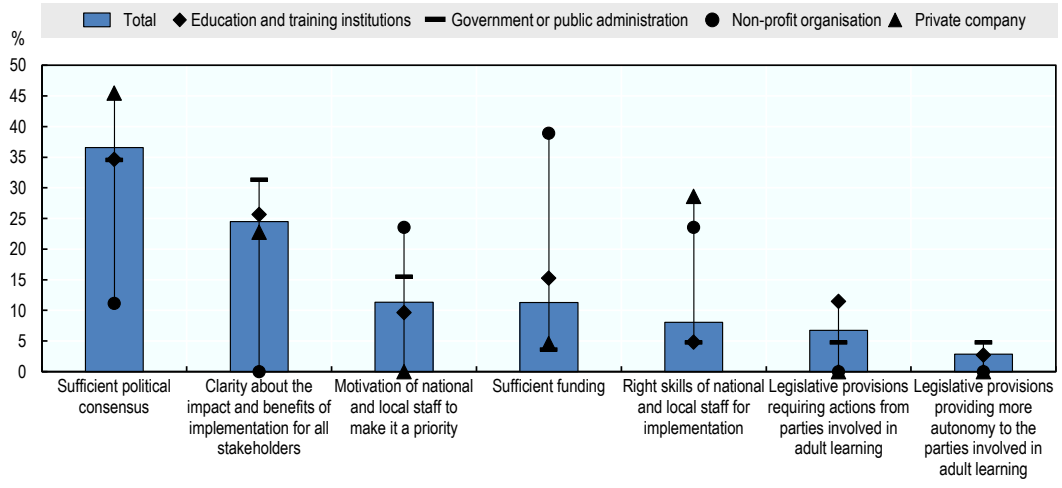

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Table A C.1. Implementation of recommendation: detailed views of stakeholders by recommendation

	Importance		Funding needed (annual)		Time for implementation		Leading institutions		Key conditions for success (based on average ranking)		
	Main response	% very important or essential	Main response	% > EUR 100.000	Main response	% >2 years	Primary institution	Secondary institution	Key condition 1	Key condition 2	Key condition 3
Recommendation 1: Improve the collection, use and dissemination of information on skill performance and the returns to skills investments, building on existing tools.	Very important	91%	EUR 50 000 – EUR 100 000	14%	1 to 2 years	27%	ANQEP	Public Employment Service (*Instituto de Emprego e Formacao Profissional*, or IEFP	Sufficient political consensus	Motivation of national and local staff to make it a priority	Sufficient funding
Recommendation 2: Launch a comprehensive communication and awareness-raising campaign about the value of skills and skills investments, with tailored approaches for specific groups.	Essential	88%	EUR 10 000 – 50 000	32%	Less than 1 year	17%	ANQEP	Ministry of Education	Sufficient funding	Sufficient political consensus	Right skills of national and local staff for implementation
Recommendation 3: Enhance measures targeted to the public administration and providers of social services, to raise awareness of the value of upskilling both for themselves and for their clients.	Very important	84%	EUR 50 000 – 100 000	32%	1 to 2 years	14%	INA	ANQEP/Ministry of Education	Sufficient political consensus	Clarity about the impact and benefits of implementation for all stakeholders	Motivation of national and local staff to make it a priority
Recommendation 4: Improve the supply of high-quality, relevant and flexible learning programmes.	Essential	94%	> EUR 100 000	47%	1 to 2 years	22%	ANQEP	IEFP/INA	Motivation of national and local staff to make it a priority	Clarity about the impact and benefits of implementation for all stakeholders	Legislative provisions giving more autonomy to organisations involved in adult learning
Recommendation 5: Improve pathways and the coherence of	Essential	88%	No new funding	11%	1 to 2 years	27%	ANQEP	IEFP	Motivation of national and	Sufficient political	Clarity about the impact and

	Importance		Funding needed (annual)		Time for implementation		Leading institutions		Key conditions for success (based on average ranking)		
the adult-learning delivery network.			required						local staff to make it a priority	consensus	benefits of implementation for all stakeholders
Recommendation 6: Strengthen quality assurance, including by developing a performance-monitoring and evaluation system, including key performance indicators.	Essential	97%	EUR 50 000 – 100 000	13%	1 to 2 years	30%	ANQEP	IEFP	Motivation of national and local staff to make it a priority	Clarity about the impact and benefits of implementation for all stakeholders	Right skills of national and local staff for implementation
Recommendation 7: Set up dedicated governance bodies to oversee adult learning: a permanent inter-ministerial team and a permanent group within an existing multi-stakeholder institution.	Essential	69%	No new funding required	5%	Less than 1 year	14%	ANQEP	Ministry of Labour, Solidarity and Social Security (MTSSS)	Sufficient political consensus	Clarity about the impact and benefits of implementation for all stakeholders	Right skills of national and local staff for implementation
Recommendation 8: Reinforce existing local networks, or develop new ones, to address skills needs in line with the economic development context.	Very important	77%	No new funding required	24%	1 to 2 years	29%	ANQEP	Undecided	Sufficient political consensus	Motivation of national and local staff to make it a priority	Clarity about the impact and benefits of implementation for all stakeholders
Recommendation 9: Establish a stable and quality-oriented funding model through a "skills financing pact".	Essential	94%	> EUR 100 000	38%	1 to 2 years	38%	ANQEP	Ministries of Finance/ MTSSS	Sufficient political consensus	Sufficient funding	Motivation of staff to make it a priority
Recommendation 10: Introduce targeted financial incentives for employers (specifically SMEs) and individuals (specifically disadvantaged groups) to encourage provision and participation in training.	Essential	78%	> EUR 100 000	79%	1 to 2 years	33%	ANQEP	Public Employment Service (IEFP)/Ministry of the Economy	Sufficient political consensus	Sufficient funding	Motivation of national and local staff to make it a priority

Annex D. Engagement

The National Skills Strategy Action Phase involved ongoing oversight and input from an inter-ministerial team (the National Project Team) co-ordinated by the Ministry of Education and composed of expert advisors to seven ministers, as outlined in the table below.

Six missions were organised between February and November 2017, including two stakeholder workshops.

The European Commission was represented at the kick-off mission and at both stakeholder workshops by Sonia Peressini, Michael Horgan, Jessica Vilela Hansraj from the Directorate-General (DG) for Employment, Social Affairs and Inclusion, Patricia Pérez-Gómez and Antonio García Gomez, from the DG for Education and Culture.

Table A D.1. National Project Team and Support Organisations

National Project Team	
Nuno Serra	*Gabinete da Secretária de Estado Adjunta do Primeiro Ministro*
Rui Lourenço	*Gabinete do Ministro da Presidência e da Modernização Administrativa*
André Costa Monteiro	*Gabinete do Ministro das Finanças*
Pedro Abrantes	*Gabinete do Ministro da Educação*
Pedro Barrias	*Gabinete do Ministro da Ciência, Tecnologia e Ensino Superior*
Alexandra Teixeira	*Gabinete do Secretário de Estado do Emprego*
Inês Sequeira	*Gabinete da Secretária de Estado do Turismo*
José Sequeira	*Gabinete da Secretária de Estado da Indústria*
Susana Corvelo	*Gabinete do Ministro do Planeamento e das Infraestruturas*

Support organisations
Agência Nacional para a Qualificação e o Ensino Profissional (ANQEP)
Instituto Nacional de Administração (INA)
Instituto de Emprego e da Formação Profissional (IEFP)
Agência para a Competitividade e a Inovação (IAPMEI)
Direção-Geral de Educação (DGEEC)
Turismo de Portugal

Table A D.2. Stakeholders engaged during the project

1. Kick-off seminar – Lisbon, 9-10 February 2017 Refine focus for Action Phase among Ministers	Tiago Brandão Rodrigues, Ministro da Educação Manuel Heitor, Ministro da Ciência, Tecnologia e Ensino Superior João Costa, Secretário de Estado da Educação Miguel Cabrita, Secretário de Estado do Emprego João Vasconcelos, Secretária de Estado da Indústria Fernando Rocha Andrade, Secretário de Estado dos Assuntos Fiscais National Project Team
2. Fact-finding meetings – Lisbon, 22-24 March 2017 Map the current adult-learning system in Portugal	National Project Team and support organisations Experts from the General-Directorate for Education (Direção-Geral de Educação, or DGEEC (education statistics), the Office for Planning and Strategy, Ministry of Finance (Gabinete do Planeamento, Estratégia, Avaliação e Relações Internacionais ,or GPEARI), National Innovation Agency
3. Fact-finding meetings – 3 and 5 May 2017	Bilateral meetings with academics in education and labour economics: Luísa Cerdeira (University of Lisbon), Ana Balcão Reis (New University of Lisbon), Ana Luísa de Oliveira Pires (Polytechnic de Setúbal), Miguel Portela (University of Minho), Pedro Texeira (University of Porto) Visit to Polytechnic of Setúbal and secondary school Marquês de Pombal, Lisbon
4. Fact-finding meetings 26-30 June 2017, Porto, Beja, Lisbon	Meetings with employers in Porto: Centro de Formação Profissional das Indústrias da Madeira e Mobiliário Associação Empresarial de Portugal, Industry representation (SMEs) Associação Portuguesa dos Industriais de Calçado, Componentes, Artigos de Pele e seus Sucedâneos (shoe and leather industries) Instituto Politécnico do Porto Associação dos Industriais Metalúrgicos e Metalomecânicos de Portugal IEFP Modatex (Centro de Formação Profissional da Indústria Têxtil, Vestuário, Confecção e Lanifícios) Comunidade Intermunicipal do Ave Associação Têxtil e Vestuário de Portugal Centro Tecnológico do Calçado de Portugal Meetings with multiple stakeholders in Beja: Polytechnic of Beja Centro Qualifica, Agrupamento de Escolas No. 2 de Beja Associação Empresarial do Baixo Alentejo e Litoral IEFP Alentejo Bilateral meetings in Lisbon: Conselho Económico e Social Conselho Nacional de Educação Instituto Nacional de Administração Confederação Geral dos Trabalhadores Portugueses – Intersindical Nacional (CGTP – IN) Managing Authority for the Human Capital Operational Programme of the European Social Fund Meeting with National Project Team on draft recommendations (30 June 2017)
5. Recommendations discussion mission, 9-10 October 2017 Obtain feedback on draft recommendations	Meeting with National Project Team on revised recommendations (9 October) Meeting with key statistical agencies: ANQEP MTSSS ME – DGEEC Instituto Nacional de Estatística (INE)

Stakeholder workshops:
Lisbon, 4 May 2017, on current system challenges
Coimbra, 10 November 2017, on recommendations and implementation

Note: Organisations in attendance at both workshops are noted with two asterisks (**). Those present in Coimbra are marked with a single asterisk (*). The remaining organisations were present in Lisbon only. International experts participated in the workshop: Beatrice Boots, National STEM Platform, the Netherlands and Tormod Skjerve, Virke, Federation of Norwegian Enterprises.

Government and central public bodies and institutions:

Note: For ministries, there was representation of both government cabinets and public services.

- *Ministério da Educação, Direção-Geral de Educação (DGEEC)***
- *Ministério do Trabalho, Solidariedade e Segurança Social, Direção-Geral do Emprego e das Relações de Trabalho (DGERT)***
- *Ministério da Ciência, Tecnologia e Ensino Superior***
- *Ministério da Economia, Agência para a Competitividade e a Inovação (IAPMEI)* **
- *Ministério do Planeamento e das Infraestruturas, Agência para o Desenvolvimento e Coesão, I.P (AD&C)*
- *Ministério das Finanças, GPEARI***
- *Ministério da Presidência e da Modernização Administrativa***
- *Gabinete do Secretária de Estado Adjunta do Primeiro Ministro*
- *Instituto Português do Desporto e Juventude* **
- *Instituto Nacional de Administração (INA)***
- *Agência Nacional para a Qualificação e o Ensino Profissional (ANQEP)***
- *Instituto do Emprego e da Formação Profissional (IEFP)***
- *Turismo de Portugal*
- *Agência para a Modernização Administrativa*, I.P. (AMA)
- Compete 2020
- *Conselho Económico e Social*
- *Agência para o Investimento e Comércio Externo de Portugal* (AICEP)*

Local government:

- *Câmara Municipal de Guimarães*
- *Comunidade Intermunicipal* (CIM) *do Tâmega e Sousa**
- *Câmara Municipal de Abrantes**
- *Comunidade Intermunicipal* (CIM) *do Alto Minho**

Education and training providers:

- *Agrupamento de Escolas* (AE) Henriques Nogueira**
- *Escola Secundária* (ES) Felismina Alcântara
- *Centro Qualifica* (CQ) - ES Henrique Medina**
- AE Azeitão
- CQ – Delta Cafés
- EP *Imagem*
- CQ – ES Marquês Pombal**
- ES Cacilhas-Tejo**
- AE Virgínia Moura
- AE Gil Vicente
- AE Cristelo**
- *Escola Comércio Lisboa*
- *Centro de Formação Profissional da Indústria Metalúrgica e Metalomecânica* (CENFIM)
- CQ Poeta Joaquim Serra*
- *Centro de Formação Profissional para o Comércio e Afins* (CECOA)**
- *Escola Profissional Amar Terra Verde**

*Escola Comércio Lisboa**
AE Vergílio Moura – Guimarães
Centro de Formação Especializado nas Areas do Artesanato e Património (CEARTE)*
CQ Profiforma*
*Associação Portuguesa de Ensino Superior Privado**
CQ – *Centro de Serviços e Apoio às Empresas* (CESAE)
Programação NeuroLinguística (PNL)

Higher education institutions and academics:
*Escola Superior de Educação de Lisboa**
*Instituto Politécnico de Leiria**
Instituto Politécnico do Cávado e do Ave
Instituto Politécnico Setúbal
*Universidade do Porto, Faculdade de Psicologia e de Ciências da Educação**
*Universidade de Coimbra , Faculdade de Psicologia e de Ciências da Educação***
*Universidade de Évora***
Universidade Nova de Lisboa, Faculdade de Ciências e Tecnologia
Universidade do Lisboa, Instituto de Educação
Instituto Universitário de Lisboa (ISCTE)
Instituto de Engenharia de Sistemas e Computadores, Investigação e Desenvolvimento em Lisboa

Trade unions:
Confederação Geral dos Trabalhadores Portugueses – Intersindical Nacional (CGTP- IN)
União Geral de Trabalhadores (UGT)
Federação Nacional da Educação (FNE – UGT)**
Federação Nacional dos Professores (FENPROF – CGTP)

Employer associations and private companies:
Confederação Empresarial de Portugal – CIP
Huawei
Delta Cafés
Confederação Turismo Português
VW Autoeuropa**
Associação de formação para a Indústria (ATEC)**
Confederação de Agricultores de Portugal (CAP)
Associação Empresarial para a Inovação (COTEC)**
Avillez restaurantes
*Grupo Salvador Caetano***
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Portugal Telecom
*Hotéis Vila Galé**
*Confederação do Comercio e Serviços de Portugal**
Associação Empresarial de Portugal (AEP)*
Youth Training Consulting

Civil society:
Associação Portuguesa para a Cultura e Educação Permanente (APCEP)
Associação Portuguesa de Educação e Formação de Adultos (APEFA)
*Rede Inducar***
*Fundação Aga Khan***

	Associação Nacional de Escolas Profissionais (ANESPO)*
1. Kick-off seminar – Lisbon, 9-10 February 2017 Refine focus for Action Phase among Ministers	Tiago Brandão Rodrigues, *Ministro da Educação* Manuel Heitor, *Ministro da Ciência, Tecnologia e Ensino Superior* João Costa, *Secretário de Estado da Educação* Miguel Cabrita, *Secretário de Estado do Emprego* João Vasconcelos, *Secretária de Estado da Indústria* Fernando Rocha Andrade, *Secretário de Estado dos Assuntos Fiscais* National Project Team
2. Fact-finding meetings – Lisbon, 22-24 March 2017 Map the current adult learning system in Portugal	National Project Team and support organisations Experts from the General-Directorate for Education (*Direção-Geral de Educação*, or DGEEC (education statistics), the Office for Planning and Strategy, Ministry of Finance (*Gabinete do Planeamento, Estratégia, Avaliação e Relações Internacionais* ,or GPEARI), National Innovation Agency
3. Fact-finding meetings – 3 and 5 May 2017	Bilateral meetings with academics in education and labour economics: Luísa Cerdeira (University of Lisbon), Ana Balcão Reis (New University of Lisbon), Ana Luísa de Oliveira Pires (Polytechnic de Setúbal), Miguel Portela (University of Minho), Pedro Texeira (University of Porto) Visit to Polytechnic of Setúbal and secondary school Marquês de Pombal, Lisbon
4. Fact-finding meetings 26-30 June 2017, Porto, Beja, Lisbon	Meetings with employers in Porto: *Centro de Formação Profissional das Indústrias da Madeira e Mobiliário* *Associação Empresarial de Portugal*, Industry representation (SMEs) *Associação Portuguesa dos Industriais de Calçado, Componentes, Artigos de Pele e seus Sucedâneos* (shoe and leather industries) *Instituto Politécnico do Porto* *Associação dos Industriais Metalúrgicos e Metalomecânicos de Portugal* IEFP Modatex (*Centro de Formação Profissional da Indústria Têxtil, Vestuário, Confecção e Lanifícios*) *Comunidade Intermunicipal do Ave* *Associação Têxtil e Vestuário de Portugal* *Centro Technológico do Calçado de Portugal* Meetings with multiple stakeholders in Beja: Polytechnic of Beja *Centro Qualifica, Agrupamento de Escolas No. 2 de Beja* *Associação Empresarial do Baixo Alentejo e Litoral* IEFP *Alentejo* Bilateral meetings in Lisbon: *Conselho Económico e Social* *Conselho Nacional de Educação* *Instituto Nacional de Administração* *Confederação Geral dos Trabalhadores Portugueses – Intersindical Nacional* (CGTP – IN) Managing Authority for the Human Capital Operational Programme of the European Social Fund Meeting with National Project Team on draft recommendations (30 June 2017)
5. Recommendations discussion mission, 9-10 October 2017 Obtain feedback on draft recommendations	Meeting with National Project Team on revised recommendations (9 October) Meeting with key statistical agencies: ANQEP MTSSS ME – DGEEC *Instituto Nacional de Estatística* (INE)

Stakeholder workshops:
Lisbon, 4 May 2017, on current system challenges
Coimbra, 10 November 2017, on recommendations and implementation

Note: Organisations in attendance at both workshops are noted with two asterisks (**). Those present in Coimbra are marked with a single asterisk (*). The remaining organisations were present in Lisbon only. International experts participated in the Coimbra workshop: Beatrice Boots, National STEM Platform, the Netherlands and Tormod Skjerve, Virke, Federation of Norwegian Enterprises.

Government and central public bodies and institutions:

Ministério da Educação, Direção-Geral de Educação (DGEEC)**
Mini*stério do Trabalho, Direção-Geral do Emprego e das Relações de Trabalho***
*Ministério da Ciência, Tecnologia e Ensino Superior***
Ministério da Economia, Agência para a Competitividade e a Inovação (IAPMEI) **
Ministério do Planeamento e das Infraestruturas, Agência para o Desenvolvimento e Coesão, I.P (AD&C)
Ministério das Finanças, GPEARI**
*Ministério da Presidência e da Modernização Administrativa***
Gabinete do Secretária de Estado Adjunta do Primeiro Ministro
In*stituto Portugês do Desporto e Juventude* **
Instituto Nacional de Administração (INA)**
ANQEP**
IEFP**
Turismo de Portugal
Agência para a Modernização Administrativa, I.P. (AMA)
Compete 2020
Conselho Económico e Social
Agência para o Investimento e Comércio Externo de Portugal (AICEP)*

Local government:

Câmara Municipal de Guimarães
Comunidade Intermunicipal (CIM) *do Tâmega e Sousa**
*Câmara Municipal de Abrantes**
Comunidade Intermunicipal (CIM) *do Alto Minho**

Education and training providers:

Agrupamento de Escolas (AE) Henriques Nogueira**
Escola Secundária (ES) Felismina Alcântara
Centro Qualifica (CQ) - ES Henrique Medina**
AE Azeitão
CQ – Delta Cafés
EP *Imagem*
CQ – ES Marquês Pombal**
ES Cacilhas-Tejo**
AE Virgínia Moura
AE Gil Vicente
AE Cristelo**
Escola Comércio Lisboa
Centro de Formação Profissional da Indústria Metalúrgica e Metalomecânica (CENFIM)
CQ Poeta Joaquim Serra*
Centro de Formação Profissional para o Comércio e Afins (CECOA)**
*Escola Profissional Amar Terra Verde**
*Escola Comércio Lisboa**
AE Virgilio Moura – Guimaraes

Centro de Formação Especializado nas Areas do Artesanato e Património (CEARTE)*
CQ Profiforma*
*Associação Portuguesa de Ensino Superior Privado**
CQ – *Centro de Serviços e Apoio às Empresas* (CESAE)
Programação NeuroLinguística (PNL)

Higher education institutions and academics:
*Escola Superior de Educação de Lisboa**
*Instituto Politécnico de Leiria**
Instituto Politécnico do Cávado e do Ave
Instituto Politécnico Setúbal
*Universidade do Porto, Faculdade de Psicologia e de Ciências da Educação**
*Universidade de Coimbra , Faculdade de Psicologia e de Ciências da Educação***
*Universidade de Évora***
Universidade Nova de Lisboa, Faculdade de Ciências e Tecnologia
Universidade do Lisboa, Instituto de Educação
Instituto Universitário de Lisboa (ISCTE)
Instituto de Engenharia de Sistemas e Computadores, Investigação e Desenvolvimento em Lisboa

Trade unions:
Confederação Geral dos Trabalhadores Portugueses – Intersindical Nacional (CGTP- IN)
União Geral de Trabalhadores (UGT)
Federação Nacional da Educação (FNE – UGT)**
Federação Nacional dos Professores (FENPROF – CGTP)

Employer associations and private companies:
Confederação Empresarial de Portugal – CIP
Huawei
Delta Cafés
Confederação Turismo Português
VW Autoeuropa**
Associação de formação para a Indústria (ATEC)**
Confederação de Agricultores de Portugal (CAP)
Associação Empresarial para a Inovação (COTEC)**
Avillez restaurantes
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Skills Strategy Implementation Guidance for Portugal

STRENGTHENING THE ADULT-LEARNING SYSTEM

Raising skills is critical to Portugal's economic success and social well-being. As globalisation and digitalisation are transforming how people work, how societies function and how individuals interact, Portugal needs to equip its entire population with strong skills so that they can benefit from new opportunities.

Portugal has put education and skills at the forefront of the political agenda for many years, but more than half of adults have not completed upper secondary education. With the population ageing rapidly and a growing skills divide between generations, Portugal needs to further strengthen its adult-learning system. To make change happen, Portugal will need a clear vision for the adult-learning system and a strong partnership between all stakeholders – all levels of government, education and training providers, employers, trade unions, the non-profit sector and learners.

This report outlines areas where the accessibility, flexibility and quality of the adult-learning system can be improved, where governance and financing mechanisms can be strengthened, and provides examples of international and national good practice to help achieve these objectives. The report provides a series of concrete actions to help Portugal improve the adult-learning system and in turn enhance economic growth and social cohesion.

Consult this publication on line at ***http://dx.doi.org/10.1787/9789264298705-en***.

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