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## **Case study: Portugal's National Agency for Qualification and Vocational Education and Training (ANQEP)**

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Having one of the lowest educational attainment rates among European countries, in 2007 Portugal implemented a major reform in order to promote vocational education and training and to increase participation in upper secondary education. This chapter introduces the National Agency of Qualification and Vocational Education and Training (ANQEP, Agência Nacional para a Qualificação e o Ensino Profissional) that was established in the course of the 2007 reform. ANQEP is responsible for the overall co-ordination of the National Qualifications System. Thereby, it fulfils the difficult task of bringing different ministries, agencies and stakeholders engaged in the provision of skills formation together. This chapter presents the responsibilities and organisation of ANQEP within Portugal's skills formation system and discusses how it contributes to implementing the “whole-of-government approach” in Portugal.

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## Introduction

In the last two decades, Portugal has made impressive progress regarding the provision of skills and qualifications to its people. Although strongly affected by the economic and financial crisis, it has managed to greatly improve the educational attainment of its population in recent years. For instance, between 2000 and 2013, the upper secondary attainment rate of 25-34 year-olds doubled, as did the proportion of 25-64 year-olds who had completed tertiary education (OECD, 2014<sup>[1]</sup>; OECD, 2015<sup>[2]</sup>). Nevertheless, Portugal still has one of the lowest educational attainment rates among European countries (OECD, 2018<sup>[3]</sup>).

In the early 2000s, the Portuguese government identified vocational education and training (VET) as a central instrument to address the issue of educational attainment, with a focus on adults in particular. Although some progress has been made, there are still currently about 70% of 55-64 year-olds and about 60% of 45-54 year-olds who have not completed upper secondary education. The government aimed to provide pathways to qualifications for adults by establishing a system for the recognition of prior learning and by offering modularised courses leading to certification at the upper secondary level. With the adoption of the VET reform in December 2007, Portugal established a comprehensive National Qualifications System (Sistema Nacional de Qualificações, SNQ) that included all VET qualifications – for adults as well as youth. The legal framework of the SNQ was updated in 2017 (decree law no. 14/2017).

The focus of this case study is the National Agency for Qualification and Vocational Education and Training (Agência Nacional para a Qualificação e o Ensino Profissional, ANQEP), formerly the National Agency for Qualification (Agência Nacional para a Qualificação, ANQ). ANQEP was established in 2007 (decree law no. 276-C/2007) to co-ordinate the SNQ. It is jointly supervised by the Ministry of Education and the Ministry of Labour, Solidarity and Social Security. There are also several governance bodies within ANQEP that involve stakeholders from different parts of the economy and other government bodies. Therefore, ANQEP is a prime example of how inter-ministerial co-ordination between different governmental departments can be combined with efforts to improve collaboration between governmental actors and stakeholders, in line with a whole-of-government approach to skills policy. Based on document research and numerous interviews with representatives from public authorities and social partners, which were conducted in Lisbon in April 2019, this case study describes how co-ordination, co-operation and collaboration across the whole of government can be achieved. It demonstrates how stakeholders can be meaningfully engaged and how financing mechanisms can become well aligned. In this respect, ANQEP has introduced great advances in the Portuguese VET and adult education system. While highlighting positive aspects, this case study will also point out the challenges and problems that ANQEP has encountered in recent years. Most importantly, although its competences are clearly defined in law, ANQEP still struggles with finding its role in Portugal's VET system, which may not be surprising given that it is a relatively new agency. Nevertheless, the case of ANQEP provides valuable insights for other VET systems that aim to adopt a whole-of-government approach.

With reference to the overall framework of this report, this case study focuses on three of the four dimensions:

- Promoting co-ordination, co-operation and collaboration across the whole of government.
- Engaging stakeholders throughout the policy cycle.
- Aligning and co-ordinating financing arrangements.

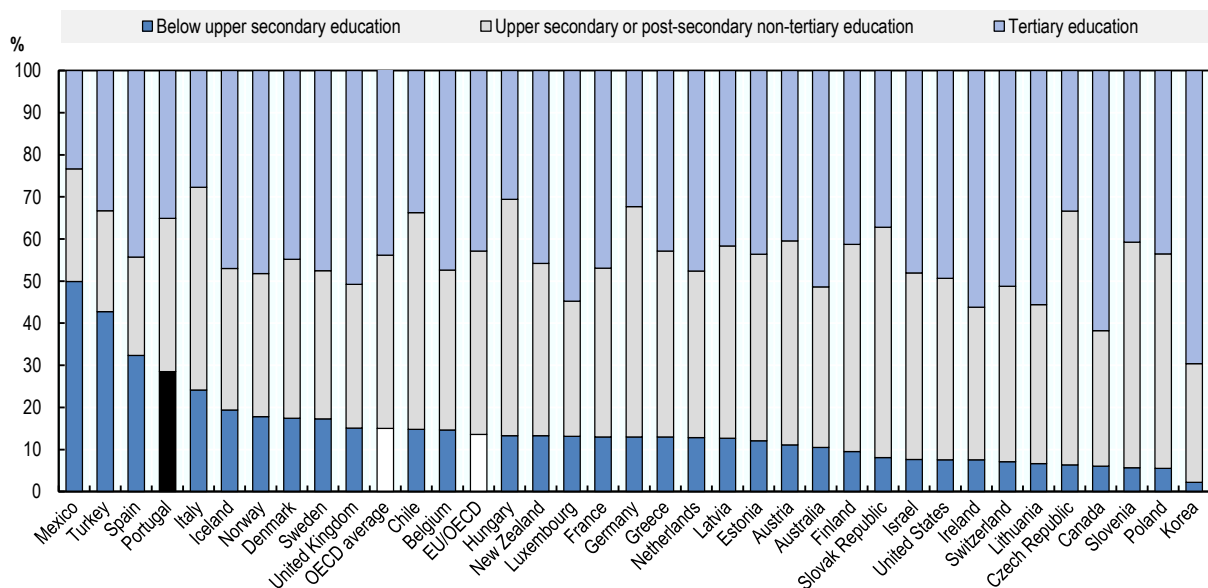
## Portugal's education and training system

After a period of considerable financial constraints and high unemployment rates between 2008 and 2012, Portugal has successfully undergone a demanding adjustment programme designed to promote growth and social well-being. As part of this programme, several reforms and initiatives relating to skills have been

implemented in recent years, as skills policies have become a top priority for policy makers. Portugal has already made substantial progress in raising the educational attainment of its population: the share of young people aged 20 to 24 with at least upper secondary education increased from 49.4% in 2005 to 77.5% in 2016 (OECD, 2018<sup>[4]</sup>). Similarly, the number of early leavers from education and training decreased dramatically from 38.3% in 2005 to 11.8% in 2018, now slightly above European Union EU-28 average (Eurostat, 2019<sup>[5]</sup>).<sup>1</sup>

Despite these improvements, Portugal still faces significant challenges: Educational success is strongly dependent on student's socio-economic background, the share of long-term unemployed is comparatively high, and educational attainment rates are still below the OECD average (OECD, 2015<sup>[2]</sup>), and are particularly low for adults. About 73% of 55 to 64 year-olds have not reached upper secondary education, compared to about 28.5% of 25 to 34 year-olds. At the same time, as shown in Figure 6.1, the latter share is also greater than the OECD average of 15%. Similarly, the share of Portuguese 25 to 34 year-olds with completed upper secondary education (about 36%) lags behind the OECD average by approximately 5% (Figure 6.1).

**Figure 6.1. Educational attainment of 25-34 year-olds**



Source: OECD (2020<sup>[6]</sup>), *Educational attainment and labour-force status*, [https://stats.oecd.org/Index.aspx?DataSetCode=EAG\\_NEAC](https://stats.oecd.org/Index.aspx?DataSetCode=EAG_NEAC).

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Promoting opportunities in VET can help Portugal to tackle these problems. The current VET system in Portugal is the result of a large-scale reform adopted in December 2007 and implemented in 2008 (decree law no. 396/2007). Before this point, the main public provider of VET was the Institute for Employment and Vocational Training (Instituto do Emprego e Formação Profissional, IEFP). Other training providers included firms, VET schools (*escolas profissionais*) and VET courses (*cursos profissionais*) at public secondary schools. However, VET training was not well regulated, and standardisation at the national level, when existent, was not integrated between the different governmental departments. The only common factor among VET providers was that they mainly viewed VET as a pathway for low-performing students into the labour market. As a consequence, VET suffered from low prestige.

Today, VET is the joint responsibility of several ministries, including the Ministry of Education, the Ministry of Labour, Solidarity and Social Security, and the Ministry of Economy. Besides ANQEP, several other public agencies are responsible for the implementation of VET policies, for example the IEFP. In addition, the VET law describes several ways in which stakeholders can participate in decision making.

With the 2007 reform, the government decided to prioritise VET to address the problems of low educational attainment, especially for adults (Figure 6.1), and of high numbers of early school drop-outs. It drew up plans to bring the different parts of the VET system together into a single national framework under the joint supervision of the Ministry of Education, the Ministry of Labour, Solidarity and Social Security, and the Ministry of Economy. The law created common objectives, tools and structures to ensure that VET qualifications better match labour market needs and to reinforce the recognition, validation and certification of competences. It entailed two major innovations: the establishment of a comprehensive National Qualifications System (SNQ) to create common national standards for VET courses, regardless of the provider; and the creation of a new public agency (ANQEP) to co-ordinate the SNQ, among other roles (OECD, 2015<sup>[2]</sup>).

The SNQ includes the following tools:

- National Qualifications Framework (Quadro Nacional de Qualificações, QNQ), designed in line with the European Qualifications Framework.
- National Catalogue of Qualifications (Catálogo Nacional de Qualificações, CNQ).
- Qualification Needs Anticipation System (Sistema de Antecipação de Necessidades de Qualificações, SANQ).
- National Credit System for VET (Sistema Nacional de Créditos do EFP).
- An online tool for the guidance and qualifications record of individual learners (Qualifica Passport).

The National Catalogue of Qualifications currently consists of more than 300 qualifications in 43 sectoral areas of education and training (Área de Educação e Formação). VET thus takes place in a large number of very different economic areas, including tourism, information and communication technology (ICT), social welfare, and commerce (DGEEC, 2020<sup>[7]</sup>). In order to regularly update the qualifications catalogue, there are 16 sectoral Qualifications councils under the ANQEP umbrella, in which various stakeholders, such as firms, employers' associations, trade unions and training providers, discuss the creation of new and the updating or abolition of existing qualifications. They are supported by specialised ANQEP staff that provide administrative and financial support.

Portugal's VET system consists of different types of programmes, which all need to be consistent with the qualifications defined in the National Qualifications Catalogue (Table 6.1). At the upper secondary level, most VET students attend professional courses (80%) or apprenticeship courses (15%), which both rank at ISCED level 3 (ANQEP, 2020<sup>[8]</sup>). Professional courses last 3 years, and apprenticeship courses last from 2.5 to 3 years, with both awarding a vocational certificate and a diploma attesting the completion of the 12th year of schooling (DGERT, 2016<sup>[9]</sup>). The courses differ, however, regarding the type of provider and the extent of firm-based learning. In apprenticeship courses (*Cursos de Aprendizagem*), work-based learning is very important, and students spend 40% of their time in workplace training. Providers are either IEFP training centres, training centres of social partners or private for-profit centres. All providers are under the supervision of the IEFP. In contrast, in professional courses (*Cursos Profissionais*) only about 19-27% of students' time is spent in workplace training. Providers are mainly public or private schools under the supervision of the Ministry of Education that engage with employers to establish partnerships for workplace training and the technical components of the curriculum (DGERT, 2016<sup>[9]</sup>). Other programmes at the lower and upper secondary level include specialised art programmes (*Cursos Artísticos Especializados*) and education and training programmes for young people (*Cursos de Educação e Formação de Jovens*) (DGERT, 2016<sup>[9]</sup>; OECD, 2015<sup>[2]</sup>); however, as the number of participants is very

small in these programmes, the remainder of the case study focuses on professional and apprenticeship courses.

**Table 6.1. VET programmes at the upper secondary level**

Programme	Age	ISCED levels	Training providers	Share of work-based learning
Professional courses	15-18	354	Schools (public and private)	19-27%
Apprenticeship courses	18-24	354	IEFP, social partners, for-profit institutions	40%
Specialised art programmes	15-18	344, 354	Schools (public and private)	4-13%
Education and training programmes for young people	15-18	354	Schools (public and private)	n/a
Vocational programmes at the upper secondary level	15-18	N.A.	Schools (public and private)	Determined individually by the providers

Portugal has taken a number of measures to encourage greater participation in adult learning and increase the educational attainment of adults. The Qualifica Programme, launched in 2017, formulates three goals to be reached by 2020: 1) 50% of the population to have finished upper secondary education; 2) 15% of adults to have taken part in lifelong learning activities; and 3) 40% of 30-34 year-olds to have obtained a higher education certificate (ANQEP et al., 2020<sup>[10]</sup>). In order to achieve these goals, around 300 Qualifica centres have been established across the country to provide information and guidance and to refer adults (18+) to education and training pathways. These centres are also responsible for the certification of prior learning acquired in formal, non-formal and informal contexts. The process of prior learning recognition is simplified by an online tool, the Qualifica passport, which allows adults to record their qualifications and skills and identify further learning pathways (ANQEP et al., 2020<sup>[11]</sup>). The Qualifica programme has also established a national credit system in line with some principles of the European Credit System for Vocational Education and Training (ECVET).

The second main innovation of the 2007 VET law was the establishment of the National Agency for Qualification (ANQ), later renamed the National Agency for Qualification and Vocational Education and Training (ANQEP). A public institute that reports to both the Ministry of Education and the Ministry of Labour, Solidarity and Social Security, ANQEP is an important example of a whole-of-government approach to skills issues. It will be the focus of the analysis in the next sections.

## The role of ANQEP in Portugal's education and training system

ANQEP's predecessor – the National Agency for Qualification (ANQ) – was created in 2007 as the main co-ordinating body of the National Qualifications System. With the creation of the ANQ, the government wanted to better align the supply of skills produced by the education system with the demands of the labour market. In 2012, after the economic crisis, ANQ was renamed ANQEP – the National Agency for Qualification and Vocational Education and Training – although its mission remained the same.

ANQEP is an agency under the supervision of three ministries – the Ministry of Education, the Ministry of Labour, Solidarity and Social Security, and the Ministry of Economy (although the latter has less influence than the former two ministries). Stakeholders are part of the oversight board and have a key role in the definition of ANQEP's general lines of action. It is an important example of a whole-of-government approach whereby different types and levels of government work closely with stakeholders to improve and strengthen the governance of the skills system.

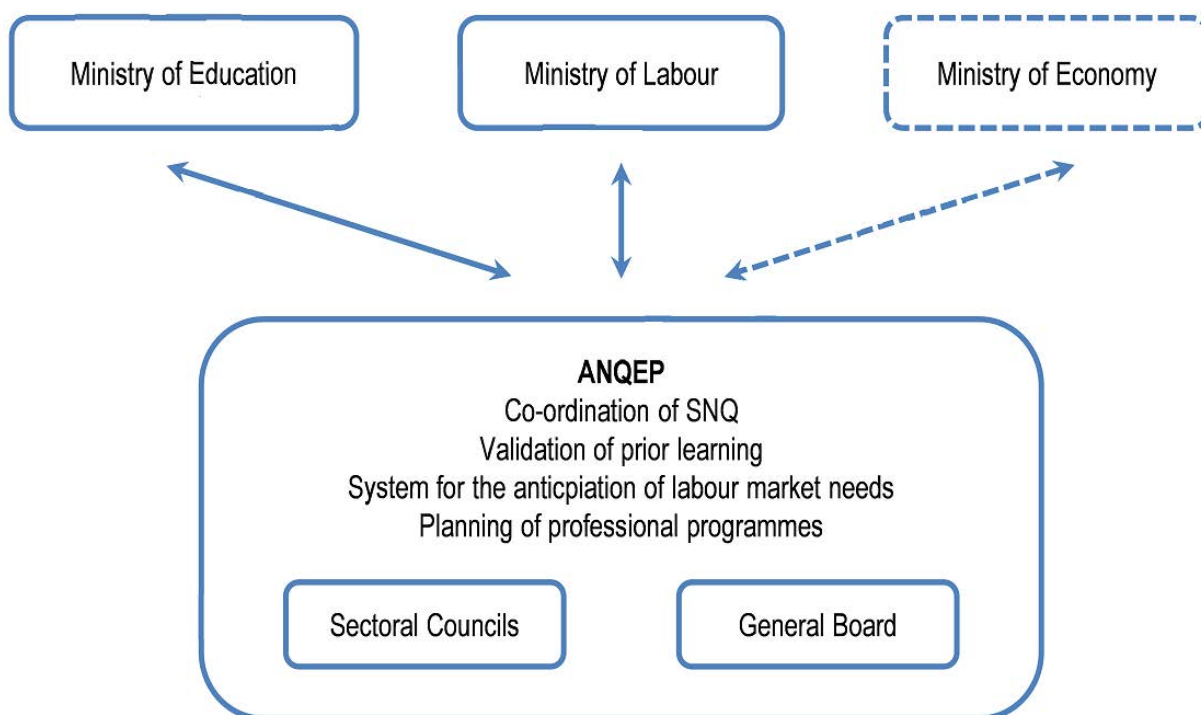
ANQEP reports to the Ministry of Education and the Ministry of Labour, Solidarity and Social Security (Figure 6.2). Both ministries finance the personnel and administrative expenses of the agency. The Ministry of Economy has policy responsibilities in VET and adult learning, but these responsibilities are determined by government decisions and are thus not static. The ministers of education and labour appoint

the president and the two vice presidents of ANQEP, within a mandatory public recruitment policy in which candidates for public administration positions have to apply. Although supervised by the two ministries, as a public institute, ANQEP has administrative and financial autonomy, thus has more autonomy than other government bodies, such as a directorate general. However, ANQEP does not have autonomy to set its own policy goals and instruments, but instead decides on the implementation of the instruments set by the government.

ANQEP's work is monitored by its General Board, which evaluates ANQEP's yearly programme and discusses its achievements. As defined in the law, the board comprises a maximum of 25 members that represent the social partners, the Ministry of Education and the Ministry of Labour, Solidarity and Social Security, the IEF, other stakeholders such as the National Association of Professional Schools, and independent experts. The members of the General Board are proposed by the president of ANQEP to the Secretary of State of Education and the Secretary of State of Employment, who are responsible for their nomination. The General Board meets at least twice a year.

The sectoral councils, which are made up of several important stakeholders, define and update qualifications based on the technical and methodological orientations of ANQEP. ANQEP also provides administrative support to the work of the sectoral councils such as sending out invitations to meetings, setting the agenda for the updating process and chairing council meetings. ANQEP financial resources may be used to hire external experts with expertise in updating processes, if needed. The members of the sectoral councils are nominated by ANQEP and work voluntarily.

**Figure 6.2. Governance arrangements of ANQEP**



ANQEP's main task is to co-ordinate the SNQ, which involves a number of different elements. First, ANQEP co-ordinates the continuous updating of the National Catalogue of Qualifications, with the involvement of the sectoral councils. While ANQEP is not directly responsible for the updating process

(this is done by sectoral councils), it provides the necessary administrative and financial support. Considering that the members of the councils are volunteers delegated from other organisations, the role of ANQEP in these processes should not be underestimated.

Second, ANQEP is responsible for developing and managing the national system for the recognition, validation and certification of competences. As such, it oversees around 300 Qualifica centres, whose main task is the certification of prior learning experience. In order to ensure that the same standards apply across the whole country, ANQEP provides training to Qualifica centre staff and oversees the National Credit System for Vocational Education and Training. In addition, it manages the Qualifica Passport, which records the qualifications and skills acquired by individuals.

Third, ANQEP has established the Qualification Needs Anticipation System (SANQ) to evaluate which qualifications are needed in the labour market. SANQ uses a variety of data sources and indicators to rank qualifications according to priority levels from one to ten. Typically, the process of anticipating labour market needs involves several aspects. Firstly, ANQEP uses statistical data about recent employment dynamics and conducts a survey to identify the short- to medium-term skills needs of employers. Secondly, the European Centre for the Development of Vocational Training (Cedefop) provides projections for the future development of skills demand in Portugal. Thirdly, the IEFP provides SANQ with data about job vacancies at the regional and occupational level. Finally, to evaluate the quality of the various training providers, SANQ considers the total number of students, the share of students who received certification and data on the transition of students into the labour market. Since most data are available at the regional level (NUT II), SANQ can determine the demand for each qualification in the National Catalogue of Qualifications at that level. All these data are integrated to generate a regional vision, which allows inter-municipalities to deepen their analysis at the subregional (NUT III) level.

The final task of ANQEP in co-ordinating the SNQ is its important role in planning the supply of professional programmes. ANQEP identifies the number of placements in the different courses needed at national and inter-municipality levels with the help of SANQ and – together with the inter-municipal communities – determines which courses are offered to meet local labour market demand. Importantly, there are separate systems for the planning of professional and apprenticeship courses. While ANQEP and the Ministry of Education are responsible for professional courses, the IEFP is responsible for apprenticeship courses, as well as for supervising apprenticeship training providers. To determine priority levels, the IEFP developed its own anticipation system before SANQ was developed, and now uses SANQ data to complement their own information.

ANQEP is publicly financed. Compared to other OECD countries, the share of public funding for VET in Portugal is above average (OECD, 2018<sup>[41]</sup>). ANQEP's administrative and personnel expenses and activities are financed by the general state budget, as well as the budgets of the Ministry of Education and of the Ministry of Labour, Solidarity and Social Security.

European Union (EU) funds make up a large part of the overall funding of the different VET programmes, especially for professional courses. The Human Capital Operational Programme of the European Union (POCH, Programa Operacional Capital Humano) contributes significantly to the direct financing of the different VET programmes and of the Qualifica centres (DGERT, 2016<sup>[9]</sup>). In addition, parts of the EU Operational Programme for Social Inclusion and Employment (POISE, Programa Operacional Inclusão Social e Emprego) support activities that promote the development of skills of vulnerable groups to integrate those not in employment, education or training (NEET) into the labour market (DGERT, 2016<sup>[9]</sup>). The programmes financed by European funds are co-funded by Portugal's national budget.

Private funding is more important for apprenticeship courses. Here, the courses are co-funded by EU structural funds and the IEFP, whose budget is mostly made up of social security contributions paid by employers. Thus, through this mechanism, the private sector also participates in the financing of VET. Other sources of private funding do not exist at the level of upper secondary education as students do not pay tuition fees.

## Analysis

A whole-of-government approach aims to improve co-operation and co-ordination across horizontal and vertical levels of government, as well as between public and private actors. In doing so, coherent and mutually reinforcing institutions are established that are flexible enough to respond to regional demands and new socio-economic challenges. This analysis will explore how ANQEP contributes to strengthening the governance of Portugal's skills system. The analysis is based on a detailed review of national and international reports on Portugal's skills system and ten interviews with experts and representatives from various institutions involved in the governance of ANQEP. Nine interviews were conducted in April 2019 in Lisbon, one interview was conducted via phone.

### ***Opportunities and challenges in the governance framework of ANQEP***

Effective skills policies require close co-ordination, co-operation and collaboration between a large number of public agencies at the national and subnational level. ANQEP is the result of such cross-government co-ordination as its predecessor, the ANQ, was created by an agreement between the minister of education and the minister of labour.<sup>2</sup> ANQEP reports to the Ministry of Education, the Ministry of Labour, Solidarity and Social Security and the Ministry of Economy. The former two ministries formally supervise ANQEP, appoint its management team and the General Board, and finance ANQEP's administrative and personnel expenses and activities. ANQEP co-ordinates the National Qualifications System and the actors involved. These include government agencies such as the IEFP, the Agency for Development and Cohesion, and the Directorate-General for Education; VET schools; and apprenticeship providers. Consequently, ANQEP faces two challenges: it needs to bring all involved institutions at various levels of government together; and it has to perform its tasks in agreement with the Ministry of Education, the Ministry of Labour, Solidarity and Social Security and the Ministry of Economy.

Within the current government, co-operation between the Ministry of Education and the Ministry of Labour, Solidarity and Social Security works well. As a high-level official in one of the ministries stated: "We don't take a step without involving the other. It is a very dynamic process". All interview partners confirmed that a large amount of co-ordination takes place. Apparently, officials in the ministries have worked together for several years already and know and trust each other, which fosters collaboration.

However, these ministries have not always worked together in such a productive way, and there were often conflicts when the development of the skills system was not a top priority for the government. In 2011 and 2012, Portugal experienced major debates about the future of ANQ, with the newly elected government questioning the mission and effectiveness of the agency. Nevertheless, the ANQ was not abolished. Rather, the government modified its mission and put stronger emphasis on VET at the upper secondary level, symbolically expressed in the renaming of ANQ to ANQEP. According to several interview partners, the agency was preserved because it was supported by stakeholders and because the low educational attainment rates in the Portuguese population was highly debated in public. To abolish the ANQ would have been a sign that the government did not value the issue enough. The debate about the future of the ANQ in 2011 shows that the continued survival of the agency depends strongly on the government's commitment to skills policy. If the development of the skills system is very important to the leadership of the government, co-ordination across the whole-of-government is easier to facilitate.

Collaboration in the Portuguese skills system also takes place between the national and the subnational levels. Although Portugal is a non-federalist state with a strong central government, ANQEP promotes co-ordination with the subnational level to allocate resources as efficiently and effectively as possible. An important step to reach this goal was the creation of SANQ in 2014. With this instrument, ANQEP can define skills priorities at the subnational level as SANQ offers regional level data on placements by courses, success rates of training providers and future labour market needs. Based on these skills priorities, ANQEP, the Ministry of Education and other state authorities indicate which programmes are more relevant



and identify potential providers. To align these programmes to local labour market needs, the government has encouraged inter-municipalities to invest in joint efforts regarding skills policies.

Overall, Portugal has made impressive progress in creating a high degree of collaboration across the different stakeholders; however, there are still different priorities and perspectives. First, as mentioned by interviewed stakeholder representatives, the priorities of the Ministry of Education and the Ministry of Labour, Solidarity and Social security may differ. The Ministry of Education is obviously closely connected to schools and therefore emphasises school-based VET programmes. In contrast, for the Ministry of Labour, Solidarity and Social Security and the IEFP, as the agency most involved in skills policies, VET is viewed as an instrument to integrate (young) people into the labour market, and they consequently foster VET programmes with a high share of workplace learning and employer engagement. However, the different perspectives do not appear to form an obstacle to ANQEP's work, which is helped by the management team being appointed by the Secretary of State for Education and the Secretary of State for Employment.

Second, the relationship between ANQEP and the IEFP is challenging. The IEFP is an agency of the Ministry of Labour, Solidarity and Social Security and is one of the biggest providers of apprenticeship programmes. It also supervises other apprenticeship providers and is responsible for planning a large number of apprenticeship courses across the country. By contrast, the Ministry of Education supervises professional programme providers and plans programmes together with ANQEP. ANQEP oversees the National Catalogue of Qualifications that is obligatory for both types of programmes. Because of this arrangement, ANQEP is much more involved in the provision of professional courses than apprenticeship courses. At the same time, the different providers compete for the same students – and this competition is getting fiercer because of demographic changes resulting in shrinking cohort sizes.

In this context, the IEFP and apprenticeship course providers – often trade unions or business associations – express concerns that professional programmes have an advantage for two reasons. First, the schools that offer professional programmes are also often lower secondary schools, and students prefer to stay at the same school rather than change to a training centre that they do not know. Second, the IEFP and apprenticeship providers argue that professional programmes receive more political support than apprenticeship programmes. The fact that the IEFP established itself as the major VET provider before the 2007 reform increases the competitive situation between the two agencies and makes it difficult for ANQEP to influence apprenticeship programmes in the same way as professional programmes. There is still competition between ANQEP and the IEFP. For example, the IEFP uses a different system of labour market anticipation needs to ANQEP, even though SANQ has been developed within the framework of the National Qualifications System. However, interviews also showed that ANQEP and the IEFP are aware of these challenges and willing to work together to develop a more coherent skills system.

### ***Opportunities and challenges to involving stakeholders***

The 2007 VET law was negotiated during a time when tripartite arrangements played an important role in Portugal's policy making. Between 2005 and 2009, co-ordination among social partners and the state was at its peak in Portugal (European Commission, 2016<sup>[12]</sup>). In this context, the new VET law was discussed and agreed on between employers, trade unions and the national government before being adopted by parliament. The law prescribes the engagement of social partners and stakeholders, such as training providers, regional representatives and other experts, as well as trade unions and employers' representatives, more generally in ANQEP's various governance bodies. Stakeholders are responsible for monitoring the work of the agency through the General Board and for the definition of qualification standards via the sectoral councils.

Representatives of the various stakeholders take part in the General Board of ANQEP, which monitors the agency's work. It discusses ANQEP's yearly programme and evaluates its achievements. Interview partners did not perceive the General Board to have an influential role in Portugal's skills system as

conflictual discussions usually do not take place during these meetings. Although not obliged to, the board has always agreed on the yearly programme of ANQEP in the last few years. Regular meetings between the most important stakeholders are essential for developing trust within the skills system. As has been shown in the literature, networks and informal agreements play an important role in VET policies (Culpepper, 2007<sup>[13]</sup>; Emmenegger, Graf and Trampusch, 2018<sup>[14]</sup>). The meetings of the General Board create these networks as stakeholder representatives can meet and have the opportunity to exchange their views about priorities and goals. Thus, it provides stakeholders with the opportunity to find common solutions for shared challenges.

At the sectoral level, stakeholders meet regularly in the sectoral councils. Again, these meetings are a good opportunity to connect with other stakeholders at the industry level. Sectoral councils have more responsibilities than the General Board, for example they are responsible for the definition of qualification standards and thus define which qualifications are part of the National Qualifications Catalogue. This is a difficult endeavour in a number of ways, for example the sectoral council members work voluntarily and are not paid. They are often employed in the field of skills development, for example a school principal or head of a training centre, and are delegated by their institution to the respective sectoral council. Importantly, all members are training experts, but not necessarily experts in updating qualifications, which requires a different type of expertise. Therefore, it is a major challenge for sectoral council members to update qualification standards regularly, especially when considering that labour market demands change frequently and that the 16 sectoral councils are co-responsible for more than 300 qualifications in the National Catalogue of Qualifications. ANQEP has recognised this problem and provides various measures of support, including technical and methodological support, and makes financial resources available to pay for experts in the updating processes.

There are challenges to involving stakeholders in the governance of ANQEP. First, the feeling of ownership for their work in sectoral councils is decreasing as ANQEP is taking over an increasing amount of competences. As a consequence, council members are increasingly withdrawing from their responsibilities. This is a self-reinforcing pattern: the more stakeholders withdraw, the more ANQEP assumes responsibilities as it has a strong interest in ensuring that qualification standards are updated regularly. One interview partner confirmed that the work of the sectoral councils is too dependent on ANQEP: “They [the sectoral councils] should be more responsible to take initiative, more aware of their important role in reviewing the catalogue and the provision of skills.” This is identified as a major problem for the innovative capacity of Portugal’s skills system: “We need to put more energy in them [the sectoral councils]”. ANQEP is currently working on solutions to tackle this problem, but these solutions need to be agreed on with the stakeholders to ensure that they are also taken on board.

The second challenge to involving stakeholders in the governance of ANQEP regards the integration of business into the skills system. A large body of literature has shown that small firms are much more cost-sensitive than large firms (Culpepper, 2007<sup>[13]</sup>; Culpepper and Thelen, 2008<sup>[15]</sup>). Portugal’s economy is characterised by a large number of very small firms: micro (up to 9 employees) and small (10-49 employees) businesses employ more than 60% of the working population, which is 10 percentage points above the EU-28 average (Eurostat, 2016<sup>[16]</sup>). These businesses often lack the financial and administrative resources to invest in the skills of their employees compared to large firms. Because of the difficulty of engaging with micro and small firms, ANQEP concentrates on establishing close ties with medium-sized and large firms, as well as with specific employers’ associations, to increase firm participation in training. For example, ANQEP has reached partnership agreements with some sectors, such as the tourism and hospitality sector and the metal sector, to demonstrate to firms that VET provides a solution to their specific skills needs. Thereby, Portugal is making some progress regarding getting firms to participate in VET. Nevertheless, the commitment of individual firms and whole economic sectors differs significantly. Here again, trust and personal ties play an important role: if business representatives personally know representatives from ANQEP or the IEFPP, they are more likely to see the value of participating in the training of young people.

To sum up, the 2007 VET reform formally established the participation of stakeholders in the work of ANQEP, namely in the definition of qualification standards. They thus have considerable responsibility for the development of the National Qualifications System. This comes with great opportunities, but also with significant challenges.

### **Summary**

The ANQ was established with the explicit aim of bringing education and the labour market closer together. According to interview partners, political leadership by the two ministers in charge at the time – the minister of labour and the minister of education – was essential in order to put political weight behind the development of the 2007 VET law. The ministers brought the prime minister and other cabinet members on board, as well as key social partners.

However, explicit political support is not the only condition necessary for the implementation of a whole-of-government approach. For example, in 2012, political priorities shifted to other policy fields as a consequence of changes in the composition of government. During the 2011 election campaign, the ANQ's existence was even questioned. In the end the ANQ survived because it had the support of the social partners and other stakeholders, and because tackling low educational attainment was still an important topic. The newly elected government eventually decided to continue prioritising VET at the upper secondary level, as well as ANQEP as the central agency for the future development of skills policies. Hence, the case of ANQEP shows that to establish a sustainable new institution it needs to be supported both by political actors and by stakeholders such as training providers, employers' associations and trade unions. It also needs a clear purpose and the means to tackle important societal challenges.

ANQEP is also a good example of stakeholder engagement. The 2007 VET law was part of a tripartite agreement that prescribed the participation of stakeholders in two governance bodies: the General Board, which supervises the work of ANQEP, and the 16 sectoral councils, which develop the qualifications in the National Catalogue of Qualifications. The governance of ANQEP therefore involves a broad range of stakeholders, including business associations, trade unions, firms, public and private schools, apprenticeship providers, and representatives from other government bodies. These bodies not only provide an opportunity to influence VET policies, but are a place where different actors get to know each other and can build trust and informal networks. It is important that the General Board and the sectoral councils are embodied in the law so that they are less vulnerable to changes in political priorities.

Through SANQ, which helps to identify and quantify the demand for qualifications at the sectoral and subnational levels, ANQEP contributes to ensuring that students develop the skills that are important for their future career prospects. ANQEP defines the criteria regarding the planning of VET course network. According to these criteria, the General Directorate of Schools Establishments and inter-municipalities negotiate the options with school networks at the subregional level. ANQEP also supports sectoral councils, which define the qualifications that need to be updated, abolished or newly included in the National Catalogue of Qualifications.

Since 2007, Portugal has established a coherent VET system in which different stakeholders – public and private – collaborate extensively. In this, ANQEP plays a major role. The agency has withstood a difficult financial situation as well as political uncertainty, but it can provide valuable insights for other VET systems regarding implementing a whole-of-government approach to ensuring that the labour market has the skills it needs, as well as involving stakeholders in the governance of skills systems. These insights are summarised below:

- **Bringing together two ministries with different priorities and perspectives:** Currently, the Ministry of Education and the Ministry of Labour, Solidarity and Social Security work closely with ANQEP to develop Portugal's skills system. The officials working on skills policies in both ministries know and trust each other. In addition, skills policies are a priority of the current government and ANQEP receives the necessary political support to fulfil its tasks.

The disadvantage with this is that as ANQEP depends a lot on the government's priorities it could be less supported if government composition changes.

- **Co-ordinating with VET providers:** Portugal's VET system at the upper secondary level is characterised by the distinction between professional programmes, provided by public and private schools, and apprenticeship programmes, provided by specific training providers. These programmes are monitored by different institutions (the IEFP and the Ministry of Labour, Solidarity and Social Security for apprenticeship programmes, and the Ministry of Education for professional programmes). This creates tension between education and labour side providers and leads to competition for students, financial resources and influence. These tensions are likely to intensify due to the declining number of students. Nevertheless, all interviewed partners expressed concern about the current situation and a strong willingness to improve co-operation.
- **Fostering co-ordination with the subnational level:** Portugal has achieved major progress in this regard. Despite its centralised state structure, the Ministry of Education has promoted a local co-ordination process for the provision of VET courses according to subnational labour market needs, engaging with the inter-municipal communities. The establishment of SANQ was a major step to involve the subnational level in the governance of Portugal's skills system.
- **Planning training during uncertainty:** EU structural funds make up a high share of the budget of Portugal's VET system. These funds are disbursed for a specific period (normally seven years), which makes the planning of courses difficult, especially towards the end of a funding period. Furthermore, the heavy reliance on EU funding creates a strong dependency of Portuguese skills policies on priorities in the EU's budget process, constituting another source of uncertainty.
- **Allocating resources effectively and efficiently:** Despite the difficult financial situation, Portugal has the means to allocate resources effectively and efficiently. For this, SANQ is a decisive instrument as it helps policy makers to channel fiscal resources to areas with the largest expected impact.
- **Coping with changing political priorities:** ANQEP and the VET system have to be prepared that political priorities can shift the government's focus to other policy areas. Although the cuts in the budget can largely be explained by the difficult economic situation in recent years, Portugal is missing a reliable and stable funding mechanism for its skills policies – on this, see also OECD (2018<sub>[3]</sub>).
- **Building the commitment of certain stakeholders:** A large group of different stakeholders – such as training providers, public authorities and social partners – send representatives to the General Board and the sectoral councils. However, commitment to skills policies varies greatly between stakeholders. While education and training providers have a natural interest because VET is their main business, the commitment of social partners is less immediate. Engagement also differs greatly between economic sectors. In order to tackle this problem, ANQEP has tried to establish close ties with business associations and develop solutions that meet the needs of the different industries more flexibly, for example the partnership agreements with the tourism and hospitality sector and the metal sector.
- **Engaging stakeholders through formal and informal means:** Regular meetings among public actors and involved stakeholders aim to develop better skills policies by giving everyone affected by policy decisions a say. However, the informal nature of policy making in VET should not be underestimated. The General Board and the sectoral councils offer the opportunity to network and build trust among stakeholders.
- **Balancing stakeholder responsibilities and skills system efficiency:** As VET is closely connected to labour market needs, it is an advantage that stakeholders define qualification standards in Portugal. However, updating qualifications is very demanding work that requires specific competences and strong stakeholder participation. Although ANQEP provides sectoral councils with the adequate resources, it has been forced to assume more and more responsibilities, which has led to a decrease in the feeling of ownership on the part of stakeholders.

## Policy recommendations

For decades, Portugal has lagged behind other countries within the European Union in the educational attainment rates of its population. In addition, it has been one of the EU countries hit hardest by the financial and economic crisis between 2009 and 2012, which led to high unemployment rates (especially among youth), serious financial constraints and large cutbacks in the public sector. The country has not yet fully recovered from these years; however, it has successfully undertaken a large adjustment programme to re-establish economic growth and social well-being. Within this programme, skills policies have played an important role. Today, Portugal is catching up with the other European countries in many regards, for example by increasing the share of people with upper secondary or tertiary education, by combatting early school leaving successfully, and by achieving better results in the Programme for International Student Assessment (PISA). The creation of a unified and standardised VET system has contributed greatly to this success, and ANQEP has had a major role to play.

While the example of ANQEP gives valuable insights into how a whole-of-government approach can be implemented in VET policies, the agency also faces a number of challenges. Portugal's new VET system was only established in 2008, and the financial crisis has stalled innovative reforms for several years. Overall, the skills system of Portugal is still evolving, as is ANQEP. Interviews showed that there are open questions regarding the competences and the governance structure of ANQEP within Portugal's VET system. The following policy recommendations follow from this analysis.

### ***Stabilise ANQEP's role in the Portuguese skills system***

ANQEP is highly dependent on political priorities. Many of the problems described in this chapter, such as the lack of stable funding sources or insufficient personnel resources, are related to this problem. It is also the reason why ANQEP's role in the co-ordination of the National Qualifications System is still contested, especially regarding apprenticeship courses. On the one hand, ANQEP is responsible for the overall development of the VET system in Portugal. On the other hand, different VET programmes are administered by different agencies: ANQEP is responsible for professional programmes and uses SANQ to determine labour market needs, while the IEFP administers apprenticeship courses and uses a different system for the anticipation of labour market demands. Depending on the government's priorities at the time, either ANQEP or the IEFP are equipped with more resources and receive more control over the skills system.

As a national agency, ANQEP's responsibility is to implement government (or parliamentary) decisions. Therefore, its work will always depend on political priorities. Nevertheless, Portugal's government could try to stabilise ANQEP's role in the national skills system by, for example, clarifying its responsibilities compared to the responsibilities of the IEFP. For the sake of efficiency and effectiveness, consideration should be given to abolishing parallel structures in these two institutions. This concerns first and foremost the divided responsibilities for professional courses (ANQEP and the Ministry of Education) and apprenticeship courses (the IEFP and Minister of Labour, Solidarity and Social Security). Harmonisation should also be pursued regarding the different systems for the anticipation of labour market needs.

### ***Stabilise the financial basis of the Portuguese VET system***

Efforts should be made to stabilise the funding and broaden funding sources for the VET system in general and for ANQEP specifically. ANQEP's funding is very dependent on political priorities and the overall economic situation of Portugal, which makes it very difficult for ANQEP to make long-term plans. In addition, many programmes in Portugal's VET system are mostly financed by EU structural funds. This constitutes another source of insecurity, as these funds need to be renegotiated every seven years. With 90 employees, ANQEP is relatively understaffed, especially in comparison to other public agencies such as the IEFP and the Directorate-General for Education. It is therefore necessary to broaden and

stabilise the financial basis of ANQEP, for example by increasing the share of private funding sources or holding firms accountable financially. ANQEP needs to have sufficient financial and personnel resources to fulfil its tasks. The latest recruitment of new staff is a first step in the right direction.

### ***Engage the General Board in a meaningful way***

Formally, stakeholders are highly involved in the development of the National Qualifications System. However, in practice stakeholder engagement is a significant challenge for ANQEP. The role of the General Board is not perceived to be influential by stakeholders, even those who are members. For many, it is only a symbolic body that agrees on the annual programme of ANQEP without having a say in its work. However, the General Board could play a major role in fostering and improving Portugal's skills system as a large number of different actors – such as employers, schools, trade unions and inter-municipalities – are involved in its governance. The General Board could be used as a place where these different actors formulate their expectations and discuss politically how to promote the system. However, for this, board members would need the legitimisation by their organisation to discuss issues openly. The weak role of the General Board might be a consequence of the fact that intermediary associations are generally weak in Portugal. In this case, how to promote the capacities of these associations might need to be considered.

### ***Support the sectoral councils so that they can meet their duties***

The VET law gives responsibilities to sectoral councils that are unable to be met. Members of sectoral councils work voluntarily and are often experts in skills policies; however, they lack expertise in the development of qualifications. Despite this, they face an enormous catalogue of qualifications that they are required to regularly update. This task is particularly demanding given that they do not receive financial nor pedagogical support. As a result, stakeholders increasingly withdraw from their responsibilities in sectoral councils. In order to ensure that qualification standards are updated and meet the demands of the labour market, ANQEP increasingly takes over tasks, while the participation of stakeholders decreases. This, however, runs counter to the law's intention that skills are to be developed by experts from the field.

In order to solve these problems and stimulate ownership by stakeholders, ANQEP should focus on building the capacities of sectoral council members. One way to do this could be to equip the councils with more expertise regarding the work of updating qualifications. For example, ANQEP could develop a framework that describes the updating process step by step. All sectoral councils could be obliged to follow this framework when new qualification demands are identified. The implementation of the framework in each sectoral council could be supported by third-party experts. In addition, ANQEP could prescribe that qualifications within the National Catalogue of Qualifications need to be revised regularly. In Switzerland, for example, the new VET law requires revisions of training regulations every five years.

Regarding the relationship between ANQEP and sectoral council members, ANQEP could put more trust in the work of stakeholders. Consideration should be given to restricting ANQEP's role to providing administrative support to the councils and giving members of the sectoral councils sole responsibility for updating qualifications. To help councils better fulfil their role they should be provided with more support by third-party experts, as described above. In exchange, stakeholders would need to understand that participation in decision making comes with responsibilities. Stakeholders should (re-)develop a sense of ownership for VET and confidently fulfil their important role in sectoral councils and the General Board.

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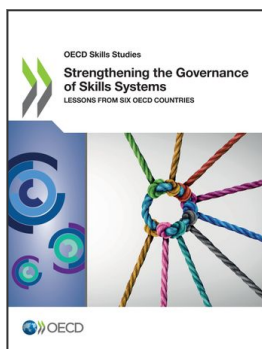
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## Notes

<sup>1</sup> Early leavers from education and training include all persons who have attained at most lower secondary level education (ISCED level 2) and who are currently not in education and training.

<sup>2</sup> The social partners were also part of this agreement. More on this is elaborated in the next section.





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