WP 2
NATIONAL REPORT
PORTUGAL

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1. BACKGROUND AND COUNTRY CONTEXT

1.1 National economy

The evolution of the Portuguese economy over the last twenty years has been highly uneven. From the late 80's to the late 90's the country experienced a period of prosperity, with a booming economic activity that translated into an improvement in living standards towards the European Union (EU) average levels. From the early 2000s onwards, however, the situation changed, with the country entering a period of poor economic performance, which implied an interruption in the real convergence process. The understanding of the main driving forces behind this disparate evolution and their impacts on the economy is fundamental to inform policymakers on reforms required to resume the real convergence process. The persistence of structural fragilities is a key issue, particularly in what concerns the low quality of production factors, which translates into low productivity levels, undermining the country's efficiency and international competitiveness. This is especially true with respect to the level of human capital (as proxied by formal education), which is low, when compared with the most advanced economies, posing a strong limitation to innovation, in particular in a context of skill-based technical progress.

Furthermore, the evolution of the Portuguese economy in the last decades has been marked by major changes in its environment, with a particular focus on the process of economic and financial liberalisation and integration. More specifically, in the last decade, one must highlight the country's participation in the euro area and the consequent elimination of the exchange rate risk premium. In the same period, the intensification of the globalisation process also played a key role, with the integration in the world trade of new players with low unit labour costs, and in many cases higher human capital levels, and an exports pattern similar to the Portuguese one.

1.2 General political context

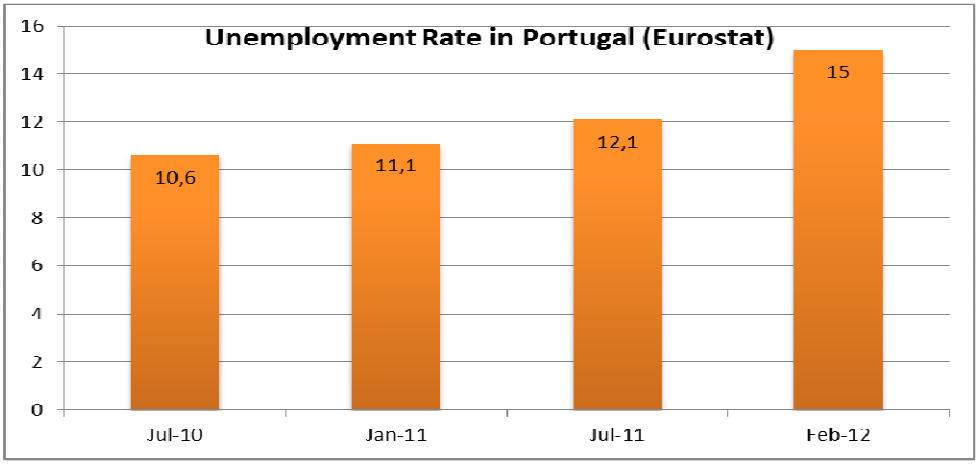
Portugal has been a democratic republic since the ratification of the Constitution of 1976, with Lisbon, the nation's largest city, as its capital. The constitution grants the division, or separation, of powers among legislative, executive, and judicial branches. The four main institutions as described in this constitution are the President of the Republic, the Parliament (known as the Assembly of the Republic), the Government, headed by a Prime Minister, and the courts.

Portugal operates a multi-party system of competitive legislatures/local administrative governments at the national-, regional- and local-levels. The Legislative Assembly, Regional Assemblies and local municipalities and/or parishes, are dominated by two political parties, the Socialist Party and the Social Democratic Party, in addition to the Portuguese Communist Party, Ecologist Party "The Greens", Left Bloc and the Democratic and Social Centre, which garner between 5 and 15% of the vote regularly.

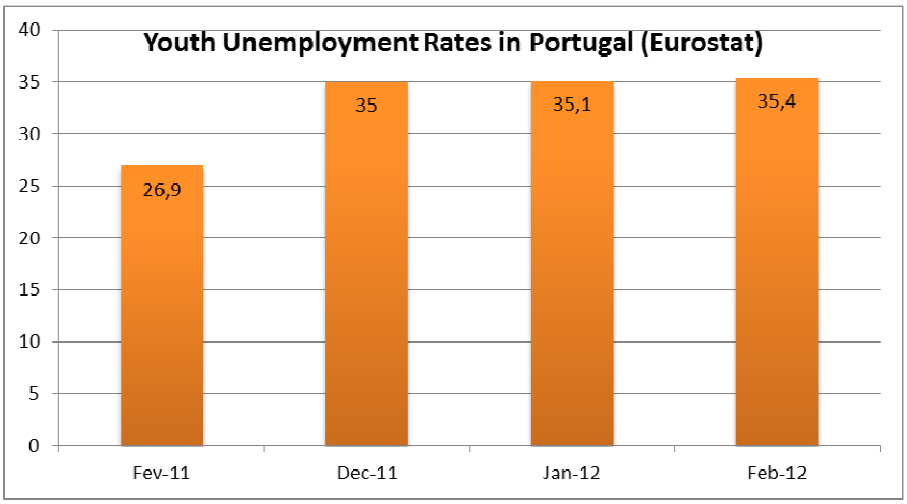
Administratively, Portugal is divided into 308 municipalities. Continental Portugal is agglomerated into 18 districts, while the archipelagos of the Azores and Madeira are governed as autonomous regions; the largest units, established since 1976. The 18 districts of mainland Portugal are: Aveiro, Beja, Braga, Bragança, Castelo Branco, Coimbra, Évora, Faro, Guarda, Leiria, Lisbon, Portalegre, Porto, Santarém, Setúbal, Viana do Castelo, Vila Real and Viseu. Within the European Union NUTS (Nomenclature of Territorial Units for Statistics) system, Portugal is divided into seven regions: the Azores, Alentejo, Algarve, Centro, Lisbon, Madeira and Norte, and with the exception of the Azores and Madeira, these NUTS areas are subdivided into 28 subregions.

1.3 Unemployment statistics

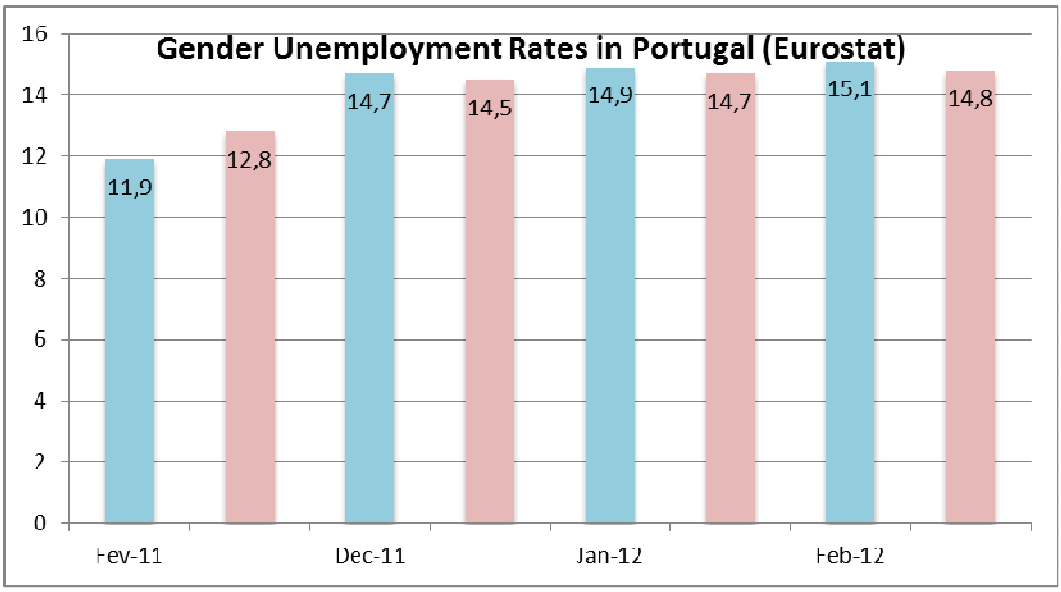
Portugal's jobless rate rose to 15 percent in the last February. The government forecasts unemployment will reach 13.4 percent in 2012 before it starts to decline in 2013.



The National Statistics Institute (INE) reported last week that 2011 ended with record Portuguese joblessness of 14%, while the 10-year youth bracket suffered unemployment of 35.4%.



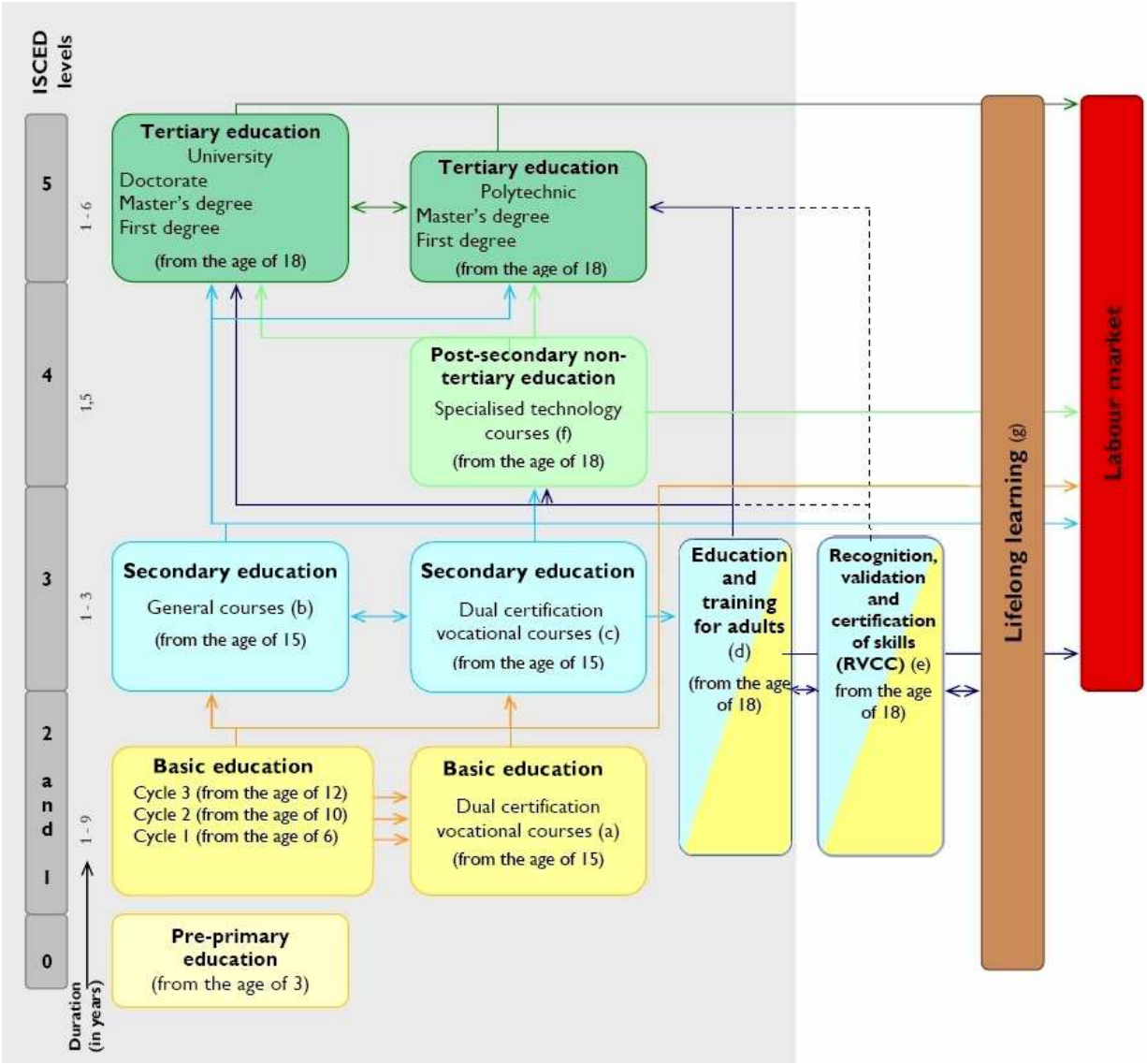
In terms of gender, the unemployment rates do not present significant differences between men (blue chart) and women (rose chart)



1.4 Vocational education and training

One of Portugal's recognised structural deficits by comparison with most of the EU-25 is the low levels of general education and vocational qualifications held by most people of working age. These levels have, however, been rising over the past few decades thanks to the entry into the labour market of a younger population which has benefited from the expansion of the education and training system and from the progressive expansion of education and training opportunities for adults.

The past few years have seen improvements in the Portuguese population's qualification levels and a reduction in school dropout rates. A range of programmes and measures are being implemented to counter these problems.



(a) Includes apprenticeships and education and training courses for young people who have not completed basic education.
(b) Includes courses in the sciences and humanities (science and technology; social and economic sciences; social and human sciences; languages and literature; visual arts).
(c) Includes vocational courses, apprenticeships, education and training courses for young people, technology courses and specialised art courses.
(d) Includes education and training courses for adults, leading to dual certification – academic ability and basiclevel and secondary-level qualifications.
(e) System that provides adults with recognition, validation and certification of basic-level and secondary-level skills and leads to a qualification.
(f) Specialised technology courses allow people to pursue their studies, with training being accredited as part of the tertiary education course to which the holder of a diploma in specialised technology is admitted.
(g) Includes continuing training leading to skills that can be recognised under the RVCC system.

1.5 VET policy in country

Over the past thirty years, a considerable effort was made to close the gap in average development standards between Portugal and the European Union, particularly regarding educational attainment. But more remains to be done: educational attainment of some 3.5 million people of working age is below secondary education, while some 485 000 young people (i.e. 45 % of the total) aged between 18 and 24 are working without having completed secondary education (Year 12 of school).

The Iniciativa Novas Oportunidades [New Opportunities Initiative] launched by the Government in 2005 aims to achieve a rapid improvement in the qualification levels of the Portuguese people, with Year 12 being set as the minimum reference qualification. This target is to be reached via a strategy focusing on two levels: (i) raising secondary education completion rates among young people, with strong measures to combat early school leaving and an investment in increasing the number of vocational training routes leading to dual certification of academic and vocational abilities; and (ii) improving the adult population's qualification levels via a combination of education and training for adults and a generalisation of the processes for recognising, validating and certifying skills.

The Quadro de Referência Estratégico Nacional 2007-2013 [National Strategic Reference Framework – QREN] also focuses on the qualifications of the Portuguese people as its priority, with the Programa Operacional Temático Potencial Humano [Operational Programme for Human Potential] being allocated a total of nine thousand million euro, of which 70 % to be spent on the New Opportunities Initiative.

In the area of tertiary education, Portugal has also set itself specific objectives for improving high-level training of human resources in science and technology and in research and innovation, with an aim to create a solid qualification base, consolidate institutions, generate employment in the sciences, ensure the coordination of tertiary-level training and employment in the sciences, bring researchers into enterprises and improve leadership in the sciences.

To achieve these aims, support is to be given to:

- masters, doctorate and post-doctorate programmes and grants;
- research programmes;
- placements in national institutions for researchers permanently employed abroad;
- promoting scientific and technological culture and employment in the sciences; also, implementing programmes for the expansion of the social base of tertiary education and the promotion of international mobility.

Tertiary education is also a focal area for implementation and development of the Bologna Process, in which Portugal has been making significant progress. In the academic year 2006/2007, some 38 % of courses available at study levels 1 and 2 complied with the rules introduced by the Bologna Process; in 2007/2008, this figure should rise to around 88 %. It is estimated that, by 2009/2010, all tertiary education will be organised in compliance with the Bologna Process.

Education and training policies are being accompanied in the field of employment by an extensive range of public technical and financial aids whose aim is to encourage entrepreneurship and job creation, focusing particularly on supporting young people's transition to working life and on combating long-term unemployment. One of the most important instruments here is the Programa de Estímulo à Oferta de Emprego [Programme to Promote Job Creation – PEOE]. Launched in 2001, it includes support, in the form of subsidies, for job creation, self-employment and the conversion of fixed-term employment contracts into permanent ones. Measures that support job creation by offering exemptions from social security contributions apply to thousands of young people and long-term unemployed people every year. Some very positive results have been achieved by work placements, whereby the State aids the fixed-term employment of young people by enterprises (current estimates suggest that some 70 % of young people involved in this scheme go on to

find permanent work), including international placements in economic sectors that are deemed to be of strategic importance to the country.

Most employment policy measures aim to achieve two objectives at once: to help people join the labour market and to raise their qualification levels. This is done by including a vocational training element, such as measures in the social employment market (the Portuguese term for social enterprises, i.e. occupational programmes, craft schools and start-up firms), introduced in the 1990s.

Employment measures are currently being reviewed, rationalised and systematised. In particular, in order to achieve the aim of establishing Year 12 as the minimum level of qualification for young people, support will no longer be provided for the employment of young people under the age of 23 who have neither completed secondary education nor are attending an education or training course.

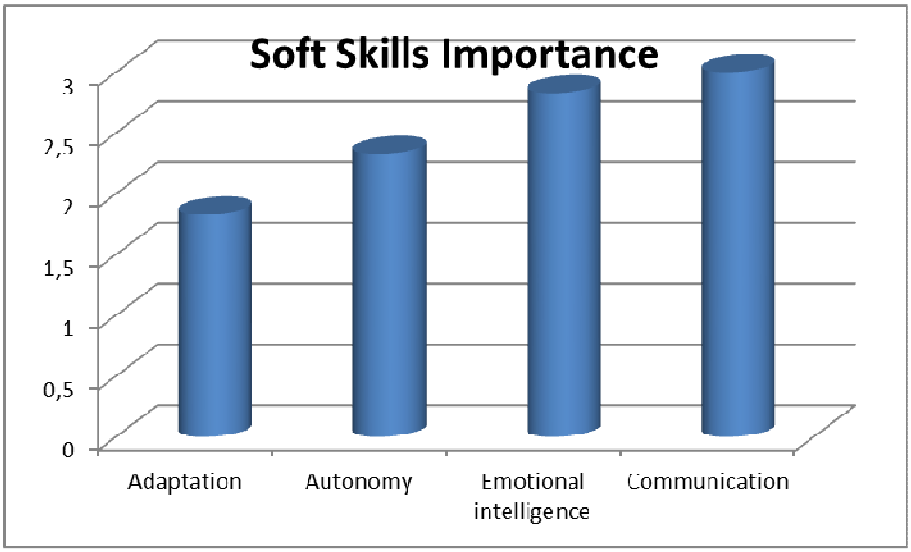
2. ORGANISATION / YOUTH INCLUSION EXPERT

	1	2	3	4	5	6
Sector	Tourism	Technological services	Youth Foundation	Public institute	Information technology	Energy
Headquarters	Cascais	Oeiras	Porto	Lisboa	Leiria	Lisboa
Scope	National	International	National	National	International	International
Main activities	Hotel Management Services	Inspection, certification and maintenance	Youth integration in work life	Entrepreneurial development	Consulting	Exploration and extraction of oil and natural gas, to transform and deliver energy
Employees	100 - 499	1000-4999	11-49	100-499	100-499	5000-10000
Youth employees	61 - 80%	21-40%	0-20%	0-20%	0-20%	0-20%
Annual turnover	2.000.000 – 9.999.999 €	50.000.000 – 99.999.999 €	2.000.000 – 9.999.999 €	not answered	2.000.000 – 9.999.999 €	> 100.000.000 €

3. QUESTIONNAIRE RESULTS

Which is the soft skill more important for your organisation?

Four of the six organisations selected "ability to adapt to an organisational environment" as the most important soft skill.



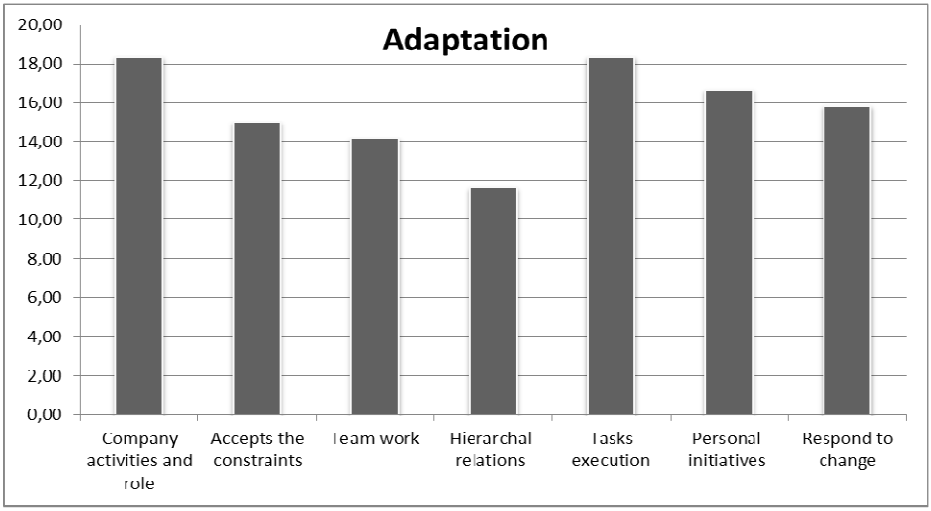
Which are the most common attitudes (lack of social skills) of the young unemployed that make it difficult for them to succeed in an organisational environment?

- Difficulty in meeting schedules
- Resistance to leader/manager
- Small degree of concentration
- Little scheduling flexibility
- Little technical knowledge
- Poor teamwork
- Poor language skills
- Lack of rigor and professionalism
- Little responsibility

- Immaturity
- Lack of pressure resistance
- Lack of participation
- Arrogance
- Excessive ambition
- Inability to accept the adverse contexts
- Difficulties in interpersonal communication
- Technical gaps

ABILITY TO ADAPT TO AN ORGANISATIONAL ENVIRONMENT

To what extent the following soft skills considered important when recruiting young unemployed people?

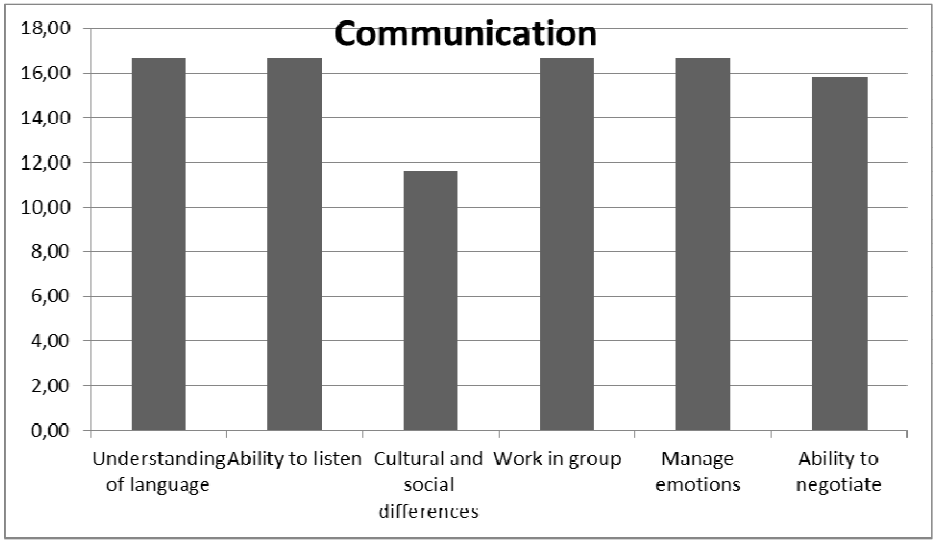


Are there other social skills that you consider fundamental and that were not specified above?

- Difficulty in respect older colleagues
- Lack of humility
- Difficulty to accept the rules

COMMUNICATION

To what extent the following soft skills considered important when recruiting young unemployed people?

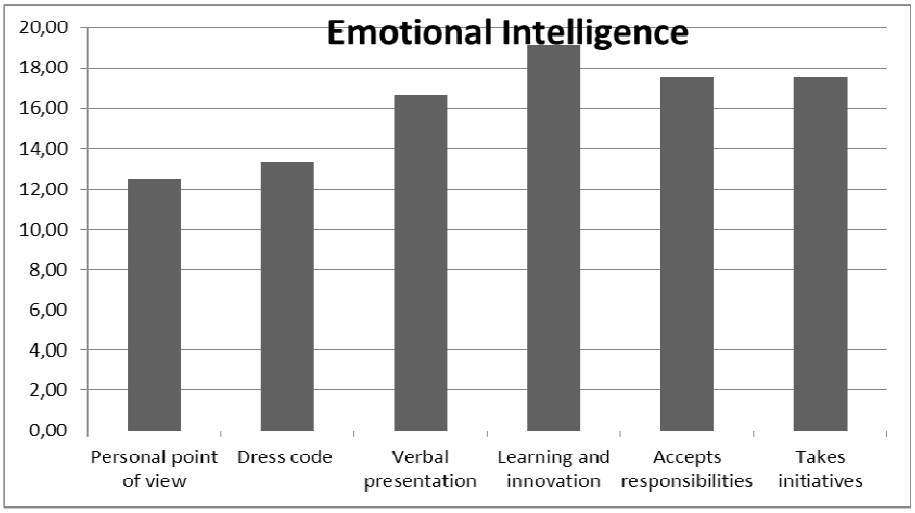


Are there other social skills that you consider fundamental and that were not specified above?

- Demonstrate an understanding of situations in multiple perspectives
- Use the same language of interlocutors
- Do not be afraid to ask

EMOTIONAL INTELLIGENCE

To what extent the following soft skills considered important when recruiting young unemployed people?



Which of the four types of Emotional Intelligence described by Daniel Goleman describes better the type of youth your organization prefers to recruit?

Reflective = 3

Conceptual = 1

Organized = 1

Tied = 1

Reasons:

- Our organization spends a lot of money to create a senior team. It is crucial that young employees recognize the experience. We also have a process system that works and therefore is necessary to hire someone to use and improve it where possible
- Orientation for efficient solutions

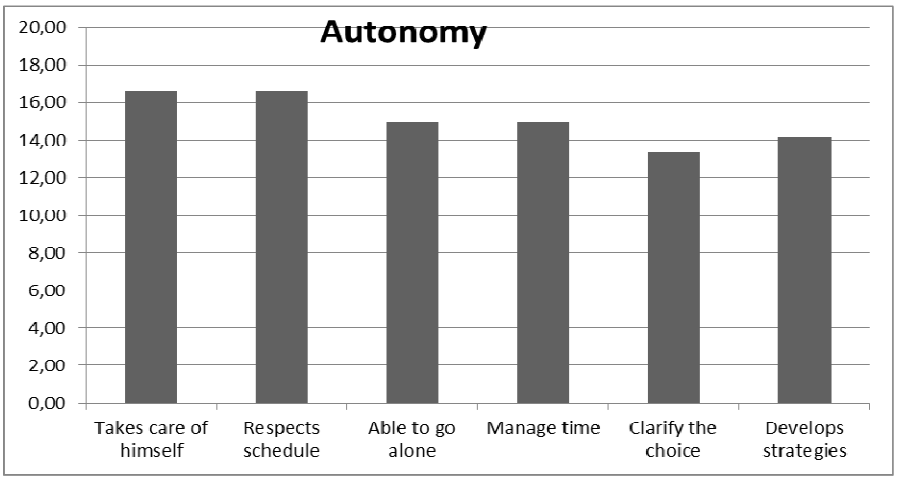
- Nowadays, each more people need to be more and more flexible and versatile, so people who can accomplish different tasks, present new solutions and like challenges are the most valuable
- Because they are the suited to the desired performance
- Someone wise can, in each situation, based on internal work methodologies and processes, understand which adjustments are necessary and contribute to problem solving
- The ability to take risks, speed in quality and innovation are clearly distinctive factors

Are there other social skills that you consider fundamental and that were not specified above?

- We do what we feel and we feel what we think. To know how to tell what we think respecting the other feelings is crucial….

AUTONOMY

To what extent the following soft skills considered important when recruiting young unemployed people?



Which of these sentences describes better your hiring staff selection procedures when you incorporate a youth to your enterprise?

Your organization does require only the skills needed for each position = 3

Your organization participates on a career planning process for apprenticeships = 5

NETWORKING

Does your organization value the creation of new business relationships within the industry, which allows you to an information exchange and best practices sharing?

- No
- Yes
- Yes, but the networking just make sense inside the same sector, to keep the same goal
- Yes
- Yes, even in training processes and team building

CHANGE MANAGEMENT

Which is the importance that your organization gives to the change management competences in your recruiting processes?

- Doesn't
- Some
- Increasingly, institutions are changing daily to better adapt to the market, so it is important to have a high capacity to manage
- Important to the extent that the admission of new people contributing to the weighting the differences of the team. Thus different people contribute and enhance the change inside people who already belong to the team

- The world is in permanent change. Who does not know how to adapt, will not follow the development. So this skill is essential.

Are there other social skills that you consider fundamental and that were not specified above?

- Yes, all skills related with social responsibility, since these valences are more and more relevant inside an organisation.

To which extent the soft skills we have been exploring actually contribute to find a job in the case of young unemployed people?

- It is essential in a demanding market with a society increasingly literate and instructed to give importance to social competencies. Mastering all of this information is an asset to all unemployed or employed
- If an unemployed youth have these social skills, know how to perform the required tasks, respect the hierarchy, be punctual, hardworking, team work, work for your organization to improve and expand, so has the necessary skills to find a job and be successful
- In case of doubt will, of course, the difference