

State of

SKILLS



International
Labour
Organization



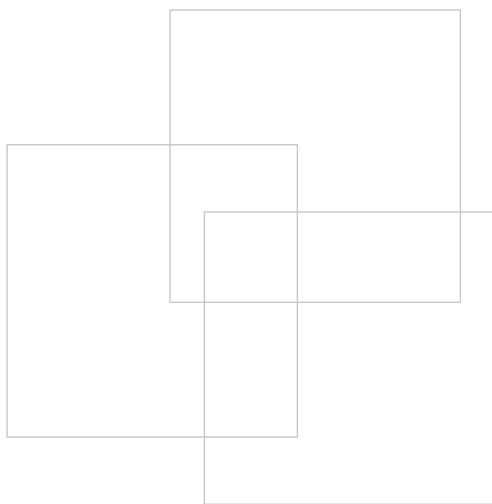
1919-2019



Panama

State of

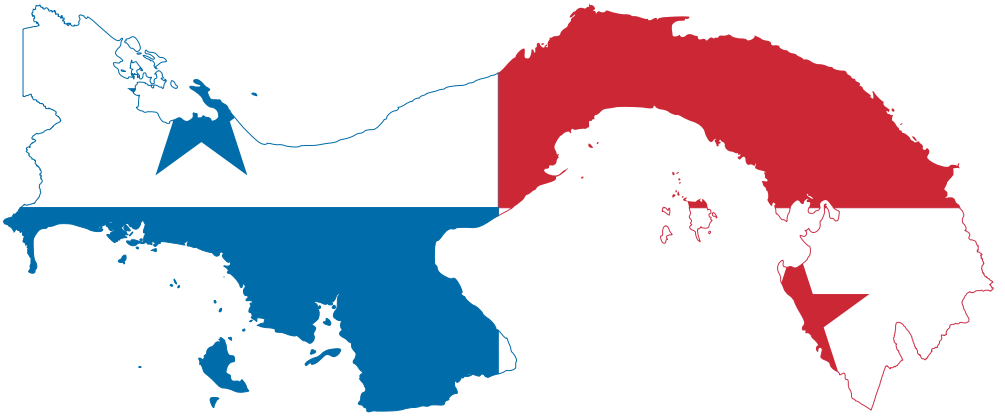
SKILLS



Panama

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The socio-economic context

Panama has achieved one of the highest economic growth rates in Latin America but at the same time faces great social inequalities that, added to a recent economic slowdown, require the country to improve the access, quality and relevance of its technical education and professional training offer. This has been one of the recommendations of a high-level tripartite created five years ago to lead a series of transformations that are currently taking place in the country.

Panama's strong growth rate contrasts with its deep social inequality.

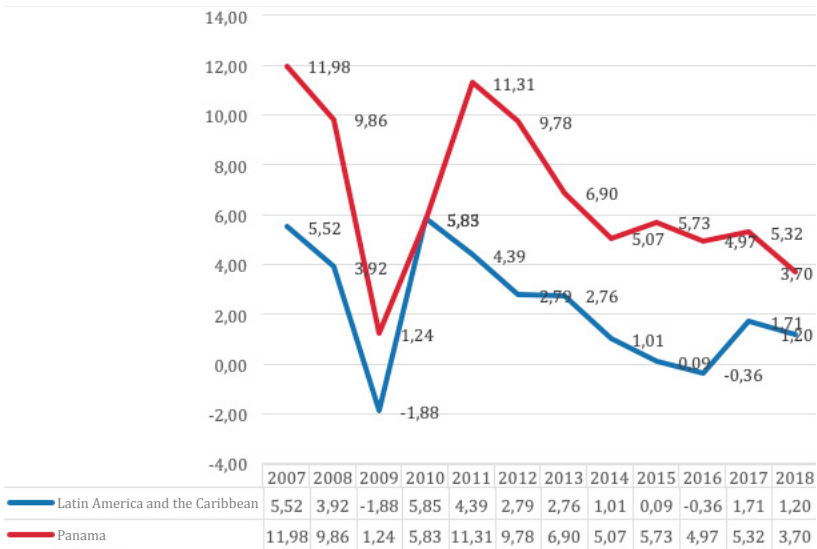
The country's economic growth, one of the highest rates in Latin America, has slowed in recent years, from 11.8 per cent to 3.7 per cent in 2018 (MEF, 2018), highlighting the need to increase productivity, and diversify and modernize the economy, which is concentrated on the Panama Canal. Between 2017 and 2018, Panama fell from 50th to 64th place on the competitiveness index (World Economic Forum, 2018),¹ due to factors that included a poor education and vocational training system. As a result, there are limited opportunities to develop key skills, anticipate which skills will be required, and remove barriers to public access due to geography, ethnic group, gender and/or age. The Gini index,² which rose just over 2 points from 48.7 in 1979 to 49.9 in 2017 (World Bank, 2019), shows that social inequality has not subsided. Despite a per capita GDP of US\$15,088 (World Bank, 2019), and being one of the region's four countries with the highest human development index (0.788 in 2015) (UNDP, 2015), Panama is facing a situation in which 19.1 per cent of its nearly 5 million inhabitants is living in multidimensional poverty, a figure that rises to 93 per cent in remote areas inhabited by indigenous peoples (Republic of Panama, 2018).

¹ The World Economic Forum calculates countries' competitiveness index annually by measuring environmental factors (institutions, infrastructure, information and communication technology adoption, macroeconomic stability), human capital (health, skills), the market (products, labour market, financial sector, market size) and the innovation ecosystem. In 2018, 139 other economies were ranked, in addition to Panama.

² The Gini index or coefficient is an economic measurement that is used to gauge income inequality among the citizens of a country or territory. The coefficient ranges from 0 (or 0%) to 1 (or 100%), with 0 representing perfect equality and 1 representing perfect inequality.

Panama has identified initiatives to eradicate extreme poverty, halve multidimensional poverty, and generate a social protection system with a focus on vulnerable populations (Government of Panama, 2015-2019 Strategic Government (2017)).

Figure 1. GDP growth rate in Panama compared with Latin America and the Caribbean.



Source: Based on INEC (2018) and the World Bank (2019).

The education and training system is of poor quality; school drop-out rates are high, and training paths are incomplete.

Total education coverage is 63.6 per cent, with a figure of 1.7 per cent³ for early education, rising to 95.8 per cent for primary education, before declining to 54.3 per cent for secondary school.⁴ The intra-annual drop-out rate⁵ for all levels is 1.9 per cent, and 2.7 per cent for pre-secondary and secondary education (MEDUCA, 2017). Panama ranks fifth in terms of school dropout rates in the Latin American region (UNESCO, 2013). Between 2010 and 2016, 38,285 students dropped out to engage in casual work (UNICEF, 2018). Meanwhile, 55 per cent of young people entering university drop out by their second year (UNDP, 2014). Domestic learning assessments, as well as Programme for International Student Assessment (PISA) tests held in 2009 (OECD, 2018), and the Third Regional Comparative and Explanatory Study (TERCE) (UNESCO, 2016), show that children and young people lack the skills required to function in everyday situations, participate successfully in higher levels of education, and enter the labour market.

³ In spite of being free, universal and compulsory according to the Organic Law 47 of Education.

⁴ Equivalent to upper secondary education Level 3 of the International Standard Classification of Education (UNESCO, 2011).

⁵ The intra-annual drop-out rate is the total number of students who leave school before completing a degree at a specific educational level. It is expressed as a percentage of total enrolment for the relevant school year at primary, pre-secondary and secondary levels.

Lack of skills widens gaps related to access to decent work.

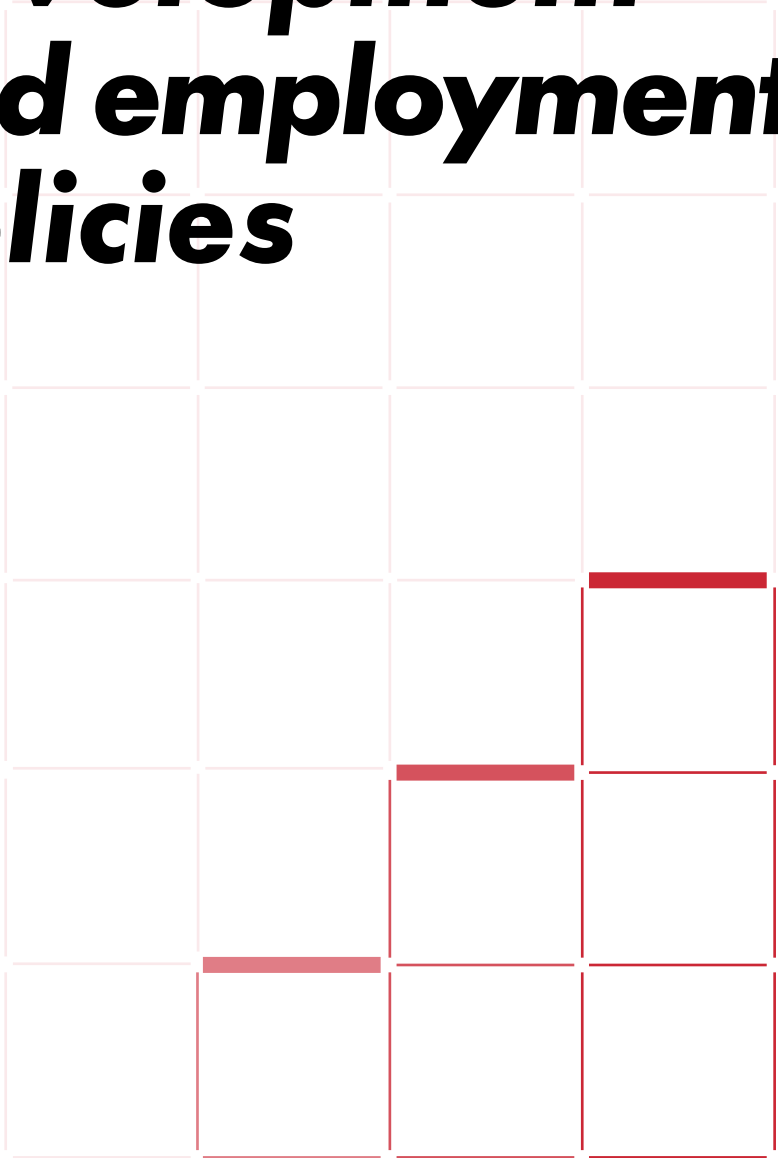
Vulnerability, especially among youth and women, is reflected in the overall unemployment rate of 6.1 per cent, which rises to 16.5 per cent for 15 to 24 year olds, and 7.9 per cent for women (ILO, 2018), as well as in a level of informal employment which has increased by 3 percentage points per year since 2013, and an underemployment rate of 13 per cent among those aged 15 and older (INE, 2019). Efforts to improve this situation have proved unsuccessful, due to limited access to quality education. This in turn restricts access to decent work, with employers complaining of difficulties in finding personnel with the skills they require, especially soft skills.

Table 1. Unemployment rates, Panama, 2013–2018.

	2013	2014	2015	2016	2017	2018*
Global	4.1	4.8	5.1	5.5	6.1	5.8
Between 15 and 24 years	10.8	12.6	13.1	13.7	16.5	15.5
25 years and older	2.7	3.3	3.5	3.9	4.1	3.8
Men	3.3	4.0	4.2	4.7	5.0	4.3
Women	5.3	6.0	6.2	6.7	7.7	7.9
Note: It should be observed that there is hidden unemployment in Panama. *Third quarter average.						

Source: International Labour Organization Labour Overview 2018, Latin America and the Caribbean, ILO Regional Office for Latin America and the Caribbean.

Development and employment policies



In 2014, the Presidency of the Republic, together with the Ministry of Labour and Workforce Development (MITRADEL) formed a High Commission on Employment Public Policy for Technical and Vocational Occupations (hereafter known as the High Commission), a tripartite body which, after engaging in diagnostic analysis and social dialogue, identified five strategic areas of work:

- I.** Synchronizing the vocational training system with the needs of the production sector, as well as with the country's education and economic policies.
- II.** Strengthening the relevance and quality of training offered at technical levels.
- III.** Increasing inclusion and access to vocational training services for vulnerable population groups.
- IV.** Promoting the social status of technical careers.
- V.** Ensuring funding to develop the vocational training system.

These five strategic areas contain 19 priority actions, for which progress has been uneven. However, a shared vision has been built on the basis of social dialogue, which is expected to become a point of reference for medium-term policy.

“All have the right to an education, and the responsibility to become educated. The State organizes and directs national education as a public service, and guarantees parents the right to participate in the process of their children’s education.”





– Constitution of the Republic of Panama

Article 91


The skills system in Panama



TVET reform policies

One of the strategic areas identified by the High Commission involves strengthening synchronization of the vocational training system with the needs of the productive sector, as well as with economic and education policies. To this end, three recommendations were made:

- I.** Create a permanent consultative council to support implementation of the proposed strategy. The council was launched with the support of the International Labour Organization (ILO); it ensures the continuity of actions aimed at reinforcing the vocational training system.
- II.** Establish a Vice Ministry of Employment within MITRADEL. Although this has not yet been formed, action has been taken in keeping with the recommendation – to strength job placement systems within MITRADEL.
- III.** Foster synchronization between education and vocational training, incorporating actions to generate meaningful information for the design, evaluation and adjustment of training and employment policies.



One of the High Commission's proposals was to establish a National Qualifications Framework (NQF) as a tool for organizing the supply of qualifications granted in the country, in order to detect the learning outcomes achieved in education or vocational training, or those that an individual achieves on the basis of experience. The NQF aligns available training and education with the needs of the productive sector by means of a range of descriptors and skill levels, thereby improving the quality and relevance of training, and of human talent.

In order to meet the needs of the country's strategic sectors (tourism, industry, construction, logistics and business), and generate an attractive range of opportunities for secondary education graduates, the Specialized Higher Technical Institute (ITSE) was established. With more than \$200 million invested in infrastructure and allocations, curriculum design and the training of trainers drawn mainly from the business world, the ITSE offers programmes lasting 1 or 2 years, based on a comprehensive training model for technical and personal skills (Secretaría de Metas [Goals Secretariat], 2019). It began operations in April 2019 with 150 students, and plans to reach an enrolment level of 5,000 participants within 2 years.



Governance

The National Vocational Training Institute was created in 1983, and was restructured in 2006 as the National Institute for Vocational Training and Human Development Capacity-Building (INADEH). This is an administratively, technically and financially autonomous body with a tripartite board of directors, in charge of leading the vocational training system and providing guidance, organization, evaluation and certification of all activities related to vocational, job and entrepreneurial management training (Republic of Panama, 2006). Dual vocational training was regulated in 1997,⁶ with very limited implementation to date, despite being a central feature of the system. INADEH also plays an important role in guiding skills standardization and certification. There are no procedures to ensure the quality of any of the private technical training providers. In addition, there is no synergy between the training available and the productive sector, nor is there any coordination to establish training paths to facilitate people's mobility within the training system, or to promote lifelong learning. As a result, a 2016–2020 Strategic Plan for INADEH was developed in 2016, with the following objectives: i) to reposition INADEH as the governing body of the vocational training system; ii) to strengthen its infrastructure; iii) to improve the quality and relevance of the training available; and iv) to increase its operational and budget management capacity (INADEH, 2017).

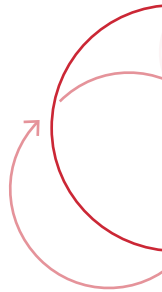
INADEH has initiated actions to improve its funding system, strengthen its programmes and design a management model for its training centers. These activities will be financed by an external credit being negotiated with the government.

⁶ Also known as 'apprenticeship'.

Social dialogue

In 2015, Panama adopted the ILO's Tripartite Consultation Convention, which has bolstered the relationship between employers and workers with a view to adopting new and flexible norms to protect workers (ILO, 2018). Social dialogue is dynamic, and has focused on improving the quality of the education and technical and vocational training available, and its synchronization with skills development needs voiced by employers. In addition to the setting up of the High Commission, the National Coalition for Development Council was launched in 2006, with the aim of providing follow-up to targets and agreements for the country's development within the framework of the 2030 Agenda for Sustainable Development.

The Council includes political parties, the National Organized Workers Council, the National Private Enterprises Council, professional associations from different sectors, higher education institutions, and social organizations, including those representing indigenous peoples. Within this body, a National Technical Training and Capacity-Building Plan was developed for vulnerable and disadvantaged populations, including a training, capacity-building and project development plan to promote entrepreneurship and job placement. In addition, the Council has taken steps to facilitate mechanisms aimed at promoting access to employment for vulnerable populations, particularly in the agriculture sector, and at including informal workers and micro-entrepreneurs in the social security system. The working group formed to follow up these actions answers to MITRADEL, and has received support from the ILO.



Financing

Vocational training, led by INADEH, receives funds from Education Insurance, a tax paid by employers (1.50 per cent) on workers' wages, by workers in both public and private sectors (1.25 per cent) on wages received, and by self-employed workers (2 per cent). The Ministry of Education (MEDUCA) is allocated 27 per cent of the resources raised by this tax. The remaining 73 per cent is distributed to national grants programmes and credit for education (58 per cent), vocational training currently led by INADEH (14 per cent), agricultural education (6 per cent), educational radio and television (6 per cent), trade union education (5 per cent), cooperative education (5 per cent), lifelong education and training for human resources in the productive sector (3 per cent), private sector dual education (1.5 per cent), and teacher training (1 per cent). In 2018, INADEH was allocated a budget of \$48.5 million (MEF, 2019).

The High Commission had planned to identify mechanisms to redistribute the resources of Education Insurance and allocate a higher percentage to INADEH, in order to reduce the funds derived from the general budget, thereby avoiding having to depend on the discretionary allocation of resources by the Government. The High Commission also proposed promoting co-financing from the private sector, in order to encourage its participation in training personnel in both technical and soft skills. Similarly, it suggested that scholarship programmes could cover the population accessing technical and vocational training. Despite the recommendations, these actions have not been fully implemented.



Skills anticipation

In 2018, 35 per cent of employers reported finding it difficult to fill vacancies, mainly due to lack of experience (27 per cent), lack of hard skills for the job (21 per cent), insufficient candidates (16 per cent), and poor soft skills (8 per cent), with technical staff being the most difficult to source. The talent shortage rises to 56 per cent in companies with more than 250 employees (Manpower Group, 2018).

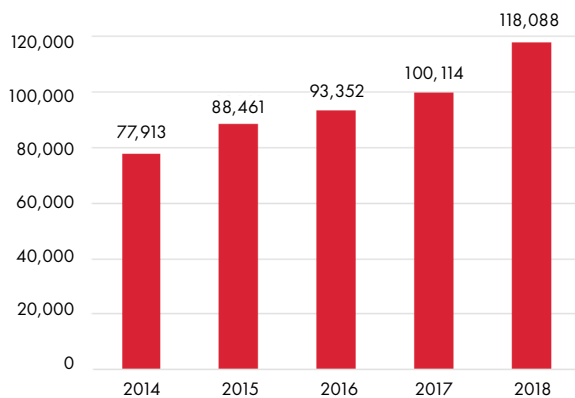
The High Commission identified the main causes of the skills gap as: lack of mechanisms to anticipate the need for human talent; weak coordination between different levels, partly due to regulatory restrictions; lack of quality assurance systems; and low investment in education and vocational training (MITRADEL, 2014). While some studies have been conducted on the skills required in specific sectors, such as logistics (Inter-American Development Bank (IADB) and Ministry of Commerce and Industry of Panama, 2014), tourism, transport and agriculture (IADB and Ministry of Commerce and Industry of Panama, 2015) these have only focused on specific areas.

In 2017, the Ministry of Labour and Workforce Development created a Labour Market Intelligence Unit in order to anticipate employment trends and foresee the skills required; however, the unit has made little progress to date. In addition, in late 2018, work began on setting up INADEH's Technological and Occupational Foresight Centre, an initiative launched with the support of the International Centre for Sustainable Development, the National Competitiveness Centre, and Brazil's National Industrial Apprenticeship Service. Moreover, MITRADEL has designed a Panama Human Talent technological platform, with support from the ILO, which provides information on the location of both MEDUCA and INADEH training centres. This is a valuable tool to facilitate conditions for synchronizing labour supply and demand, and together with MITRADEL's career guidance activities, it could make a significant contribution in the medium term to reducing information asymmetries.

Skills development

Technical and vocational training in Panama is delivered by a wide range of institutions of varying characteristics and quality. This is one of the reasons that it was considered crucial to develop a National Qualifications Framework, so as to organize, regulate and generate input for the quality assurance system, and enable the various education and training providers to gear themselves towards supplying the skills demanded by the productive sector. Besides being the governing body for vocational training in the country, INADEH is also its principal provider. Between 2014 and 2018, a sustained growth trend was observed in the number of INADEH enrolments (from 77,913 to 118,088) and graduates (from 50,834 to 86,062) (Ministry of Economy and Finance, 2014–2018), as a result of expanding programmes, equipment renewal, and actions to strengthen training centres in the provinces.

Figure 2. Number of enrolments, INADEH, 2014-2018.



Source: Based on economic and social reports, 2014–2018, Ministry of Economy and Finance.

Improving Delivery and Assessment of Training

Figure 3. Technical education and vocational training offer.

Professional training educational offer	
Higher education: specialized training - technologists: universities	
Higher education: general and professional technical training: universities	
Non-university Higher Technician: ITSE	INADEH vocational training
Non-university technical education: official and private ITS	Programmes for young people and adults: updating the labor and professional training of INADEH service workers
	Programmes for youth and adults: training and job training INADEH
	Programmes for youth and adults: training for work in general and specific occupations INADEH
	Intermediate careers: intermediate technician - IPHE

Source: Based on economic and social reports, 2014–2018, Ministry of Economy and Finance.

As shown in Figure 3, technical education is partly supplied by technical vocational institutes under the Ministry of Education, with close to 50,000 students a year in technical secondary education,⁷ enrolled in 14 programme areas (electricity, electronics, construction, trade, tourism and others), resulting from a curriculum transformation conducted in 2015. In addition, there are 7 public higher education institutes and 105 private ones, which provide non-university technical post-secondary education. A Panamanian Special Qualification Institute (IPHE) caters to students with disabilities (IPHE, 2018). The universities also have technical programmes, and non-university post-secondary programmes are available, offered by Specialized Higher Technical Institute. Furthermore, INADEH offers a range of programmes⁸ (5.1 per cent) and short courses⁹ (94.4 per cent) in its 22 training centres located in different provinces (INADEH, 2018). There are 185 classrooms, 142 workshops, 92 laboratories and 49 multipurpose classrooms, albeit with deficiencies resulting from a lack of proper maintenance and obsolescent facilities (INADEH, 2017). These cover 9.5 per cent of young people between 15 and 24 years of age – that is, 73,881 of the 777,698 in the country as a whole (ILO, 2017).

⁷ There are three secondary education grades, equivalent to upper secondary education, Level 3 of the International Standard Classification of Education (UNESCO, 2011).

⁸ A process that aims to develop skills, with a duration of between 301 and 2,000 hours.

⁹ Specific training activities in a specific subject or area, with a duration of between 40 and 300 hours.

In 2018, INADEH's enrolment increased by 15 per cent, reaching 118,088 people, of whom 68 per cent enrolled in programmes related to trade and services (mainly languages, information technologies and hospitality), 25 per cent in those linked to industries (crafts, civil construction, electricity, electronics and refrigeration), and 5 per cent in those connected to agriculture (cattle and poultry) (MEF, 2018).

INADEH accounts for nearly 61 per cent of total enrolments in all the technical education and vocational training programmes available, including technical secondary education. In 2017, only 3 per cent of young people (2,124) were apprentices¹⁰ (ILO and CINTERFOR, 2017), due to the scant development of dual training, as a result of the absence of incentives for companies. This is despite the existence of a regulatory framework that regulates dual training, allocates 1.5 per cent of Education Insurance to it, and invites the productive sector to participate in making. Although it was relaunched as one of the initiatives of the High Commission, dual training has only been implemented in 0.03 per cent of INADEH's courses.

¹⁰ Apprentices are young people aged between 14 and 18, who enter into apprenticeship contracts with companies. As a result, they receive financial compensation amounting to 70 per cent of the minimum wage and have regular access to the technological and practical knowledge that will enable them to engage in a skilled occupation. Apprenticeship contracts, as well as residences and internships, are learning modalities for which conditions are established for employers, training, and the young people involved.

While social expectations continue to give priority to university education, partly due to the scant information available on technical education and vocational training, perceptions have been evolving, thanks to both vocational training and vocational guidance programmes developed by the Government and private bodies. Women, secondary school students and their families generally have a positive view of technical and vocational training as a factor in personal development and social mobility. In fact, 92 per cent of INADEH students, 78 per cent of its graduates, 72 per cent of pre-secondary education students (International Standard Classification of Education (ISCED) Level 2, lower secondary), and 78 per cent of secondary education students value technical and vocational training positively (Inter-American Development Bank, 2016).



Skills recognition and quality assurance

The National Skills Standardization and Certification System, including labour, generic and cross-cutting skills, was entrusted to INADEH. To this end, the National Skills Commission was formed, which in 2011 produced 94 labour competency standards in 3 sectors (construction, computer science and communications, and tourism). However, INADEH was not able to develop the necessary internal capacity to move forward in developing labour competency standards in other sectors, or to promote their use. As a result, there are no clear signals as to the relevance of the skills that the programmes should target, and incorporation of the competency-based training approach has been limited. This in turn has had an impact on the capacity to generate the learning outcomes expected by the productive sector.

The skills certification process has also suffered, inasmuch as there are no reference points to help bring it about, thereby limiting the possibility of recognizing any empirical learning that people may have gained. Thanks to the interest and support of the Panamanian Chamber of Construction, 37 people have been certified in the construction sector so far. However, there are no regulatory mechanisms for the recognition of learning obtained through experience, a factor that is particularly important in dynamic sectors such as construction, as well as in others that are being targeted for development, such as tourism and agriculture.

Moreover, although the 2006 regulatory framework provided for the creation of a National Quality Management Commission, INADEH's governance does not include a body that oversees the quality assurance system of that organization's training centres, nor that of private providers. In fact, the authorization procedures for the latter are weak, in relation to both the identification of their quality status and their control processes, which focus largely on the legal framework for obtaining an operating licence. Work has not yet begun on the design and operation of a national registry for training and capacity building. In 2017, with the support of the Cooperative Labour and School Activity Group, INADEH began to plan a management model for its training centres; this is scheduled to be implemented gradually in all centres over a period of four years.

By June 2019, as a result of technical cooperation between the Development Bank of Latin America, the ILO, the Inter-American Centre for Knowledge Development in Vocational Training (ILO/Cinterfor), and MITRADEL, a structured National Qualifications Framework matrix was made available, as well as an implementation roadmap and a governance proposal suggested by the steering commission created by the High Commission for this purpose. Government actors, public and private providers of education, technical training and vocational training, as well as workers' organizations, productive sector associations and other bodies related to human talent management have participated in this NQF Commission. As previously mentioned, the NQF will make it possible to move forward in recognizing skills acquired through work experience, and will help to organize the existing supply. It will also facilitate the identification of mechanisms to overcome regulatory restrictions that prevent the establishment of equivalence between learning obtained from different providers, and which limit transfers between them.

Social inclusion

The constraints faced by ethnic groups, rural populations, women and young people in accessing quality social services extends also to technical education and vocational training.

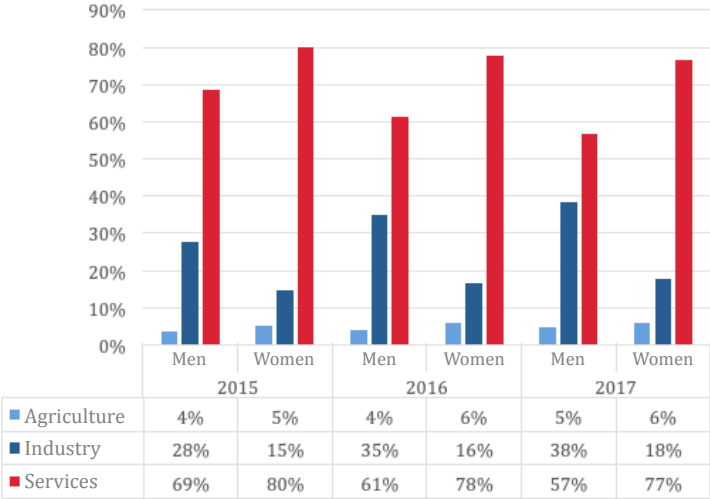


(© ILO)

Accessing skills development

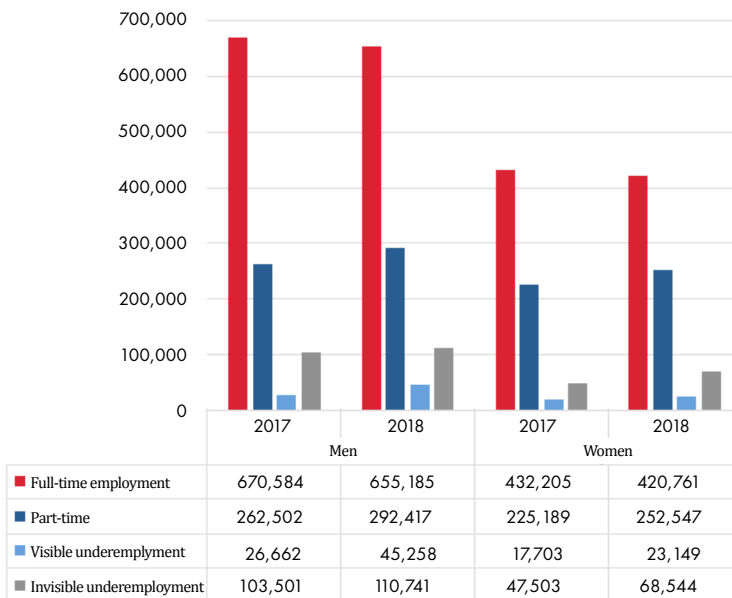
As previously observed, Panama faces deep social inequalities, with girls, children, youth, women and indigenous populations being the most seriously affected. Some 56 per cent of enrolments at INADEH are by women, and 44 per cent by men (National Secretariat for Science and Technology, 2018). Female participation in vocational training focuses primarily on programmes associated with the services sector (77 per cent), and to a lesser extent on the industrial (18 per cent) and agricultural (6 per cent) sectors (National Secretariat for Science and Technology, 2018). This shows the persistence of gender stereotypes that keep women from activities related to science, technology, engineering and mathematics (STEM) – putting them at risk given the shifts in workforce composition anticipated with the advent of the fourth industrial revolution. Despite improving employment indicators over the past decade, it should be noted that while women are more highly trained, they have fewer opportunities than men (230,000 fewer women) to gain access to full employment (230,000 fewer women are currently employed) (MEF, 2018).

Figure 4. Participation percentages in INADEH programmes for men and women, by industry, 2015–2017.



Source: Based on INADEH, cited by SENACYT, 2018.

Figure 5. Employment characteristics for men and women, 2017–2018.



Source: Republic of Panama National Statistics Institute, data based on the National Household Survey, 2017–2018.

In 2017, the Panamanian Special Qualification Institute, together with INADEH, provided training to 1,048 young people with disabilities (IPHE, 2017). In addition, MITRADEL has an initiative called the Job Placement Programme for Persons with Disabilities, which aims to eradicate inequality and promote the employability of such people (nearly 970,000 nationwide), by means of guidance, technical training and labour market intermediation. The programme seeks to comply with regulations requiring companies with more than 25 employees to hire disabled people to fill 2 per cent of their staff requirements. An Employment Support Programme caters for people with intellectual disabilities, and offers scholarships for people with disabilities at the Training Institute for the Development of Human Resources (IFARHU).



Supporting transitions to the labour market

In order to facilitate transition to the labour market, between 2015 and 2019, the Ministry of Labour and Labour Development (MITRADEL) has taken five steps:

- I.** A Job Placement Programme has been designed in order to facilitate job placement for young drop-outs from the regular education subsystem, youth at risk, young women heads of household, adult graduates of general basic education, unemployed persons, and informal workers, by means of vocational training and capacity building.
- II.** Scholarships have been awarded to 978 young people, with the purpose of providing basic work experience to help develop a variety of skills.
- III.** The PROJOVEN Programme was launched, catering for public technical school graduates, in order to develop their soft skills through vocational guidance workshops, internships and tutoring.
- IV.** The Career Guidance and Employment Programme was implemented, and in 2017 it provided information to 16,430 young people aged between 15 and 18 in public educational institutions, on occupational trends and available training programmes.

Lifelong learning

Drop-out rates in Panama are high, and 3 out of 10 children fail to continue to the end of secondary education (ISCED Level 3, upper secondary education) (High Commission, 2014). This has an impact on their opportunities to establish a learning process throughout their lives. In order to generate options to incorporate youth in vocational training programmes, particularly those who do not carry onto post-secondary education, the High Commission recommended lowering the age of admission to INADEH to 15 years.

To promote continued training, IFARHU grants credits for higher education within and outside Panama, allocates grants covering tuition, and delivers maintenance support. Moreover, developments are expected in the area of lifelong learning through the National Qualifications Framework, once training and job trajectories have been defined, and the regulatory changes needed to facilitate the transition and mobility of people throughout their formative lives have been established.



Key challenges

1 Deficiencies in key skills training for equitable and sustainable economic and social development.

The poor quality of basic and secondary education and high drop-out rates, and weaknesses affecting the quality and relevance of technical education and vocational training, prevent the development of skills that the country requires in order to increase productivity, improve competitiveness, strengthen its new industries, maintain economic growth and redistribute the benefits of development equitably. The population's poor performance in basic (reading and mathematics), technical and soft skills reduces people's chances of advancing on the path of lifelong learning, broadening their job placement opportunities, and improving their quality of life.

2 Limited progress of skills anticipation mechanisms.

Despite efforts made in this area in recent years, there is a need to reinforce systems for skills anticipation and to detect potential gaps, and for the business sector to generate the required data on a regular basis. To this end, it should adopt appropriate mechanisms, using technology where possible, to generate comprehensive, timely and easy-to-use information, in order to design, follow up on and evaluate the supply of skills training available. The productive sector was involved in the curriculum development process of the new programmes implemented by the new Instituto Técnico Superior Especializado (ITSE). However, in general, its involvement in this area is limited.

3 **Fragmented and uncoordinated supply of technical education and vocational training.**

The education system lacks synchronization in terms of learning outcomes that a person can demonstrate in the workplace. Nor is there a mobility plan to foster staying within the system and accumulating capacity either vertically or horizontally; this exacerbates the duplication of efforts and difficulties in setting out lifelong training and career trajectories. For the productive sector, profiles are not clearly identifiable and distinguishable.

4 **Stagnation of skills standardization and certification processes.**

Lack of progress in labour skills standardization and certification processes hinders the design of relevant profiles and the mainstreaming of competency-based training, as well as the ability of providers to respond to the demands of the productive sector efficiently, and recognize learning derived from work experience.

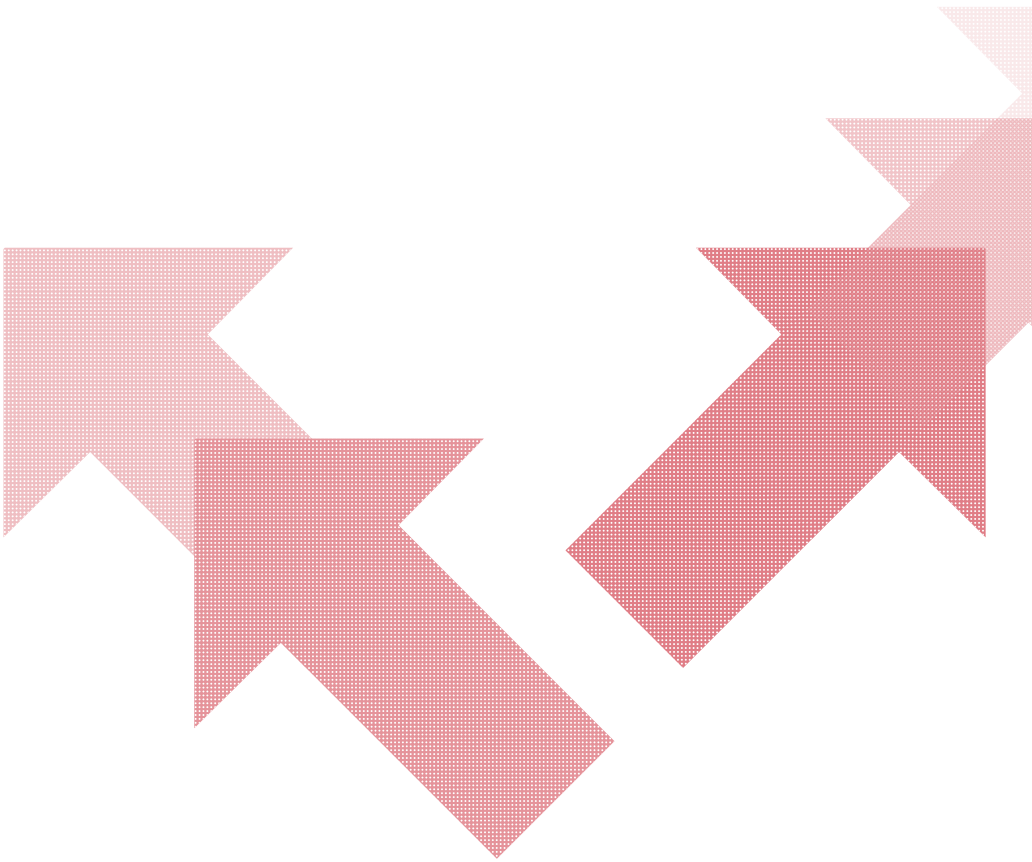
5 Lack of a technical and vocational training quality assurance system.

Many actors, both public and private, offer technical education and vocational training. However, there is no system to ensure quality, in order to incorporate desirable conditions in the training supply. ng derived from work experience.

6 Effective progress of social dialogue in defining state policies and implementing specific and sustained action.

The High Commission and its Permanent Consultative Council are platforms for social dialogue that have fostered the development of a shared vision of the obstacles related to human talent. It is a challenge to move from recommendations to action, and from government to state policy, in order to consolidate efforts and achieve sustainable strategies in terms of employment, anticipation of human talent needs, skills training and other matters, and thus prevent the burn-out of social dialogue platforms.

The way forward





1 Developing key skills through inclusive and quality education.

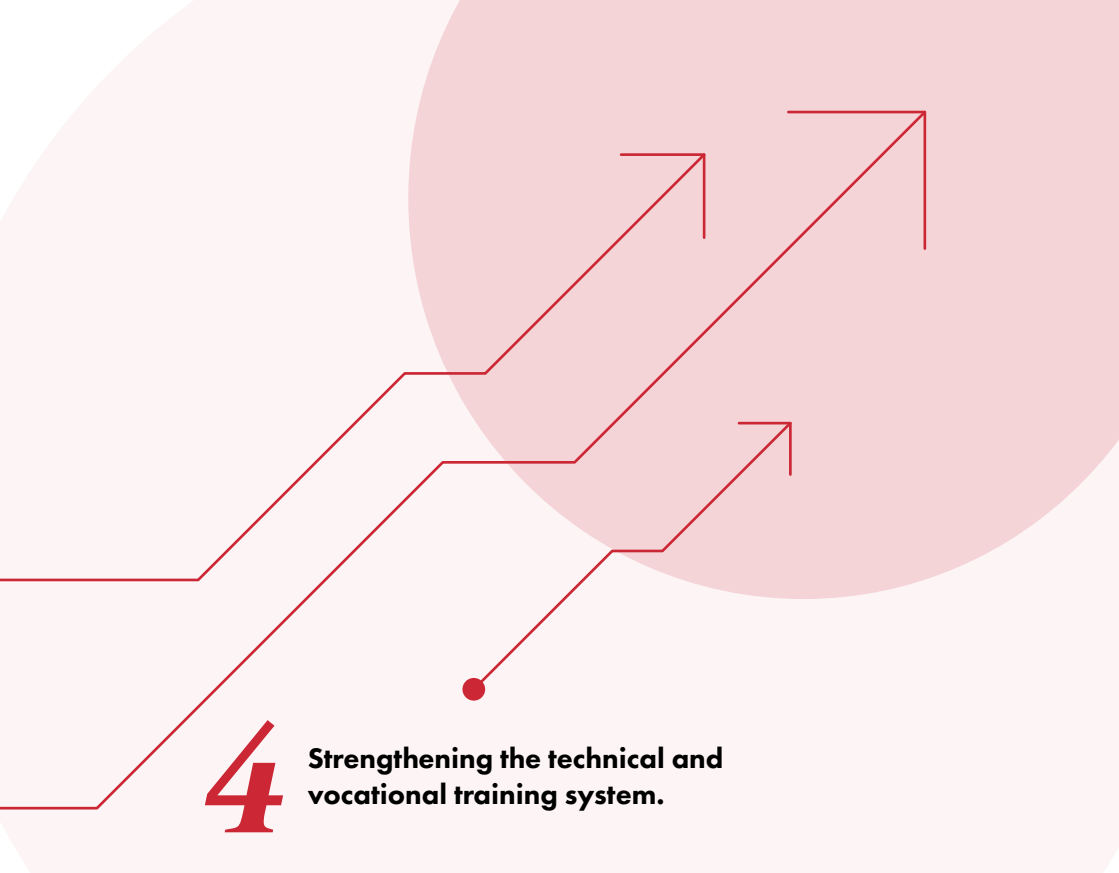
At present and over the next decade, the country must prioritize its actions to improve the access, quality and relevance of its early, pre-secondary and secondary education, in order to ensure the development of both basic and soft skills. It must reinforce its human capital training system, given the strategic challenges posed by the diversification and strengthening of its productive apparatus. It should design mechanisms to promote placement in the formal labour market, in view of the fact that 64.2 per cent of Panamanians are aged between 15 and 64, and that the most favourable conditions for a demographic bonus will appear in 2025; after that, economic dependence will increase, due to the relative burden of the older population.

2 Devising effective and operational mechanisms for skills anticipation and the monitoring of graduates.

Dynamic and sustainable systems should be consolidated to enable the identification of human talent gaps and support skills anticipation, avoiding the duplication of efforts, and generating robust platforms that lead to information traceability. It is important to expand coverage of the Panama Human Talent platform, in order to incorporate other variables providing information on the situation of vocational training graduates.

3 Implementing the NQF and establishing governance to ensure continuity.

Deployment of the National Qualifications Framework will make it possible to distinguish between the existing training programmes provided, and to generate useful training and career paths for providers, employers, and individuals who gain access to training. Continuity must be ensured for the reinforcement of the National Qualifications Framework, with specific sectoral exercises not only to populate the framework in the early stages, but also in order to adjust the training provided according to the levels and descriptors determined by the framework. The NQF plays a key role in establishing consensus on the way in which the productive sector reports on its needs, so that vocational training can target agreed learning outcomes.



4 Strengthening the technical and vocational training system.

It is recommended that conditions be developed to reinforce the vocational training system, establishing contexts that make it possible to determine what governance is required, evaluating and generating the capacity that is needed. At the same time, the current regulatory framework should be reviewed in order to eliminate the rigidities that affect individuals' mobility within the system. A challenge related to the vocational training system is the reactivation of the skills standardization process, in order to have a reference point available for curriculum design and certification. Moreover, there is a need to activate links between the productive sector and vocational training providers, in order to trigger the legal mechanisms available for the promotion of dual training. In addition, vocational training should offer scholarships and educational support, so as to encourage the participation of young people and adults with limited financial resources.



5 **Implementing a system to ensure the quality and relevance of vocational training.**

There is a need to address the challenge of designing and implementing a quality and relevance assurance system, on the basis of procedures that certify the provision of technical education and vocational training, both public and private, as well as those provided by INADEH itself. To this end, a description of the supply of technical education and vocational training should be carried out, in order to determine existing gaps in terms of quality and relevance, as established by the assurance system, and design mechanisms and incentives for providers to implement plans to improve quality. As regards INADEH, its instructor hiring and retention plan should be reviewed, inasmuch as current practices hinder the process of renewing and updating the provision of programmes.

6 **Promoting the adoption of state policy and the implementation of actions and endeavours arising from social dialogue.**

It is advisable to take advantage of advances in the development of diagnostic analysis and shared vision generated by the social dialogue resulting from the High Commission, and provide follow-up to the actions identified, pinpointing restrictions that have arisen, refocusing on what is relevant, and seeking the sustainability of achievements through the development of state policies.

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