

ASSINE EXAME
O PREÇO DA IGNORÂNCIA*
 29.09.2006

Em plena era do conhecimento, a baixa qualidade do ensino tornou-se uma ameaça à competitividade das empresas e uma trava ao crescimento do país



Lia Lubambo
 Sala de aula da Tecnisa: empresa substitui Estado na educação
 Por Alexa Salomão

EXAME

Over the past few years, the best minds of the country have been searching for reasons why Brazil, a nation destined for success, transformed itself in the global race for prosperity. A group of researchers from the World Bank recently completed a vital study that provides some of the answers to the questions at hand. *Exame* obtained access to this research in which the group concluded ways by which emerging countries could insert themselves into the society of knowledge, the most advanced stage of capitalism. The results could not be more revealing. The Brazilian educational system took a beating---it took last place in every sample studied. Countries included in this sample were China, India, Mexico and Russia among others. These findings have a direct impact with respect to the chances of this country turning the tables when it comes to international competition, in which it has systematically been falling behind. "For a long time, we have been aware of the deficiencies in the Brazilian educational system and how it affects income distribution and personal growth of individuals," said Alberto Rodriguez, an education specialist from the World Bank and the coordinator of the study. "The results of this research made it clear that these same deficiencies also cause a significant loss of competitiveness in relation to other economies in the global market". Translation: If the Brazilian educational system does not get a substantial upgrade, the country will continue to spin its wheels—and eat the dust of its global rivals. "I have no doubt that the low Brazilian PIB growth over the past few years is associated with the low quality of education," said the American economist Edward Glaeser, a professor at Harvard University and an expert in the field of the effects of education and development of societies. "Education is one of the engines of growth, and in Brazil this engine is functioning very poorly".

Last in the Class			
<i>Brazil had the worst marks in the area of education when compared to competing emerging countries</i>			
Rate of Illiteracy (among population over 15 years old)			
Brazil 13%	China 9%	Mexico 8%	Russia 0.5%
<i>Top score: Canadá⁽¹⁾, 0% , illiteracy</i>			
Population's average numbers of years spent in school			
Brazil 5 years	China 6 years	Mexico 7 years	Russia 10 years
<i>Worlds Best: United States, with 12 years of schooling</i>			
Percentage of specialized labor in the workforce (technicians and professionals with higher education)			
Brazil 9%	China - not declared	Mexico 14%	Russia 31%
<i>O melhor do mundo: Suécia, com 38% da força de trabalho especializada</i>			
Percentage of students repeating school years before high school			
Brazil 21%	China 0.3%	Mexico 5%	Russia 0.8%
<i>Worlds Best: Korea with 0,2%</i>			
Quality of Science and Math Education (Ranking form a scale of 1 to 7) ⁽²⁾			
Brasil 2.9	China 4.2	Mexico 3	Russia 5.1
<i>World's Best: Singapore with 6.5</i>			
<i>Sources: World Bank, Unesc and OCDE</i>			
<i>(1) O Canadá é uma das referências, mas vários outros países desenvolvidos erradicaram o analfabetismo (2) Escala adotada no relatório Global Competitiveness do Fórum Econômico Mundial</i>			

The study also pointed out that the average Brazilian student learns very little at school. As a result the average student tends to be unprepared and ignorant—and this heavy inheritance is likely to be passed on to the next generation. When data on the performance of Brazilian education was collected and analyzed, the most glaring deficiency was the number of years the average student spends in school. The average Brazilian student spends five years in school compared to 11 for an average Korean student, to nine for an Argentinean student and 10 years in most developed countries. It is estimated that if the average Brazilian student had 12 years of schooling (the American student average) GDP would double. "The majority of Brazilians drop out of school while still very young, due mainly high failure rates, an unbelievable percentage of students repeat a school year, 21%," said Rodriguez of the World Bank. Research indicates that on average 31 Brazilian students drop out every hour of the day. During the 90s there were efforts made to keep children in school and some progress was made, however, at a very slow pace. According to the UNESCO study, if Brazil keeps its current pace in education it will take 30 years to reach the educational level that developed countries have today. It is a scary reality that the world demands a more educated workforce and economies like the Chinese and Indian economies --Brazil's global competitors-- have been making Herculean efforts to educate parts of the population to compete in the global markets. "Jobs in the 21st century require an educated mind," said Celio da Cunha, an UNESCO representative in Brazil. "Jobs demand quick reasoning and a capacity to interpret and analyze information. Attributes that come from quality education."

LG
The Issue
Compared to a Korean with same level of schooling, the Brazilian operator has difficulty keeping up with training and lower production rates
The Result
Utilizing identical machinery, production lines in Brazilian facilities have an output of 9 cell phones per hour, compared to the output of 15 cell phones per hour in a Korean facility

Even if the country managed to increase the time students remained in the classrooms, the educational system would have a major challenge, which at first glance would basically guarantee that the students learn effectively and turn this learning into wealth. The majority of children attending public schools turn into mediocre professionals. During the 2003 school year, a survey conducted by national education officials found the 55% of students enrolled in the 4th grade were practically illiterate and could not do basic math. At 8th grade level less the 10% of the students were capable of advanced reading comprehension. As a result, approximately 75 % of adults have deficiencies in reading, writing and math. This affects their capacity of communication and self expression abilities. "What is happening in our schools today is frightening," said Paulo Cunha president of the Ultra group. To get a first hand glimpse at the reality of the Brazilian public school system, Cunha visited several public schools in the greater metropolitan city of São Paulo. "Those children spend eight years in classrooms and they graduate just as ignorant as when they first started. How are they going to be able to compete in the labor market?"

Atento
The problem – Half of the 240,000 young people with a high school education apply for a job with corp HR are rejected because of deficiencies with basic Portuguese
The result - The company spent \$2 million Reais sorting through thousands of unprepared candidates

One cannot ignore the educational revolution Brazil has gone through in the past few years. Until a few decades ago we lived in an illiterate country where education was a luxury. Today, there are more the 40 million children enrolled in schools. And more than 5 million enter the system every year. This progress, however, has not been enough. The system cannot handle the pace of global growth, which increasingly demands more training knowledge and innovation. The parameters of comparison ignore countries frontiers. In the game of global competition – a game which defines success for companies and countries--, a poor educational system and its failure to deliver market educated professionals translates into a deadly venom. This issue is all too evident when companies in almost all sectors have a very difficult time recruiting capable workers. This is one of the major issues confronting economies seeking sustained stable growth - a supply of qualified labor.

Fnac
The problem - 95% of university students seeking jobs in the bookstore chain Fnac are rejected due to poor education
The result – The stores are not fully staffed for months, compromising the quality of service

Many companies in Brazil go months with open job vacancies due to a lack of qualified candidates; a cruel irony for a country with more than 8 million people unemployed. A prime example is the French bookstore chain Fnac. The company seeks candidates with a higher level of education. Approximately 40% of its service staff are now attending college or have graduated college. HR receives around 7,000 CVs per month. About 20 candidates are called in for interviews, of which 19 cannot meet the communication standards. A vacancy harder to fill is that of the service representative in book sections. In this case a candidate needs to have a basic understanding of literature. In the French headquarters, such vacancies are filled in a day. It has been 6 months and Elizabeth Cerqueira Leonetti, HR director of Fnac, cannot fill a vacancy for a branch in São Paulo. "It is frustrating and regrettable to see university students who cannot write, speak to the public, or work on a team", says Leonetti.

Tata
The problem – The subsidiary of the Indian company Tata has had 300 job openings since the beginning of 2006. The company can't fill the slots due to the lack of qualified candidates.
The Result - Without a full team, Tata of Brazil missed out on the opportunity to double its services to other countries specifically the US.

The paltry performance of the Brazilian educational system is not a new problem, but it has become more of an issue since globalization accelerated beginning in the early 90s. More and more global companies analyze dozens of economies before making an investment—a top item on their list is a large educated labor pool. The London School of Business and the IBMEC São Paulo conducted a study of the top 500 Brazilian companies. These companies cited poor employee education as having a negative impact in their investment decisions. 40% of the companies in the study said the lack of qualified labor adversely affected the incorporation of new technologies. "Brazil has always worried about industrial politics and has ignored the more important aspect of training," said the economist Naercio Aquino Menezes Filho, the research coordinator from IBMEC. "The result is that companies are losing productivity."

Embraer
The Problem - The three schools of aeronautic engineering graduate 60 professionals per year, a number insufficient to meet the demands of the company.
The Result - Embraer created its own training program. It has cost the company \$13 million in the last five years.

LG Brazil, a subsidiary of LG Korea, which is one of the largest electronic manufacturers in the world, is a classic case highlighting this productivity loss. LG Brazil production line, located in Taubate in the state of São Paulo manufactures nine cell phones per hour. LG production lines in Pulsan Korea produce 15 cell phones per hour. Both lines have the same equipment technologies and the same number of employees. Both lines theoretically have the same level of education - high school education. According to Fabio Gurman, LG Brazil HR manager, the difference is that the Korean worker was educated in one of the best public education systems in the world and the Brazilian worker in one of the worst. "The ability to concentrate and multi-task, and the learning capacity of the Koreans is impressive," says Gurman. "The Brazilians perform ok, but they need more training and more orientation." Facing such a discouraging picture, how does one explain Brazilian companies still working, growing and even innovating? The answer is in the efforts made by the companies themselves, that for pragmatic reasons they have assumed the educator role from the state governments. By investing in the education of the labor force, management teams guarantee the needed source of an educated labor pool. This human capital investment, however, takes

away focus and resources that in an ideal world would go exclusively to business. CVRD's business is to mine resources and transport them to its consumers. However, the company needs 200 train conductors per year. Tecnisa's business is building, but it hires ten teachers and spends R\$150,000 per year to teach hundreds of its employees how to read, write and develop basic computer skills. It is the only way the company can guarantee a level of quality in its construction sites and minimize wasted resources. Every time the company starts a new construction project, it builds a classroom for the site. "Providing education is the obligation of the state, but the state is not living up to it," says Romeo Busarello, Tecnisa's director of marketing. A lot of companies like Gerdau, began their employee programs to enhance their education levels. In 1998, 25% of Gerdau's workforce had not completed elementary education. Thanks to the initiatives today, less than 1% of its workforce has not completed the elementary level.

Edson Musa, the Chairman of "CALOI", has had a close-up look of how low education quality affects workers' lives and the industry in general. In 1999, after acquiring CALOI, Musa decided to initiate quality control programs. He was told by the HR department that the employees would have a hard time absorbing the elements of such a sophisticated program. "I thought that was absurd, so I asked HR to run tests to measure our employees' levels of learning," said Musa. The result: 38% of the workers who had completed junior high school were, in fact, functional illiterates- they knew the words but couldn't understand the meaning of phrases. To solve the problem, CALOI began offering education reinforcement programs for its employees and to require new job applicants to take tests measuring their real level of education. Currently, CALOI is also requiring new job applicants to have completed high school. "We don't actually need this level of education from our employees", says Musa. "However, by having candidates with a high school degree, we might actually get employees with a junior high level of understanding and comprehension." If Musa had spoken to Guilherme Leal, Co-President of NATURA's board, he would have shared his concerns about finding qualified employees. Natura's facility in Cajamar, only about 30Km from São Paulo city, hires only a few people from this small town because most of them don't get through the selection examination. "If we were in the northeast region of the country I could understand," says Leal. "But we are just a few kilometers away from Brazil's major cultural center."

Da escola para o trabalho	
<i>Almost half of 30 million full-time workers have not completed elementary level education</i>	
Completed junior high school	16.4%
Junior high school unfinished	27%
Completed College	14.7%
College drop-out	3.8%
Completed High School	29.5%
High School Unfinished	8.7%
Fonte: Serviço Social da Indústria	

Interviewing thousands of candidates to find only a few qualified applicants is very costly. Last year Atento, a leading company in phone customer services, interviewed 240,000 applicants ages 18 to 24 with a high school diploma. Half of the applicants were rejected because they could not speak basic Portuguese. It cost Atento R\$1.8 million to go through this process. "All we wanted was for the phone rep to have a good vocabulary" says Cleide Barani, Atento's VP of HR. "But the majority of the kids didn't even know how to speak Portuguese properly".

Even companies that recruit the best educated professionals in the country have a hard time filling spots. The Brazilian subsidiary of Tata, the largest information services company in India, has not been able to fill 300 vacancies. "We simply have not found workers with the necessary technical background," says Sérgio Rodrigues, President of Tata Brazil. The

Pharmaceutical company Ache has come to rely on hiring foreign scientists for drug development because there are only a few qualified Brazilian scientists. Without the help of foreign workers we would not be able to survive.” says Sérgio Rodrigues, an executive at Ache. In Embraer’s case, the company had to set up its own technical educational program to assure an adequate supply of aeronautical engineers because Brazil’s three aeronautical engineering schools did not graduate enough engineers to keep up with growth. These colleges had on average 60 graduates. Over the last five years Embraer spent \$13 million to train 573 professionals. This is a high cost to any company especially when its competitors can count on a multitude of college graduates looking for jobs in their local markets.

So why is it that there is such a high demand for aeronautical engineers and no increase in programs for training? The answer is the myopic vision of the educational system. “Brazilian colleges are very bureaucratic and do not plan according to the needs of the marketplace,” says Carlos Monteiro, director of CM Consultoria, a specialist in private education. Currently 60% of four million college students are enrolled in fewer than ten majors leading them into fields that are already saturated. Courses like business administration, psychology and law are among the top ten. And it is not much different with technical training courses. Progress exists albeit at a very slow rate.

The topic of educational reform in Brazil is very cyclical – it usually intensifies during election periods only to disappear after the elections are over. Further, the problem is rarely viewed from the economy’s point of view. “What has to become clear is that if nothing changes, it will be impossible to sustain any real growth,” says economist Edward Glaeser. The obstacle becomes very clear when we see companies in certain sectors experiencing growth. “The faster the growth of expansion, the harder it is to find qualified workers and train them,” says Chieko Aoki, president of Blue Tree Hotels. The company is facing a major challenge expanding to the Northeast because it is finding very few qualified candidates. The concern about the lack of educated workers has gone from the restricted confines of the offices of HR to the ivory towers of senior management. “If Brazil experiences a new phase of growth, the expansion will stop due to lack of qualified labor,” says Marcos Magalhães, president of Philips. Another senior manager who is very worried is Manoel Amorim, Chief Executive of Vivo. “I graduated from the public schools in the suburbs of Rio de Janeiro and attended Harvard and have had a successful career,” says Amorin. “The opportunity I had no longer exists.” Among the executives captivated by the issue is Jorge Paulo Lemann, a shareholder of Inbev and Lojas Americanas. Lemann started a foundation whose objective is the improvement of public education. “My friends think I’m becoming a socialist, but the fact is that I am very worried about the low level of education in the public school system,” says Lemann. Among several groups the importance of the education issue has become greater than the reduction of taxes and judicial reform. “We are facing competition from China, India and Korea, countries that emphasize education,” says Luís Norberto Pascoal, president of Dpaschoal, a retail tire chain, and a member of Compromisso Todos pela Educação, a non-profit corporate group dedicated to advancing educational reform. “If we want to take a leading position in the global economy we have to invest in the quality of public education and keep our kids in school.”

*Translation fro Portuguese to English by Mauricio Trabuco