

Training for Work
in the Informal Micro-Enterprise Sector
Fresh Evidence from Sub-Saharan Africa

Hans Christiaan Hoan

In Sub-Saharan Africa, the sector of informal micro-enterprises (IMEs) is already employing a large share of the labour force in both urban and rural areas. There are even indications that in the past decade it has been a source of employment and incomes for some out of every 10 new entrants to the labour market. This study reviews the ways in which the owners and workers of IMEs have acquired the vocational and management skills that they are using in the operation of these ventures. It reviews the contributions of all of the different training providers, including public sector training institutes, private sector training providers, and training centres run by NGOs and other non-profit organizations. Its findings confirm the notion that the training efforts of these formal training providers are only to a limited extent relevant for the IME operators and that many of the poor and other vulnerable groups do not have ready access to these programmes. The study finds that informal apprenticeship training is by far the most common source of various skills - in some countries it is likely to be responsible for 80-90% of all ongoing training efforts. Informal apprenticeship training presents a number of important advantages: it is practical, hands-on training at an appropriate level of technology, takes place in the real world of work, offers good prospects for post-training employment and is essentially self-financing. At the same time it has a number of limitations: the training quality is often modest, there is a risk of 'incomplete' transfer of skills and knowledge, limited infusion of technological progress, and uncertainty with regard to the duration of the apprenticeship period. The training programme and the skills acquired at the end of the training. The study concludes that there is a major challenge to improve the transfer of relevant skills to IME operators, through both pre-employment training and skills upgrading. In view of the scope of the challenge to provide hundreds of thousands IME owners and workers, as well as large numbers of out of school youth, with relevant practical and management skills, it suggests to build upon the strengths of the existing practices of informal apprenticeship training and to remedy its weaknesses by involving professional training providers in upgrading its training organization and delivery, quality and efficiency and final training outcomes. It reviews the results of a number of innovative interventions in different African countries that are working in this direction. Finally, the study suggests that there is an interesting potential in 'business-embedded' training' provided by private companies as part of their regular business operations.



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Fresh Evidence from Sub-Sahara Africa

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3. Training for Work in the Informal Micro-Enterprise Sector:
Fresh Evidence from Sub-Sahara Africa
Hans Christiaan Haan

INTRODUCTION BY THE SERIES EDITORS

In the majority of developing countries, the informal sector (and informal micro-enterprises) are the major employer of labour, and can contribute more to the economic prosperity of the countries concerned than does the formal sector, largely because more people are engaged in the informal sector.

The informal micro-enterprise (IME) sector essentially refers to non-agricultural self-employment activities and enterprises which are characterized by: a small scale of operation (less than 5 workers) and relatively small capital investment; the use of labour intensive technologies that require simple, often outdated tools and equipment; traditional forms of organization, such as family enterprises that make use of unpaid family labour; and, a weak position in the marketplace when it comes to purchasing production inputs and selling their products.

Despite this fact, when it comes to countries taking action to strengthen and upgrade skills development for employability, with particular reference to technical and vocational education and training, the emphasis is generally upon those working in, or seeking to join, the formal sector of the economy. More likely than not the skills development needs of those in the informal sector and IMEs, are largely ignored, to the detriment of the individuals concerned, their families, local communities and the economic and social development of the nation as a whole.

This is a vitally important matter that needs to be addressed in innovative ways, if developing countries are to successfully maximize the potential contribution of the informal sector to achieving sustainable development.

This important, ground-breaking book examines the ways in which the owners and workers in 'Informal micro-enterprises' in several African countries in Eastern Africa, Southern Africa and in West and Central Africa acquire the technical and vocational skills necessary in their work, their need for enhanced technical and other skills for employability, and emerging new innovative approaches to successfully transferring knowledge, skills and understandings to those working in informal micro-enterprises. The study reported upon here reviews developments that are taking place with regard to training for work in the Informal Micro-Enterprise (IME) sector, and analyses the changes that have taken place in the past two decades with regard to IME training needs and the response of public and private sector providers.

Hans Christiaan Haan, the author of this book, clearly demonstrates that, ‘the skills development processes in the IME sector are especially relevant in the wake of economic reform policies in these countries and the ensuing trends of trade liberalization and globalization.’ He also argues a convincing case that micro-enterprises will in the future continue to play a crucial role in absorbing very large numbers of job seekers; and that this process crucially requires relevant skills training skills for IME operators, linked to wider IME support services and relevant government policies and investments. He also argues for training in entrepreneurship.

Although this study refers to the situation in nine countries in Africa, it is considered to present a picture that is generally relevant to much of Sub-Sahara Africa.

This publication compliments the book edited by Madhu Singh on *Meeting Basic Learning Needs in the Informal Sector: Integrating Education and Training for Decent Work, Empowerment and Citizenship*, which has been recently published in the UNESCO-UNEVOC Technical and Vocational Education and Training Series.

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EXECUTIVE SUMMARY

This study analyzes the way in which the owners and workers of ‘informal micro-enterprises’ (IMEs) in a number of African countries acquire the vocational and other skills they use in their work, their need for enhanced and different technical and other skills, and emerging new approaches to transfer skills and knowledge to IME operators. The skills development processes in this sector are especially relevant in the wake of economic reform policies in these countries and ensuing trends of trade liberalization and globalization. Without increased attention, and support, for the acquisition for work in the IME sector, it is unlikely of that the IME sector will be able to continue absorbing the large numbers of new labour market entrants as it has done in the past decade.

1 Informal Micro-Enterprises

The study use of the concept of ‘*informal micro-enterprise sector*’, which refers to non-agricultural, self-employment activities and tiny enterprises characterized by:

- (i) *tinyscale of operation* in terms of labour employed (e.g. up to 5 workers) and capital invested,
- (ii) *use of labour-intensive technologies* that require simple, often outdated tools & equipment,
- (iii) *traditional forms of organization*, such as family enterprises using (unpaid) family labour, and
- (iv) *weak position in markets* where they purchase their production inputs and sell their products.

In spite of these common characteristics, the IME sector is not homogeneous. It is useful to distinguish a ‘*high end*’ of the sector, consisting of somewhat larger micro-enterprises that have some potential to grow, and a ‘*low end*’ of IMEs referring to simple (rural) self-employment and income-generating activities that foremost serve survival purposes. In Africa some three-quarters of IME employment is concentrated at the IME ‘low end’. One of the main points

underscored by the study is that the design and implementation of well-focused support interventions needs to carefully take into consideration this IME segmentation.

The IME sector includes a wide variety of economic activities. While the sector is invariably dominated by street vending and ambulant trading, it also includes more productive activities, such as small-scale manufacturing (e.g. food-processing, carpentry, welding, metal working and various handicrafts), maintenance and repair (e.g. cars, home appliances and electronics) and construction. Other common IME activities are transport (e.g. mini buses and taxis) and various personal and social services, such as hairdressing & beauty saloons, restaurants & catering, childcare, guarding of properties, etc. More recent additions are the repair of computers & mobile telephones and operation of Internet cafes.

The IME sector is to a large extent the consequence of a lack of wage-employment in the formal or modern sector, forcing large segments of the workforce to find other ways to earn at least some income. There is a significant correlation between IME sector and poverty: the large majority of the working poor are employed in IMEs, while most (though not all) who work in the informal sector only get a meagre income from their labours. There are however indications suggesting the emergence of a 'new generation' of informal entrepreneurs and workers: youngsters who have come to realize that the 'white-collar' jobs they have been craving for, are definitely no longer available and they have now come to appreciate working in the IME sector (e.g. because of working for one's own account). This would open an interesting window of opportunities as these IME operators are generally better educated, more interested in improving their skills, and generally more concerned to collectively take up the cause of informal micro-enterprises.

2 Role and Constraints of IME Sector

IMEs play in Africa an unprecedented role in terms of employment while also making a significant contribution to GDP. The sector has been expanding explosively all over the continent since the beginning of the 1970s. In all the countries studied the sector is already the most important 'employer', even providing work opportunities to 70–80% of the urban workforce. The sector has also assumed a steadily increasing significance in Africa's countryside. In Ghana, for instance, IMEs are responsible for over 90% of total rural employment. The IME sector is estimated to contribute around 20% to the GDP of the countries studied.

IMEs face several constraints in their daily operations as well as in their efforts to develop and expand. In Africa the most important ones are: (i) low

purchasing power of potential customers and increasing competition from (imported) industrial products, (ii) complex regulatory requirements and active discouragement from local governments, (iii) lack of access to adequate plots of land, electricity, capital and various business support services (e.g. marketing) and (iv) internal constraints, such as limitations of the technology employed, the equipment used and the low skill level of owners and workers. IMEs moreover suffer from a lack of genuine representative organizations, the absence of a coherent policy framework to promote small businesses and the sparse incidence of relevant IME support programmes. Governments, guided and supported by donors, often appear to be only at best interested in assisting small-scale activities ‘with potential for growth’ and especially (formal) small and medium enterprises (SMEs). In as far as available, support services for the ‘low side’ of the IME sector, i.e. self-employment and income-generating activities, are mainly provided by NGOs and special programmes for women and vulnerable groups.

Many of the IME constraints can be traced back to a lack of skills and knowledge of IME operators. Surveys point to the fact that as few as 5–30% of them have followed any kind of formal training. For lack of alternatives, most of them acquire their skills through self-learning and on-the-job training. The resulting level of technical and business skills is low, which, together with the use of outdated tools & equipment, is reflected in the, at best, modest quality and appeal of IME products.

The transfer of relevant technical/vocational and entrepreneurial/management skills will have to play a central role in the promotion of a vibrant IME sector. Without them, the sector will become more and more a cluster of low-barriers-to-entry (and -to-exit) activities that require minimal capital and skills. Interventions should carefully seek to diversify the economic activities in which IMEs engage so as to avoid that its function becomes a mere ‘sharing of poverty’ instead of making a vital contribution to the economy and supporting economic development. Skills are the key to such a process of diversification, increasing productivity, enhancing product quality and stimulating economic diversification.

The upgrading of skills and technologies has assumed a new urgency in the wake of recent trends for economic liberalization and globalization, which hold major threats (as well as some opportunities) for the IME sector. The convergence of consumer tastes and increased flexibility of multinational corporations are in many developing countries crowding out the products traditionally produced by IMEs (e.g. fruit juices, leather sandals, traditional clothing, etc.). Only concerted efforts to upgrade the skills level of informal entrepreneurs and workers, combined with other types of support (e.g. access to credit, tools & technology, markets and business information), will give the IME sector a chance to survive in this rapidly changing environment.

3 TVET Sector and IMEs

In Africa the TVET sector still suffers from a widespread ‘crisis’ in vocational training, which is characterized by institutional fragmentation, underfunding and training inefficiency and ineffectiveness. It is generally recognized that the TVET sector needs to be linked closer to the ‘world of work’. While these problems affect almost all ongoing training and certainly also concern skills training directed at wage employment in the modern/formal sector, the present study makes it clear that they apply *a fortiori* to training for work in the IME sector. The study concludes that in African countries studied (as elsewhere) there hardly exist any skills training programmes specifically directed at the IME sector. In fact, the TVET sector appears to almost ignore the training needs of IME owners and workers.

Public Training Providers

Public training providers continue to be very much ‘supply-led’. Their training is rather theoretical and primarily focussed on industrial wage-employment. As the consequence of low (and often still declining budgets) the facilities are dilapidated, training equipment scant and often defunct, training materials outdated and the instructors de-motivated. The long duration and inconvenient time schedules of their courses, together with low access due to high entry requirements and other factors, make them largely irrelevant for the provision of training for the IME sector. In as far as they have initiated new training programmes for special target groups (e.g. school leavers and others who have difficulty to access formal training programmes), such training is often a watered-down version of their standard courses: only minimal provisions for self-employment and running a micro-enterprise have been added (e.g. limited entrepreneurship development and management training).

In the past decade, many African governments, often with the assistance of donors, have initiated major TVET reforms. As a result, training policies have been reformulated and institutional responsibilities re-defined. Investments were made in training facilities, new training curricula and training-of-trainers to improve the quality and effectiveness of training programmes, particularly in the public sector. However, in spite of such efforts, the situation of skills training for the IME sector has remained the same, since few of the changes were directed at offering training for -prospective- informal entrepreneurs and workers.

The study found few examples of success stories of innovative training programmes for IME operators offered by public training providers. An important conclusion is therefore that public VTIs do not appear to have immediate

comparative advantages in providing skills training for the IME sector. In fact, it would appear that, for lack of a proper understanding of the features of the informal micro-enterprise sector, many of the TVET authorities are not fully aware that work in the IME sector requires skills training that is fundamentally different from conventional training offered as a preparation for wage jobs in the modern/formal sector.

Private For-profit Training Providers

Private for-profit training providers, which emerged in large numbers in the 1980s and 1990s (e.g. so-called ‘backstreet colleges’) are by and large irrelevant for the work in the IME sector. Private *training colleges* focus mainly on ‘soft skills’ such as secretarial & office skills and especially computer training. The exception is formed by *private business training centres*, which often start as a small production workshop by specializing in training. They rather focus on practical technical skills training (e.g. in dressmaking, hairdressing and electronics and other repair services) and are relevant for informal entrepreneurs and workers and especially women who aspire to enter into self-employment and set up a micro-enterprise.

The study furthermore identified some interesting examples of *business-embedded training* (BET), which refers to training offered by the formal private business sector as part of their regular business operations. They make it clear that this type of training can make relevant contributions to skills development for the IME sector, even though it is essentially dependent on supply-considerations.

There exists furthermore a large pool of ‘*private trainers*’, i.e. individuals, many of whom are (or were) linked to formal training institutions, who are qualified and interested to provide training to IME operators in technical and, especially, management and other business skills relevant to the IME sector.

NGO Training Providers

NGO training providers play a limited, but in some ways important, role in training for the IME sector: they target those who do not qualify for public sector training programmes (e.g. school leavers) and cannot afford private training. Being close to their target group, the training better addresses the needs and interests of the trainees and is delivered in a flexible manner and is often linked with pertinent follow up support services (e.g. counselling, credit and marketing assistance). At the same time it is observed that NGO training frequently focuses on simple income-generating activities. The training also tends to be irregular and limited in scale, since it is dependent on external funding.

The study found that these characteristics make NGOs well placed to conduct short trainings for income-generating activities (IGAs), but less suitable for training in 'industrial' trades. They are especially suited to conduct '*para-training*', i.e. new modalities of transferring skills and knowledge, such as demonstrations, guest speakers, exchange and exposure visits.

Possibly the main strength of NGOs lies in a role as 'facilitator' of training for the IME sector, which involves: identifying the need for skills training among their target beneficiaries, bringing them together with a relevant training provider as well as other organizations to provide post-training IME support (e.g. marketing), and, together with the community, monitoring the entire skills development process.

Informal Apprenticeship Training

One of the main findings of the study is that by far the largest number of IME operators has acquired their skills through 'informal apprenticeship training' (IAT), i.e. on-the-job training in small, usually informal, workshops. IAT was found to constitute a stunning 80–90% of all on-going training efforts in West and Central Africa (WCA), while it also plays an important role in countries in East and Southern Africa (ESA) (e.g. Kenya, Tanzania and Zimbabwe).

IAT has important advantages. It provides practical skills training at an appropriate level of technology, familiarizing the apprentices with the actual type of equipment (and its limitations) they will use later on. It does not only cover technical skills but, as a secondary output, also organizational, management and marketing skills, including costing, negotiating with suppliers and dealing with customer relations. The apprenticeship period provides the apprentices with the opportunity to gradually build up social and business networks, important to later set up and run their own enterprise. In all, IAT is close to the 'real world of work'.

At the same time, IAT was found to have a number of limitations. It normally does not pay any attention to the theoretical aspects of the occupation, which hampers the apprentice to fully understand the trade and consequently his/her capacity for adaptation and technological progress. The quality of the training varies widely, depending on the technical knowledge and teaching capabilities of the patron, the size and equipment of the workshop and the jobs carried out in the workshop (materials and equipment are seldom if ever used specifically for training purposes). As a result the apprentices do not necessarily acquire a complete set of skills for their trade. Moreover, IAT generally fails to transfer recent technological knowledge and updated technical practices and does not prepare the apprentices for the use of modern equipment. While one would expect apprenticeship training to be 'competency-based', i.e. the training period

to essentially depend on the progress and thus capabilities of the apprentice, it often appears to have 'fixed-time' aspects, with IAT, depending on the trade, usually taking some 3–5 years (or even -much- more) for trades such as carpentry and car repair. Working hours of the apprentices are long and conditions rather basic. In some cases unscrupulous employers exploit the apprentices as cheap labour without administering any training. IAT is available for many trades, although it is more common for males than for females.

In order to further enhance the efficiency and effectiveness of informal apprenticeship, a number of modifications are required to enhance its quality, broaden its content, facilitate the introduction of technological advances and ensure similar training outcomes for all apprentices. The provision of additional, complementary training for both mastercrafts(wo)men and apprentices was found to be essential in this respect. The study reviews a number of pilot activities in East, Southern and West Africa which are seeking to overcome the IAT weaknesses by: (i) conducting pre-employment and complementary technical training to the apprentices; (ii) providing a theoretical technical background and technologically up-to-date knowledge and practices to the apprentices, (iii) offering literacy/numeracy education and training in life skills to apprentices, (iv) providing opportunities to mastercrafts(wo)men (MCs) for skills upgrading in specific technical areas; (iii) improving the pedagogical skills of the MCs; and (v) collaboration among IMEs to ascertain adequate results of apprenticeship training (e.g. through the organization of trade tests and certification).

4 Conclusions

The study concludes that there is an immediate and crucial need to impart relevant skills to (prospective) informal entrepreneurs and workers. Skills development for informal micro-enterprises is crucial for them to withstand the challenges posed by globalization and trade liberalization and to continue to absorb hundreds of thousands of new job seekers every year. Upgraded skills together with more up-to-date technical knowledge will increase the level of productivity in the IME sector, which in turn will lead to higher profits and thus improved possibilities for re-investment. Additional skills will enable IMEs to diversify their production and move away from (almost) saturated markets. Only with more attractive products at reasonable prices the IME sector can meet the conditions posed by changing consumer tastes and liberalized imports.

Up-grading the skills level of the IME sector requires both a good understanding of the type and skills and knowledge needed in the sector and the

development of training approaches that reflect the segmentation of the sector and build, to the extent possible, upon existing training systems, such as informal apprenticeship training.

Training Needs of IME Sector

It is important to fully understand that the training needs of the *IME sector* are different from those of the *formal/modern sector*. There is no need for the training to follow the most recent production techniques used in the industrial sector, but it can remain at a more basic level, since the level of technology in IMEs is characteristically lower. At the same time, IME training should be multipurpose, i.e. include a far wider range of skills than conventional training. IME operators need technical skills as well as education and training for various non-technical skills. Training for the IME sector should take into consideration the segmentation of the sector itself. Training for the IME ‘low end’, e.g. income-generating activities, has to meet requirements that are different from training for prospective, informal business owners.

All this means that ‘training for work in the IME sector’ should include a wide spectrum of training offerings that differ in content and training approach/delivery mode. With regard to the **training content**, IME training should consist of:

- *integrated packages of technical/vocational and entrepreneurial/business skills* that address IME training needs: (i) relatively simple set of practical and multipurpose skills; (ii) attention for skills specifically geared at ensuring product quality (e.g. product finishing, quality control, packaging and continuous product design upgrading); both integrated with: (iii) entrepreneurial capabilities (e.g. assessment of self-employment opportunities; collection of information on technologies and appropriate equipment; preparation of simple business plans; and accessing credit), and (iv) basic understanding of business practices (e.g. basic financial administration for costing & pricing; physical workshop layout; quality control, licensing, tax and labour law procedures; and, especially, basic market research and formulation of marketing strategies);
- *training offerings for a broad range of IME trades*: future development of the IME sector largely depends on diversification into non-traditional IME trades, so training should be offered for a wide range of economic activities; offerings should be based on an analysis of the demand & opportunities for skills, and no trade should be on forehand excluded; training for traders (e.g. in bookkeeping, stocking, credit management, licensing regulations), street food vending (e.g. hygiene) and various agriculture-related

activities should be taken into consideration; with special attention given to stimulate female trainees to follow training in non-traditional trades;

- *attention for specific educational subjects and a variety of 'life' and empowerment skills*, such as education and training for apprentices as well as lowly-educated mastercrafts(wo)men, in literacy/numeracy and abilities in areas such as: problem solving and decision taking and decision taking; communication & negotiation, linked to customer relations; group awareness, conflict resolution, formation of self-help groups and associations, together with advocacy practices; and simple computer skills (e.g. use of Internet to identify relevant business development services).

The **delivery of training** for informal operators should take into consideration the socio-economic and educational background of the trainees. Consequently IME training should:

- *shift emphasis from pre-employment training to skills upgrading*: opportunities for 'continuous' training—i.e. both expanding and upgrading of skills used in the present trade and also acquiring skills in another trade to facilitate diversification of the business—are of crucial importance for IMEs, since they are too small to organize in-service training for their workforce such as done by large companies;
- move away from long-term centre-based training but rather focus on *short-term and modular training* activities, while the training should also take place at a *time and place convenient for the trainees*;
- *emphasize non-traditional training formats*, such as, for instance, '**para-training**' which refers to innovative training modalities, such as: guest speakers; demonstration sessions (e.g. for the introduction of new technologies and product designs); exchange visits to peers producers, and exposure tours to traders and relevant institutions; counselling; and marketing assistance; 'para-training' is particularly useful for the transfer of skills and knowledge in case of IGAs, e.g. to complement the provision of micro-credit; other examples of non-traditional training are video-based training, distance and e-learning.
- *links to post-training support*, such as access to capital, business advisory services and information, are crucial.

Special attention should be paid to ensure that training programmes benefit girls/women in at least the same extent as boys/men. This is not only a matter of ensuring similar enrolment rates for both groups by equipping training centres to receive female trainees, introducing training schedules that are convenient for women to attend, or eliminating gender bias from training curricula.

It also refers to efforts to guide female trainees into a wider range of activities, including trades that are so far dominated by men. And it may concern developing training offerings especially for girls/women, to serve their needs and interests, in particular to compensate for the many discriminations they are facing.

All this will have major consequences for the **organization of IME training**. Modifications are required in several areas: development of new types of training activities; preparation of new ‘skill-building packages’ for common IME trades; training-of-trainers with particular attention for appropriate teaching methods; and re-organization of testing & certification systems. Instead of a hierarchy of training levels, ages, requirements, governed by a system of official trade tests and diplomas/certificates, training will have to become much more flexible and responsive to developments in the economy and especially in the labour market.

Major Role for Apprenticeship Training

Within the coming decade, it is realistic to expect that the main contribution to IME skills development will continue to come from informal apprenticeship training (IAT), since none of the other training providers are likely to adapt quickly and offer relevant skills training at a large scale for informal entrepreneurs and workers (see Box).

Box. Main Elements of ‘Training for Work in the IME Sector’

- *Pre-vocational training activities and self-employment orientation* to prepare youth and (poor) adults for self- and other types of employment. They essentially refer to a combination of (i) non-formal education, (ii) orientation on work, career and vocational training, (iii) initiation to basic operations of various trades (e.g. first handling of simple tools), (iv) introduction to self-employment, and (v) life skills such as work values, job readiness, understanding the role of the market, how and where to find information, etc.
- *Pre-employment training*, which refers to short-duration training for a wide range of common activities in the informal economy to facilitate the initial entry of the training graduates into a job. Further skills development could then take place on-the-job or through well-focused skills upgrading courses, possibly linked with training in particular business skills.

- *On-the-job and apprenticeship training* for a period long enough to master a complete set of skills required for a particular occupation. Such training should be foremost practical, but measures should be taken to remedy the weaknesses of existing IAT (e.g. links to complementary training for apprentices and MCs).
- *Complementary training for IAT apprentices/ IME workers and mastercrafts(wo)men* in: (i) theoretical insights and good-quality practices in the current trade, (ii) new technological developments in the current trade, (iii) basic management and marketing practices, and, especially for those with low levels of education (iv) literacy, numeracy and life skills, together with (v) training in pedagogies for MCs.
- *Skills upgrading* of a ‘continuous’ nature is of pivotal importance for the informally employed to gradually improve their employment situation. This should be done through short, part-time courses that can be followed by both informal entrepreneurs and workers parallel to their regular work activities. Importantly, such training should include relevant offerings for informal activities for which so far no skills development opportunities exist (e.g. repair of computers and mobile telephones).
- *Training in business skills* proves useful in improving productivity and incomes for those who are planning to set up their own business or those already in business. Simplified training contents should be developed for those involved in small scale trading.

Efforts should therefore focus on upgrading IAT to remedy its weaknesses and improve its quality and efficiency. The review of the experiences so far make it clear that this will crucially depend on the introduction of *complementary training programmes* for both mastercrafts(wo)men and apprentices, to up-grade and up-date technical skills, improve teaching methods of the mastercrafts(wo)men and supplement the practical skills they transfer with some theoretical background and more advanced technical and technological knowledge. Such efforts should form part of an integrated approach to enhance the quality and efficiency of informal apprenticeship training.

Building Up the Training Market

The study suggests that interventions to improve and expand training programmes for work in the IME sector should form part of wider interventions to build up the training market—for IME training as well as for other types of training for which as yet no market exists. This requires strengthening of the

incipient demand for training as well as expanding the latent capacity of training providers to deliver such training—and bringing the two together. This requires, on the demand side, actions to enhance the social standing of manual trades & vocational skills training, and create awareness of the importance of various skills to withstand the risks of globalization and liberalization. On the supply side training providers require encouragement as well as technical assistance to initiate training programmes for the IME sector, such as: instruments to determine the type training required, the development of training programmes, training of trainers, and links to testing and certification systems.

Need for Integrated Support

Skills training is only a means to an end, i.e. increased access to rewarding employment and, gradually, higher incomes. So far, vocational training is too often treated in isolation. This should change: the training sector' should link up with other organizations that have mandates to promote the IME sector. It is of crucial importance to link training programmes with other support services—and in many cases specifically to access to capital. Optimal use of the acquired skills also requires the availability of suitable tools and equipment, as well as improved market access. And finally, sustainable expansion of the IME sector requires an 'enabling' policy and regulatory environment.

1

Introduction

The employment situation in Sub-Saharan Africa (SSA) continues to give rise to grave concerns. With the exception of a short period immediately following Independence, when government services absorbed substantial numbers of nationals, the creation of new jobs has been inadequate in relation to the high growth of the population and the rapid expansion of the labour force. Inappropriate post-Independence economic policies, sometimes inspired by different forms of ‘African socialism’, unfavourable economic trends (e.g. declining commodity prices and increases in the price of oil) and adverse weather conditions, seriously constrained economic development in the 1970s and 1980s. Economic reforms undertaken during the 1990s led initially to the retrenchment of thousands of civil servants and massive lay-offs by parastatals and private companies. While economic growth has picked up somewhat in recent years, employment growth has not (‘jobless growth’), and certainly not enough relative to the rapid expansion of the labour force (ILO 1999, Fluitman 2001).

1.1 Informal Micro-enterprise Sector

As a result the unavailability of jobs, large proportions of the work force in all Sub-Saharan countries have turned to the *Informal Micro-Enterprise sector* (IME) for the generation of employment and incomes. The concept of IMEs refers to (non-agricultural) self-employment and ‘enterprises’ characterized by a very small scale (both in terms of workforce and capital investment), use of outdated technologies and traditional forms of work organization and management, and reliance on local and regional markets. IMEs are engaged in (almost) all types of economic activities, ranging from street vending and simple personal services, to small-scale manufacturing and a range of repair services. Recent additions to the sector are: tiny kiosks providing Internet services and informal computer repair services.

Ever since its emergence in the 1970s, the IME sector has grown rapidly, providing (additional) incomes and opportunities for (incipient) entrepreneurs to set up a business. It is estimated that in recent years informal enterprises have absorbed up to 80–90% of all new entrants to the labour market (see chapter two for a detailed discussion of the IME sector in Africa). In the end product

2 Training for Work in the Informal Micro-Enterprise Sector

quality and firm productivity, and consequently technical and other skills, are at the centre of the capacity of the IME sector to absorb such large numbers of labour market entrants. The explosive expansion of the sector in recent years and the expectation that it will continue to grow rapidly in the coming years, together with the changing context for the operation of IMEs in the wake of globalization and trade liberalization, makes it imperative to carefully study the skills development process of IME operators¹ and especially its results and constraints.

This book aims to present fresh evidence from the field on this matter, based on recent studies of training for the IME sector in 8 countries in Sub-Saharan Africa. In brief case studies and examples from Benin, Cameroon, Ghana, Kenya, Senegal, Tanzania, Uganda, Zambia and Zimbabwe, it will highlight new developments with regard to training for work in the informal micro-enterprise sector in Sub-Saharan Africa.

1.2 Pathways to Informal Sector Employment

One of the most intriguing issues with regard to the promotion of informal sector concerns the role of education, vocational training and non-training interventions. This holds particular relevance in the post-structural adjustment context in which governments of developing countries need to ensure clear priorities in their spending and would benefit from firm indications of the most direct route to informal sector employment.

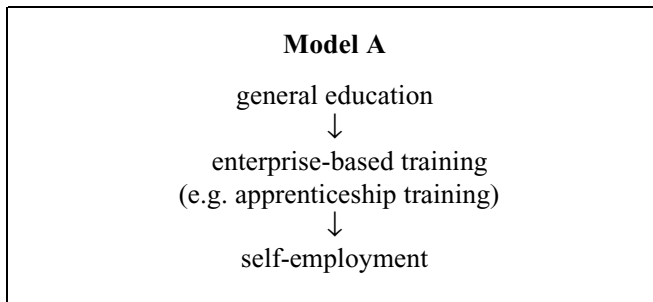
Earlier research in West and Central Africa (WCA) shows that the typical 'career path' to becoming an informal entrepreneur, in between general education, skills training and work experience is most of all long as it may take up to 20–25 years (Birks *et al.* 1994). This study distinguishes different routes for activities with a high and a low income potential:

- the road to *attractive activities* makes use of relatively recent production techniques and typically involves 7 years at school, followed by some technical vocational training (or period at a technical school), and nearly 4½ years of apprenticeship, followed by a brief period (less than 3 years) of wage employment before embarking on self-employment; the median age for these entrepreneurs is 25 years at the start of self-employment;
- entrepreneurs in *less attractive activities* have only 3.4 years of schooling, less propensity to undertake technical or vocational training and, for just over half of them, a shorter period of apprenticeship (3.2 years), while the

¹ 'Informal sector operators' refer to all those who are working in informal micro-enterprises, irrespective if they are owners, workers, casual helpers or apprentices.

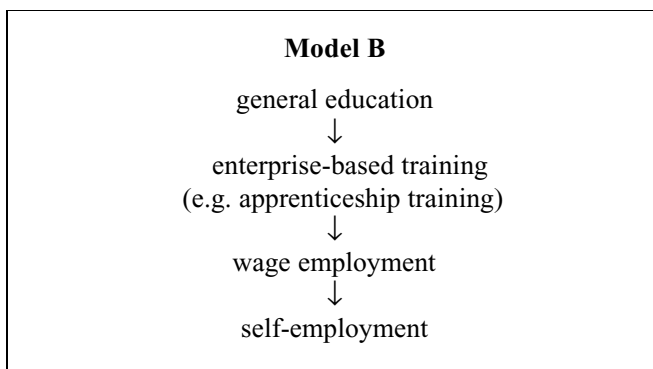
period during which they receive family support is 4 times as long and the period in which the individual is engaged in farm and household work is twice as long (ibid.).

A similar study on informal employment in East and Southern Africa (ESA) distinguishes different ‘pathways’ to self-employment at a more conceptual level (McGrath *et al.* 1995). The simplest route is depicted as Model A, described as the ‘World Bank model’:



In *model A* future informal sector operators, after general education, engage in apprenticeship training in a formal or informal enterprise to learn the trade, and then proceed to set up his/her own business. The exact transition from training to self-employment remains unclear.

In *model B*, based on the work of Grierson (1997), the prospective IME operators, upon completing the enterprise-based training (most likely to be informal), seek wage employment. This will not only give him/her additional experience, but also time to amass the required savings and to make further preparations to set up an own business.

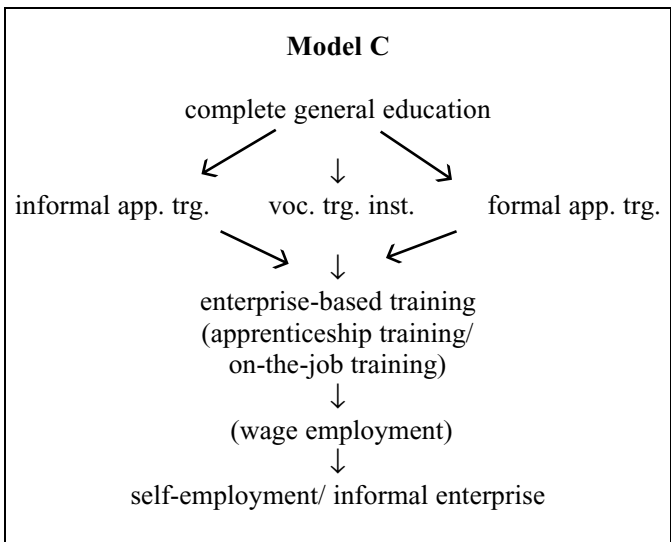


In the view of Grierson, there are, in addition to economic barriers, also a host of social barriers to overcome in setting up a business. A period of some

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5 years of wage employment will help to set up and expand the social and business networks to do so.

Model C is based on the likelihood that in reality the career path will be much more complex. While there is general agreement that a solid general education is required for successful self-employment, the productive skills can be acquired through formal training in a vocational training institute as well as through formal and informal apprenticeship. There are also ample examples of persons who engage in apprenticeship training after a first period of formal VTI training (ibid.).



These pathways need to be further contextualized with an indication of the available IME support services. For instance, the need for wage-employment as a mechanism to accumulate personal savings would be largely diminished when an appropriate credit scheme is in existence to make available start-up capital to training graduates.

It is interesting that in all these IME career paths the period of formal training is generally short or even entirely missing, while enterprise-based training, mostly in the form of apprenticeship or on-the-job training, plays a major role. Such training is noted to bring various other advantages that result mainly from the fact that the training is rooted 'in the world of work' and includes not only the mastering of technical skills, but also of various business skills (e.g. how to deal with suppliers and customers) as well as the building up relevant business networks (see chapter 6).

1.3 Training for the Informal Sector

By all accounts the technical and vocational education and training (TVET) sector in Africa has so far paid little, if any, attention to the skills needs of informal sector operators. Various studies have pointed out that training provided by the public sector, apart from being generally inefficient and ineffective, is hardly relevant for those working in the IME sector.

The International Labour Organization (ILO) was one of the first to place emphasis on the need of relevant skills training for those working in the informal sector². In 1987 the ILO Training Centre (Turin) organized a major workshop on '*Training for work the informal sector*' (Fluitman 1989). It concluded that training for the IME sector is fundamentally different from training for work in the formal sector, as it is characterised by (i) a close link with production, (ii) a distinct target group approach, and (iii) an unconventional delivery for immediate results. The workshop suggested actions at both micro- and macro-level.

With respect to *micro-level training interventions*, the workshop concluded that there is not one single approach but that in principle all interventions should build upon what already exists. On basis of existing experiences it identified the following elements for successful interventions:

- *training needs assessment*: i.e. matching interests and aptitudes of prospective trainees with real opportunities identified through market research or employer surveys
- *training methods*: learning from ways in which those already working in the IME sector acquired their skills; reduce the duration of the training; experiment with appropriate forms of distance learning and self-instruction;
- *trainers and other actors* must have in common: special teaching qualities, links with the community, envisioning a role for active artisans; while good training managers are one of the most crucial ingredients of effective training;
- *financial issues*: it is worthwhile to attempt lowering training costs while maintaining benefits and to increase benefits per unit of training costs; initiate cost-sharing by trainees.

The workshop pointed to enterprise-based training modalities, including initial training such as apprenticeship training, as being often more effective than centre-based pre-employment training since it is closely tied to employment opportunities that have already been identified. Moreover, it is work-based and

² See for instance *Rural and urban vocational training* (1985), *Rural and urban training in Africa* (1988) and *The promotion of self-employment* (1990).

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therefore practical, usually less expensive, while the trainees who are already working tend to be more mature and motivated than young school-leavers.

Other important ingredients of successful training interventions were found to include: clear purpose, favourable environment, participation of beneficiaries at all stages, paying attention to complementary inputs and follow-up services, sound management and delivery by committed staff, flexible design allowing permanent adaptation of training content and delivery method, early results, long-term perspective of development, and replicability and scope for economies of scale.

With regard to *macro-level interventions*, the workshop found a need for training programmes to better reflect economic opportunities and to respond more precisely to the training needs, and suggested a fundamental reorientation of formal training systems in developing countries. Moreover, since training does not create jobs by itself, it made it clear that interventions addressing issues such as access to credit, technology and markets, are often crucial for the benefits of skills training to come to fruition.

Subsequent studies³ largely confirmed the analysis of the ILO Turin 1987 workshop. A large study conducted for ODA (now DfID) on '*education and training for the informal sector*' in Ghana, Kenya and South Africa, found that the initial responses to the challenge of providing skills training for (future) IME operators were highly diverse, reflecting the TVET systems in existence, the institutional and political realities and the economic situation in the countries studied (McGrath and King 1995). Another ILO seminar discussed the challenges to re-orient national vocational training institutes (NVTIs) to direct part of their training offerings to IME owners and workers. It concluded that for many VTIs training for self-employment was not the best of the options open to them (Grierson and McKenzie 1996). Rather it was suggested to build on existing training systems, such as traditional apprenticeship training (Grierson 1997). And a recent study carried out for DfID, covering again Ghana, Kenya and South Africa (Afenyadu *et al.* 2001), found that training institutions are still insufficiently responsive to the skill needs of IME operators and that TVET policies continue to show inadequate consideration of all the issues related to training for self-employment. It suggests *inter alia* that there is an imperative need to link training for the IME sector to wider efforts to support the IME sector. Other studies and seminars also invariably found a need for further research

³ Such as for instance: World Bank 1991, Middleton, Ziderman & Adams 1993, McGrath & King 1995, Grierson & McKenzie 1996, Grierson 1997, Bennell 1999, Tchaban 1999, Gill, Fluitman & Dar 2000, Working Group for International Cooperation in Skills Development 2000, Afenyadu *et al.* 2002, Atchoarena and Delluc 2002, DANIDA 2002 and Johanson & Adams 2003.

to better understand informal work activities and especially to gain insights in the dynamic relation between changes in the economic and political context and the functioning of the IME sector (Turnham *et al.* 1990).

Against this background the present study will review recent developments with regard to the process of skills acquisition by current and prospective IME operators.

1.4 Changes in the Context of ‘Training for the Informal Micro-Enterprise Sector’

Most countries in Sub-Saharan Africa have in the past two decades adopted some kind of economic reform policies with measures aiming to open up the economy, to give a more prominent role for the private sector, and to withdraw the state from direct service provisions in favour of concentrating on the policy and the regulatory environment. Though possibly beneficial for economic growth (at least in the long run), the initial effects of the structural reforms aggravated the existing un- and under-employment problems in Africa (e.g. Fluitman 2001 and ILO 2003). The reforms have been a mixed blessing for the IME sector. The positive effects on the operation of small enterprises include: greater access to imported inputs, a shift in relative prices in favour of domestic inputs (which small enterprises tend to use more intensively than larger firms) and a less restrictive business environment, and on the negative side: many small enterprises came to face intense competition from industrial imports as well as from the rapidly increasing numbers of self-employment ventures due to layoffs and falling real wages in the modern/formal sector (see also chapter 2).

The IME sector is also affected by *globalization*, understood as rapid technological progress, integrated global communications, around-the-clock financial business transactions and globalized manufacturing. There is an international television- and movie-influenced convergence of consumer tastes, which has led to an increased flexibility of multinational corporations that is crowding out traditional products in many developing countries. Globalization makes technical skills more crucial for the IME sector, since without them informal producers will be overwhelmed by both local and imported mass-produced goods that cater for the internationalized consumer tastes of the local population. This to some extent has already happened, with Coca Cola taking the place of local (fruit) juices and Nike sneakers that of leather sandals.

Only concerted efforts to upgrade the skills level of informal operators, together with improvements in technologies, tools & equipment, marketing practices and, above all, diversification into non-traditional activities, will give

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the IME sector a chance to survive the effects of economic liberalization and globalization. And such a challenge comes exactly at a time when reductions in government expenditures have had negative implications for public sector training programmes and financing.

1.5 Objectives of the Study

The present study aims to shed light on the existing situation with regard to the skills development of those who will be and those already are working in the IME sector. It seeks to present ‘a feel of the field’ by identifying innovative ideas and experiences in the transfer of relevant skills to informal entrepreneurs and workers. It is built around case studies of interesting examples of formal and non-formal training organizations and programmes that are directed at the transfer of relevant skills to IME operators. The emphasis is on technical/vocational skills training, but attention will also be paid to entrepreneurship development and small business management training. The study will identify emerging ‘good practices’ with regard to ‘training for the IME sector’, and draw pertinent lessons for the design and implementation of future TVET policies and programmes.

Some of the research questions formulated at the start of the study include the following:

- Has the quality and delivery of existing technical/vocational and other kinds of skills training improved in the past decade? Has the relevancy of these training offerings for IME operators increased? Are more IME owners and workers benefiting from skills training offerings than before?
- Has the position of governments and especially TVET authorities with regard to the need for training of IME operators changed in the past decade? Has the public sector embraced the IME operators as a special target group for technical and vocational training?
- Have there been changes in the contribution of private training providers towards the skills development of IME operators?
- Have there been any changes in the funding mechanisms that stimulate skills development for the IME sector?

These issues are also pertinent in view of the emerging interest in Business Development Services (BDS). This approach focus on the provision of *demand-driven* services that respond to the ‘real’ and changing needs of the clients. This implies a moving away from conventional, *supply-driven* services, which have been determined by ‘perceived’ needs and by installed capacity (in terms of facilities, staff and programmes). It is exactly in the TVET sector

where this type of services is still strong. The focus of the recent thinking on BDS is on the development of ‘market-based’ provision of services using a business-like approach through private sector providers with cost-recovery as a necessary element (Gibson 1997, Committee of Donors on Small Enterprise Development 1998 and Steel *et al*, 2000). The present study will review and analyze new products and delivery methods of training for the (informal) micro-enterprises to see to what extent they correspond to the main performance criteria suggested as part of the BDS approach: (i) *outreach*: the quantitative scale of a programme’s influence, (ii) *efficiency*: delivery of intervention—i.e. the rate and cost at which inputs are turned into outputs, (iii) *effectiveness*: extent to which an intervention’s objectives have been met (including a comparison of the final impact and the cost of the intervention), and (iv) *sustainability*: both with regard to the extent to which the BDS-service offered can be sustained through client fees and the extent to which changes in IMEs (and beyond) are durable (Committee of Donors on Small Enterprise Development 1998).

1.6 Methodology

This study is based on fieldwork and complementary desk research. Short visits were made to Kenya, Tanzania and Uganda (in November 2000), Zambia and Zimbabwe (April 2001), and Senegal, Benin, Niger and Cameroon (in March 2002)⁴. The Ghana chapter draws on a number of visits to this country in 2001 and 2002. The initial analysis of documents and information collected (see Haan, 2002-b and -c) was updated on the basis of recent information and newly published reports.

The field methodology was largely determined by the time frame, necessitating a journalistic rather than an academic approach. Visits were organized in concentric circles, beginning with initial contacts with the ILO and central government agencies in the field of employment, micro-enterprise and education & training to get a first picture and identify local informants and relevant documents. The second circle were key informants from public and private sectors, NGOs and donors, selected on the basis of their knowledge of the IME and TVET sectors. Finally interviews were held with staff of various types of training organizations, donor projects and private enterprises, together with visits to relevant training centres, IME associations and informal workshops.

⁴ The original research was undertaken for the ILO Training Centre in Turin and funded by the World Bank and the ILO. The author is grateful to both organizations for their permission to make use of the material collected.

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Numerous documents were collected, especially from the ‘grey’ circuit (see Bibliography).

The flexibility of the approach allowed for a large number of, often impromptu, visits to a wide range of organizations, training centres and private enterprises, which provided a wealth of information on skills development in the IME sector. Unfortunately, ‘training for the informal micro-enterprise sector’ is still a relatively new topic and so far little research has been done in this field. The concept of ‘the IME sector’ is often not included in labour market surveys and there is a scarcity of in-depth IME studies, especially with regard to the skills situation of IME operators. It must also be acknowledged that, while genuine efforts were made to include the training situation in the rural areas in the review, the limited time frame for the country visits forced an implicit urban, even capital city, bias. Similarly the case studies were mainly selected on the basis of pragmatic considerations and are not necessarily entirely representative of the training situation in the countries reviewed. The analysis in some of the case studies was hampered by the lack of (publicly) available and credible evaluative material. In spite of its shortcomings, it is believed that the study presents a rather up-to-date picture of the different ways of skills development for the IME sector.

1.7 Structure of the Study

The study is structured as follows. Chapter 2 discusses the concept of the informal micro-enterprise sector (size, structure and growth) and depicts the main characteristics of its operators, including their skills situation. In chapter 3 a brief overview of the vocational education and training sector in SSA is given. The mainstay of the report is formed by chapters 4, 5 and 6, which discuss the roles of public, NGO and private training providers with regard to the transfer of skills and knowledge to those who already are, or are likely to be, employed in the IME sector. Chapter 7 reviews the incidence and features of ‘informal apprenticeship training’. The concluding chapter 8 presents some conclusions and suggestions with regard to training for work in the informal micro-enterprise sector.

Acknowledgements

This study is dedicated to *John Grierson*, who was one of the first to draw attention to the urgency of paying specific attention to training for the informal micro-enterprise sector and to point to the way in which such training might

take shape. He will be missed as a sharp observer and stimulating colleague. The author wants to acknowledge the support received from a large number of people who kindly shared their knowledge and opinions with him. I want to thank *Fred Fluitman, Jon Lauglo, Rupert Maclean, A. V. Adams and especially Richard Johanson*, for their encouragement and support, including comments on earlier drafts.

2

Informal Micro-enterprises in Sub-Saharan Africa

In this chapter the emergence of the concept of the ‘informal sector’ and its subsequent modifications is reviewed against the background of the overall economic development in Sub-Saharan Africa.

2.1 Economic and Labour Market Developments

Africa’s economic development has up to today not lived up to the confident ambitions of its leaders at the time when many of these countries became independent. Expectations for industrialization have not materialized and the continent has remained highly dependency on primary commodities. Efforts to diversify the structure of exports and to promote non-traditional exports, especially manufactured goods, have been largely unsuccessful—in fact, Africa’s share in world trade has decreased. And average per capita income in sub-Saharan Africa today is lower than in 1960 (Atchoarena and Delluc 2002).

Africa’s labour market situation remains gloomy. In many countries more than two-thirds of the labour force continues to be engaged in agricultural activities at subsistence level. Due to its low levels of productivity the sector’s contribution to GDP is only small (less than one-third). It does not play a role in stimulating economic growth, earning foreign exchange and not even always in a position to feed the growing population. The industrial workforce only surpasses 10% of the total labour force in a small number of countries (e.g. Botswana, Côte d’Ivoire, Ghana and South Africa).

Economic growth in the past decade has been, at best, low and generating few jobs. At the same time more than half of Africa’s population is below 18 years of age, sustaining a rapid growth of its labour force (on average 2.8% per year). There is in fact a structural over-supply of labour now that the government and private firms in the modern or ‘formal’ sector (FS) have stopped hiring (Fluitman 2001). As a result the importance of FS employment has declined, while simultaneously the recent retrenchment of substantial numbers of civil servants has in some countries significantly reduced the role of employment in public services within the FS (see Table 2.1).

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Table 2.1 Importance of FS wage employment and total public sector employment, selected countries, 1980, 1990, 1994/5.

Country	Formal sector/labour force*			Public sector/formal sector**		
	1980	1990	1994/5	1980	1990	1994/5
Kenya	17.6	18.0	16.9	46.9	49.5	45.8
Tanzania	7.4	9.2	8.1	73.3	53.6	50.5
Uganda	—	17.2	13.3	—	37.1	30.5
Zambia	29.4	—	18.0	58.4	—	59.7
Zimbabwe	34.1	30.3	25.3	12.4	18.6	17.9

*Formal sector wage employment as a percentage of the labour force.

** Total public sector employment as a percentage of formal sector wage employment. Source: Van der Geest, W. and R. van der Hoeven (eds.), *Adjustment, Employment & Missing Institutions in Africa—the experience in Eastern and Southern Africa* (1999), taken from Fluitman (2001).

Open unemployment in Africa is especially high among youth and women. But among the poor only few can afford to be without employment for a longer period, and most of the jobless resort to casual employment and various forms of self-employment. As a result the continent's labour market, especially in the urban areas, includes a rapidly expanding informal economy.

Employment problems are reflected in low incomes and widespread poverty. More than half of Africa's population of more than 300 million people is living in extreme poverty on USD 1 per day or less. These problems are further aggravated by the continent's serious health problems, with malaria and especially HIV/AIDS causing a great number of death. Many of them are in the prime of their working life and their death affects economic production and causes serious de-skilling of the labour force (see e.g. Grierson 2002).

2.2 Informal Sector Activities

2.2.1 Emergence of the Concept of the 'Informal Sector'

The notion of the 'informal sector' (IS) was first introduced in the 1970s to describe *informal income opportunities* in Ghana (Hart 1973) and subsequently used by the ILO Employment Mission to Kenya to draw attention to small-scale economic activities in which the urban "working poor", many of whom were thought to be migrants who recently migrated from the rural areas, were engaged to scrape together a living (ILO 1972).

The emergence of the informal sector concept was followed by a spate of studies¹, many of them under auspices of the ILO (see Bangasser 2000). They pointed to the following main characteristics of IS activities: (i) small scale of operation, (ii) labour-intensive production, (iii) frequently operating without proper business licenses and in contravention of labour laws and tax regulations, and (iv) low barriers to entry in terms of required capital and skills.

Since then the notion of the existence of ‘informal’ economic activities has gained general acceptance, although no universal definition (or even term) ever emerged².

2.2.2 Micro- and Small Enterprises

In the 1980s a different approach with regard to (urban) small-scale economic activities put particular emphasis on the heterogeneous nature of informal sector activities and on the business aspects of these activities—instead of putting the social characteristics of the ‘working poor’ first (e.g. Farbman and Lessik 1989, CARE 1996). Three segments of such activities were discerned:

Income-Generating Activities (IGAs) are the predominant type of MSEs, especially in rural areas. They refer essentially to pre-entrepreneurial activities without any barriers to entry that form a safety net of last resort for people who have to engage in some form of income-generating activities to survive, such as: under-employed hawkers and vendors, subsistence farmers and many women’s household activities, even though the labour returns are very low, IGAs still form an critical source for refugees, disabled, ex-offenders, discriminated women and minority groups.

Micro-enterprises (MEs) are mostly family firms with one single worker although others have some regular workers; they use traditional technologies based on widely existing technical knowledge, existing labour skills

¹ For instance ILO ‘city’ studies on the informal sector in Abidjan, Bogota, Jakarta, Lagos and Sao Paulo; PREALC 1978; Sethuram (ed.) 1981, Maldonado 1987 and Maldonado & Sethuraman, 1991. For other studies linked to the ILO see Bangasser 2000. See also: Raczynski, 1977; Bromley and Gerry, 1979; Farbman (ed.), 1981; Harper 1984; Moser (ed.) and others in autumn issue of *Regional Development*, 1984, Ashe, 1985; Levitsky 1989; Boomgard, 1989; Turnham *et al.* 1990; Lubell 1991 and Mead & Liedholm 1998.

² The decline in the number of publications and reports dedicated to the definition and features of the informal sector since the beginning of the 1990s (cf. previous note), can be taken as an indication, on the one hand, of the difficulties involved in coming up with a precise, universally valid and generally accepted definition of the informal sector concept and, on the other, of a more pragmatic approach in which challenge is rather found in the design and testing of practical approaches to promote the IME sector and provide relevant services to support it (cf. the recent work on Business Development Services).

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and existing raw materials supplies and typically serve local markets; MEs are usually located in the home of the owner.

Small enterprises (SEs) employ from roughly 10 to 50 workers and use non-traditional or ‘modern’ technology in some aspect of transformation process; their products and services range from simple to complex, and similarly span a range of consumer types and as a result their marketing pattern may be somewhat complex, reflecting innovation in raw material procurement and in output sales; some SEs are (on the margin of) formal: paying some taxes, registered with municipality.

An important practical argument for such a segmentation of the informal sector, was found in the different support needs of the distinguished segments, which should be reflected in the design of support strategies and interventions. For instance, IGAs should be subject of a *poverty alleviation/community development approach*, with ample attention for social aspects (e.g. entrepreneurship orientation, credit management, and low level technical assistance), while MEs would benefit from an *incrementalist approach* with major emphasis on (micro-) credit and SEs rather require a *business approach*, with more individualized support services based on feasibility and market studies (Farbman and Lessik 1989).

2.2.3 L’Artisanat

In the Francophone countries in West and Central (and North) Africa the concept of *l’artisanat* is used to refer to traditional crafts such as weaving of traditional carpets and clothes, manual metal working (e.g. copper and black smithing), pottery and other various handicrafts, while informal activities of more recent origin (e.g. welding) are sometimes referred to as *petits métiers*. The concept of the informal sector as used in this study is broader than these two categories of activities, since it includes in addition to manufacturing and repair services also small-scale trading and personal & social services (see Figure 2.1).

L’artisanat historically enjoyed the support of governments, which in some countries was later extended to *petits métiers*, i.e. productive small-scale activities of a more recent origin, such as: carpentry, metal-working, welding and various repair services (e.g. cars and electronics).

2.2.4 Informal Economy

Recently the ILO has further updated its ‘informal sector’ concept by explicitly including various forms of ‘informal employment’ that are the result of increased flexibilization and informalization of production and employment

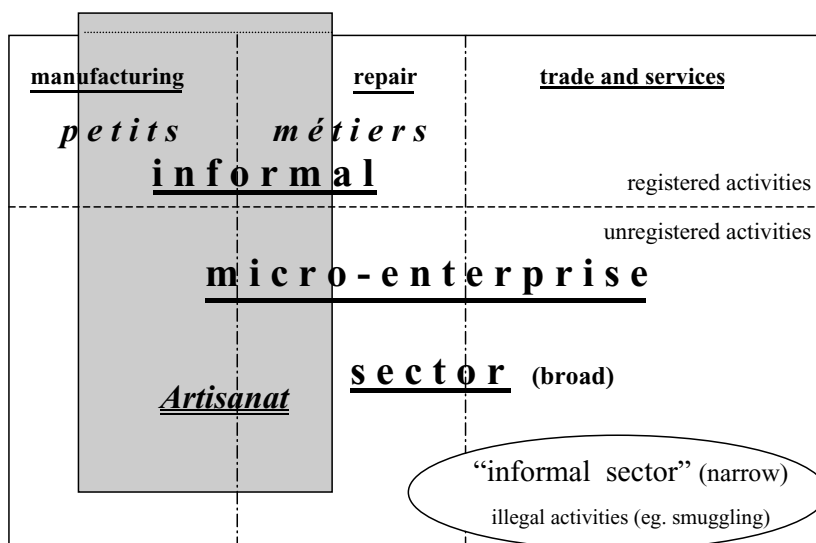


Figure 2.1 *L'artisanat, petits métiers* and informal sector

Source: Haan 2003.

relationships in the context of global competition (ILO 2002). The *informal economy* now refers to informal enterprises as well as new forms of “non-standard wage employment”, such as workers in sweatshop production, home-workers, industrial outworkers and casual, temporary and part-time workers. In practical terms, the new elements refer particularly to casual and family workers in formal/modern enterprises who do not have a proper labour contract.

Those who work in the informal economy are consequently not covered by labour and social security legislation, and suffer from a high degree of vulnerability. They are usually lowly educated and have no assets at all (apart from their physical strength for work) and look for whatever they can do to earn a meagre income. They include, for instance, own-account workers in various survival-type activities, such as street vendors, shoe shiners, garbage collectors and scrap- and rag-pickers; paid domestic workers employed by households; home-workers and workers in sweatshops who are ‘disguised wage workers’ in production chains; and the self-employed in micro-enterprises operating on their own or with contributing family workers or sometimes apprentices/employees.

2.2.5 Informal Micro-enterprise Sector

In this study the term *informal micro-enterprise sector* will be used to refer to a continuum of non-agricultural activities that are characterized by:

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- (i) *tiny scale of operation*, both in terms of the number of workers (up to 5–10 workers)³ and amount of capital invested (usually well below USD 1,000 and often only one hundred dollars or less);
- (ii) use of '*non-modern*' technologies, referring to both the use of less advanced production techniques, equipment and management practices;
- (iii) *traditional forms of organization* (eg family enterprises); and
- (iv) *weak positions in the markets* where they procure inputs and sell their outputs, which follow from the low quantities of capital and skills required to set up businesses that imply low-barriers-to-entry (-and-exit), as a result of which informal firms tend to face strong competition and often operate in markets that near saturation.

This conceptualisation of 'informal' economic activities views the fundamental difference between informal and modern/formal activities as related to the level of technology at which they operate. The low level of technology of the IME sector is reflected in the use of less advanced production techniques and the small number and often outdated and manually operated type of equipment, as well as in the more traditional forms of organization of the enterprise (e.g. firms relying on family labour and other unpaid workers), simple, if nay, financial administration (e.g. lack of formal bookkeeping systems) and limited market-orientation (e.g. basic nature of marketing strategies)⁴. As such the low level of technology is closely related to the limited access to capital of informal entrepreneurs and their modest levels of skills and knowledge⁵.

³ It is not productive to insist on a strict demarcation as this would depend on the type of economic activities and even the economic conditions in which they operate. In surveys of micro- and small enterprises in a number of African countries, in which some 50,000 firms with up to 50 workers were surveyed, only 2% were found to have between 6-10 workers and a mere 1% more than 11 workers (Mead 1999).

⁴ This distinction is still quite pronounced in Africa. In more urbanized and economically advanced countries (e.g. Latin America) the 'technology' distinction between 'informal' and 'formal' enterprises is becoming less pronounced. In these regions there is a growing convergence between the two sectors, which can be seen, for instance, among car repair workshops which show gradual differences in the facilities being used (e.g. many of them are now using a hydraulic lift and few rely only on a pit), suggesting a wide spread of investment levels and corresponding types of tools and equipment.

⁵ As different from some other studies, this study does not take the legal status of the micro-enterprises, while seen as relevant factor that contributes to 'informality', as its main determining characteristic (e.g. other types of enterprises, including large (multinational) firms, are also known to evade tax and labour regulations). Moreover, interventions based on the legal status of the IMEs would not be effective in solving their technology and related skills deficiencies. It is important to note that the IME sector should by no means be exclusively equated with illegal activities that purposely try to circumvent existing legislation, such as smuggling,

In operational terms, informal sector enterprises can simply be taken to refer to enterprises engaged in non-agricultural activities that employ up to 5–10 workers (including the owner), disregarding professionals who are working independently or in the form of micro-enterprises (e.g. lawyers, dentists, etc.).

While *trading activities* (and especially street vending and ambulant trading) are the best known IME activities, the sector also includes ‘productive’ activities such as *micro-manufacturing* (e.g. food-processing, carpentry, welding, metal working and various handicrafts), *maintenance and repair services* (e.g. watches, electronics, cars and home appliances), construction (e.g. masonry) and transport (e.g. taxis), as well as *personal and social services* (e.g. hairdressing & beautician, restaurants & catering, child care, guarding of properties).

In this conceptualization of informal micro-enterprises, the IME sector is integrated in, and responsible for a significant contribution to, the national economy. It renders essential services to modern economic activities (e.g. manufacturing of spare parts and intermediate products, as well as repair of capital equipment such as trucks and machinery). It also supplies low and medium income groups with appropriate goods and services (e.g. houses, furniture, garments and foodstuffs) and is indispensable as the repairer of watches, radios, TVs and other electronic equipment, household appliances and cars, busses and trucks.

2.2.6 Low and High End of the IME Sector

Within this conceptualization the IME sector is viewed as starkly heterogeneous in various respects: type of economic activities, level of technology, size of establishments in terms of number of workers and invested capital, personal characteristics of the business owners, work organization, type and location of (work)shop (or absence thereof), type and origin of raw materials, product markets and type of customers, etc.). It is particularly useful to distinguish between the following two segments:

- (i) The **‘high-end’ of the IME sector** is formed by *micro- and small enterprises (MSEs)* that have some potential for growth in terms of increased turnover, capital accumulation and expansion of the workforce. They use a mixture of traditional and ‘modern’ technologies in the production process. They produce goods and services ranging from simple to complex for different types of consumer. MSEs are relatively market-oriented and to some extent formalized in terms of registration, business license,

manufacturing of outlawed products, child labour, etc. It should be borne in mind that evasion of tax and labour laws also occurs in the formal/modern sector.

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payment of taxes and social security. Some examples of the IME ‘high end’ are: metal working, carpentry, tailoring, various repair services (e.g. radio & TV, cars, household appliances), saw mills, garment assembly, motorised transport, construction and industrial agro-processing.

- (ii) The **‘low-end’ of the IME sector** is made up by *income generating activities (IGAs)* that are essentially ‘pre-entrepreneurial’ subsistence types of self-employment activities that function as ‘employer of the last resort’, especially for poor women and minorities. They require only minor forms of organisation, management and administration and are carried out at most with the assistance of one (or more), usually unpaid, family workers. Usually IGAs concern part-time, seasonal activities, based on traditional technologies, local materials and local markets. They yield incomes that are too low to allow for any re-investment and only serve as a contribution to the household income. IGAs have little if any potential for growth, and might be best supported by assisting those engaged in IGAs to diversify their activities. Examples of ‘low end’ activities include: seasonal trading and hawking, small livestock raising, and many traditional craft activities.

In the following chapters this distinction will be used to analyze training interventions.

2.3 Importance of the IME Sector

A serious constraint for the promotion and development of the informal micro-enterprise sector is formed by the lack of relevant statistics on its employment, types of economic activities and personal characteristics of its operators (i.e. IME owners and workers). The concept is only in a few countries incorporated in the regular labour market surveys and there exist only a handful solid and detailed studies on the features of informal enterprise, entrepreneurs and workers. As a result, many policy makers and support practitioners do not have a solid understanding of the role and support needs of the IME sector.

Table 2.2 summarizes available information on informal employment in Africa, Asia and Latin America. The table makes it clear that the informal sector is of overwhelming importance for the creation of employment in all developing regions: it constitutes around half (40–60%) of total urban employment. The IME sector is above all important in Africa, where it contributes 78% to total non-agricultural employment.

The most astonishing and in many respects worrisome information is that the IME sector is of such crucial importance for new entrants to the labour

Table 2.2 Importance of informal employment in different regions

Informal workforce as share of:	Africa	Asia	Latin America and Caribbean
Non-agricultural employment	78%	45–85%	57%
Urban employment	61%	40–60%	40%
New jobs	93%	na.	83%

Source: Chen, Jhabvala and Lund 2002.

market. In fact, in Africa the sector is responsible for an almost unbelievable 93% of all new jobs.

Estimates for Africa also point to an increasing ‘informalization’ of the economies in this region. In some countries the informal sector employs already millions of people and in the urban areas IMEs provide up to 70–80% of all existing jobs⁶. The exception is formed by (urban) South Africa, which has a relatively large modern/formal sector of industries and commerce, Botswana and countries in North Africa, where the IME sector is significantly smaller (see Table 2.3).

The IME sector is not only important in terms of employment creation. According to available estimates IMEs in Africa also contribute on average more than a quarter of the GDP, ranging from 7% in South Africa to almost 40% in Mozambique (e.g. Charmes 1998/2000 and Maldonado and Gaufryau 2001).

2.4 Main Characteristics of Informal Micro-enterprises

During the 1990s a number special surveys of the informal micro-enterprises sector were undertaken in a number of sub-Saharan countries⁷. Together they present a comprehensive and at times unexpected picture of the IME sector in Africa.

⁶ Please note that in some of the definitions farming has been included, which makes them difficult to compare with other definitions based on non-agricultural activities. In general the two are better comparable for the urban areas due to the limited incidence of agricultural activities.

⁷ These studies, carried out within the USAID-funded GEMINI-framework include national surveys of micro and small enterprises (MSEs) were carried out in Kenya, Lesotho, Swaziland, Africa, Zambia, Zimbabwe and the Dominican Republic, as well as in major urban areas in South Africa. The surveys covered more than 50,000 enterprises with up to 50 workers, but found that only 1% of the firms employed more than 10 workers. The results therefore closely depict the IME sector. This section is largely based on Mead and Liedholm 1998.

Table 2.3 Estimated size of the IME sector in selected African countries (1990s)

Countries	Area	Year	Total employment (thousands)	% of Total employment	% of Total employment (men)	% of Total employment (women)
Benin ^{b,□}	urban	1999	275,500	46.0	50.0	41.0
Botswana ^b		1996	60,500	19.3	12.3	27.6
Cameroon ^{b,□}	urban	1993	119,000	57.3	na	na
Ethiopia ^{a,□}	urban	1999	1,118,500	49.2	37,134.8	64.0
	rural	1999	2,137,700	50.7		57.8
Gambia ^d	urban	1993	100,7000	72.4	66.1	82.7
Ghana ^{b,□}	urban	1997	na	78.5	na	na
	rural	1997	na	93.4	na	na
Ivory Coast ^{d,□}	urban	1996	414,200	52.7	37.3	73.4
Kenya ^{*,d}	urban	1999	809,320	36.4	43.9	29.5
	rural	1999	1,551,930			
Mali ^b	urban	1996	370,600	71.0	na	na
	rural	1996	805,500	na	na	na
Niger ^b	urban	1995	302,600	na	na	Na
Senegal ^c	urban	1996	665,000	Na	na	Na
South Africa ^{b,□}	urban	1999	1,549,000	21.3	26.7	28.4
	rural	1999	1,157,000	37.4	59.7	52.32
Tanzania ^{b,□}	urban	1995	345,900	67.0	59.7	85.3
Tunisia ^{c,□}		1997	423,100	21.6	24.5	12.8
Uganda ^{c,□}	urban	1993	654,900	83.7	67.6	80.5
	rural	1993	11,452,000	na	na	na
Zambia ^{d,□}		1993	2,300,000	80.7	na	na
Zimbabwe ^{b,□}	urban	1993	154,100	na	na	na

^a Harmonised definition in which domestic servants are excluded.

^b Informal sector according to national definition.

^c Micro- and small enterprises according to national definition.

^d Other concept as is nationally defined.

□ Including agricultural activities.

Source: ILO Compendium of official statistics on employment in the informal sector (2002).

* For Kenya: CBS/K-REP/ICEG, National MSE Baseline Survey (1999).

Table 2.4 Importance of IMEs in rural and urban areas (1999)

	Botswana	Kenya	Malawi	Zimbabwe
Share of IMEs in:				
– urban areas	24%	15%	12%	30%
– rural towns	28%	7%	4%	6%
– rural areas	48%	78%	84%	64%

Source: Mead and Liedholm 1998.

2.4.1 Location

Contrary to the general notion, informal activities (even disregarding agricultural activities) are particularly a rural phenomenon: the share of all enterprises in urban locations (defined as more than 20,000 inhabitants) is only 10–25% (and in Zimbabwe (30%). Even adding the IMEs based in rural towns (with a population of 2,000–20,000 inhabitants), the total share of ‘urban IMEs’ is less than half (see Table 2.4).

2.4.2 Economic Structure

It is well known that trading activities, including street vending and ambulant trading, are universally the most important segment of the IME sector. In Africa trading ventures constitute usually more than half and sometimes up to 75% of all IMEs (see Table 2.5).

There is often a marked difference between the economic structure of the IME sector in urban and rural areas. While trading is the most common activity

Table 2.5 Economic structure of the IME sector in selected countries in WCA (1990s)

	Manufacturing	Construction	Trade	Services
Benin	9.1%	1.0%	60.4%	29.6%
Burkina Faso	12.5%	2.3%	73.6%	11.6%
Cameroon	17.6%	5.6%	45.9%	30.8%
Mali	32.4%	1.6%	48.8%	17.2%
Niger	41.5%	—	35.2%	23.3%
Rwanda	18.5%	5.8%	57.4%	18.3%
Senegal	15.4%	0.4%	72.0%	12.2%

Source: Maldonado and Gaufryau 2001.

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Table 2.6 Economic structure of the IME sector in rural and urban areas in ESA (1990s)

	Commerce		Manufacturing		Services	
	Urban	Rural	Urban	Rural	Urban	Rural
Botswana	71%	64%	15%	34%	14%	2%
Kenya	74%	66%	18%	27%	8%	7%
Malawi	62%	60%	29%	36%	9%	4%
Zimbabwe	30%	16%	64%	70%	6%	14%

Source: Mead and Liedholm 1998.

in both areas, manufacturing tends to assume a larger role in rural areas than in urban surroundings (see Table 2.6). Such manufacturing includes traditional activities, such as blacksmithing and weaving, as well as various simple craft activities (e.g. pottery).

Within manufacturing, several activities are consistently dominant: textiles and wearing apparel, food and beverages, and wood and forest products. Together they constitute about 75% of urban MSEs and nearly 90% of informal firms in rural areas.

2.4.3 Upcoming New IME Activities

The lack of new jobs in the formal sector is leading to noticeable changes in the IME sector. No longer are informal enterprises limited to traditional, craft-like activities. In recent years new informal activities are emerging, such as repair of computers and mobile telephones, internet cafes and fitness centres. They use similar types of technologies as their 'formal' counterparts, but are still recognizable because of the smaller size of the venture (e.g. in terms of employment), lower level of investment (e.g. use of second-hand equipment), lower importance of marketing techniques, continued focus on customers from low- and middle-income groups and, last but not least, their somewhat shoddy appearance.

In other cases the convergence between IMEs and formal sector operations comes from the other side, for instance when formal/modern retailing establishments, distributors and manufacturers use informal workers to expand their markets to low-income groups: informal vendors are linked to multinational corporation chains, with Unilever using them to sell soap and Coca Cola and Nescafe renting out kiosks and carts to them (see Box 2.1).

Box 2.1 Dakar: Nescafe Carts

The *Nescafe carts* in Dakar underline the informalization of employment. They have been introduced by the Nestlé multinational as a marketing modality. They closely resemble and actually compete with the IME sector. Essentially the carts refer to a large number of young boys and girls, often migrants (even from neighbouring countries), who are selling cups of hot Nescafe coffee in the busy streets of the capital city.

The youngsters are equipped with rented carts in the form and colours of a large Nescafe tin with a small roof. The Nescafe boys and girls receive a one-day training from Nescafe how to make Nescafe coffee, what cups to use and a bit on customer relations. They are not salaried workers as their earnings depend solely on their coffee sales, so that they are more like self-employed workers who own no capital equipment but have to rent it every day. They work from dawn to dusk—earning only a few dollars per day.

2.4.4 Firm Size

The GEMINI surveys established that on average almost two-thirds of all IMEs were one-person businesses (see Table 2.7). They are very likely to be income-generating activities with their owners engaged in trade and simple traditional crafts. Another almost one-third had 2–5 workers (including the own and unpaid family workers), which leaves only 2% of the enterprises with 6–10 workers and 1% with 11–50 workers.

In other words, the working proprietors constitute more than half the IME workforce, and in some countries hired workers comprise as much as 20% of the informal labour force. The average workforce of IMEs is very small, for instance 1.8 persons in (urban and rural) Kenya (CBS/K-REP/ICEG 1999)

Table 2.7 Main characteristics of IMEs in selected Sub-Sahara African countries (1990s)

	Botswana	Kenya	Malawi	Zimbabwe
Share of one-person IMEs	65%	47%	61%	69%
Share of IMEs owned by women	75%	46%	46%	66%

Source: Mead and Liedholm 1998.

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and 1.9 persons in (urban) Senegal (Gaufryau and Maldonado 2001; data for 1988). The latter ranges from an average firm size of 1.1 persons in trade, via 3.0 persons in construction, to 4.5 persons in manufacturing and even 8.1 persons in car repair workshops. Similar firm sizes were found in a more recent survey in Yaoundé (Cameroon, see Fluitman and Momo 2002; data for 2000).

2.4.5 Women-owned IMEs

The surveys establish that in Africa around half of all the IMEs, both in rural and urban areas are owned and operated by women entrepreneurs (see Table 2.7). However, such women-owned micro-enterprises are concentrated in a narrow range of economic activities: retail trading, knitting, dressmaking, crocheting, cane work and beer brewing.

In general terms women-owned IMEs are somewhat smaller, weaker and less profitable; most of them are operated from the residence of the owner (e.g. Mead and Liedholm 1998). Other research suggests that while male entrepreneurs are foremost interested in profit maximalization and a rapid expansion of their business, female entrepreneurs tend to have a different business strategy, which is more directed at income security and therefore aims more for business diversification (e.g. Tinker 1995 and von Massow 1999).

2.4.6 IME Profits and Incomes

It is widely thought that all incomes from informal employment are low, but available information, though scarce, suggests that there is actually a wide spread in IME incomes. Almost all working at the lower end of the IME sector, and especially of those in simple traditional IGAs are indeed ‘working poor’ since they work, often for very long hours and in difficult conditions, for a minimal income. At the same time the incomes of informal entrepreneurs are in general markedly higher and often well above those of regular employees in the formal sector.

Data for the IME sector in **Kenya** (1999), for instance, shows that incomes from informal employment are generally above the official minimum income, which stood at that time at USD 40 per month; informal entrepreneurs earn on average some 20–30% more than hired workers (except in trade). At the same time, male entrepreneurs earn distinctly higher incomes than female entrepreneurs, possibly because they are more frequently found in manufacturing and (repair) services, which have generally higher levels of profit and incomes,

Table 2.8 Kenya: IME incomes compared with minimum wage* (1999)

Economic activities	IME entrepreneurs			IME hired workers
	Total	Women	Men	Total
Manufacturing	2.1	1.5	2.3	1.6
Construction	na	na	na	2.2
Trade	1.8	1.5	2.3	3.3
Services	6.7	5.4	7.4	5.6
.....				
Urban areas	na	na	na	2.7
Rural areas	na	na	na	0.8

*The minimum wage for a general labourer was at the time of the survey Ksh 2,363 (USD 40).

Source: CBS/K-REP/ICEG, National MSE Baseline Survey (1999).

while their IMEs are also somewhat larger than those of women entrepreneurs (see Table 2.8).

Such levels of average incomes are also found in **Zambia** (1996), where IME operators earn some USD 170 per year⁸ (Nell & Shapiro 1998), and **Cameroon** (Yaoundé) where their incomes are calculated at around one US-dollar per day—irrespective of the activities in which they are involved (Fluitman and Momo 2001).

A further analysis of the results of the survey in **Kenya** confirms that there are substantial differences in economic efficiency between enterprises of different size, and that the returns/hour of labour are significantly higher for enterprises with 2–5 workers compared to one-person firms, and that they still higher for next higher size group with 6–9 workers. This means that even a small increase in size is associated with substantial increases in economic efficiency, which for these small establishments is closely associated with the levels of income earned by those who work in the enterprise (Mead and Liedholm 1998).

2.4.7 IME Dynamics

While for a long time the information on informal enterprises, entrepreneurs and workers was collected during one-shot surveys and studies that were both

⁸ Although these incomes would appear to be low, there are incidences known of (public sector) salaried workers who leave their job in the formal sector to start their own business in the informal sector (Nell and Shapiro 1998).

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limited in time and in coverage, the GEMINI surveys specifically set out to present a more dynamic picture of the IME sector⁹. They offer an interesting impression of the intricate relationship that the IME sector has with the rest of the economy. It was found that when economy is growing, ‘high end’ IMEs also thrive, expanding by engaging additional workers—while ‘low end’ IME operators are closing their ventures to move to more rewarding activities in either the formal or informal sector. Conversely, when the economy is stagnating, existing IMEs face hard times and only a few of them are expanding and others will even lay off workers—while at the same time there is also an increased pressure for new labour market entrants who cannot find a wage job, to start new businesses, even ‘low end’ IMEs which yield only marginal returns (see Box 2.2).

The GEMINI surveys also found that incomes earned in enterprises that are expanding, which are probably more towards the ‘high end’ of the IME sector, were more than twice the level in those enterprises that were newly established: ‘expansion jobs’ appear to be substantially more productive, compared to those that result from new business starts (which probably are near the ‘low end’ of the sector).

Box 2.2 IME ‘Churning’ in Kenya

Kenya present a good example of the ‘churning’ of the IME sector. In 1994 employment in the IME sector grew by nearly 100,000 as the net result of 250,000 people starting work in such activities (227,000 in new enterprises and 27,000 taken on in existing businesses), which number was partially offset by 157,000 people who stopped working when their firm closed. In other words, in 1994, when GDP hardly expanded, about 70% of the net new jobs came into existence as a result of net starts, with only 30% coming from expansions. In the next year, 1995, when the rains were good and the business climate improved, these figures were reversed: only about 30% came from net starts, while close to 70% came from an expansion of new enterprises in the informal sector.

Source: Mead and Liedholm 1998.

⁹ They provide both a larger coverage and a more dynamic picture of the informal sector through the use of: panel surveys in which the evolution of a sample of enterprises was followed over time; tracer’ studies to search and re-interview informal enterprises covered in earlier surveys; surveys of MSEs that had previously been operated by members of a household but are no longer in operation; and modified baseline surveys one-shot surveys to provide retrospective information concerning past patterns of growth of currently existing enterprises since their start-up.

In other words, the data suggest that when the economy is more buoyant, a significant number of new employment openings in IMEs come from an expansion of existing enterprises, resulting in jobs that produce higher incomes for those working in these enterprises. In times of economic stagnation, in contrast, existing IMEs tend to cut back on their employment; a larger percentage of new jobs result from new enterprises being started, often in product lines that yield substantially lower returns.

These insights into the segmentation of the informal sector and its functioning in relation with the general economic situation, hold important implications for interventions to promote IMEs. While the informal sector can indeed contribute to the creation of productive employment, it may be unrealistic to expect that even the most effective programmes and projects to support informal activities will be successful in assisting IMEs to expand in times of economic decline. The number of new informal establishments is so large that it is impossible to provide adequate services to all of them. Since the sector is diverse and heterogeneous, it includes various target groups all with different potential contributions to the economy and different sets of support needs. The analysis based on the results of the surveys suggests focussing interventions on IMEs that have survived their first two years and are likely to grow.

2.5 Main Characteristics of Informal Entrepreneurs and Workers

2.5.1 Age

The age of IME owners and workers spans a wide range, from school leavers who are barely in their teens to old men and women who have no other source of income than simple informal activities. The majority of them are in their thirties. In **Kenya**, for instance, the average age of IME operators was 35 years (i.e. 33 years for women and 36 years for men; CBS/K-REP/ICEG 1999) and the average age of the IME operators in the Yaoundé (**Cameroon**) survey was 33 years (Fluitman and Momo 2001). The latter noted marked age differences per activities, with an average age of 27 years for women's hairdressers and 41 years for men's tailors (ibid.).

While it is therefore in general not correct to see the IME sector as driven by child labour, it is true that in some countries, especially in West Africa, the poor state of the educational system results in large numbers of very young school leavers. Usually they have little option but to try to find work, if possible combined with some kind of skills training, in informal (work)shops.

2.5.2 Education

The educational levels of the informally employed are generally lower than those in the formal/modern sector. Such low educational attainments limit the trainability of IME operators and lead to modest skill levels. In **Tanzania** almost half of informal entrepreneurs and workers were found to be poorly educated: 46% had followed no education at all or not completed primary schooling, while less than 4% had secondary or higher education (ILO 2002a) (see Table 2.9).

Informal entrepreneurs tend to be somewhat better educated than their workers (and in the case of Yaoundé, even better than the population as a whole—Fluitman and Momo 2001). Studies suggest that the level of education of IME operators is gradually increasing, for instance in Kenya (see Afenyadu *et al.* 2001).

In surveys of IME entrepreneurs in Ibadan (**Nigeria**), Lomé (**Togo**), Niamey (**Niger**) and Dakar (**Senegal**), education emerged as a critical factor for employment or apprenticeship in a range of “attractive economic activities”, such as radio & TV repair, car repair, tailoring, and women’s hairdressing (Birks *et al.* 1994).

Table 2.9 Educational level of IME entrepreneurs

Year	Kenya	Tanzania	Zambia	Zimbabwe	Senegal
	1999	1999	1995	1998	1990/91
No education/illiterate	11%	4%	1%	6%	58%
Primary education	54%	51%	40%	40%	24%
Lower/incomplete sec. education	33%	32%	35%	22%	12%
Upper/complete sec. education	33%	4%	23%	26%	18%
Post-secondary education	2%	4%	2%	6%	2%

Sources: Kenya: CBS/ICEG/K-REP (1999)—national survey of MSEs in non-agricultural activities.

Senegal: Birks *et al.* (1994)—survey of 12 selected activities in Dakar.

Tanzania: Nell and Shapiro (Oct 1999)—survey of 8 selected activities in Dar-es-Salaam.

Zambia: Afro Development Services Ltd (1995)—urban survey of 7 selected activities.

Zimbabwe: McPherson (Sept 1998)—national survey of MSEs in non-agricultural activities.

2.5.3 A New Generation of IME Operators

Many of those working in the IME sector are doing so because they cannot find any other employment. A survey (1995) of the informal sector in Dar es Salaam (**Tanzania**) found that 41% of the respondents worked informally because they could not find other work or had been retrenched, 30% because their family needed additional incomes, while only a minority had positive reasons: 10% because of the freedom to determine their hours and place of work, and only 9% because of good income opportunities (ILO 2002a).

Still, whereas before the informal sector was looked down upon for its dirty work, hard working conditions and meagre incomes, this is now changing. A growing number of (young) IME operators have come to realize that it is futile to aim for a government job or even regular wage employment in the modern private business sector (cf. Pedersen 2001). More than just being reconciled, they have come to appreciate working in the informal sector in their own right, such as providing opportunity for interesting entrepreneurial activities. If confirmed, such new ideas could finally chip away at the white-collar job syndrome that has been plaguing Africa for so many years. Moreover, some of the more recent entrants have started new types of informal micro-enterprises, such as Internet cafés. As a result the public image of the IME sector is changing and gaining more positive publicity than before, in turn attracting younger and better-educated entrepreneurs (Liimatinen 2002).

There are indications that such a ‘new generation’ of informal entrepreneurs is going to undertake more efforts to improve productivity and product quality in the IME sector, both at an individual level (e.g. through skills upgrading) and at the collective level (e.g. by becoming active in associations of informal enterprises). With regard to the latter the GEMINI MSE surveys, for instance, found that entrepreneurs with higher levels of education are more frequently member of a membership organization, and those with university education remarkably often member of “other business associations” (as different from popular informal mutual insurance groups and standard-but-ineffective, geographical IME associations) (Mead and Liedholm 1998). In francophone West Africa, the new generation of informal entrepreneurs was found to be less interested in the old style of government-inspired bodies to represent their sector (e.g. *Chambres de Métiers* and *Fédérations des Artisans*; see below), as they do not genuinely provide any real support for their businesses.

With regard to skills development, observers in **Benin** sense that the new IME owners are more interested in training in business as well as technical skills. Whereas before mastercrafts(wo)men always denied any need for technical skills upgrading and hardly showed interest in management training, the new IME generation would appear to be more open to acknowledge their skills deficiencies.

2.6 IME Policies and Institutions

2.6.1 IME Policies

Governments of developing countries were initially not much in favour of informal activities, which do not fit well with the desired modernization of the economy. As a result, for a long time IME producers and traders did not receive any government support and often were even openly harassed by local officials and the police.

Only more recently governments in Africa have come to appreciate the role of the IME sector. Steadily increasing levels of unemployment and enhanced recognition of the role of the private sector as part of economic reforms, have gradually alerted economic planners and policymakers to the employment-creation capacity of the sector. While as a result some progress has been made, the actual understanding of the functioning of the IME sector in government circles has generally remained limited (and particularly so in the education and training sector). Even in a country like **Kenya**, which in some respects was ahead of other countries in Africa, the process to formulate policies for the promotion of the informal sector has been slow and uneven (see Box 2.3).

One of the main deficiencies of the IME policies, in as far as they exist, is that they purport to be directed at a more or less homogenous sector and do not take into consideration its segmentation in weak survival/income generating activities (i.e. the ‘low end’ of the IME sector) and the micro- and small enterprises with potential to grow (i.e. the IME ‘high end’). Some in fact talk about the ‘informal sector’ when they clearly have in mind formal ‘small and medium enterprises’ (SMEs). Some authors (e.g. Farbman & Lessik 1989 and Mead & Liedholm 1998) have clearly pointed out that different IME segments can make different contributions to the dual objectives of poverty and growth. IME policies and projects must take account of the diversity of the IME-sector, focusing on the types of enterprises and on particular stages in the enterprise’s life cycle where interventions can do most good.

2.6.2 IME Support Institutions

One of the continuing problems in supporting the IME sector in Africa is that there is no central entity in charge of this task; rather several government ministries and agencies are involved, usually including the Ministry of Trade and Industry (e.g. for ‘small industries’), the Ministry of Labour (e.g. for ‘self-employment’) and the Ministry of Education (e.g. for skills training and—sometimes—entrepreneurship development).

Box 2.3 The *Jua Kali* Sector in Kenya

Kenya provides an interesting example of the attitude of the Government with regard to the informal sector, referred to as the *jua kali* (“hot sun”) sector. Ever since the notion of the informal sector gained prominence in this country, the Government of Kenya (GoK) has taken a relatively positive stand *vis-à-vis* these activities. Earlier than in other African countries, GoK actively formulated policies to stimulate the development of especially small-scale manufacturing. The Ministry of Research, Technical Training and Technology (MRTTT) was specifically tasked to promote the *jua kali* sector. At the same time, however, the positive stand was not shared by other parts of the government, and in spite of existing policies on a number of occasions, informal kiosks were forcefully removed through the use of bulldozers. Various reports point to the fact that the implementation of IME policies seriously lags behind (e.g. ILO/EAMAT 1996). More recent research has pointed to the lack of analytical and implementation capacity, especially at local government level in relation to the IME sector (Mullei and Bokea 1999).

After benign neglect for many years, in the 1990s the *jua kali* sector started to assume a more prominent role in Kenya’s national development planning. The National Development Plan 1989–93, for instance, aimed to create 1.9 million jobs of which one third was to be generated by the small-scale and *jua kali* sectors. The Plan announced the following types of support: (i) provision of technical and business skills training to existing entrepreneurs, (ii) de-regulation and liberalization of the *jua kali* sector, (iii) provision of incentives in the form of workshop sheds, and (iv) encouraging the formation of (geographical) *jua kali* associations.

In the Sessional Paper no. 2 of 1992, GoK adopts a new position: from then on its role in the development of the *jua kali* sector would be one of facilitator rather than an interventionist one. Since then, “an enormous amount of work has been done to identify various rules and regulations affecting start-ups, operation and growth of MSEs in Kenya, . . . however, very little positive action resulted” (Karingithi 1999). A major constraint for the formulation and implementation of policies and programmes for the *jua kali* sector has been the fact that the responsibility for this sector has been scattered among various government ministries and agencies. This changed with the cabinet reshuffle in 1999 when most functions and programmes related to the sector were regrouped under the Ministry of Labour and Vocational Training.

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In many of the Anglophone countries there used to be Small Industry Development Organizations (SIDOs) along the Indian model and promoted by UNIDO. They were tasked to provide integrated supported packages to ‘small enterprises’, including credit, entrepreneurship development, marketing support, training and technology—usually for free. They faced endless manage problems, were largely ineffective (reaching only a minute number of small enterprises) and disappeared in the wake of government budget cuts.

In francophone countries in West and Central Africa there are usually still remnants found from earlier government initiatives to support *l’artisanat*. Usually this concerned a dual structure with a government agency such as an *Office National de l’Artisanat* on one side and a semi-public *Union Nationale des Chambres des Métiers* and as well as regional *Chambres de Métiers* (Trades’ Chambers) on the other. Essentially they were government initiatives for the ‘self-representation’ of the artisans. These organizations rapidly politicized and showed a fundamental lack of a democratic culture, with the leaders generally acting as bureaucrats rather than genuine IME representatives. They were also continuously plagued by logistical and budgetary problems and never succeeded to deliver concrete support (e.g. credit and training) to large numbers of IMEs. As a result their popularity has dwindled. In **Benin** and **Senegal**, for instance, they now only group some 10% of the artisans. Gradually IME owners in these countries have now started to form more bottom-up organizations to represent them.

2.6.3 Informal Sector Associations

In most African countries smaller and larger groups of IMEs have grouped themselves in what have been called ‘Self-Help Groups’, ‘Membership-Based Organisations’ (i.e. similar to Chambers of Commerce), ‘Informal Sector Associations’ (ISAs), and, more recently, have been referred to as ‘informal business networks’, stressing the unstructured character of the collaboration (see e.g. Levitsky 1993, Gibson & Havers 1994, and Haan 1995). The origin of many of such organizations is often related to various kinds of ‘insurance’ arrangements, for instance based on regular contributions to defray medical and funeral expenditures (e.g. the bus and taxi or *matutu* organizations in **Kenya**).

A number of ISAs have over the years sought to expand their activities to assist their members to overcome the limitations posed by their small size, including inherent diseconomies of scale and have set up services, such as joint purchase of materials and other production inputs, common use of machinery, collective marketing activities and even internal credit schemes. Some

of the ISAs are in various ways, directly or indirectly, involved in the skills development of IME operators (see section 6.4). The quality and regularity of tangible business services, however, often leaves much to be desired. By many accounts, the most important support of ISAs to their membership tends to be in the area of lobbying and advocacy using their collective bargaining power, particularly at the level of local government (Haan 1999). Unfortunately in some African countries, the effectiveness of the representation of IMEs by ISAs to articulate their point of has been negatively affected by entanglement in local and national politics (ibid.), especially in **Kenya** (see Box 2.4).

Box 2.4 *Jua Kali* Associations in Kenya

The origin of ISAs or *jua kali* associations (JKAs) in Kenya goes back to the mid-1980s when the president visited some groupings of *jua kali* producers which was the start of concerted actions on the part of the government and especially the Ministry of Research & Technology, and Technical Training (MRTTT). There are now a large number of mostly local JKAs, many of which have grouped themselves in regional bodies, which in turn have formed the National Federation of *Jua Kali* Associations¹⁰. Interestingly the National MSE Survey in Kenya found that entrepreneurs with higher levels of education are more frequently member of a membership organization (CBS/ICEG/K-REP 1999).

Unfortunately the ‘political origin’ of the JKAs, based on the government promise to provide IMEs with suitable workshops has plagued most of them ever since. In most cases the assistance fell short of expectations and in the process of allocating the plots (sometimes with simple sheds) many of the JKAs became strongly politicised. Poor mismanagement, unclear signals from the government and misconceived donor support to the *jua kali* sector caused frustration and distrust of the associations among many *jua kali* operators. Today many JKAs operate at a very low level or are even dormant (DANIDA 200:8). In case sheds are available they are not fully occupied because they lack electricity or due to inconvenient locations. Only entrepreneurs engaged in manufacturing or repairing are admitted. Because of mismanagement of JKAs in past they are still met with considerable scepticism among the average *jua kali* operator (ibid).

¹⁰ This NFJKA was one of the implementing organizations of the large World Bank ‘Training Voucher Scheme’ for the *jua kali* sector (see section 6.4.4).

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In other countries in ESA such as **Tanzania**, **Uganda** and **Zimbabwe** there are relatively few ISAs active (although various informal collaborative arrangements at local level are bound to exist). In **Zambia**, where ISAs are also a relatively unfamiliar phenomenon, USAID has initiated the formation of so-called ‘district associations.’

In **Ghana** there are a large number of ISAs active¹¹, ranging from small local groupings of IME producers to large national associations, such as the Ghana National Associations of Garages (GNAG), which interestingly assists the government in the collection of taxes from its members. The political interest of the government led in the 1990s to the creation of the Council of Indigenous Associations (CIBA), a political body which created benefits for only few IMEs. Some of the larger ISAs in the country, such as the Ghana National Hairdressers and Beauticians Association, date back to the early 1980s when shampoos and other items required for their business were unavailable since inadequate foreign exchange resources had halted their importation. The IMEs in this sub-sector then grouped together to apply collectively for letters of credit to organize their own imports. Some of the ISAs are now involved in the skills development of IME operators (see sections 7.4, 7.9 and 7.10).

In WCA the organization of the IME sector in terms of genuine associations is rather weak. The number of active ISAs is small and they are generally not very strong and have little influence. In **Cameroon**, for instance, there was a minor *boom associatif* in the 1990s, when democracy made rapid strides and external funding was available, but most of the new ISAs fell back or disappeared altogether. In **Benin** there are only a few ISAs in existence outside the realm of official Federation of Artisans, but they are generally not very strong and have little influence (FES 1999).

2.7 Problems and Constraints of IME Sector

2.7.1 General

IMEs generally face various internal and external constraints (cf. McVay 1996)—both in their daily operation and in their expansion and development. The *internal constraints* refer to the limitations that follow from inadequate technologies employed and the low efficiency of the equipment used, together with inadequate facilities and infrastructure, poor managerial & marketing

¹¹ Their actual number is not immediately known. In the early 1990s there were more than 900 registered associations in the industrial and service sectors, but there will be other unregistered associations (Aryetee and Appiah 1995).

practices and weak position on factor and product markets. The *external constraints* concern inappropriate economic policies, difficulties posed by the legal and regulatory framework, and disadvantageous market structures (e.g. weak demand, high competition and unequal treatment by traders). They also refer to access problems of IMEs in the fields of capital, appropriate technologies, market outlets and all sorts of information.

The IME sector in Africa suffers foremost from a lack of demand for the goods and services that they produce. This is, on the one hand, a result of the limited, and often still decreasing purchasing power of the low- and middle-income groups on which the sector relies for its customers. On the other, the sector faces growing competition from the rapidly expanding number of other informal businesses as well from the starkly increased imports of low-priced (semi-) industrial goods, especially from Asia but also from South Africa.

IME surveys invariably identify credit as one of the other major problems informal producers face (see Table 2.10), but it would appear that access to capital is often seen as a “cure for all ills” where in reality other constraints might be more important.

Table 2.10 makes it clear that the constraints facing the IME sector, while generally similar in nature, can differ markedly per country. For instance, in **Kenya** the *jua kali* sector experiences serious infrastructural deficiencies of workshop sites and sheds, water supply and electricity (in rural areas) and security problems. In Yaoundé (**Cameroon**) one quarter of the IMEs surveyed suffer from non-paying clients. And the urban leather working IMEs surveyed in **Senegal** point to their lack of relevant skills—something which the other two surveys did not pick up at all (!). The issue of skill needs of IME operators will be dealt with below.

Visits to IME workshops and interviews with IME owners and workers further make it clear that the working environment indeed often leaves much to be desired. The working hours are long and the working conditions generally sub-standard, with the workshops lacking space, light, fresh air, and at times having a hazardous lay-out with loose wiring, equipment presenting dangers and lack of protective gear. As different from formal/modern enterprises, IMEs have strict hierarchical work relations, keep out unionization and offer very limited opportunities for self-development of the workers. For many, especially women, labour satisfaction in informal employment is very low.

2.7.2 IME Sector and Economic Reforms

Structural adjustment programmes have been a mixed blessing for the IME sector. Studies carried out in Ghana and Tanzania show that the effects impact

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Table 2.10 Most severe constraints faced by IME entrepreneurs

Most severe constraints	Kenya			Zambia	Zimbabwe*	Senegal
	Urban 1999	Rural 1999	Total 1999	Urban 1995	National 1998	Urban 1988
Competition/ marketing	61.5%	38.5%	46%	55%	26%	75%
Non-payment clients	na	na	na	30%	na	na
Lack of credit	56.3%	43.7%	48%	66%	25%	69%
Poor roads/ transport	34.4%	65.6%	55%	14%	na.	na.
Shortage raw materials	50.6%	49.4%	50%	20%	17%	54%
Government/ regulatory	80.8%	19.2%	40%	9%	1%	na
Poor security	60.0%	40.2%	47%	22%	na	na
Lack of worksites	77.7%	22.3%	41%	24%	3%	na
Finding good equipment	na	na	na	33%	4%	na
Getting spare parts	na	na	na	42%	na	na
Lack of skills (owners)	na	na	na	6%	38%	38%
Lack of skilled labour	49.5%	50.5%	50%	6%	0.2%	na
Electricity problems	100%	na	34%	na	0.5%	na
Water supply problems	40.8%	59.2%	53%	na		na
Business information	na	na	na	na	na	na
Other problems	9.1%	7.8%	8%	na	na	na
<i>No problems</i>	<i>11.5%</i>	<i>8.0%</i>	<i>9%</i>	<i>na</i>	<i>15%</i>	<i>na</i>

*Calculated as percentages of total number of answers given.

Sources: Kenya: CBS/ICEG/K-REP (1999)—national survey of MSEs in non-agricultural activities

Zambia: Afro Development Services Ltd. (1995)—urban survey of selected activities

Zimbabwe: Mc Pherson (1998)—national survey of MSEs in non-agricultural activities

Senegal: *Bureau d'Études F.J.T.* (1996)—leather working in secondary city.

rather differently on different segments of the IME sector (Dawson 1993). Informal firms at the IME 'high end' that are relatively sophisticated in technological terms were in a better position to take advantage of the changing conditions. They have been able: (i) to upgrade their products and services to a level where they have been able to develop linkages with the new growth sectors of the economy, (ii) to diversify out of product and service markets where economies of scale attendant on mass production favoured larger-scale competitors, (iii) to occupy niches better suited to their flexibility and serving an import-substituting function; and (iv) to prepare themselves against market saturation by raising barriers of entry (in terms of cost of capital equipment and required skills). Conversely, ventures at the IME 'low end' with limited technological capacity and experiences, tended to remain largely dependent on low-income groups as their principal source of demand at a time when the purchasing power of these groups declined, and were susceptible to overcrowding of the market in which they operated.

Tesfaschew (1992) points out that it is likely that the increased availability of imported production inputs, though expensive, have enabled some IMEs, and notably the stronger ones with a larger technological capability, to diversify into new product lines and, for instance, to compete successfully against imported goods. The retrenchment of higher level public servants, together with lay-offs of managers and technical supervisors in the private sector, may in fact have meant renewed impetus for an inflow of skilled labour and modern technology to small enterprises. There are indications that in some instances IME-based technological innovation has taken place as a result of the significantly increase costs of imported inputs.

Arguably most importantly, the fact that the structural reforms in Sub-Sahara Africa initially aggravated existing un- and underemployment problems, while the subsequent economic recovery did not translate in more and sustained employment opportunities for the majority of the poor ('Jobs for Africa': ILO 1999), led the governments in the region to pay, more than before, genuine attention to the job and income generation potential of the IME sector.

2.7.3 The Need for IME Skills Development

Many of the constraints facing the IME sector can be traced back to a low levels of skills and knowledge of informal entrepreneurs and workers. The lack of skills, together with inadequate tools & equipment, is reflected in the, at best, modest quality of IME products. Better skills would increase the low level of productivity which would lead to higher profits and thus improved possibilities for re-investment. New skills would enable micro-entrepreneurs to diversify

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their production and move away from (almost) saturated markets. And only with products of a better quality (or at least an increased quality/price ration) and improved design can the IME sector meet the challenges posed by the trends of changing consumer tastes and liberalized imports.

Level and origin of skills

Available surveys and studies unequivocally that the skills of informal entrepreneurs and workers are generally modest. In **Mali, Tanzania and Kenya** (see Box 2.5) some 75–85% of the informally employed did not follow any kind

Box 2.5 Training for the IME Sector in Kenya

The National MSE Survey in Kenya (CBS/ICEG/K-REP 1999) is one of the few surveys that provides information on the role of training for the IME sector:

- A total of 85% of all IME operators have not received any training at all; the figures are slightly higher for rural and women entrepreneurs.
- In as far as IME operators have followed training this refers more often to technical training (8.3% of the IME operators) than to management training (0.9%).
- Two-thirds of those who were trained, sponsored themselves, 9% were supported by private business institutions, 7% by the government and 6% by the church.
- More than half of the IME owners feel that they do not need any further training.
- In as far as they recognize to have skills deficiencies there is a slight preference for management training, except for the entrepreneurs in manufacturing and construction who feel more need for technical training.
- The IME operators do not deem training for their workers to be very important: about half the IME owners indicate that there is no need for training of their workers, 23% suggest management training for them and only 10% feel that they require technical training.

In other words: in the clearly technical trades informal entrepreneurs are mostly interested in technical training, but in others more in management training—for themselves as well as for their workers. The survey results also suggest a relationship between the possession of vocational training certificates and income, but weaker than in the case of education.

of education and/or training (quoted in Liimatianen 2002). In other countries only 5–30% of IME operators have followed formal vocational training and even less have received training in business skills (e.g. small business management, preparation of market and feasibility studies, and marketing techniques).

The large majority of the informally employed have acquired their skills through self-study and/or on-the-job training. Especially informal apprenticeship training (IAT) appears to be of utmost importance for the skills development of IME operators. IME surveys in WCA have shown that informal entrepreneurs value apprenticeship training above all other forms of training, including education—while formal training plays only a very minor part in their skills acquisition (Birks *et al.* 1994). In fact, it is estimated that in most countries in Sub-Sahara Africa, IAT constitutes by far the largest source of skills, contributing even up to 80–90% of all ongoing training efforts in countries in West and Central Africa (see chapter 7).

Reasons for not following training

The main reason given for not having followed training that is given by IME operators refers to lack of finances (see Table 2.11). Other reasons given are the unavailability of training and lack of time since IME operators are already working. Few of them indicate high educational requirements of formal training programmes.

Table 2.11 Reason for not acquiring relevant skills given by IME operators

Year	Tanzania	Zambia	Benin
	1999	1995	1997
Training not available	9%	27%	na
Training too far away	1%	na	na
Training at inconvenient hours	18%	na	na
Training too expensive	69%	30%	47%
High entry requirements	2%	3%	na
Lack of time	11%	14%	na
Lack of information on training opportunities	na	na	13%
Other/not interested	17%	18%	na

Sources: Benin: GoB/MPREPE (July 1997).
 Tanzania: Nell & Shapiro cc (Sept/Oct 1999).
 Zambia: Afro Development Services Ltd. (Nov 1995).

Soft skills

IME support organizations in WCA frequently point to the fact that informal entrepreneurs and workers also need of ‘soft skills’. As a result of their low level of general education, their informal work suffers from illiteracy, for instance when they cannot read the packaging and instructions for purchased equipment and spare parts. Many need numeracy training and some knowledge of international languages. The informally employed and especially women would also benefit significantly from ‘empowering’ skills, ranging from negotiation skills to knowledge of legal rights, and including skills to organize themselves into self-help groups, associations or other types of organizations to lobby on their behalf.

Training needs and interests

In spite of the low level of skills, IME surveys record among informal entrepreneurs and workers a remarkably limited interest in skills training. This apparent contradiction on the need and interest for training stems, at least in part, from a difference between ‘felt’ and ‘real’ needs. Owners of informal enterprises tend to see themselves foremost as ‘master craftsmen’ who already possess all the technical skills required for their trade. However, when one inquires more in depth, informal producers do acknowledge that they lack skills and knowledge related to the technological developments in their trade. Many of them are consequently quite interested in skills training—provided certain conditions are met.

Studies undertaken in the mid-1990s in **Senegal** and **Benin** with regard to the training needs felt by informal operators in the most important IME activities found that they were interested in education and training in a range of fields (ILO/EMAS 1998 and GoB/MPREPE 1997):

1. upgrading of technical skills in their area of operation;
2. knowledge on recent technological developments in their trades (e.g. car mechanics want training to repair fuel injection engines);
3. general theoretical aspects of the trades: nature and proper use of materials, drawing and reading of drawings, basic knowledge on industrial techniques;
4. management practices, including: (a) firm organization: workshop layout, division of labour, inputs stock planning, time management, (b) workshop and production management: personnel management, customer relations, quality control, (c) business administration: simple

- bookkeeping, stock administration, customer database, and (d) costing and pricing;
- 5. product promotion and marketing;
- 6. basic literacy and numeracy, including basic French; and
- 7. basic computer skills.

Informal sector operators in **Zambia** were also found keenly interested in further training (Afro Development Services Ltd 1995). This refers first of all to skills ‘related to current activity’, which were sought by 83% of the IME entrepreneurs. These entrepreneurs were especially keen to acquire skills to improve product quality (41%) and extend the range of products (20%). There was also interest (61%) in obtaining ‘unrelated’ skills, with a view to enter into other economic activities. This was especially common among the youth and among those entrepreneurs engaged in activities for which competition is high, such as hair dressing (90%) and tailoring (88%). There was also ample interest to learn business management skills, such as financial administration, costing/pricing, marketing, and customer relations. Another training needs analysis of IME operators confirms these outcomes and also found that they prefer on-the-job training, apprenticeship or short-term institutional training during weekends (reported in Kanene 2001).

Finally, a survey into training interests of IME entrepreneurs in **Zimbabwe** again found a broad range of skills and knowledge (see Table 2.12).

In sum, IME entrepreneurs and workers, even though they usually indicate in their first reaction other constraints (e.g. lack of capital) and pretend to have few training needs, come up, when prodded, with a long list of education and training areas in which they are interested.

Table 2.12 Zimbabwe: training needs of IME entrepreneurs (1993)

Training needs	Percentage of respondents
Upgrade of technical skills	80
Improve quality of products	65
Business management	63
Financial accounting	61
Marketing skills	56
Business organization	48
Improve design of products	48
Pricing of products	41
How to do subcontracting	32

Source: Siddiqui and Nyagura 1993.

2.8 Conclusions

The analysis presented in this chapter makes it clear that the informal micro-enterprise sector is the largest employer in almost all countries in Sub-Saharan Africa, employing at least 40–60% of the total non-agricultural labour force and still growing. The IME sector plays especially a major role in providing employment for women and absorption of first-time entrants to the labour market. Even though trading is invariably its most common activity, the sector also includes manufacturing, construction, transport and a wide range of repair activities. The sector is a crucial source of income for millions of households in Africa. The majority of them are poor, although the incomes of others, and especially IME entrepreneurs, compare well with those of regular workers in the formal sector.

In view of the extraordinary large numbers of people who are turning to the informal sector in almost all Sub-Saharan African countries, there is a genuine risk that the sector could be reaching the limits of their absorption capacity. Already expansion is mostly taking place at the IME sector ‘low end’ through a multiplication of simple self-employment ventures. Even in countries like Zimbabwe and Ghana, where the IME sector used to be considered as relatively ‘developed’ with a high incidence of manufacturing and relatively frequent linkages with medium and large firms, it appears to have succumbed to being largely a mere ‘distributor of poverty’ through street vending and personal services.

Some have argued that the lack of opportunities for skills training is contributing to the relatively low incidence of manufacturing and repair activities: since the youth has no access to vocational training, they lack technical skills when they enter the labour market, and consequently they have little choice but to engage in low-skill trade and services activities (Amankrah 2001). This may be the case or not (there are no doubt other factors at play, such as, for instance, access to capital which is important for many manufacturing activities), there clearly is a need to reinforce factors that ‘pull’ people towards the high end of the IME sector to balance existing ‘push factors’ that now largely determine the development of the informal sector. If the IME sector is to continue to absorb more people at a reasonable return on their labour, it is absolutely crucial to increase the level of skills of the informal sector operators. Improved technical and others skills are of prime importance for enhancing the productivity of informal sector activities as well as the quality of the goods and services they produce. This will strengthen the ability of IMEs to compete in the present situation of liberalization and globalization of the economy and to diversify their product range and find niches to escape from the impending saturation of conventional IME markets.

IME operators generally have modest levels of education and only few of them have followed formal training. By far most of them have acquired their skills in IME workshops. There is consequently a genuine need for both pre-employment and skills-upgrading training for informal entrepreneurs and workers—even though they themselves tend to play down their low level of technical and other skills.

Training of various kinds is of major importance for informal entrepreneurs and workers. *Technical/vocational skills training* helps them to produce more efficiently, increasing workshop productivity. It also reduces wastage of materials and limits the maintenance and repair of tools and equipment. Importantly,

Box 2.6 Some IME Characteristics and their Consequences for Training Programmes

- IMEs need multi-skilled workers (including the owner) since they are so small that their workforce have to perform more than one function, using both technical and non-technical skills: for instance, even IME workers come frequently in contact with suppliers and customers, which makes skills for communication, customer care and marketing as important for them as technical proficiencies;
- Skill requirements of IMEs can change abruptly in view of unexpected changes in business fortunes;
- IMEs' long working hours leave little time and energy to follow training activities;
- IMEs operate in markets with high competition that are often showing signs of saturation, and IME owners and workers are therefore particularly in need of skills to diversify their production;
- Many IMEs are family-owned and operated, which means that decision-making is concentrated in one person, which tends to work against seeking external advice or support;
- Self-employment and other activities at the IME 'low end' are often concerned with immediate survival, presenting difficulties in considering medium-term benefits such as investing in skills training;
- IME training programmes should include skills for the maintenance and repair of the outdated, second-hand equipment which is frequently used;
- IMEs tend to rely on low/middle income consumers who have been shown to be more interested in lower prices than in improved quality, which implies low returns on training;
- IMEs are too small to regularly organize in-service for their workforce.

Source: Haan 2003c.

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it enhances the quality of the goods and services produced. It broadens the range of products and stimulates diversification into other economic activities. *Entrepreneurship development and small business management training* help to identify interesting business opportunities and improve the organization and management of the enterprise. It leads to better financial administration, costing and pricing and marketing practices. All this will contribute towards a stabilization and possibly an increase of turnover, profits and personal incomes. It will also improve working conditions and stimulate occupational safety & health.

In addition to technical and business skills, informal entrepreneurs and workers would benefit from *non-formal education*, including literacy & numeracy, which would increase their trainability. IME operators in Africa feel that education in the locally common international language (e.g. English or French) is also important. Other observers suggest to provide the informally employed with a broad range of 'life skills', including communication, negotiation and self-organization (cf. Mitra 2002).

Some of the inherent characteristics of informal micro-enterprises negatively affect the chances for IME operators to organize and follow skills training (see Box 2.6).

3

Brief Overview of Education and Training in Sub-Sahara Africa

This chapter will present a brief overview of main features of the education and training context in Sub-Sahara Africa.

3.1 Background

For historical reasons the state plays a major role on the organization and financing of education and training in Africa. In the 1960s the newly independent countries made great efforts to develop their education and training systems—both to stimulate socio-economic growth and to improve the welfare of their citizens. Major emphasis was placed on primary and secondary education. Skills training was seen as the main instrument to impart the skills needed for the development and modernization of the economy and the VET policies followed by the newly independent African countries were aimed at the modern and particularly the industrial sector, in the expectation that a better skilled labour force would increase their international competitiveness.

For the past two decades the TVET sector in developing countries in general but especially in Africa has been widely considered to be “in crisis” as it failed to respond to the needs of growing populations and changing labour markets (Grierson 1997). The crisis refers, first, to the *available budgets for of the education and training sector*. Even under normal circumstances, the rapid population growth would have required substantial annual increases in the TVET budget to keep enrolment rates at the same level—but, conversely, the economic and financial crises in Africa and the structural adjustment policies that were initiated from the mid-1980 severely curtailed the available budgets for education and training (Atchoarena and Delluc 2002).

Skills training was especially hit hard, in part as the result of the criticisms that had been levelled against the low effectiveness and low social rates of return of vocational education and training. This concerns the second aspect of the TVET crisis: the *limited relevance* of the skills that the training programmes are providing. Few of the trainees succeed to find a

job and many of them end up in self-employment and informal sector activities for which they were not trained. Moreover, thirdly, the TVET sector is in an *equity crisis* as training programmes often do not reach out to the rural areas while few of the trainees in urban areas are females (Grierson 1997).

In the past decades there have been frequent ‘reforms’ to restructure education and training in Africa. In **Ghana**, for instance, there was a major reform in 1987 to improve the relevance of the educational system (e.g. by placing emphasis on vocational subjects) and again five years later again when the Free, Compulsory, Universal Basic Education Programme was introduced. Similarly in **Kenya** a number of high-level commissions looked into the educational system which in the end was (hurriedly) changed in 1984, only to be reconsidered since then, leading to various changes, including the introduction of a new ‘trim curriculum’ for primary and secondary education in 2002. In many countries in **West Africa** major educational reforms are presently being implemented, often with substantial donor inputs. Similarly donors are (or have been) actively involved in educational and training reforms in **Uganda**, **Tanzania** and **Zambia**. In the last two countries new *National Training Authorities* were established at the end of the 1990s.

3.1.1 Education

The education system in Sub-Sahara Africa consists generally of four levels: (i) primary education (6–8 years), (ii) lower secondary education (3–4 years), (iii) upper secondary education (2–3 years), and (iv) higher education (on average 4 years).

Efforts to increase educational enrolments, especially at the level of primary education, for instance as part of the international *Education for All* campaign, have yielded considerable success in terms of increased school attendance: between 1970 and 1990 the aggregate school enrolments for all countries in SSA tripled from 27 million to some 80 million (Atchoarena and Esquieu 2002). Still, drop-out and leakage levels remain very high: in **Senegal** only 30% of those who graduate from primary school continue to secondary school and in **Kenya** between 40–50%.

Enrolments at secondary education level, at which level technical and vocational education is usually provided, are still very modest: only two countries (Botswana and South Africa) have gross enrolment rates over 50%. They have stagnated at very low levels in the French-speaking countries, where skill formation through TVET only benefits a marginal part of the youth (Atchoarena & Delluc 2002).

3.1.2 Vocational Education and Training

Compared to general education, only small proportions of students are enrolled in programmes of vocational education and training. In **Senegal**, for instance, enrolment in primary education is 955,000 and in secondary education 207,000, while only some 4,000 are following training in VET institutions (Atchoarena and Esquieu 2002; existing information does not cover all TVET institutions). It has been observed that interest in TVET is lower in Africa than in other regions (DANIDA 2002c).

One of the reasons for the low number of TVET students/trainees is that in many countries in Africa vocational training is not much appreciated. It is often viewed with a certain disdain as it is regarded to lead to menial ‘dirty’ work which has a low social status. The best and the brightest among the youth prefer therefore to follow the general education path and go to university. They aspire ‘white collar’ jobs, especially in government services—an attitude which is only slowly changing even though nowadays such jobs are few and far between. In fact, many of those following TVET programmes are doing so in the hope to get back into the general education stream.

The TVET systems vary from country to country and sometimes even within countries. In some countries in Africa both the structure and mode of functioning are based on those of the former colonial power and further developed in a context of economic growth (Atchoarena and Delluc 2002). In most countries TVET forms a separate system parallel to the education system, with own institutions, infrastructure and staff. In **Uganda** and **Kenya**, as well as in **Central Africa**, students can enter technical/ vocational training at the end of primary education, while in other countries (including **Ghana**) such a choice can only be made at the end of lower/junior secondary school (see Figure 3.1).

TVET is generally provided at 3 levels (Johanson and Adams 2004). At the lowest level semi-skilled workers can acquire their basic skills and knowledge during (pre-)vocational learning during primary or secondary education and through on-the-job learning. Mastercrafts(women) generally get their skills through a combination of formal training, informal apprenticeship and on-the-job training. At the highest VET level (i.e. below the professionals) technicians acquire their skills through formal VET (up to tertiary level) as well as continuing education and training, mostly (but not necessarily) in formal settings. The duration of vocational/technical education and training in SSA is generally 3–6 years (Atchoarena and Delluc 2002).

Since many pupils in Africa already leave school before the prescribed moment for choosing technical and vocation education, some countries, including **Ghana**, **Kenya** and **Senegal**, decided to incorporate vocational topics in their

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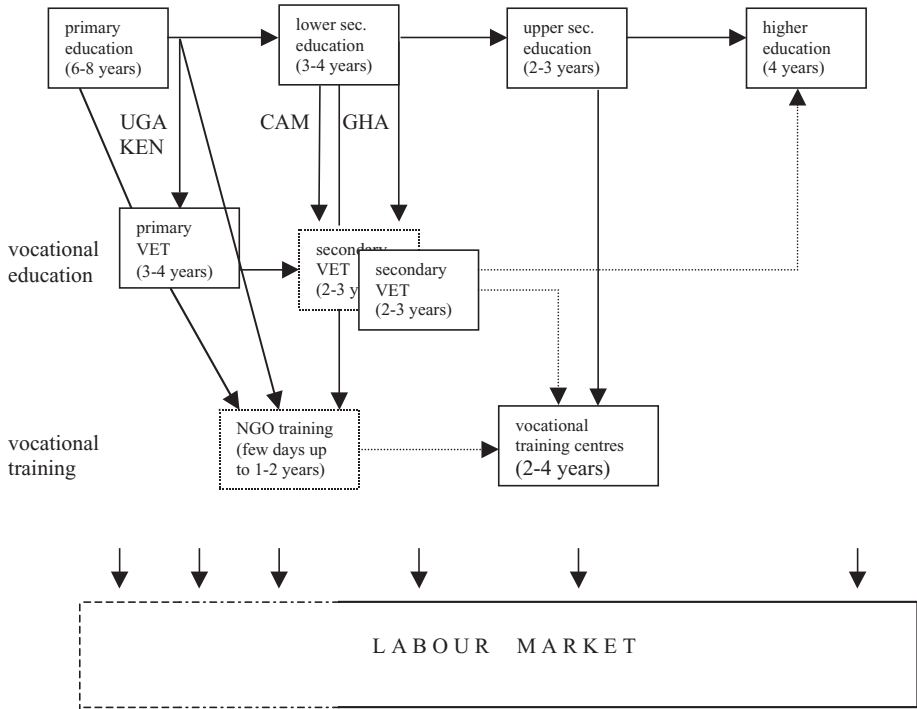


Figure 3.1 Position of TVET sector vis-à-vis education

general education programmes at primary or lower secondary level, in order to prepare young people to some extent for wage or self-employment if they do not continue their schooling. The results of such vocationalized schools have generally been disappointing.

3.2 VET Policies and Institutions

3.2.1 TVET Policies and the IME Sector

Vocational training and education quintessentially aims to provide the modern sector and especially manufacturing with adequate skilled labour. This role for skills training is still predominant in more recent policy statements, such as the *Vision 2020* country documents, which were prepared in various countries in the mid-1990s. **Ghana**, for instance, envisions in its *Ghana 2020* the country to achieve the status of a middle-income country, for which it assigns a prominent place to human resource development—both basic education and skills

training—to enhance the technical proficiency and competence of its labour force (GoG 1995 and McGrath 1997).

Conversely, attention within TVET policies for those involved in small-scale, informal activities has traditionally been scant, at best referring to some traditional trades (e.g. tailoring) or the *artisanat* sector. Only recently, compelled by economic recession and massive lay-offs as part of structural adjustment policies that resulted in sharp increases of IME employment, African governments have started to consider training for the informally employed. But understanding of the functioning of the IME sector in general and of the exact needs for skills and knowledge in particular, remains low. TVET policies hardly include operational programmes specifically directed at the IME sector and generally confine themselves with perfunctory references to intentions to serve IME operators.

Skills development can play a major poverty reduction—but skills development has so far been largely neglected in the development of *Poverty Reduction Strategies* (DANIDA 2002c). An exception appears to be the PRS that was prepared in **Ghana**, which, *inter alia*, aims to create “a policy environment in which Ghanaian skills, talent and enterprise can thrive in a globally competitive economy” (GoG/NDPC 2001). Accelerated vocational and technical training is stated to be one of the pillars of this strategy, which also focuses on agricultural reform and rural transformation, development of agro-industries and promotion of the private sector (see Box 3.1).

Box 3.1 GPRS and Skills Development

The *Ghana Poverty Reduction Strategy* (GPRS, version September 2001) places special importance on skills and entrepreneurial development of the Youth. It foresees that expenditures for vocational education and training will increase from 3% to 5% of government spending on education (which in itself will also increase as portion of total government spending).

The Ministry of Employment and Manpower Development (GoG/MEMD), with the support of the Ministry of Youth and Sports, will develop a *Skills and Entrepreneurial Development Programme* to adapt and coordinate all existing initiatives and mobilize new resources to support the youth in acquiring employable and entrepreneurial skills. The Programme will combine formal and traditional forms of skills development, and be guided by: (i) increased relevance of vocational and technical training, (ii) developing and expanding traditional apprenticeship training, and (iii) promoting entrepreneurship among the youth.

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GPRS foresees that the responsibility for all aspects of vocational and technical education and training will be placed in GoG/MEMD. Further policies to stimulate and regulate vocational training will be developed. Partnerships with private and non-governmental organizations will be actively pursued, to improve the management of existing public sector TVET institutions and to strengthen the leadership of non-public sector training entities in direct training provision.

GPRS announces a number of other initiatives with regard to skills training:

- (i) Increasing the relevance and coverage of vocational training through a revision of training curricula to enhance their relevance to the labour market (particularly for construction techniques, entrepreneurship and farm management), improving the certification system to support on-the-job training of workers and apprentices, and matching grants for education and training programmes offered by NGOs and community groups
- (ii) Establishing *Community-based Vocational Apprenticeship Schemes* through grants to enable (rural) youth to acquire skills within their districts (especially: farm management and food-processing), skills development for technology upgrading to mastercrafts(wo)men and advice on micro-finance opportunities
- (iii) Providing entrepreneurial development among the youth and expanding apprenticeship training by providing training in business management for secondary and tertiary education graduates interested in self-employment, promotion of partnerships between GoG/MEMD, district Assemblies and enterprises for on-the-job training of vocational training graduates and traditional apprentices, and linking training graduates with micro-finance institutions.

Source: GoG/NDPC, Ghana Poverty Reduction Strategy (Sept. 2001).

3.2.2 TVET Institutions

In Africa the responsibility for vocational/technical education and training tends to be dispersed over a large number of government entities, which usually include the Ministry of Education (MoE), tasked with vocational and technical education, especially at higher levels, and the Ministry of Labour (MoL) in charge of (lower levels of) vocational training. As a rule there are still other government ministries are involved in training activities in their particular field

of competence (e.g. Ministry of Agriculture, Ministry of Health, and Ministry of Transport).

Lack of clear institutional structures for VET limit their effectiveness. In **Ghana**, for instance, several government entities deal with vocational training—more often than not largely without coordination and collaboration. The main ones are: (i) *Vocational and Technical Education Division* (VOTEC) of the Ghana Education Service (GES) under the Ministry of Education, (ii) *National Vocational Training Institute* (NVTI), now under the Ministry of Employment and Manpower Development, and (iii) *National Coordinating Committee for Technical and Vocational Education and Training* (NACVET), which in fact is essentially an inter-ministerial body especially set up to facilitate TVET coordination. . . .

These organizations have different although not entirely exclusive responsibilities, which are in part linked to the type and level of training, but in other ways appear to duplicate efforts (e.g. in training curriculum development, skills testing and certification and monitoring of the maintenance of standards by training providers). Both VOTEC and NVTI run a network of vocational training centres and are linked to competing examination and certification systems: GES technical institutes use localized City & Guilds examinations, while NVTI and much of the private sector use specially developed NVTI trade tests. NACVET has remained in reality a rather weak organization.

In line with developments elsewhere in Asia and Latin America, and actively supported by international organizations and bilateral donors, many countries in Africa have in recent years initiated a major overhaul of their TVET system. One of the main objectives has been to gradually move the government away from the direct provision of skills training and to focus on specific tasks: (i) regulating the TVET sector with a careful balance of efficiency and equity considerations, (ii) mobilizing collective investment in VET and searching for incentives for relevant and quality VET provision, (iii) protecting the (potential) trainees from exploitative practices and ensuring equitable access to VET, and (iv) creating a supportive environment for VET (ILO/Training Branch 1999).

In **Tanzania**, for instance, a new Vocational Education and Training Authority (VETA) was created in 1994/95. VETA has a regional structure for the decentralized provision of skills training and is to focus on demand-driven for both the formal and informal sectors. A major design weakness, however, refers to the failure to make a clear separation between VETA's role as the overall TVET regulator and financier, and the actual provision of training (DANIDA 2002b). Also, the IME sector is not represented in the VETA Board (*ibid*).

Simultaneously a training levy of 2% of total payroll was introduced, to be paid by all registered firms with more than 4 employees (*ibid*). The levy collection was contracted out to the National Security Fund, which turned out

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to be costly and inefficient—only one third of the eligible firms actually paid the levy in 2000, in which year total revenues were some USD 8.75 million (ibid.).

Similarly, in **Zambia** a new Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) was created in 1998/99. The ensuing process of organizational change, involving de-centralization of decision-making, closing down of the existing governmental VET-departments and the setting up of new structures and management systems, took 6 years and major efforts, including significant inputs from DANIDA and other donors (DANIDA 2002a). Interestingly, TEVETA has a special department, *Entrepreneurship and Informal Sector Development Unit* (EISDU) tasked with skills development for the IME sector. The envisaged National Training Fund has not been established yet.

3.3 Main TVET Structure and Capacity

In most countries in Africa public sector *Vocational Training Institutions* (VTIs) continue to be the main providers of formal training programmes. Other training providers include: *private for-profit training institutions*, *non-government organizations* (NGOs) involved in skills training, and both *formal and informal enterprises*, many of which provide training for their workforce (e.g. in-service and on-the-job training). All of them have their own objectives, training approaches, special features and make different contributions to skills development for the IME sector—as will be shown in the following chapters.

There are remarkably few statistics about the total training capacity that is constituted by the different training providers. Only some partial (and often dated) information is available:

- in **Kenya** the *public sector training providers* responsible for training at lower and medium levels, enrolled in 1995 some 33,000 students and trainees in: Teacher Training Colleges (51% of total), the Technical Training Institutions (25%) and the Youth Polytechnics (24%)
- the *total training capacity* in **Tanzania** was estimated (1995) at some 47,000 training places, distributed over: VETA training centres (8%), training centres operated by other Ministries (4%), private for-profit training centres (35%), church-owned training centres (31%) and private company training centres (22%)
- in **Uganda** the *total number of students in state-owned VTCs* was only 500 (1993)

- in **Zimbabwe** the total enrolment (around 1997) with *registered training providers* was estimated at some 60,000 trainees (and another 40,000 in correspondence courses), while the number of trainees in *non-registered* ('informal') *VTCs* was estimated at 40,000 (Bennell 1997)
- *public VTCs* in **Ghana** have an output of only 90 graduates each (1999—up from 65 graduates five years earlier); this would mean a total of some 6,500 training graduates per year
- the total estimated capacity of public sector *VTCs* in **Cameroon** is only 14,000 places.

In other words, whereas many countries in Africa have hundreds of thousands new entrants to the labour market every year, the large majority of whom have had little education and virtually no skills training, the total training capacity only amounts to some ten thousands in WCA, some fifty thousand in East Africa and maybe around one-hundred thousand in Zimbabwe. And these figures include training for non-industrial skills (e.g. training for office work), which are not immediately relevant for the IME sector.

Available data also suggest that, when all training offerings are taken together, the largest contribution is made by private training providers (both for-profit and NGO providers). When only the industrial and other trades relevant for the IME sector are considered (i.e. excluding computer skills and secretarial training), it is likely that the training capacity of public *VTIs* is larger than that of private providers (see also the next chapter).

3.4 TVET Financing

In Africa public TVET is primarily financed from two sources: general taxes and special training levies. In many countries public *TVIs* are still to a large degree subsidized from general state revenues. In the wake of economic crises and economic reform policies the allocation of such financing significantly decreased since: (i) total budget available for education and training declined, and (ii) the share of vocational training within this funding was drastically reduced (in part reflecting the upsurge in attention for especially basic education).

In a number of countries in both WCA and ESA *training levies* have been introduced. In **Senegal** and **Cameroon**, for instance, so-called 'Employment and Training Funds' have been created to channel parts of the training levy which private companies have are charged over their payroll (see section 9.4.4). In **Tanzania** and **Zimbabwe** *National Training Funds* have been established with the same purpose. While the purpose of such Funds is, *inter alia*, to significantly expand training for the IME sector, it would appear that most of

the resources collected through training levies is used to finance skills training conducted by public sector training providers: the Funds in Cameroon and Tanzania allocated far less than 5% of their budget to support non-governmental training providers, even though many of them provide training for school leavers and poor trainees.

3.5 Existing TVET System and the IME Sector

This chapter has made it clear that the education and training system in Africa is generally weak and in many ways not relevant for the transfer of skills and knowledge required in the IME sector. Surveys show indeed that IME owners and workers tend to have generally low levels of education and to have hardly received any formal training (even though some reports point out that increased opportunities for education are slowly leading to higher educational levels in among informal producers—cf. Afenyadu *et al.* 1998).

The exact impact of low levels of education, for instance on IME productivity, has been subject of some debate. Birks and others (1994) suggested originally that even a small in-take of education would be an important factor in benefiting from apprenticeship training and entering into more “attractive” IME activities (e.g. radio & TV repair, car repair, tailoring and hairdressing). They found that individuals with some education entered into apprenticeship more often than those without such preparation, and through apprenticeship training were on a relatively quick path to self-employment, while education was also found to increase the changes for further training within an activity, and entrepreneurs confirm enthusiastically confirmed that education enhances the value of subsequent training (*ibid.*).

More recent studies found conflicting relationships between the educational level of IME owners and the profitability of their enterprises: general education was found to have little effect below a certain threshold (e.g. lower secondary education in Zambia and upper primary in Kenya), but longer periods of general education were of major importance—especially in combination with practical work experience (Mead 1999). Afenyadu *et al.* (2001) conclude that general education is not itself a sufficient condition for business success and that it is unlikely that basic education alone will be sufficient to have a major impact positive impact on productivity or competitiveness, although much depends on the actual content of the education, the quality of the teaching and the zeal of the students.

The existing education and training system in Africa is not very conducive, to say the least, for the skills development of IME entrepreneurs and workers in at least two respects. One the one hand, the high levels of drop-out and leakage

mean that very large numbers of youth leave the educational system at rather early ages (from 10–15 years) without significant educational achievements while even those who attended ‘vocalized’ education: possess virtually no occupational skills. Many, if not all, of them find their way into the IME sector, where they have little option but to enter into the activities with the lowest skill-barriers (i.e. trading and simple personal services such as car park attendance and food stalls). These activities often border on illegality, yield a very low personal income, present difficult working conditions and, at a macro level, contribute little to economic development. In this way the deficiencies of the educational systems contribute to the growth of activities at the ‘lower end’ of the IME sector, which contribute to the bad public image of the sector and usually are the pretext used by governments not to support the sector.

On the other, general education fails to live up to the important role it should play for IME operators. In addition to transferring basic knowledge such as literacy and numeracy, education should contribute concretely to the preparation of future IME operators by transferring: (i) life skills, referring to knowledge and practical skills in the following areas: information searching and problem solving, communication and negotiation (as a prelude to dealing with supplier and customer relations), (ii) initial business awareness and entrepreneurial orientation, and (iii) a basic body of knowledge together with a suitable mindset that constitutes a good level of trainability (cf. Afenyadu *et al.* 2001).

Recent developments give reason to some optimism with regard to the general situation of education and training in Africa: there has been a certain de-fragmentation of governance arrangements and increased institutional autonomy, while the role of governments in the provision and financing of TVET has been re-shaped and there is evidence of non-government capacity for TVET (Adams & Johnson 2004). In the following chapters it will be analyzed if such optimism is also warranted with regard to skills development for the IME sector.

4

Public Training Providers and the IME Sector

In Africa the provision of skills training courses continues to be dominated by public training providers. In this chapter the main features and usefulness of such training offerings for the operators in the IME sector will be reviewed.

4.1 Main Features of Public Training Providers

Public Vocational Training Institutions (VTIs) are still dominant in many countries in Africa. They are under administrative and operational control of the government and dependent on funding from the state—often from general taxes, although in a number of countries new forms of training delivery and financing have been introduced. The TVET ‘crisis’ referred to in the previous chapter foremost applies to public sector training providers. As a result of continued conventional policies and approaches, together with—increasingly— inadequate resources, the performance of public training providers is often weak and the training ineffective.

4.1.1 Training Objectives and Approaches

Public VTIs in Africa, arguably more than elsewhere, tend to be conventional and inflexible. Their training offerings are standardized and usually have not changed much in the past decades. The training largely consist of pre-employment courses for the youth, which are directed at wage employment in the formal sector. Public VTIs hardly offer opportunities for skills upgrading for those who already are working—except the possibility for those with low diplomas to follow another course at a higher level.

The training offered by public VTIs almost exclusively consists of long-term training courses that take 2–4 years. The training is full-time, starting in the morning up to the afternoon, for five days a week. Such a training schedule is inappropriate for youth and others who cannot afford to be without incomes and who are already working.

Similarly the venue is often not convenient for those involved in work or household activities as the courses are conducted in relatively large training centres located mainly in urban areas. There are very few VTIs in rural areas and those living there are expected to travel to the city and stay in the VTI dormitories (initially fully subsidized but now more often on a cost-price basis).

4.1.2 Training Content

Public VTIs tend to limit their training offerings to a small number of standard trades. It is amazing to see that almost all of them provide the exact same ‘menu’ of training courses. For boys/young men: masonry, carpentry, block-making and laying, plumbing and ‘electrical’ (i.e. house wiring etc.), refrigeration (maintenance and repair of air-conditioning, refrigerators, etc.), welding, car mechanics, electronics (i.e. repair of radios, TVs and similar equipment) and sometimes ‘machining’ (i.e. use of lath and turning machines). For girls/women the choice is even more limited: tailoring and other ‘textile’ trades, typing and ‘secretarial’, and food-processing/catering. New trades are only incidentally introduced and so far few public VTIs in Africa have started to offer training in the repair of computers and mobile telephones. Clearly the training offerings are supply-driven and not based on a regular analysis of the demand for skills.

The training content is mostly standardized, often in the form of curricula that were developed decades ago. They strictly aim to guide the trainees to the end-of-training testing. The training is mostly theoretical—if not by design then because of lacking or non-functioning training equipment (it is often estimated that some 60–70% of the training is theoretical). The training is focussed on technical skills and does not include entrepreneurship development or training in business skills.

The training methods are old-fashioned and based on rote learning. Hand-outs are not common and often the trainees spend most of their time writing down text given by the instructors. Questions and initiatives of the students/trainees are not appreciated. Modern training techniques that focus on information collection and problem solving are hardly ever used.

4.1.3 Training Costs

Technical/vocational training is expensive and public VTIs tend to have a relatively high cost structure. They have large overheads, for instance by relying on centre-based training and permanent staff. In Africa public VTIs, which traditionally were fully subsidized by the state, are having increasingly problems to obtain adequate budgetary allocations for their operations. Over the years they have come to rely more and more on other sources, such as: training and examination fees, various income-generating activities (including

Table 4.1 Tanzania: budgetary allocations for public VTCs in mid-1990s (in millions of TShs)

	1994/95	1995/96	1996/97
Required budget	2,165.56	1,260.67	1,216.73
Allocated government contribution	302.16	395.18	371.08
Actual government contribution	264.12	265.51	211.57

Source: GoT/VETA 1998.

the commercialization of training facilities and staff), and donor funding. In **Tanzania**, for instance, the government contribution for vocational training centres in the mid-1990s was only around 15% (see Table 4.1).

In view of the continuous budgetary problems, many public VTIs have introduced training fees, at least at ‘commitment’ level. In cases where prevailing legislation poses problems to do so, they try to recover at least part of their costs by charging for the use of dormitories or the costs of training materials (e.g. in case of carpentry and tailoring). In **Ghana**, for instance, the fees for carpentry courses are higher in the urban areas where purchasing power is higher than in the rural areas—where the materials are said to be cheaper.

Some public VTIs have set up a production unit to use the facilities and often the trainees for the manufacturing of (simple) items such as school uniforms and furniture or the repair of cars and other items. Such a mixing of training and production is more and more considered as affecting the training objectives. Moreover, in providing such services the VTIs might actually constitute (unfair) competition for local IMEs engaged in these trades.

4.1.4 Training Quality and Results

There is general consensus that the quality of skills training in public VTIs is often poor. This is due to a varying set of factors, including:

- poor state of training facilities
- lack of training equipment and training aids
- outdated training curricula
- teaching staff which is often poorly qualified, lacks practical and business experience and is de-motivated because of low (and still declining) salaries
- inadequate management of training centre.

The training provided by public VTIs is largely ineffective: many of the training graduates do not succeed to find the type of employment for which they have been trained—others remain unemployed or have to resort to informal

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Table 4.2 Tanzania and Zambia: wage, self- and unemployed VET graduates

	Graduates 1995/97			Graduates 2000		
	Tanzania		Zambia***	Tanzania		Zambia***
	I*	II**		I*	II**	
Wage-employment	30%	30%	72%	18%	31%	73%
Self-employment	50%	50%	10%	24%	46%	10%
Unemployed	20%	20%	18%	58%	23%	23%

*Chang'ombe VTC (near Dar-es-Salaam).

**Iringa VTC (more rural).

***Lusaka Trades Training Institute, Zambia.

Source: DANIDA 2002.

employment. Recent tracer studies of graduates of DANIDA-supported training centres, for instance, found that in Zambia and Tanzania on average some 23–58% of the graduates remain unemployed, while, especially in Tanzania, some 25–50% of them are engaged in self-employment (see Table 4.2).

The tracer studies also found that just over half of the VET trainees in Tanzania who graduated in the mid-1990s held a training-related job, while of those who graduated in 2000 only 17% had done so (comparable figures for the Trades Training Institute in Lusaka were, at 77% and 74%, better for both batches) (see Table 4.3).

Table 4.3 Tanzania and Zambia: VET graduates found in training-related employment

	Graduates 1995/97		Graduates 2000	
	Tanzania	Zambia	Tanzania	Zambia
Auto mechanics	na	57%	na	52%
Carpentry & joinery	79%	na.	14%	na
Fitting & turning	70%	na.	23%	na
Plumbing	40%	89%	19%	86%
Secretarial & computing	7%	na	33%	86%
Tailoring	64%	na	7%	na
Water operations	na.	74%	na	95%
Overall	52%	77%	17%	74%

Source: DANIDA 2002.

This statistical picture confirms the notion that training provided by public training providers is not an effective way to secure employment: two to four out of every 8 training graduates do not find any job at all, while one to two enter into self-employment. Or in other words, only a minority of those who have been trained in public VTIs succeed to land a job for which they have been trained.

4.2 Public Training Providers and the IME Sector

From the analysis above it can be easily seen that, generally speaking, the training provided by public VTIs is not immediately relevant for IME operators. The training is directed at wage employment in the formal sector and does not include any preparation for self-employment (e.g. entrepreneurship development or small business management training). The training takes place at a level of technology that is generally higher than that of the IME sector (e.g. use of more advanced tools and equipment than used in micro-enterprises).

Moreover, no training is provided for many of the important IME trades (e.g. trade!). When the training does concern IME trades, the courses are at a relatively high technological level and mostly theoretical, with only limited possibilities for practice (which are frequently further reduced by the non-operational state of the equipment).

The training methodologies are often not appropriate for adults or even for young IME operators as such boys/young men and girls/young women who have left school early and tend to be independent-minded and averse to 'school' in all its appearances. Moreover, the training courses are not in any way linked to follow-up services that would facilitate the graduates to start a business for themselves.

Finally, many of the poor do not have access to training in public VTIs as they do not have the right educational qualifications (often junior, but sometimes also senior-secondary education), lack the right connections to get one of the limited number of training places, cannot afford the fee or other training expenses, or cannot attend full-time training because they are working to complement household incomes. Public VTI trainees consequently tend to come mainly from middle-income households. Many have fathers with relatively high levels of education (cf. DANIDA 2002c). Access to training is especially limited for those living in the rural areas.

Since the 1970–80s public VTIs in Africa have initiated a number of innovations to enhance their out-reach to include school leavers and others who are likely to end up, or already working, in the IME sector. These include the following modalities: (i) special training programmes, (ii) offering of short training courses, (iii) introduction of vocational and business topics in

general education, and (iv) the creation of various forms of National Training Funds.

4.3 Case Study A—Kenya: Youth Polytechnics

The concept of Youth Polytechnics (YPs)¹ was developed and popularized in the mid-1960s by the National Christian Council of Kenya (NCCCK) as a solution to the problem of education and employment of primary school leavers. In a study titled “After school, what?”, it was argued that the school-leavers were unable to become self-employed or get wage jobs because of inadequate education and training. YPs (originally called ‘Village Polytechnics’) were thus set up to provide rural youth with skills that could be used in the local economy. They would provide practical training, linked with production, and in this way assist in the formation of a cadre of trained artisans and other self-employed workers.

4.3.1 Importance of YPs

The YP programme expanded massively over the years. There are now over 600 YPs. Most of them are small training centres that provide local youth with an opportunity to learn practical skills, usually in masonry, carpentry, tailoring, dressmaking, knitting, home economics and livestock raising.

A survey of YPs conducted in 1989 registered a total of almost 24,000 students in 18 different courses, and put the average output at an average of 6,379 per year for the 1987–92 period (quoted in Oketch 1999). However, it would appear that less than 20% of total YP capacity is utilized: in 1995 YPs were estimated to have the capacity to absorb up to 40,000 school leavers, but actual enrolment was only 7,927 (DANIDA 1998).

4.3.2 Training Activities and Constraints

The areas for which the YPs are offering training are rather limited, and the skills in home economics and tailoring are not in high demand even in the rural areas. The training in business skills is inadequate for those considering to enter into self-employment. In fact, in the early 1980s less than a quarter of the YP trainees were found to have become self-employed after the training. There is need for credit schemes to support the ventures started by YP graduates and assist them to purchase tools and equipment. This should be done on an

¹ This paragraph is largely based on Oketch 1995 and DANIDA 1998 and 2002-c.

individual basis, as it has been shown that while the government is encouraging them to work in groups, the trainees prefer to be self-employed individually.

Initial assessments of the YP programme found that it was successful in changing the attitudes of young people towards technical education and manual work, and that it had enabled many young people to engage in gainful employment. More recent studies indicate that the YPs have lost most of its original focus, without indicating a clear reason for this. Possibly it is related with the increased role of, and especially the decreasing contributions from, GoK. The YPs now offer opportunities for training only to a small fraction of the rural school-leavers and unemployed. They have become more attached to the formal trades certification system, and most of the trainees are now concerned about certificates and finding a wage job, and less interested in entrepreneurial skills and self-employment.

A further problem is formed by the fact that many YP management committees and instructors lack a clear vision of the role and purpose of their institution. YPs lack training for innovative skills: all training is done in the same trades and in the same kinds of products. The overall focus is often limited to passing as many trainees for the trade test as possible. The instructors' technical and pedagogical skills are inadequate and their motivation is undermined by salaries below subsistence level.

The training conditions are often dismal: buildings and workshops are frequently in need of refurbishing and expansion, textbooks are not always available and the theoretical side of the different trades are mostly dealt with on a copy-note basis. Since YPs get few orders, the trainees get little practical experience, also because there is an appalling lack of tools and training materials for practical exercises. There are few incentives for instructors to engage in active marketing of the YP production capacity. YPs succeed only in limited industrial attachments for their trainees, who consequently hardly possess any work experience when they graduate, which results in low job opportunities. As a consequence of all of this, many YPs suffer from a poor image in the community, where they are seen as catering only for school drop-outs who are generally considered as failures.

4.3.3 Financing

The YPs were expected to become self-sustaining over time, on the basis of a training-cum-production model, producing goods for the local market. Possibly the most important problem of the YPs at this point in time, however, concerns the financing of their operations. As the YPs are community-owned, the funding was originally thought to come from community contributions. During the 1990s, GoK, while not taking responsibility for them, supported about half of

the existing 600 YPs (supposedly the most promising ones), generally through the payment of staff salaries. Such contributions were significantly reduced at the end of the decade and fees from trainees are now their most important source of income (DANIDA 2002c).

A crucial issue for YPs is the contribution they receive from the community where they are based. A recent evaluation of the DANIDA *Micro-Enterprise Development Programme*, which *inter alia* aims to strengthen YPs, suggests that when their performance improves, communities are more willing to contribute to their operation (ibid.). Some YPs also get small profits from income-earning activities. Interestingly, the evaluation found that the small number of YPs visited were *de facto* financially self-sustainable and even sometimes running a small profit (ibid.).

4.3.4 Assessment

YPs are generally acknowledged to be a potentially important source of skills for youth who lack the qualification or financial means to enter into secondary school. But many of them suffer from weak management, de-motivated staff and poor physical conditions—all of which is related to their fragile financial basis. Their training offerings are rather limited and remained the same, regardless of their employment prospects. YPs are consequently not well regarded by trainees nor the wider public. Many are in fact under-utilizing their capacity for lack of interest from prospective trainees.

The experiences of the DANIDA *Micro-Enterprise Development Programme* show that their performance can be improved by strengthening the relationships of the YPs with communities (e.g. by writing new constitutions, electing new management committees and training new committee members), which probably would lead to an increased intake of new trainees. There is furthermore a crucial need to forge linkages between the YPs and *jua kali* associations and groups of women engaged in IGAs, so as to ensure that the courses offered by YPs correspond better to *jua kali* activities. The curriculum of YPs, for instance, should pay more attention to marketing.

4.4 Case Study B—Tanzania: Special Short Courses for IME Operators

Tanzania's new *Vocational Education and Training Authority* (VETA) has come to realize that the more than 600,000 new entrants to the labour market cannot be absorbed in the formal sector and that concerted action is needed to

prepare them for self- and other types of IME employment. With the assistance from the ILO (1998–99) and GTZ (since 1999–2002) VETA has been involved in a pilot programme to provide short-term training for IME operators that could subsequently be included within its regular training programmes.

4.4.1 Training Needs Assessment

The pilot programme worked together with 15 associations and self-help groups in Temeke, the least developed and assisted district in Dar es Salaam. It purposely sought to include both male and female ‘masters’, for which reason it focused on manufacturing (carpentry, tin smithing, welding), services (car and electric repair, body work/ panel beating) and trade (food vendors and traders).

The programme first carried out a training needs assessment among 95 mastercraft(wo)men (including 14 women) and 44 apprentices (of the 200 apprentices being trained). Some of the findings included:

- 75% of the craftspeople had completed primary education and the rest less than that (with 5% never having gone to school)
- 92% of them had obtained their skills through apprenticeship and practice without any formal vocational training, while the rest had a certificate after following formal training
- further analysis of the skills of the mastercrafts(wo)men showed deficiencies in technical quality assurance, costing, business skills and pedagogical capabilities.

4.4.2 Short Training Courses for IME Operators

The innovative training offerings developed by VETA/GTZ were based on the following considerations. First, market niches (or, conversely, trends of saturation) were identified to ensure that the training would reflect opportunities for skills utilization in the light of the situation on the labour and product markets. Secondly, the training should have a local or regional perspective and aim to develop efficient linkages between local producers and the regional market. Thirdly, the training should take into consideration the prevalent characteristics of the intended target group (e.g. age, sex, education and work experience), together with the conditions posed by their socio-economic environment. And fourthly, the training would have to be delivered through the existing local training and post-training support infrastructure.

4.4.3 Preliminary Results

The pilot activities were closely monitored so as to facilitate further modifications. On the basis of internal documents², the results and experiences can be summarized as follows:

- a participatory approach actively involving the trainees was used to plan the training
- training concerned a mix of technical and business skills (record keeping, pricing, marketing and customer relations) –80% of the training was practical
- training was conducted for both workshop owners and workers, but they were found to have different training needs: it is more effective to develop separate training packages
- all training was subsidized, with the contribution from the trainees varying from paying for their travel and lunch, estimated at around USD one per day (of 3–4 hours of training)
- it is difficult to break the gender-based male or female dominance in particular trades
- mastercrafts(women) do not want to be trained in front of their apprentices
- training resulted in improved quality of the goods and services produced by the IMEs, which in turn positively influenced sales and profits
- in the carpentry course, 20% of the workers who were trained gained so much confidence that they opened their own workshop
- training for the butcher and abattoir workers proved catalytic for subsequent support from others (e.g. City Council)
- accreditation through certification is an important matter for the trainees
- there is a need for VETA to link up with credit and other IME service providers.

Some of the more successful pilot training activities concerned: safe meat dressing and sale, mushroom production and street food vending. It was found that the costs involved in this type of training (e.g. for trainers and training materials) are comparatively low.

In sum, the VETA/GTZ pilot activities made progress in developing new modes to provide training to the informal sector. But the financial sustainability

² The information pertains to pilot training activities carried out in ‘apprenticeship training’ (Oct 1997-March 1999), ‘*mama/baba lische* operators’ in trade, restaurants, manufacturing and agriculture/ fishing (Nov 1999-May 2000), ‘training for safe meat dressing & selling’ (1999) and ‘training for carpenters’ (2000).

of GTZ/VETA training interventions for the benefit of the informal sector so far appears to be quite low.

4.5 Case Study C—Zambia: Entrepreneurship Development Centres

4.5.1 Background and Concept

The recently created Vocational and Entrepreneurship Training Authority (TEVETA) in Zambia, true to its name, has established, as part of its Entrepreneurship and Informal Sector Development Unit (EISDU), the *Entrepreneurship and Informal Sector Training* project (EISTP) for the promotion of entrepreneurship development.

EISTP, supported by NEDA and DANIDA, has initiated the operation of two pilot *Entrepreneurship Development Centres*. The EDCs are especially designed to focus the activities of existing training providers outside the public sector, called ‘Non-Formal Training Institutions’ (NFTIs), on the IME sector. To this end the Centres assist them in paying more explicit attention to the preparation of their trainees for future employment in IMEs, for instance through the introduction of relevant and properly coordinated entrepreneurship development (ED) and vocational training programmes for prospective as well as existing informal entrepreneurs.

The Centres are in particular tasked:

- to facilitate NFTIs to train potential and existing entrepreneurs
- to monitor and analyze trends in industry and the labour market as well as to facilitate regular TNAs in other ways
- to manage the *Non-Formal Training Institute Support Fund*
- to facilitate training workshops for NFTIs
- to establish local networks among relevant NFTIs
- to make available reference materials on entrepreneurship training and IME development to NFTIs and other interested parties.

The *Non-Formal Training Institute Support Fund* provides financial support to selected NFTIs for capacity building, e.g. purchase of training equipment (up to USD 60,000), staff training (e.g. in ED, community mobilization and upgrading of technical skills), and setting up/improving management and monitoring systems (e.g. follow-up and tracer systems).

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The basic staffing of an EDC consists of a Manager, a Training Officer and a secretary. During the pilot phase, the EDCs also enjoy the services of an advisor (who is well-versed with the implementation of the EDC concept in Kenya).

4.5.2 Activities and Results

So far two EDCs have been established: one at the Lusaka Trades Training Institute and one at the Northern Technical College in Ndola on the Copperbelt. They have undertaken a number of activities, starting with the organization of *Stakeholder Forums* (in 1999) to sensitize the key stakeholders on the concept of the EDCs. Subsequently the EDCs conducted a TNA of IME operators in their area of operation to show the NFTIs what kind of training programmes are relevant for the IME. It is expected that the NFTIs will repeat such TNAs on their own on a regular basis.

The main activity of the EDCs has been *training of trainers* for NFTI staff. The courses included:

- conduct of Training Needs Assessments
- entrepreneurship development training
- course design and training aids & materials development (especially for competency-based short technical skills courses)
- costing and cost-recovery of training programmes
- improvement of training methodologies
- leadership, management, and community mobilisation
- introduction of appropriate technology
- setting up M&E systems, undertaking tracer studies.

The EDCs have also initiated linkages with other IME support organizations (e.g. micro-credit institutions) to improve access of the training graduates aiming to set up their own business.

The management of the *Support Fund* has taken up considerable time and staff resources during the pilot phase, even though in the first two years of its existence allocations were made to only a handful of NFTIs.

The EDCs are expected to make money from the services that they provide. No details are immediately available on the fee level and the long-term strategy. It is reported that EDC in Ndola is “far ahead” in revenue generation having raised more than USD 6,000 (Kanene 2001). This level is clearly not enough to ensure the financial sustainability of the EDCs, which have been qualified as “quite costly, . . . with six staff, a vehicle, computers, etc.” at an estimated level of annual operation costs of USD 25,000 in 2000 (ibid.).

4.5.3 Preliminary Appraisal

The activities of the EDC pilot phase started in August 1998, while the EDC concept has really been tried out only since July 1999. An internal document sums up some of the lessons learned in this period (EDC undated), while an early assessment of the results of the Centres was carried out in the beginning of last year (see Kanene 2001).

The evaluation found that the NFTIs are rather slow in changing their training logic and to a large extent still have not adopted a demand-driven approach. Worthwhile experiences from the pilot phase include:

- only a few NFTIs have started to conduct training needs assessments (TNAs) as the basis for their training offerings
- the proposals that they submit for consideration by the NFTI Support Fund tend to emphasize inputs in the form of physical infrastructure and (overly) sophisticated equipment
- most teaching staff at the NFTIs turn out to be school-leavers without teaching qualification and knowledge of training methodologies; staff turn-over is very high
- most of the ISAs prefer to be trained by staff from the EDC instead of by instructors from the NFTIs, possibly indicating a certain mistrust in the knowledge and business experience of NFTI staff; indeed NFTIs training tends to lack entrepreneurial spirit
- the relation with the host institutions is still unclear and distant; the host training institutions have not yet realized the income earning potential of the EDCS and not integrated them as one of their own departments.

It can thus be concluded that the NFTIs are markedly weaker than expected and far more insecure to abandon their training manners in favour of a drastically new 'way of doing things'. Some of the areas in which EDC-operations require further strengthening were identified to be:

- strengthening of the linkages with NFTIs other than the ones that have received support from the NFTI Support Fund
- less emphasis on the operation of the Support Fund which so far has taken too much time
- ability to advise NFTIs on tailor-made training curricula
- more prominent role for the informal sector operators themselves, e.g. in the formation of informal sector associations (ISAs) and in setting up/operating IME advisory services.

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The expected collaboration with the Centres for Informal Sector and Entrepreneurship Promotion (CISEPs, see section 4.6) in the areas of financial and marketing assistance for the informal sector operators, has not yet come off the ground, in part as the CISEPs themselves are still in their incipient phase. This means that the NFTIs do not always see immediate results in terms of enhanced (self-) employment of its graduates, which in turn lessens their commitment to collaboration with the EDCs.

As part of the discussions on Business Development Services (BDS, Steel *et al.* 2000) there have been suggestions that the service packages of IME support organizations should be *unbundled* and rather provided through networking between different organizations. This has not worked very well for the EDCs: the evaluation notes that “the provision of support to MSE critical to actual enterprise launch has been left in the hands of MSE support organisations. However, evidence during the implementation of this pilot project indicates that such institution’s support to TEVETA target groups cannot and should not be taken for granted” (Kanene, 2001:22).

The general weakness of the NFTIs on one side, and the incipient nature of TEVETA/EISD and the CISEPs on the other, means ample room to manoeuvre for the EDCs. There are indications that there is unwelcome competition emerging between the EDCs and their clients, i.e. the NFTIs, for instance in the areas of entrepreneurship training and formation of ISAs.

4.6 Case Study D—Zambia: Centres for Informal Sector and Entrepreneurship Promotion

4.6.1 Background and Concept

Centres for Informal Sector Employment Support (CISEP) were launched in June 1998 by the TVET authorities and the Zambia Congress of Trade Unions as a new concept to support the IME sector. Through international assistance CISEP Coordinating Offices were established in Lusaka (as part of the activities of the GTZ-supported STEP-IN project) and Kitwe (supported by FES). The main idea behind the CISEP concept is to provide back-up support to informal sector firms and -potential- entrepreneurs, with a view to improve the level of skills, productivity and incomes. The CISEPs are conceived as *franchise arrangement*, meaning that the CISEPs can be run by different organizations, which will initially receive financial and advisory support.

The CISEP satellite services centres are to function as a market place and to provide the following services:

- provision of information on and linking with available IME support services and programmes (including credit, training, marketing assistance, product designs, etc.)
- dissemination on interesting market opportunities for IMEs
- provision of business counselling services
- carrying out training needs assessment analysis
- facilitating management and skills training, and marketing assistance
- working with and strengthening ISAs.

The CISEP satellites are operating under CISEP-coordinating offices with the following tasks:

- facilitating the exchange of experiences between the CISEP service centres and operating a data bank of relevant information on IME development
- development of training curricula and training aids & materials for entrepreneurship development and technical skills training courses
- monitoring and evaluation of the impact of the CISEP services
- dissemination of CISEP results (e.g. through information material and a newsletter).

4.6.2 Activities and Results

In 2000 four CISEP Service Centres were in operation in Lusaka; two of them are located in the Chilenje and Dzithandizeni Trade schools (see section 6.3.2). They are staffed by one business counsellor, who is responsible for their operation and the provision of the various services.

The counsellors are suggested to be 60% of their time in the field and 40% in the CISEP Office. At the time of the Mid-Term Evaluation (in 1999) this was not yet the case: “in a few cases the business counsellors have visited the informal sector operators in their operational premises, but this has not been very common except for those operating in communal markets” (Mushanga, 1999:7). A notable finding at that time was that Saturdays are the most suitable days for the CISEPs to deal with their clients, since they have more time on that day than during week-days because of early closing hours.

Obviously, for the business counsellors to perform well, they need to have ample skills and experiences in various aspect of running an informal enterprise. The MTE found that exactly business experience was lacking among some the business counsellors employed at that time.

The most successful element so far appear to be the short training courses, conducted by resource persons/ master craftsmen, and resulting in a CISEP

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certificate. The CISEPs are also part of the ILO *Improve Your Business* structure, and facilitate basic management courses.

An interesting success has been tie-and-dye training for ‘Cross Border Traders’—through their association. They trade their products to Zimbabwe and Botswana, and make use of the opportunity to bring back better quality dyes from these countries. Other short skills training has taken place in carpentry. Another activity, more of the CISEP co-ordinating offices, has been marketing assistance, e.g. the tie-and-dye training graduates participated in the COMESA Free Trade Area Exhibition in Lusaka.

The CISEPs are trying to work with ISAs but most of them are still informal and weak, although some have already formalized their existence. The associations mainly play a role in detecting needs/ opportunities for training.

4.6.3 First Appraisal

From the reports on the operation of some of the CISEPs it would appear that the approach is making a slow start. As the concept is still unknown and unproven, there are only very few (“2–5” according to one of them) clients per day, many of whom are merely interested in accessing credit. In other words, the value-added of the CISEPs for the participating local IME support organizations is not immediately clear.

A further issue refers to the location of the CISEPs, which so far seem to have been mostly based in training centres. The activities foreseen for the CISEPs are however rather different from the current activities of the training providers, and it is far from clear if in the end they will be able to fully incorporate them in their activities. The MTE indeed observes that “there hasn’t been much involvement of the host organizations in the operations of the service centres” (Mushanga, 1999).

The issue of the sustainability of the CISEPs obvious also touches on the financial aspects of their operations. For the time being, the project pays for the costs of the operation, as well as for the costs of the training courses conducted. Even though the costs of a CISEP are said to be as low as USD 35 per month (ibid), it is not sure if the services offered have the potential to cover these. For instance, the sale of publications so far only brings in little and even though the training fees have been increased from a mere commitment level of USD 1.50 to USD 10, they still cover only 15% of the actual training costs.

A final issue, also identified in the MTE, refers to the actual status of the CISEPs. As in any franchising arrangement, there has to be a central body to provide technical support to maintain the quality of the concept. So far this central entity (at least for the CISEPs Lusaka) is the CISEP Coordinating Office

in Lusaka, based at TEVETA and supported by GTZ. The views and means of TEVETA to continue this role and effectively take over the financing of this Office are not clear.

In all, the CISEP concept certainly has interesting aspects, which could lead to the provision of essential services to the IME sector, particularly with regard to sign-posting for available IME support activities and linking informal operators to relevant training and other support organizations. But it would seem that the institutional imbedding of the existing CISEPs, both in the field and in TEVETA, is preventing them from living up to their full potential. They seem to be in need of a heavy dose of entrepreneurial creativity: maybe, instead of linking them to existing entities, they should have been ‘privatized’ from the beginning to business(wo)men interested to provide such services to the IME sector.

4.7 Case study E—Senegal: *L’Office National de Formation Professionnelle*³

4.7.1 Background

The *Office National de Formation Professionnelle* (ONFP) was established in 1986. It comes technically under the Department of Technical and Vocational Education and Training, but operates as an independent organization under a tripartite Executive Board (which apart from representatives of employers’ federations and trade unions, includes members representing the *Union National de Chambres des Métiers*).

Its main objectives are to assist the government in undertaking labour market studies, formulating vocational training policies, and particularly supporting training institutions in conducting relevant training programmes. ONFP provides financing for pre-employment and skills upgrading training for (i) trainers, (ii) workers of the formal sector, and (iii) IME owners and workers.

4.7.2 Activities

With regard to training for the IME sector the training ONFP can fund activities such as: various technical skills (e.g. welding, electrician, agro-processing, carpentry, car repair, batik and tie & dye, sheet metal working), computer skills,

³ Based on *L’ONFP: formation pour le développement; Synthèse des effectifs formés par l’ONFP; and Programmes de Formation 2002*, all from ONFP Dakar.

marketing, pedagogies, human resource management, and literacy training (in both French and national languages).

ONFP prepares an Annual Training Plan that indicates the areas for which training will be supported. These training areas are said to be based on studies carried out by ONFP into the demand for skills. ONFP subsequently matches the training courses with beneficiaries, apparently registered on a 'first come, first serve'-basis. The training is free of charge.

The training providers conducting the skills training come from both the public and private sector. Their training capacity is first validated by an inspection of the training facilities, trainers and training programme. Short training programmes organized by the *Chambres de Métiers* and conducted by master-crafts(wo)men, are also supported (see Box 4.1). Some 10% of the available funds are allocated to NGOs involved in skills training.

The training contributions are financed from a special employers tax, government subsidies and donor funding. The total ONFP budget for 2002 was FCFA 270 of which 25% (FCFA 68 million or almost USD 100,000) was budgeted for training activities for the IME sector.

Box 4.1 Independent Batik Instructor

Mrs Yaye Faty N'Diaye, middle-aged, is one of the independent instructors who is sometimes asked by ONFP to conduct short training programmes. In 2000 and 2001 she conducted 3–4 programmes and in 2002 so far one. She has her own small batik workshop in Dakar. Mrs N'Diaye has little education and speaks no French. She learned the trade when she was some 12 years old at a 'social' training centre, after which she gradually set up a small business in the outskirts of Dakar. She 'employs' 6–7 apprentices in her workshop (the apprenticeship period is 1–1½ year, no fee, apprentices receive 'transport allowance' of USD 0.70 per day).

Mrs N'Diaye is registered with the *Chambre de Métiers (CM)*, for which she needed a diploma and had to pay USD 1.35 (since she registered with a group, otherwise it would have been USD 7). She landed the jobs for ONFP 'through a contact' in the *CM*.

The training in batik skills last 5 days full-time or 10 days part-time. The groups that she trains consist usually around 30 women. The trainees are selected and organized by a *CM* or ONFP. The training materials are provided by ONFP. The training is free of charge. Mrs N'Diaye receives a fee of USD 70. She does not conduct any other training.

Source: Interview with Mrs Yaye Faty N'Diaye (March 2002).

Table 4.4 Senegal: number of persons trained with financial support from ONFP

	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Masters	30	105	121	77	20	40	205	220	275	1093
Apprentices	27	30	49	58	79	120	150	110	155	778
Trainers	0	0	0	106	245	170	244	355	525	1648
Total IMEs	57	135	170	241	344	330	599	685	955	3516
Total ONFP	159	531	713	824	1524	1741	2951	3017	3878	15338
<i>IME as % of total</i>	<i>36%</i>	<i>25%</i>	<i>24%</i>	<i>29%</i>	<i>23%</i>	<i>19%</i>	<i>20%</i>	<i>23%</i>	<i>25%</i>	<i>23%</i>

Source: ONFP, *Synthèse des effectifs formés par ONFP de 1992 à 2000* (2001).

4.7.3 Results

In recent years ONFP provided financing for the training of some 3,000–4,000 persons per year (see Table 4.4). Although respectable in itself, it is of course a drop in the ocean when compared with all those in need of skills. Moreover, less than a quarter of them work in IMEs—which is definitely not in accordance to the proportions of employment in the different sectors.

Unfortunately no further information on the actual impact and the outcome of ONFP's strategies (e.g. to focus on training-of-trainers) is available.

4.8 Case Study F—Cameroon: *Fonds National de l'Emploi (FNE)*

4.8.1 Background

The *Fonds National de l'Emploi* (FNE) in Cameroon was set up in 1990 with assistance from the World Bank and the African Development Bank. This Training and Employment Fund provides support for 'employment seekers', i.e. both youth who have never worked before and retrenched workers from public, parastatal and private sectors. Essentially its functions are: (i) organization, financing and monitoring of skills development programmes: on-the-job training, formal training, and creation of self-employment, (ii) organization, financing and monitoring of employment-creation programmes, including the provision of financial support for those who want to enter into self-employment, and (iii) dissemination of labour market information (through the Internet). FNE

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also has a special programme for returning migrant workers from abroad. It has offices in Yaoundé, Douala and in three regional centres.

FNE is financed, apart from external funding, through a tax of 1% on the payroll of enterprises⁴. It has an annual budget of more than USD 5 million. FNE is a tripartite organization with representatives of the private sector in its Executive Board.

4.8.2 Training Activities

FNE determines itself in which trades short training programmes (maximum duration: 1 year) will be financed. It gives priority to organizing training in trades that are thought to do well in the market (though it is not clear how this is determined). The Fund supports three types of training:

- pre-employment training in formal training institutes, mostly in office skills
- on-the-job training in (mostly: informal) enterprises, covering a wide variety of trades
- practical pre-employment training stages in a company (special programme).

The training is carried out by one of the 140 training institutions that have been registered by FNE. Registration only takes place after FNE staff has inspected the conditions and the quality of the training offered: buildings, training equipment, trainers and training curriculum. Almost all of them are private for-profit training providers, only 2–3% are NGOs. For on-the-job training some 80% of the training providers are in reality owners of small informal workshops (see Box 4.2).

Box 4.2 An Example of an NFE Training Provider

The *Fonds National de l'Emploi* in Cameroon works with a wide variety of training providers, all of whom are invariably called 'training centres'—up to the point where confusion arises. Some of the Training Centres are registered with the Ministry of Education, which means that they meet its criteria—which are quite high. But FNE also works with informal

⁴ It is technically not a (training) levy as the revenues are destined for the general government coffers.

workshops providing apprenticeship training and other unregistered training providers, which the Ministry considers as ‘clandestine’ training providers.

Merco is one of such informal workshops. It belongs to a small chain of informal Mercedes repair workshops in Yaoundé. It has 8 workers and 14 apprentices (6 from the neighbourhood and 8 “sent by NFE”). The selection criteria for apprentices are: 15–18 years old, in possession of a basic level of education and apparent good behaviour. An oral understanding is reached between parents/ guardians and the workshop (“we deal only with the parents”) on the training to be provided. The apprenticeship fee is USD 400 for 3 years.

The apprenticeship training is 3 years (“renewable” for those who need more time to master the set of skills involved). During the first year, the apprentices get to know the names of the tools used in the workshop and the main pieces of the cars being repaired. Only in the second year a simple start with actual training is made, which is normally completed in the third year. During this last year, the apprentice follows a short practical period (1–2 months) in another workshop to get some broader experience. Upon graduating, the apprentice receives a certificate from Merco, which is also recognized by other Merco workshops.

In addition to the regular apprenticeship training, Merco carries out FNE contracts to train small batches of youth in car repair for one year. It is complemented with theoretical training that takes place outside the Merco workshop and is conducted by a specially contracted instructor (often at USD 2.70 per hour). These training graduates also receive a different certificate, which is co-signed by FNE.

In 6 years, 36 apprentices have graduated in the workshop. No details on their work and whereabouts are available. At least 6 of the graduates are known to have established their own workshop, while sometimes an ex-apprentice is employed by Merco. Most of the graduates seem to find work in other garages—earning some USD 30–40 per month in IME workshops and up to USD 70 in more established garages.

The main problems in providing training to apprentices are felt to be: (i) lack of up-to-date and sufficient number of tools and equipment, (ii) low level of education of the apprentices, and (iii) scant availability of training materials (only a few catalogues and user manuals).

Source: PR manager of Merco workshop (March 2002).

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The participants in the training programmes are young employment seekers who have registered with FNE. The criteria for their selection are not immediately clear: it would appear that those registered are essentially supported on a 'first come, first served' basis. For computer and pre-employment vocational training groups of 10–12 are formed, and for on-the-job training groups of 5 persons. The training participants have to pay a contribution of 20% of the training costs.

4.8.3 Financial Support for IME Activities

FNE's financial support for setting up a business is not necessarily related to passing through a training programme. All NFE target clients can submit proposals. The maximum amount is USD 700 for self-employment and almost USD 3,000 for the creation of a micro-enterprise. For the latter FNE provides up to 80% of the total required financing, while the rest has to be contributed by the client (which can also be in kind, e.g. labour). The FNE loans carry an interest rate of only 8% per year, at a time when the commercial interest rate in Cameroon was between 20–27%.

4.8.4 Results

Since 1997/98 the number of people trained through FNE has gone up significantly, especially through on-the-job training. FNE stated (2002) to have a data base with almost 110,00 qualified jobseekers, trained over 22,000 persons, be in contact with 4,200 enterprises, aided 54,000 persons in finding employment, and realized 6,541 (mostly: agricultural) self-employment projects (FNE information sheets).

By far most of the training that is organized and financed by FNE concerns on-the-job training, which constitutes more than 85% of all training. In all, close to 5,000 persons received training through FNE in 2000/2001 (see Table 4.5). As with ONFP in Senegal, while a respectable number in itself, it is very small when compared to the total need for training, including informal sector operators.

Of the financial support provided to more than 4,000 people for entry into self-employment, either as an individual or as a member of a group, over 90% concerns financial assistance for purchase of land to enter into agricultural activities. Very few non-agricultural IMEs appear to have been set up through this mechanism.

All together, FNE financed in 2000/2001 vocational training courses for a total amount of some USD 1,13 million, while for self-employment creation projects around USD 1 million was made available.

Table 4.5 Cameroon: FNE beneficiaries 2000/2001

	Total	Yaoundé	Douala	Rest of country
Formal training	589	194	238	157
On-the-job training	4132	901	1422	1809
Total	4721	1095	1660	1966
Self-employment creation	211	66	73	72
Group initiatives	4229	725	1775	1729
Total	4440	791	1848	1801

Source: Based on data received from *Fonds National de l'Emploi*.

4.8.5 Appraisal

The actual impact of FNE's support for skills development and (self-) employment creation, is not immediately known. Its contribution to the actual creation of informal businesses is small. FNE's main impact will probably come from its training efforts. It is estimated (but not actually monitored) that in the end three out of every 4 training participants sets up his/her own business.

Some observers feel that FNE has only limited the knowledge and experience in providing training and financial support for work the IME. At the same time it has to be noted that FNE constitutes an interesting instrument to finance vocational training for both the formal and the informal sector, as well as, potentially, to improve the quality of such training.

4.9 Some Conclusions and Lessons Learned

4.9.1 Public Training Providers in General

In general terms public VTIs suffer from inflexible and inadequate training curricula, sub-standard infrastructure and lack of qualified and motivated training staff. In the wake of structural adjustment programmes their budgets generally have been reduced, which in turn makes it more difficult to change and upgrade their training programmes. Major changes are consequently needed: (i) training should be *demand-driven*, i.e. more responsive to the (changing) demand for skills in the labour market, which no doubt will lead to much more diverse course offerings (especially for girls/young women); (ii) training content has to be urgently updated and matched with modern teaching methods, and (iii) training delivery should be made more flexible,

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with emphasis on short (maximum duration: a few months) and modular courses, appropriate entry requirements, and suitable training hours and venues.

It is not clear if such changes will be within the possibilities of the existing government training centres as for most of them this would require major adaptations. And although prospective IME operators may benefit from such changes, it seems unlikely that they will solve all skills development problems of the IME sector.

4.9.2 Special IME Training Programmes

Special skills training projects for informal entrepreneurs and workers will thus remain necessary. The analysis of the special efforts that public VTIs have been undertaking so far shows that they are not yet very effective. The experiences with special training programmes and centres aimed at IME operators, such as the Youth Polytechnics in Kenya, are generally disappointing. Invariably they face numerous problems, often related to inadequate funding. The training offerings are limited and the quality of the training is low due to inadequate facilities; lack of (working) equipment, training aids and materials; outdated training curricula; demotivated staff; and inappropriate teaching techniques. Especially serious is the fact that many of these constraints lead to courses that are unduly theoretical while the exact purpose should be to make the training as practical as possible.

In many ways these special IME training programmes are a watered-down version of regular public training offerings: they lack a genuine focus on training for self-employment and micro-enterprises creation. There are few linkages with the IME sector to organize ‘practicals’ for the trainees and entrepreneurship development is only awarded a modest status in the curriculum. Most importantly, the training is usually not directly linked to post training assistance schemes.

In short, in view of the current weaknesses of public VTIs in Africa it would appear to be difficult for them to enhance their contribution to skills development for IME operators. Their inflexibility and training approaches rooted in bureaucratic practices, lack of knowledge of IME training needs and often even interest in extending skills training to informal entrepreneurs and workers, would make it a complex re-orientation which will not bear fruits in the near future. In the words of a recent DANIDA Evaluation Mission: many of the skills-oriented interventions were as much concerned with finding a new rationale for public training providers as with addressing the needs of IMEs (DANIDA 2002c).

4.9.3 Entrepreneurship Development

One of the important missing elements in public sector training offerings is entrepreneurship development and small business management training (both are referred to here as ED). Many public VTIs have started in recent years to remedy this by including ED as part of the standard training curriculum and/or as a self-standing programme which can also be attended by individuals who are not attending other VTI training courses. Most of the ED training curricula are locally developed, while in other cases use is made of the existing packages that have been developed and tested by donors (e.g. ILO's *Start/Improve Your Business* or S/IYB and GTZ's *Competency-based Economies through Formation of Enterprises* or CEFE).

Farstad, in his study of integrated entrepreneurship education (2002) found that in Kenya, where entrepreneurship education has been compulsory for all TVET participants since the later 1980s and is even tested in the form of a written business plan, there is no unequivocal evidence about its effect on self-employment. While there are indications that TVET graduates more than general education graduates enter into entrepreneurship, there is still relatively widespread scepticism towards self-employment in most population groups. Moreover, despite all efforts in the last decade to create an 'enterprise culture', self-employment is still only the second or third choice for those who cannot find wage-employment.

The case study of the establishment of Entrepreneurship Development Centres in Zambia is quite illustrative in showing the lack of demand for training-of-trainers in the area of ED: only one-third of the NFTIs in Lusaka initially participated in the training. Especially telling is that the ISAs insist that the ED training is given by project staff, in stead of regular staff of the NFTIs, who they feel lack teaching and business experience to conduct such training.

4.9.4 Training and Employment Funds and the IME Sector

The creation of *Training and Employment Funds* in **West and Central Africa** and similar *National Training Funds* in **Tanzania** and **Zimbabwe**, mark an important innovation in government dealings with basic skills training. Such Funds also present a number of interesting advantages with regard to training for the IME sector: (i) they are linked (now or later) to a training levy, which opens the way to a more adequate funding of training in general, while they are also (or could be) tasked to build up capacity in the training sector, (ii) they openly state to provide support for training of workers for both the formal and

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informal sectors, (iii) they make use of formal, non-formal and informal training providers, including apprenticeship training (on the basis of competition for funds to get the best results), and (iv) their tripartite set-up involving employers and workers could include representatives of the IME sector (as is already the case in Senegal and Cameroon, and foreseen, but not yet implemented, in Tanzania).

The Training and Employment Funds in WCA are all different. First of all in terms of available budgets with FNE in Cameroon having a far larger operational budget than some of the others (see Table 4.6). But there are also differences in their contribution to skills development in the IME sector: in Cameroon IME operators constitute 85% of the those whose training has been financed by the Fund, while in Niger and Senegal this appears to be only 20–25%. However, the latter still constitutes far larger input for IME skills development than made by the Training Funds in Tanzania and Zimbabwe, which have not been concerned at all with the training needs of the IME sector (Ziderman 2001). In fact, the Training Fund in Tanzania only used 1–2% of its revenues to support private and NGO training providers, even though many of them provide training for school leavers and poor trainees (DANIDA 2002).

Two further comments can be made on the working of the Training and Employment Funds. First, in some countries the trainees are required to contribute only 20–25% of the training costs. While such a subsidization of training is evidently beneficial for those with problems in coming up with funding for training, it undermines training systems (including IAT) that are based on full cost-recovery from the training clients. The Funds should at least consider a differentiation of their cost-sharing principles so that those following pre-employment training pay low fees, while higher fees are charged for skills-upgrading of those already working and therefore are in a better position to pay.

Table 4.6 WCA: Training and Employment Funds and the IME sector (around 2000)

	Cameroon NFE (1990)	Niger ONAFOP (1999)	Senegal ONFP (1986)
Annual budget for training	USD 1,170,000	USD 41,000	USD 370,000
Number of trainees/year	5,000	na	3000–4000
Trainees from IME sector	85%	25%*	20–25%
Training by NGOs	2–3%	na	10%
Contribution by trainees	20%	na	none

*In terms of number of training programmes.

Secondly, it is not clear if the Training and Employment Funds in WCA are presently functioning with optimal efficiency. Their total number of persons trained, although significant, is of course very small when compared to the need for skills training and also in view of their considerable funding. Further work needs to be done on their average training unit costs and their criteria for client selection remained unclear, to see if it would be possible to get a larger training ‘bang’ for the funds available. In this respect it would appear that the Funds could play a more prominent role in building up the training sector. All of the Employment and Training Funds in WCA indicate that they want to assist training providers to expand their capacity and enhance training quality, but it seems that so far only limited initiatives to this effect have been undertaken. A final issue here concerns the question if it would be possible, and justified, to further increase the company tax that form the major source for the Training and Employment Funds.

4.9.5 Final Conclusion

In all, this chapter has made it clear that public sector training providers up to now contribute little to skills development for the IME sector. This is remarkable since, as a TVET expert put it once to me, for informal entrepreneurs and workers “all training is welcome”. Apparently, conventional courses offered by public VTIs are a mixture of inaccessible, inappropriate and low quality training that does not connect with IME operators. They are consequently of very limited value for the IME sector.

The special efforts being made by a number of public VTIs, while progress in itself, are only having a limited impact. They do not take away the impression that these training providers cannot, or do not really want to genuinely expand their original mandate, limited to training for wage employment for the modern/formal sector, to include the IME sector. The study found few examples of success stories of innovative training programmes for IME operators offered by public training providers. An important conclusion is therefore that public VTIs do not appear to have immediate comparative advantages in providing skills training for the IME sector. In fact, it would appear that, for lack of a proper understanding of the features of the informal micro-enterprise sector, many of the TVET authorities are not fully aware that work in the IME sector requires skills training that is fundamentally different from conventional training offered as a preparation for wage jobs in the modern/formal sector.

5

Private Training Providers and the IME Sector

In the past decades there has been a significant growth of training offerings by the private sector.¹ This chapter will review such training, especially with respect to the relevance for the IME sector.

5.1 Private Sector and Vocational Training

In the past the provision of skills was generally seen training in Africa as a matter for the state and in most countries private training provision only played a minor role. However, with government resources for TVET under pressure, an increased recognition of the role of the private sector, and expectations for renewed economic growth requiring extra attention for skills training, since the 1990s there has been a marked expansion of the operations of private for-profit training providers (Atchoarena and Esquieu 2002). Most of the private training institutions, and especially those based in urban areas, are involved in academic, secretarial, commercial and computer training courses, but hardly in ‘industrial training’. Private training providers in the rural areas generally offer more technical and vocational courses (ibid.).

Many of the private training providers and especially the larger institutes and ‘colleges’, appear to have been incorporated in the formal TVET structure: they are registered, follow the official training curricula, prepare their trainees for government trade tests and seek to issue training certificates approved and even co-signed by the relevant TVET authorities.

At the same time there are in many countries, especially in urban areas, also significant numbers ‘informal’ PPTPs, which are not registered and not regulated by prevailing TVET regulations². They operate on a very small scale,

¹ ‘Private’ training institutions refer essentially to private-for-profit training providers (PPTPs), The private-non-profit sector will be discussed in the next chapter, and the for informal entrepreneurs and workers most important form of private sector training, informal apprenticeship training, will be discussed in the chapter 7.

² A study of private training providers in Zimbabwe (Bennell 1997), for instance, estimates that in 1997 there were in the Harare area some 60 registered private for-profit training providers

and often refer in fact to home-based, ‘one-classroom’ and one-instructor operations. Such informal training providers provide courses which are considerably shorter than those in formalized training institutes. Many of them provide training in tailoring (which is surprising in view of the sharp decrease in actual number of textile IMEs as they find it difficult to compete with imported garments). The non-registered private training providers charge markedly lower training fees.

Private for-profit training providers essentially refer to commercial training providers for which tuition and training fees constitute the main source of income (even though some of them also receive subsidies from the government or others). They are thus by definition ‘demand-led’, for which reason most of them operate in urban markets, where large numbers of prospective clients are living who are interested to work in the government and private sector (e.g. secretaries) and have the financial means to pay for private training.

The private provision of skills training refers to a number of different modalities. The most common type of private training providers is formed by professional *private for-profit training providers*, which will be discussed in the next section. Another category is formed by *private companies that provide in-house training*, usually exclusively for their workforce, including in-service training, (formal) apprenticeship training and short-term external training. In Africa parastatals, for instance, were well-known to provide training to their workers.

With regard to their contribution to skills development in the IME sector, two types of PPTPs are distinguished here: (i) *private training colleges* and (ii) *private training centres*.

5.2 Private For-Profit ‘Training Colleges’

5.2.1 Introduction

Private training colleges are general education-like institutions (indeed also referred to as ‘backstreet colleges’), offering multiple courses. Some of them are quite large with 1000 or more students. They are a kind of ‘white collar’ training institutions, and tend to focus on training in areas such as office and business skills for urban youth of middle and higher income groups directed at wage employment in the formal sector. Many of them are duly registered

and 25 church-based and other NGOs involved in skills training, while there were around 90 unregistered, essentially home-based private training providers. For the whole of the country the study estimates that some 30% of all trainees are enrolled in informal PPTPs.

with the national TVET authorities on the basis of criteria such as: number and qualifications of trainers, content of training curricula, and conditions of training facilities and equipment.

The training in training colleges is mainly theoretical, even in the few cases that they offer courses in vocational trades: in Zambia the training in such institutions was said to be 60% theoretical and in Uganda even 80%.

5.2.2 Case Study A—Zimbabwe: Private For-profit Training Providers

A study of private training providers in Zimbabwe³ surveyed 25 randomly selected private training providers (one third of the total number registered with the Ministry of Higher Education and Training) in the city centre and high-density areas in and around Harare. The survey included two NGOs while the rest were private for-profit training providers.

Main characteristics

While during the 1980s there were only a few private training institutions in Zimbabwe, their number grew rapidly during the 1990s when there was more recognition for the role of the private sector in the provision of training. By and large these new providers offered office and business skills training, which was greatly stimulated by the increased availability of foreign exchange that allowed for the importation of computers. Among the PPTPs surveyed there was only one specialized in technical training.

The private training providers were usually started by former middle-level civil servants, who worked before in the public sector. They generally had at least some tertiary education and half of them have studied for some time abroad. Interestingly, one third of the PPTPs were owned/managed by women. The private training providers were usually located in rented premises, mainly in or near the city centre. The classrooms were small, making over-crowding common. The equipment was invariably basic and outdated, with the possible exception of some of the computers.

Private training providers were found to work predominantly with part-time instructors—the largest one, located in Harare, had no permanent teaching staff at all and worked only with part-timers, in total 350 (!). Except for the larger and ‘elitist’ private training providers, the salaries were modest and many of the instructors were not very motivated.

³ This section is largely based on Bennell 1997.

Table 5.1 Zimbabwe: enrolment in PPTS by trade area

Subject area	Percentage of enrolment
Academic	14
Secretary/commercial	38
Computer	35
'Technical'	5
Tailoring	4
Other	3

Source: Bennell 1997.

Trainees and training delivery

The total enrolment (1996) in the 25 surveyed private training providers was estimated at 33,700 students, of which only 9% were following technical skills training (i.e. 'industrial trades' such as motor mechanics, or tailoring) (see Table 5.1).

The study found that the non-technical training was directed mainly at those from the middle and higher classes who were already working, so that the training was given for a few hours in the afternoon/evening or during the weekends. The more technical training for self-employment was rather directed at the poorer strata and especially school-leavers. It concerned courses of larger duration (often 6 months and longer), which were conducted during 4 or more hours per day. The offerings were largely limited to a few trade areas, such as tailoring and motor mechanics.

Interestingly, when some years ago the demand for existing technical training courses fell off, the largest of the PPTPs for technical training immediately diversified into new trades, such as refrigeration, welding and car electrics.

Training results

The drop-out rate at the PPTPs studies was estimated at 10–25%. The main reason was financial, which was particularly important in the case of technical training. The study does not provide any clear information on the pass-out rates of the PPTPs.

Most of the non-technical training courses led to a recognized certificate, often internationally endorsed. In contrast, for technical (and tailoring) courses national certificates were more the norm. Such certificates, however, were found to lack status, to be poorly administered and to show low pass rates. In fact, most of the surveyed PPTPs rewarded technical training with an internal certificate,

since these courses aim at self-employment for which internal certificates provide adequate recognition.

Training costs and revenues

Except for the two NGOs, all the PPTPs surveyed had to cover their costs from the revenues of the training, while even the former, in view of declining donor contributions, were said to become more interested in training as an income-earning activity. The study found a wide variance in the training fees charged by the commercial training providers—which are not related to the training results. The (monthly) fees for the secretarial, commercial and (short) computer courses are much higher than those charged for the technical courses, which are 50–100% lower (except for motor mechanics). Apparently the fees, in addition to being based on a cost-plus formula, are determined by the status (‘brand name’) of the PPTP and the ability of the target group to pay for skills training.

No detailed information on the different categories of training costs incurred by the PPTPs was provided in the study. It only indicated that the high capital outlay and running costs in providing technical training to the satisfaction of MoHET’s registration requirements, were a major deterrent for training entrepreneurs to enter into technical training. Still, it estimated that the profit margin of one of the large PTPs of technical training is 25–50%.

Main problems

The main problem of the PPTPs at the time of the study, and probably even more nowadays, was the deteriorating economic situation in Zimbabwe, which seriously eroded the purchasing power of (the families of) prospective clients. For some reason (background and interest?, confidence in employment results?), this was found to be more of a problem for technical training than for office skills training—even though the fees would actually be higher for the latter type of training.

A second and related problem appears to be the competition from the non-registered training providers. They were becoming more popular since they were charging considerably lower fees—even though this was likely to be reflected in the quality of the training.

5.2.3 Case Study B—Uganda: Mengo Institute of Technology

The Mengo Institute of Technology was started in 1991 by two partners, both with a solid technical background and ample experience in teaching/training.

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They felt at that time that there was sufficient demand for training to ensure them a better income than a teaching salary at the University. The Institute was started with minimal capital and just a few students. Subsequently they found a third associate who owned suitable facilities (formerly the Uganda Gospel Rehabilitation Centre). Later on this associate withdrew and now the premises are rented from him. One of the two remaining partners works full-time as Mengo's principal, while the other is also lecturing at Kyambobo Polytechnic.

Training offerings

According to its brochure, Mengo offers 22 courses at craft and advanced certificate level, as well as at part- and full-time diploma level (see Table 5.2). While the courses all are concluded with official trade-tests for government skills certificates, it is clear to all those involved that many of the graduates will end up in the IME sector. The training follows the established government curriculum, which means that the courses take two years for a certificate at craft level, and another year for the follow-up course to obtain an advanced certificate. The diploma courses also take two years. As part of the course, Mengo arranges for enterprise attachments ('industrial training') for the trainees in both large modern firms (e.g. Toyota) and in informal workshops.

Mengo's maximum capacity is over 100 trainees over two shifts (morning and afternoon). However, in 2001 less than half of the training places were filled. At the time the drop-out rate was high, on average even 50%, while a few years earlier it was far lower, around 20%. The main reason given for this increase were difficulties for the students to come up with the fee (since most of

Table 5.2 Mengo Institute of Technology: enrolment 1999–2000

Courses	1999-I	1999-II	1999-III	2000-I*
Electrical installation B (craft cert.)	27	14	11	8
Motor vehicle technician B (craft cert.)	20	20	14	10
Radio & television service (craft cert.)	17	11	8	10
Bricklaying and concrete (craft cert.)	2	2	2	2
Electrical and electronics (ord. dipl.)	9	8	5	5
Civil engineering (ordinary diploma)	13	10	9	9
Architecture (diploma)	4	2	2	3
Total	92	67	51	47

Source: Information from the Mengo Institute of Technology.

them pay themselves). The students who have dropped out but pass the internal exams, are still given a Mengo certificate of attendance.

Training, trainers and trainees

Most of Mengo's students are young (between 18 and 35) and male (although there are some female students, even in electronics and electrical installation). They need to have 'O'-levels for the craft certificate level courses; the craft level certificate gives entry to the advanced certificate level courses. To a certain degree relevant work experience can replace educational qualifications. The tuition is done in English. Some of them come from very far—according to the management because of the institution's reputation. Many of the students are already working, often in an informal workshop. They come to the training in the morning and work in the afternoon.

In 2001 Mengo employed 22 trainers, who were paid on an hourly basis. Their certified skill level has to be at least one level higher than the level of the course they teach. Some of the elderly ones have considerable work experience, but many are still studying (e.g. at the university). About a third of the trainers have their own (small) workshop—which, it was said, makes them good trainers.

One of the main problems of the institute is the lack of workshops and even training equipment. In the auto mechanics course, for instance, some auto parts are available in the class rooms, but 80% of the time is spend on theory. Only one day a week somewhat more practical lessons are given, but for the real hands-on experience the students have to wait until the period of 'industrial training'. Mengo's initial intention was different and it still hopes to upgrade its facilities in the future for a more practical approach.

Results and impact

Between 60–80% of the Mengo students who sit for exams pass, some with honours. The Mengo training results are said to compare well with those of other institutions, including those of government VTCs, which generally have students with higher educational qualifications.

Mengo does not conduct tracer studies, but informally keeps track of the employment status of its graduates when they visit the institute, in order to get some feedback on the results of its training. Around a quarter of them were recorded as self-employed, while the others said to have a wage-job. None of those registered is unemployed, but it may well be that those unemployed have less reason to pass by the institute. The principal estimates that the employment situation of the graduates is: one third has job in a formal sector company, one third works in the IME sector and one-third is unemployed.

Training costs and financing

Mengo is a private training institution and therefore seeks to cover its costs from the training fees charged to the trainees. In 2000 the fees for the training courses ranged from some USD 45 per term of 3 months for certificate courses and around USD 72 for diploma courses.

The principal confided that the training provided by Mengo is not as profitable as originally expected. In fact, the audited accounts for 1999 show a deficit of over USD 6,000. The cost and income structure is more or less as in Table 5.3.

In addition to the loss-making of the training, the Uganda Revenue Authority created an extra problem by issuing a steep tax invoice, since the tax exemption for education and training institutes that was in existence under legislation from the 1970s, was withdrawn (in view of the large number of private facilities for kindergarten, primary and secondary education, many of whom are doing brisk business). The Authority let it be known that even though Mengo is not doing well, it still has to pay the accumulated 'arrears' in tax payment.

Even without such a tax threat, the financial situation of Mengo is difficult. The principal feels that the salaries of the trainers should be increased. So far, staff turnover has remained low, thought due to the open approach of Mengo's management. The institution would like to invest in its facilities and equipment, but this is presently not profitable.

Mengo has only few relations with the Department of Industrial Training. It is however being invited for seminars on vocational training and has recently been invited to attend a training-of-trainers organized by DIT. It also tried to

Table 5.3 Mengo Institute of Technology: training costs and revenues

Revenues 1999:	
– from training fees	US\$ 36 million
– from boarding fees	12 million
Expenditures 1999:	
– salaries (principal and trainers)	US\$ 21 million
– administration	6 million
– student expenditures	4 million
– exams	3 million
– other expenditures	14 million
Audited loss after provisions, in 1999:	US\$ 1.1 million

Source: Information from Mengo.

qualify for assistance from a KfW project supporting Private Training Providers. Mengo is a member of the Association of Private Training Providers. It would like to receive assistance in the areas of equipment, subsidies for trainer salaries and training-of-trainers.

5.2.4 Case Study C—Zambia: Mansfield Institute of Technology

Background

The Mansfield Institute of Technology is a commercial training provider based in the one of the high-rise buildings along Cairo Road in Lusaka. It offers courses for motor vehicle engineering, automotive electrical and electronics. Mansfield's owner used to work as a car mechanic with one of Zambia's parastatals. He started as a trainer in the early 1990s with only 5 students. By (re-)investing in training equipment the Institute grew rapidly and now has in total some 350 students at one time. Around 150 of them are being trained in technical skills, while the others follow office and computer courses.

Trainees and training delivery

Mansfield employs 3 trainers, each with a college/university background. They teach the students in 5 two-hour training sessions between 8 and 18 hours; there are no evening sessions. As a private sector business, Mansfield tries to make maximum use of its facilities and training equipment, so its courses are more compact than those offered by public and NGO training providers, for instance with only a few weeks holidays instead of months.

In view of this training schedule, it comes at no surprise that the students are generally young. They are said to come from all over the country. For the technical courses they need to have at least grade 12, with good passes for mathematics, science and English. They pay some USD 20 per month, which was said to be very comparable with fees charged at other institutes (but compares as very high when compared with the fees of the urban community-based trade schools (see section 6.3.2).

The training courses take between 6–10 months for certificate level, and another 12 months at diploma level. Mansfield makes use of training curricula from TEVETA. It was stated that some 60% of the training time is used for theory. The 40% dedicated to practice takes place in a workshop not far from the classrooms. The technical training is mixed with training in business skills (e.g. marketing).

Training results

Mansfield has been licensed by TEVETA to organize its own trade testing. The graduates are awarded a nationally recognized diploma, while others get a Mansfield certificate. Some 10% of the students drop out during the training, and around 15% of the students who sit for the exams are said to fail.

After getting their certificate, the trainees look for an attachment in a workshop. Most of the students find these on their own (with Mansfield merely writing a recommendation letter), while in some cases the Institute assists the students to find a firm. Most (“70–80%”) come back after the attachment period to take the diploma course.

Mansfield only keeps informally track of the use that the graduates make of the skills received. Some graduates send letters to thank for the training and request references, or pass by to visit the institute. From such contacts it is felt that 40% of the training graduates enter into self-employment, while 40% finds a job—by and large in a small firm, as there are very few modern sector enterprises left. The rest remain unemployed.

Training costs and revenues

The total annual budget of Mansfield is around USD 100,000. No exact figure on the profits made could be obtained, but it was said—of course—to be ‘minimal’⁴. Mansfield is a limited company, with the shares in the hands of members of the family of the founder who passed away.

Problems and plans

The main problems that Mansfield indicated to be facing, concern:

- lack of space, so that every year several the training applicants have to be turned away
- deficient technical and business skills of the trainers (e.g. need for refresher courses)
- high staff turnover “as result of the liberalized market” (i.e. new employment opportunities)
- inadequate training tools and equipment.

⁴ When the budget is compared to the total fee income estimated on the basis of the number of students and the fees mentioned there is actually a loss, which probably means that the costs are exaggerated.

Mansfield is planning to become a member of the Zambia Association of Training Providers (ZATP)—in part in the hope that it will help to solve some of these problems. In particular there is an expectation that international donors will provide assistance via the Association, e.g. in the form of capital, to improve/ expand training structures and buy better/ more training equipment. ZATP is also expected to help in staff training, development of training curricula and training materials, as well as in trade testing.

The Institute has several plans for the future. It has already acquired a plot to build its own training centre—bringing the classrooms and the workshop under one roof. It is also considering to open branches in another part of the country, i.e. the Copperbelt. Mansfield is also thinking to offer more diploma courses, and even sees a good market for degree courses (in Zambia only the two universities and a few institutes of higher learning are offering such kind of training).

5.2.5 Private ‘Training Colleges’: Some Conclusions

It can be concluded that most of the private training providers and especially the larger ones, are of limited relevance for those working in the IME sector is limited for a number of reasons. First and foremost, they tend to offer training in office and computer skills rather than in productive trades. Secondly, in as far they offer courses in ‘industrial’ trades relevant for the IME sector, they appear to follow public VTIs with training directed at wage employment: the level of technology is relatively high and there is no link to business skills. And thirdly, while the training quality is generally of good quality it is often rather theoretical with few opportunities for practice.

There are exceptions to the notion of private training providers purely as ‘backstreet colleges’ for secretarial, computer and bookkeeping skills. The Mengo Institute of Technology in Kampala (Uganda) and the Mansfield Institute of Technology in Lusaka (Zambia) are examples of genuine private training providers whose owners perceived a niche in the training market for more genuine technical and vocational skills. Their training is demand-led and new courses are introduced in line with developments on the labour market. Mengo, for instance, is preparing short courses on welding, radio repairs, motor rewinding and catering, in view of good demand for them. They will take 3–6 months and given in the evenings (a third shift). Since no official curricula for these courses is available, the staff of the institution will develop them. And as no formal certificate for them exists, the pass-outs will get an in-house certificate of attendance. Mengo is also considering to include some business skills training in the technical courses and to offer computer training.

While indeed more relevant for IME operators, the training offered by these private training colleges is often of modest quality. These courses are often also

overly theoretic for lack of training equipment and workshop space—both of which require substantial capital outlays. In some cases this has been remedied by entering into agreements with nearby IME owners for trainee practicals in their workshops. Training staff is usually young and lacking experience—especially in business matters.

5.3 Private For-profit ‘Training Centres’

A second type of PPTPs refer to *private training centres*, which in comparison to the training colleges above are more a kind of ‘blue collar work’ training providers. They are usually relatively small in size with simple premises and basic equipment and offer fewer courses—mostly in one (or a few related) trade area(s). These centres provide practical, hands-on training. Some of them actually have grown out of a regular business enterprise that has gradually gravitated from ‘production’ to ‘training’.

Some of these private training centres are continuously being upgraded and have become locally well-known providers of skills and knowledge in a particular trade. Sometimes they receive official recognition from the TVET authorities. In many countries such training centres are especially common for hairdressing and tailoring.

5.3.1 Case Study D—Senegal: *Exotif* Hairdressing Centre⁵

Context and history

Mr. Maillet, a French expatriate, opened the first professional private hairdressing and beauty training centre in Dakar in 1993. The owner, holder of a French State diploma in ethnic hair styles, started a hairdressing salon at the end of the 1980s, creating a market niche for himself as the “*toubab* [white man] who works black hair”. The success of his salon, together with the realization that there does not exist any professional training structure for hairdressing in Senegal—nor, as a matter of fact, in the whole of Western Sub-Saharan Africa—motivated him to create such a centre.

The hairdressing market is one of the most dynamic within the IME sector in Senegal. Although there are no official figures, Mr. Maillet estimates the size of the training market by the level of sales of hairdressing products, of which he is the only official importer. He sold, for instance, 1000 practice heads in 2001, on which apprentice hairdressers learn various hairdressing techniques. That represents at least as many practitioners, but most probably two—or

⁵ The initial case study was drafted by Mr N. Serrière (ILO/ITC Turin).

three—times as many as people take turns to practice on these heads. He thinks that the hairdressing business is growing by 40% a year—this would mean one new salon every week in Dakar, in addition to the 400–500 already in existence. As a result an apprentice, even with limited skills (e.g. it takes only 3 months to master the basics of the trade) can easily find work. Setting up a small hairdressing salon requires an investment of USD 3,600.

Centre and trainees

Exotif's is a training centre *agrée*, that is, it obtained authorization from the TVET authorities to conduct training. Still, it only awards an in-house training certificate as there does not yet exist a government-recognized hairdressing diploma in Senegal. The centre is situated in the centre of Dakar and housed in a modern building. The salon is situated at the ground floor and the teaching facilities are located on the first floor. Taking into account all the different types of training offered, there some 130–150 training places, in several shifts.

The trainees, all women, are usually between 18 and 35 years old and have different socio-economic backgrounds. Initially a minimum middle-level education was required, but this was dropped as it became evident that not enough candidates met that criteria. The main selection criterion, therefore, remains the capacity to pay the training fee—in fact, many trainees drop out after the *Tabasky* (end of Ramadan celebrations), when their families have spent all their savings on celebrations and cannot afford to pay for the training any longer. Once the Centre trained refugee students sponsored by UNHCR.

Registrations take place all year round, every month. Trainees can chose between full-time and part-time training. A full course takes one year to finish, but as it is modular, trainees can organise the training as they prefer. In addition to registration costs and tuition fees, they have to invest into their own professional kit. All products and equipment are, of course, to be bought from *Exodis* (Mr Maillet's import company). Table 5.4 below summarises the costs according to the length of training.

Table 5.4 *Exotif* hair dressing centre (Dakar): training costs

	Full time training (1 year)	Part-time training (2 years)
Registration costs		USD 53
Monthly tuition	USD 50	USD 29
Professional kit:		
– hairdressing		USD 307
– beautification		USD 272

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After finishing the training, most graduates find employment in other hair-dressing salons or open their own business. Although there is no organised follow-up of trainees, *Exotif* has some idea of their activities, as most of them come back to buy cosmetics products imported by *Exodis* (the only alternative are products from Nigeria—of dubious quality and lacking proper instructions for use).

Future plans

Exotif expects the training curriculum that it has developed over the years, to be recognised by GoB as a CAP training course. While an interesting example of public-private sector partnership, it may mean that *Exotif* has to increase its entry requirements, possibly leading to lower demand for its training (see above).

Exotif is pursuing an expansion strategy at several levels:

- opening of sales shops: in Dakar, 4 shops have already been opened and another four are expected to open shortly;
- opening of training centres in other countries: one of them has already started operations in Nouakchott (Mauritania)—under a franchise arrangement, and a third school has been opened in Bamako (Mali);
- institutionalisation of the course: since 1995 negotiations have been held with the government to include this type of training as one of the regular vocational training offerings, and to recognize the diploma; and
- initiate ventures with hairdressing & beauty salons in France to sponsor trainees from Dakar.

Final observations

Mr. Maillet has invested between some USD 85,000–170,000 in his business—from his own savings as he did not want to rely on loans from local banks (he feels that their collateral requirements are not realistic and their interest rates too high). Initially some adjustments had to be made to the training set up, such as a lowering of the entry requirements and the introduction of part-time sessions to enhance the flexibility of the training schedule. In all, it took some time before the fine-tuning of *Exotif's* was completed and financial stability achieved.

A major advantage proved to be Mr. Maillet's control over the whole production chain, from the exclusive import of cosmetics and hairdressing products to the training of new hairdressers, together with the operation of his own

hairdressing salons. This has allowed him to attract and retain a wide range of customers, as well as subsidising the training side of the business until that was no longer necessary.

Mr. Maillet's training business is now so successful that he can 'export' his concept outside Senegal. Interestingly he has succeeded to bridge the gap between the Formal and Informal Sector. In spite of high import and storage costs for his European cosmetic products, for instance, he manages to compete against much cheaper products from Nigeria by providing professional advice on their use and ensuring their quality. Even if the majority of hairdressers still practice their trade in the IME sector, as up to 90% do in Dakar, the case of *Exotif's* shows that by working upstream in the sector, the quality of the services can be much improved.

5.3.2 Case Study E—Benin: Training by MIBOA, Exporter of Furniture

Background

The fieldwork in Benin once again made it clear that almost all informants from the TVET sector feel that training is only provided by public and (recognized) private training institutes. In response to insistent inquiries about examples of the provision of training by private firms, references were made to the *Menuiserie Industriel de Benin dans Africa de Oueste* (MIBOA). This small factory, located not far outside Cotonou, produces furniture for export, using a minimum of modern, mechanized equipment (one electrical saw, two planers and a wood lath machine).

Training activities

The owner started the factory in an effort to contribute towards the skills development for local youth. Initially the training was based on traditional apprenticeship features with the parents of the apprentices paying a regular training fee. Since 1997 the factory has linked up, in separate programmes, with an international NGO and GoB/METFP to acquaint rural youth with mechanized equipment. For the owner these arrangements appear to have solved earlier problems with the collection of the apprenticeship fee, as they now reimburse the factory for the cost of the training (some USD 27 per month per trainee). The NGO furthermore provides income support to the rural families of the trainees. These two organizations are now responsible for the selection of the apprentices—one of the criteria is some basic wood-working knowledge.

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Interestingly, the director has stipulated that the apprenticeship stage should take only two years, after which the apprentices are employed by the firm as semi-skilled labour. This means that while the skills development is continued, they get a small wage and are covered by social security. The factory employs in total 6 wage workers and about a dozen apprentices. It produces simple furniture, in part for export to Europe.

At the end of the training, the apprentices get several certificates. One is an in-house *attestation de maison*, two others come from the local association and the national federation, and the last one, for the best trainees, from the Ministry. About a quarter of the trainees fail to make it to the end of the training.

The owner of the factory is somewhat dispirited that about half of those trained, “the real failures”, do not continue in the carpentry trade but rather go to work somewhere else (e.g. in the harbour of Cotonou)⁶. Of those who do continue, about half of them find work in one of the few other furniture factories and the rest in small informal workshops; occasionally they set up a group venture. Some of the latter remain linked to the factory, as they come in to make use of its equipment.

Some lessons learned

Though small and incomplete, the case study brings out two important points. First, public-private sector partnerships can be instrumental in creating and improving relevant training offerings for the youth. It seems likely that without the contributions from the NGO and the ministry, MIBOA would have halted apprenticeship training in view of difficulties in collecting the training fees. Support to poor (rural) families can be instrumental to convince parents to let their children follow medium-term skills training.

Secondly, the case brings out some of the seemingly small but in reality crucially important advantages of a private training facility. The owner is involved in various commercial activities, including the export of cotton, and frequently travels to Europe. During such travels he buys the necessary spare parts for the wood-working equipment—without major charges for the factory. Other training centres, and especially those in public and NGO sector, often have serious problems to keep their equipment in running condition. These travels also serve to get small export orders, which tend to have a high profit margin.

The entrepreneurial spirit which helps to make things work can also be glimpsed from the fact that the factory has an interesting side-line: grinding of saw bands. There are no competitors for this in the Cotonou area. The owner learned this trade in Togo.

⁶ In view of the low delivery costs of the training, an employment rate of 50% is not at all bad.

5.3.3 Private 'Training Centres': Some Conclusions

Clearly the 'private training centres' as discussed in this section, are different from the 'backstreet colleges' for secretarial, computer and bookkeeping skills. They offer training courses that are very suitable as a preparation for work in the IME sector. The training often has its roots in actual production. It is foremost hands-on while still providing some theoretical background. The tools and equipment used are immediately relevant for the level of technology common in informal workshops. The training is short and driven by the demand for skills from IME operators. While indeed more relevant for IME operators, the training offered by these private training centres is often of modest quality and should be improved.

5.4 Other Examples of Private Sector Skills Training

The general ineffectiveness of training systems in Africa has driven a number of private companies to become actively engaged in the development of skills: they provide skills training to their work force, and some of the larger companies, including many of the (ex-) parastatals operate their own training centre.

Apart from such training, the private sector also is in other ways, directly or indirectly, contributing towards the transfer of skills to IME sector operators: (i) independent trainers, (ii) training provided by suppliers of equipment and machinery and (iii) training as part of sub-contracting relationships.

5.4.1 Independent Trainers

There is a special category of training providers that appears to be important for informal entrepreneurs and workers: private individuals offering training. Some of these independent trainers are genuine 'self-employed trainers', while for others the training activities are rather a sideline next to their regular job (see Box 5.1).

At the top end of this category of training providers one finds professional trainers and other staff working in established training institutions, with the government, in the private sector or an NGO, who are contracted for particular training programmes by private companies, government organizations, NGOs, etc. At the low end there are master craftsmen and informal workers who carry out specific training jobs for informal sector associations, groups of informal producers and individuals.

Box 5.1 Uganda: Independent ‘Business Trainers’

FIT Uganda, an NGO linked to an earlier ILO MSE project, wanted to spread the use of its ‘Rapid Market Appraisal’ and ‘User-led Innovation’ support mechanisms and placed a newspaper advertisement for training-of-trainers in these two topics. They attracted 27 applicants, many of whom NGO staff, consultants and others without immediate training experience. Of these 12 were selected on the basis of their interest in providing training as a business activity. The course took 5 days for which the trainees had to pay some USD 42. As an incentive for early organization of training courses for the ultimate target group, i.e. MSEs, FIT would double the fees paid by participants for these courses (up to USD 250).

During the 6-month pilot phase, 8 of the trained trainers (almost all genuine private trainers) actually organized training for MSEs. All together some 500 MSEs followed courses lasting 3 days. In the rural areas the average number of participants was 20, paying an average fee of USD 4, while the urban courses had on average 12 participants for a fee of USD 8 (making the revenues per rural course USD 80 and per urban course USD 96). One of them, a metal worker (!), is still offering training in RMA (during 3 afternoons at USD 6 per course) and other business skills, training 60 small producers per year (Suzuki 2002).

In a survey of private training providers, FIT identified some 160 independent trainers and 98 training institutions in Uganda. They were offering courses in: hotel & tourism, clearing and forwarding, computers, accountancy, marketing, food production, business planning and administration, wood and metal working skills, tailoring, boat building, electrical, construction and agriculture—often related to local business activities. The training is often relatively long, but on a part-time basis. It is also very market-driven, of varying quality and of mixed reputation (there are examples of trainers who take the fees and close the business before conducting the course). The independent trainers were found to earn some USD 80–160 per month.

Source: Mbeine and Anderson 1998.

Some independent trainers operate from fixed premises or have mobile equipment, offering training in vocational skills. For example, in Bangkok a trainer-cum-producer conducts one-day training courses in the preparation of crispy fried sticks for USD 30; he trains around 150 persons per year (Suzuki 2002). Others move around to conduct (usually short) training in non-technical/vocational areas. In West Africa, for instance, there often exists a ‘pool’ of independent trainers (many of whom have a job as a teacher at a college

or university) who are contracted for business skills training for youth following a kind of formalized apprenticeship training in a small workshop (see Box 4.2). Many NGO training programmes for income-generating activities (e.g. in animal husbandry) use government extension staff as trainers—sometimes they are approached through another government ministry (and are only reimbursed their expenditures), while on other occasions they are contracted on an individual basis (receiving an additional income).

Not much is known about these independent trainers (background, education, other employment activities, etc.) nor about the type of training they provide (training curricula, range of clients, training delivery, costs, etc.) and its quality. Especially the lower end of this category of training providers, independent trainers, would seem to provide relevant services to informal entrepreneurs and workers, but more research is needed to assess the quality, effectiveness and fee levels of this type of training.

5.4.2 Sub-contracting Relationships

There are also examples of medium and large enterprises that are sub-contracting part of their production to smaller firms, although this appears to be more common in other continents than in Africa. In principle such sub-contracting linkages can also foster skill development processes in the IME sector. Different modalities can be distinguished:

- (i) sub-contracting as a *form of exposure* for IMEs to the ways in which experienced, larger enterprises do business: handling of (large) orders at specific times, more accurate costing, production planning, and quality control, etc.
- (ii) sub-contractors provide *detailed specifications* according to which the products have to be produced, which stimulate IMEs to improve the design and quality of their products, through enhanced quality control and possibly even by acquiring better technical skills
- (iii) sometimes *sub-contractors become actively involved in the IME production process*, for instance by supplying materials, sending a supervisor to oversee (part of) the work or even by organizing actual skills training for the workers of the sub-contractee.

It can be expected that the efforts from the sub-contractor are more intensive and more likely to involve skills transfer when the products are more skills-intensive and have a higher value-added, which possibly means that sub-contracted firms are larger. Moreover, the benefits from sub-contracting may be quite ambiguous for IMEs, since it also brings distinct disadvantages

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(e.g. a discontinuous demand for products and sometimes substantial dependency on one sub-contractor).

5.4.3 Training Provided by Equipment Suppliers

A typical example concerns training provided by equipment suppliers in the use, maintenance and repair of the equipment provided both to the end-users of the equipment and to equipment repairers (see Box 5.2). For instance, it is common for importers of equipment (e.g. home appliances) who do not

Box 5.2 Business-based Training

Equip Plus in Dakar (Senegal) is part of a larger enterprise which imports different types of equipment, such as welding equipment, agricultural machinery, solar panels and small diesel engines, while it also produces simple agro-processing equipment (sold together with the small diesel engines required to operate them).

As part of the sale of the agro-processing equipment (e.g. grain mills), *Equip Plus* provides delivery services which include installation of the equipment and some training for the user. The training lasts about a half-day and is conducted by the driver of the truck that delivers the equipment. Its main purpose is to instruct the buyer in the correct use and maintenance of the equipment and train them in some ‘first-aid’ in case of repair. The ‘training curriculum’ is mainly formed by instruction booklets.

Interestingly, *Equip Plus* conducted in 2000 a much more elaborate training (duration: one week) as part of sales promotion for motor pump sets imported from Italy. The training took place in 4 rural towns, trained 10 local technicians in each of them, and was conducted together with a specialist from the manufacturer (the costs were shared between *Equip Plus* and the Italian company). This particular brand of motor pumps is now the market leader.

Equip Plus also provides after-sales training for welding and wood-working equipment for 1–2 days. For large users of the equipment and even donor agencies (e.g. Embassy of France) it has organized training course for one week—at a cost of some USD 135. For such events *Equip Plus* has two trainers and a roster of resource persons. *Equip Plus*, whose general manager is also the chairman of the Chamber of Commerce in Dakar, also provides places for practicals for trainees from a nearby training centre.

Source: Interview with *Equip Plus* Marketing Manager (March 2002).

operate a local service facility, to train local technicians to maintenance and repair of such equipment. A well-known example is Singer, which conducts training in the repair of sewing machines. It also refers to private companies that provide training as part of their marketing strategy. Coca Cola, for instance, conducts bookkeeping courses for 'hotelis' (small home-based restaurants) in Nairobi and Unilever organizes courses for rural bakers in Ghana.

5.4.4 Case Study F—Cameroon: CEP, an Example of 'Business-embedded Training'

A very interesting example of relevant and potentially sustainable training provided by private business for the IME sector was found in Western Cameroon. Here, a local paint industry, *Compagnie Equatoriale des Peintures* (CEP) in Douala, provided a one-day spray painting course to informal panel beaters/painters in West Cameroon.

Private company

As an ISO-9000 licensed company, CEP regularly provides two kinds of training: annual training on certain types of paints to its main customers, i.e. paint wholesalers, and training for workers from formal sector garages as part of their sales service. This training is more technical (e.g. blending of different colours of paint) and takes place on the CEP premises.

Recently a new kind of training was provided, i.e. to IME car painters in Dschang (some 250 km from Douala). Some 30 spray painters were trained during one day (February 2002). The training was conducted by the regional wholesaler of CEP-paints in the area, who has a garage and experience in training of apprentices. He also developed the training programme.

The training took place in the common spray painting facility of the car painters association. CEP provided the training free of charge and even donated some USD 140 of free paint.

Original idea

The training actually came about as the *Chambre des Artisans de l'Ouest* (CHART), wrote a letter to CEP inquiring about the possibilities for training. CHART is a regional federation of association of artisans in Dschang (some 70,000 inhabitants). The organization was at that time receiving support from DED in the form of a technical adviser, who gave management advice, organized study tours, and set up a network with other IME support organizations.

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The idea for the letter came from the members of the *Syndicat des Artisans de la Menoua* (SYNADEM), which groups some 150 informal enterprises in the area of car repair. The president of SYNADEM, who has a garage himself, is actively trying to foster collaboration among its members. The association has, for instance, set up a common spray-painting facility. It has recently employed a secretary to administer the stock of car paint and ensure that the members pay their fair share.

Training activities

When the letter yielded no immediate reply (CEP is frequently approached for free paint, T-shirts, etc.), the request was taken up by a representative of *Formateurs Associés* (FOAS). FOAS is formed by a small group of professional trainers in the area of engineering and especially car repair, each with at least 10 years experience in industry. FOAS conducts training for FNE and (international) NGOs, develops its own activities to promote IMEs. There are longstanding contacts between SYNADEM in Dschang and FOAS.

This trainer/consultant met with CEP and convinced them of the genuine need for and interest in spray painting by the SYNADEM panel beaters. When CEP agreed, FOAS proceeded to organize the training. It decided to complement the one-day practical training provided by CEP, with other training. Therefore during 3 days (December 2001), FOAS provided more theoretical training on using the common spray painting facility, the preparation of surfaces to be painted, the application of paint, the equipment for spray painting, and how to prepare a quotation (!). The training was full-time (from 8–15 hours) and took place in the common facility of the spray painters (characterized by CEP as “rather informal”).

The total costs of the 4 days training was USD 400: FCFA 50,000 per day for the FOAS trainer and FCFA 100,000 for the training materials (i.e. photocopies). The 28 core participants were asked to pay 20% of this amount while the rest was born by CHART/ SYNADEM (possibly through DED).

Outcome

The training was a pilot activity for all parties concerned. While unfortunately no attempt was made to determine its impact, all those involved (i.e. CEP, the informal producers and the consultant) agree that the activity was successful.

The responsible staff from CEP were very positive about the experience. They felt that the training proved a good way to introduce their product to a new market segment (even though it is too early for the sales figures to

reflect the effect from the training). CEP indicated their interest to conduct similar training on the same conditions for other “future clients”. The artisans of CHART/SYNADEM in Dschang got so interested that the training went on for 4 days instead of the original 3 days. Not only the panel beaters participated but also welders and carpenters interested in some of the technical aspects of spray painting.

FOAS indicates to have learned a lot from the exercise and has several plans to further exploit the experience. It has even committed itself to prepare a practical manual on car spray painting—which CEP has agreed to comment on. There would appear to be a wider interest how to correctly use spraying paint as IME operators now mix paint often with petrol.

Some first lessons learned

It is still early day to deduct definite lessons from this interesting experience. Still, the case clearly shows that particular crossroads indeed exist where the interests of modern medium-large enterprises coincide with those of informal enterprises. The training was of course not immediately motivated by the skill needs of the trainees but rather by the marketing aims of the private company. In this case the training fitted the interests of the IME operators, while it also left CEP quite content and in principle interested to repeat the exercise in the future.

At the same time, the example points to the fact that training for artisans is not a regular activity for CEP and initially not even on its agenda. CEP normally would not have entertained a request for training from individual panel beaters or just any group of them. It took a personal visit and some cajoling by an interested representative of the association to convince CEP to get involved in the training activity.

Possibly the most important lesson is the need for facilitation. FOAS was crucial in bringing about the training. A further clarification by their representative (without immediately asking for free benefits) convinced CEP that the request was “serious”. FOAS/DED work to get the common spray painting facility off the ground constituted the conditions necessary to conduct the training. FOAS’ efforts to embed the technical training in a broader training programme will have enhanced the training impact.

The verdict on the sustainability of this type of training is still out. The pilot activity has clearly helped to make the training provider (CEP) as well as the participants (the CHART/SYNADEM artisans) aware of the benefits of this kind of training provided by private business. The training was subsidized by CEP (trainer, paint), CHART/DED (80% of direct operational costs) and FOAS (in kind, through lower consultancy fees). Potentially the enhanced quality of the

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services of the car repairers, resulting from better spray painting skills and—presumably—higher quality paint, could be reflected in higher charges for car repairs, from which future training could possibly be—partly—paid.

This example of business-embedded training makes it clear that there are various ways in which the IME sector can benefit from this kind of training. Still, it should be kept in mind that its purpose is not developmental but rather functional to the business operations of the companies that provide them. Therefore, while they have some attractive points, such as, for instance, the fact that they are financed entirely by the company, the training activities may not be sustainable in the conventional sense, since they will be terminated as soon as the company considers that they have lost their commercial purpose.

5.5 Some Conclusions and Lessons Learned

Private for-profit training providers (PPTPs) generally are only to a limited extent relevant for (prospective) IME operators. Especially the *'private training colleges'* tend to focus on 'soft skills' required for typical salary jobs (e.g. secretarial and office jobs) and for pursuing more personal interests (e.g. computer skills), and offer little training in 'industrial trades'. Moreover, especially the larger private training institutions, as a result of their location, entry requirements and training fee levels, tend to attract mostly students/trainees from middle and higher incomes groups who are mainly interested in formal sector jobs. The exception among PPTPs is formed by *'private training centres'* as described above, which provide practical training in a limited number of vocational trades common in the IME sector (e.g. hairdressing, tailoring and electronics repair). They constitute an interesting pathway for self-employment and IME work—especially for women.

The case studies point to some of the reasons why PPTPs do not focus more on technical/vocational skills. First, the required higher investment costs in terms of training facilities (e.g. workshops) and equipment is not easily recovered. Secondly, it is difficult to charge rewarding training fees (e.g. Mengo in Uganda) and in case of general erosion of purchasing power, demand for technical/vocational training is more affected than training for office skills (Zimbabwe). And, thirdly, PPTPs try to keep their costs down, for instance by making optimum use of their facilities, for instance by having high student/equipment ratios, (over-)crowded classrooms and double (even triple) shifts—all of which is more readily achieved for non-vocational courses.

Still, it is unfortunate that PPTPs are not more involved in training for the IME sector as their training is generally well organized and of good quality. Courses are often relatively short as they are modular. Different from public

VTIs, PPTPs are demand-led and apt to follow new trends in the labour market. Consequently, they could render important assistance to the IME sector in diversifying into new economic activities for which as yet no training offerings exist (e.g. repair of mobile telephones). They are also more open to changes in the way in which training is conducted, which is crucial in providing skills upgrading and re-training for IME owners and workers.

Several private for-profit training providers interviewed for this study indicated an interest to have a more prominent role in providing training to the IME sector. A major problem appears to be that they perceive a lack of 'effective' demand for their services from IME operators, which, in turn, is, at least to some extent, linked to the current training offerings and delivery of PPTPs. To attract more trainees from among (prospective) informal entrepreneur and workers, the PPTPs need to offer more relevant training, adjust entry requirements, review training fees, and disregard their urban middle-class bias and expand coverage to peri-urban and rural areas.

Provided with the right incentives, private for-profit training providers could become more important for skills development of informal entrepreneurs and workers. Improved access to capital, at realistic conditions, would foster investments in training facilities (e.g. workshops) and equipment which is crucial for practical training in trades with a high 'vocational' element (e.g. metal working, welding, car repair, carpentry, etc.). Other incentives could be well-focused technical assistance from the national TVET authorities, for instance in the areas of: dissemination of the results of labour market research to facilitate determining the relevance of training offerings, access to up-dated training curricula, training and & materials (with a good price/quality ratio), and training of trainers (e.g. in modern -adult- training methodologies).

The examples of Miboa (Benin) and *Exotif* (Senegal) also point to interesting opportunities for public-private training partnerships: (i) private training providers conducting practical training for trainees who have received some theoretical training in public VTIs and (ii) training in non-traditional trades developed by private training centres. Such collaboration would also be particularly valuable in the area of trade testing and certification: arrangements already existing in some countries to allow PPTPs to conduct trade tests and award government-endorsed training certificates could be expanded (e.g. to include trades that are also offered by the public sector).

In general, the relations between the private training sector and the training authorities can be significantly improved—so far PPTPs often find governments 'unsupportive'. Interestingly, they would welcome thorough-but-fair inspections by government officials into their operations—if only as a measure of protection from unregistered 'informal' PPTPs which under-cut their market position.

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This chapter has also analysed the training offered by (formal) private business sector as part of their regular business operations. Training as part of sub-contracting relationships can bring important advantages, provided that dependency of IMEs can be avoided. Similarly, business-embedded training (BET) could be relevant for the IME sector: (i) the training is practical and often relevant for the participating IMEs; (ii) the skills transfer is very strongly market-driven, (iii) the training is efficient and usually of good quality, and (iv) the training usually results in important by-products, such as new or closer relations between the large company and the smaller enterprises following the training. BET is still a largely unknown phenomenon and merits further in-depth research.

Arguably the most under-estimated category of PPTPs with regard to IME skills development is the large pool of 'private trainers' described above. It would appear that they, in many different ways, make important contributions to the skills and knowledge base of informal entrepreneurs and workers, for instance with regard to business practices. Again, very little is known about them and further research is needed to see in what ways their contributions can be further enhanced.

In general this chapter has made it clear that outside the immediate sphere of professional PPTPs, there are various interesting options for private sector-based training for the IME sector.

6

NGOs and ISAs and Training for the IME Sector

In this chapter the main characteristics of training programmes organized and conducted by non-governmental organizations (NGOs), including IME sector associations (ISAs), will be discussed and their role with regard to skills development of IME owners and workers reviewed.

6.1 NGOs and Skills Training

The total number of NGOs in Africa is relatively small when compared with the huge numbers in Asia and Latin America (although it has been growing rapidly in the past decade). Historically the NGOs were foremost involved in the provision of education and health care. More recent they have broadened their services to include various aspects of rural development, such as the promotion of smallholder farming. And lately many NGOs are setting up micro-credit schemes.

In spite of their small number, NGOs have traditionally played a significant role in the provision of skills training in Africa. Already before Independence there were religious-based NGOs (e.g. 'mission schools') active in the fields of education and skills training. Church-based NGOs continue to form the prime example of non-public sector training providers in many African countries (e.g. in Tanzania). They have filled-part of-the vacuum left by public sector TVET providers, especially in rural and peri-urban areas.

The catch-all term of 'NGOs' generally refers to a wide range of non-government, non-profit organizations which differ in objectives, target group(s), coverage and services provided. They include local branches of strong international NGOs (e.g. CARE, World Vision and Opportunities Industrialization Centre), national NGOs with a wide coverage and small 'community-based organizations' with only a limited outreach. One of the well-known 'self-help' organizations in Zimbabwe providing general education together with training-cum-production, the Zimbabwe Foundation for Education and Production (ZIMFEP), is in fact a government 'NGO': it has many aspects of an NGO but receives funding from the state.

NGOs are in different ways involved in skills training. Most of the larger ones, and especially those forming part of (international) networks, tend to be involved in a host of support services, both productive and social programmes, so that training is only a subsidiary activity. Their training is often only linked to micro-credit schemes, and consists of simple bookkeeping and sometimes of introducing basic knowledge about some income-generating activities. At the other end of the spectrum there are NGOs specializing in training services, such as the Don Bosco, Mrg. Steinmetz and the OIC training centres in various countries.

A special type of NGOs involved in skills training are those which primarily focus on the development and transfer of appropriate technologies, such as TechnoServe in Ghana and other countries (see e.g. Kapila and Mead 2002), ITDG and EWW in Zimbabwe and other countries (ibid.), and ApproTECH in Kenya (see Nelson 1997 and Havers 1998). And sometimes associations of informal producers (ISAs) are also engaged in the promotion of skills development of their members.

Below some of the most relevant training activities of all these different types of non-governmental organizations are discussed.

6.2 Main Features of NGO Training Programmes

With regard to skills training NGOs can be grouped into 3 categories: (i) *social welfare NGOs*, (ii) *traditional training NGOs*, and (iii) *professional training or multi-service NGOs*.

6.2.1 Social Welfare NGOs

Many of the small church-based NGOs and CBOs can be characterized as ‘social’ NGOs, which provide social and other services to specific target groups (e.g. the rural poor, ethnic minorities and handicapped) and especially women. Their training activities are usually shaped by their charity background and tend to have social and cultural rather than economic objectives. The trades for which training is offered are invariable traditional (e.g. handicrafts) and gender stereo-typed (e.g. sewing and other textile trades for female trainees). Training curricula are ‘borrowed’ and outdated, trainers tend to be volunteers with limited (or no) qualifications and experience, equipment and materials are largely lacking and training is largely theoretical. The quality of the training

is generally low. The training certificates, in so far as awarded, are of limited value. Post-training support is seldom available, and the training result is often at best part-time piecemeal production for home-consumption.

Many of these NGOs are struggling to keep their training programmes alive. While they traditionally provide their training services free of charge, they are gradually introducing training fees, for instance to cover at least the costs of training materials. However, since this type of training usually does not yield any kind of employment, and is often not even very helpful to enter into self-employment, many of the prospective trainees are not keen to pay for the training. Consequently, the training capacity of many social NGOs is no longer fully used (see Box 6.1).

Box 6.1 FORAJE: A Network of Small Training Centres

A number of small NGOs with training facilities in Douala (Cameroon) have organized themselves in 1996 into a network, called *FORAJE*, as a way to improve the quality and outcome of their training. Its creation was funded by a German NGO *Brot für die Welt* (Bread for the World), and FORAJE later was supported by DED with services of a local consultant. It presently consists of some 15 NGO training centres, mostly of the social welfare type.

One of the members, the *Centre Artisan de Formation Professionnelle* (CAFP) formed part of a government social training scheme, after which it continued as an NGO. Its director is a former trade-union man. The centre has recently been re-located, on a terrain donated by the government. The three classrooms of the centre are made of wood and have a shabby appearance. CAFP provides 3-year training in tailoring, ‘electricals’ and computer skills.

At the moment it has 52 trainees (among whom 4 girls), although it has a capacity of 80 trainees—it is said that the families of prospective trainees have problems in coming up with the required training fees. The trainees are between 15–20 years old, and need to have basic education. The training fee is USD 40 for the first year and USD 62 for the second year (said to represent 60% and 100% of the respective actual training costs). The third year is dedicated to a practical period in a workshop (but the centre has great difficulties in finding places for such internships). While some of the (best) trainees get offered a job in the workshop where they do their practical, most of them end up in the IME sector—often as workers, since they do not have the capital to start their own workshop.

The existence and activities of the FORAJE network has resulted in some improvements in the member training centres. They are more aware of their shortcomings and have started to share know-how and lessons learned. At the same time they still lack a business-like approach which hampers their efficiency and impact: the training curricula are too long, the training methods rather traditional and only a minority of the training graduates find a job (in the case of CAFP: less than 30%). In view of such results, some of the training centres operate far below capacity.

6.2.2 Traditional Training NGOs

Many of the somewhat larger NGOs specialized in skills training are church-based organizations and international NGOs. They can be exemplified by the Don Bosco training centres, even though they receive substantial technical support and funding from abroad, whereas many others have substantially lower budgets and simpler facilities. Traditional training NGOs were often established to complement public sector training where little or no training was available, i.e. in the rural areas.

They tend to resemble training provided by public sector providers: full-time, centre-based training, with long-duration courses (1–3 years), directed at wage-employment. Training is usually only offered in a limited number of trades (e.g. masonry, carpentry, car mechanics, plumbing, and electrical installation for boys, and tailoring and food-processing for girls), which are selected without much market analysis or consideration of their relevance for local employment. Many of these NGOs make use of official training curricula developed by NVTIs, and see the preparation of the trainees for an official trade test as the all-important objective of the training. Still, the training content is rather practical (when resources for equipment are available), with most of the time spent on practical work, while efforts are made to place the trainees in a local workshop for some practical experience. The curriculum often also includes general skills (literacy and numeracy). The quality of the training varies but is in the better known training NGOs better than the training offered in public VTIs.

Many of the training NGOs face problems. Their training results are affected by the fact that they tend to recruit instructors from among their own training graduates, who lack training experience and have no practical work and business background. The training approach and pedagogy tend to be old-fashioned and have little relevance for training of adults. Many of the VTCs have a production unit to generate revenues; the trainees sometimes spend more than half of their

time in these workshops. The training does not specifically prepare for self-employment or setting up of micro-ventures: business skills are not included in the training and there is no post-training assistance to their graduates (except sometimes a tool kit).

The training unit costs of these NGO tend to be relatively high (although possibly lower than those in the public sector). At the same time many of them still provide the training free of charge (while in some cases training stipends are even paid to the trainees). Gradually some NGOs are cautiously starting to charge fees, but these tend to be low (“commitment fees”) and are insufficient to cover the training costs. The financial base of these NGOs differs greatly: some depend largely on subsidies and donations while others get more than half of their incomes from training-related production activities or other non-training related income-generating activities.

The impact of the training provide by these NGOs is often rather limited. As a rule of fist (no tracer studies are undertaken) it is estimated that one-third of the graduates have found a wage job, one-third has entered into self-employment locally and one-third is unemployed.

6.2.3 Professional Training or Multi-service NGOs

Over the past two decades a new generation of NGOs has emerged, though more in Asia and Latin America than in Africa, which places more emphasis on economic objectives. In order to improve the situation of their target group they are focussing on the promotion of (sustainable) employment and income-generating activities. They have also adopted a more business-like service delivery and present characteristics that are rather different from traditional NGOs:

- target group are longer viewed as ‘poor beneficiaries’ but rather as ‘clients’ who are interested in the services the NGO offers
- new staff being recruited is expected to have a background in business administration, economics, agricultural or industrial engineering (instead of social sciences as before)
- increased interest and investment in internal efficiency: modern management practices, regular staff training, and computerized financial administration
- major emphasis on monitoring and evaluation to assess efficiency, effectiveness and sustainability of the support services provided
- increased reliance on external resource persons (e.g. via consultants database), instead of employing own permanent staff for all activities
- closer links to other NGOs as well as the private sector (!).

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Many of this new type of NGOs are engaged in micro-finance, but a number of them are providing skills training—sometimes in combination with other services but often not¹. Their business-like approach can be seen from the importance they attach to the market-based determination of course offerings, short duration courses, good training quality, suitability of the delivery, and monitoring of final results of the training. Although they realize that the low incomes of the clients will always limit the level of cost-sharing, they generally feel it important to charge training fees—not only for cost-recovery but also as a way to enhance the quality of the training (“what comes free is not appreciated”).

6.3 Case Studies of NGOs Training Programmes

6.3.1 Case Study A—Tanzania: Church Institutions and Vocational Training

Church-based organizations are among the most important training providers in Tanzania. They were estimated to be responsible for 30% of all vocational training conducted in the country in 1995, while the public VTIs for only 9%. There are over 150 church-based VTCs registered with the Christian Council of Tanzania and the Tanzanian Episcopal Committee, each with some 30–200 trainees. A recent study shows that they “face a crisis of identity, role, orientation, approach and instruments” (Chonjo *et al.* 1999). A recent study investigated 8 training centres run by church-based organizations all over Tanzania².

Objective and target group

Many of the training centres are based in rural communities and regional centres. They aim to provide pre-employment skills training to young school leavers, usually with a minimum requirement of finished primary education. Gradually secondary school leavers also want to join the training as they cannot find a job. The trainees usually come from the diocese. They are predominantly (79%) boys. Training for girls tends to be limited to traditional tailoring.

¹ There are interesting examples of NGOs elsewhere (e.g. IDEPRO in Bolivia) which have hived off their micro-credit operations in special bank-like entities, to concentrate on the provision of complementary support services to enable their target group to get maximal benefits from the micro-loans.

² This paragraph is largely based on Chonjo, Mbugua, Nyambo and Redecker (1999).

Organization, staff and facilities

Most of the VTCs surveyed belong to church dioceses and are run by a director, who reports to a board and in some cases directly to the church hierarchy. In general the ownership and management structure is high on bureaucracy and low on skills development expertise. The Board, for instance, usually meets only once per year, and its members are not exactly chosen for their expertise on training. The local business community is usually not represented in the Board. Most of the VTCs lack management systems such as personnel systems, clear job descriptions, recruitment procedures, etc.

The VTCs work with permanent staff, many of whom are graduates of the centre itself. They are often recruited immediately after completing their training and thus have no work experience and tend to lack business skills. Also, their methodological skills and knowledge of pedagogy is limited. They are dedicated to their job (*inter alia* for fear of becoming unemployed), even though they are generally underpaid (monthly salaries range from USD 25–50; many instructors would welcome motivation schemes).

Most of these VTCs are based in old buildings with a low level of maintenance. They were not designed purposely as a training centre and often lack the right conditions (e.g. fresh air and lightning). They are often too small, especially when they also have to house a production unit. Some of the VTCs are based in remote areas and even fail to have all-weather access roads. They usually do have electricity and water.

All the VTCs suffer from an inadequate supply of training tools and equipment. The same tools and equipment that serve for training, are also used in the production units. Age and poor maintenance of the machines causes frequent breakdowns, leading to a waste of training and production time. On the other hand, some of the VTCs (e.g. Don Bosco in Dodoma) have rather sophisticated equipment relative to the type of training that they provide—donated by an international donor. This equipment is largely irrelevant for trainees who will end up in (self-)employment in the informal sector, and in fact will send the wrong signal to them.

The large majority of the VTCs surveyed (7 out of 8) had production units which are used as a source of income. The trainees are involved in the production—it is even estimated that the trainees spent up to a maximum of 60% of their training time in these workshops.

Training contents and delivery mode

The VTCs are almost without exception rather traditional in their training content and delivery. The organization of the training is invariably centre-based.

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They closely follow the standardized curriculum laid down by VETA and the objective of the training is rather to prepare the trainees for the trade tests (in which respect they generally do rather well).

The VTCs focus on a limited number of trades: masonry, carpentry, car mechanics, plumbing and electrical installation for boys and tailoring for girls. These trades have been selected without considering their relevance for local employment and often hardly reflect the economic activities found in the communities—where food-processing, hairdressing/ beautician, shoe repair and other skills are much more appropriate. The training itself is very practical—with 60–70% of the time spent on practical work. The theoretical part of the curriculum also includes English, mathematics, science and civics. The training is mainly focused on technical matters and usually does not include business skills training. Neither does the training include a practical period in a workshop outside the centre. The duration of the courses is standard 1–2 years and they are concluded by a VETA skills test.

Only few of the centres provide post-training assistance to their graduates, mostly in the form of a tool kit. The church-based training organizations generally have no linkages with the local business community to facilitate post-training employment of the trainees.

Results and impact

The objectives, approaches, facilities and quality of training of church-based VTCs vary considerably. Still, the impact of their training appears to be rather limited. Detailed statistics are usually not available, as the NGOs do not carry out tracer studies. It is often estimated that one-third of the graduates have left the community and are assumed to have migrated to Dar es Salaam, one-third succeeded to find wage or self-employment locally, and one-third is unemployed and still looking for employment.

According to the study a major cause of the limited impact of the training is the lack of attention during the training for employment possibilities in the IME sector. The trainees are not taught any business skills and they are said to be slow to pick up existing opportunities for self-employment. They also do not receive post-training assistance and lack tools to start working. Conversely, one can say that the communities generally do not offer an attractive environment for the graduates to stay and many of them drift off to the larger towns and cities to search of employment opportunities.

Importantly, while the need for skills development is enormous, the majority of the VTCs surveyed operate below their full capacity. Apparently the training fee is too high, either in absolute terms or because the fee/skill employability

ratio is considered unfavourable. This reduces the demand for training, while many of the VTCs also experience high and rising drop-out rates (up to 30%).

Training costs and financing

The cost of the training provided by church-based organizations is relatively high. This is *inter alia* the result of their high cost structure (e.g. training centres with boarding facilities), and also the result of the under-utilization of the facilities. At the same time many of the VTCs succeed to make their available resources go a long way—e.g. using paper in stead of cloth for the first tailoring practices. The instructors are usually very cost-conscious.

The unit costs of training in these VTCs is low when compared with those of VETA-owned VTCs. The study estimates that the training unit costs per trainee per year in the former range from USD 125–560, while those of the latter reach on average far above USD 1,250.

All the VTCs surveyed charge fees to complement other sources of funding, ranging from USD 80 to 200 per year. Their total contribution to the available resources varies considerably: from 7% to 91% (see Table 6.1).

In other words, the financial base of the VTCs greatly differs: while some depend mostly on training fees to cover their costs, others get more than half of their incomes from training-related production activities, while still others obtain around one-third from non-training related income-generating activities (e.g. running a social centre with a hall being rented out for parties and cultural activities, a ‘container business’ importing and selling spare parts).

Table 6.1 Sources of incomes and training costs, selected Church-owned Training Centres (in TSh)

Name of Institution	Trg costs/yr TSh	Trg fees/yr TSh	Sources of income			
			Fees	Production	Donations	Other
Kasasha Village TC	na	na	60%	28%	10%	2%
Kalwande VTC	734.470	70.000	7%	61.8%	—	31.5%
Hai VTC	375.000	150.000	42%	na	na	na
Kilimanjaro YTTC	270.000	154.000	61%	←—39%—→		
Don Bosco VTC	na	65.000	na	na	na	na
Mafinga Luth. VTC	450.000	100.000	20%	50%	30%	—
Tushikamane VTC	330.000	50.000	22.6%	30.2%	13.8%	33.4%*
Kisa Homecraft Ctr.	240.000	100.000	91%	—	—	9%**

* Business activities unrelated to training undertaken for income-generation.

** Income and distributions from the diocese.

Source: Chonjo, Mbugua, Nyambo and Redecker 1999.

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The study indicates that the financial contribution of the workshops is often below expectations and potential: some are not even able to meet their own running costs. They appear not to be run as a business (e.g. absence of market research, and lack of any kind of business and production planning), lack of marketing skills (e.g. unrealistic pricing), poor design and quality of products, and lack of a proper maintenance of equipment.

Final observations

The training conducted by church-owned VTC is rather traditional and very much focussed on the trainees passing the VETA trade tests. There is no attention for the likely future career of the graduates in (self-)employment in the IME sector. In fact, the study concludes that the understanding of self-employment as a training and labour market concept is still rather weak among church-owned training centres.

The church-owned VTCs themselves feel that a major problem of their training programmes concerns the small number of trainees that can be absorbed in comparison to the high social need for vocational training. Moreover, many of the VTCs now accept that they should focus more strongly on training for the skills that are in demand, i.e. skills for (self-)employment. Other problems they acknowledge refer to the high unit costs and continuous underfunding of the VTCs. The resulting precarious financial situation is in turn reflected in mediocre training facilities and continuous dependence on external funding.

There is also ample scope for networking among the church-based VTCs. They could work together with the local business communities, for instance to organize practicals and post-training employment for their trainees. They could also network with other, public and private sector, organizations that offer services of interest for graduates who want to start their own business, such as SIDO, NGOs that run credit schemes (e.g. PRIDE Tanzania) and institutions that provide business services (e.g. FAIDA).

In this respect it is remarkable that many of the churchbased VTCs, who generally state as their rationale to contribute towards the development of the communities in which they are located, in actual fact maintain very few relations with these communities, i.e. outside the immediate congregation. Their facilities are not hired out for use by others, and there are very few contacts with local firms and industries. The study suggests that the church-owned VTCs could play a much more active role and, for instance, be converted in local Small Business Centres. Such centres should have linkages with micro-finance and other

Box 6.2 Church-based Organizations in Ghana

A 1992-study of a sample of 20 of church-based organizations involved in vocational training (quoted in Amankrah 2001) concluded that (i) their curriculum was geared towards wage-employment, (ii) they did not cater for new skills demanded by the labour market, (iii) the duration of the courses was unnecessary long, and (iv) the training delivery was ineffective.

As a follow-up, a group of 17 church-based VTCs started a programme to upgrade their training delivery, which consisted of the following:

- introduction of entrepreneurship skills training
- training of 15 teachers in guidance and counselling for the trainees
- conducting Training Needs Assessment of the instructors,
- together with the development of a curriculum for instructor training
- upgrading of the training curricula, to also include language, numeracy,
- communication, ethics and self-assertiveness
- institutionalization of tracer studies of training graduates
- improvements in management of VTCs
- linking the VTCs with the local business community.

The VTCs also institutionalized a special programme for female vocational training to promote the training of females in non-traditional activities.

IME support institutions, act as ‘incubators’, conduct market research and provide business counselling and consultancy services.

The conclusions on church-based organizations in Tanzania resemble closely those of a study into similar NGOs in Ghana (see Box 6.2).

6.3.2 Case study B—Zambia: Community-based Trade Schools***Background***

The Chilenje and Dzithandizeni Trade Schools in Chilenje and Garden compounds in Lusaka are interesting examples of (urban) community-based training centres. They were started at the initiatives of a few interested persons from the communities, who lobbied for the idea of opening a trade school with the local MP, the Lusaka City Council and international donors. In the end the City Council donated a plot, the donors provided some capital equipment and

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technical staff (volunteers), and the community was included in the membership of the Board responsible for the running of the trade schools. Chilenje Trade School started in this manner in 1977 and Dzithandizeni Trade School, following its example, a year later. Both received small, but crucial, contributions in the form of human, equipment and financial assistance from various international donors, which lasted up to the end of the 1990s.

The link with the community is maintained through the Board, which formally oversees their operations. In the case of Dzithandizeni it has a membership of 13, with representatives of the Community, the City Council (i.e. the Community Development Officer), the guardians of the students, the students and training graduates, and the employees of the Trade School. The Board meets once every quarter and takes final responsibility, but many matters, including the level of training fees, are decided by the school management.

Trainees

Both the trade schools take in mainly students from the communities in which they are located: high density residential areas with ample youth from 'vulnerable groups', as the target group of the schools are defined. They are all interested in pre-employment training.

Dzithandizeni applies specific criteria for the selection of trainees: age 15–25 years, belonging to 'vulnerable group' (as measured e.g. by the number of persons in the household having an income), and having passed grade 7–9 (although in practice the ability to communicate in English is seen as most important). Both Chilenje and Dzithandizeni try to limit the number of students per course to around 20 trainees. In view of the high demand for car mechanics training, Chilenje Trade School has morning and afternoon classes in this trade.

Training delivery and trade-testing

Both the trade schools conduct courses in a limited number of trades: Dzithandizeni only in carpentry and tailoring, while Chilenje added a few years ago car mechanics to these two, in view of overwhelming demand. The courses all last 18 months. The original curriculum was largely prepared by the international volunteers who worked in the trade schools in the 1980s. With the creation of TEVETA, these have now been merged with the official curriculum on which the trade-testing is based. Some 80% of the training is practical and 20% of the time dedicated to theory (which in the case of Dzithandizeni includes math, English and civics).

The trade-testing is done in collaboration with TEVETA, which means that an official from the Examination Commission of Zambia is present at the examination (“they are very though”). Since Dzithandizeni and Chilenje Trade schools are not licensed, they have to take their students to another training centre for trade testing. This makes the trade-testing rather expensive for the trainees, since in addition to the *trade test fee* of USD 16 per trainee, a further USD 16 has to be paid as *centre fee*. Indeed it has been observed that large numbers of trainees can no longer afford the trade-test. Chilenje Trade School is expecting to get its own testing certificate so that it does not have to pay the centre fee.

The recent activities of TEVETA/EDC and STEP-IN: (see sections 4.5 and 4.6) have made both the training centres more aware of the need for entrepreneurship development, which up to that point was only incipient in Chilenje and absent in Dzithandizeni. Interestingly, in the latter they have found a practical way to mix the entrepreneurship and management aspects with the vocational training: the trainees are responsible for purchasing the training materials. This appears to be very effective. In the former, entrepreneurship development has now also be incorporated in its training curricula.

Staff

Chilenje has 11 staff (a director, one trainer for tailoring, one for carpentry and two for car mechanics, an accountant, and some general workers and guards). Its carpentry production unit employs 14 production workers and the car mechanics section 5. Dzithandizeni has a more complicated structure, with a director, two managers (for training and production), a workshop supervisor and a section head for training, a storekeeper and buyer of training and production materials. It has two trainers for carpentry and two for tailoring. The carpentry production unit employs 22 workers and the tailoring unit one.

Training results

In Dzithandizeni the drop-out rate is currently rather low (5%—mainly for non-financial reasons, e.g. girls getting pregnant or married), but when a few years ago it was decided that the (tailoring) students had to buy their own materials, quite a number of the trainees left. The markedly higher training fees in Chilenje have lead to substantially higher drop-out rates (up to 50%). The trainees are said to reason that after they have obtained sufficient basic skills to use the equipment, there is no further need to spend USD 6 per month.

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The training appears to be of good quality, and the pass rates are high. In Dzithandizeni 99% of the trainees who sit for the VETA exams pass.

Neither of the Schools has a formal tracer system. Still, cordial relations are maintained with the graduates, many of whom continue to live and/or work in the community. Also, via the representative of the graduates in the Dzithandizeni Board, information about the former trainees comes in. The typical ‘career’ of the training graduates is that after finishing the training, they work 2–3 years in the production unit of the trade school itself or in another firm (almost always informal as the modern sector has virtually disappeared and very few places become available), during which period they save. When they can buy the necessary tools to set up their own business, they leave the job and try to make it on their own.

Training costs and revenues

After more than 20 years of support from different donors, both Chilenje and Dzithandizeni trade schools appear to be firmly on their way to operate on their own. Still, at the moment they are supported through the TEVETA STEP-IN and EISDP projects (see sections 4.5 and 4.6). Through the former both trade schools have been selected to house a *Centre for Informal Sector Promotion* (CISEP), which means that the salary of the business councillor of the CISEP is provided. Through the Entrepreneurship Development Centre they receive assistance in the form of staff training and training equipment (Dzithandizeni was donated USD 38,330) for new equipment, and Chilenje received a photocopier, although it had requested more than USD 50,000 for equipment). The centres have also recently benefited from contributions for new training equipment under a TEVETA/CIDA arrangement.

With regard to their operational costs, both trade schools are essentially—more or less—self-sustainable. While they initially provided their training free of charge, they have gradually introduced elements of cost-sharing, starting with requesting the trainees to pay for their own training materials, to raising the fees from a mere commitment nature to a level of substantial cost-recovery.

Chilenje Trade School has progressed much farther in this than Dzithandizeni. The former charges USD 7 per month for its courses, while the latter is asking for a mere USD 40 for the total 18-month training period (they said that they are considering to increase this significantly for the new training season). Dzithandizeni Trade School makes some additional money by letting informal sector operators use the equipment of the centre (fee: USD 0.30; graduates get a 50% reduction).

The total budget in Chilenje is some USD 42,000 and in Dzithandizeni Trade School some USD 50,000. Dzithandizeni management has calculated

that the actual training cost of one—18-month—trainee is now approximately USD 435, which means that through the training fees they pay in Dzithandizeni only 10% of the total costs, and in Chilenje 25%.

All this means that the training is still largely funded by the production units of the trade schools. Both have had training-cum-production from the beginning, and have been rather successful with it, in part through the appealing designs which the volunteers brought in from Europe. With the opening up of the Zambian economy, a number of new and more modern furniture shops have opened up in Lusaka and competition has markedly increased (one observer even alleged that Zambia has become a dumping ground for furniture).

The managers of the schools appear confident about the future. One of them confided that when well organized, even training by itself could give a profit margin of 5–10%.

Problems and future plans

Both the Chilenje and Dzithandizeni Trade Schools are in a process of adaptation. They have realized that their training is losing its relevance. First, there is now only limited demand for tailoring courses (in part because of the importation of second-hand cloths), while training in car mechanics is very much sought after. Secondly, there is a growing need to expand their services to include informal operators who are already in business and require skills upgrading. As a result, both centres are now considering to conduct shorter courses, aiming to reach a different target group (for the new courses Dzithandizeni Trade School will consequently waive its age criterion).

The idea to shorten the courses will be first applied to the current pre-employment training. Chilenje will reduce the training period from 18 to 12 months, while Dzithandizeni has decided to comprise the present training into 6-month courses and in the future maybe to further reduce the training period to 3 months. Such courses will no longer be followed by official trade-testing, but rather be concluded with a certificate from Dzithandizeni Trade School itself.

The schools are also considering additional short skills-upgrading courses. For the time being, such courses will be given in the trades in which they currently offer regular courses. According to one of the directors, short courses in car mechanics are especially rewarding, as their operational cost, once the training equipment is in place, is far lower than carpentry and tailoring courses which require substantial training materials. Other new short courses will aim at the diversification of informal sector activities, and could include tie-and-dye and upholstery—as a complementary activity for tailors and carpenters. The

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fees charged for these courses will be higher (e.g. USD 100 for an 8 week course)—since they are aimed at those already in business.

The main problems now facing the trade schools include: (i) modest skills level of training staff, especially with regard to management and leadership skills, (ii) need to update training equipment to accommodate new requirements for training (e.g. to keep up with the new techniques incorporated in new model cars), and (iii) cash flow problems with low cash balances making it sometimes impossible to make materials in adequate quantities (and thus resulting in high transport costs).

Chilenje Trade School feels that the current thinking on government services which has resulted in the City Council seeking to privatize its business and putting up for sale many of the buildings it owns, poses a major threat. It therefore now wants to become a Trust (as is already the case with Dzithandizeni and other trade schools in Lusaka).

Trade Schools and trade associations

Earlier research (Kanene 1998) studied in particular carpenters in Chilenje and Garden compounds and their relation to the trade schools. It concludes that there are only modest relations between the trade schools and the communities in which they are based, as they only provide training to a very limited number of youth and that after increasing the fees, the training is no longer accessible to the very under-privileged. The study also cites evidence that few of the graduates from the trade schools ever manage to gain (self-)employment.

The study puts forward a number of interesting suggestions, including a recommendation for the trade schools to play a role in supporting the apprenticeship system in carpentry.

6.3.3 Case Study C—Ghana: Opportunities Industrialisation Centre, Ghana (OICG)³

Background

The *Opportunities Industrialisation Centre* (OIC) is a US-based, private non-profit organisation with over 30 years of experience in skills training in the USA and, through OIC-International, in various developing countries where it runs 46 ‘Self-Help Training Programs’. OIC has been active in Ghana

³ This case study is largely based on EMPRETEC 2001, together with information from an interview with OICG staff (October 2000) and the OIC International website. See also Atchoarena & Esquieu 2002.

since 1970. The mission of OIC-Ghana (OICG) is to contribute to the human resource and economic development of the nation through the provision of skills training, job placement, job-creation opportunities, counselling and follow-up services to the disadvantaged, the unskilled and unemployed youth of Ghana. OICG operates three vocational training centres in Ghana: in Accra, Kumasi and Sekondi/Takoradi. OICG is also involved in a food security programme in Northern Region.

Trainees and training courses

The trainees of OICG training are generally aged from 17 to 25 years. They include many school dropouts, since OICG does not apply any formal entry requirements for its training, except being able to read and write. Still, most of the trainees have a Junior Secondary School (JSS) Certificate, while others are Senior Secondary School (SSS) dropouts. Few of them have previous employment experience, except some who were involved in informal trading or for a while worked in a formal sector company but were laid off.

The number of OICG trainees increased substantially in 2000, when the Centre introduced training in a morning and afternoon shift. Almost 40% of the trainees are girls/young women (see Table 6.2).

The diverse educational backgrounds of the trainees make it imperative to conduct some kind of training needs assessment before the start of the training. The applicants are counselled to identify aptitudes and interests, and to discuss and help resolve personal problems before enrolment—a personal guidance that continues throughout the training. Groups are formed according to the results of the assessment and to the most suitable teaching method. Thus, different methods are used to teach the same syllabus.

Technical training

The OICG Training Centre in Accra has a staff of 49, of whom 22 are instructors. The VTC provides technical training in office and computer skills,

Table 6.2 Ghana: number of trainees in OICG programmes (1996–2000)

Year	1996	1997	1998	1999	2000
Male	99	139	132	135	582
Female	45	54	77	84	374
Total	144	193	209	219	958

Source: EMPRETEC 2001.

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masonry, carpentry, catering, plumbing, clothing and textiles, electrical, auto mechanics, graphic arts and ceramics. The trades for which courses are offered are determined on the basis of regular field surveys of labour market developments.

Three quarters of the time is devoted to practical training, which includes practical work in groups and individual work supervised by the instructors. The training is mainly conducted in English. The rest of the contact hours are used for theoretical classes and counselling. OICG trainers feel that the trainees also need a clear theoretical background to appreciate the practical training subjects and to be able to solve the problems they will come across later.

All trainees also receive instruction in remedial Mathematics and English Language, which has been found to boost their confidence. As part of the training the trainees are also attached for short periods to formal sector institutions and companies.

While the training curriculum of the OICG training centres is not subject to any regulation, it is still largely based on those used in the public sector so as to facilitate the trainees to sit for the official NVTI trade tests. OIC International also provides support in the area of curriculum development.

Costs and financing of the training

The cost of OICG training differs for each of the ten training trades. On average, it costs the Centre between USD 286–357 in direct costs to train one person. The major components of the cost of training are: teaching aids and materials, safety equipment, staff salaries, medical expenses, overheads and costs of attachments.

Initially OICG provided the training free of charge. In December 1999 a number of cost-recovery measures were introduced and the trainees are now asked to pay USD 56–70, or 20% of the actual direct training cost.

The main sources of funds for the training programmes, apart from contributions from the trainees, are mainly government subsidies, and also donations from corporate bodies and donors, and revenues generated by the practical work in the various workshops of the Centre.

Post-training follow-up services

OICG found that many of its training graduates did not succeed to set up their own business after completing the training as they could not mobilize sufficient resources. The Centre has therefore employed *Job Developers* to draw up career plans for each trainees and start searching for a job for them even before they have finished their training.

The Centre continues the counselling sessions for the trainees after they have left the Centre. They serve to help them to cope with the transfer into the real 'world of work'. And it gives the Centre an opportunity to monitor the results of its training offerings and get the reactions from both the trainees and the employers.

OICG states to attach particular importance to the monitoring of its training results. It has established procedures for fieldworkers to monitor the performance of trainees on attachment as well as the progress of self-employment and micro-enterprise businesses set up by the graduates. The Centre finds it however very difficult to finance the job searching, counselling and trainee/graduate monitoring activities and it seems likely that they will be discontinued in the future.

Conclusion

In the past 30 years the training activities of OIC-Ghana have expanded significantly: it has increased its training offerings from 6 to 10 trades and expanded its trainee intake from 200 to 400 per year, around 40% of whom are women. In this period it has trained some 5,000 youth, of whom around 80% are estimated to have landed a job or successfully entered into self-employment.

Self-employment has become more and more important—of the 1999/2000 pass-outs, about half entered into self-employment. At the same time, many of the OICG graduates went on to continue their education. For this reason many of the graduates (estimated at 80%), even though they already have received an OICG training certificate, decide to sit for the NVTI trade tests—which give them the opportunity to continue their education. OICG is now considering to register with City & Guilds (Ghana), which would mean that its certificates will give the training graduates also the right to enter into college.

The OICG Training Centres are facing various financial and logistical constraints in providing training for the IME sector. For instance, the instructors and other staff have to work overtime due to the new shift system currently operating—without any salary adjustment to cover these extra hours, affecting morale (some staff members have already left). OICG's training equipment is out of date, making the trainees less competitive after graduating. The infrastructural facilities on the compound are also inadequate to support the increasing number of entrants. Overstretching these facilities further would seriously compromise the quality of training offered.

In all, OICG training is quite popular—it works now with waiting-lists to register interested trainees. A main reason for this is the fact that its training courses take only one year, whereas NVTI training lasts at least 3 years.

6.3.4 Case Study D—Senegal: APDES and training for the IME sector

Background

The *Association pour une Dynamique de Progrès Economique et Social* (APDES), established in 1992, sprang from earlier work carried out by *Terres des Hommes* in Dakar on the promotion of IMEs (APDES was created by two former TDH staff). In particular, APDES continued the organization of associations and the provision of skills training for mastercrafts(wo)men and apprentices.

Activities

From 1995–97 APDES implemented a 3-year programme *Appui à l'Insertion Economique des Apprentis et des Artisans de Dakar*, which was financed by 3 NGOs in the North (i.e. *Terres des Hommes*, Christian Aid and ICCO)⁴. The programme aimed to (i) support IME activities through the provision of credit, training and follow-up advice, and (ii) stimulate the *auto-organisation* or organization of ISAs and other IME groupings. The financial resources for the credit programme came from USAID.

The training programme had the following target groups: (i) young apprentices, (ii) women engaged in tie & dye, (iii) *compagnons*⁵ and masters, and (iv) trainers and organizers. Two trainers were recruited to organize and supervise the training.

For the **apprentices**, training period was 8 months and included:

- refreshing and updating of French and arithmetic (3 months)
- theoretical technical training in dressmaking, car repair and carpentry (4 months)
- practical period in a small workshop (1 month).

For the *compagnons* no special training was organized. They participated in the training for the apprentices (13% of the training participants) or were sent by the masters to replace them (40% of participants).

The training for the **mastercraftsmen** consisted of short training seminars. The duration of the seminars was from 2–10 days (with a mean duration of

⁴ This section is based on Chouraqui and Diao 1997 and an interview with APDES staff (March 2002).

⁵ In West and Central Africa a *compagnon* is either a skilled worker who gets a wage or an independent worker who pays for using workshop space and equipment—sometimes even combining both modalities.

Table 6.3 Senegal: APDES training seminars conducted for mastercraftsmen

Topic	No. seminars	No. of trainees		No. of trainee days */	
Technical training	9	40	31%	286	47%
Fin.management-1	3	35	27%	90	15%
Fin.management-2	3	19	15%	57	28%
Marketing	4	34	27%	170	28%
Total	19	128	100%	603	100%

Note: */Total number of trainee days, i.e. days attended by the participants.

Source: Chouraqui and Diao 1997.

4 days). During 1995 and 1996 a total of 19 such seminars were organized (see Table 6.3).

The training for the **women engaged in tie & dye** included technical skills, marketing and management practices. In total 18 such seminars were conducted (see Table 6.4). For the women, seen as much more serious than the male trainees in the other trades, the *mutualité* training (i.e. setting up of a credit and savings union) was by far the most popular.

Results

APDES experienced serious delays in the implementation of the training programme, which were largely due to the start of the USAID-funded credit

Table 6.4 Senegal: APDES training seminars conducted for women in tie & dye

Topic	No. seminars	No. of trainees		No. of trainee days	
Technical training	3	36	14%	144	18%
Fin.management-1	2	14	6%	56	7%
Fin.management-2	2	32	13%	135	17%
Marketing	3	30	12%	120	15%
Environment	3	28	11%	112	14%
<i>Mutualité*</i>	5	109	44%	221	28%
Total	18	249	100%	788	100%

Note: */Training in setting up of a credit and savings union.

Source: Chouraqui and Diao 1997.

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scheme which took up all capacity. Consequently the total number of the people trained (around 120) remained rather low. The training was also interrupted for almost a year, which resulted in an extremely high drop-out rate (41%). During the first 2½ years of the programme the following results were achieved:

- 55 apprentices were trained
- 24–30 masters/*compagnons* benefited from skills upgrading
- 22 micro-enterprises received follow-up support
- 20 groups of women in tie & dye were assisted.

No exact data are available on the costs of the training, but on the basis of its experience APDES estimates the costs at almost USD 100 per trainee for 6 months part-time training.

Conclusions and lessons learned

The independent evaluation of the programme (see Chouraqui and Diao 1997) concluded that the provision of credit, which was heavily subsidized, became the main stay of the programme at the expense of the technical assistance components (training and follow-up advice). It also suggests that at least some of the MCs did not give importance to the training activities as they were solely interested in obtaining credit.

With regard to the training, the most important lessons learned were:

- training efforts are hampered by low level of education of both masters and apprentices
- improvement of apprenticeship training needs a framework, i.e. a general upgrading of the conditions under which the training is given (e.g. improving the level of equipment)
- training for masters and apprentices should be short and well-focussed
- training groups should be homogeneous (e.g. no mix of *compagnons* with apprentices)
- training for the mastercrafts(wo)men should not take place in technical colleges as the equipment there is too modern and the skills will therefore not be used
- training implementation has to be closely coordinated (e.g. by a Training Committee)
- linkages between training and other support activities need to be better designed
- associations of apprentices can play a role, e.g. lobbying with masters for participation of apprentices in supplementary training, and formulating requests to NGOs and other training providers for specific training programmes.

Offspring

As one of the by-products of this programme, ADPES was instrumental in setting up an association of apprentices and *compagnons*. The *Association Socioprofessionnelle des Apprentis et Compagnons* was established in 1985 and re-born 10 years later. It seeks to raise awareness among all the parties concerned about the need to solve the problems related to apprenticeship training and to the insertion of *compagnons*. It indicates the following as the main constraints of IAT:

- entry of very young children in apprenticeship training
- organization of apprenticeship training: irregular, weak framework and long duration
- non-recognition of apprentices, so that they, for instance, cannot buy a special public transport card like other students
- difficulties of *compagnons* to set up their own business for lack of capital.

6.3.5 Case Study E—Cameroon: APME Micro-Enterprise Support and Promotion

Background

One of the more interesting attempts to promote informal sector activities is formed by the *Micro-Enterprise Support and Promotion Programme* (APME) in Maroua (Cameroon). Maroua is a provincial capital in the very north of Cameroon, with some 150,000 inhabitants, in majority Muslims, and growing at some 9% per year due to in-migration. Around 90% of the economic activities in the town are small-scale, mostly within the IME sector⁶.

The main characteristics of the IME sector in Maroua are: (i) weak investment possibilities reflected in under-equipment, leading to low level of productivity, (ii) lack of skilled labour, (iii) day-to-day sales on a limited local market, and (iii) absence of financial administration and sound management.

Project concept and objectives

APME has a two-pronged objective: it aims (i) to set up an entity of local artisans for the promotion of informal activities and (ii) to develop sustainable support services that will strengthen the local economy.

⁶ This case study has been prepared on the basis of project reports (see ASI-ADA, 2001, 2002a and 2002b) and the findings of a recent UNDP evaluation.

The project is an example of an integrated approach to informal micro-enterprise development. It started in May 1997 when a feasibility study was done by *Actions de Solidarité* (ASI), a French NGO. Project activities took off a few months later to establish a *Cellule d'Appui à la Petite Entreprise Artisanale*, together with a local organization (CAFOR). After institutional problems in 1999, the counterpart of ASI in the project became a cooperative-like structure (a *Groupement d'Initiative Commune* or GIC) *Appui au Développement de l'Artisanat* (ADA) and the project was called *Programme d'Appui au milieu Artisanal de Maroua* (APME). The members of GIP ADA are all trainers who provide on-the-spot training to IMEs; some of them were (or even: still are) instructors in technical schools or colleges. GIC ADA has a small but well-equipped office.

The first phase (two years, up to July 1999) concerned the launching and establishing of the activities. During the second phase (1999–2001) emphasis was placed on consolidation of the project activities and enhancing its financial independence.

The project focuses on support for four trades: leather products, metal and woodworking, and car mechanics. To avoid market saturation and attract more youth, APME started at the end of 2001 with support for motorcycle repair. It also initiated a special programme for assisting women entrepreneurs.

Project activities

The project favours a market approach. Its training interventions are directed at both the masters and the apprentices. The project activities combine action-research with awareness raising and animation. The actual support services include the following:

- *skills training*: literacy training, management training, and technical skills upgrading and introduction of new technological knowledge (e.g. design skills)
- *business advice*: advice based on a workshop diagnosis, for instance on improving the lay-out of the workshop and the organization of the work
- *financial support*: in the form of a loan scheme and a Credit and Savings Union, together with training and follow-up assistance
- *marketing assistance*: in the form of market studies, development of prototypes, promotion of the IME sector, improved access to information
- *opportunities for meetings*: exchange visits between artisans, research for collective problems and solutions, representation of the sector
- *information*: via a documentation centre with information on administrative and legal aspects; on production techniques, equipment and suppliers; and product designs.

Technical skills training is the main entry point of the project. It refers to short-term, modular and *personalized* training, mostly conducted in the workshops and evaluated after each module. The trainers move around on motorcycles. The training is demand-led and tailor-made for the participating artisans—which requires a lot of flexibility of the trainers.

To improve the marketing prospects the *technical training* focuses on (i) improving the quality of the products, and (ii) lowering the production costs (e.g. materials). At the end of the training the graduates receive training materials for continued consultation. Other courses refer to *management training* (i.e. order and cash book) and *marketing skills*. After the training, there are several follow-up activities for the benefit of the training graduates. APME's training interventions are as much as possible linked to its support interventions in the area of marketing. Promotion activities, for instance, are related to the introduction of new products through the development of prototypes.

The project is making a serious effort to introduce genuine cost-sharing for its services. According to its own calculations the level of cost recovery is already very high: in the case of technical training 62% (presumably of operational costs)—through renting out workshop equipment and selling training materials and 47% for marketing assistance. Cost-recovery for literacy training is only 9%, possibly reflecting the social approach of the project partners (and especially ASI).

The staff of the project consists of one project manager (expatriate), two trainers-animators, and four trainers (for each of the intervention trades, except for leather works). The budget for the period August 1998- July 2001 (i.e. 3 years) totalled USD 1,7 million: some USD 105,000 for preparation and studies, USD 423,000 for interventions, USD 411,000 for vehicles and transport costs, and USD 692,000 staff costs (of which 445,000 for expatriate manager).

The project cooperates with a number of organizations, including: government ministries, local development programmes, CIRAD Garoue (development of prototypes), GTZ (literacy training and training of trainers), FNE (financing of IMEs) and *Projet Urbain* (DED-funded, providing legal services for IMEs, IME seminars and a savings & credit scheme).

After initial support from ADF and EU, the project is currently funded by UNDP (60%), which is also interested in funding a possible next phase, together with EU (20%) and ASI (20%). There are plans to replicate the project elsewhere in Cameroon, possibly in Garoue.

Results and impact

During the first phase some 150 IME artisans were supported by APME, distributed over 4 trades. In 2000 58 short courses were conducted. In December 2001, the project was providing training and follow-up visits to 83

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Table 6.5 Extra sales generated in 2000 as a result of APME marketing activities (in FCFA)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total 2000
Wood working	1,148,170	1,228,000	776,200	666,040	3,818,410
Leather products	865,000	1,729,000	1,273,500	2,027,500	5,895,000
Metal working	2,213,600	9,561,500	0	1,710,000	13,485,100
Total	4,226,770	12,518,500	2,049,700	4,403,540	23,198,510

Source: ASI-ADA 2001.

workshops and a total of 260 trainees: 121 mastercrafts(wo)men, 51 workers and 88 apprentices (ASI-ADA 2002).

APME's interventions in the area of marketing resulted in the creation of a brand name for the products of the Maroua IMEs: *KALKAL*. It is especially used for leather products: out of 232 articles offered by local producers for labelling, 87% was accepted after screening. Various marketing interventions were undertaken, ranging from participation in local and national trade fairs, setting up a permanent exposition in Maroua, elaboration of catalogues, creation of new products, and linking IME producers with large companies—all which resulted in extra sales of a total of USD 32,000 (see Table 6.5).

Marketing activities were especially interesting for metal-working firms, which earned some USD 18,000 extra in 2000. As the result of APME interventions, some local IMEs have been linked to large companies, such as CAMTEL, some banks and Cameroon Airways.

Efforts in the first phase of the project to diversify the production of the informal producers resulted in: 65 new items for leather workers, 18 in metal-working and 7 in wood-working.

Some early lessons learned

Some observers characterize APME as a 'classical NGO project' with strong leadership to intervene on behalf of artisans, who play a less prominent role themselves. While possibly true, the project gathered a number of interesting experiences and lessons learned:

- the project has adopted a *well-conceived integrated approach* in which training is used as an entry point to improve the market position and opportunities for IMEs: it was found that it takes some 108 hours of training (i.e. 12 months of 9 hours of weekly sessions) for an IME artisan to significantly enhance the quality of his/her products
- *personalized* training, while very much appreciated by the clients, has as its downside that it is very time-consuming and difficult to plan; the

- evaluation also found that the trainers still adhere to standard training programmes defeating the exact purpose of the training approach
- the project has engaged in important *networking* with a good selection of other organizations active in IME sector development
 - *literacy training* is an important pre-condition for effective business development: the training lasts 2.5 years, with 3-hour evening sessions during 6 days per week
 - few of the MCs are genuinely interested in bookkeeping: if they do start the administration suggested, they tend to merely go through the motions while maintaining their own informal system; bookkeeping only becomes interesting once the enterprises reach a certain level of sales
 - the market-driven approach in which opportunities for local products are identified or created (through promotional activities) as the basis of the interventions, is found to be very effective.

The recent UNDP evaluation (see Baier-D'Orazio and Nounga 2002) puts a somewhat different but certainly interesting perspective on the project. It feels that the project can be characterized by an approach in which the artisans are more subject than partner. It is especially sceptical about the impact of the training efforts as the training needs are not indicated by the IME producers themselves. Rather they are identified by the trainers, who are said not to listen very well to the artisans, or simply inferred from the orders acquired.

In fact the evaluation notes that the use of acquired orders as the 'bait' for training courses has a number of important disadvantages. The items produced serve a particular market (mostly expatriates) that is fragile as it is not linked to the normal items produced, causing a certain dependence on the part of the artisans. It maintains that the number of leather artisans who benefit from the KALKAL brand name is actually rather small (especially when compared to the total number of leather workers in Maroua).

The evaluation recommends an approach which relies more on creativity on the part of ADA and especially the trainers, to take the felt training needs as the point of departure of the training efforts and to try to transfer to the artisans the capacity to find solutions for their problems. Still, the evaluation underwrites the importance of the commercial strategy and the positive impact on turnover and incomes of the project clients.

6.4 IME Associations and Skills Development

Some of the informal sector associations (ISAs, see also section 2.6.3) are involved in activities to stimulate the skills development of their members and

Table 6.6 Ghana: training offered by local trade associations in Sunyani district

Association	Courses offered
• Small Scale Carpenters Association	• Carpentry, Joinery Woodworks
• Ghana Electronic Services and Technicians Association	• Electronics and Electricals
• Ghana National Tailors and Dressmakers Association	• Sewing, dressmaking, embroidery
• Ghana Hairdressers and Beauticians Association	• Hairdressing, Manicuring and Pedicuring
• Tanoso Porters Association	• Pottery
• Food Makers Association	• Cooking
• National Association of Refrigerator and Air Conditioner Repairers	• Refrigeration and Electricals
• Ghana National Association of Garages	• Auto mechanics, Auto electricals, Welding and Body works
• Batik, Tie and Dye Manufacturers	• Batik Making, Tie and Dye Making

Source: Mensa-Bonsu, Survey of technical and vocational training facilities in Ghana (2001).

sometimes also other IME operators. In Ghana, for instance, where there are a relatively large number of local and national ISAs active⁷, some of them are involved in vocational training. This refers primarily to efforts of their members to provide, usually individually, relevant training to their apprentices. A recent study (see Mensa-Bonsu 2001) gives an impression of such training activities of ISAs (see Table 6.6).

These ISAs give broad guidelines within which individual members are to train their apprentices, for instance with regard to the length of the training period and the level of the apprenticeship fee. They also stimulate the training graduates (“*master apprentices*”) to take an NVTI proficiency test. Some of the larger ISAs (e.g. Ghana National Association of Garages, Ghana National Association of Tailors and Dressmakers, and the Ghana Hairdressers

⁷ Their actual number is not immediately known. In the early 1990s there were more than 900 registered associations in the industrial and service sectors, but there will be other unregistered associations (Aryetee and Appiah 1995).

and Beauticians Association) are said to operate their own informal skills testing schemes, which results in certificates issued by the association that are widely recognized by their members. Apprentices are more and more seeking certification as limited opportunities in their home districts forces them to look for work elsewhere.

In Francophone West and Central Africa the more formal representative structures of informal producers, such as the *Chambres de Métiers*, have usually an official role with regard to skills development of the IME sector. Due to internal weaknesses, as well as a lack of resources such efforts remained rather limited. There are however exceptions, such as the *Chambre de Métiers* in Dakar (Senegal) which, through a special link with the Chamber of Commerce in Coblenz (Germany), organized some 10 training courses in tie & dye batik, soap making, leather, fruit & vegetable processing, and puppet making—for some 250 artisans.

6.4.1 Case Study F—Cameroon: GIPA and Improving Apprenticeship Training

The *Groupement Interprofessionnel des Artisans* (GIPA) in Yaoundé (Cameroon) is an interesting case of a genuine small enterprise solution for the problem of a lack of appropriate technical skills training. GIPA is an association of over one hundred IME enterprises in different economic sectors (e.g. wood-working, leather products, textiles and metal-working). The purchase of a membership card costs USD 5 and the contribution is USD 8 per year—“most” of the members are said to have paid up.

GIPA was built on the remnants of earlier attempts at organization of the IME sector in Yaoundé by an IECD volunteer in the mid-1990s. In 1995 some of the members of the original then-defunct association participated, at the suggestion of another IECD volunteer, in a trade fair. They subsequently decided to create GIPA to undertake the following activities: (i) to group informal enterprises on a sectoral basis, (ii) to provide information and documentation to local artisans, (iii) to stimulate pre-employment training and skills upgrading, (iv) to seek a ‘normalization’ of apprenticeship training, (v) to participate in trade fairs, and (vi) to create a quality label.

GIPA management

The president of the association is the owner of a small but relatively modern garment workshop. One of his main problems is a lack of skilled workers: while the workshop has some 30 electrical overlock sewing machines, the present

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workforce consists of one wage worker and 7 apprentices (no apprenticeship fee has to be paid, only some pocket money is given to apprentices). To contribute towards the training of garment workers, he is now setting up a training centre for some 30 trainees.

Interestingly, he has approached the Ministry of Labour to register his training centre, as he was approached by another institutional training provider for the placement of trainees for practical periods. The requirements are stiff (e.g. adequate training equipment, qualified trainers, owner to have a teaching diploma and relevant training programme), and the paperwork (e.g. business licenses, proof of good citizenship) cumbersome, but the owner appears confident that he will succeed to obtain registration.

Training activities

At present the association is undertaking the following activities: (i) regulation of apprenticeship training, (ii) supplementary training, and (iii) publishing a GIPA Newsletter.

GIPA has taken the first steps to regulate the training of apprentices conducted in the workshops of its members. Essentially it has introduced a joint trade-test, for which it organizes a Examination Committee with 5 members: one from *Ministère du Développement Industriel et Commerce* (MINDIC), two expatriates working in IME development (attached to DED and ADF) and two local mastercrafts(wo)men. The graduates are presented with a joint GIPA/MINDIC certificate. One of the 3 graduation ceremonies so far, took place in the local Hilton Hotel—paid for in part by the USD 40 examination fee.

In the future GIPA hopes to further increase the standardization of the apprenticeship training, such as its training content and the duration of the training.

In 2001 GIPA organized short (one afternoon) training seminars in wood drying and marketing/ customer relations. They were conducted by an experienced mastercraftsman and an expatriate owner of an art gallery. Some 12–15 artisans participated; the training was free of charge. In the future GIPA intends to also conduct courses to provide the apprentices with more theoretical background on their trade. They will be given by educated informal entrepreneurs as well as teachers from technical schools.

The GIPA Newsletter is produced by its secretary-general, who holds the only paid job in the organization. Three issues have been published so far (Sept/Oct 2001, Dec/Jan 2002, Feb/March 2002), which look relatively well made. The GIPA representatives feel that the Newsletter is helpful in boosting the association's membership (which assumes not interest but also low illiteracy among the member MCs).

Appraisal

GIPA gives the impression to be a genuine and serious informal sector association. It appears to have emerged as the answer of the higher-end of the IME sector to the inadequate provision of skills training—not only by the state (and the NGO and private sector), but also by the IME sector itself. GIPA's activities (e.g. supplementary training, regulation of traditional apprenticeship training), and especially its president's upcoming training centre, appear to be driven by a lack of adequately skilled workers for small workshops.

Noteworthy is also the catalytic role of external personnel (i.e. IECD volunteers) in bringing about a functional grouping of informal producers.

6.4.2 Case Study G—Senegal: FENAPH, a Trade Association Providing Skills Training

In Senegal small-scale 'textile' activities (e.g. tailoring and dressmaking) are well organised. In 1991 the *Association des Couturiers* (ACS) was set up with local chapters in various regions in the country. To complement its activities, in 1995 the *Fédération Nationale de Professionnels de l'Habillement* (FENDAPH) was started at the initiative of the clothing sector, which soon had some 6,000 members, mostly from Dakar. FENAPH has the following objectives:

- research into new commercial channels for the national and the international markets
- creation of a savings & credit union to finance production activities of members
- set up of a training centre for modern wearing apparel, including skills required for international sub-contracting
- establishment of a housing cooperative.

FENAPH has now some 10,000 members, which include small garment workshops as well as small and medium enterprises. It receives support from the *Friedrich Ebert Foundation* (FES) and from the *Coopération Française* (AFD), which is supporting the training centre.

FENAPH Training Centre

FENAPH's *Centre de Formation et Perfectionnement* (220m²) was established in 1999 and is located in one of Dakar's industrial areas in a building that belongs to the federation's president. It employs 18 part-time instructors and has a total capacity of some 130 trainees. The trainees are apprentices and

Table 6.7 Senegal—FENAPH: types of training provided

	Type of training	Target group	Duration	Training fee
<i>Bac</i> training	basic training	Clients selected by <i>Dir. de l'Emploi</i>	12 months	USD 50/month
<i>Academic</i> trg.	extended basic trg.	individuals	2* 9 months	USD 30/month
<i>Modular</i> trg.	special skills upgrading	workers from SMEs/individuals	40–80 hours	trainees: \$1/hr firms: \$3.50/hr

workers from small and medium workshops and newly recruited wage workers of modern garment factories.

The training seeks to enhance the level of skills in clothing enterprises, especially of small and medium enterprises, and improve their prospects to serve local and regional markets. The centre provides both pre-employment and skills upgrading training in 3 modalities (see Table 6.7).

The ADF-funded project included the purchase of additional equipment and a period of technical assistance provided by the *Académie Internationale de Coupe* in Paris. The Academy has assisted in the organization of training, the training of trainers, and the development of training curricula. The total budget of the project (1999–2001) was USD 350,000.

The Centre is registered with the GoS/METFP. It so far issues its own certificates, but is in discussion with the Ministry to award government-endorsed training certificates. No statistics on the impact of the training exist, but it is thought that some 50–80% of them in the end will have their own garments workshops, while 5% of the training graduates go abroad (e.g. to France) for work and further studies.

Appraisal

The training centre of FENAPH brings out number of points:

- when faced with a shortage of skilled workers, the enterprises in a particular sector band together to set up a training facility to solve their common problem
- the private character of the centre (it has been registered as a limited company) has resulted in higher levels of organization, equipment, management and, through its links with FENAPH, better focused training offerings
- the external assistance, and especially the link with the Paris fashion academy, seems to have resulted into low-cost, effective capacity building.

In spite of these generally positive observations, it should also be noted that the FENAPH training centre is facing a number of operational problems, such as lack of space and inadequate equipment. They could probably be overcome by increasing fees, but in this respect FENAPH seems to have failed to solve the ubiquitous problem of low training revenues leading to sub-optimal training provision, which in turn reduces the possibilities to increase training fees. The feelings of ownership of the training facility by FENAPH members are apparently not strong enough to make them pay higher fees for skills training that would permit further investments to improve future training quality.

6.4.3 Case Study H—Uganda: UNIDO/USSIA/UGT Mastercrafts(women) Training

As part of its Uganda Integrated Programme, UNIDO is currently implementing an interesting project for the training of mastercrafts(women). The project essentially aims to provide demand-driven and sustainable training and advisory services to the IME sector. It expects to do so by developing the capacities of ‘star’ entrepreneurs operating at district level in the project’s priority sectors: metal working, carpentry and masonry, electrical installation/ electronics, textiles, food processing and leather products.

The project collaborates with: the Uganda Small-Scale Industries Association (USSIA), the Northern Uganda Manufacturers Association (NUMA), the Uganda Gatsby Trust (UGT), the Nakawa and the Lugogo Training Centre (Department of Industry and Trade) as well as with sectoral support centres: ULAIA for leather and TEXDA for textiles. The project has only a few staff: a project director (based at USSIA), two local consultants in engineering, and an international consultant in small business development. The total budget for the 2-year project is USD 877,000, which is funded by DANIDA and JICA.

The project started with consultation workshops that were held in 6 districts with some 600 small producers, at which they indicated to be willing to pay a fee of USD 3–6 per day for quality advice and skills training. During these workshops 129 candidates were selected (from 180 applicants), *inter alia* on the basis of their acceptance as advisors by their peers, to be trained as *MCP advisors*.

The first training was a 5-day workshop where the main topics included: adult learning principles, setting of training objectives, different training methodologies, training needs assessment (TNA) and task analysis, curriculum development and demonstration techniques. Subsequently the performance of the trainees was assessed in their workshop.

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Then 109 mastercrafts(wo)men (18 of whom are women—one of them in carpentry) went for the second round of technical skills upgrading through one month, full-time attachment to one of the participating VTCs.

The third round of training consisted of ‘industrial extension’, including such topics as: production management and planning (product sampling and plant lay-out), human resource management, financial management, marketing for competitiveness, and, as a practical exercise, an in-plant study of an actual enterprise.

In all, 102 advisors graduated—close to the original target of 20 advisors per district (i.e. 3 per economic sector). For the time being these mastercrafts(wo)men/advisors will continue their production activities—the advisory services are, initially anyway, a sideline activity.

Some 75 active MCP advisers, with the support of USSIA, NUMA and UGT, are now providing in-plant advice, by working together with the IME producers. In collaboration with the local VTCs TNAs are also conducted to set up short-term skills upgrading courses for local IME operators. For these courses a ‘break even’ fee has been established of some USD 70 per week, including food and lodging. In some cases there was so much interest for the training, that when there were not enough participants to ensure a total cost-recovering fee revenue, the prospective training participants were willing to pay a higher fee to make up for the deficit.

According to recent data (up to 2003), some 1,500 IMEs benefited from such training, which resulted in substantial improvements in product quality and productivity (i.e. without additional capital investments), and consequently in profits: in metal-working 50%, in grain milling 180%, in tailoring 2505% and in carpentry even 360% (see: http://www.unido.org/file-storage/download/?file_id=24341).

The project is also seeking to build up local capacity in USSIA, NUMA, UGT and the participating VTCs to continue the programme after the closure of the project. It expects the USSIA and NUMA branches and Gatsby Business Clubs (see Box 6.3) to become self-sustainable by providing (i) industrial extension services, (ii) skills upgrading courses, together with local VTCs, and (iii) the provision of various secretarial services (e.g. telecommunications—telephone and fax) computer services, photocopying, electricity (from a generator) and (motorbike) transport to the local IME sector. The capital equipment needed for these services was installed by the project.

One of the main lessons of the project so far is that the mastercrafts(wo)men who were trained as IME advisors have clearly grasped the idea that the operations of local IMEs can be improved, and that they can be instrumental in this. They show a high sense of voluntarism to assist their peers and get satisfaction

Box 6.3 Uganda Gatsby Trust ‘Business Clubs’

The Uganda Gatsby Trust (UGT) forms part of the UK-based Gatsby Trust organization and was started in Uganda in 1991 by a lecturer in technology at Makerere University. It has now a professional staff of four (director and three assistant managers—for extension services, technology development and administration). The main services of UGT are: (i) IME extension services by faculty staff, (ii) attachment of graduate students to IME workshops, (iii) loan scheme and (iv) show rooms. The IMEs interested in these services can become a member of so-called ‘Gatsby Business Clubs’ which have been established (together with USSIA) in 11 districts. The membership fee for these clubs is quite high (originally USD 100 per year but as the result of devaluations now USD 50)—but then it is more or less a guarantee for a loan from the Gatsby loan scheme.

Through the Business Clubs, UGT provides training and extension services to IMEs. While initially it was thought that the main problems of the informal sector would be of a technological nature, enterprise assessments by staff of the Technology Faculty made it clear that they also need upgrading of their business practices. The Business Clubs there organize seminars in business planning, management, resource mobilization, productivity and quality improvement, bookkeeping and costing, marketing and credit management (see Byaruhanga and Musazi 1999).

The extension services touch more on production-side problems. For instance, 1–2 faculty staff spend a week in a particular district to visit all the affiliated IMEs and provide advice on ways to improve their productivity and the quality of their products; emphasis is also placed on equipment maintenance. This interesting use of staff of a technical department of the university is facilitated by a field allowance for the staff of some USD 300 for a 5-day trip, which is about a month’s salary for a university lecturer. The marketing services of UGT consist of show rooms where the products can be put on display; sponsorship of small producers to visit or participate in local and regional trade shows; and linking up members of UGT Business Clubs to promote internal trading.

While UGT is striving for significant cost-sharing by its clients, the membership fees of the Business Clubs so far do not cover the entire costs of the UGT services. UGT receives financial support from Gatsby UK and some funding for training from the EU and other donors. A sizeable part of its incomes comes from 2 commercial operations: a foundry and a garage on Makerere campus. UGT clearly does not service the bottom-end of the IME sector, but rather goes for ‘winners’: small producers who are serious and

entrepreneurial, and whose business show potential for growth. It is assumed that these characteristics are reflected in the willingness and capacity to pay the rather high membership fee of the Business Clubs.

from belonging to a cadre that makes a concrete contribution to the development of the IME sector. The incentive for this is not material: the advisors are not remunerated but only get their expenditures reimbursed. There is little sense of being competitors—in fact, there is a notion of establishing a kind of ‘brandname quality’ for all the goods and services produced by the small producers from one area.

6.4.4 Case Study I—Kenya: World Bank Training Voucher Scheme

Informal sector associations played a major role in the World Bank *Small Enterprise Training and Technology Project* (MSETTP), which dominated the TVET sector in Kenya for the larger part of the 1990s. After lengthy preparations the project document was signed in 1994, financed with a USD 24 million loan. The main objectives of the project were: (i) providing skills upgrading for 10% of the MSE manufacturing sector (some 32,000 enterprises), (ii) increase access of MSEs to technology, marketing information and relevant infrastructure, and (iii) improve the policy and institutional environment.

MSETTP’s included a **Training Voucher Scheme** modelled after a similar scheme of the Inter-American Development Bank in Paraguay (see Goldmark and Schorr 1999). This component (Riley and Steel 2000) was only started in 1996 as a pilot programme, and directed at (i) *micro-enterprises* that employ between 1–10 workers, and are run by women or demonstrate potential for growth, and (ii) *small enterprises* that employ 11–50 workers. It aimed to develop a market for a broad range of training, technology and other business development services, by catalysing the demand for such services. Eligible MSEs could purchase the vouchers to get training for the owner(s) or workers at 10–30% of the actual face value. Importantly the vouchers could be used for any kind of training from any of the registered training providers. It was expected that by subsidizing the initial contacts between MSEs and (private and public) training providers, through a demonstration effect, an environment would be created in which skills training would be properly valued by MSEs, so that they would be willing in the future to bear a sizeable portion of the training costs (or even the total costs).

A large number of different types of training providers were listed before the start of the pilot phase, including: mastercrafts(wo)men, private training institutions, public sector training centres, technology and financial institutions, consulting firms and individual trainers/consultants.

The project worked with ‘allocating agents’: *jua kali* associations, NGOs and others able to liaise with the MSE sector and so facilitate the decentralization of the voucher scheme implementation. The role of these allocation agencies was: (i) to market the scheme to potential beneficiaries, (ii) to assist MSEs in filling in the voucher applications, including baseline data (8 pages), and (iii) to act as business advisors helping MSEs to select the most relevant training. In compensation for these services they received 3% of the voucher value.

The pilot phase of the voucher scheme took place in Nairobi and Machakos, and covered five economic sub-sectors: textiles, woodworking, metalworking, motor vehicle mechanics and food processing. A tracer study of the pilot phase was carried out in August–September 1997 (see GoK/Office of the President/MSETTP 1999). In all, interviews were held with 369 respondents that could be traced from the original sample of 494 firms for whom baseline data were available. Its main findings include:

- private training providers benefited most from the scheme: some earned up to the maximum of some USD 33,500 through the vouchers, while others did not earn anything
- public training providers generally lost out on the benefits of the scheme as they were less able to market themselves and did not have the resources to conduct several training course before redemption of the vouchers
- some of the changes noted in the training providers included: increased incomes; increased networking with others; development of new training programmes; increased training resources and staff; trainers identified need for ToT courses; and increased demand for training from existing and potential MSEs
- many of the ‘allocation agencies’ were *jua kali* associations, who benefited through: increased income; acquisition of office space and equipment; extra publicity; networking; start of credit schemes; and sponsoring members to participate in training or exhibitions
- many of the ‘allocation agencies’ complained about payment delays
- there was also some impact on the responsible ministry (then: Ministry of Research and Technology) as its officers were exposed to new responsibilities and operations.

Interestingly, the study found that while the MSEs in the control group saw the mean of their sales decrease by 2%, possibly because of the worsening economic situation, the MSEs who participated in the training voucher scheme

Table 6.8 Kenya: measured effects of the voucher training provided by MSETTP

	Beneficiaries Group		Control Group	
	Increase	Decrease	Increase	Decrease
Assets	65%	4%	40%	7%
Volume of sales	45%	6%	16%	6%
Diversification of products	13%	0%	2%	0%
Business liabilities	16%	17%	16%	13%
Business expenditures	30%	10%	28%	9%
Business creation (i.e. women start-ups)	28%			
Employment creation	42%	2%	22%	7%

Source: Based on GoK/Office of the President/MSETTP (1999).

saw their mean sales more than double: from USD 140 to USD 300 per month. The beneficiaries of the scheme also performed better than the control group on almost all variables studied (see Table 6.8).

In sum, according to this tracer study, the beneficiaries of the voucher training programme became aware of the need to upgrade existing skills and acquire new ones, while the training providers and the training allocation agencies became sensitized to the specific training needs of the MSEs. The study notes, however, that further interventions, such as credit and technology upgrading, are required for the *Jua Kali* entrepreneurs to fully realize their potential, create more jobs and possibly graduate to the next layer of (formal) small and medium enterprises (GoK/MSETTP 1999:5).

The voucher scheme appears to have had especially important impact on private training providers and apprenticeship training. Public training providers were found to have engaged least in public relations and marketing. Apparently they felt confident that the millions of shillings made available to *jua kali* operators would automatically fall their way. During the first phase, only 15% of the ME-vouchers was spent to buy training from public institutions (Riley and Steel 1999).

There is considerable circumstantial evidence that as a result of the project, mastercrafts(wo)men markedly changed their position *vis-à-vis* apprenticeship training. They adapted, condensed, costed and packaged their training offerings as specific products⁸, and as a result the more successful MCs turned

⁸ Whereas traditional apprenticeship training usually takes one year or even more, the training reimbursed through the voucher scheme is to last no longer than one month.

apprenticeship training into a profitable business activity. Some even found training to be more profitable than their manufacturing and/or repair activities (especially since apprentices set up their own businesses thereby increasing competition), and now see training as their principal business (Riley and Steel 2000).

The WB project generated, right from its conception, considerable debate on its intentions, design and results, and over time positions became quite fixed. Whatever its merits, the sheer size of MSETTP means that its influence on the training sector in Kenya will be felt for years to come. There can also be little doubt that the large sums of money, placed in the hands of the small producers themselves will have changed the perception of the role and format of training forever: by subsidizing the demand for training, the preferences of MSEs have conditioned the form, duration and content of training courses, as well as the type of training providers. This has led to the provision of short, low cost (on average USD 200 per course) and practical courses that impart readily useable skills. Already some of the training providers report that some MSEs, after having received basic skills training, are prepared to pay the full costs of more advanced training—because they did not want to wait the 6 months required to pass before they are entitled to purchase another voucher (Riley and Steel 1999).

Some observers in Kenya's training sector are less convinced about the projects short-term results and long-term effects. The main notions that are traded, usually on the basis of hearsay without further proof than that there are a significant number of training professionals who give credence to these stories (see e.g. McGrath 1997), include:

- unequal access to information has led to market failure
- new private training providers have come up in Nairobi but not in other areas
- there are serious questions about the quality assurances built into the project, and especially there are persistent anecdotes that suggest that trainers and trainees split the money available from the voucher without any training taking place
- the substantially subsidized vouchers distorted the training market
- the sustainability of the training system as promoted by the project is rated as doubtful.

The final verdict on MSETTP's achievements is still out. So far, there can be little doubt that this project will have a long-term effect on the training market in Kenya as it has shown a different manner to deliver training. It will particularly leave behind relevant experiences in the organization of demand-driven training. It is, for instance, very interesting that many of the public sector training centres did not immediately benefit from increased training purchasing

power of small producers: while they had expected an ‘automatic’ influx of trainees, many of them failed to attract any extra trainees.

6.5 Conclusions and Good Practices

The analysis of the training activities of non-governmental organizations (NGOs) and informal sector associations (ISAs) make it clear that both already play a modest but in some respects important role in the skills development for IME owners and workers. Their nature and background brings specific advantages, but also drawbacks, for them to enhance their contribution in the future.

6.5.1 Non-Governmental Organizations

For many school leavers and others without access to formal training NGOs are the last resort for pre-employment skills development. Relatively more often than other providers their training offerings are relevant for the IME operations in terms of training content (simple skills training at appropriate levels of technology), training methodology (short courses with emphasis on practical training, including literacy and business skills), and training delivery (part-time training close to the areas where the trainees live or work).

NGOs have important advantages for offering training for work in the IME sector. While not always necessarily demand-led, their grassroots contacts puts them in a position to better address the needs and interests of the trainees and their structure and organization allows them to do so in a flexible manner. Interestingly, the case studies make it clear that NGOs are more prone than public VTIs to adjust their training programmes in the light of changing conditions. They are not hindered by engraved conventions and impenetrable bureaucracies, which gives them interesting leeway to experiment with new forms of training (see Box 6.4). And last but not least: the training is often linked with pertinent follow up support services (e.g. counselling, credit and marketing assistance).

At the same time NGOs have some weaknesses in offering skills training. First, the social background, especially of the smaller and older NGOs, tends to blur the economic objective of skills training, which affects selecting the trainees and charging training fees. Moreover, many NGOs only possess scanty knowledge about ‘business’ and few have relations with the business community. Both are important requirements when supporting firms, especially at the ‘high end’ of the IME sector.

Box 6.4 Product-based Training

A recent phenomenon in NGO training concerns 'product-based training' (in Kenya referred to as 'training for production'). Essentially it means an interesting mix of skills acquisition and product development: small producers receive short training courses entirely focussed on producing a new or improved product.

A number of NGOs, especially in Kenya (e.g. Gatsby Trust, Kenya, K-ICK/ZWIKA and the Product Design and Development Centre) have linked such training directly to marketing activities. The products for which the training prepares, follow from market research or directly from orders that have been secured by the marketing department of these organizations. The items concerned are usually based on local traditional handicrafts, which are adapted to national and international tastes through specialized design consultancies.

The Product Design and Development Centre (PDDC) operates training-cum-production workshops, which combine training sessions with individual technical assistance to the artisans. The training consists of both technical training in commercial crafts manufacturing, and entrepreneurship development/ training in business skills. Between 1998-2000 some 8,750 craft producers were trained. Initially the training was given close to the marketing outlet in Nairobi, but subsequently moved to 'satellites' in the rural areas where PDDC formed groups of craft producers to be trained. PDDC also organizes design consultancies at national and international level to improve local products. And it runs a show room/ sales outlet in Nairobi to test the (expatriate) market's reaction to new designs, production methods, textures, colours and prices.

Secondly, many NGOs have only limited knowledge and capability with regard to skills training. The Don Bosco and similar VTCs are the exception, whereas the majority of the NGOs in the case studies in this chapter indicated weaknesses in: training curricula, training aids & materials, technical and pedagogical skills of the instructors and inadequate training equipment and facilities. Again such deficiencies affect training quality and effectiveness most in the case of 'industrial' trades and are easiest remedied for training in skills for simple income-generating activities (IGAs).

The third and most important constraint of NGOs when it comes to training concerns their limited and insecure funding, which means that the training activities are often irregular and rather small in scale. In this respect there

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are ample examples of NGOs who have opted to end their training services and focus on micro-credit operations: the latter bring in a constant flow of revenues for the organizations while the former require continuous funding: even the NGOs which are seriously trying to share the training costs with the training participants find it very difficult to recover more than 20–25% of the costs.

Most remarkable is that, as shown for Tanzania, attempts of NGOs to cover a larger share of the training costs by charging—gradually higher—fees to the trainees, have resulted in a growing under-utilization of their training capacity. While this is often seen as a sign that the poorer strata from the population cannot afford to pay for skills training, it could also very well mean that the target group views the training offerings not worth the fee amount as the skills transferred do not lead to a job nor are helpful in starting up a self-employment venture.

In any case, the analysis leads to the following conclusions with regard to the future contributions of NGOs with regard to skills development for the IME sector:

- many NGOs need, first of all, to engage in some strategic planning to reflect on their objectives and target group in providing skills training, especially with regard to the expected future availability of funds—and match the reviewed mission with an adequate organizational structure (e.g. a separate training unit) and suitable strategy for its training activities (e.g. type of training to be offered, training content, complementary topics, teaching methodology, cost-recovery methods, etc.)
- for most NGOs the best option is to concentrate on the provision of training for IGAs, such as agriculture-related activities (i.e. small animal raising and cultivation of non-traditional items) and handicrafts; there are examples of NGOs which have closed their training centre to focus on the training carried out by small workshops where they have placed their beneficiaries (Haan 2002a)
- larger ‘training NGOs’ such as the Don Bosco organization and more professional NGOs with a proven track record in skills training, are in a good position to offer training for ‘industrial’ trades (e.g. carpentry, welding, house wiring, and the repair of electronics, household appliances, motor cycles and cars, etc.); they should carefully take into consideration emerging good training practices such as: short modular courses, combining technical with business skills, suitable training delivery in terms of venue and time schedule; most importantly, these NGOs should (i) expand their range of training offerings to include new trades that are important for the IME sector (e.g. repair of computers and cellular telephones, and

- (ii) not only focus on pre-employment training but also offer skills upgrading and introduction of new technologies for working IME operators
- there will remain a strong need for innovative skills development strategies from professional NGOs, especially when they are closely linked to the strengthening of the marketing practices of IMEs, as in the case of ‘product-based training’; in this respect NGOs should establish close links with other providers of ‘business development services’
- for many NGOs their comparative advantage appears to lie especially in shaping the conditions for successful training interventions: (i) identification of training needs among their beneficiaries and linking them with appropriate training providers, (ii) providing preparatory and complementary education and training, such as: training for literacy & numeracy and various life skills, and (iii) providing crucially important post-training support services (e.g. micro-credit, counselling and community support).

Whatever their contribution is to training for the IME sector, it could be further enhanced when the NGOs would closer ties with others. First of all they could form associations and improve their services through economies of scale (e.g. joint development of training curricula and training aids & materials, training-of-trainers and trade tests) and sharing of experiences to increase training quality and efficiency.

Secondly there is also a case to be made for closer collaboration between NGOs and the TVET authorities, especially in view of the changing role of the National Vocational Training Institutes, concentrating more on creating enabling training conditions and less on training provision. NGOs have proved to play an important role in transferring simple skills for IGAs, an area left open by public VTIs, and have consequently proven themselves worthy of support from the NVTI (e.g. technical assistance in curricula development, ToT, training aids & materials, tracer study methodologies, etc.). Evidently, the training efforts of NGOs would greatly benefit from a structural relation with (government and other) training financing schemes.

6.5.2 Informal Sector Associations

Even more than NGOs, ISAs are severely constrained in their training efforts by a lack of funds. Few of them succeed, as GIPA, to hire external trainers and most of them would have to rely on their own experienced members—not all of whom are keen to share their craftsmanship with (potential) competitors. In any case, while this may bring all members to a certain level, it hardly serves to introduce new technical knowledge, technologies and production diversification in the IME sector. The conclusion is that only large and strong associations,

Box 6.5 Some Examples of ‘Paratraining’

Some examples of what can be called ‘para-training’ include the following (in order of increasing intensity, i.e. time and qualifications of support staff and financial resources):

- *Guest speakers*: brief presentation and question-and-answer session by a person knowledgeable on a particular economic (e.g. technical staff from government agencies or NGOs), on business support services (e.g. representative of lending or training institution), or on business in general (e.g. a business-woman, representative of Chamber of Commerce);
- *demonstration of technologies/production techniques*: short sessions by staff from ‘technical’ agencies (e.g. technical staff from government agencies or NGOs, R&D institutions, technical training providers, or equipment suppliers) to introduce non-traditional production techniques, including the use of other materials and product designs (or improvements in traditional ones);
- *exchange visits and exposure tours* to peer producers (e.g. in another region), formal/modern enterprises that produce or trade in similar products, relevant local traders and exporters, R&D institutions, and business support organizations
- *business counselling* in the form of frequent visits to strengthen the confidence of beneficiaries who have initiated IGAs, to give follow up advice and information, monitor and—to the extent possible—solve unexpected problems, initiate linkages with peers as well as suppliers and traders, set up linkages with service providers, etc.
- *marketing assistance* by being actively involved (e.g. through transporting and trading) in ensuring the supply of production inputs and selling of IGA-products.

Based on Haan 2003b.

i.e. those of firms at the higher end of the IME sector or even rather small and medium enterprises, can afford to offer regular and innovative skills training, or operate their own training centre (cf. FENAPH in Senegal). Even then the members appear to be only willing to pay for the training when they are desperate for improved skills—especially for their workers.

Still, more genuine informal sector associations can also make an important contribution to skills development in the IME sector by assisting in efforts to

up-grade the informal apprenticeship training system (see the next chapter and especially section 8.4.9).

6.5.3 ‘Para-training’

Already a number of NGOs and ISAs are moving away from full-fledged ‘courses’ as the sole media for skills training. In seeking cheap, ultra short and early result modalities to transfer skills and knowledge, they increasingly turn to what can be called ‘*para-training*’ (see for example Box 6.5).

7

Informal Apprenticeship Training

Interviews with informal entrepreneurs and workers in Africa invariably bring out that most of them have acquired their skills through self-learning and on-the-job training in small, mostly informal workshops. Such a transfer of skills and knowledge usually forms part of indigenous systems of apprenticeship training. In this chapter the role of such training for the IME sector will be discussed.

7.1 Informal Apprenticeship Training

7.1.1 Background

Traditional apprenticeship training is found in many countries around the world. It goes back a long time and has its roots in socio-cultural traditions that restricted the transfer of skills to members of the family or the clan (Fluitman 1994). In Africa, the practice of apprenticeship training to equip youth with particular skills was especially well-developed in case of some traditional crafts (e.g. blacksmithing and weaving)¹. While maintaining its essential features, this practice evolved over time as it allowed for adaptations in response to socio-economic changes. In its modern-day version '*informal apprenticeship training*' (IAT) is still largely regulated by social customs, but has become more 'open' as it is no longer limited to members of the family or social group and is also frequently found in economic activities of more recent origin (e.g. welding and hairdressing)².

There are several factors responsible for the popularity of apprenticeship training. Poor households with a large number of children cannot afford to send all of them to school, while the others, and particularly boys, are placed with

¹ Traditional apprenticeship training was first documented for West Africa where the practice is particularly ubiquitous (see Loyd 1953 and Callaway 1964).

² It should be noted that in most African countries there also exist modern forms of apprenticeship training in large enterprises. Such *formal apprenticeship training* is usually governed by an 'Apprenticeship Act', which stipulates various conditions of the training (e.g. length, training method, remuneration, etc.). Sometimes the strict regulations with regard to apprenticeship training are driving IAT 'underground'. In Uganda, for instance, IMEs are hesitant to call their trainees 'apprentices' and reserve this term for the students/trainees placed in small, often informal workshops by VTIs for their period of 'industrial training'.

family members and others in apprenticeship training. Low enrolment rates in general education and poor internal school efficiency force many school pupils out of school at an early age: in some countries large numbers of youth fail to enter into the secondary school cycle and as a consequence many of them have little choice other than to search for work and training in the IME sector, where they start as an apprentice. Low value-added products and irregular sales often prevent IME owners from employing full-time wage workers and make it attractive (and sometimes even necessary) to rely on apprentices as a cheap source of labour.

7.1.2 Informal Apprenticeship Training

Informal apprenticeship essentially refers to a, written or oral, agreement between a ‘mastercrafts(wo)man’ (MC) and (usually) the parents of the apprentice for a period of attachment to the firm of the MC with the purpose of acquiring a set of relevant and practical skills. In some countries, especially in West Africa, it is common for the ‘master’ to receive an apprenticeship fee, either up-front or during and at the end of the training period, while the apprentice usually also ‘pays’ for the training by accepting to forego a regular wage. Traditionally the only remuneration they receive for their labour is food and lodging, which has now taken the form of a small amount of ‘pocket money’ (“to buy cola and cigarettes”).

IAT is essentially open to anyone interested in mastering a trade. The MCs hardly pose any entry restrictions, which in any case relate more to attitude (e.g. the need to be perceived by the MC as serious, honest and trainable) than to academic achievements. As a result IAT is particularly an important source of technical skills for those who lack the educational requirements to qualify for formal training programmes or otherwise did not succeed to enter them (e.g. for lack of places). They include large numbers of school leavers, as well as youth who already received some (basic) training, in a public VTI or training NGO, but acquired, at least in the eyes of the MC, inadequate skills to start as a regular worker.

The ‘training’ consists primarily of observing and imitating the MC and being corrected if own efforts fail. But in the first year hardly any training takes place as the apprentice is merely asked to do simple, manual jobs (e.g. sweeping the floor and running errands), before gradually being involved in the workshop’s productive activities. Only towards the end of the apprenticeship period moves the apprentice to more complex tasks. Some MCs follow an informal (and occasionally written) training plan, or at least structure the training, but in many cases the training offering is solely determined by the orders to be completed by the workshop. The training is often product-specific; theoretical

aspects and even basic technical practices (e.g. precise measuring) are largely ignored. Since the trainees are not always taught the entire spectrum of skills of a particular craft, apprentices are at the time of completion their training period considered semi-skilled.

Informal apprenticeship is found in many trades common in the IME sector (except maybe food-processing. Fluitman (1994) distinguishes 3 categories of IAT trades: (i) trades in which apprenticeship is very common and an apparent pre-condition for becoming self-employed (e.g. car mechanics, carpentry, tailoring and radio & TV repair), (ii) trades in which most of the present IME owners have been apprentices, but they often do not have any apprentices in their own firms now—because they do not need them since business is slow or because they cannot attract any youth for training (e.g. weaving, leather working and construction); and (iii) trades in which apprenticeship never has been common since the (female) entrepreneurs, when necessary, rely on family workers (e.g. soap-making, meat/fish processing, restaurants and retailing). There are generally many more apprenticeship opportunities for males than for females—for which sewing/dressmaking, and hairdressing tend to be the only ones.

As different from formal training programmes, which are normally of a ‘fixed-time’ nature, apprenticeship training is in principle ‘competency based’, i.e. the end of the training is determined by the level of skills acquired. This implies that the duration of the apprenticeship training is variable. On average the apprenticeship period is 2–3 years, depending on the trade, the training practices and the capabilities of the apprentice; in some countries and particular trades (e.g. car mechanics) the IAT period can be quite long, up to 8 years or even longer.

The costs of the training incurred by the mastercrafts(wo)men are repaid by the apprentices in any of 3 ways (or combination thereof): (i) acceptance of ‘working’ for allowances and pocket money instead of receiving a regular wage, (ii) by staying on as a worker (sometimes called ‘master apprentice’ or *compagnon* after the apprenticeship period has ended, and (iii) through the payment of apprenticeship fees. Such apprenticeship fees fluctuate widely, depending on local customs, trade (and thus, implicitly, expected duration of the training) and the reputation of the ‘master’ or ‘mistress’ (see Tables 7.4 and 7.7).

7.1.3 Importance of Informal Apprenticeship Training in Africa

Informal apprenticeship is by far the most important source of skills training in Africa. IAT is traditionally strong in West and Central Africa (WCA), while it is less common and under-developed in East and Southern Africa (ESA). In South Africa no remnants of indigenous apprenticeship are found (see Table 7.1).

Table 7.1 Sub-Saharan Africa: type of operators in IME sector

	Kenya	Uganda	Zimbabwe	Benin	Cameroon	Senegal
	National	National	National	Capital	Capital	Capital
	1999	1995	1998	1992	2000	1988
Owners/partners	71%	54%	65%	26%	40%	19%
Wage workers	12%	11%	19%	—	21%	13%
(Unpaid) fam. workers	15%	31%	16%	16%	5%	
Apprentices	2%	5%	1%	58%	35%	68%

Sources: Benin: Population Census 1992 (quoted in Davodoun 2002)

Kenya: CBS/ICEG/K-REP (1999)

Senegal: USAID 1988 (in: Maldonado and Gaufryau 2001)

Uganda: Impact/USAID 1995)

Zimbabwe: McPherson (Sept. 1998).

The table makes it clear that in WCA ‘apprentices’ tend to take the place of regular wage workers (in Benin even literally so!). The statistics for ESA, conversely, seem to play down the incidence of IAT. First, because the figures refer to all IME activities (e.g. including trading) which have a high level of self-employment, whereas the data for WCA refer to selected economic activities, including metal-working, carpentry, car repair and dressmaking/tailoring which commonly have large numbers of apprentices. Secondly, it might be that in ESA apprentices are rather referred to as ‘unpaid family workers’ (since many of them are indeed family members), while, conversely, in Senegal this category is not even included since most family members in a workshop are considered as apprentices.

7.2 IAT in West and Central Africa

Different from other region in Africa, informal apprenticeship is widespread and truly ingrained in West and Central Africa (WCA). It is an indigenous training system that has its origin in social-cultural traditions in which particular non-agricultural trades, such as jewellery, blacksmithing, weaving and pottery, used to be the exclusive domain of specific social groups and castes. They tried to keep the skills in the family or clan by training only their children and other members of the group.

Over time distinct IAT arrangements, still reflecting their socio-cultural roots, have evolved for organizing and conducting the apprenticeship training. IAT has opened up, first, to being extended to non-family members (except for jewellery, blacksmithing and pottery, in which apprenticeship training still takes place within the social group (see ILO/EMAS 1998), and, second, to covering virtually all IME trades. In WCA informal apprenticeship training is

generally respected as an effective way to enter into the ‘world of work’. An earlier study covering several countries in WCA even concluded: “informal sector training is structured and formalised to a surprising degree” (Birks et al. 1994:85).

7.2.1 Role and Importance

In WCA the informal apprenticeship system is virtually the only source of skills and knowledge. In **Ghana** IAT is considered to be responsible for some 80–90% of all skills development in the country—against a contribution of 5–10% by public sector VTCs and 10–15% by private, non-profit training providers (Korboe 2001)³.

In **Senegal** the all-overriding importance of IAT as a mechanism to transfer skills and to replicate the social organization of production can be seen in the fact that a full two-thirds of those working in the IME sector are apprentices. The number of apprentices is especially high in the case of car repair services where they constitute 80% of the total workforce. In service activities in general this is somewhat lower (though still 73%), while it is 45% in trading activities and only 14% in construction (see Table 7.2).

The table makes it clear that informal apprenticeship training is available for a wide range of trades. In West Africa it is generally true that almost all the training programmes that can be followed at formal VTIs, can also be mastered through IAT—as well as many others!

In some countries the rapid increase in the number of apprentices contributed significantly to the expansion of the IME sector. In **Benin**, for instance, the number of apprentices increased from 1979 to 1992 by more than 10% per year—from 36,000 to 145,000. In fact, it appears that apprentices often take the place of regular workers: it is common to see workshops (e.g. in car repair) with 6–10 or more apprentices but without any regular wage workers. It is sometimes said that the entire IME relies on apprentices to carry out the production: “when a workshop owner dies, the enterprise dies with him/her” since there are no managers/supervisors to continue the business (Sylvestre 2002b).

IAT is also very common in **Cameroon**: a recent survey conducted in the capital, Yaoundé, found that 70% of the sampled IMEs has one or more apprentices or had them at one time or another: the firms had over the years, on average, some taken on 10 apprentices (Fluitman and Momo 2001). The study also makes it clear that the importance of IAT has not declined in the past decades: the proportion of (male and female) IME entrepreneurs who had

³ Another report states that IAT constitutes some 90% of all ongoing training in the country. It is the source of the skills of more than half (52%) of the informal sector workforce—while 35% of them report their skills to be ‘self-taught’ (Amakrah, 2001).

Table 7.2 Senegal: Employment in IME sector by occupational categories (1988)

Economic activity	Employers	Wage workers	Non-family apprentices	Family Apprentices
Manufacturing	19%	14%	53%	14%
– <i>garments</i>	25%	13%	48%	15%
– <i>leather</i>	22%	38%	26%	17%
– <i>tapestries</i>	21%	6%	58%	17%
– <i>wood working</i>	14%	10%	67%	9%
– <i>sheet metal</i>	11%	9%	64%	16%
– <i>blacksmithing</i>	24%	26%	34%	16%
– <i>jewellery</i>	26%	15%	32%	27%
– <i>weaving</i>	71%	10%	5%	14%
– <i>wood carving</i>	27%	11%	42%	20%
– <i>others</i>	23%	25%	34%	18%
Construction	28%	58%	10%	4%
Trade	31%	24%	24%	21%
Services	16%	11%	62%	11%
– <i>car repair</i>	11%	9%	72%	8%
– <i>motorcycle repair</i>	28%	16%	46%	10%
– <i>tire repair</i>	28%	16%	33%	23%
– <i>electronics repair</i>	24%	9%	55%	12%
– <i>food catering</i>	44%	20%	8%	28%
– <i>others</i>	42%	13%	28%	17%
Total	19%	13%	55%	13%

Source: Maldonado *et al.* 2001, based on data from USAID survey 1988.

acquired their skills as an apprentice was the same among the segment of the oldest entrepreneurs (over 39 years) as among the segment of the youngest entrepreneurs (less than 27 years): two-thirds (*ibid*). Large numbers of surveyed IME entrepreneurs indicated that apprenticeship training had been the most useful kind of education or training they had followed; more than half of them would like their child to become an apprentice (*ibid.*).

7.2.2 IAT Arrangements

The first step towards informal apprenticeship is usually taken by the parents (or guardians) who contact a mastercrafts(wo)man, and thus implicitly choose an occupation for their children (though they can still change later on). The

decision of the family to enter their son or daughter into apprenticeship training is in most cases the combined result of school failure of the children and the inability of the family to finance further schooling, with the need for some additional incomes for household expenditures.

The reasons for a 'master' to take on apprentices vary from, traditionally, social obligations to provide training for young family members to, more recently, the need for (cheap) labour and the attraction of training fees.

In WCA informal apprenticeship training is governed by agreements between the MC and the parents. They refer to some of the 'rules of the game' by indicating the rights and duties of both the 'master/mistress' and the apprentice. The MCs, for instance, are keen to limit the mobility of the apprentices. The parents are usually not in a position to specify the training content, while the duration is also usually vaguely indicated. Sometimes references are made to the training conditions and methods.

Surveys in the 1990s found that 70–80% of the apprenticeships in Ibadan (Nigeria) and Lomé (Togo) were covered by written contracts (Birks *et al.* 1994). The incidence depends on the trade: while in **Cameroon** overall around one-third of the apprentices have a written IAT contract, the practice is especially common in radio repair shops and Internet cafés (60%), and less so among women's dressmaking (30%), masonry, carpentry and leather working (18%) (Fluitman and Momo 2001).

Written contracts mean that they could be externally enforced by the legal system, but this hardly ever occurs. Sometimes there is a role for informal sector associations to settle IAT disputes. In Ghana, for instance, IAT is, at least in name, overseen by local and national ISAs. While these hardly have any capacity to control the training provided by their members, they set explicit rules governing apprenticeship training, resolve conflicts between MC and apprentices and play an active role in the certification of the apprentices (see below).

7.2.3 Informal Apprentices

In West Africa family ties continue to play a role in the selection of apprentices for IAT, but non-family apprentices are becoming more and more common (see Table 7.2). In Senegal, this is even the case among jewellery-makers, which once was a distinct caste with skills strictly being transferred from father to son. Criteria for the youth to select a 'master' include his/her professional reputation and the (stable) turnover of the enterprise. The masters carefully select the trainees on perceived aptitude and trainability, and, particularly, honesty (for which family ties are an important factor). The Yaoundé survey observes differences in the educational levels among apprentices in different trades—indicating that educational requirements do exist for particular trades (e.g. Internet and administrative services).

As the result of the very poor state of general education in the countries in West Africa, there are large numbers of children who drop out at a very early age. To avoid having them roaming around to streets and getting into mischief, their parents try to find a workshop owner to take them in as an apprentice. Many apprentices thus enter into apprenticeship at a very early age—some of the boys and girls are only 8 years old. Data for an association of car repairers indicates that less than one quarter of the apprentices are less than 15 years old (PROMECABILE 2002).

The Yaoundé (**Cameroon**) survey found an average age of starting apprentices of 20 years, which is significantly higher than in other countries in the region. The entry age of apprentices might be going up as the result of gradually increasing enrolments in general education and enhanced access to vocational training. It may also result from the fact that in recent years the supply of educated youth is growing (since many of them have difficulties finding a job in the formal sector), which gives the mastercrafts(wo)men the chance to select the ones which appear best suited. Information from a survey at the end of the 1980s (Fluitman and Oudin 1991) suggested that apprentices were gradually getting more schooling than their masters/mistresses, but this is contradicted by the recent data from Yaoundé (Fluitman and Momo 2001). Available information clearly indicates that IAT complements rather than substitutes for education; it is also common for those who succeeded to follow formal vocational training, to pass through a period of apprenticeship before setting up shop for themselves.

7.2.4 Mastercrafts(wo)men

In some countries, especially in West Africa (e.g. **Benin**), informal apprenticeship training implies a total submission to the mastercrafts(wo)men, who usually claim an unassailable position *vis-à-vis* the apprentice: the MC possess all the technical and business knowledge while the apprentices “do not know anything”. Many of the MCs behave like strongmen who want to be in full control and expect total obedience from the apprentices, whom they hardly dignify to address directly. In some cultures the MC is considered to take the place of the father of the apprentice and physical punishment of them occurs.

It is common for the apprentices to first come for a trial period. If the apprentice behaves well and appears trainable (indeed often in this order) the training will start—very slowly. The MC becomes only towards the end of the period directly involved in the training of the apprentices (except in very small workshops). While the amount of training depends on the jobs to be done in the workshop, the final results and quality depends primarily on the teaching methods and skills of the MC.

As a result of the hierarchical traditions in the informal workshops, the training method is very much top-down. The apprentices are expected to learn by observing others in the workshop and then imitate what they observed in a trial-and-error fashion. In the Yaoundé (**Cameroon**) IME survey, distinct demonstrations were only mentioned as training technique by some 20% of the apprentices (Fluitman and Momo 2001). Moreover, it is generally not appreciated when the apprentices asked direct questions. In the survey only one in every 10 apprentices was found to learn by asking questions (*ibid.*).

7.2.5 IAT Training Activities

Informal apprenticeship training is genuinely ‘informal’: it is mostly unstructured without any kind of a worked-out training plan. Especially during the initial years the youngsters do not learn much, if anything, as they are used for errands, cleaning the workshop, handing tools and endlessly hanging around in the workshops. The masters hardly pay any attention to them and they are rather watched over by more experienced apprentices, or the workshop supervisor/*compagnon*.

In West Africa IAT is commonly conceived in three phases: (i) the apprentice is expected to observe what MC and workshop workers are doing, (ii) the apprentice is shown certain practices and gradually asked to do some practical work, and (iii) the apprentice is fully involved in workshop activities and held responsible for his/her output. The latter means that in the more enlightened workshops the apprentice now can take own initiatives and so further develop his/her skills. Apprentices are found to spend two-thirds of their total apprenticeship period on ‘learning-by-demonstrations’ as in the second phase (Ngom and Seck 2002).

IAT training is foremost practical. Very little attention is paid to the theoretical aspects of the occupation, which hampers the apprentices to fully understand the trade and consequently his/her capacity for adaptation and technological progress. Their low educational attainments also seriously affect their trainability. The quality of the training is furthermore constrained by the fact that the masters themselves also do not have much education and the often high ratio of apprentices per master. As ultimately the training provided is a derivative of the jobs to be done in the workshops (materials and equipment are seldom if ever used specifically for training purposes), the trainees do not necessarily acquire a complete set of skills for their trade.

Apprenticeship training does not only cover technical skills but also organizational, management and business skills, including costing, marketing, and supplier and customer relations. In fact, traditionally the MC is not only held responsible for to transfer technical and business knowledge, but is also expected

to inculcate general knowledge and moral values. Apart from technical skills, the apprentices will implicitly learn about IME business practices. Grierson (1997) even feels that one of the main advantages of IAT lies in the opportunity for the apprentices to gradually build up social and business networks that will serve them later on in establishing and running an informal enterprise.

7.2.6 Duration of Apprenticeship Training

The duration of informal apprenticeship training varies considerably, in West Africa ranging from 2 to 8 years (and sometimes even longer!). The main variables here include: the trade; the age, educational level and potential of the apprentice; the profile of the mastercrafts(wo)men; and the equipment and volume of jobs of the workshop.

The longest IAT periods are found in **Senegal**. As the result of serious flaws in the educational system many apprentices already start at a very early age (10–12 years). Consequently the duration of the training can be very long, even up to 10–15 years. In countries where the training is better structured (e.g. Benin and Togo), IAT is said to take only some 2 years (Sylvestre 2002).

Indeed in **Cameroon** most of the IAT periods are rather short, taking some 2–3 years (Fluitman and Momo 2001). Apprentices in car mechanics usually spend a somewhat longer period (3–4 years) in learning the trade, while apprentices in the provision of computer-based services (e.g. Internet cafés) spend less than a year in training (ibid.). In Cameroon the IAT period is said to depend to some extent depend on the progress made by the apprentices (ibid).

In **Ghana** the duration of informal apprenticeship training appears to have been standardized at around 3–4 years. Apprenticeship periods do, however, differ significantly between rural and urban areas: an apprenticeship in blacksmithing, for instance, takes 39 months in rural areas and 55 months in urban areas.

7.2.7 Skills Testing and Certification

There are no generally practised formats to test the results of the informal apprenticeship training as a way to determine the end of the apprenticeship period. Only in some countries there are practices that remind one of skills testing: the apprentice has to produce an artefact or carry out a particular type of repair, which is shown to neighbouring mastercrafts(wo)men.

In **Ghana** sectoral associations are said to be involved in such practises—and are the source of the awarded certificates. In francophone countries in WCA IAT graduates receive a certificate from the workshop where they were trained, which is usually (but of course erroneously) called *certificat de travail* (work certificate).

Table 7.3 Benin: criteria used to assess completion of apprenticeship training

Trade	Main points for skills assessment
Tailoring/dressmaking	<ul style="list-style-type: none"> • Cutting with or without creation of new models • Sewing, finishing and speed of operations • Customer relations
Car repair	<ul style="list-style-type: none"> • Detection of problems • Disassembly and assembly of engine parts
Construction	<ul style="list-style-type: none"> • Preparation of cost estimate • Reading of drawings • Measuring • Finishing • Implementation and rhythm of work
Painting	<ul style="list-style-type: none"> • Choice of colours • Quantities and measurements • Finishing
Hairdressing	<ul style="list-style-type: none"> • Choice of haircut and materials used • Time required for basic cutting • Time required for and manner of drying • Form, quality and speed • Hospitality and treatment of customers

Source: Report on a national seminar on apprenticeship training in Benin (Dec 1990), cited in Davoudou 2002.

In **Benin** the training usually does not lead to any kind of diploma or certificate. Still, on an individual basis, particular criteria are used to determine if the apprentices have completed their training (see Table 7.3).

In WCA the end of the apprenticeship period is usually celebrated by a party hosted by the apprentice. It marks a change in status, indicating his/her freedom from the bonds of apprenticeship (in francophone WCA the occasion is indeed referred to as *la liberalisation*) and the entry of the graduate apprentice into the fraternity of mastercrafts(wo)men.

7.2.8 Apprenticeship Fees

Historically, when the trainees still were selected from to the family of social clan, apprenticeship training was based on solidarity and no fee was due. In fact, the MCs would customarily provide for the food and accommodation of the apprentice. This is to a large extent still the case, although now usually in the

form of ‘allowances’, for instance for transport (pointing to the fact that lodging is no longer provided for the apprentices) and especially ‘pocket money’.

In WCA the payment of apprenticeship fees, just like written apprenticeship contracts, has gradually become quite common. In Ibadan (Nigeria) just over half of the apprentices were found to pay fees, while in Lomé (Togo) even 86% of them did so (Birks *et al.* 1994). Such a fee-based training system is now widely accepted in the more ‘modern’ IME activities (e.g. welding, car mechanics and hair dressing). In some cases the fee actually has to be paid on a monthly basis (e.g. hairdressing in Senegal). Other ways for the apprentices to repay the training costs are to stay on as a *compagnon* after finishing the training. Such a *compagnon* is either a skilled worker who works for a fixed wage or an independent worker who pays for using workshop space and equipment.

IAT fees vary distinctly, between countries, within countries (e.g. between rural and urban areas) and among trades. In **Ghana**, for instance, fees range from USD 20 to 200, depending on trade, apprenticeship period, area and popularity of the ‘master’. The fee for a 3-year carpentry apprenticeship amounts to some USD 70–85, in addition to which the apprentice has to bring a basic set of tools, including hammer, chisel, handsaw and measuring tape. The fees are generally markedly higher for tailoring and dressmaking, possibly reflecting high costs of wasted materials (in addition to the fee, the apprentices have to bring a sewing machine, scissors and a measuring tape).

With regard to the payment of the fees, there are different arrangements. In **Ghana**, after concluding a contractual agreement with the MC, the parents donate some liquor to the MC to ‘celebrate’ the entry of apprentice in the training and pay the apprenticeship fee—or, at least, a down payment—for the rest to be paid in instalments (see also Box 7.1). In cases where the parents/guardians cannot afford the fee, the apprenticeship contract may include some kind of ‘bonding’: the trainee is committed to continue working in the workshop after finishing the apprenticeship period as a ‘master apprentice’ at a lower remuneration than elsewhere to defray the training costs (GoG/MEMD 2001).

In **Benin**, IAT carries fees that range from USD 35 to 200. At the start of the training a down payment has to be made of some USD 13 and a few bottles of liquor. The rest of the fee is paid in 2–3 instalments. At the end of the training period the apprentice has to pay the master a ‘*dot*’ (dowry) to be ‘liberated’. This is accompanied by a public ceremony, attended by other local mastercrafts(wo)men, to celebrate the entry and acceptance of the newly graduated artisan to the ranks of the ‘masters’. It has been observed that recently some MCs, for instance hairdressing ‘mistresses’, are abusing the dowry custom by demanding ever increasing amounts of cash (up to USD 200)—as well as cattle, cloth and other gifts (Ngom and Seck 2000). As a result some apprentices cannot formally terminate their training and have to continue working in the

Box 7.1 Apprenticeship fees in Ghana

A study on apprenticeship fees in Ghana in the early 1990s reached the following conclusions:

- Some 60% of the enterprises charged fees for training apprentices, while 40% did not. The average size of the enterprises that do not charge for the training is significantly larger (on average more than 40 workers) than the ones which do (some 12 workers), making paid apprenticeship training unique to the IME sector
- The average apprentice fee was at that time around USD 70 for up to 3 years of training. Non-charging for apprenticeship training was found to be most common in food-processing.
- The contract types in which apprentices do not receive any remuneration are dominated by textile enterprises and show a high concentration of female apprentices: enterprises training seamstresses operate largely as training centres: the trainees not only have to pay an initial (inscription) fee and bring their own sewing machine, but also have to pay monthly tuition fees*.

The study also shows that the apprenticeship fee is usually paid up-front, i.e. at the start of the training. However, it is not uncommon that a down-payment is made while a part, usually some 20–40% is only paid at the end of the training. The deferment of the payment of part of the apprenticeship fee to the end of the apprenticeship period gives the apprentices some security that they will get the training to which they are entitled. Another enforcement mechanism is the desire of the workshop owner to maintain his/her reputation as a reliable ‘master’.

Conversely, when the employer pre-finances the skills training, in the expectation to recover these costs by subsequent paying lower wages to the apprentices, it is attractive for the latter to leave the firm before repaying. This is usually counteracted by paying substantially higher wages in the post-apprenticeship period as an incentive for the graduates to stay.

* The study notes that dressmaking apprenticeship is often a form of dowry, selected and paid for by their fathers, for the reason that such marketable skills would make them more attractive potential wives. It is not sure if this is still the case, while training is dress-making has become less interesting as the result of the frequent importation of second-hand clothing.

Table 7.4 Yaoundé (Cameroon): apprenticeship fees for total training period (2000)

Economic activity	IAT fee
Hairdressing	USD 61
Internet services	USD 91
Metal workers	USD 223
Repair of radios and electrical equipment	USD 236
<i>Total average</i>	<i>USD 144</i>

Source: Fluitman and Momo 2001.

workshop where they started as an apprentice. To curb this practice, GoB adopted in 1991 an act that regulates the IAT liberation ceremonies and limits the dowry amount to USD 27; however, the act is widely ignored. More effective appears to be actions taken within ISAs to restrict the liberation dowry to some USD 67 (Davodoun 2002).

In Yaoundé, **Cameroon**, some 60% of apprentices were found to pay an apprenticeship fee; they are particularly common among ‘women trades’: women’s dress-making and women’s hairdressing, but only infrequently used among construction trades (20%) (Fluitman and Momo 2001). The training fees are on average USD 144 for the total duration of the apprenticeship training, ranging from some USD 60 for simple hairdressing to almost USD 250 for radio and similar repair activities (ibid.) (see Table 7.4).

In some trades it is becoming more and more common for the IAT fees to be paid monthly. This would appear to be a sign that in some IME workshops the training function is gaining importance over the production function. In tailoring and dressmaking, for instance, sales and profits are seriously affected by the importation of second-hand clothing, as the result of which the revenues of apprenticeship training becoming commensurately more important. In **Senegal** the trend of monthly fees has also been observed in more recent IME activities such as welding and hairdressing, with fees ranging from USD 7 to 15 per month. In Yaoundé (**Cameroon**) apprenticeship fees are “generally” paid on a monthly basis—with far higher amounts, ranging some USD 65–260 (Fluitman and Momo 2001).

The respondents of the Yaoundé (Cameroon) survey indicated that the criteria for determining the level of the fees is related to: (i) duration of the training period (which would imply different fees within the workshop, if the period indeed depends on training progress,), (ii) ability to pay, (iii) family relation or not, (iv) demand for apprenticeship in a particular workshop, and (v) fees charged by other workshops (ibid).

IAT training fees are generally lower than comparable training fees charged by private training providers.

7.2.9 IAT Results

It is generally accepted that informal apprenticeship training is effective, meaning that many IAT graduates find employment—although there are very few statistics available on the precise impact of IAT. At the same time, many observers indicate that in terms of quality and type of skills and knowledge transferred, apprenticeship training is yielding only modest results and needs to be strengthened (e.g. ILO/EMAS 1998).

The options, at least in theory, for apprentices after finishing the apprenticeship training, are: (i) work as an independent *compagnon* in the workshop where s/he was trained or any other workshop, (ii) try to find a wage job in the formal sector, or (iii) set up his/her own business. Anecdotal evidence shows that most of apprentices, at least for a few years, stay on in the workshop where they were trained. Others find work in another informal workshop, while some land a job in the formal sector. The older ones may move on to set up shop for him/herself, which is usually done at some distance from the master—to avoid embarrassments.

According to a recent (2000) survey in **Senegal**, on average over two-thirds (69%) of the apprentices find some kind of employment after finishing their training—ranging from 25% of the hairdressers to 91% of the wood workers (quoted in Ngom and Seck 2002). It has been suggested, as a rule of thumb, that IMEs in trades suitable for apprenticeship produced about one graduate per year (Birks *et al.* 1994).

Some apprentices do not complete the training: in the Yaoundé (**Cameroon**) survey the drop-out rate is estimated at 25–30% of the intake, and lower in the more traditional trades which tend to attract less educated apprentices (e.g. Birks *et al.* 1994 and Fluitman and Momo 2001). Various surveys found that the drop out rate is higher for hairdressing (*ibid*), while in Yaoundé it was lower in construction and leather working (Fluitman and Momo 2001).

7.2.10 Appreciation of IAT by Mastercrafts(wo)men and Apprentices

In WCA informal apprenticeship training is widely appreciated by mastercrafts(wo)men and apprentices, as well as by society at large, for its training and employment aspects. The Yaoundé (**Cameroon**) survey clearly brings out the positive side of informal apprenticeship training: IAT was found to be more useful general education (Fluitman and Momo 2001). In fact, more than half

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of the IME owners (57%) would want their child to be an apprentice; the major exceptions here were relatively well-educated women in hairdressing and women in restaurants where there is no apprenticeship system (ibid.).

At the same time, the parties directly involved frequently voice complaints about the costs and results (the MCs) and the conditions (the apprentices) of the training. The **mastercrafts(wo)men** often point to the lack of appreciation they get from the apprentices. They frequently complain about the high mobility of the apprentices especially in the beginning of the training period when they easily move to another workshop, in the expectation of more relevant training, better treatment or even a only marginally higher amount of pocket.

Many of the **apprentices** express recognition for the chance of mastering skills while getting some money to satisfy very basic needs. But they also register various points of dissatisfaction. They often feel that the training aspects hardly receive any attention so that the skills acquisition only progresses very slowly (and the total training period becomes too long), and that they are mostly used as cheap labour. Apprentices frequently question the intentions of the MCs to transfer all the skills and knowledge they have—supposedly out of fear for increased competition once the IAT graduates set up a business for themselves. They generally refer to the hard conditions of the apprenticeship, with long working days (often 10 hours or more per day), very basic working conditions and minimal material rewards.

The views of all parties concerned in informal apprenticeship training are summarized in Table 7.5

Table 7.5 Senegal: views on the position of an apprentice

View of apprentice	Apprentices express dedication to their trade and are anxious to get out of what they feel is a 'galley': "they ask me to do too many things—it is as if to learn a trade I have to be exploited".
View of master-crafts(wo)men	Most MCs feel that apprenticeship training is the last resort for youth on whom parents have turned their back, which notion is reinforced by the impression that many of them are on the brink of delinquency when they enter into apprenticeship training. The MCs consequently feel like 'good Samaritans' and fully in charge.
View of the family	For the parents apprenticeship training is the last recourse: they are keen to pass on, without further costs, their responsibilities with regard to education and training of their children.

Source: Based on Table 1 in Ngom and Seck 2000.

Mastercrafts(wo)men and apprentices consequently have very opposing views on informal apprenticeship training. While the MCs tend to portray themselves as saviours that have taken over major responsibilities from the parents, the apprentices are unhappy about the training and the working conditions. Some of them indeed express to feel treated as a ‘galley slave’.

7.3 IAT in Eastern and Southern Africa

When compared to West Africa, informal apprenticeship in Eastern and Southern Africa (ESA), while still common in some countries (e.g. Tanzania), is distinctly less developed than in West Africa (e.g. Adam 1997 and Nell and Shapiro 1999). Whereas IAT in WCA is governed by generally accepted practices which form the basis of distinct agreements between the family heads/guardians and the mastercrafts(wo)men, in ESA apprenticeship training not generally viewed as a purposeful skills development mechanism. Rather ‘training’ in informal workshops appears to be a coincidental by-product of regular work activities and many of the ‘apprentices’ do not receive any purposeful training at all (Adam 1997 and VETA 1998).

7.3.1 Importance

While informal apprenticeship training is less obtrusive than in WCA, it is still responsible for the initial skills development of large numbers of youth—even when they may not be acknowledged as ‘apprentices’ but referred to as ‘helpers’ (cf. Nell & Shapiro 1998).

Available information for **Kenya** indicates that some 40–60% of all IME operators acquire their skills through apprenticeship:

- a World Bank study 1992 estimated that 40% of IME entrepreneurs had been apprentices (quoted in CBS/ICEG/K-REP 1999 and GoK/MSETTP 1999:20)
- the 1999 Kenya National MSE Baseline Survey registered a total of almost 53,000 apprentices, with most of them were in wood-working (41%), retail (32%) and repair services, with minor numbers in pottery, construction and textiles (CBS/ICEG/K-REP 1999)
- a study of informal workshop clusters in Ziwani, one of the oldest IME areas in Nairobi (Kenya) where many metal working and car repair activities are based, found that a large majority of the IME owners (71%) obtained their skills predominantly “on-the-job”, while smaller numbers went to a training centre (19%) or received training from friends (7%); more than

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three quarters of the enterprises studied had apprentices—ranging from one to 20 per firm (Kinyanjui 1997)

- 60% of the MCs who participated in the SITE project (see section 7.10) were trained as apprentices themselves (Baiya and Jeans, 1998:10).

A study into traditional apprenticeship training in Dar es Salaam (**Tanzania**), focusing on masons, welders, car mechanics, carpenters, found on average more than four apprentices per firm—against only two in a similar study in **Zimbabwe** (Nell and Shapiro 1999). There appears to be no direct relation between the level of economic activity of the firms and their number of apprentices. IAT is most common in welding, mechanics and carpentry, and distinctly less in trades such as hairdressing and child-care (*ibid.*). There are far more informal training opportunities for males than for females—especially since even trades that are usually in the female domain, such as tailoring and catering, were found to take on mostly male apprentices.

7.3.2 IAT Arrangements

In ESA IAT is much less governed by well-understood customary practices. The incidence of apprenticeship contracts between (the parents or guardians of) apprentices with mastercrafts(wo)men is lower than in WCA. If they are concluded they tend to be verbal. In many countries payment of training fees is not common.

In Dar-es-Salaam (**Tanzania**) three-quarters of apprentices were found to have a verbal agreement with their ‘master’ regarding the training (concerning working hours, duration of training and health & safety provisions (Nell & Shapiro 1999). Only one in every 10 apprentices has a written contract (against more than half of the apprentices in **Zimbabwe**) (*ibid.*).

In **Tanzania** IME owners stress that they take on apprentices “to help young people get a start in life” (stated by almost 90% of the MCs surveyed), while around 25% indicate to take apprentices “to get extra help” (especially frequently mentioned among caterers and child carers)(Nell & Shapiro 1999). Almost half (45%) of the MC stated that the apprentices were not paying anything, while only 19% of the apprentices (more in the case of carpenters and tailors) said that they were paying the MC for the training (while others had to commit themselves for a certain period of time or contributed towards purchase of materials)(*ibid.*). In return for their labour, two-thirds of the apprentices receive only food, while one third of the apprentices stated to receive small sums of ‘pocket money’ when the business could afford or a few US-dollars wage per day (*ibid.*).

The most common criterion applied in taking in youth as apprentices was “trustworthiness of the candidate”, followed by “age” (between 16 and 18 years

old) and “level of education”. While “kinship” helps in this respect, a mere 3% of the IME owners/managers interviewed indicate this to be the main reason to take apprentices. The large majority of the apprentices has a written contract with their master on the training, while three-quarters of them have a verbal agreement. The agreements include arrangements on working hours (38%) and holidays (5% respectively), duration of training (29%) and health & safety provisions (14%) (ibid.).

7.3.3 Apprenticeship Fees

In view of the less prominent ‘training’ aspects in ESA, the apprenticeship training fees can be expected to be lower than in WCA. This appears indeed to be the case in **Zimbabwe** where training payments to the MCs are low (Nell and Shapiro 1999, Suhr 2000).

Conversely, in **Kenya** the payment for ‘training’ in IME workshops is quite common. In one survey in around three-quarters of the apprenticeship cases fees were paid, often on a monthly basis, ranging from USD 5 to 16 are paid (Baiya and Jeans 1998). In fact, the ability of (the parents of) apprentices to pay the training fee was found to be one of the criteria for IME owners to take in apprentices (69% of the reasons stated in the Ziwani IME survey; see Kinyanjui 1997). Other entry requirements mentioned are completed primary education (16%) and physical abilities (8%). Family ties do not appear to play a major role (ibid.).

The Dar-es-Salaam (**Tanzania**) survey indicates a new trend in IME training (Nell and Shapiro 1999): some MCs, especially in tailoring, are increasingly considering themselves as professional trainers. Instead of taking on apprentices for some on-the-job-training, they seek to run training-for-a-fee courses. Taking their cues from specialized training providers, they demand regular (e.g. monthly) payments from their apprentices (already practised by some two-thirds of the MCs, with training fees some USD 2.50–4 per month). As part of the change the MCs also leave behind the traditional IAT notion that they are responsible for the upkeep of the apprentices: only half of the tailors provide meals to their apprentices.

As an obvious result the training fees become a larger part of the IME turnovers and profits. Indeed a survey in **Kenya**, where the same trend is observed⁴, clearly shows that in the case of dressmaking and tailoring fees constitute 18% of the profits—against 8–9% of profits of IMEs in wood and metal working (Baiya and Jeans 1998).

⁴ It seems reasonable to assume that the swiftly increasing importation of second-hand clothing in many African countries have made tailoring and dressmaking less profitable activities.

7.3.4 Apprenticeship Training Activities

As elsewhere, the apprenticeship training approach in ESA is foremost practical, consisting of ‘learning-by-doing’. Little or no attention is paid to the theoretical aspects of the technical practices of production and repair in which the apprentices acquire skills. In fact, the informal apprenticeship training is seen as rather static, virtually without changes over the years (Kinyanjui 1997).

The apprenticeship period in ESA appears to be considerably shorter than in WCA. In **Kenya**, for instance, the average period of the traditional apprenticeship is 6–12 months in textiles and 12–18 months in metal- and woodworking (Baiya and Jeans 1998). In **Tanzania** the apprenticeship period ranges from less than 3 months to over 2 years (Nell and Shapiro 1999). The shortest periods were found in catering, childcare, hairdressing and masonry, where apprenticeships were generally 9 months or less—even though more than a third of the masons and hairdressers feel that their trades do not require more than 3 months of training. Car mechanics had the longest apprentice period (with 45% of them being trained for one year or more and 17% even from 3 to 5 years) (*ibid.*).

It has been suggested that higher fees help to make IAT better appreciated and recognized, and that they make it more likely that the apprentices stay on the job and commit themselves to the firm to which they are attached (Nell and Shapiro 1999). That might be true, but high fees are also a major cause for high drop-out: in **Kenya** almost half of the apprentices who sign up for training, drop out before finishing the training period—in almost two-thirds of the cases as the result of difficulties in payment of training fees (Kinyanjui 1997).

The Dar-es-Salaam (**Tanzania**) survey found that over 90% of the apprentices is submitted to a trade test at the end of the training period. The test is an informal one, set up by the master, and it is not clear to what extent they are appropriate. Many masters indicate that there is a continuous assessment of the progress of the apprentices, and that the apprenticeship ends when he/she is working independently and confidently (Nell and Shapiro 1999).

In **Kenya** there appear to be less distinctive endings to the apprenticeship period. There is hardly any skills testing and certification of IME apprentices. In one survey only 10% of the apprentices were found to be sent for trade testing—most are just assessed by their MCs on the basis of the quality of the work they do; instead of a certificate, if necessary, two-thirds of the masters is willing to write a letter of recommendation for their apprentices (Kinyanjui 1997).

The end of the apprenticeship training is best noticed by a raise in remuneration—even though it is often very small: in the Ziwani/Nairobi (Kenya) survey it was found that apprentices receive payments ranging from USD 25 to 40 per month, which is increased to USD 25–80 per month after their ‘graduation’ (Kinyanjui 1997).

7.3.5 Training Results

The Dar-es-Salaam (**Tanzania**) survey obtained information on the current employment status of 60% of all the apprentices trained by the interviewed enterprises in the past 5 years (Nell and Shapiro 1999). Most of the apprentices were still in the same enterprise where they started as an apprentice. About one-third of them set up a business for themselves in the same trade in which they were trained; this was found to be twice as common for young men than for young women. Another 10% found a job in an informal enterprise in the same trade, while 5% were unemployed (again twice as many young women than young men).

From more detailed information it appears that the post-training self-employment rate is highest among masons (48%), car mechanics (34%) and welders (32%). Unemployment was highest among hairdressers and child carers. Carpenters were most likely to find wage employment in the informal sector (30%), followed by caterers (17%) and hairdressers (10%).

In the Ziwani/Nairobi (**Kenya**) survey more than 60% of the apprentices were said to stay on after completion of the training period (Kinyanjui 1997).

7.4 IAT Strengths and Weaknesses

In conclusion it can be said that in many countries in Africa informal apprenticeship training (IAT) is the most important (if not the sole) source of skills for those working in the IME sector. Especially in West and Central Africa it is widespread and well-structured with a relatively clear understanding of the responsibilities of the mastercrafts(wo)men and the outcome of the training—though this does not always preclude unnecessary long apprenticeship periods, incomplete training and incidences of child labour. IAT transfers relevant skills under conditions that are typical for the IME sector and provides an entry into the ‘world of work’ for large numbers of youth. This result of apprenticeship training is of crucial importance, even when the training content and quality might differ.

IAT is particularly important for poor youth for reasons of access and affordability. Youth with low educational achievements generally do not have access to formal training programmes: they do not meet the requirements, the number of training places in courses offered is low and concentrated in urban areas, and entry in formal training programmes of by the public sector at times requires ‘contacts’. In other words, for large numbers of school leavers and others without access to formal skills training, many of whom come from poor households, IAT is more or less the only form of skills training open to them. Secondly,

Table 7.6 Sub-Saharan Africa: examples of informal apprenticeship fees

	Average IAT fee
West and Central Africa	
–Benin	USD 35–200
–Cameroon	USD 60–240 (mean USD 144)
–Ghana	USD 70–85
–Senegal	USD 70–85
Eastern and Southern Africa	
–Kenya	USD 5–16/month (on average USD 12/month)
–Tanzania	USD 2.50–4/month
–Zimbabwe	“very low”

the level of apprenticeship fees, though widely fluctuating and in some cases clearly bordering on the exploitation of the apprentices, is generally lower than those of formal training programmes (except for subsidized training courses offered by public training providers)⁵ (see Table 7.6).

At the same time, it should be recognized that informal apprenticeship training also has a number of, sometimes serious, weaknesses (cf. Birks *et al.* 1994, Fluitman 1994, Adam 1997, ILO/EMAS 1998, Johanson and Adams 2004). First, the availability of the IAT is uneven: while it exists for many trades, these are mostly more suitable for males and wider in variety in urban areas. High (down payment of) may leave out the youth from very poor families.

Secondly, IAT is often weak and ‘incomplete’ since it is unstructured and lacks a pre-determined content (see the elaborate analysis in ILO/EMAS 1998). The duration of the training is usually needlessly long as in the initial phases hardly any ‘training’ takes place at all. There is no uniform training system nor training plan to ensure the transfer of a complete set of relevant skills from the mastercrafts(women) to the apprentices. IAT does not pay much, if any, attention to occupational safe and health issues. IAT lacks any standardization and quality control and the training is not the main priority for the MC. The training quality fluctuates widely as it is dependent on the training approach (which often dictates passive learning and total obedience to the MC), the technical

⁵ In Zimbabwe it has been calculated that the costs of ‘improved’ informal apprenticeship training (e.g. ISTARN/TAP) costs on average almost USD 500 per student per year—which is only 40% of formal apprenticeship training (Suhr 2002)

Box 7.2 Apprenticeship Training: Complete Skills Transfer?

Davoudoun (2002) gives the following example of the way traditional apprenticeship training is ‘incomplete’: Electronics repairers (e.g. radio, TV, video) are usually not capable of reading the schemes and charts of new models of electronic equipment. They thus are not capable to repair them. In fact they are not even in a position to tell their clients beforehand if they can, or not, fix the problem that has occurred. They use the defective device to experiment. When they do not succeed to repair it, they tell the owner that they have not been able to find the required spare part. Later they will say that it is not available on the local market. In such circumstances it is likely that the client will abandon his/her equipment. This explains the large stacks of non-working equipment in the workshop of such electronics repairers—seriously limiting the space in which they have to do their work.

and pedagogical skills of the mastercrafts(wo)man, the (often high) ratio of apprentices per master, and the equipment and other facilities of the workshop. Consequently the results differ significantly from apprentice to apprentice. In the end the training is a derivative of the volume and rhythm of the ‘production’ in the (work)shop and some MCs may even be tempted not to transfer all their skills and knowledge to limit future competition for IAT graduates who set up their own business (see Box 7.2). There are usually no testing or certification practices to ensure that all apprentices in the same trade acquire a more or less uniform set of skills.

Thirdly, informal apprenticeship training is inherently limited when it come to the introduction of new technological developments. Essentially the MCs transfer the skills that they have acquired (usually also through IAT), so that most of the recent technological advances are left out. Moreover, with often low educational levels themselves, they have often little understanding of the theoretical issues involved and in any case do not consider ‘theory’ to form part of the training. This constitutes a weak base for diversification and innovations (even though they do occur in the IME sector—see e.g. Maldonado and Sethuraman 1991 and King 1996). In all, while IAT has shown to be able to adapt itself, it has a tendency to perpetuate mainly traditional technologies, leaving a rapidly widening gap with the skills and knowledge required in the market. Car repair IMEs, for instance, are facing increasing difficulties in repairing new model cars in which electronics and computer-based parts become more and more important.

A final problem of IAT is that the arrangements between the parents and MC, in as far as they exist at all, do not preclude the possibility that unscrupulous

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employers use apprentices as cheap labour—without any meaningful skills development taking place. In any case training conditions are often harsh. And the minimal remuneration of apprentices by itself, even when they have ‘graduated’, effectively means that many of them have to continue working with their master (or move to other—informal—workshops under similar conditions) for a considerable period to save sufficiently to be able to set up their own workshop.

In sum, some of the strengths of informal apprenticeship training are to some extent nullified by its weaknesses (see Table 7.7).

7.5 Needs and Ways for Improving IAT

In view of its weaknesses it is widely recognized that there is a distinct need to improve and complement the informal apprenticeship training system. Some of the main issues with regard to upgrading IAT include:

- (i) how to improve the quality of the training (e.g. introduction of pre-determined training plans, improved teaching skills of MCs, ensuring adequate training tools and materials, monitoring of apprentice’s progress, trade-testing, etc.)?;
- (ii) how can complementary training be offered to both MCs and apprentices—to infuse theoretical aspects, new technological developments, literacy & numeracy and relevant life skills; who will provide such complementary training and how will it be financed?;
- (iii) how to ensure genuine participation of MC & apprentices in efforts to upgrade IAT?;
- (iv) how to curb potential misuse of IAT: how to introduce (and enforce) a minimum entry age, maximum IAT duration, minimum standards of training conditions (e.g. maximum number of working hours) and to enhance recognition of the ‘apprentice’ status?

One of the first attempts to remedy some of the deficiencies of informal apprenticeship training was the National Open Apprenticeship Scheme in Nigeria (see Box 7.3). This example shows clearly that the informal apprenticeship system, especially in WCA, is much more than just a training scheme and that its socio-cultural dimensions need to be fully understood before undertaking any intervention to upgrade it. There is now a general consensus that any interventions in to improve IAT need to be very careful so as not to upset the intricate balances in the system that have evolved over a long period of time. They should not seek to introduce major changes, ensure that the mastercrafts(wo)men see

Table 7.7 Africa: strengths and weaknesses of informal apprenticeship training

Strengths	Weaknesses
<i>Organization and structure</i>	
Self regulating	No clear organizational structure
No tradition of government support, control, or supervision	No link with formal technical-vocational education
	Lack of supervision can allow exploitation of cheap labour
	Sometimes long duration (up to 8 years)
<i>Coverage and equity</i>	
Major source of skills development among all training sources in most Sub-Sahara African countries	Accessibility for very poor may be affected in case of high apprenticeship fees and/or significant down-payments
More mature, motivated trainees than in formal pre-employment training	More common in male-dominated trades and therefore less access for women/girls
Important source of vocational skills for those who lack the education required to qualify for formal training, especially illiterates and semi-literates	Expansion of coverage is limited
Easy access for boys from early age to age 18–20	Entry of very young children
Relevant for the unemployed in general	
Apprenticeship is a mechanism to integrate idle and sometimes delinquent youth into the world of work	
Serving mainly rural populations and urban poor	
Useful for skill upgrading	
<i>Cost and financing</i>	
Self financing; no need for subsidies; no cost to state or community; costs borne by apprentices and their families	
No need for special training centres and separate training tools or equipment	
Costs are markedly lower than formalized training	
Parents can pay over time (monthly)	
Generally cost-effective	

(continued)

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Table 7.7 (Continued)

Strengths	Weaknesses
	<i>Training content and teaching methods</i>
Closely tied to employment (rooted in the world of work); youth get acquainted with real work conditions	No predetermined training program with curricula and training materials
Work-based, therefore practical; what is taught depends on what is produced	Static, not dynamic; introduction of new product designs and production technologies excluded; traditional technologies perpetuated
Vocational skills, business skills, customer service and work attitudes often integrated	Not exposed to modern training approaches; masters perhaps lacking in teaching skills
Learning by doing	Learning generally passive and non-experimental
Well adapted to conditions in the real world of work	Lack of attention to theoretical aspects
Training in local languages	Important skills often deferred to end of training by masters to prevent early departure of apprentices
	Some masters do not teach full set of skills for fear of competition from graduated apprentices
	Often poor training and working conditions
	Often high apprentice to master ratio
	Little attention to occupational safety and health issues
	<i>Quality</i>
	Low educational levels of apprentices often limit results
	Lack of clear standards and monitoring; disparate quality; outcome dependent on master's abilities and interest and type/flow of workshop orders
	No common competency-assessment procedures; seldom linked with post training skills testing
	No accepted certification
	Skills obtained often incomplete; related aspects (resource use, customer orientation, etc.) sometimes not taught

Table 7.7 (Continued)

Strengths	Weaknesses
<i>Effects and outputs</i>	
Allows for building up informal sector business network (e.g. contacts with suppliers and clients)	Graduated apprentices starting a business in competition with mastercrafts(wo)men for same customers
Often results in employment in the same workshop	No training follow-up support (e.g. credit, business advice)
Often continued relationship with MC after setting up own workshop (informal advisory service, order sharing)	

Source: Based on Johanson and Adams 2004 and on Haan 2001, 2002c and 2003c.

clear benefits of the changes and their authority not is undermined. In short, the uninformed introduction of legislation is likely to be counter-productive⁶.

In recent years a number of attempts have been made to improve IAT training and results. In the following a number of case studies will be presented of recent projects and other efforts to improve the content and the quality of informal apprenticeship training in both West and Central Africa (Benin and Ghana) and in Eastern and Southern Africa (Kenya, Tanzania, Uganda and Zimbabwe).

7.6 Case Study A—Benin: Abomey Training Centre to improve apprenticeship training⁷

7.6.1 Background

The German *Hans Seidel Foundation* has been involved since 1992 in a project to improve the quality of TAT through introducing *dual training*. It has set up and equipped a special training centre in Abomey (Benin). This

⁶ In relation to IAT in Tanzania, considered to be especially fragile, it has even been observed that “any attempt to intervene directly in the practice may well do more harm than good, and create yet another supply-driven, dependency inducing training programme. Where the practice is working it should be left alone” (VETA 1998). If there would be any training intervention, it is suggested that it should be at the level of the master, assuming that better technical and business skills will make him/her more productive and able to produce better quality items, which will have an indirect positive ‘trickle down’ effect on the apprenticeship training (Nell and Shapiro 1999).

⁷ This paragraph is largely based on Davodoun 2002.

Box 7.3 National Open Apprenticeship Scheme (Nigeria)

In the early 1990s the Government of Nigeria sought to improve informal apprenticeship training through the *National Open Apprenticeship Scheme (NOAS)*. It was one of the first attempts to do so and provides interesting ‘lessons learned’. The scheme essentially consisted of the following measures:

- Saturday classes during which the apprentices would acquire basic vocational theory and improve their general knowledge (badly chosen as it was the busiest day for most IMEs)
- the apprenticeship training would be supervised by a government training official (who never went to work properly, leading to a lack of supervision and ample corruption)
- (initially) government payment of training fees to the masters and stipends to the trainees (the amounts of which were judged too low and the payment of which was irregular)
- stipulated working hours for the trainees which were far shorter than common in IMEs (which resulted in conflicts with apprentices who did not participate in the scheme)
- a shorter training period (which, in spite of the higher qualifications of the trainees, was deemed too short by most masters who therefore did not award the usual final certificates).

A review of the results clearly shows the failures of the NOAS scheme. The scheme did not use any clear criteria, such as a basic level of workshop equipment or the master’s training abilities, in selecting the masters, while the prospective trainees were selected without involvement of the masters and not on the basis of any presumed trainability but merely preferring aspirants with the highest level of education. Most crucially, the interruption of the traditional selection mechanisms used by the masters and the written contract, meant that neither the masters nor the trainees felt any responsibility for the training. While by 1992 over 100,000 persons had been trained under the scheme, only some 2,500 had opened their own business, while another 8,500 had found a job.

In conclusion, the government introduced well-intended changes in the IAT system, without adequate understanding and appreciation of the importance of the importance of the social interactions between masters and apprentices, without any consultation with the entrepreneurs and without proper implementation capacity.

Source: Adams 1993.

Centre de Formation Professionnelle d'Abomey (CFPA) has as its purpose to introduce and test the relevancy of the *dual training* approach in Benin. The project tries to bring into practice lessons learned in a similar project in Lomé (Togo).

The project is implemented with the National Federation of Artisans (FENAB) as one of the counterparts. The complementary training is done in collaboration with local NGOs. The CFPA centre is operated as a public sector training provider under METPF, and as such is the only public sector training provider with its own programme to train apprentices. The *Centre Régional d'Enseignement Technique et de Formation Professionnelle* in Lomé, Togo (also used by BAA, see below) is involved in technical backstopping. The project also receives inputs for German experts.

7.6.2 CFPA Support Activities

CFPA has as its main stated objectives: (i) operating a '*formation par l'alternance*' ('alternating training', i.e. a combination of centre-based theoretical training and enterprise-based practical training); (ii) training of trainers of technical schools and apprentices; (iii) upgrading of skills of MCs, together with literacy training; (iv) training of apprentices; and (v) promoting the dialogue on *formation par l'alternance* among relevant parties.

CFPA offers both general education and supplementary technical training for apprentices as well as skills upgrading courses for mastercrafts(wo)men (see Table 7.8). The project focuses on wood-working, car and motorcycle repair and dressmaking. The training of the MCs is organized together with two local technical institutions, while the especially constructed Abomey Training Centre is responsible for the complementary training of apprentices.

The centre-based training for the apprentices lasts 3 years, during which the apprentice works 3 weeks per month in his workshop and comes the fourth week to the centre from 8 to 13 hrs, to return to his workshop at 15 hrs. Of the 5 days spend in the centre, 60% of the time is dedicated to practical work and 40% to technical theory and general education. The training areas include general education and technical skills (see Table 7.8).

The mastercraftsmen are considered as the 'co-trainer' with regard to the complementary training of the apprentices. This means, for instance, that at the end of the training, CFPA together with the masters conduct a trade test for the apprentices. The results are validated by a joint METFP/FENAB Committee. They co-sign the *Certificat d'Artisans Qualifiés* (which is expected to be officially recognized). The mastercraftsmen are furthermore expected to organize the ceremony to mark the end of the apprenticeship period.

The cost of the training are almost entirely born by the Hans Seidel Foundation: the training is free for apprentices (except for the insurance during the

Table 7.8 Benin: CFPA areas of supplementary training for apprentices

	Technical training	General training
Car repair	Technology/theory Practical car repair Adjustments Electricity	
Motorcycle repair	Technology/theory Practical motorcycle repair Electricity	French Workers rights Math
Metal products	Applied mathematics Technology Industrial designs Practical work	Management Labour legislation Physical exercise
Carpentry	Technology Applied mathematics Technology Drawing techniques Practical work	

Source: Davodoun 2002.

training period, i.e. USD 2 per year), while the masters have to contribute a commitment fee of 10% of the training costs.

7.6.3 Impact

Between 1994–2001 some 700 mastercraftsmen participated in CFPA skills upgrading training. In the same period some 400 apprentices have been trained (drop-out rate of 12%); of whom 91 got a *Certificat d'Artisans Qualifiés*.

Other effects of the training were that the apprentices are now more respected by their masters and peer apprentices, which tends to give them more self-confidence and pride in their status. They are more competent and towards the end of the training period are treated more as equals in a technical sense. There is not yet a system in place to trace the CFPA training graduates, but an elaborate tracking system is foreseen in the next phase of the project.

7.6.4 Preliminary Appraisal of BAA

No detailed information on the operations of the Abomey Training Centre could be accessed and various questions remain: how are the MCs and

apprentices selected for the training; what is the ‘hook’ for the MCs to participate in the training; and what are the training cost per type of trainee? A further question pertains to the sustainability of the training, since CFPA so far only charges modest training fees for the training of MCs while the training of the apprentices is entirely subsidized.

It is also unfortunate that no evaluation study was available since *formation par l’ alternance* is regularly mentioned as a ‘model’ to improve informal apprenticeship training and enhance the level of skills in the IME sector. This type of training, resembling the *dual training* system in Germany, requires considerable administrative capabilities and a particular institutional and legal setting. Some feel therefore *dual training* is not institutionally not feasible and possible even culturally not appropriate, as well as costly for an African setting.

7.7 Case B—Benin: *Bureau d’Appui aux Artisans: Improving Apprenticeship Training*⁸

7.7.1 Background

The Swiss Development Cooperation (SDC) is in Benin, through the *Bureau d’Appui aux Artisans* (BAA), involved in improving the quality and results of the apprenticeship training system by providing complementary training for apprentices. BAA’s ultimate objective is to train a new sort of mastercrafts(wo)men and so to break the cycle of ‘incomplete’ skills development in which present-day apprentices later become masters who are not adequately equipped to train their apprentices.

7.7.2 Main Activities of BAA

BAA refers to its activities as ‘the introduction of *dual training*’, that is the organization of supplementary training for the apprentices. The main topics for such training are: (i) theoretical knowledge indispensable for the trade, (ii) improved knowledge of marketing, (iii) refining technical knowledge and expanding it to include modern production techniques, and (iv) improving professional attitudes.

Institutional set-up

In its efforts to organize such training, BAA is working together with ISAs, such as *Association Professionnelle des Artisans du Bois de Cotonou*

⁸ This paragraph is largely based on Davodoun 2002.

Box 7.4 Tasks of BAA/NGO ‘Training Committee’:

- work with BAA to pilot the *dual training*
- collaborate in the preparation of new training modules
- set the criteria and carry out the selection of the trainees
- negotiate the fee for the instructors
- insure the trainees during the training
- organize the training together with the staff of the training centre
- monitor the attendance of the apprentices
- check on the tools made available to the trainees
- co-organize the trade test at the end of the training
- participate in the evaluation of the training

(APAB-CUC) and *l’Union Professionnelle des Artisans Tourneurs, Fraiseurs et Forgerons de Porto-Novo* (UPATAFF-CUP). Essentially it links the MCs who are members of these ISAs, as well as a number of their apprentices, to a local training centre, either a public sector training provider (e.g. *Lycée Technique*) or an NGO (e.g. Mgr. Steinmetz VTC). In this constellation BAA is the catalyst, financier and technical adviser and the ISAs are the main implementers. To this end the ISAs create a *Comité de Formation* (Training Committee), which is the main implementing entity that organizes and supervises the training (see Box 7.4).

The Training Committee has also a prominent role in monitoring the performance of the apprentices: the (five) Committee members are asked to follow the training progress of a number of specific apprentices through regular workshop visits. To prepare them for all these tasks, the members of the Training Committee have made a number of exchange visits to the *Centre Régional d’Enseignement Technique et de Formation Professionnelle* in Lomé (Togo).

Another important body that is created by the BAA project is the *Conseil Pédagogique* (Council on Training Techniques), in which BAA, trainers, apprentices, parents of the apprentices and the members of Training Committee participate. The Council advises the Training Committee on all important matters.

Selection and training of the apprentices

The training is first of all directed at apprentices of MCs who are a member of the ISA. The Training Committee is charged with the selection of the

apprentices who will participate in the training. The masters can propose two of their apprentices for the training. They should have at least basic education and be in their second year of training with at least two more years to go. The masters have to guarantee that the selected apprentices will be in a position to regularly follow the training, to which effect the apprentices must sign an agreement.

The complementary training offered to the apprentices is composed of different cycles and modules. The training in wood-working, for instance, consists of two cycles and five modules: (i) general knowledge of wood and other materials, (ii) use of manual tools, (iii) wood assembly, (iv) interior and exterior carpentry, and (v) use of mechanized equipment. After the course the apprentices receive copies of all relevant training materials so that they do not have to take notes during the training. The trainers are contracted from technical colleges and training centres. They receive training and follow-up guidance from staff of the Lomé training centre mentioned earlier.

At the end of the training the Training Committee organizes a trade test for the apprentices who have followed the training. When they pass, the apprentices receive a certificate of attendance signed by the training institution that conducted the training and the association. Once they finish the apprenticeship training they get another certificate from their master.

Training of mastercrafts(wo)men

As part of the BAA project, mastercrafts(wo)men are also eligible for training, especially for skills upgrading. They are nominated by the participating ISAs which form groups of 20–30 MCs. Interestingly, the MCs are mainly motivated to participate in the training to ensure that they are not technically overtaken by their apprentices once these have finished their training. The MCs admitted afterwards that the training had changed their approach and methods for apprenticeship training.

The training is directed at technical skills (in the case of metal-workers) and drawing skills (for the wood-workers). Most of the training takes place in the workshop of one of the participating MCs, at spare hours (afternoons and weekends) and lasts almost two years (see Table 7.9).

Other activities

In addition to the training, the project encourages various other activities to take place: informal meetings and discussions between IME producers; formalization and strengthening of ISAs (statutes, internal rules, activities),

Table 7.9 Benin: BAA training in wood-working and metal-working

	APAB-CUC*	UPATAFF**
Type of activity	Wood-working	Metal-working
Av. number of trainees/group	15	20
Training venue:		
– workshop of MC	5/6	4/6
– training centre	1/6	2/6
Training schedule	Sat 8–13 hrs	Wed 15–18 hrs Sat 8–18 hrs
Training duration	1 st cycle: 9m (36 sessions) 2 nd cycle: 13m (54 sessions)	1 st cycle: 9m (72 sessions) 2 nd cycle: 13m (104 sessions)

Source: Davodoun 2002.

Notes: **l'Association Professionnelle des Artisans de Bois de la Circonscription Urbaine de Cotonou*

***l'Union Professionnelle des Artisans Tourneurs, Ajusteurs, Fraiseurs et Forgerons de la Conscription Urbain de Porto-Novo.*

particularly with regard to apprenticeship training (e.g. formulating collective conventions); identification of relevant training centres; development of training modules; setting up of monitoring systems; and improving the training pedagogies.

7.7.3 Training Results and Cost

On the basis of partial information on the training results, the drop-out rate can be estimated at 10–35% and the pass-out rate at 60–75% (see Table 7.10).

The cost of the training is calculated at some USD 1.30 per trainee per session (excluding depreciation of equipment). The training costs are still largely born by SDC/BAA, although the subsidy has been decreased from 90% to 65–80%. The own contribution from the MCs has increased from 10% to 17% while the ISA and parents association (in case of apprentices training) are contributing the rest.

7.7.4 Impact

As far as impact is concerned, no detailed data are available. But it has become clear that both the MCs and apprentices benefit from the supplementary

Table 7.10 Training results and costs of BAA training through APAB-CUC*/

	1 st group	2 nd group	3 rd group	Total
No. of trainees selected	15	15	15	45
– no. drop-outs	2 (13%)	4 (27%)	5 (33%)	11 (24%)
– no. trade test failures	2 (13%)	0 (0%)	0 (0%)	2 (7%)
Total pass-outs	11	11	10	32

	1 st cycle	2 nd cycle	1 st cycle	2 nd cycle	1 st cycle	2 nd cycle
Trg costs**/trainee/session	998	1012		1078 [?]		500
– contribution MC	10%	8%		11%		17%
– contribution parents	nil	nil		11%		17%
– contribution ISA	nil	1%		nil		nil
– contribution BAA	90%	90%		78%		66%
Trg cost**/trainee/cycle	33932	54648	39468	50166	31486	27000
Trg cost**/trainee/session				1078		
Trg cost***/trainee/session				1862		

*L'Association Professionnelle des Artisans de Bois de la Circonscription Urbaine de Cotonou.

**Direct training costs in CFA.

***Training costs including costs of equipment and teaching aids (depreciated over 10 years).

Source: Davodoun (2002), on the basis of information from BAA.

training. It enhances the technical, pedagogical and management skills of the MCs and they are becoming gradually convinced of the need to strengthen their apprenticeship training (Davodoun 2002). The apprentices who participated in the supplementary training were found to have become more precise, responsible, serious and confident and they had become more interested to do their work well. At the same time, however, they do not always share the newly acquired knowledge with other apprentices, start looking for jobs outside their workshop, get more in a hurry to end their apprenticeship training, and even become arrogant and egoistic (ibid.).

7.7.5 Preliminary Appraisal of CFPA

Documentation found on the BAA efforts was limited and unfortunately no impact study could be accessed. As a result of the lack of key information, some important questions could not be answered: what are the numbers of the different types that have been trained, the drop-out and pass-out rates, and the cost-recovery mechanisms?

On the basis of the limited information collected, some preliminary lessons can be drawn:

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- MCs are not familiar with the notion of ‘external’ training, for themselves and for their apprentices and they need to be carefully shown the benefits of such training
- the MCs who allow their apprentices to follow additional training tend to have the most dynamic workshops and to have a real need for skilled workers
- apprentices who have followed the training acquire more authority, assume new responsibilities in the workshop and take more pride in their status of apprentice
- involving existing public sector and NGO-operated VTCs in supplementary training for MCs and apprentices makes it necessary to improve their equipment, enhance the technical skills of the instructors, and adapt their teaching methodologies.

7.7.6 Comparing CFPA and BAA

The establishment of the *Centre de Formation Professionnelle d’Abomey* (CFPA) and the *Bureau d’Appui aux Artisans* (BAA) presents an interesting opportunity to compare two experimental projects aiming to upgrade informal apprenticeship training that are operating under similar circumstances. Without the benefit of detailed information on the results and impact, unfortunately only some preliminary observations can be made with regard to their, markedly different, implementation strategies.

The projects show some marked differences in their training delivery. CPFA has set up its own (public sector) centre specifically for the training of apprentices. BAA has adopted a more toned-down, more flexible and cheaper approach by making use of existing training centres—mostly run by NGOs. Moreover, while the CFPA offers complementary education and training for apprentices that has a duration of 3 years, the supplementary training provided by BAA takes significantly less time (less than 2 years)—both of which is actually quite long (even part-time) when compared to similar schemes in which (repeated) skills upgrading courses are conducted for weeks rather than months. BAA would appear to be more serious with regard to cost-sharing, increasing the contributions of the trainees to 20% of training costs, but the sustainability in both cases seems doubtful.

CFPA has all the characteristics of a technical assistance project which, at least initially (but it exists already some 10 years), operates on its own, parallel to other activities, while the BAA project seems to have adopted a strategy to get ‘dirty hands’ by leaving the decisions to local ISAs and rely on existing institutions and expertise.

One of the initial lessons of the SDC/BAA project is that ISAs can play an important supporting role in projects to promote training for the IME sector (e.g. awareness raising among MCs, selection of training participants, and contributions to curriculum development). Neither of the projects appears to have any links for post-training assistance (e.g. credit).

7.8 Case Study C—Ghana: Vocational Skills and Informal Sector Support Project (VSP)

The World Bank-financed *Vocational Skills and Informal Sector Support Project* (1995–2000) is an interesting example of a technical assistance project that experimented with ways to enhance the results of IAT (see Amankrah 2001, Korboe 2001 and World Bank 2001).

7.8.1 Project Implementation

The Vocational Skills and Informal Sector Support Project (VSP) aimed to promote a demand-driven system that responds to the need for short-term training of those employed in the IME sector. In this respect it sought to change the focus of existing, public and private vocational training institutes (VTIs) away from the provision of long, pre-employment training towards the provision of short, post-employment, competency-based training, especially directed at IME operators. On the basis of preparatory surveys, VSP supported training in electrical installation, refrigeration and air-conditioning, carpentry and joinery, blockwork and concreting.

The projects focussed on skills upgrading of mastercraftsmen and apprentices through the following components: (i) *apprentice training*: centrepiece of the project consisting of short practical courses (12 weeks), with demonstrations by the instructors followed by practical exercises by the apprentices, provided through participating VTIs; (ii) *training of mastercraftsmen*: technical skills upgrading courses (4 weeks) for interested MCs, as well as training in entrepreneurial, accounting and costing skills (2 weeks), and (iii) *working with Informal Sector Associations*: involving local ISAs in designing the training courses, selecting the participants and choosing the tools for the equipment kits for the graduates.

The participating ISAs were to select the MCs, who in turn would propose one of their apprentices. The condition for apprentices to participate was that they had have been subject of apprenticeship training for at least 18 months.

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When this method proved to hamper project operations (see below), the MCs and apprentices could also be directly recruited by the participating VTIs.

7.8.2 Training Incentives

Initially potential VSP clients were unconvinced and even suspicious of the project activities, which resulted in turn in a slow response by the private and public training providers.

The MCs argued that the training allowance was low when compared to their opportunity costs: “my daily profit averages are over GHC 10,000 (USD 1.40) and on good days I can make GHC 30,000—when I attend classes I miss this, and when my prime clients visit my workshop and do not find me, they go to my competitors—it will take a long time to win back my clients” (Korboe, 2001:19). In addition there incurred other costs to participate in the training (Box 7.5).

The participation increased somewhat after support was given in the form of transportation and meal allowances. Later on VSP introduced further incentives for MCs and apprentices to follow the training: (i) a training allowance of USD 6.50 for each apprentice and USD 7.50 for each MC (both paid at end of training), (ii) the chance to purchase a set of tools against attractive prices⁹, and (iii) a “World Bank” certificate issued on successful completion of training, which clearly itemises the diverse competencies acquired. Especially the latter was much appreciated in a country revering paper qualifications, as it was felt to enhance the employability of the apprentices (so they reckon) and moreover, are valuable as they can be used to access the American Visa Lottery!

Similarly, incentives were needed to ensure the active involvement of the VTCs. These incentives concerned: support in terms of workshop equipment, allowances for staff (to work in project activities during the VTC holidays—during which they normally have other income-generating activities lined up) and logistical assistance. Still, 12 institutions withdrew from the project since they considered the support inadequate.

7.8.3 Project Results and Impact

In the period 1995–2000, VSP trained some 5,000 MCs in technical subjects and about 3 000 in entrepreneurial/business skills, as well as more than

⁹ The MCs complained that the tools were very expensive but the evaluation team noted that in October 2000 the *Butterfly* brand of sewing machines was selling for USD 64 on the open market whereas the superior *Swan* brand was supplied by VSP as low as USD 13, i.e. an 80% subsidy. The tools were indeed viewed by the evaluators as a major incentive for enrolment.

Box 7.5 Costs of Training Incurred by Mastercrafts(wo)men

The VSP evaluation also made an estimate of the training costs incurred by trainees. They were found to vary according to trade area, VTI and area of residence:

- *transport costs* of USD 0.16 per day in the North and South and USD 0.11 per day in the forest belt
- *rented rooms* USD 4–5 per month in the coastal region and forest belt and USD 2–3 per month in the northern savannah
- *training materials* (e.g. fabrics in dressmaking and tailoring courses): USD 11 per course
- *registration fees*: USD 3–4 per course (with officials of some of the ISAs charging unofficially an extra USD 3).

This would mean that the total “direct enrolment costs” for short VSP-type courses range from USD 10–33 and beyond. To this needs to be added the direct income for the apprentices (including tips for practical work, which are, for instance, common in the construction sector), and for the MCs: workmanship fees and ‘free’ apprenticeship labour. Clearly such costs make it difficult for the poor to follow such training without receiving support.

Source: David Korboe, Ghana: Vocational Skills and Informal Sector Support Project: Beneficiary Impact Assessment (2001).

10,000 apprentices. The actual training was conducted by 39 participating VTIs, which included 18 private training centres (i.e. run by NGOs or private entrepreneurs).

The project evaluation found VSP to have had an important impact on all the trainees. Both the MCs and the apprentices were satisfied with the content and depth of the training courses.

The *apprentices* indicated the main results:

- reading of formal technical designs
- turning out better finished products and providing safer services
- skills to make more interesting products
- improved status, as they were envied by the non-enrolled peers for superior skills and better respected by their masters
- improved prospects as they are sought after by some employers, and
- enhanced self-esteem—especially where graduation ceremonies were instituted.

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The MCs frequently commented that VSP-trained apprentices were not only more effective in the art of crafting *per se* but also tried to utilize materials more effectively and less wastefully.

The *mastercrafts(wo)men* indicated the following areas as the most important results of VSP training:

- reading of blue prints and production of own designs
- undertaking of minor repairs of own tools (e.g. sewing machines)
- improved appreciation of resource economics (i.e. saving materials)
- safer and more reliable production methods
- technical information, specifics on materials and standards
- appreciation of aesthetics (e.g. colour combinations in dressmaking)
- improved creativity
- product pricing and time management (much appreciated by MCs).

With regard to the management training, the MCs mentioned the following results: enhanced workshop economics, specifically reducing wasteful use of materials, and improved ability to price their products.

Interestingly, some MCs felt obliged to enrol in the skills upgrading training as the result of manifest improvements in the competence of their VSP-trained apprentices—at times even leading to some workshops friction when apprentices upon completing the training, claimed to be ‘certificated’ and thus better trained than their masters. The evaluation found abundant evidence that product/service quality and productivity had improved in the workshops of VSP graduates: “before it was all trial and error—we were anxious over each job we did and after completing a job we were waiting for the client to return with complaints: now my customers are more satisfied and there are few complaints” (Korboe, 2001:31).

7.8.4 Role of Informal Sector Associations

The Informal Sector Associations that participated in VSP received every year ‘in-take vouchers’ from NACVET, which they distributed among their member-MCs, who in turn passed them on to deserving apprentices and workers. They could select their own (nearby) centre offering the desired training course. In some cases the project also covered other expenses incurred by the trainees. The ISAs also played a role in curriculum development, as NACVET, with support from VSP, consulted with their representatives on the upgrading of the training curricula for the selected five trades.

The role of the ISAs in VSP met with mixed success. The collaboration with the *Association of Dressmakers and Tailors*, for instance, was very useful, but other ISAs were not very helpful in recruiting training participants. In many cases they failed to verify the eligibility of applicants (many graduates

of apprentices courses confessed that they had managed to enrol without serving the mandatory 18 months apprenticeship). Some trade association executives even demanded underhand charges for allowing apprentices to follow training¹⁰. The VTIs felt hampered by the monopoly position of the ISAs in selecting the trainees, as some of the apprentices proposed did not have the right training credentials.

A clear indication of the lack of genuine commitment on the part of associations is the fact that ISA executives approved, prior to their massive importation by the project, samples of tools, which later on turned out to be of inferior quality. In all, the experiences of VSP in collaborating with ISAs shows that consultations on particular aspects of the implementation of IAT improvement efforts should not be restricted to the leadership. The evaluation team even arrived at the conclusion the “most of the associations identified by the study team only exist in name and are not functioning as mobilizers of the local artisan corps” (Korboe, 2001:24).

7.8.5 Lessons Learned

Some of the most salient experiences gathered in designing and implementing the VSP project include the following (see Amankrah 2001 and Korboe 2001):

- after some initial hesitation, the VSP-organized technical training aroused widespread interest and enthusiasm among VTI instructors and IME apprentices, who qualified the courses as a ‘quick route’ to skills development;
- VSP demonstrated that shortening the training period does not necessarily impact adversely on quality—on the contrary, job-oriented competency is more swiftly achieved in programmes that focus on practical workshop skills than in those devoting significant time to theoretical classroom instruction: the evaluation team noted that beneficiaries of the VSP training demonstrated competencies often far beyond levels exhibited by their counterparts on the regular 3-year programmes (interestingly, some of the participating VTIs feel, conversely, that the course should last 4–6 months instead of VSP’s courses of 2–3 months);
- VSP courses, as well as those by OICG (see Section 6.3.3) and others¹¹, clearly indicate that payment of training fees is possible if the trainees

¹⁰ In itself this once again underscores the argument that skills training is seen by IME operators as something valuable.

¹¹ OICG and KVTI have introduced unsubsidised short courses for MCs and apprentices that have been more successful in attracting candidates than their regular largely subsidized programmes. The fees charged are USD 3 per week at KVTI and USD 27.50 per 3 months at OICG.

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- feel that the training is relevant. It would appear in fact that costs are not the most important factor constraining the demand for skills development among MCs, and that the inability to enrol rather reflects a general lack of trusted assistants in whose charge to conveniently leave the workshop;
- the lack of recent, adequate labour market information hampers VTIs to adjust to changes in the demand for skills by modifying their training offerings;
 - training and training materials in local languages, facilitated by the translation of the manual by VSP instructors, was successful, especially for illiterate trainees;
 - tracer studies were found to be important to get feedback on the programme: they revealed that higher proportions of those trained through VSP needed a shorter period to set up their own workshops than non-VSP trained apprentices;
 - VSP-initiated changes (e.g. shorter course duration and more practical curricula) proved more sustainable in VTIs run by NGOs and private entrepreneurs.

The overall conclusion of the evaluation was that VSP-type training is producing competent artisans at considerable lower costs than does the formal system¹². One of other important conclusions of the VSP projects is some of the training institutions with which it collaborated, have continued the new approach to training, using short, post-employment and competency-based training. It is noteworthy that public sector institutions appear to have more difficulties (or less interest) to do so.

7.9 Case Study D—Ghana: Rural Enterprise Project (REP) and Skills Development

Since 1995 the Ministry of Environment, Science and Technology (MEST), together with GRATIS and NBSSI and with financial and technical assistance from the International Fund for Agricultural Development (IFAD), is implementing the *Rural Enterprise Project* (REP). Initially it covered two districts but in 1998 was expanded to nine districts, and in 2003 entered into its second phase. The main project implementers were initially NBSSI and GRATIS, but as they encountered difficulties to honour their commitments, increasingly

¹² The *World Bank Implementation Completion Report* was rather critical of the project in its principal performance ratings: outcome, sustainability, institutional development impact, and WB and borrower performances (World Bank 2001).

important roles are now played by the District Assemblies and local trade associations.

7.9.1 Training Interventions

Skills development has been the main entry point for REP to promote rural IME activities. Often the training is complemented by other services (e.g. credit, career counselling, follow-up business advice). The large variety of these services and the flexibility with which they were conceived and implemented, has probably been one of the important factors behind the success of REP so far.

The project includes several components, one of which is focussed on introducing improved technologies and providing technical training for MCs and apprentices. In this respect REP set out to replicate the GRATIS-model at district-level and established *Rural Technology Services Centres* (RTSCs), which are involved in:

- (i) *training of master craftsmen* in metal working, welding, blacksmithing, carpentry and leather works, either through 1–3 months courses (with classes every other week) at the RTSCs, or on-the-job training for a few hours during 1–3 sessions in the workshops of the master craftsmen, both by RTSC staff
- (ii) *training of ‘visiting apprentices’* in metal working and carpentry, with a duration anywhere from a couple of weeks up to one year, at the RTSC by RTSC staff
- (iii) *training of ‘technical (= resident) apprentices’* in metal working and carpentry for a period of 3–4 years, at the RTSCs and by RTSC staff
- (iv) *technology demonstrations and information dissemination*, which were organized in different modalities: ‘information seminars’ to promote on new equipment, ‘field demonstrations’ to demonstrate the application of new equipment, and ‘open days’ for which producers and others were invited to the RTSCs to be acquainted with their facilities and activities
- (v) *training counselling of unemployed youth* which essentially is one of the first steps for unemployed youth to enter (or not) into traditional apprenticeship training and consist of an interview to assess the interest and motives for technical training, and linking them up with workshops for apprentice training or referring them elsewhere.

REP provides financial support to poor rural youth to enter into traditional apprenticeship training. It operates an *Apprentice Fund* from which funds are

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allocated for the down payment of the apprenticeship contract fee and the purchase of the required tools which the apprentices have to bring. The RTSCs also provide extension services, which mainly refer to manufacturing and repair services, for instance of intermediate food-processing equipment and spare parts. They are important as the local enterprises otherwise would have to travel to major cities such as Accra and Kumasi. The RTSCs also organize occupational safety & health workshops for MCs and others, which are mainly conducted by resource persons (e.g. from the fire brigade), usually in local community centres.

7.9.2 Project Results

The training and other support services rendered by REP are widely seen as successful. Table 7.11 provides an overview of the results of project implementation (up to the end of 2000) in relation with the annual and overall targets of the project.

7.9.3 Lessons Learned

REP's evaluation identified the following strong and weak points with regard to its technical and technology services (IFAD 2000). First, it was noted that the short skills training courses are very popular and contribute to marked increases in household incomes. At the same time it was suggested that they should still be more market-driven by selecting trades on the basis of a demand analysis; many of the trained entrepreneurs already have requested skills upgrading courses (which are more difficult and costly to organize).

The evaluation judged the RTSC in-house apprenticeship training to be inefficient and ineffective. Because of the long training duration only a small number of apprentices can be trained and in the end only very few of them set up their own business. In fact, most of them preferred to stay on as an RTSC employee or search for a—formal sector—wage-job.

The evaluation viewed the results of the MC training as ambivalent: while improving the technical capability of IMEs, the effect on the training of apprentices was found to be minimal since MCs tend to adhere to their usual approach (which does not preclude exploitation of the apprentices). Informal apprenticeship training also suffers from: (i) high apprentice/MC ratios (not seldom 20 apprentices per MC), (ii) lack of proper structuring of the apprenticeship training, and (iii) low educational standards of MCs.

Many of the IAT graduates were found to encounter problems in securing loans, even though as part of the project several rural banks are participating in REP's *Rural Enterprise Development Fund*. The main problems are that the

Table 7.11 Ghana: results of RTSC activities in relation to project targets

	During 2000		Perc. annual target	Up to end 2000	Perc. of total target	
	Women			Women		
RTSC activities:						
Training of master craftsmen ^a	350	3%	46%	745	na.	134%
Training of apprentices	299	na.	141%	1080	na.	60%
• 'technical' apprentices	25 ^b	32%	na.	na.	na.	na.
• 'visiting' apprentices ^c	83	na.	39%	298	32%	63%
Technology dissemination						
• technology demonstrations	na.	na.	na.	25	na.	na.
• field demonstrations	na.	na.	na.	40	na.	na.
Trg/career counselling youth	na.	27%	na.	570 ^d	na.	na.
Technology trg&counselling	860	45%	50%	na.	na.	na.
Financial support for apprentices	na.	27%	na.	190	na.	200%

Sources: UNOPS REP Supervision Report [2000] and REP-I Annual Report 2000 (bold figures).

Notes:

^a Training included: workshop safety, fire prevention, maintenance and repair of equipment, correct sequencing of operations, free hand sketching, on-the-job training in 'improving production and productivity through appropriate technology', measurement and marking out.

^b Enrolled (since 1996) 25, of whom 10 graduated in 2000 'after undergoing a 3-month industrial attachment at Kofuridua RTTC and GRATIS Engineering Design Centre in 3rd quarter of 2000'.

^c 'Visiting apprentices' include: (i) apprentices who are already attached to MCs in their respective localities, and (ii) graduates of technical institutions who require practical on-the-job experience in their respective trades; training lasts 3–9 months, during which training is given in specific modules to acquire skills or to learn to fabricate a particular product.

^d Estimated number of youth who have been able to enter into traditional apprenticeship training as the result of the career guidance and counselling.

IAT graduates cannot put forward the required 20% of the loan amount and that the banks were often unwilling to provide them with start-up capital as the applicants cannot show a business track record.

7.10 Case Study E-Kenya: SITE and Improving Traditional Apprenticeship Training

The Kenyan NGO SITE (Strengthening Informal Training and Enterprise), together with Appropriate Technology (APT UK) implemented from February 1996 to August 1998 the *Skills Upgrading Project* (SUP) to: (i) upgrade the technical and managerial skills of mastercrafts(wo)men/trainers to enable them to diversify their production, (ii) strengthen the capacity of mastercrafts(wo)men

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to provide quality training to their apprentices, and (iii) strengthen the capacity of selected vocational training institutes to support MCs on an ongoing basis¹³. The project has resulted in a number of noteworthy experiences.

7.10.1 SITE's Approach

The project started with a 'market trends survey' on the basis of which it selected metalworking, woodworking and textiles as its priority sub-sectors, since these were found to have the best potential for growth and employment creation. The survey also served to identify the need for skills-upgrading to enable the entrepreneurs to improve their market performance. Subsequently training was given to a total of 20 trainers from VTIs together with individual consultants to be the resource persons for the project and transfer improved skills to the participating entrepreneurs.

The project suffered an initial setback when the mastercrafts(wo)men, called 'host trainers', displayed little interest in upgrading their technical skills—many of them already had years of experience in their business and felt that no skills upgrading was necessary. This led to an important change in the approach of the project which subsequently became its hallmark—a more participatory process of needs rationalization and dialogue with prospective project clients based on the following notions:

- skills training for MCs should translate into direct business improvement (either through a new or improved product or improved business operations)
- training content, delivery mode and time schedule should be flexible
- training provision is a continuous learning process, in particular for project staff
- MCs are not only interested in improved delivery of apprenticeship training but also in overall management of training.

In practical terms, the recruitment of the MCs was done through meetings with potential 'host trainers', organized through *jua kali* associations. While initially only 20% of the participants of these 'training needs rationalization meetings' actually decided to participate in the training, this increased to 90% at the end of the project. Relying on contacts with *jua kali* entrepreneurs through ISAs for recruitment of 'host trainers' proved quick and inexpensive.

The project originally considered providing more theoretical training to the apprentices to supplement the practical training given by the MCs. It was found, however, to be much more cost-effective to build up the base of MC

¹³ This Case study is largely based on Baiya and Jeans 1998, Grierson 1998 and SITE 1999.

‘host trainers’ first and then broaden their training in skills and theory. Another new feature of the project was to stimulate the MCs to use their apprentices as sales representatives to source business for their enterprise. This exposed the apprentices to the wider aspects of running a business, which was much appreciated.

There were two other changes made to adapt project implementation to changing conditions and early project findings. VTI involvement was reduced as this was found to require an institutional reorientation that was beyond the project’s mandate and capability. The credit component built into the project was also given less prominence in view of the limited capacity of the project to follow-up and recover the loans. Out of 31 applications received, 12 of SITE’s clients qualified for financial assistance to purchase of equipment, in part because it would enhance the use of skills learned in the training and it would provide services to other IMEs.

7.10.2 Project Activities

During the project period a total of 43 courses were designed and conducted for host trainers and apprentices. Three of the courses focussed specifically on pedagogy for the host trainers, 10 were technical skills courses, 8 business skills courses and 20 mixed courses. In all 419 MCs were trained, 284 apprentices benefited directly from training by the project and 1396 received improved training from the project’s host trainers.

The project furthermore developed training materials based on the demands from the clients, and 4 publications were prepared and made available to the host trainers. A video was produced about a training course on wood and metal finishing.

7.10.3 Project Results and Impact

As a result of project activities, the MC ‘host trainers’ improved their training of apprentices, *inter alia* by eliminating gaps in apprentice enrolment, reducing time and costs of training, improve content and quality of training, and ensuring that training concerns productive activities and not limited to menial and unplanned duties.

As a result almost all the mastercrafts(wo)men involved in the project, increased their number of apprentices, on average by 15–20%. The *jua kali* workers were found to take home 14–20% more income and the general increase in employment of the participating IMEs was 22%. Other reported successes with regard to the *mastercraftsmen*: 88% of the host trainers applied their new skills; 73% started to make new/ improved products; 58% penetrated

Table 7.12 Cost structure of SITE's Skills Upgrading Programme

	Nov 1996	Jan 1998
Pre-training activities	\$806 (56%)	\$40 (13%)
Training preparation and delivery	\$526 (36%)	\$228 (75%)
Post-training follow-up	\$114 (8%)	\$38 (12%)
.....		
Total training costs	\$1,1447	\$306

Source: Based on Baiya and Jeans 1998.

new markets; turnover of participating IMEs a increased 57% and profits 25%; better workshop layout and improved organization of production; and 88% of the apprentices indicate to make use of the skills transferred and 73% to make new and improved products. With regard to the *apprentices* the main results of the training were: (i) increased confidence in starting an own business, (iii) increased awareness of financial aspects of running a business, and (iii) clarity on real problems with equipment and worksite.

7.10.4 Training Cost

SUP had a total budget of a modest USD 320,000 for 2½ years, of which 20% should be considered as 'learning process' costs (Grierson 1998). The cost of the training courses conducted fell drastically during the project implementation period. Cost of technical training courses, for instance, fell from KSh. 5,690 (USD 96) per trainee in November 1996 to KSh. 1,204 (USD 20) in January 1998. The main cost reduction (95%!) was achieved in the recruitment of the host trainers, while the cost of training delivery and follow-up activities were cut by 60–70%.

As a result of the cost reduction, total costs per training course declined by 79%—the share of training delivery costs constituted 75% of total costs at the end of the project¹⁴ (see Table 7.12).

A partial recovery of the training costs was achieved through charging fees. At the end of the project the level of cost-recovery was around 30% (over the total period of the project only 10%)—excluding the development cost of the training. The fees charged were gradually increased during the project period, so that participant contributions rose from 7% of indirect costs at the start of the project to 77% towards the end. In absolute terms, the cost-recovery was

¹⁴ The project noted that there are severe distortions in the market for consultant/trainers. While they would accept a fee of USD 2 per hour when approached by an existing VTI, they refused to collaborate for anything less than USD 6.50 when directly approached by SITE/SUP.

highest for the technical skills courses, but as this type of training is more expensive, the cost recovery rate was lower than that for the business skills training courses.

The project noted that cost-sharing through training fees is influenced by a number of factors, such as the awareness of potential benefits of the training and the interest in specific or more 'elitist' skills (e.g. skills for high quality fabrics or skills for the production of more complex and expensive products such as hammer mills). The project also observed that there are ripple effects across the sector as new skills and approaches are shared and copied by others.

7.10.5 Lessons Learned

The SITE/SUP project resulted in a number of important 'lessons learned'. First, mastercrafts(women) are not automatically interested to receive skills training and need to be 'hooked' (Nelson 1997). To enlist their cooperation 'skills training' has to be put in the broader context of business improvement and to concern the transfer of marketable skills that will result in early tangible gains. Related to this, care needs to be taken to deliver the training in a flexible manner, taking into consideration the opportunity costs of the labour and time of the participating MCs.

Second, in spite of the fact that apprenticeship training is increasingly becoming fee-based, the motivation for mastercrafts(women) (except for a few in textiles¹⁵) is not to make training their primary activity. They seek foremost skills training that will increase income from their business' productive activities. Still, there is a distinct potential to increase incomes from training—rather by increasing training efficiency (i.e. through cost reduction in providing the training, together with benefiting from an earlier and more productive output from the skills transfer), than from taking on larger numbers of apprentices.

Third, the training interventions proved a useful entry point for upgrading the technological level of participating IMEs. The training in finishing of metal and wood products, for instance, resulted in an increased demand for new equipment that had not been used in the sector before. This by itself, presented unexpected interesting opportunities to link up with the private sector, as the

¹⁵ A few of the participating IMEs in textile trades operating in Nairobi, Mombassa and Nakuru indeed shifted their focus from production to training. This would appear to be related to the generally depressed situation of small-scale tailors and dressmakers, which, in addition to operating in an almost saturated market, have in recent years suffered from widespread *mitumba* (i.e. importation and sale of second-hand-clothing).

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Sandolin Paints company was found willing to take care of the delivery of this course¹⁶.

Fourth, the development of linkages with VTIs proved disappointing. Memoranda of understanding were signed with six VTIs, but two (government) VTIs showed structural constraints to collaborate, and the others demonstrated inadequate levels of commitment and ability to work with the project. In the end the selected institutions failed to become sustainable providers of training and wider business development services to the *jua kali* sector. At the same time, one of the trainers of a public sector VTI in Mombassa started on his own to conduct training courses that were modelled after the training he had been giving within the SITE/SUP framework. There was widespread interest for his courses (some were actually overbooked) and they earned him an interesting USD 200 per month.

Fifth, the project shows that there is scope in promoting independent trainers who are close to the IME sector as providers of this type of training as well as other IME support services. On the basis of the experiences of SITE/SUP it can be argued that they can probably provide such services in a more sustainable manner than VTIs and other IME support organizations. Conversely, conventional VTIs (in terms of structure and training approaches) appear to have little potential for supporting MCs in transferring skills to IME owners and workers.

Six, SITE/SUP found the collaboration and goodwill of the *jua kali* associations of prime importance to mobilize and work with IMEs. Communication through these associations proved to substantially reduce cost and time.

Finally and most importantly, SITE/SUP has shown that it is possible and practical to upgrade *jua kali* enterprises through carefully targeted skills development; the project studies show that there is a distinct application of the new skills which appears to result in increased growth, innovation and productivity of the participating IMEs (Grierson 1998).

7.11 Case Study F—Uganda: Private Workshops that Offer Skills Training

While at the time of the fieldwork for this study there were no projects being implemented to improve informal apprenticeship training in Uganda, some interesting examples were found of linkages between formal training providers and workshops involved in IAT.

¹⁶ Following this example, one of the government VTIs approached Crown Paints and secured expert training for its regular students at no cost.

The **Tree Shade metal workshop**¹⁷ operates in the suburbs of Kampala. The owner is rather well-educated (grade-II in engineering) and a keen businessman (e.g. an active member of USSIA and the Gatsby Business Club). His daughter is now enrolled in the metal section of the Lugogo Vocational Training Centre. An important reason for the workshop owner to take apprentices is formed by the fact that it is difficult to get good skilled labour. One of his workers had been a trainee in the workshop during his university study in engineering. He returned upon completion of his study to get further training in practical matters.

The workshop regularly takes on apprentices, especially through the relation that Tree Shade developed, through the Gatsby Trust, with the Technology Faculty of Makerere University. In this way technology graduate students spend their practical period in the workshop. Sometimes other apprentices (or their parents) approach the owner directly. The apprentices are selected on the basis of their education (if possible at least secondary education) and basic understanding of technical matters. At the moment of the visit, Tree Shade had only a few apprentices, as eight of them had just gone back to university after their practical.

The owner stated not to demand an apprentice fee; the trainees get only a small remuneration for their work. The worker received during his practical financial support from the university (some USD 250 per term), and in addition, earned some small money from the workshop (e.g. USD 30–40 per month). Since his return to the workshop, he has not yet discussed his income position; he is foremost interested to learn and for the time being he is content with the food and lodging provided by the workshop owner. He feels that USD 222 per month (!) would be a normal wage for somebody with his education and experience.

The Tree Shade metal workshop does not offer a fixed training programme for its apprentices. The teaching depends on the repair and production jobs that have to be done. The apprentices do not sit for any kind of skills test. They stay until they feel that they have learned enough. Usually they move on after two years to work in other workshops, where, according to the workshops owner, they can get a better salary.

Of all the training providers visited in Uganda, the Tree Shade workshop would appear to be the most relevant. It is relatively well equipped (e.g. with lath and bending machines), and the owner seems to have good technical knowledge, together with ample engineering ingenuity (e.g. the apprentice/worker proudly showed a piece of equipment that was developed for use in the workshop). It would seem that in absence of a training fee, the owner under-pays the trainees,

¹⁷ The workshop owner was identified through a list of trainees who had reacted an advertisement by FIT-Uganda and followed a short course on 'rapid market appraisal'.

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for which reason they leave after some time, even to informal workshops. It could however also be related to the slow pace of business, which in turn could be, at least partially be caused by the fact that the workshop is currently not optimally located. The owner is in fact considering moving to another area.

7.12 Case Study G—Zimbabwe: ISTARN Traditional Apprenticeship Programme¹⁸

7.12.1 Background

As part of its efforts to promote business and employment in Zimbabwe, and in particular its longstanding support to the vocational training sector in the country¹⁹, GTZ has been implementing the *Informal Sector Training and Resources Network project* (ISTARN), which aims to develop an integrated approach to strengthening the informal sector so as to create employment opportunities and enhance the business viability of informal enterprises²⁰. ISTARN is composed of different components that together deliver an innovative package of services expected to make training an effective instrument for tackling youth unemployment: (i) access to credit and start-up capital, especially for apprenticeship graduates, (ii) access to small business management training, (iii) business advisory services, (iv) capacity building for IME Associations, (v) marketing support, and (vi) improving informal apprenticeship training (Nell & Shapiro and Grunwald 2002).

The *Traditional Apprenticeship Programme* (TAP) aims to stimulate the creation of self-employment by equipping the unemployed with marketable technical and business skills. It was initially implemented as a pilot project in Masvingo Province (starting March 1996), and replicated in 1999 in Mutare Province and Bulawayo, in collaboration with local Technical Colleges. Essentially it is based on the notion that the informal apprenticeship system that is still found in Zimbabwe holds major advantages over centre-based training:

¹⁸ This case study is largely based on Mangstrat 2000, GTZ/ISTARN 2000a and 2000b, Suhr 2000, ADEA undated, and Nell & Shapiro and Grunwald 2002.

¹⁹ The related projects concerned: *Advisory Service for Private Business* (ASPB) project to assist local government in creating a more conducive environment for the private sector; *Micro- and Small Scale Enterprise Promotion* (MISSEP) project to improve the policy environment for the MSE sector; and the *National Vocational Training Project* (NVTP) to assist the Ministry of Higher Education in the area of vocational education and training, and in itself consists of a number of different initiatives (see e.g. Dube *et al.* 2001).

²⁰ The project started in 1996 and was put 'on hold' in 2001 due to the political situation in Zimbabwe.

it is accessible to a large number of people, relevant and cost-effective. At the same time IAT is acknowledged to have a number of weaknesses and TAP is seeking to improve its effectiveness by transferring practical skills to the mastercrafts(wo)men and apprentices without undue interference.

7.12.2 TAP's Selection of Trades, Masters and Apprentices

The TAP programme initially focussed on support for a few trades (welding and carpentry), but, when it found that over-crowding started to occur in these activities, subsequently added others (e.g. dressmaking, radio and TV repair, motor mechanics, refrigeration and solar electrical installation). Now training and other support is provided to 19 trades, selected on the basis of a study of the IME sector in the area. Other factors in selecting trades are: the availability of training expertise in the skills; the availability of apprentice placements and the willingness of mastercrafts(wo)men to take on apprentices; the time required for someone to acquire the skills; and the initial capital costs to set up a venture in the trade.

Initially TAP offered incentives to the MCs to participate in the programme (e.g. free business training and advisory services), but this was discontinued as it led to a commercialization alien to the existing apprenticeship system. No longer are special incentives offered, although the MCs can still apply for the services—but on a fee basis. Care is taken, however, to work with suitable MCs as it was found that not all the interested MCs present the same opportunities for exposure and training of the apprentices. Some are more innovative than others, obtain frequent and interesting orders, have better instruction skills and discuss the training and its results with the apprentices.

The youth to participate in the TAP are selected from the ranks of the unemployed on the basis of entrepreneurial aptitude, since they are thought to become self-employed after the training. This is essentially done by making the selection conditional on the would-be apprentices finding their own 'master' for apprenticeship placement, and being able to organize their own food and lodging. This was a reversal from the beginning when TAP offered a subsistence allowance and negotiated the placements of the apprentices. This 'hand-holding' led the first intake to have unrealistic expectations and resulted in endless complaints at the beginning of their placements about the MCs and the workshops.

The main intervention and arguably most innovative aspect of the project is the provision of short technical training courses that already start before the apprenticeship and continue throughout the apprenticeship period. They consist of two or three blocks of 2-weeks training (both theory and practice) and are conducted at the participating Technical College. Particularly the pre-apprenticeship training is appreciated by the 'masters' with whom the trainees

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subsequently start their apprenticeship, as it makes them immediately productive in the workshop, reduces the risk that tools and equipment are damaged and wasted production materials, and significantly shortens the apprenticeship period.

TAP also offers IME owners short-term training in business skills (“a township MBA”), access to loans to participate in a rental-purchase scheme, and small business advisory services. In addition, the clients can access the services of the other ISTARNS projects, e.g. link up with an informal sector association to purchase production materials at reduced prices.

7.12.3 TAP Results and Impact

The actual apprenticeship period varies as it reflects the characteristics of the trade in which the training takes. For instance, while an apprenticeship in tailoring takes some 8 months, one in motor mechanics requires at least 18 months. This illustrates one of the important characteristics of the programme: its flexibility, which allows it to be market-driven. Thereto the training is as short as possible (but as long as necessary), offered on an open-entry basis, without a pre-determined fixed training curriculum, but with the vocational/technical skills interwoven with entrepreneurial and business skills. The Technical Colleges are responsible for following the progress of the apprentices.

At the end of the training all the apprentices receive an ISTARNS-TAP certificate of attendance. The apprentices are also given the option to sit for a formal trade test (when they exist), but have to pay for this themselves. The programme feels that trade-testing is an option that needs to be treated with care: “while establishing *test standards* may increase the quality of work apprentices produce, quality is not a sufficient predictor of success in itself and needs to be defined in relation to the target market—what it wants and needs in terms of quality. If accreditation and certification result in higher prices for goods and services in the informal sector, then the training that leads to them may become as irrelevant as that offered currently in formal technical training courses” (GTZ/ISTARNS 2000a:22).

In the period 1994–2000 some 1161 apprentices (72% males) graduated through TAP. Over 60% of them were trained in motorcycle repair, welding and fabrication, carpentry or dressmaking (see Table 7.13). Another 337 were being trained mid-2001 (Billing *et al.* 2001).

A project evaluation was conducted to assess the impact of the TAP interventions (Mangstrat 2000). First, *interviews* were conducted with 88 **apprentices**. It was found that the training is very effective in getting the youth employed (88% of the graduates): 44% self-employed (with one in 10 creating additional employment for others), 31% employed in informal sector (workshops), 13%

Table 7.13 Zimbabwe: distribution of TAP apprentice graduates (1994–2000)

	Males		Females		Total	
Carpentry and joinery	167	19,9	3	0,9	170	14,6
Cutting and design	2	0,2	124	38,4	126	10,9
Welding and fabrication	175	20,9	20	6,2	195	16,8
Motorcycle repair	210	25,1	3	0,9	213	18,3
Motor mechanics	20	2,4	0	0,0	20	1,7
Panel beating and spray painting	20	2,4	0	0,0	20	1,7
Auto electrical	23	2,7	2	0,6	25	2,2
Plumbing and drain-laying	4	0,5	0	0,0	4	0,3
Refrigeration	67	8,0	21	6,5	88	7,6
Radio and TV repair	41	4,9	10	3,1	51	4,4
Electrical installation	57	6,8	9	2,8	66	5,7
Solar installations	38	4,5	11	3,4	49	4,2
Interior decorating	1	0,1	17	5,3	18	1,6
Fiberglas technology	11	1,3	0	0,0	11	0,9
Hairdressing	1	0,1	40	12,4	41	3,5
Childcare	0	0,0	57	17,6	57	4,9
Creative art	1	0,1	6	1,9	7	0,6
Total	838	100,0	323	100	1161	100

Source: Billing, Chutiyo, Kuchocha and Mutiwanyuka, Practical experiences from the Informal Sector Training and Resources Network (ISTARN) (August 2001).

with a job in the formal sector and only 12% unemployed. Graduates of trades that require only modest start-up capital to set up a business (e.g. carpentry) fared better than those trades that require higher initial investments (e.g. welding). Secondly, *interviews* held with **mastercrafts(wo)men** show the MCs are also positive about TAP: 91% of them are positive about TAP; 70% indicated that their business expanded; 89% said the business had increased its productivity and profitability; 70% preferred to take on apprentices pre-trained by the project over non-trained apprentices; and 35% felt satisfied to have assisted unemployed youth in developing practical skills.

Tracer studies carried out by the project on behalf of the participating VTIs show that some 75–87% of the graduated apprentices assisted through TAP find employment (mainly self-employment), against only a minority (22–41%) of their regular (i.e. non-project supported) graduates who received a much more expensive training (and were mainly found in wage jobs) (Billing *et al.* 2001).

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The demand for TAP-trained apprentices is steadily increasing. As a consequence of these results, a total of 9 VTIs in Zimbabwe have now adopted the TAP methodology, as they have come to view a TAP as an appropriate and cost-effective way to fulfil their mandates (Nell & Shapiro and Grunwald 2002).

7.12.4 Training Costs and Financing

The TAP apprenticeship training is considered cost-effective as it implies low costs on the part of the master (i.e. the very small salary/stipend for a relatively short period). For the participating training institutions this manner of organizing the training is also much cheaper than their regular training format, especially because the duration of the centre-based courses for apprentices is very short. Furthermore, TAP makes use of existing infrastructure and resources, e.g. colleges and staff during holidays and in the weekends.

The relevance of the training is deemed high because the apprentices are trained in: (i) carefully selected and prepared technical skills, and (ii) business skills (mainly by the project). Moreover, the training setting exposes the apprentices to the conditions and circumstances prevailing in the IME sector in which they can be expected to later on establish their own venture and in this way are inducted in its culture and business networks.

ISTARN/TAP realizes that it needs to reach considerable numbers of clients to make the programme administratively cost-effective, as well as to contribute in a significant manner to the alleviation of employment and poverty in the country. This requires regular intakes of apprentices (e.g. 3–6 monthly) and a growing number per intake (from an initial 30–40 to a regular 40–100). TAP has now enhanced the intake from around 40 to 120 apprentices. All together more than 1,100 trainees have been enrolled since TAP started as a pilot activity.

7.12.5 Preliminary Assessment

The ISTARN Apprenticeship Programme presents some interesting innovations and appears to constitute indeed a ‘low-cost route to relevant training’. It has succeeded to build upon the strong points of the traditional apprenticeship system, without unduly intervening and upsetting the intricate equilibrium that has grown over a period of many years. Its success would appear to especially lie in two factors: (i) preparation of the unemployed, mostly youth, by giving them pre-apprenticeship training, and (ii) availability of a wide range of follow-up assistance to the training graduates, such as: support for trade-testing, financial linkages, advisory services, and referral to other ISTARN projects (e.g. on marketing and ISAs; see ADEA undated). Also, it is quite interesting that under

TAP, female apprentices have made some in-roads in the trades that have been traditionally the exclusive domain of males, such as welding and carpentry. This has been stimulated by the explicit target of a 30% female participation in all TAP-supported training.

A major achievement of the programme is to have kept down the costs of the training to on average well under USD 1,000 per apprentice, which would mean that total cost of creating a job in the informal sector through a TAP, from training up to actual self-employment (i.e. including start-up costs), is only one-tenth of the estimated cost of merely the training involved in a formal sector job (GTZ/ISTARN 2000a).

Other aspects, while interesting, appear to require further efforts. For instance, while the apprentices are provided with supplementary training in entrepreneurial and management skills, a recent evaluation found that graduates still lack business knowledge and marketing expertise and suggests that more of such training as well as marketing assistance are required (Mangstrat 2000).

Some of the main remaining problems refer to (see e.g. Mangstrat 2000 and Suhr 2000):

- need to pay more attention to the suitability of the ‘masters’ for participation in apprenticeship training, as it was found that they do not always fully understand their mentoring role and training function
- while the tendency towards over-concentration of training in particular trades can be overcome through market studies, TAP has as yet not demonstrated that VTIs have the interest, expertise and resources to undertake such studies on a permanent basis
- sustainability is as yet low as the training fees only cover a small part of the total costs (especially when the various technical assistance costs are taken into consideration)
- the usefulness of supplementary training as a remedy to overcome the technological stagnation common to IAT has not yet been proven; as an indication may serve that one of the reports shows that TAP did not succeed to convince the ‘masters’ of welding training to provide the apprentices with protective clothing (e.g. mask for the eyes).

A final remarkable feature of TAP is that this training project is linked to the wider ISTARN project which functions almost as a full-fledged IME Support Agency providing an integrated IME support package, just when the emerging BDS *best practice* is to ‘unbundle’ and provide the entire support package through networking of specialized organizations. In this respect the long-term institutional sustainability of TAP interventions still remains uncertain.

7.12.6 Some Lessons Learned

In its relatively long period of operation, the *Traditional Apprenticeship Project* in Zimbabwe has amassed a large number of relevant experiences. Some of its lessons learned can be formulated as follows:

- selection of prospective apprentices on the basis of entrepreneurial aptitude (“winners”) is important to limit the drop-out rate and increasing the cost-effectiveness of the project
- apprentices should arrange for their own apprenticeship places
- there are advantages in concentrating on particular geographical areas (e.g. for monitoring and provision of additional services)
- not all IME owners make good MCs and careful selection is important
- lecturers from Technical Colleges need to be trained on how to work with IME operators (for at least one week)
- ample attention needs to be paid to building up the provision of follow-up support services (e.g. “hire-to-buy” credit and marketing assistance)
- the cost can be brought down through cost-sharing with the apprentices (e.g. paying for their training materials and accommodation during the training in the Technical Colleges)
- “conventions” for the graduates organized by the project help in the monitoring of the impact and also serve as place for role modelling and creating business networks
- there are advantages for the graduate apprentices to first work for a period in an IME workshop before entering into self-employment.

Using the Technical Colleges for the initial training of the prospective apprentices appears to have advantages as well as disadvantages. It is generally cost-effective since both the facilities and instructors of the Colleges are usually under-utilized. At the same time there have been examples of training where course content and level of instruction were at variance with the level of understanding of the target group. This problem can only be partly resolved using spare staff and technical capacities in the technical colleges, since the lecturers tend to have more qualities in technical than in practical terms (Suhr 2000). Attempts in the early stages of the project to involve NGO training providers were not successful.

A final important experience of TAP is that this type of projects require a supportive framework, with matching interventions at macro and meso levels, that is assistance to the relevant TVET Ministry in the area of policy formulation, institution building for the Technical Colleges (e.g. training of instructors), and support to strengthen IME associations (Nell & Shapiro and Grunwald 2002).

And the success of the training interventions foremost depends on the availability of a package of different business support services.

7.13 Conclusion: Improving Informal Apprenticeship Training

On the basis of the experiences of the examples of recent (donor) projects depicted in this chapter, two main conclusions can be drawn. First, complementary training, for instance for a few hours per week, for both the apprentices and the mastercrafts(wo)men, can make an important contribution to upgrading informal apprenticeship training. Secondly, the impact of interventions to improve IAT training can be further increased when they form part of an integrated approach which also includes the provision of incentives and support services. For instance, apprentices were found to benefit from counselling and guidance—both before and during the training, while mastercrafts(wo)men can be assisted through advice on the selection of apprentices, on how to improve their teaching approaches, and other matters.

7.13.1 Up-grading IAT: Lessons Learned

Table 7.14 summarizes the most important objectives, results and lessons learned of the projects aiming to upgrade IAT.

7.13.2 Complementary Training for Mastercrafts(wo)men and Apprentices

These results of the IAT improvement projects are a clear indication that the quality and effectiveness of informal apprenticeship training can indeed be improved. The most important intervention to this end is the provision of skills upgrading for the mastercrafts(wo)men and complementary training for the apprentices. *Training for the MCs* refers to short courses to enhance the vocational skills and sometimes the management and marketing skills of the masters, as well as to improve their teaching abilities.

Training for the apprentices concerns concentrated training to present them with additional practical training as well as with some theoretical background to deepen their understanding of the daily apprenticeship training. Sometimes, in case of very low level of education of the apprentices, it could include functional literacy and numeracy courses, which have proven important for them to absorb skills and other training. Most projects offer the complementary training for the apprentices after they have started their apprenticeship period; an interesting

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Table 7.14 Summary of experiences of projects aiming to improve IAT

Project	Objectives and Results/impact	Main lessons learned
Benin: BAA	<p>Objectives</p> <ul style="list-style-type: none"> – Training of apprentices as future master craftsmen to break cycle of ‘incomplete’ skills development in IME <p>Results/impact</p> <ul style="list-style-type: none"> – Drop out rate 10–25% and pass-out-rate 60–75% – Apprentices who have followed training gain authority, assume new responsibilities, take more pride in status – No impact data available 	<ul style="list-style-type: none"> – To interest MCs to allow their apprentices to participate in a project to improve IAT, they need to be carefully shown benefits of such supplementary training – A necessary condition for good results is that the participating MCs have relative dynamic workshops and/or real need for skilled labour – To involve existing NGO and public sector VTCs, it is necessary to improve their equipment, enhance the vocational skills of instructors and adapt their teaching methodologies
Cameroon: APME	<p>Objectives</p> <ul style="list-style-type: none"> – To assist local artisans and promote IME activities – To develop sustainable IME support for local economy <p>Results/impact</p> <ul style="list-style-type: none"> – Support provided to \pm 150 artisans – 58 short training courses conducted – Follow-up assistance given to 83 IME workshops and 260 trainees – Creation of ‘KALKAL’ brand name, which improved market access of informal enterprises, and resulted in increased quality and sales 	<ul style="list-style-type: none"> – Skills training is useful entry point to improve market position and opportunities for IMEs when it forms part of an integrated support approach – It takes some 110 hours of training (9 hrs/wk for 1 year) for an artisan to significantly enhance product quality – Personalized training is much appreciated by clients but very time-consuming and difficult to plan—while hired VTC trainers stick to standard training programmes

Table 7.14 (Continued)

Project	Objectives and Results/impact	Main lessons learned
	<ul style="list-style-type: none"> – High cost recovery for vocational training 62%, and marketing support 47% (but for literacy training 9%). 	<ul style="list-style-type: none"> – Literacy training (30 minutes during 6 days/week) is important pre-condition for effective bus. development – Few of the MCs are genuinely interested in bookkeeping – Market-driven approach to identify/create opportunities for local products (promotion activities) as the basis of the interventions is very effective.
<p>Ghana: VSP</p>	<p>Objectives</p> <ul style="list-style-type: none"> – To improve skills of MCs (e.g. design reading) to enhance quality of goods and services produced – To make IAs more effective producers + less wasteful – To introduce new, attractive products – To improve status of apprenticeship and enhance future prospects of apprentices <p>Results/impact</p> <ul style="list-style-type: none"> – Large numbers of trained MCs (5,000 in vocational and 3,000 in business skills) and IAs (>10,000) – Improved skills of MCs to read designs, repair small equipment, save raw materials, produce new items, calculate prices, manage time – Improved skills of apprentices, together with improved status among peers and better employment prospects 	<ul style="list-style-type: none"> – Both MCs and apprentices, once convinced, are eager to participate in external skills training – In case of focused training, short periods (2–3 months) are adequate – Training fees are acceptable for participants when training is felt to be relevant – Information on demand for skills crucial for adjusting training offerings – Tracer studies critical for feedback – Strong role of informal sector associations in the selection of participants caused problems – VSP initiated changes among training providers (e.g. shorter course duration and training curricula focussed on practical training) proved more sustainable in VTC operated by NGOs and private entrepreneurs.

(continued)

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Table 7.14 (Continued)

Project	Objectives and Results/impact	Main lessons learned
	<ul style="list-style-type: none"> – Trained apprentices took less time to establish their own business than non-VSP trained apprentices. 	
Kenya: SITE	<p>Objectives</p> <ul style="list-style-type: none"> – To eliminate ups & downs in enrolment of apprentices and make apprenticeship more attractive for MCs – To reduce time and costs of training – To improve training content and quality – To ensure that training concerns productive activities <p>Results/impact</p> <ul style="list-style-type: none"> – Increased number of apprentices per workshop – Increased incomes of apprentices – Increased employment in participating workshops – Workshops entered into new markets – increased turn-over and profits of workshops. 	<ul style="list-style-type: none"> – MCs are not automatically interested to participate but need to be convinced, e.g. through training for new products – improved apprenticeship can generate extra incomes for MCs, but in general these are not interested to specialize in training – Skills training is an interesting entry point to enhance the level of technology of the IME sector – Developing linkages with existing (public) VTCs was disappointing; easier to work with independent trainers – informal sector associations important to mobilize MCs and organize training.
Zimbabwe: ISTARN	<p>Objectives</p> <ul style="list-style-type: none"> – To improve IAT effectiveness in transferring practical skills without excessive interference <p>Results/impact</p> <ul style="list-style-type: none"> – High proportion of apprentices (88%) find employment, especially self-employment + IME jobs – Large majority of MCs (91%) enthusiast over ISTARN – MCs (70%) indicate business growth 	<ul style="list-style-type: none"> – Trades in which apprentices are pre-trained need to be carefully selected, otherwise early saturation of market – Supplementary IME support services (e.g. the associated hire-purchase scheme for equipment) do not fit in a Technical College and need to find a home elsewhere

Table 7.14 (Continued)

Project	Objectives and Results/impact	Main lessons learned
	<ul style="list-style-type: none"> – MCs (89% increased productivity and profitability – MCs (70%) prefer pre-trained apprentices – Major achievement: resulting IME jobs were created at 10% of costs of jobs created through formal training. 	<ul style="list-style-type: none"> – It is difficult to adhere to the “90/10-rule” according to which participants should contribute at least 10% of costs of support activities – Collaboration with existing VTCs tends to lead initially to training content and level not fully commensurate with IME operators and require corrective actions (e.g. special training for instructors on how to work with IME operators).

Source: Based on original case studies in Haan 2001 and 2002c.

modality is being tested by the ISTARN Traditional Apprenticeship Programme in Zimbabwe, which prepares future apprentices before they enter into apprenticeship by providing them short, intensive pre-service training courses.

The projects show the importance of involving the mastercrafts(wo)men directly in the interventions to improve apprenticeship training. This requires a distinct ‘hook’:

- SITE’s Skills Upgrading Programme (SUP) in Kenya involved interested MCs by offering them tangible business improvements in the form of skills for new/improved products or better business practices
- ISTARN enlisted the interest of IME owners by (i) offering them pre-trained apprentices makes (less risk for damaged equipment, wasted materials and sub-quality products) and (ii) a range of IME support services (e.g. tool hire-purchase scheme, credit and marketing
- APME attracted IMEs through marketing actions (e.g. creation of a brand-name)
- BAA worked closely together with local IME associations
- VSP provided attendance incentives and made available cheap toolboxes.

The MCs (sometimes in collaboration with their associations) contributed to the preparation of the curricula, selection of the instructors for the supplementary training for the apprentices, nomination of the apprentices to participate in

Box 7.6 Informal Apprenticeship Training: Some Good Practices

There are some good practices emerging with regard to the organization and delivery of IAT:

- Apprenticeship contracts between master and parents of the apprentices stipulating: training purpose, period, content, apprenticeship fee and gradual remuneration of apprentices commensurate with their progress, help to ensure basic conditions for effective training;
- Workshop visits by a third party (e.g. an NGO) are helpful to monitor the conditions of the training as well as the progress and results;
- Payment of the apprenticeship fee in instalments increases the access of the poor to IAT;
- In case of (NGO-) sponsored apprenticeship training, alternative ways have been found to repay the training costs, such as: the obligation to take on apprentices once the apprentice has graduated and set up his/her own enterprise;
- Sometimes an incentive is needed for the master crafts(wo)men to participate in the scheme; this can consist of specialized product-based skills-upgrading for the master, some form of business counselling, or marketing assistance;
- Pre-employment training of the prospective apprentices can help to convince the MCs to take them on as this will reduce the risks for misuse of equipment and wastage of material.

the training, in the monitoring of the training and in some cases even contributed towards the cost of the training (see Box 7.6).

The two main issues that have emerged in relation to the upgrading of IAT concern: (i) *complementary training*: who will conduct such training and how will it be financed, and (ii) *organization of IAT upgrading activities*: what entity will take on the role of ‘facilitator’, i.e. bringing together the parties concerned and initiating actions to start-up the process of upgrading informal apprenticeship training. With regard to the former a further question is: is there a role for existing public VTIs? And with regard to the latter a further question concerns the role for informal sector associations (ISAs).

7.13.3 A Role for Public VTIs?

The projects discussed in this chapter have made use of different kind of training providers: public VTIs (SITE/SUP and ISTARN/TAP), training NGOs

(BAA and initially ISTARN/TAP), and private trainers (SITE/SUP and APME). Their experiences are quite different:

- after some initial problems, Technical Colleges are now playing a central role in the pre-training of apprentices under the ISTARN/TAP Zimbabwe programme; the instructors receive a special training to work with IME operators; some observers feel that the level of technology of the trades in which pre-training takes place is too high
- SITE (Kenya) experienced problems to develop linkages with public VTIs as the result of lack of commitment and capabilities and found it easier to work with private trainers
- APME (Cameroon) follows a similar strategy, using qualified trainers from the open market (many of whom teach at the local technical school)
- VSP (Ghana) found that private training providers were easier to work with, more committed and faster to adopt the ‘lessons learned’ from the project (e.g. shorter course duration and training curricula focussed on practical training).

The difficulties in involving public VTIs in IAT improvement schemes are in line with the observations and conclusions of an ILO Expert Meeting which concluded that “few [public] VTIs are likely to implement a significant self-employment re-orientation. Most [public] VTIs will and should continue to concentrate on providing much need training for those who aspire to be skilled wage earners in both the formal and the informal sectors” (Grierson and McKenzie 1996).

Clearly more experiences are needed to see in what ways public VTIs can be involved in an effective manner in the provision of complementary training for apprentices and mastercrafts(wo)men, but from the evidence presented in this chapter it would appear that the preliminary conclusion is that public training providers do not have what it takes to support informal apprenticeship training, and that private trainers, especially those that have been (or still are) attached to professional training institutions, make a good alternative.

In this respect it is of course of utmost importance who will pay for the supplementary training. Although efforts are ongoing to introduce cost-sharing with those who are trained, i.e. the apprentices and mastercrafts(wo)men, directly or through their associations, but it seems that in this way no more than 25–30% of the costs can be recovered (except by APME in Cameroon, which has succeeded to cover 90% of its costs). It seems therefore likely that external financial contributions are necessary, for instance from a National Training Fund.

A final interesting experience refers to the role of *Sandolin Paints* in the skills upgrading of metal and wood-working MCs in the SITE/SUP scheme,

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again making clear the potential role of the private business sector in providing relevant training to the IME sector.

7.13.4 Involvement of ISAs

One of the more interesting developments with regard to skills development for the IME sector concerns the involvement of informal sector associations in IAT-improvement programmes. The experiences so far are mixed. SITE/SUP and the ISTARN/TAP programmes have positive experiences in collaborating with trade associations, for instance in selecting the apprentices to participate in the training. However, VSP in Ghana had far less positive experiences in exactly this area: some ISAs failed to verify the eligibility of applicants and the executives of others tried for personal gain by ‘selling’ the available training places. Some of the ISAs collaborating with VSP also recommended the wrong tools which the project offered at a discount as an incentive to the mastercrafts(wo)men participating in the scheme, which further evidences a lack of interest on the part of these associations in the skills development of their members. But the IAT upgrading projects in francophone West Africa show that they can be instrumental in attracting MCs to participate in schemes, as well as contributing in various other ways.

From these examples the contribution of ISAs to IAT upgrading can be summarized as follows:

- awareness raising about the need to upgrade their own skills as well as the benefits of letting their apprentices follow complementary training
- identification of the training needs of MCs and apprentices, as well as participation in the preparation of curricula for the complementary training
- assisting in the selection of the training participants
- making available some of the locations for the training
- ensuring insurance coverage for apprentices during the complementary training
- monitoring the training programmes (e.g. performance of external trainers)
- contributing towards the costs of the complementary training (up to 30% of the costs).

There are also some interesting examples of ISAs taking responsibility for the follow-up of the training: they request their more experienced members to guide young aspiring artisans, make (group) loans available to apprenticeship graduates who want to set up their own workshop, and provide marketing assistance.

The active role of ISAs in IAT upgrading is all the more interesting as it is expected that the 'new generation' of informal entrepreneurs, who are said to have more interest in skills development for the IME sector as well as in promoting the cause of the sector through ISAs (see section 2.5.3), could give a further impetus to improving informal apprenticeship training.

8

Summary and Conclusions

The present study reviews the developments that are taking place with regard to ‘training for work in the Informal Micro-Enterprise (IME) sector’. It analyses the changes that have taken place in the past two decades with regard to the IME training needs and the response of public and private sector providers. The study focuses on three counties in *Eastern Africa* (Kenya, Tanzania and Uganda), two countries in *Southern Africa* (Zambia and Zimbabwe) and four countries in *West and Central Africa* (Ghana, Senegal, Benin and Cameroon) and is considered to present a picture that is generally relevant for the whole of Sub-Saharan Africa.

8.1 IME Sector and Skills Development

8.1.1 Informal Micro-enterprise Employment

It has become clear that the informal micro-enterprise sector, rather than being a transitory phenomenon, as it up to recently was conceived and treated by governments and even many practitioners, is here to stay—at least for the foreseeable future. Instead of viewing the IME sector as the arc that will bring its passengers to the dry land of the modern sector, it is the modern sector itself which is in danger of becoming the *Atlantis* of our time.

Already the IME sector has been expanding explosively all over the African continent since the beginning of the 1970s. In most of the countries studied the sector is already the most important urban ‘employer’, providing work opportunities to 70–80% of the non-agricultural workforce. The sector is, however, by no means a strictly urban phenomenon, as has also assumed ever increasing significance in Africa’s rural areas. In Ghana, for instance, IMEs are said to be responsible for more than 90% of total rural employment.

Informal employment received a major impetus in the wake of economic reforms in the past decade which the IME sector to be called upon as a source of work and income by two major groups. The first pertains to those who have become unemployed as the result of massive layoffs of employees in the government service, parastatals and the private sector. The second group refers to men and increasingly also women, who are forced by the steep decline

in purchasing power of their incomes, to engage in extra work activities—in addition to other responsibilities (e.g. household duties and studies) or to the job they already have (e.g. ‘moonlighting’ by employees in the public sector). They concern the literally hundreds of thousands who are entering the labour market every year.

As a result the IME sector continues to expand ever more rapidly. In the 1980s the sector was already estimated to have been growing Benin at an annual pace of 10% in and it is likely that its growth is still faster now. In Uganda IME employment growth is now estimated to be around 20% per year. Even though economic growth in some African countries has been slowly picking up in recent years, it has remained largely ‘jobless’, forcing 8–9 out of every ten new labour market entrants to resort to IMEs to find a job or at least a source of income.

The growing prominence of the IME sector in providing employment to African’s workforce, has gradually (and even grudgingly) convinced the governments to recognize the importance of the sector and to end their stand of active discouragement. Some, for instance Kenya, have now started to level the policy ‘playing field’ for informal micro-enterprises, even though implementation is painfully slow. So far support activities are mainly initiated on an *ad hoc* basis, often without adequate vision and funding. If any action is taken at all, both government and donors tend to focus on Small and Medium Enterprises (SMEs), while large parts of the IME-sector (e.g. rural agricultural-related activities and peri-urban self-employment and micro-enterprises) continue to be deprived of any assistance.

8.1.2 IMEs and Existing Training Providers

Large numbers of those who are absorbed by informal micro-enterprises have not completed their secondary (or even primary) and very few of them have received any kind of formal skills training: at best 5–30% of IME operators passed through a vocational training programme and fewer have been trained in business practices. In as far as they possess particular skills, informal entrepreneurs and workers have acquired them through self-learning and on-the-job training—most likely in small, informal workshops.

So far the TVET sector has virtually ignored the IME sector and there are very few coherent programmes to transfer skills and knowledge to IME operators. Often TVET authorities and practioners regard IMEs with a certain disdain, probably because the equipment utilized requires relatively basic skills and limited technological innovation taking place in the sector. A major problem here is that detailed and reliable data with regard to the IME sector in general

and its skills development processes and skills needs in particular, are often scarce and even totally absent.

At the same time, 'blue collar' work generally enjoys a low social standing in many African countries, which is reflected in a low level of appreciation for vocational training by the youth. As a result, the best and brightest students choose whenever possible to follow academic education; vocational training is generally viewed to be meant for the less gifted and especially destined for school failures.

The study clearly shows that in all the countries reviewed there is little, if any, formalized skills training available for IME owners and workers. Neither public training agencies nor private for-profit training providers are currently offering courses specifically directed at, or at least largely relevant for, work in the IME sector. Only a number of NGOs operate, often small-scale and irregular, training schemes that serve self-employment and informal activities. In fact, few of the existing training providers in Africa are in a position to offer relevant training for (potential) IME operators.

Public training providers

Public training providers include in WCA mostly technical schools and colleges (*lycées*) and in ESA various kinds of vocational training centres (VTCs), both of which provide pre-employment training to at most a few thousand youngsters at a time. The training tends to be theoretical, directed at wage employment in the formal sector, and as the consequence of low (and often declining budgets) the facilities are dilapidated, the training equipment scant and often defunct, training materials outdated and the instructors de-motivated.

The long duration and inconvenient time schedules of their courses, together with low access due to high entry requirements and other factors, make them largely irrelevant for the provision of training for the IME sector.

In as far as they have initiated new training programmes for special target groups (e.g. school leavers and others who have difficulty to access formal training programmes), such training is often a watered-down version of their standard courses. Only minimal provisions for self-employment and running a micro-enterprise have been added (e.g. limited entrepreneurship development and management training).

Private for-profit training providers

Private for-profit training providers played a minor role in Africa until the 1980s when a large number *training colleges* (aka. 'backstreet colleges')

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emerged to serve the demand for training in office and computer skills, and are largely irrelevant for the IME sector. More relevant are *private business training centres*, which often start as a small production workshop with apprentices and gradually adopt training as their primary objective. They focus on practical technical skills training in dressmaking, hairdressing and electronics and other repair services and are relevant for informal entrepreneurs and workers and especially women interested in (home-based) self-employment.

The study suggests that private for-profit training providers could play a more prominent role in providing training for the IME sector. To do so, they need to be convinced that there is a market for such training, while they can be further stimulated with well-focussed incentives (e.g. access to capital conditioned for investment in training facilities, technical support for 'training for the IME sector' (e.g. training curricula, aids and materials and training of trainers), and collaboration with the TVET authorities in trade-testing and certification.

The study also identified other interesting examples of training for IMEs provided by the private sector. They include *business-embedded training* (BET) which refers to training offered by the (formal) private business sector as part of their regular business operations. A case study was made of a paint company in Cameroon that conducted a short training in spray-painting for an association of informal panel beaters. Similarly an NGO in Kenya, working to upgrade the skills of mastercraftsmen in wood- and metal-working, interested a paint company to assist in their training. There exists furthermore a large pool of 'private trainers', i.e. individuals who often have been (or still are) linked to training institutions, who are qualified and interested to provide training the informal operators in technical and, especially, management and other business skills.

NGO training providers

NGO training providers play a limited, but in some ways important, role in training for the IME sector: they target those who do not qualify for public sector training programmes (e.g. school leavers) and cannot afford private training. Being close to their target group, the training better addresses the needs and interests of the trainees and is delivered in a flexible manner and is often linked with pertinent follow up support services (e.g. counselling, credit and marketing assistance). At the same time it is observed that NGO training frequently focuses on simple income-generating activities. The training also tends to be irregular and limited in scale, since it is dependent on external funding.

The study found that these characteristics make NGO well-placed to conduct short trainings for income-generating activities (IGAs), but less suitable for training in 'industrial' trades. They are especially suited to conduct '*para-training*', i.e. new modalities of transferring skills and knowledge, such as demonstrations, guest speakers, exchange and exposure visits.

Possibly the main strength of NGOs lies in a role as 'facilitator' of training for the IME sector, which involves: identifying the need for skills training among their target beneficiaries, bringing them together with a relevant training provider as well as other organizations to provide post-training IME support (e.g. marketing), and, together with the community, monitoring the entire skills development process.

8.1.3 Informal Apprenticeship Training

One of the main findings of the study is that by far the largest number of IME owners and workers have acquired their skills and business knowledge through informal apprenticeship training. IAT refers to unstructured, enterprise-based training that *mastercrafts(wo)men* (i.e. IME owners and skilled workers) provide to young, male and female *apprentices*. IAT was found to constitute some 80–90% of all on-going training efforts in WCA, while it also plays an important role in countries in ESA (e.g. Kenya, Tanzania and Zimbabwe).

Informal apprenticeship training was shown to be well adapted to the conditions of the IME sector to transfer both technical and business skills and to be effective in creating employment for the training graduates. Moreover it is easily accessible (although somewhat less so for females) and essentially self-financing.

At the same time this kind of training was also found to have a number of constraints that limit its training value (see Table 7.7). It pays little attention to the theoretical aspects of the occupation, which hampers the apprentice to fully understand the trade and consequently his/her capacity for adaptation of new techniques. The quality of the training varies widely, depending on the technical knowledge and teaching capabilities of the patron, the equipment of the workshop and the jobs carried out in the workshop (materials and equipment are seldom if ever used specifically for training purposes). IAT generally fails to transfer recent technological knowledge and updated technical practices and does not prepare the apprentices for the use of modern equipment. As a result the apprentices do not necessarily acquire a complete set of skills for their trade. Finally, the apprenticeship period, especially in West Africa, is sometimes rather long (e.g. 5–8 years for carpentry and car repair), during which period there is risk of the exploitation of apprentices as 'cheap labour'.

8.2 Crucial Need for Training for Work in the IME Sector

8.2.1 Skills Needs of Informal Micro-enterprises

Skills training is of crucial importance for IME operators. The study found that IME operators have a wide range of training needs:

- upgrading of technical skills in their area of operation;
- knowledge on recent technological developments in their trade;
- general theoretical aspects of the trade;
- management practices;
- product promotion and marketing;
- basic literacy and numeracy (including basic knowledge of an international language);
- simple computer skills (e.g. for internet use).

Technical/vocational skills training helps them to produce more efficiently, increasing workshop productivity. It also reduces wastage of materials and limits the maintenance and repair of tools and equipment. Importantly, it enhances the quality of the goods and services produced. It broadens the range of products and stimulates diversification into other economic activities. Entrepreneurship development and small business management training help to identify interesting business opportunities and improve the organization and management of the enterprise. It leads to better financial administration, costing and pricing and marketing practices. All this will contribute towards a stabilization and possibly an increase of turnover, profits and personal incomes.

Still, at first sight, informal entrepreneurs and workers demonstrate little interest in training. Rather they seek financial and marketing assistance. Informal enterprise owners tend to see themselves as ‘master crafts(wo)men’ who already possess all the technical skills required—sometimes they show interest for business skills. It is only after some insistent questioning that they will admit not to be able to produce all items in demand and indicate interest in skills upgrading. Experience shows that IME operators are particularly attracted by training offerings that have been proven to lead to immediate improvement of business operations and profitability.

8.2.2 Skills Development and IME Labour Absorption

In view of the extraordinary large numbers of people who are turning to the IME sector all over Africa, there is a genuine risk for the sector to reach

the limits of its absorption capacity. Already expansion is mostly taking place through a multiplication of self-employment ventures in a limited number of economic sectors, especially in trade and personal services at the 'lower end' of the sector. Even in countries, like Zimbabwe and Ghana, where the micro-enterprise sector for a long time was viewed as relatively 'developed' with a high incidence of manufacturing and relatively frequent linkages with other sectors of the economy, including with medium and large firms, it appears to have succumbed to street vending and other retailing activities. In Zimbabwe, for instance, trade ventures now constitute 45% of all IMEs.

The IME sector is critically in need of support to enable it to continue the absorption of more people at a modest but reasonable return on their labour. Without it, the sector will become more and more a cluster of low-barriers-to-entry (and -to-exit) activities that require minimal capital and skills, such as (street) trading and personal services (e.g. car parking guards, shoe shiners). Interventions should carefully seek to diversify the economic activities in which IMEs engage. Endless 'copycatting' is already leading to increased competition and market saturation and will result in painfully low incomes for the IME workforce. The sector will then provide for no more than a 'sharing of poverty' instead of making a vital contribution to the economy and supporting economic development.

The transfer of relevant technical/vocational and entrepreneurial/management skills will have to play a central role in the promotion of a vibrant IME sector. They are the key to increasing productivity, enhancing product quality and stimulating economic diversification. So far, the general level of skills is, at best, modest, which is reflected in low productivity of the micro-enterprises and poor quality of the goods and services they produce. Recent trends for economic liberalization and globalization hold major threats for the IME sector. There is an international television- and movie-influenced convergence of consumer tastes, which has led to an increased flexibility of multinational corporations that is crowding out traditional products in many developing countries. Only concerted efforts to upgrade the skills level of informal entrepreneurs and workers, together with other types of support (e.g. access to credit, tools & technology, markets and business information) and, above all, diversification in non-traditional activities, will give IMEs a chance to survive in such an environment.

8.2.3 Training Diversification

The study points to the need to distinguish 'training for the IME sector' clearly from conventional training for wage-employment in the formal/modern sector. IME training does not have to follow the most recent production

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techniques used in the industrial sector, but can remain at a more basic level, since the level of technology in IMEs is characteristically lower.

At the same time IME training has to take into consideration the diverging training needs (in terms of content as well as delivery) of the ‘low’ and ‘high’ end of the IME sector. Conceptually the training offerings should address the wide range of situations of those already working (or likely to do so in the future) in the IME sector: training content for income-generating activities (IGAs) should be different from training of (prospective) entrepreneurs who have (or will) set up their own micro- or small enterprise, training delivery for youth without work experience should be different from skills upgrading for experienced mastercrafts(wo)men, etc. This leads to a wide diversity of training approaches (see Box 8.1).

Box 8.1 Diversification of Skills Training for IME Sector

Different types of IME employment and different phases of a career path require different types of training and training approaches:

- *Pre-vocational training*: A combination of: (i) non-formal education (e.g. literacy and numeracy), (ii) orientation on work, career and vocational training, (iii) introduction to basic operations of some trades (including first handling of simple tools), and (iv) life skills such as work values, job readiness, etc., for early youth (e.g. 12–15 years) from poor families to bridge the gap between their educational preparation and vocational training.
- *Self-employment orientation*: Orientation for the poor and others without business and even work experience who are considering entering into self-employment on the requirements to do so, in terms of skills, capital, management responsibilities, time and risks involved, together with information on business opportunities (and need to avoid ‘copy-catting’) and providers of skills, credit and business development services.
- *Pre-employment training*: The youth needs very short pre-employment courses—particularly for self-employment (training from a few days to a few weeks) and for entry into an IME job (some 3–12 months). The training should focus on an initial set of basic skills—after which additional skills can be acquired through on-the-job training (e.g. apprenticeship training) and skills upgrading training. The training offerings should not only include activities already common in the IME, but also emerging new activities (e.g. from agriculture-related IGAs to the repair of computers and cellular telephones).

- *On-the-job training*: It can be expected that OJT will continue to form the mainstay of skills training for (prospective) informal entrepreneurs and workers, in particular through apprenticeship training. Such training is likely to be almost entirely practical and focus on vocational skills.
- *Complementary training for IAT apprentices and IME workers*: IAT/OJT training needs to be complemented with training in (i) theoretical insights and good-quality practices in the current trade, (ii) new technological developments in the current trade, (iii) basic management and marketing practices, and, especially for those with low levels of education (iv) literacy, numeracy and life skills (see also paragraphs 8.3.3 and 8.3.4).
- *Skills upgrading*: There is a crucial need to shift the emphasis from pre-employment training to skills upgrading training, for two reasons. First, existing IME operators generally have a weak skills and require refreshment courses. Second, and even more importantly, changes in technologies, product design and consumer tastes require up-graded skills that enable product diversification, increased product quality and enhanced productivity.
- *Business skills training*: Ideally all incidences of vocational training should be interspersed with training in business skills (i.e. IME management, marketing, pricing & costing, quality control, customer relations, negotiating, license and tax requirement).

Some of these types of training lend themselves very well for ‘*para-training*’, i.e. training modalities different from standard ‘courses’, such as: guest speakers, demonstrations, exchange visits, exposure tours, etc. Other examples of non-traditional training formats interesting for IME training include: video-based training, distance and e-learning.

Source: Haan 2003b.

All this means that there is a crucial need to re-assess the relevance of existing training programmes for the IME sector. Most likely, modifications are required in several areas: (i) development of new types of training activities; (ii) preparation of new training curricula particularly relevant for IMEs; (iii) training-of-trainers with particular attention for appropriate teaching methodologies; and (iv) re-organization of testing and certification systems.

Foremost, training needs to be flexible: in the new world of training there will be no longer a neat order or a hierarchy of training levels, ages, requirements, governed by a system of official trade tests and diplomas/certificates.

Most likely, new 'skill-building packages' will have to be developed which would be different for producers, traders and those in service activities (Mitra 2002).

8.3 Enhancing the Contribution of Informal Apprenticeship Training

Realistically the main contribution to IME skills development in the coming decade, will continue to come from informal apprenticeship training (IAT). None of the other training providers are likely to adapt quickly enough to offer relevant skills training at a large scale for informal entrepreneurs and workers. Efforts should therefore focus on upgrading IAT to remedy its weaknesses and improve its quality and efficiency. Especially crucial will be to IAT with complementary training programmes for both mastercrafts(wo)men and apprentices, to up-grade and up-date technical skills, improve teaching methods and supplement the practical skills transferred by the MCs with theory and more advanced technical and technological knowledge.

The study reviews a number of interesting initiatives to upgrade informal apprenticeship training and to link existing apprenticeship training with 'external' training sources (see Table 7.14). Based on information on early experiences and results, it has been clearly shown that some of the IAT limitations can indeed be overcome, for instance by:

- offering pre-employment and complementary training to the apprentices
- providing opportunities for skills upgrading in specific technical areas to MCs
- improving the pedagogical skills of mastercrafts(wo)men
- collaboration among IMEs to ascertain adequate results of apprenticeship training (e.g. through the organization of trade tests).

However, ensuring a more prominent role for informal apprenticeship training goes beyond these improvements. It requires an *integrated approach* is needed covering several areas: (i) improve the image of apprenticeship training; (ii) enhance the initial education of the apprentices and workers; (iii) create opportunities for skills-upgrading for masters, including their training abilities; (iv) introduce opportunities for supplementary training for apprentices; (v) set up a system to evaluate and certify the skills acquired; (vi) improve training and working conditions of apprentices; (vii) link IAT with post-training support services; and (viii) assist the poor in financing their apprenticeship training.

8.3.1 Image of Apprenticeship Training

In spite of its traditional role and enormous importance in providing training for the IME sector, apprenticeship training lacks social standing. It is often seen as the ‘training provider of the last resort’ and looked down upon—by parents and apprentices, as well as by TVET policy makers and practitioners, and also by IME development specialists. Even the mastercrafts(wo)men appear to underestimate the importance of IAT for supplying skilled workers to their sector.

Although it seems that the image of apprenticeship has started to improve, further promotional actions need to be undertaken. A general information campaign in the mass media on IAT success stories would serve to enhance the understanding and recognition of the contributions made by apprenticeship training in the area of skills development. Already in Benin and Cameroon ISAs were found undertaking actions to improve the working and the image of apprenticeship training.

8.3.2 Preparation of Prospective IAT Apprentices

The study shows that the efficiency of IAT can be improved by preparing prospective apprentices. This concerns foremost to enhancing their level of general education. For young school leavers this means literacy and numeracy training previous to, or at the beginning of, their apprenticeship period. Conventionally this is done through stand-alone non-formal education programmes, but the case studies include various examples, especially from Francophone countries, of efforts that have integrated literacy training in vocational skills training. Similar efforts would be appropriate for illiterate MCs.

There is also a need for pre-vocational training to familiarize the youth with the notion of ‘work’, tools and vocational training. And finally, there is a growing realization that working in the IME sector also requires a broad range of life skills, such as: information searching and problem solving, working in a team, and communication & negotiation (as a prelude to dealing with supplier and customer relations) and self-organization.

Some important issues remain. One refers to the question who are most suitable providers of this kind of preparatory training for prospective apprentices. This also touches on the question to which extent literacy and other training should be integrated with skills training—especially since conventional NFE-providers tend to perceive literacy training as a way to (re-) integrate the youth into the mainstream education system or as an end in itself, but seldom as a means to facilitate vocational training. So far it would appear that NGOs are the most suitable providers of this kind of preparatory training, but further work needs to be done. Another issue concerns the funding of these activities. The

example of APME (in Cameroon) makes it quite clear that such training cannot be financed through cost-recovery (APME succeeded to recover only 9% of the costs) and thus requires external financing.

8.3.3 Skills-Upgrading for Masters

Upgrading of informal apprenticeship training foremost depends on the interest and the skills of the mastercrafts(wo)men involved. The case studies show that there are different ‘hooks’ that can be used, ranging from training in skills for the production of items that are in demand in the market to awareness raising through ISAs. Although many initially decline, when properly prodded, MCs are quite interested in upgrading their knowledge and skills. Such training could include three kinds of skills.

First, apart from those naturally gifted, many ‘masters’ lack knowledge on how to train (young) adults, which with the gradually improving level of education of at least some of the apprentices becomes gradually more important. Training in pedagogies is therefore important to increase the quality of IAT training.

Secondly, MCs are generally keen in skills-upgrading. While the exact type of skills in which upgrading is needed depends of course on the trade and the individual mastercrafts(wo)man, they generally include: (i) general upgrading of vocational skills and knowledge used in trade (e.g. with respect to materials); (ii) practical ways to cut down on waste of materials; (iii) basic reading of designs and drawings; (iv) repair of own equipment; (v) additional skills required for new product designs; (vi) skills needed for more advanced equipment and improved technologies; and (vii) basic knowledge of industrial production techniques in the trade. Some MCs are also interested in knowledge and skills in the area of occupational safety & health.

While management is usually not an area of prime interest for MCs, who see themselves foremost as technical specialists, they seem to gradually understand the benefits of improving their management practices. The training needs in this area, again in general terms, include: costing and pricing and related aspects of financial administration; carrying out rudimentary market research and formulating marketing strategies; customer relations, including setting up a customer data base; division of labour in the workshop and personnel management; input stock planning; quality control; workshop layout; time management; and legal and fiscal regulations. Special attention should be paid to marketing, as increased sales are a prime condition to actually benefit from enhanced skills.

A final area of training for IME owners would be on “working together—why? and how?”, be it informally or in the form of a trade association. Such training would include: role of groups in IME sector development, structures

and processes of an association, group dynamics, legal and regulatory environment for IMEs and ISAs, etc.

8.3.4 Complementary Training for Apprentices

Together with training to increase the skills level of mastercraft(wo)men, complementary training of apprentices must form the cornerstone of efforts to upgrade informal apprenticeship training. Again such training should include different types of skills.

First, the case studies generally support the notion that basic literacy and numeracy, including some elementary understanding of the international languages used in Africa, is of prime importance for an increased result of apprenticeship training. While regular NFE curricula are generally available, it would appear that accelerated results can be achieved with a more appropriate curriculum, specifically directed at the conditions of the IME sector (e.g. with examples about working in a small workshop, buying spare parts, dealing with customers, etc.). The training should also include relevant life skills (e.g. communication and negotiation).

A second area of additional training for apprentices concerns theoretical training to enable them to grasp the basics of the trade. This includes: basic knowledge of tools and materials, tool storage systems, and security practices; simple practical abilities such as measuring, making of calculations with regard to required materials, etc., elementary reading of drawings; and some relevant theory to underpin the practices found in the workshops.

A third area of complementary training for apprentices refers to expanded vocational skills and knowledge. This refers to: exposure to different types of equipment; rectification of improper knowledge and practices transferred in IAT; basic reading of drawings. And an introduction to more advanced techniques and technologies in the trade.

8.3.5 End-of-Training Skills Assessment

One of the shortcomings of IAT is the absence of an end-of-training assessment of the skills acquired by the apprentices. Although there are in some countries (e.g. in West Africa) elaborate ceremonies on the occasion of ‘graduation’ of the apprentices to mark their entry into the MC fraternity, they do not include an instrument to gauge the type and level of skills they have mastered. The lack of certification limits the acceptance of IAT graduates by workshops outside the immediate neighbourhood and especially by employers of larger and more formal enterprises. Moreover, it leaves them without any certified document to convince potential customers of their skills and capabilities.

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One solution would be to open up the official government-run trade testing and certification system that exists in most African countries. In a number of Anglophone countries this is already the case. The National Vocational Training Institute (NVTI) in Ghana, for instance, accepts for skills testing both trainees from regular VTCs and informal apprentices. Moreover, it has recently introduced competency-based testing, which no longer includes written testing but focuses on the practical skills acquired during the training and theoretical knowledge through an oral examination. This is said to attract many apprentices.

Another manner would be for the IME sector itself to organize a system of trade testing and certification. Already ISAs in Ghana are involved in the awarding of skills certificates. The study found an even more interesting example in Cameroon, where an informal sector association, GIPA, has started to organize trade tests for the apprentices of its member workshops—together with the TVET authorities. Both the format of the test, which involves respected outsiders from both public and private sector as judges, and the financial arrangements appear promising.

8.3.6 Training and Working Conditions of Apprentices

The polishing of the image of IME apprenticeship training and enhancing its efficiency as a training system, require improvements in the training conditions and particularly ending the incidences, when taking place, of exploitation of apprentices as cheap labour. This is a rather tricky area, as it would require some kind of monitoring of the training practices and progress in IME workshops.

The example of NOAS in Nigeria (see section 7.5) makes it clear that the solution is unlikely to be found in enacting legislation, since enforcing it will upset the intricate balances of duties and rights that have grown over a long period. There is a need for monitoring to ensure that the training conditions are appropriate and that progress takes place. In Asia there are examples of NGOs that place beneficiaries as apprentices in informal workshops and enter into an agreement with the MC that gives them the possibility to enter the workshop to review the situation and progress of their apprentices (Haan 2002a). Alternatively, a role could be played here by ISAs.

8.3.7 Post-training Support

A factor seriously affecting the final impact of apprenticeship training, is the missing link with follow-up services at the end of the training. This concerns particularly a lack of access to capital, since banks and even micro-credit schemes, are not keen to provide credit or loans to IME start-ups, especially when they have only just finished their training and have no track record in credit

repayment. Fresh apprenticeship graduates moreover often lack marketing skills and have little business experiences, adding other risks in the eyes of the financial intermediaries.

At the same time, IAT graduates, having received only small ‘pocket money’ during their apprenticeship training, have not be able to amass any savings. They therefore have often to work for a considerable period as a wage worker to bring together the start-up capital for setting up his/her own business (apart from the fact that many still feel too young and inexperienced to enter into self-employment immediately after ending their apprenticeship period).

The critical need for financial and other post-training support should in no way be taken to suggest training providers to include such services in their menu. In the contrary, in line with the BDS approach, specialized financial intermediaries should be responsible for making available credit and loans to informal enterprises, in collaboration with other specialized agencies in the areas of technology development, marketing assistance and other support services.

8.3.8 Supporting the Poor to Enter into Apprenticeship Training

Implicitly it is always assumed that apprenticeship training is open to everybody, including to youth from very poor families. However, the experiences of the Rural Enterprise Project in Ghana (section 7.9) show that this is not always the case. While indeed the parents and guardians of most youth manage to arrive at some arrangement with an MC for an apprentice, very poor households are not in a position to make the down payment for the apprenticeship training or to purchase the tools/equipment or materials that the apprentices required to bring to the workshop to receive training (e.g. in the case of carpentry and tailoring).

Some NGOs in Southeast Asia have adopted a strategy of assisting their clients to enter into apprenticeship training, instead of setting up their own training facilities. This means that they pay the apprenticeship fee (on the condition of, *inter alia*, the monitoring arrangements mentioned earlier), which the beneficiaries are expected to repay once the business they have set up after the training is making a profit. This can be done in cash or ‘in kind’, i.e. by investing the amount due in the training of another beneficiary by taking on apprentices from among the NGO target group (Haan 2002b).

8.4 Involving IME Associations

An interesting question concerns the role that informal sector associations can play in relation skills development for the IME sector. So far, skills training

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is not one of the prime areas of ISAs in Africa. Although there are some examples of ISA activities in relation to apprenticeship training (e.g. in Ghana) and isolated training-for-members, ISAs are better known for their activities in (hospital and funeral) insurance schemes, joint procurement of raw materials, obtaining plots from the government (e.g. in Kenya and Ghana), and, especially, for their advocacy on behalf of the IME sector (e.g. to influencing government policies). While donors would want them to be more active, and often invest in building up their capacity, the level of service delivery to the members tends to remain low.

The case studies show that ISAs already have been involved in actions to foster IME skills development. Possibly the most interesting example is GIPA in Yaoundé (Cameroon), as their organization of training sessions and skills testing/certification did not appear to be immediately donor-inspired. The role of ISAs in IAT upgrading, conversely, did come about mostly in the wake of donor-interventions. The experiences are not all positive, but it was found that ISAs can contribute in various ways to the upgrading of apprenticeship training, such as: raising awareness about importance and advantages of improved IAT practices; identifying areas for complementary training for apprentices and MCs; aiding in the preparation of curricula for complementary training, assisting in the selection and monitoring of external trainer(s); and contributing (up to 30% of the costs) towards the training costs. Still, these contributions came about under special project conditions and it is not yet clear if ISAs can replicate them on their own, and especially how they would be financed.

8.5 Building Up the Training Market: Need for a Facilitator

One of the main conclusions of this study (and Haan 2003b) with regard to training for work in the IME sector is that there is a crucial need to build up a market for such training. So far no genuine *'training market'* exists in developing countries. Usually the public sector dominates the provision of skills training, while private training providers are relegated to the area of *'soft skills'* and NGOs play a small role in providing skills training for those without access to formal training programmes.

One of the reasons for the absence of a *'training market'*, or at least a segment specialized in *'training for the IME sector'*, lies in the first place in the apparent lack of (effective) demand for training. Surveys of the informal sector usually indicate a low interest in training, both with regard to technical/vocational skills and business management skills. IME owners and workers tend to be reluctant to admit their need for training. Training providers are

thus faced with an essentially unknown demand for IME training. At the same time training providers are discouraged from providing skills training as they are uncertain about the fees that can be charged. A clear disincentive in this respect is the (still) common practice by public VTIs and NGO training providers to conduct training without charging for it, or, worse, to pay out sitting allowances and training stipends. All this has made especially technical training for the IME sector an unattractive area since training services would at first sight seem to be intrinsically unprofitable and unsustainable.

At the same time it should be pointed out that since most IME operators never followed any structured training, have little idea of the advantages of skills training nor of the type of skills training that providers could offer. Generally they do not really know what to expect from training and experience distinctly shows that they are only convinced once they have been demonstrated a tangible, short-term impact of training on the results of their business.

In actual practice there is a substantial 'hidden' demand for training. But this demand does not immediately match existing training. For instance, most training available is long-term, pre-employment training, while youth are rather looking for simple, practical short-duration courses. Even more telling is the almost complete lack of training offerings for skills-upgrading, while a huge numbers of MCs, when frank, are keenly interested in skills-upgrading. Special training schemes offering such training, after initial difficulties to convince the MCs, invariably experience a strong demand once the results of such training become known.

In such a situation there is a need for mechanisms to bring the parties together and build up the incipient demand for training and the latent capacity to deliver such training. This requires, on the one hand, enhancing the social status of skills training, raising awareness of the benefits of vocational and other skills, especially in relation to the challenges of globalization and liberalization, and giving prominence to the results of skills training. Furthermore there is need for (financial) incentives, such as schemes with training vouchers, which have been found to stimulate IME operators to follow relevant training, leading to a broad range of updated and innovative training offerings from existing as well as new training providers (see e.g. Botelho and Goldmark 2000).

Building up the 'training market' requires, on the other, simultaneous actions to stimulate the supply of relevant training offerings. Since most of the existing training providers have little or no experience in offering training for IMEs, they are in need of technical assistance (e.g. information on the exact IME training needs, development of IME training programmes, training of trainers in relevant teaching techniques, setting up IME testing and certification systems), as well as financial support, to offer the right kind of training in the right manner.

All these actions to nudge and tickle training providers and training clients to get acquainted and offer & demand training services may require the operation of a *facilitator* as suggested in the emerging BDS literature (see Committee of Donor Agencies for Small Enterprise Development 1997 and 2001, and Mielbradt and McVay 2003 and 2004). BDS facilitators essentially support private sector BDS suppliers by developing new service products, building up provider capacity, educating IMEs about potential benefits from certain services, and by providing incentives to try out such services. BDS facilitators usually implement short-term programmes, subsidized by the government or, more likely, by donor(s), that should ‘exit’ once the market for a certain business development service or services has been developed (ibid).

From the present study it becomes clear that public VTIs, training NGOs and Informal Sector Associations are not likely to have the right qualifications to take on the role of ‘facilitator’. They are not necessarily responsive to the training needs of the IME sector, too small and weak to lead other organizations and lack business knowledge and experience. Possibly a large private training institute, with extensive training expertise, when coached on the characteristics, constraints & problems, and needs for various types of training, would make a better candidate for a ‘facilitator’ role.

8.6 Need for Integrated Support

Skills training is only a means to an end: to enhance access to rewarding employment and, gradually, higher incomes. Especially in the case of training for the IME sector it is of crucial importance to link training programmes with other support measures—and in many cases specifically access to capital. Optimal use of the acquired skills requires more suitable tools and equipment, together with improved marketing practices and generally better organization and management of the enterprise.

However, so far, vocational training often takes place in isolation. On the one hand the TVET sector does not appear keen to link up with new programmes that provide support services to the IME sector. On the other, upcoming BDS providers seldom link up with training providers. The rapidly growing body of documents and studies on building up of commercial BDS markets, hardly touches on skills development for micro- and small enterprises.

This is especially unfortunate since the emerging attention for BDS provides particularly interesting opportunities for linking traditional forms of training with more innovative interventions in the areas of skills transfer (e.g. through exchange visits and exposure tours), introduction of new technologies and marketing-based up-grading of IME product quality and

designs. In other words, a continued absorption of new labour market entrants in ‘meaningful’ activities crucially depends on IME support packages that link access to credit and markets with improved technical and management skills that are reflected in higher levels of IME productivity and product quality.

So far such links are almost entirely missing. TVET activities are planned and implemented without taking into consideration the existence (or lack) of other support activities. Often training graduates cannot fully use their newly obtained skills for lack of capital to purchase new equipment. Conversely, while progress is slowly being made in the provision so-called ‘Business Development Services’, they in turn tend to focus on non-technical skills and especially marketing assistance—and usually do not include activities to acquire or upgrade vocational/technical skills. Apparently is there, on the one hand, the notion that the ‘technical’ upgrading of the IME sector can be done through advisory services or just marketing support, while, on the other, it is assumed that ‘others’ (e.g. the—public—TVET sector or apprenticeship system) will provide for the required technical skills.

The development of IMEs, and especially enhancing their productivity and product quality, requires, apart from improved offerings of technical and other trainings, interventions in at least four other areas, in order to ensure: (i) accessible *financial services* (credit for working capital and loans for fix capital), (ii) availability of broad range of relevant *business development services* (including the introduction of improved production techniques and technologies, management training, marketing assistance and various kinds of business information), (iii) *enabling policy environment*, and (iv) appropriate *licensing and regulatory procedures*.

In the medium-term this makes it necessary to strengthen and, if not already in existence, to build up the market for business development services appropriate for the IME sector—in the same manner as discussed above for the provision of training services. In other words, IME support services should be largely provided by the private sector.

In such a situation the role of the government would be limited and mainly consist of formulation and implementation of policies, investments and registration of and, when necessary, technical assistance for BDS providers. Examples of measures that governments in Africa could take to stimulate the creation of employment and the generation of—additional—incomes in the IME sector include:

- macro-economic policies to stabilize the economy (e.g. keeping interest rates low and inflation under control), which is important to keep up the demand for IME products;

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- programmes to stimulate the growth of specific economic sectors (e.g. agriculture) and the incomes of IME customers would enhance the demand for IME goods and services;
- investments in infrastructure, such as basic services (e.g. water and electricity), workshop plots and premises, roads and slum improvements, to improve the situation for IMEs, especially in peri-urban and rural areas;
- shortened registration procedures (e.g. 'one-stop shops') and regulations (e.g. simplified tax payments or—partial—exemptions, adjusted labour and social security regulations), and a careful review of existing standards for public health, urban planning, etc.;
- in some countries there is a need to create suitable conditions for the provision of support services for IMEs, e.g. appropriate banking regulations for micro-finance schemes;
- increased opportunities for IMEs in government procurement of goods and services;
- a well-functioning Labour Market Information System regularly providing relevant and reliable information on labour market trends would greatly assist training providers, as well as guiding IME owners and workers in their career and investment decisions.

In sum, informal micro-enterprises will in the near future continue to play a crucial role in absorbing very large numbers of job seekers. This process crucially requires relevant skills training for (prospective) IME operators, linked to wider IME support services and relevant government policies and investments.

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GLOSSARY OF CONCEPTS USED*

Apprenticeship training

Formal apprenticeship

Formal apprenticeship training concerns formalized on-the-job training that is governed by various legal stipulations, for instance concerning working hours and conditions, payment of wages (often -part of- the prevailing minimum wage), and training content resulting in official certification, and usually takes place in formal/modern enterprises.

Traditional or informal

A semi-structured form of on-the-job training, usually in a craft or trade, that is guided by mutual agreement, social custom or tradition, rather than by legal or administrative criteria. Traditional apprenticeships are often formalized, with the obligations and expectations of both master and apprentice clearly specified (Grierson).

Traditional apprenticeship training is reserved for the original notion and conventions of specific arrangements for enterprise-based training for particular trades (e.g. blacksmithing and weaving) that took place within the family or social clan without any payment.

Informal apprenticeship training refers rather to more modern versions of apprenticeship training that have come up for a wider range of trades and especially for activities that have gained economic prominence more recently (e.g. welding and hairdressing), and for which a set of different practices has evolved, including: the training is now open to non-family members and usually involves more explicit forms of payment of apprenticeship training fees.

Basic skills training

Basic skills refer to the core skills needed for entry into a trade at the level of a semi-skilled worker. Further skills upgrading will then take place via on-the-job training or/and special skills upgrading programmes.

* A combination of descriptions made by the author and descriptions found in documents authored by *inter alia*: Fred Fluitman, John Grierson and Richard Johanson.

Business skills training

Transfer of skills and knowledge in all conventional business management areas (e.g. strategic and operational planning, financial administration, marketing, personnel management and project & time management)

Centre-based training

Training that takes place away from the work place, usually in an institution, school or training centre. Centre-based training often includes practical training—in a classroom, workshop or ‘production unit’

Certification

Documentation of training undergone or skills and capacities acquired. Certification has 3 functions: (i) to recognize skills and capacities, however acquired, (ii) to enable them to be valued and rewarded; and (iii) to facilitate market mobility

Competency-based training

Competency-based training places in its entry requirements emphasis on the skills proficiency of the prospective trainee, rather than on educational achievements as used to be the case.

Cost-effective

Comparison of alternative courses of action in terms of their costs and their effectiveness in attaining some special objective.

Demand-led training

Provision of training that responds to the ‘real’ and changing skills needs of the training participants.

Dual training system

A vocational training system characterized by the separation of practical and theoretical training; the former taking place in enterprises (regulated by Federal statute), and the latter taking place in vocational schools (regulated by State law). The dual system is cooperatively administered by an array of institutions including Chambers of Commerce and Crafts Chambers (Grierson)

Dual training consists of: (i) formal classroom training with theoretical instruction in general subjects (math and language) and in technical subjects (e.g. such as those necessary for speciality being taken), (ii) off-the-job technical training in workshops, allowing students to develop basic manual skills (e.g. operating a lath machine) and (iii) on-the job training with an employer.

Education

Formal education: institutionalised, chronologically graded, hierarchically structured and pre-planned education system spanning the lower primary school and the upper reaches of the university; generally funded by central government and usually institutionalised in the Min. of Education

Informal education: lifelong learning process by which people acquire knowledge, skill and attitude; generally it is unorganised and unsystematic

Non-formal education: any organised, systematic, educational activity carried out outside the formal school system to provide selected types of learning to particular subgroups of the population, adults and children; generally there is spontaneous element to these programmes, i.e. they are identified for and by specific groups to meet certain identified needs of that group; typically such programmes will be short, from weeks to months in duration; it generally differs from the formal funding and institutional arrangements and does not usually come under the control of Min. of Education; this definition encompasses e.g. literacy programmes, skills training outside the formal sector [?], women's and youth groups with substantial education purposes.

Basic education: the minimum level of education required to equip people with social and economic survival skills in a given country—including both formal and non-formal education; in developing countries the primary cycle constitutes the main channel of basic education; it also includes adult literacy, numeracy and basic skills training for social and economic survival

Effectiveness

Extent to which the objectives of the (training) intervention have been met (indicators: employment rates of graduates and employment in trade-for-which-training-received rates).

Efficiency

Rate and costs at which the intervention inputs have been converted into outputs (indicators: trainee-instructor ratio; transition rates in case of multi-year courses; drop-out rates; and pass-out rates).

Employability

Employability is the key outcome of education and training of good quality, as well as a range of other policies. It encompasses the skills, knowledge and competencies that enhance a worker's ability to secure and retain a job, progress at work and cope with change, secure another job if she/he so wishes or has been laid off, and enter more easily into the labour market at different periods in the life cycle (ILO Decent Work 2002).

Entrepreneurship development

Development of entrepreneurial traits such as creativity and innovation, risk propensity and need for achievement, i.e. skills involved in the creation and expansion of a business enterprise (cf. Nieman)

Enterprise-based training

Enterprise-based training is a generic term that refers to all types of skill- or job-related learning that take place in an enterprise or place of business: it includes formal and informal, structured and unstructured and full-time and part-time training. The essence of enterprise-based training is in the practical and pedagogical advantages that derive from learning in the workshop and the readiness with which such skills can be applied to productive work (Grierson)

Impact assessment

Impact assessment is the process identifying either the anticipated or the actual impacts of a development intervention, on the social, economic and environmental factors which the intervention is designed to affect (or may accidentally affect). Impact assessment can be applied at both the project level and at the strategic (policies, programmes, plans) level.

Informal micro-enterprise sector

The IME sector essentially refers to (non-agricultural) self-employment activities and enterprises characterized by (i) *tiny scale of operation* in terms of labour (e.g. less than 5 workers) and capital investment, (ii) use of *labour intensive technologies* that require simple, often outdated tools and equipment, (iii) *traditional forms of organization*, such as family enterprises that make use of (unpaid) family labour, and (iv) *weak position in markets* where they purchase their production inputs and sell their products.

IME operators: IME owners and workers.

In-service training

Training provided by an employer for newly-recruited staff who are trained for their new job, and existing workers whose skills are upgraded or who are re-trained, in companies, organizations and government agencies.

Modular training

The entire training programme is divided in self-standing parts, i.e. modules, which include specific operations (steps) which should be mastered in a logical order. The entire set of skills of the course has been transferred when a trainee has completed all the individual modules.

Network

A social, economic or administrative relationship among individuals, enterprises and public and private organizations.

On-the-job-training

Any purposeful form of transfer of skills that takes place in the workplace.

Outreach

- (i) *scale of outreach*: number of beneficiaries/ clients reached
- (ii) *geography of outreach*: areas where beneficiaries/ clients are living
- (iii) *depth of outreach*: poverty level of beneficiaries/ clients

Performance

The overall performance of a TVET system can be judged by its capacity and ability to prepare the number of semi- and skilled workers required by the labour market (i.e. both the demand from employers and the opportunities for economically rewarding self-employment) in the short run as well as for growth of the economy in the medium term.

Practical (period) (also: attachment)

A temporary assignment to an office, enterprise or production unit, to gain practical experience and exposure to the world of work

Pre-employment training

Training to acquire a set of skills and knowledge previous to becoming employed.

Product-based training

Short training courses, usually to upgrade existing skills, that aim to transfer a set of technical skills required for the production of one particular product or service. More than seeking to acquire a complete set of skills for a particular occupation, the product-based training approach aims pragmatically to provide skills for the production of items that can be readily sold in the market.

Production unit

An institutional or school-based workshop which combines practical training with production for sale, with a view to imparting practical training while raising revenue to support training (Grierson)

Skill

Simply: knowledge demonstrated by action (Wickham quoted in Nieman)

Skills development

Acquisition of practical competencies, know-how, and attitudes necessary to perform a trade or occupation in the labour market (Johanson)

Skills upgrading (topping-up courses)

Training to improve an existing set of skills that have been tested in practical work.

Sub-Contracting

An arrangement whereby one enterprise enters into a formal agreement with a separate independent enterprise to supply a product or service - a form of "business linkage" (Grierson).

Supply-driven training

Training provision determined by 'perceived' needs and by installed capacity (in terms of facilities, staff and 'software'), resulting in the notion that such services should be continued because "they have always been provided".

Sustainability

- *of impact*: ongoing positive effects that continue after the termination of external support;
- *of operation*: ability of an activity to operate independently without external subsidy (Grierson).

(Skills) Training

Generic term for any purposeful activity intended to develop skills and knowledge, covering the full range of training modes and providers (Grierson/Johanson)

Training**Formal training**

Formal training essentially refers to structured training (i.e. training by qualified trainers on the basis of an officially approved training curriculum, which, after passing a formal trade test, is awarded with an official diploma) provided in formal institutional settings, such as training centres of national training institutions.

Non-formal training

Non-formal training refers to semi-structured training provided outside the formal training system, such as training activities of NGOs and similar voluntary organizations.

Informal training

Informal training is essentially unstructured training: training that is not governed by any formal regulations with regard to the registration of the training provider, the qualification of the trainer(s), the structure of the training programme, content of the training curricula, and testing & certification of the training results. Informal training includes, for instance, casual on-the-job training, informal apprenticeship training, and counselling.

Training of trainers (ToT)

Recognized programme designed to train instructors, educators and supervisors to develop the appropriate level of training skills and techniques that can be used in classrooms, work supervisors and places or any place in which individuals are interested to acquire new or additional skills.

Training unit costs

Average costs of training programme per trainee.

Technical-vocational education and training (TVET) includes (Johanson):

- **technical education:** preparation for technicians
- **vocational training:** preparation of craftspeople

TVET system

The national TVET system is the totality of institutions and practices in a country used to develop the skills of the national workforce.

ACRONYMS

ADEA	Association for the Development of Education in Africa (Paris)
ADRA	Adventist Development and Relief Agency (e.g. Ghana)
AFD	<i>Agence Française de Développement</i>
APDES	<i>Association pour une Dynamique de Progrès Economique et Social</i> (Senegal)
APME	<i>Programme d'Appui et Promotion de la Micro-Entreprise</i> (Cameroon)
<i>l'artisanat</i>	denomination in francophone Africa for: small-scale activities, especially traditional activities such as blacksmithing, wood carving, weaving, etc.
ASI	<i>Actions de Solidarité International</i> (France)
BAA	<i>Bureau d'Appui aux Artisans</i> (SDC-funded training project, Benin)
BDS	business development services
CAFP	<i>Centre Artisan de Formation Professionnelle</i> (Douala, Cameroon)
CBS	Central Bureau of Statistics (Kenya)
CDASED	Committee of Donor Agencies for Small Enterprise Development
CEFE	<i>Création d'Entreprise et Formation d'Entrepreneur</i> (GTZ methodology for ED, also known as Competency-based Economies through Formation of Enterprises)
CEP	<i>Compagnie Equatoriale des Peintures</i> (private company Cameroon)
CERAD	<i>Centrale des Ressources et d'Appui au Développement Durable</i>
CFPA	<i>Centre de Formation Professionnelle d'Abomey</i> (training project in Benin funded by Hans Seidel Foundation)
CFPP	<i>Centre de Formation et de Perfectionnement Professionnel</i> (Niger)
CHART	<i>Chambre des Artisans de l'Ouest</i> (Cameroon)

CISEP	Centre for Informal Sector Employment Promotion (TEVETA/GTZ, Zambia)
CIDA	Canadian International Development Agency
CM	<i>Chambres de Métiers</i> (government inspired organizations in WCA -e.g. Senegal and Benin- to represent the <i>artisanat</i> sector)
<i>compagnon</i>	a skilled worker (usually an ex-apprentice) who works as a wage worker or as an independent worker in an informal workshop, using space, tools and equipment for his/her own work jobs
CSO	Central Statistical Office (Zambia)
DANIDA	Danish International Development Agency
DED	<i>Deutsche Entwicklungs Dienst</i> (German Development Service)
Don Bosco	VTCs established and operated by the Roman Catholic order of the Salesians
DfID	Department for International Development (UK) (before: ODA)
ED	entrepreneurship development
EDC	Entrepreneurship Development Centre (TEVETA/EISTP, Zambia)
EISTP	Entrepreneurship and Informal Sector Training Project (TEVETA/NEDA)
ENDA	Environment and Development Activities (Zimbabwe)
FDC	Folk Development College (Tanzania)
EIU	Economist Intelligence Unit (UK)
EMAC	<i>Equipe consultative Multidisciplinaire pour l'Afrique Central</i> (ILO, Yaoundé)
EMAS	<i>Equipe consultative Multidisciplinaire pour l'Afrique Sahélienne</i> (ILO, Dakar)
EMPRETEC	NGO involved in management training (Ghana)
EU	European Union
FCFA	common currency used in West and Central Economic Union
FENAB	<i>Fédération Nationale des Artisans de Bénin</i>
FENAPH	<i>Fédération Nationale des Professionnels de Habillement</i> (Senegal)
FES	<i>Friedrich Ebert Stiftung</i> (Germany)
FIT	Farm Implements and Tools programme (for the promotion of appropriate tools and implements for farming and food processing)(ILO/TOOL project 1993–98)

FNE	<i>Fonds National de l'Emploi</i> (Cameroon)
FOAS	<i>Formateurs Associés</i> (training & consultancy group, Cameroon)
FODEFCA	<i>Fonds de Développement de la Formation Continue et de l'Apprentissage</i> (Benin)
RORAJE	group of training NGOs (Cameroon)
<i>formation continue</i>	post-employment skills upgrading
<i>formation par l'alternance</i>	(external) training complementary to in-service training
GDP	gross domestic product
GEMINI	Growth and Equity through Micro-Enterprise Investments and Institutions (USAID)
GHC	Ghana cedi
GIC	<i>Groupement d'Initiative Commune</i>
GIPA	<i>Groupement Interprofessionnel des Artisans</i> (Cameroon)
GRATIS	Ghana Regional Appropriate Technology Industrial Service
GoB	Government of Benin
GoB/MENRS	<i>Ministère de l'Éducation Nationale et de la Recherche Scientifique</i>
GoB/METFP	<i>Ministère de l'Enseignement Technique et de la Formation Professionnel</i>
GoB/MFPTRA	<i>Ministère de le la Fonction Publique, du Travail et de la Réforme Administrative</i>
GoB/MPREPE	<i>Ministère du Plan de la Restructuration Economique et de la Promotion de l'Emploi</i>
GoC	Government of Cameroon
GoC/METPS	<i>Ministère du Travail et de la Prévoyance Sociale</i>
GoG	Government of Ghana
GoG /MEMD	Ministry of Employment and Manpower Development
GoG/NDPC	National Development Planing Commission
GoK	Government of Kenya
GoN	Government of Niger
GoS	Government of Senegal
GoS/METFP	<i>Ministère de l'Enseignement Technique et de la Formation Professionnelle et de l'Alphabétisation</i>
GoT	Government of Tanzania

GoU	Government of Uganda
GoZA	Government of Zambia
GoZI	Government of Zimbabwe
GPRS	Ghana Poverty Reduction Strategy
GRATIS	Ghana Regional Appropriate Industrial Technology
GTZ	<i>Deutsche Gesellschaft für technische Zusammenarbeit</i>
HIPC	Highly Indebted Poor Countries
IA	informal apprentice
IAT	informal apprenticeship training
ICCO	Dutch NGO
ICEG	International Centre for Economic Growth (Kenya)
ICTs	information and communication technologies
IDRC	International Development Research Centre (Canada)
IECD	<i>Institut Européen de Coopération et de Développement</i>
IFAD	International Fund for Agricultural Development (Rome)
IGAs	income-generating activities
IPE	<i>Institute International de Planification de l'Éducation</i> (Paris)
ILO	International Labour Organization (Geneva)
IMEs	informal micro-enterprise sector
IMF	International Monetary Fund
IS	informal sector
ISA	informal sector association
ISTARN	Informal Sector Training and Resources Network (GTZ, Zimbabwe)
ISTI	<i>L'Institut Supérieure de Technologie Industriel</i> (Senegal)
ITs	Institutes of Technology (Kenya)
ITC	ILO Training Centre (Turin)
ITDG	Intermediate Technology Development Group (UK, also in Zimbabwe)
IYB	Improve Your Business (ILO management development methodology)
<i>jua kali</i>	informal sector producers (Kenya)
KfW	<i>Kreditanstalt für Wiederaufbau</i>
K-REP	Kenya Rural Enterprise Promotion
KVTI	Kumasi Vocational Training Institute (Ghana)
MC	mastercrafts(wo)man
MCDWAC	Ministry of Community Development, Women and Children (Tanzania)

MIBOA	<i>Menuiserie Industriel de Benin dans Africa de Oueste</i> (private company, Benin)
MIT	Mengo Institute of Technology (Uganda)
MoES	Ministry of Education and Sports (Uganda)
MoHET	Ministry of Higher Education and Training (Zimbabwe)
MRTTT	Ministry of Research, Technology and Technical Training (Kenya)
MSETTP	Micro and Small Enterprise Training and Technology Project (Kenya)
MSEs	micro- and small enterprises
MVTC	Makerere Vocational Training Centre (Uganda)
NACVET	National Coordinating Committee for Technical and Vocational Education and Training (Ghana)
NBSSI	National Board for Small-Scale Industries (Ghana)
NEDA	Netherlands Development Agency
NFTI	Non-Formal training Institutes (Zambia)
NGO	non-governmental organization
NIGETECH	<i>Niger Programme de formation professionnelle et technique</i> (ILO/EU project)
NVTI	National Vocational Training Institute (Ghana)
OICG	Opportunities Industrialization Centre—Ghana
ONAFOP	<i>L'Office National de la Formation Professionnelle</i> (Niger)
ONFP	<i>L'Office National de Formation Professionnelle</i> (Senegal)
PDDC	Product Design and Development Centre (Kenya)
PTP	private training provider
PPTP	private for-profit training provider
RAC	<i>Regroupement des Artisans de Cotonou</i> (Benin)
REP	Rural Enterprise Project (IFAD Ghana)
RTSC	Rural Technology Transfer Centre (REP Ghana)
RTTC	Regional Technology Transfer Centres (GRATIS Ghana, before: ITTUs)
SAMAT	Southern Africa Multidisciplinary Advisory Team (ILO, Harare)
SAP	Structural Adjustment Programme
SDC	Swiss Development Cooperation
SIDO	Small Industry Development Organization (Tanzania)
SITE	Strengthening Informal Training and Enterprise (Kenya)
SIYB	Start and Improve Your Business (ILO management development methodology)

SSA	Sub-Sahara Africa
STEP-IN	Integrated Skills Training for Employment Promotion TEVETA/GTZ, Zambia)
TEVETA	Technical Education, Vocational and Entrepreneurship Training Authority (Zambia)
TVET	Technical and Vocational Education and Training
TNA	Training Needs Assessment
<i>tuntemba</i>	small traders (Zambia)
UGT	Uganda Gatsby Trust
UIS	urban informal sector
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNEVOC	International Centre for Technical and Vocational Education and Training (UNESCO)
UNHCR	United Nations High Commission for Refugees
UNIDO	UN Industrial Development Organization (Vienna)
UNIFEM	United Nations Women's Organization
UNOPS	United Nations Operational Services
USAID	United States Agency for International Development
USD	USA dollar
UVETA	Uganda Vocational Education and Training Authority (Uganda)
VETA	Vocational Education and Training Authority (Tanzania)
VOTEC	Vocational and Technical Education division of Ministry of Education (Ghana)
VSP	Vocational Skills and Informal Sector Support Project (WB Ghana)
VTC	vocational training centre
VTI	vocational training institute
WB	World Bank
WCA	West and Central Africa
YMCA	organization of Christian Young Men
YP	Youth Polytechnic (Kenya)
ZATP	Zambia Association of Training Providers

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