


Does the combination of vocational and business management training produce extra benefits?

**A comparative exploration of cases
from the Dominican Republic,
Indonesia, Senegal and Vietnam**



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Eva Majurin

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First published (2016)

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Majurin, Eva.

Does the combination of vocational and business management training produce extra benefits?: A comparative exploration of cases from the Dominican Republic, Indonesia, Senegal and Vietnam / Eva Majurin; International Labour Office. - Geneva: ILO, 2016

English:

978-92-2-131303-8 (print)

978-92-2-131304-5 (web pdf)

International Labour Office

training system / vocational training / management development / comparative study / case study / Dominican Republic / Indonesia / Senegal / Viet Nam

06.01

ILO Cataloguing in Publication Data

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Printed in India

Design and layout by Maurizio Costanza

Cover design by Maurizio Costanza with contribution (original globe design) by Miriam Christensen

Photos by J. Maillard/ILO (1 and 4), M. Crozet/ILO (2), and K. Cassidy/ILO (3).

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Take-Aways

- The combination of vocational skills and business skills training is promoted by a wide range of institutions as a labour market instrument
- Little is known about the impact of combining both training types
- Available qualitative evidence suggests positive outcomes for trainees
- Different models are being tested in which Technical and Vocational Education and Training (TVET) institutions and their teachers provide business management training and in which they enter into strategic alliances with business service providers
- With hundreds of training outlets, many national TVET systems provide an excellent platform to selectively add on other training products and services, potentially enhancing labour market outcomes
- Further linkages to labour market and microfinance institutions are being tested
- More evidence is needed to identify key institutional characteristics and to determine which features of the models help to maximise positive impact at the beneficiary level.

Relevance

- The combination of technical and business skills training is increasingly prominent on the policy agenda of national governments as an employment creation mechanism
- There is growing evidence that the combination of services work better than a single service delivered in isolation; exploring cases in this area and finding the best way of managing combinations is thus of high relevance for the design of job-creation initiatives.

Acknowledgements

This paper is based on the contributions of representatives of national training institutions, SIYB master trainers and ILO field staff, namely Cheickh Badiane, Patrick Daru, Phạm Duy, Budi Maryono, Nguyễn Thị Ngân, Alvaro Ramirez-Bogantes, Nteba Soumano, and Isabel Taveras, and would not have materialised without the expertise and time they devoted to the study. The technical inputs of Merten Sievers and Markus Pilgrim for the design and finalisation of the study and the support of Fredy Guayacan and Lourdes Toledo for the Dominican Republic case are also gratefully acknowledged.

Acronyms

BDS	Business Development Services
BKKBN	Badan Kependudukan dan Keluarga Berencana Nasional (Bahasa; Family Planning Coordination Board)
CEFE	Competency based Economies through Formation of Entrepreneurs
DINPPO	Dinas Pendidikan Pemuda dan Olahraga (Bahasa; Office of Education, Youth and Sports)
EMPRETEC	Emprendedores y tecnología (Spanish; Entrepreneurs and Technology)
EAST	Education and Skills Training for Youth Employment
EYB	Expand Your Business
GDVT	General Department for Vocational Training
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German; German Agency for International Cooperation)
GYB	Generate Your Business Idea
IDR	Indonesia Rupiah
IFC	International Finance Corporation
ILO	International Labour Organization
INFOTEP	Instituto Nacional de Formación Técnico Profesional (Spanish; National Institute for Vocational Training)
IYB	Improve Your Business
ISFP	Insertion des sortants de la formation professionnelle (French; Enhancing Labour Market Access of Vocational Training Graduates)
KAB	Know About Business
LAPENKOP	Lembaga Pendidikan Perkoperasian (Bahasa; Training Institute for Cooperatives)
MOLISA	Ministry of Labour, Invalids, and Social Affairs
MoU	Memorandum of Understanding
NTT	Nusa Tenggara Timur (Bahasa; East Nusa Tenggara province)
SIYB	Start and Improve Your Business
SME	Small and Medium Enterprise
SYB	Start Your Business
TVET	Technical and Vocational Education and Training
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UPTD-PTK	Pelaksana Teknis Daerah- Pelatihan Tenaga Kerja (Bahasa; a district training institution under the Ministry of Manpower and Transmigration)
USD	United States Dollar



Does the combination of vocational
and business management training produce extra benefits?



Introduction

Both Technical and Vocational Education and Training (TVET) and business management skills training have traditionally been viewed as key employment promotion instruments by policy makers. Many employment policies in developing and developed countries make reference to both types of training as tools to address unemployment. The underlying assumption is that the combination of these two types of skills building can yield higher impacts in terms of access to employment or self-employment opportunities. For potential entrepreneurs, adding technical training to enterprise management skills provides much needed technical expertise in the core-area of the business – whether in production or services – while for seekers of paid employment, managerial skills in addition to technical skills could bring added value to their profiles from the perspective of employers.

The combination of technical and business skills training is currently being promoted by international bodies¹ and a number of governments. For instance, in the Dominican Republic, as part of the government's strategy to create 400,000 jobs, the national vocational training institute has been enlisted to provide entrepreneurial training to 40,000 of its vocational skills trainees in the coming four years. Similarly, in Vietnam, the General Department of Vocational Training has embarked on an initiative to provide a combination of technical farm- and off-farm skills training and business management training to up to a million rural workers per year as part of the “Million Farmers” initiative. In Senegal, further to the reform of the technical and vocational education and training system in early 2000, the government introduced business management training modules in the curricula of TVET institutions in order to improve the employability of the youth coming out of TVET institutions.

While the impact of various types of training provided as stand-alone interventions² have been compared, very little is known about the impact of combinations of training. Similarly, although the combination is being endorsed by key players, little has been done to document and analyse how the different training contents and delivery mechanisms best go together. Do they produce additional benefits for those who have access to both types of training? How should institutions best structure the different types of training?

This paper tries to provide first answers to these questions by reviewing recent initiatives of combining TVET with “Start and Improve Your Business” (SIYB) enterprise management training in four countries and extracting first lessons. It starts with an

1 The ILO Human Resources Development Recommendation, 2004 (No. 195) stipulates, among other provisions, that Member states should promote entrepreneurship as part of their career guidance and training support services. In a similar vein, the Conclusions of the 2008 International Labour Conference (ILO, 2008) call for a holistic approach to skills building – including an understanding of entrepreneurship – as the building blocks for lifelong learning and capability to adapt to change, while the “A Skilled Workforce for Strong, Sustainable and Balanced Growth” strategy (ILO for the G20 in 2009) highlights the importance of combining vocational and entrepreneurship training for future skills needs. The UNESCO 2001 Revised Recommendation on Technical and Vocation Education and Training and the 2012 UNESCO Shanghai Consensus on TVET highlight the need to promote entrepreneurship skills as a cross-cutting area of TVET in order to equip learners with the skills required for sustainable livelihoods.

2 Cho and Honorati, 2013. See also Section 4 on impact.

explanation of what is encompassed by technical and business management training, then proceeds to an overview of initiatives combining the two and a comparison of the technical features of the various models, and then focuses on one of these cases with a view to assessing the impact. Finally, it concludes with a summary of what has been learnt while implementing these initiatives.

This paper specifically focuses on initiatives where the ILO's SIYB business management training programme, which is further detailed in Section 2.2, has been or is being used.

It is based on a review of project documentation and interviews with the management and staff of projects and government representatives in the Dominican Republic, Indonesia, Senegal and Vietnam.



1. Technical and Vocational Education and Training and Business Skills Training

1.1 Technical and Vocational Education and Training

“Technical and vocational education and training”, or TVET, relates to the acquisition of practical skills, attitudes, understanding and knowledge relating to occupations in various sectors of economic and social life as a means of preparing for effective participation in the world of work.³ It encompasses education or training provided either in educational institutions or under their authority, by public authorities or the private sector, and may be formal or informal.

As such, TVET may range from on-site, short-duration training in informal and small scale workplaces such as microenterprises operating in relatively simple sectors such as tailoring or food processing to courses integrated into full semesters of educational establishments in fields requiring more in-depth training such as mechanics or office administration, leading to official, state-recognised certification.

³ UNESCO, 2001. TVET is sometimes referred to by the sub-elements which make up the “TVET” field as a whole, such as: Apprenticeship Training, Vocational Education, Technical Education, Occupational Education, Vocational Education and Training, Professional and Vocational Education, Workplace Education, etc. In this paper, the terms TVET, technical skills training, and vocational skills training are used interchangeably.

While TVET may be provided by a range of organizations, in many countries the TVET “sector” is state-led, given its importance for attaining public policy goals; as such, much of the technical skills training takes place in institutions affiliated to the government, such as public TVET centres or schools.

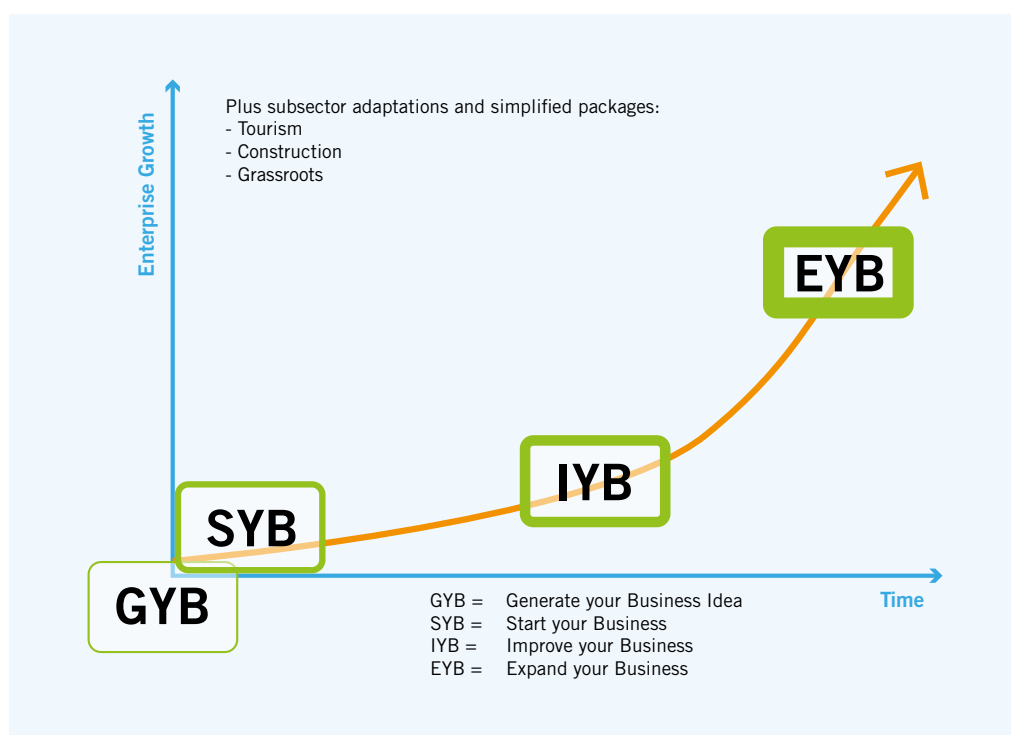
Participation in TVET may be open to any segment of the population, but is often targeted at groups specifically identified as priority categories, such as youth or people in rural areas.

1.2 Business Management Training

As with TVET, business management training programmes abound. In addition to a vast range of country-level programmes, well-established programmes with a global outreach include, among others, the EMPRETEC programme of UNCTAD, the “Business Edge” programme of IFC, CEFE of GIZ and the “GET Ahead” and “Start and Improve Your Business” (SIYB) programmes of the ILO.

SME management training generally aims to assist potential entrepreneurs to set up businesses, or existing ones to improve their management and operations. While such programmes vary in scope, they usually cover topics such as selecting a business idea, developing a business plan, marketing, costing and pricing, and record-keeping. The implementation of these programmes usually relies on officially recognised (often certified) trainers from the public or private sector – for instance, business development service (BDS) providers – who have been capacitated in the training methodology of the programmes concerned and in delivering trainings using the sets of training materials that accompany these programmes. The target groups of these programmes range from informal micro-enterprises to enterprises on a growth path, and the course duration as well as delivery mechanisms may vary depending on the implementation context.

SME management training should be distinguished from entrepreneurship education, which features increasingly in the programmes of national educational institutions, but which is often more focused on awareness creation and generating an understanding of entrepreneurship, rather than aiming at directly supporting potential start-ups in their launch or in assisting existing enterprises to improve their management. The ILO also promotes entrepreneurship



education programmes like the “Know About Business” (KAB) training package that specifically aims at creating an entrepreneurial culture.

This paper focuses on the much shorter SIYB start-up and management training packages.

The SIYB programme is a system of inter-related training packages and supporting materials for small-scale entrepreneurs to start and grow their businesses. It is structured into four separate training packages that cater to (potential) businesses at different stages of maturity:

- *Generate Your Business Idea (GYB)* is a 2-3 days long training programme which is customised for people who would like to start a business, and helps them to select the most feasible business idea.
- *Start Your Business (SYB)* is for potential entrepreneurs who want to start a small business. The programme is a combination of training and practical support that helps participants to assess their readiness to start a business, prepare a business plan and take other steps necessary to get the business started. SYB courses are usually delivered in 5 days.
- *Improve Your Business (IYB)* introduces already practising entrepreneurs to good principles of business management. Its 6 modules (on marketing, costing, buying and stock control, record keeping, planning and people and productivity) can be taught individually or as a full course, with the latter taking approximately 7 days.
- *Expand Your Business (EYB)* gives growth-oriented SMEs the practical tools for business growth, assisting them through training and non-training interventions with a focus on business strategy. The standard training course duration is usually 2 weeks.

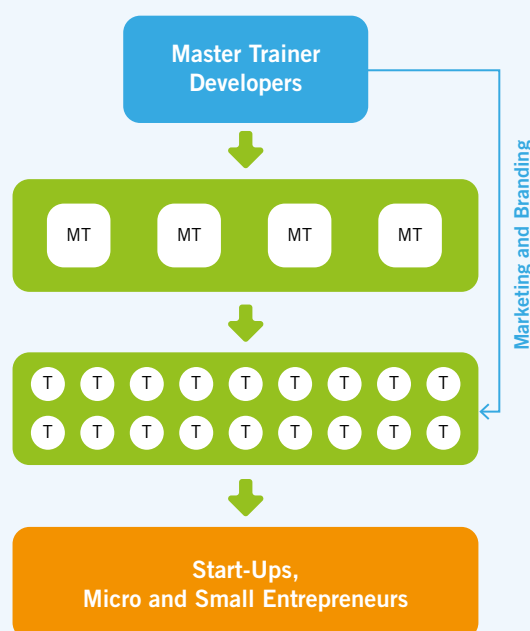
The SIYB programme was designed with an institutional approach and a multiplier

strategy. The programme is implemented using a three-tier approach as follows: ILO develops so called “Master Trainers” who are responsible for training trainers, who in turn train entrepreneurs.

This programme was selected for review in this paper given the range of recent ILO experiences in combining it with TVET initiatives, and the relatively higher degree of comparability between these experiences than with a mix of training business management programmes.

SIYB trains on three levels

- 1 Master Trainer Developers train SIYB Master Trainers
- 2 Master Trainers train SIYB Trainers in BDS providers
- 3 SIYB Trainers train clients: MSEs and Start-Ups





2. Overview of Initiatives Combining SIYB and Vocational Training

This section provides an overview of a number of recent initiatives in which mainly governments have made use of this combination, outlining the models broadly in terms of their aims and technical features such as: who are the beneficiaries; what is the sequence of the different types of training that are provided; who provides the various types of training; and how the model is financed. The cases outlined in this section include initiatives in the Dominican Republic, Indonesia, Senegal and Vietnam.

2.1 Snapshot of Initiatives

Dominican Republic: In the Dominican Republic, the new government that was voted in in 2013 committed to creating 400,000 jobs; as part of the strategy to reach this target, INFOTEP, the national vocational training institute was asked to train 40,000 (potential) entrepreneurs in SIYB in the coming four years, with technical support from ILO. There are three main target groups for the training: current students of INFOTEP who will finalise their vocational studies in the near future and who do not yet have entrepreneurial activities; past graduates of INFOTEP who have businesses; and existing entrepreneurs who are not linked to INFOTEP. The first two of these groups received vocational skills training as part of their studies with INFOTEP, which the business skills training will supplement. The SIYB training will be provided by con-

sultants who are part of INFOTEP's network of regularly hired service providers. The types of technical fields INFOTEP graduates are and will be working in are mostly elementary occupations like bread-baking, simple mechanics, and the like. Concerning access to other services, the beneficiaries of the training will most likely have special access (fast track) to an SME financial facility. In terms of funding, the initiative is cost-shared between ILO and INFOTEP both at the level of training INFOTEP trainers to become SYB trainers, as well as at the level of training the students, for which the course costs will be subsidised by INFOTEP.

Indonesia: The Education and Skills Training for Youth Employment (EAST) project was launched by the Government of Indonesia in 2005 to promote youth employment in the country, and was implemented by the ILO. Among the project's key activities were facilitating the provision of vocational training and entrepreneurship/business education to out-of-school youth without a job. The project worked with local TVET institutions and BDS providers in different provinces to enhance their capacity to deliver technical and business skills training to youth; recognising that most beneficiaries would need a combination of the two types of training, the project additionally facilitated the formulation of agreements (in the form of Memoranda of Understanding or inter-institutional work plans) between community learning centres under the Ministry of Education responsible for informal vocational training and BDS providers as a means of ensuring that beneficiaries are covered by both forms of support. Youth were selected for participation in the trainings following registration with the community centres and an entry test, after which they were directed to the centre to take part in vocational skills training in various occupations. Business skills training using the SIYB packages were provided separately by BDS providers. Financial support was provided by ILO for the implementation of the activities. Implementation practices varied between provinces, and the project was able to test different ways of combining TVET and business skills training and to draw lessons from the provincial experiences on what works best.

Senegal: In line with the Government of Senegal's reform of the TVET system, a joint UN programme⁴ is supporting its upgrading by bringing in entrepreneurship skills training (ILO), production assistance (UNIDO) and financial linkages (UNDP) as part of a holistic approach. Following a ministerial decision, KAB, GYB and SYB business training has been integrated in the curricula of TVET institutions with ILO support. These courses are included in the training schedules of trainers in TVET centers, and are evaluated by agents of the academic inspectorate. According to the standard developed for 15 professions, from the second year of their studies onwards, TVET students are provided KAB training to sensitise them on entrepreneurship as a career option; in their final year, they are provided GYB training in order to help them identify business ideas; and upon graduation, candidates wishing to take SYB training are given a test, and those who pass are invited to an SYB training course. The trainees' business plans are then submitted to a financial institution within the UNDP network for possible funding. Once they have started enterprises, the beneficiaries are linked to business

⁴ "Insertion des sortants de la formation professionnelle" (ISFP-Sénégal), funded by Luxembourg.

associations, which provide further support services, including IYB business improvement training. Business associations have a key role in serving illiterate students who cannot take part in the GYB and SYB courses provided by the TVET centres: for this target group, SIYB Level 1, a picture-and exercise-based module developed for illiterate target audiences, is provided by the associations. The students of TVET institutions co-finance the enterprise management trainings by paying participation fees for the SYB (11% of total cost) and SIYB Level 1 (5% of total cost) trainings they receive. Efforts are underway to facilitate the adoption of the SIYB packages by the national TVET Fund, which will further improve financial sustainability.

Vietnam: The Government of Vietnam launched the Million Farmers initiative in 2009. The aim of the initiative is to provide training in vocational and entrepreneurial skills to one million farmers and rural workers per year between 2011 and 2020 as a means of creating jobs and entrepreneurial activity in rural areas. The General Department for Vocational Training (GDVT) under the Ministry of Labour, Invalids and Social Affairs (MOLISA), a key implementing agency of the initiative, decided to use the GYB and SYB business training packages for implementing the business skills component of the initiative in their nationwide network of 131 vocational colleges, 400 vocational schools and 800 vocational training centres. Under the implementation model, all trainees of the Million Farmers initiative are given an introductory training on how to generate business ideas and marketable products (through the GYB package) in conjunction with a vocational training component. Those trainees who after the first training intervention are willing and able to set up an enterprise go through an additional one-week training to develop a marketable business plan through SYB package, while the other trainees opt for wage employment. Both the vocational training and SIYB training are provided by trainers of the GDVT-affiliated training structures; these trainers who are specialised TVET trainers are being capacitated by SIYB “Master Trainers” to become certified SIYB trainers in addition to this function. While ILO is cost-sharing the institutional capacity building of GDVT, the training of students will be factored into the regular training budgets of the training institutions, supplemented by specific state budget allocations for the Million Farmers programme.

2.2 Features of the Models

All of the initiatives outlined in the section above involve combinations of vocational and business skills training, though their implementation models (how and by whom the trainings are provided, who finances them, etc.) may vary. This section provides a comparative overview of the technical characteristics of these models, as well as lessons learned from these experiences.

Target groups: The target groups for all of the initiatives are determined by either the government policy they are linked to and/or the objectives of the programme under which they are implemented. In the case of Vietnam, the target group is people living in rural areas who are encouraged to go into either farm or off-farm wage or self-employment. In the case of Indonesia and Senegal, youth are targeted, while in the

Dominican Republic, the target group is either current or previous students of the national TVET institution, but the age group is not specified. In all these cases, the target groups face more challenges in entering/staying in the labour market than the population at large. This also implies challenges at the intervention level. For instance, the EAST experience showed that in cases where older beneficiaries were included in the activities in addition to the main target group of out-of-school youth, it was easier to reach impact as the older beneficiaries had access to assets, knowledge and networks that the younger beneficiaries did not. The special needs of the target groups thus needs to be kept in mind and factored into the intervention design, as with training interventions in general.

Enrolment/selection: In all four cases, the beneficiaries of the combination training are/were initially registered with a TVET institution, and then receive/received SIYB training following a selection process often based on a written or oral test. In the case of Vietnam, the GYB package is provided to all TVET students and used to help determine whether TVET students should pursue wage or self-employment as a goal, with the latter being directed towards SYB training as a result. In the case of Senegal, all TVET students go through KAB and GYB training, and those who are interested in setting up an enterprise are tested, and, if they are successful, provided SYB training. These experiences would seem to indicate that it is useful to provide some degree of business awareness training to all TVET students so as to provide them with an awareness of the options that are open to them – namely wage or self-employment–, but that it is best to test and target only those with a genuine interest and capacity to start a business with more in-depth business management training.

Length and sequence: In terms of length, the business skills component of the training lasts between 3-5 days, as per the standard length of the GYB and the SYB training packages, while the duration of vocational training varies from a few weeks (in the case of Indonesia) to a several years (in the case of some of the courses in Senegal), depending on occupation. In terms of sequence, in most of these cases, TVET is the basis of the combination training package, and students are enrolled in TVET programmes; they are then offered SIYB training either during their TVET process, or upon graduation. In the Senegalese case, entrepreneurial skills training is phased into the TVET curriculum as follows: from their second year onwards, students receive business awareness training, in their last year, they are provided business idea generation training, and upon graduation, those who are interested and pass a test are provided actual business start-up training (SYB). In Vietnam, similarly, GYB is provided in conjunction with vocational training courses to all vocational training students, and SYB is provided after the vocational training as a separate course for those who are interested and capable to start a business. In addition to this sequence, the EAST project in Indonesia also tested the opposite sequence, namely providing SYB training first, followed by vocational skills training. The project's experience shows that results are better when TVET is provided first and business skills training after that, so that beneficiaries can ensure they have the required technical skills as well as a solid idea

of the input requirements, markets, and other business features of their particular technical sector before embarking on a business start-up.

Trainers: In two of the cases, both TVET and business skills training are provided by the same institution. In Senegal and Vietnam, the trainers of TVET institutions are provided additional training to acquire business skills training as an area of expertise, and these trainers then roll out both technical and business skills training to students at the institutions. In the other two cases, the model is different: instead of re-training trainers within TVET institutions to also provide business training, they opted for specialized trainers in each field. In the Dominican Republic private consultants providing business skills training are regularly hired and brought in by INFOTEP to provide SIYB training to their students. In the case of Indonesia, the EAST project helped to develop partnerships between TVET centres, which provide vocational skills training, and BDS providers, which provided business skills training. This dual-provider approach was also used initially in Senegal, before the project shifted to a model whereby all training is provided by TVET trainers. Both approaches have advantages and disadvantages; in the case of training trainers from TVET institutions – which may reduce transaction costs, ensure high outreach and enhance sustainability – it is important to ensure that the selection of trainers is thorough and training process sufficiently comprehensive. In the case of combining service providers specialised in each area – which increases the likelihood of quality service delivery – it is important to ensure that coordination is present so that beneficiaries receive the services, and that the inter-institutional collaboration continues beyond the project.

Financing: All of these models are/were partially or fully funded by government budgets, complemented by external donor funding. Beneficiary contributions tend to be limited and may even be completely absent. In the case of Senegal, in addition to subsidisation by the government and by the ILO, the TVET institutions cover 25% of the cost of training provision, while participants are expected to pay 11% for SYB training and 5% for SIYB Level 1 training. Integrating business management training into state-supported vocational training schemes clearly has the advantage of also integrating costs into such schemes, reducing the need for external funding. The Senegal model also shows that participant contributions can successfully be solicited; this is a practice that is recommended given that agencies working in the field of private sector development concur on the usefulness of charging training fees, not only for cost-recovery purposes but by ensuring higher participant commitment to the learning process.

Means of integrating TVET and SIYB services: In the cases of Vietnam and Senegal, the integration of business skills training into vocational training schemes is through a formal process involving government decisions (a Prime Minister's Decision in Vietnam, and a Ministerial Decision in Senegal), as a result of which SIYB is officially integrated into the regular curricula of national TVET institutions. In the Dominican Republic, INFOTEP has officially adopted SIYB into its curriculum, though no official government decision has been issued to date. In the case of Indonesia, provincial scenarios varied, but in many provinces individual partnerships between local TVET and BDS

providers were brokered on a case-by-case basis for the delivery of their respective specialised services to the same target group, and formalised through either Memoranda of Understanding or joint work plans. While a formal agreement at the national level provides a solid basis for integrating SIYB and TVET services at the country level and reaching scale, such agreements may also take time to be developed, and once in force, implementation may be restricted by complex procedures for activity or budgetary authorisations; local-level, less formal partnerships should thus not be neglected as an effective option in addition to or in lieu of central level agreements.

Other services: The combination of TVET and business management skills is the basis of all these initiatives. In all cases, the need for other support services is recognised, and efforts are being made to facilitate their delivery. For example, access to financial services is an additional component of the Senegal initiative, where links to financial institutions are brokered by UNDP and where TVET/SIYB graduates' business plans are submitted to these institutions; in the case of Indonesia, in some provinces local government provided start-up capital to beneficiaries, and in Dominican republic, it is likely that beneficiaries of the INFOTEP vocational/business skills scheme will also have access to an SME financing facility. Other business development services, such as market access facilitation, have also been recognised as key to the success of business start-ups that emerged as a result of the training. While the combination of TVET and SIYB shows high impact (see Section 4), the need for other complementary financial or non-financial BDS also needs to be assessed and their delivery facilitated where feasible when implementing such initiatives.

Table 1: Overview of the features of various combination-models

Key aspects	Country cases			
	Dominican Republic	Indonesia	Senegal	Vietnam
Target group	Youth/adults who are not yet or not currently employed, as well as currently employed persons with capacity building needs (broad target group).	Youth (out-of-school).	Youth (both low-literacy and literate).	People living in rural areas (engaged in farm and non-farm activities).
Trainee selection	Participants are selected based on a range of criteria (minimum age of 16 years, reading and writing ability, being committed to participating actively, and, for SIYB, having a business idea). For technical courses, selection modalities vary by course.	Youth were selected for participation in the trainings following registration with the community centres and an entry test, after which they were directed to take part in vocational skills training at the centre, and in business skills training provided by BDS providers.	Beneficiaries of the combination training are initially registered with a TVET institution. All TVET students receive KAB and GYB training, and those who are interested in setting up an enterprise are tested, and, if successful, provided SIYB.	Beneficiaries of the combination training are initially registered with a TVET institution, and then receive GYB training as part of their vocational studies. Students interested to start a business are then invited to take part in SYB training.
Length of training	TVET courses in INFOTEP range from a few months to a few years depending on the occupation; the business management training is provided as per the usual length of the SIYB packages (3 days for GYB and 5 days for SYB).	TVET courses were usually between a few weeks to a few months long depending on the occupation; the business management training was provided as per the usual length of the SIYB packages (3 days for GYB and 5 days for SYB).	The length of TVET courses varies by occupation and target group; many courses last several years, though short courses are also provided for some occupations and for low literacy students. The business management training is provided as per the usual length of the SIYB packages (3 days for GYB and 5 days for SYB).	The TVET courses conducted under the Million Farmers Programme are 3 months long. The business management training is provided as per the usual length of the SIYB packages (3 days for GYB and 5 days for SYB).
Sequencing of training	For students enrolled in vocational training, SIYB follows the initial vocational training in most cases.	Both the provision of TVET skills training first, followed by SYB training, as well as the reverse sequence, were tested. The results were more positive in cases where TVET was provided first.	Entrepreneurial skills training is phased into the TVET curriculum: from their second year onwards, students receive business awareness training, in their last year, they are provided business idea generation training, and upon graduation, those who are interested and pass a test are provided actual business start-up training (SYB).	GYB is provided in conjunction with vocational training courses to all vocational training students, and SYB is provided after the vocational training as a separate course for those who are interested and capable to start a business.
Training providers	While TVET training is provided by teachers employed at INFOTEP, business trainers are mostly private consultants who are regularly hired by INFOTEP to provide SYB courses.	The project helped to develop partnerships between TVET centres, which provide vocational skills training, and BDS providers, which provided business skills training.	The trainers of TVET centres receive training on how to conduct SIYB training as an area of expertise, and then roll out both technical and business skills training to students at the TVET centres. Additionally, trainers from the Chambers of Commerce support the work, both through the provision of SIYB Level 1 training, as well as by assisting with regular GYB and SYB trainings.	The trainers of TVET centres, schools and colleges receive training on how to conduct SIYB training as an area of expertise, and these trainers then roll out both technical and business skills training to students at the TVET institutions.

Key aspects	Country cases			
	Dominican Republic	Indonesia	Senegal	Vietnam
Financing of training	Training is free for the students as it is subsidized by INFOTEP (which receives funding from employers and workers based on contributions defined in Law 116, as well as from government).	Models were partially or fully funded by government budgets, complemented by external donor funding.	The scheme is subsidised by the government and by the ILO; the TVET institutions cover 25% of the cost of training provision, while participants are expected to pay 11% for SYB training and 5% for SIYB Level 1 training. Efforts are underway to facilitate the adoption of the SIYB packages by the national TVET Fund, which will further improve financial sustainability.	Following some limited financial support from ILO for initial pilot trainings, it is expected that the TVET institutions will fully fund the roll out of SIYB courses (through funds allocated by the government). It is not expected that students will contribute financially.
Nature of integration of TVET and business management training	SIYB has been integrated formally into the curriculum of INFOTEP, which offers it alongside its regular courses.	Provincial scenarios varied – many provinces brokered partnerships between the local TVET and BDS providers on a case by case basis, formalized via MoUs or joint work plans.	A Ministerial Decision has been issued on the inclusion of KAB, GYB and SYB in the curricula of TVET institutions. A standard has been developed for 15 professions; these standards include the use of KAB, GYB and SYB trainings. The SIYB trainings are formally reflected in the schedules of TVET trainers.	The use of SIYB by TVET institutions is stipulated in a Prime Minister's Decision encouraging schools to do so. Individual schools determine whether and how to offer SIYB as part of their curriculum.
Other services	Efforts are being made to link students to other support services, including finance.	The local government of some provinces provided start-up capital to beneficiaries.	Access to financial services and other technical support are additional components of the Senegal initiative. Links to financial institutions are brokered by UNDP; TVET/SIYB graduates' business plans are submitted to these institutions. Technical support on quality and process are provided to students by UNIDO in the preparation of their business plans.	Some TVET/SIYB students may be able to obtain finance from banks or agricultural extension services through local government schemes on an individual basis, but there is currently no systematic linking of services.



3. What about impact? The case of the ILO-EAST project

The impact of various types of training provided in a stand-alone manner have been compared by researchers: Cho and Honorati⁵, for instance, carried out a comparison of vocational training, business skills training and training on financial skills. Their study found that vocational training has the highest impact on labour market outcomes, followed by business and management training, and training on financial skills. This difference may partly be explained by the fact that vocational training tends to be substantially longer than business training; because of this difference in length, comparing different types of training is also complex.

While rigorous evidence has still to be produced, the findings of the limited research that does exist points to packages (or comprehensive approaches) having a higher success rate than stand-alone interventions in these fields.

The ILO Education and Skills Training for Youth Employment (EAST) project is one of the only ILO initiatives which has attempted to assess the results of the combination of vocational and business skills training. This experience reveals that the combination of vocational training with business skills training is likely to have a stronger impact on job-creation and employment than either one of these types of training in isolation; this section focuses on the experience of this Indonesian project, providing an overview of its results and discussing the factors which may have contributed to the latter.

⁵ Cho and Honorati, 2013.

As mentioned above, the EAST project aimed to address youth unemployment through vocational training and entrepreneurship/business training and education, training a total of 6,505 youth (3,417 women and 3,088 men) in SYB, 1,995 youth (859 women and 1,126 men) in vocational skills and 1,387 youth (667 women and 720 men) in a combination of the two.

A tracer study was conducted among these 9,887 beneficiaries (of whom about 50% were female and 50% male), showing significant differences between vocational and business skills training in terms of impact.

A comparison of the start-up rates among the beneficiaries of various types of training showed that youth who were provided SYB only had a business start-up rate of 32% and youth that completed vocational training only had a business start-up rate of 11%, while youth who followed both SYB and vocational training had a start-up rate of 58%. This clearly points to the high returns on an investment in combination training, which would seem to provide beneficiaries a fuller set of skills required for starting businesses than either vocational or business management training on their own.

With regard to the rates of trained youth who got jobs (as opposed to those who started businesses) after the training, the rate was highest among those who were provided vocational training only; the higher rate among this group of beneficiaries than among the other beneficiary groups is likely to be attributable to the comparatively higher business start-up rates among the latter.

A finding with equally important implications for business management training providers is that among the beneficiaries of the three different types of training, those who received SYB training only had the highest percentage of youth who neither started a business nor got a job following training (68%, as compared to 50% for those who received vocational training only and 28% among those who received the combination of SYB and vocational training).

Table 2: Impact of different training combinations on the beneficiaries of the ILO-EAST project

	% of youth trained that started a business	% of youth trained that got a job	% of youth trained that started a business or got a job	% of youth trained that did not start a business or get a job
Youths that completed SYB only (no vocational training)	31.8%	0.3%	32.0%	68.0%
Youths that completed vocational training only (no SYB)	10.5%	39.2%	49.7%	50.3%
Youths that followed both SYB and vocational training	57.8%	14.6%	72.5%	27.5%
TOTAL TRAINED	31.2%	10.1%	41.3%	58.7%

In terms of gender trends, for those who received SIYB training only, the start-up rate was some 5 percentage points higher for women (34%) than for men (29%). For these

trainees, the rate of finding a job was twice as high for men as for women, though the share was marginal for both (under 0.5%). With vocational training only men fared better overall, with a higher business start-up rate (12% for men as compared to 8% for women) as well as higher rate of finding a job (42% as compared to 35%). In the case of the combination of vocational training and SYB, both start-up and job-finding rates were on the approximately the same scale for women and men, with slightly higher rates for women in both cases. Overall, summing up the results of all three categories of training, it appears easier for both women and men to start a business than to find a job. In terms of business start-up rates, for both women and men, the combination training appears to have the greatest impact.

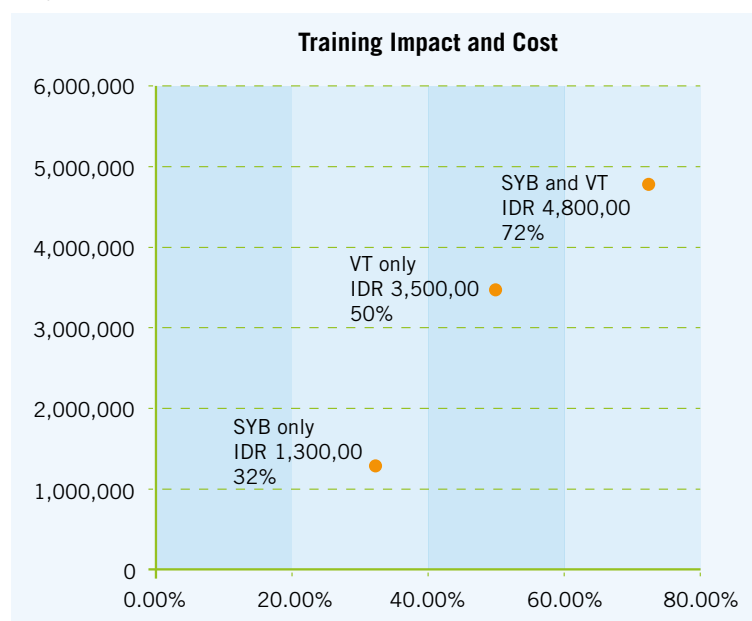
Table 3: Gender differences in impact

	Started a business*			Found a job*		
	Women	Men	All	Women	Men	All
SYB training only (no vocational training)	34.2%	29.1%	31.8%	0.2%	0.4%	0.3%
Vocational training only (no SYB)	8.4%	12.1%	10.5%	35.3%	42.2%	39.2%
SYB and vocational training	59.8%	56.0%	57.8%	15.0%	14.3%	14.6%

* Share of women who started a business/started a job out of number of women trained and share of men who started a business/started a job out of number of men trained, by category of training

With regard to training costs, at IDR 4,800,000 (413 USD) per person, the cost of the combination of business skills and vocational training was higher than SYB training only, which cost 1,300,000 IDR (112 USD) per person, and vocational training, which cost 3,500,000 IDR (296 USD) per person. Based on the EAST project’s training cost-structure, the higher start-up and employment rates of the combination training did not offset its higher cost: while the cost of combination training was 3.7 times higher than SYB training, its impact was “only” 2.25 times higher than that of vocational training. However, this is specific to the trainings provided in this case, and costs of such trainings may differ depending on a range of factors such as local logistics costs, trainer fees, or the exact length of trainings; there may therefore be other cases where the difference in costs is smaller, to the extent that the higher cost of combination training is compensated for by its higher impact. This does, however, confirm the importance of careful costing to ensure costs are optimised.

The above results need to be seen in the light of some methodological limitations. The results were obtained through a tracer study carried out by the project itself, rather than by external evaluators. The tracer study compiled net start-up and employment rates among the project beneficiaries; as such, there is no “counterfactual”, and it is not possible to know whether and to what extent these changes would have taken place



ce even in the absence of the project. The independent evaluation of the project, for instance, notes that for the population targeted by the project, self-employment is likely to be a substitute for unavailable wage employment – there is therefore a possibility that a large share of the persons who benefited from the project may have started businesses out of necessity even in the absence of the project.

Moreover, while it is assumed that the higher impact is due to the (right) combination of technical and business management skills, both project staff and its evaluation report recognise that other factors also affect the start-up and employment rates of the beneficiaries, which could not be accounted for in the tracer study. This includes characteristics of the support services provided that could not be comparatively assessed (for instance, the length, appropriateness and quality of the training or availability of after-training support). Additionally, they may include factors that concern the situation of individual beneficiaries, such as their access to productive inputs or finance, as well as “broader”, external factors such as market conditions.

Combining impacts: The experience of East Nusa Tenggara province

The province of NTT is characterised by limited industrial development, and there are very few large-scale employers. Unemployment is a serious challenge, and a large share of the population relies on an informal economy and the farming sector for their income.

The lack of skills and education is a key impediment to youth finding jobs in the province. It is also one of the reasons why businesses started by youth fail. Starting a small business is attractive in the absence of paid employment opportunities; for instance, setting up a poultry raising business is common in Belu district of NTT province. Even when start-up capital is available, poultry businesses often fail because of a lack of technical skills – for example, in relation to how poultry houses should be constructed or how to ensure correct feeding and veterinary care are being practiced - or business management skills such as how to cost and price products, how to market them, or how to keep records.

The EAST project partnered with local institutions in Belu district to provide a holistic response to these constraints by combining vocational and business skills training as well as other types of business development support. The project brokered an agreement between a local skills provider, UPTD-PTK (a district training institution under the Ministry of Manpower and Transmigration), an entrepreneurship training provider (LAPENKOP) and the Office of Education, Youth and Sports (DINPPO) which provided start-up capital: together these institutions provided support to youth groups in the district.

The rate of youth group members starting businesses following the training was high: approximately 71% of the 270 participants (107 male and 87 female) of the trainings started their own enterprises.

One of the beneficiaries of the project was the “Zero” group – named so as according to its members the group “started from zero.” The group which had been established by the Family Planning Coordination body (BKKBN) and which consisted mainly of housewives and young unemployed women, heard about the DINPPO’s grant scheme, and decided to apply for a grant to start chicken-raising.

The group’s proposal was accepted, and it was awarded a grant of 900 USD, complemented by a package of business skills (SYB) and technical skills training in chicken-raising. The group had no experience in raising chickens or in running a business: the package training thus proved essential in equipping them with the capacity to start and run the business.

When asked about the impact of the training, the group members said that among the key benefits were the fact that they now know where and when to sell their chickens, and have found new markets outside of their immediate neighbourhood. They now also search more actively for information on stock supply.

Concerning improvements in the scheme, according to the group members it would have been more beneficial to be trained in the technical field of chicken raising first and only after this in business skills; in their case, they learned the correct chicken raising techniques only after starting their business, and had to adjust some of their practices afterwards. However, the group recognises that had they only been provided business skills training, their business would most likely have suffered: for instance, they had initially built their chicken coop incorrectly, but were able to re-build it using the correct technique thanks to the training.



4. Conclusions

Both TVET and SME management training have come to be common – and, based on the experiences of development interventions in the past few decades, high impact – instruments for job creation and poverty reduction. Increasingly, the combination of these two types of training for the same target beneficiaries is gaining ground as an even more effective mechanism for stimulating wage or self-employment and enterprise development. This increasing attention is visible both at the international level in policy position papers and international standards set by key stakeholders in these sectors, such as UNESCO for TVET, and also at the national level, where several governments – for instance, the Government of Vietnam in its implementation of the “Million Farmers” initiative – have recently embarked on large-scale initiatives combining technical and business skills building as part of their employment promotion measures.

With regard to the models introduced for implementing such combinations, the four cases covered in this paper – the Dominican Republic, Indonesia, Senegal and Vietnam – share many similarities in terms of how and by whom trainings are delivered, how they are financed, etc. The review of their experiences and comparison of technical features also provides indications on useful considerations to keep in mind when designing such interventions:

- In terms of target groups and the selection of beneficiaries, while the target groups of these initiatives have been pre-defined by the programmes or policies

they are linked to, a key lesson that emerges from these experiences is that it is useful to provide some awareness raising on entrepreneurship as a career option to TVET students widely, while for specific follow up training on how to set up an enterprise, it is best to assess and select only those with a genuine interest and capacity to start a business.

- As concerns the sequence of the provision of TVET and SYB trainings, in most of the cases in this paper, students are enrolled in TVET programmes and offered SIYB training either during their TVET process, or upon graduation. The EAST project in Indonesia also tested the opposite sequence, namely providing SYB training first, followed by vocational skills training. The project's experience shows that results are better when TVET is provided first and business skills training after that, as this allows beneficiaries to ensure they have the required technical skills and an awareness of the input requirements, markets, and other features of their particular technical sector before starting a business.
- Regarding training providers, in the Vietnam and Senegal case, both TVET and business skills training are provided by the TVET institution, whose trainers are provided additional capacity building to acquire business skills training as an area of expertise, and these trainers then roll out both types of training to students at the institutions. This approach helps to ensure high outreach and enhance sustainability; however, it is important to ensure that the selection of trainers is thorough and training process sufficiently comprehensive to provide these trainers a sufficient skills level to deliver quality services. In the case of the Dominican Republic and Indonesia, the initiatives rely on specialised trainers for each field, either by bringing in business consultants into the TVET institution to provide business training, or by developing partnerships between TVET centres and BDS providers, with each institution providing training in its area of expertise. While the partnership approach increases the likelihood of quality service delivery, it is important to ensure that sufficient coordination between the institutions is in place to guarantee combined service delivery to beneficiaries and that the inter-institutional collaboration continues beyond the project.
- In terms of financing, all of these models are partially or fully funded by government budgets, complemented by external donor funding. Beneficiary contributions tend to be limited and may even be completely absent, although in the case of Senegal, participants also contribute by paying for part of the training. Integrating business management training into state-supported vocational training schemes clearly has the advantage of also integrating costs into such schemes, reducing the need for external funding. The Senegal experience also shows that participant contributions can be mobilised successfully; this would seem to be a promising practice given that agencies working in the field of private sector development concur on the usefulness of charging training fees for both cost-recovery purposes and for ensuring higher participant commitment.

- In the cases of Vietnam and Senegal, the integration of business skills training into vocational training schemes is through a formal process, as a result of which business skills training is officially integrated into the regular curricula of national TVET institutions. In the case of Indonesia, in many provinces individual partnerships between local TVET and BDS providers were brokered on a case-by-case basis for the delivery of their respective specialised services to the same target group. While a formal agreement at the national level is helpful for reaching scale, such agreements may also take time to be developed or be complex to implement; local-level, less formal partnerships should therefore not be neglected as an effective option in addition to central level agreements (or instead of the latter in case central level agreements cannot be concluded).
- The combination of TVET and business management skills is the basis of all these initiatives; however, in all cases, the need for other support services is recognised, and efforts are being made to facilitate their delivery. For example, access to financial services is being planned or implemented as an additional component of three of the four cases covered in this paper. Other business development services, such as market access facilitation, have also been recognised as key to the success of business start-ups that emerged as a result of the training. The need for other complementary financial or non-financial business development services therefore also needs to be assessed, and their delivery facilitated where feasible when implementing TVET-business management training combinations.

Perhaps the strongest explanation of the growing popularity of this approach is the presumed higher impact that it has, in comparison to single-focus training only. While there is a lack of comprehensive and rigorous studies on the impact of such training combinations, the evidence that does exist seems to point to significant gains as compared to entrepreneurship or technical skills training on their own. The tracer study of the EAST project showed that start-up rates are up to 2.25 times higher for those who were provided a combination of TVET and SYB than those who were provided SYB training only, suggesting that this combination does equip the target groups – and this applies to both women and men – better with the skills they need for starting up businesses and running them. Nonetheless, these results are based on the experiences of one project only, and should be seen in the light of some methodological limitations as noted in Section 4; further research into the impact of combination training and the factors that determine its success would thus be warranted.

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ISBN 978-92-2-131304-5



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