

EMPLOYMENT AND TRAINING  
PAPERS

43

Learning to change: Skills  
development among the  
economically vulnerable and  
socially excluded in  
developing countries

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## Foreword

Concerned by increasing poverty and social exclusion around the world, and by the inadequate emphasis so far placed on skills and training as a critical component of any strategy for tackling the problem, the ILO's Training Policies and Systems Branch launched a study on the subject in 1998.

The report, which is here issued as an Employment and Training Paper, examines the current "training crisis" in terms of the limited impact that existing vocational training has had on the poor. It pays particular attention to the failure of training systems as a whole to re-orient their activities towards the poor, although this would be vital to provide them with the knowledge and skills required for a significant increase in their productivity and incomes. More importantly, it identifies the elements for a pro-poor training strategy. In the light of the findings, some weaknesses are identified in the current ILO standards (Convention no. 142 and Recommendation no. 150) on human resources development.

I wish to thank: Paul Bennell for producing this excellent report as an ILO external consultant; Eugenia Date-Bah for developing the analytical framework to launch the study and for supervising the preparation of the report; CINTERFOR, other ILO offices and teams, and a number of other bodies for responding to our request for relevant materials; and colleagues in Geneva for their comments on a draft of this text.

The printing of this report is one of the efforts the ILO is making to widely distribute its findings and concerns on this critical issue, and to share the information with relevant actors in order to support and galvanize action. Preparation is also under way for an expert group discussion based on the document, in order to draw specific conclusions for our future work. More generally, we intend this document to be used to promote debate on the role of training as part of a concerted attack on poverty and social exclusion. It is also designed to help deal with the "information crisis" - the paucity of good quality data about the provision of training to the poor and its impact on their employment and incomes.

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## Executive summary

In the context of mass poverty in most developing countries, the critical role of training in furnishing badly needed skills to improve productivity, incomes and equitable access to employment opportunities seems particularly obvious and straightforward. Certainly, pronouncements abound on the fundamental importance of skills and capacity building in the development process, especially in the fight against poverty. However, a particularly striking feature of most poverty reduction strategies in developing countries is that the role of vocational education and training (VET) in its wide variety of forms is largely absent. This neglect is puzzling not only because of the extent of absolute poverty in most countries, but also because it is widely accepted that training is an essential instrument of public policy, especially for the most vulnerable groups in society. For many, it is precisely because the vast potential of training has not yet been realised that the role of VET has become so marginalised in most poverty reduction strategies. We are confronted, therefore, by what looks like a major contradiction: Just as governments and donors have begun to give due recognition to the need for concerted efforts to build the human assets/capabilities of poor, training is being accorded less and not more importance.

The main objective of this paper is to analyse the reasons for this alleged failure of national VET systems to provide the main target groups among the poor with the knowledge and skills needed to increase significantly their productivity and incomes. With such a large literature on training to overcome economic vulnerability in both developing and developed countries, one may wonder whether this is really necessary. However, despite widespread concerns about the performance of training institutions, particularly in the public sector, remarkably little attention has been focused on trying to understand the precise nature of this training crisis, and, more important still, what should be done to resolve it.

The first part of the paper focuses on the two main dimensions of this crisis, namely the failure to re-orient 'training systems' to support the poor and the limited outputs and impacts of most training interventions. While in many countries, low impact and limited reorientation are closely inter-related, the failure to separate clearly between the two has resulted in considerable confusion. Given the received wisdom that training for the poor has had fairly limited impact and training systems have not been reoriented to meeting the need of the poor, the key question is 'what is the scope for improvement with respect to both these dimensions of the training crisis?'

The paper discusses why the prevailing mood amongst most expert commentators is so pessimistic. Two types of pessimism are identified. 'Training impact pessimists' maintain that training interventions for the majority of the poor are only ever likely to be effective under the most exceptional circumstances. Consequently, there is little point in trying to reorient public training systems in support of these groups. Instead it is better to concentrate on areas of training that have high pay-offs (which are mainly in the formal sector) and provide other types of support for the poor (such as micro credit, primary education and health services) that have much greater impacts on poverty reduction. 'Training system pessimists', on the other hand, argue that, while the training record has not been good, considerable scope still exists to develop training interventions that can effectively address the skill needs of the poor. However, this can be achieved on a mass scale only if training systems are themselves comprehensively reformed. Their pessimism stems, therefore, from their assessment of the poor prospects for significant re-orientation of national training systems in the foreseeable future. Of particular concern is that, while the number of people living in absolute poverty continues to grow, the capacity of the state to support appropriate training appears to be declining in many developing countries. More generally, given dwindling resources and other pressing demands for training services from other sectors,

there is a sense of being overwhelmed by the enormity of the skills challenge in support of the poor.

The report also considers other factors that have further compounded the pervasive concerns about lack of impact and/or re-orientation. In particular, there is considerable confusion about what exactly "training to overcome economic vulnerability" actually refers to and the availability of hard evidence on training provision, outputs and impacts, in itself, amounts to an information crisis. A clear distinction is made between the traditional formal training courses of both public and private sector providers and new types of 'participatory skill development' that emphasise the distinctive nature of skill formation among the poor and are premised on the belief that the poor already have many of the skills they need in order to improve their productivity and incomes. The efficacy of group empowerment is also central to this more radical approach.

The last part of the paper considers some of the main reforms that are needed in order to create a 'pro-poor' national training system. It is argued that the need for fundamental reform of VET provision in most developing countries is compelling and should, therefore, be addressed by governments and all other major stakeholders as a matter of urgency. However, remarkably little serious attention has been devoted to analysing what exactly the main features of a pro-poor training strategy and related national system should be. Current debates are excessively preoccupied with the 'higher' skills needed to achieve international competitiveness in a rapidly globalising world economy. The ILO should take the lead in initiating a more balanced and well-informed dialogue about skills development for the economically disadvantaged and socially excluded. The ILO's own conventions and recommendations on training will need, therefore, to be carefully scrutinised. It is suggested that serious consideration should be given to the formulation of new international labour standards (convention and recommendation) that specifically address training for the poor and other disadvantaged groups.

In thinking about what a pro-poor training strategy should look like, two sets of issues are considered in detail, namely overall resource availability and the development of the training system itself. The main functional components of this system (governance, planning, funding and actual delivery of training services) are discussed.

There is an emerging consensus that skills development for the poor must be part and parcel of community-based economic and political development. Communities need to mobilise around specific "development alternatives" that address key political, social, and economic constraints. Skills development should be driven by a 'people-centred' pedagogy' which maximises locally available skills and empowers the poor to learn for themselves. Support for skills development should be directly linked to the actual skills needs of the poor and, invariably, will need to be closely related to on-going production activities. However, many of the key characteristics of market-driven VET reform strategies can and should be incorporated into the design of pro-poor training strategies. In particular, the state should perform a largely regulatory and facilitatory role while actual training provision should, wherever possible, be contracted out to independent training providers.

## 1. Introduction

This paper explores the role of training in assisting individuals who are economically vulnerable and socially excluded (EVSE) in developing countries. Roughly speaking, almost one in four of the population in the developing world lives in absolute poverty and this number continues to increase rather than decrease. Poverty reduction is now at the top of the policy agendas of most bilateral donor agencies and international development organisations within and outside the United Nations system as well as a growing number of governments. Ambitious targets to halve poverty by 2015 have been set by the Development Assistance Committee of the OECD (see UNDP, 1998; OECD, 1997).

### 1.1 Training and the poor

In the context of mass poverty in most developing countries, the critical role of training in furnishing badly needed skills to improve productivity, incomes and equitable access to employment opportunities seems particularly obvious and straightforward. Certainly, pronouncements abound on the fundamental importance of skills and capacity building in the development process, especially in the fight against poverty. “Knowledge, skills and competencies of all men and women have become the cornerstone of personal growth and employability, enterprise competitiveness, and society’s economic and social sustainability” (ILO, 1997: 5). Statements of this kind are backed up by a large body of research that clearly demonstrates that poverty is directly correlated with the level of human capabilities. Self evidently, therefore, there is enormous need to upgrade the knowledge and skills of the EVSE. According to Ducci, training for the informal sector is “a vast and promising area for future action” (Ducci, 1994:183).

However, a particularly striking feature of most government and donor poverty reduction strategies in developing countries is that the role of vocational education and training (VET) in its wide variety of forms is largely absent. For example, in the UNDP’s Human Development Report, training is not treated as “basic social service” for all (unlike primary education and basic health care), although it is acknowledged that there is an urgent need “to strengthen the institutional capacity for delivering these services” (UNDP, 1998). Apart from the ILO, the invisibility of training for the poor as a priority issue is equally apparent in most other high profile reviews of poverty alleviation and human resource development which have been produced by both bilateral and multilateral donors (see World Bank, 1995; DFID, 1997; UNICEF, 1998).

This neglect is puzzling not only because of the extent of absolute poverty in most countries, but also because it is widely accepted that training is an essential instrument of public policy, especially for the most vulnerable groups in society. Certainly, the standard definition of ‘basic education for all’ which emerged from the Jomtien Conference in 1990 does cover “all the skills and knowledge that people need if they are to lead a decent life”. These “basic learning needs” include early childhood education, primary schooling, and non-formal literacy and other programmes for youth and adults including vocational training that helps to provide basic life and employment skills (UNESCO, 1991).

For many, it is precisely because the vast potential of training has not yet been realised that the role of VET has become so marginalised in most poverty reduction strategies. We are confronted, therefore, by what looks like a major contradiction: Just as governments and donors have begun to give due recognition to the need for concerted efforts to build the human assets/capabilities of poor, training is being accorded less and not more importance.

Some would go so far as to argue that VET is in danger of becoming a Cinderella sector as donors and governments focus their efforts on basic education and other forms of intervention, most notably microfinance. While the standard definition of 'basic education for all' does clearly include provision of basic vocational skills, this key areas of skill formation has been largely excised from the poverty reduction discussions and debates within the donor community during the 1990s. This process of policy exclusion needs, therefore, to be carefully analysed.

## 1.2 Study objectives

The main objective of this paper is to analyse the reasons for this alleged failure of national VET systems to provide the main target groups among the poor with the knowledge and skills needed to increase significantly their productivity and incomes. With such a large literature on training to overcome economic vulnerability in both developing and developed countries, one may wonder whether this is really necessary. However, despite widespread concerns about the performance of training institutions, particularly in the public sector, remarkably little attention has been focused on trying to understand the precise nature of this training crisis, and, more important still, what should be done to resolve it.

The following discussion focuses on the two main dimensions of this crisis, namely the failure to reorient 'training systems' to support the poor (Chapters 2 and 3) and the limited outputs and impacts of the training services that have been provided by both public and private sector organisations (Chapters 4, 5 and 6). In Chapter 7, we consider some of the main reforms that are needed both with respect to training systems (in particular governance, organisation and funding) and the actual delivery of training services to the poor.

In a discussion of this kind, there is inevitably a strong 'generalisation imperative'. While generalisations are indeed unavoidable, it is important to emphasise that there is an enormous diversity of experience among national vocational training systems across developing countries. While there are, therefore, no simple 'recipes' and 'magic bullets', it is nonetheless possible to identify not only common areas of weakness in the ability of governments and individual training organisations to promote skill development among the poor, but also the key underlying characteristics of a pro-poor training system.

## 1.3 EVSE target groups

Poverty is the inability to maintain a minimal standard of living. It consists of two elements. The first is the expenditure necessary to buy a minimal standard of nutrition while the second element varies from country to country and reflects specific national normative concepts of welfare. As societies become wealthier, perceptions of the acceptable minimum level of consumption also change. Consequently, poverty is a context-specific concept and, as such, is very much a moving target (See DANIDA,1996).

The EVSE are an extremely heterogeneous grouping. Being able to identify and target services at specific, well defined groups is one of the main challenges in designing and implementing poverty reduction programmes. The main defining features of the poor are: nature of employment (waged/self-employed/unemployed); gender and age (male/female, adult/youth/child); extent of physical and mental disability (able-bodied/disabled); location (rural/urban/peri-urban); sector (farm/non-farm, specific activity); household characteristics (size, dependency ratios, male/female headed); degree and duration of poverty; specific 'minority groups' who suffer from particular forms of discrimination and/or neglect; and populations affected by war and natural disasters.

It is estimated that there are currently around 1.3 billion people living in absolute poverty in the developing world. Table 1 shows that 56 per cent of the absolutely poor (i.e. those living on less than a US dollar a day) live in South Asia and Sub Saharan Africa (SSA). The poor are heavily concentrated among small, resource poor farmers and those



engaged in a wide range of manufacturing and service activities in the largely non-regulated, rural and urban informal sectors (see Tokman and Klein, 1996). There are no reliable estimates of the overall size of the informal sector. Typically, in SSA and South Asian countries, well over 60 percent of urban populations are employed in the informal sector.

Table 1 : Population living on less than \$1 a day in developing regions, 1987 and 1993

Region	Number (millions)		Share of population	
	1987	1993	1987	1993
East Asia and the Pacific	464.0	445.8	28.8	26.0
Europe and Central Asia	2.2	14.5	0.6	3.5
Latin America and the Caribbean	91.2	109.6	27.0	23.5
Middle East and North Africa	10.3	10.7	4.7	4.1
South Asia	479.9	514.7	45.4	43.1
Sub-Saharan Africa	179.6	218.6	38.5	39.1
Total	1227.2	1319.9	30.1	29.4

Source: World Bank, 1998 World Development Indicators.

Women and disabled persons are particularly susceptible to poverty. Consequently, policy measures that target both these groups, in particular by reducing labour discrimination and improving human capital should be a central feature of all poverty reduction programmes. While the need to tackle the ‘gendered nature of poverty’ is increasingly emphasised in policy discourses, “the condition of the disabled is at the bottom of the development agenda” (Ghai in Harriss-White, 1996:i). In India, for example, there are more seriously disabled people than there are seriously malnourished ones. In Asia as a whole, four per cent of the population are seriously disabled (see ILO/ARTEP, 1994). In many countries, particularly those in post-conflict situations, this percentage is much higher. In Uganda, for example, there are 800,000 disabled people.

Among the ‘economically vulnerable’, there is an enormous range in the level of economic and social well being. At one extreme, are the most marginal groups (including the destitute, beggars, street children) while, at the other, are those with regular, relatively secure sources of income (such as the operators of well established microenterprises) who may occasionally fall below a national poverty line<sup>1</sup>. To date, ‘training for the poor’ has mainly benefited relatively better-off groups among the EVSE mainly because they are more ‘reachable’/ ‘investable’ and are more likely, therefore, to have identifiable training needs. However, although the most economically vulnerable are generally the hardest to reach, the potential ‘pay-offs’ of being able to reduce significantly the number of people who are living in the greatest poverty are enormous.

Identifying the contribution that training can make to reducing levels of poverty among the myriad of economically vulnerable groups is a major challenge for researchers and policymakers. For some groups (in particular, illegal child labour), the need for any kind of training intervention may itself be called in to question. Thus, the role of training in poverty reduction must be situated in a wider analysis of the causes of economic vulnerability. With regard to employment issues, there are three sets of explanatory factors that must be disentangled: lack of human capital, presence of labour market discrimination and other distortions, and poor macroeconomic and labour market conditions.

<sup>1</sup> In Chile, for example, only one-quarter of micro-enterprises surveyed had incomes below the poverty line. Most respondents had completed secondary education and their skills had been acquired in the formal sector. In Africa entrants to the informal sector were increasingly better educated.

## 2. The training crisis: an overview

### 2.1 Dimensions of crisis

There are two basic sets of concerns about VET and poverty reduction. The first focuses on the failure of most targeted training interventions to have any appreciable, sustained impact on livelihoods. As will be discussed below, numerous reasons have been identified for this lack of impact. Most of these relate to the poor quality and relevance of training and/or the inability of trainees to utilise the skills and knowledge they have acquired due to a variety of economic and social constraints. The second set of concerns focuses on the alleged failure of national vocational systems to reorient themselves to meeting the skill needs of the EVSE. While in some countries, low impact and limited reorientation are closely inter-related, the failure to separate clearly between the two can result in considerable confusion.

#### *2.1.1 Poor outputs, limited impact*

During the 1970s, there was considerable optimism among policymakers, donors and researchers about the potential impact of vocational training on productivity and incomes for the poor. In particular, the ‘discovery’ of the informal sector resulted in a wave of recommendations and interventions to support mainly non-regulated micro and small enterprises (MSE). While this optimism had largely dissipated by the mid-late 1980s, there are still those who see the role of training for the informal sector as relatively unproblematic. For example, a recent study by the OECD confidently concludes that “All persons, whether small or micro enterprises, must be helped to acquire minimal training in the trade concerned and in elementary management. Even if an artisan knows his trade, he is often handicapped by ignorance of the simplest management techniques. Knowledge of these techniques can transform a worker into a head of a micro-enterprise. Very short training sessions (a few days) adapted to the sector can be devised. The state could often entrust this task to NGOs” (Morrison, 1995:28). Clearly, however, this begs the question, ‘if training is so easy to deliver and the potential pay-offs are so great, why hasn’t this happened throughout the developing world’?

Most of the leading experts on vocational training in developing countries are in broad agreement that formal training has had little impact in overcoming economic vulnerability among the poor, and that, as a result of ‘unintended consequences’, the overall impact of some interventions may even be negative. In their recent book on training for self-employment, Grierson and McKenzie state that “most training systems offer only limited support to those seeking work or self employment. Indeed it is commonly accepted that the inability of vocational training systems to serve labour markets is a problem of crisis proportions...It has yet to be demonstrated that vocational training institutions can re-orient themselves to the specialised field of enterprise development” (Grierson and McKenzie, 1996: 15). Most other leading commentators have reached similar conclusions (see Box 1).

It is important to emphasise that this lack of impact is not just confined to the developing world. For example, in his submission to the G7 Employment Conference, the Director-General of the ILO noted that “the economic and social returns to standardised labour market training measures for vulnerable groups is low” (ILO, 1997:4). Similar conclusions have been reached by numerous other reviews of the role of special training programmes in reducing poverty in the advanced industrial economies (see, for example, Lalonde, 1996).

## Box 1

## Views of Leading Experts on the Overall Effectiveness of Training for the Informal Sector

“It is by no means certain that training is the single most important intervention.” Kenneth King

“From a training policy point of view, it is not clear how formal training should address informal sector training needs.” Dennis Herschbach

“Informal businesses represent an enormous challenge for urban planners, and although a great deal has been written about them, there are no prescriptions and no generally accepted ways of dealing with them.” Malcolm Harper

“Most training institutions are unwilling and, any case, unable to reach out to people who work in the informal sector.” Fred Fluitman

“The design and delivery of effective programmes in non-financial services has not been mastered to the extent available in credit and finance services.” John Grierson

Training in the informal sector is “difficult” and “no one has a workable formulae on how to proceed.” Claudio de Moura Castro

“Few training schemes for self-employment have worked”. ILO, 1994

“Training for the informal sector has not had any significant effects on the overall productivity of enterprises.” B. Sanyal

In post-conflict areas, “the level of success in achieving (training) objectives has been negligible”. ILO, 1998

Sources: Castro, 1997; Fluitman, 1998; Greirson, 1996; ILO, 1994, 1998a; Harper, 1996; Herschbach, 1989; King, 1989; Sanyal, 1996.

### 2.1.2 Lack of provision and system reorientation

It is widely argued that training systems in developing countries should meet the training needs of the poor in an effective and equitable manner. “The bulk of new jobs are being created in micro and small enterprises. Consequently, the training system should prepare people to be productively employed in these sectors” (ILO, 1998:57). The continuing lack of training opportunities for the poor and disadvantaged is, therefore, a constant refrain in the VET literature.

Public training institutions, in particular, are criticised for being both elitist and ineffectual. The principal beneficiaries are urban males from relatively well off background who attend training institutions in order to acquire qualifications that give them access to high paying professional and technical jobs in the formal sector. These institutions, it is argued, have neither the capacity nor the incentives to re-orient their training services to support the poor. Non-governmental organisations (NGOs) are ‘closer to the people’ and are generally better able to support the training needs of the poor. However, they remain at the margins of the training system and lack the resources to make a large-scale, sustained contribution.

Inadequate institutional adjustment is seen as a universal problem. Even in Latin America which, as a region, has probably the best record for providing training to the poor, there have been “long delays by government in formulating strategies for the informal sector” (CINTERFOR, 1998). Claudio de Moura Castro is even less sanguine: “Solid training institutions failed to adjust and the misfit between supply and demand became endemic” (Castro, 1996: 2).

Given the level of concern about the limited reorientation of VET systems, it is surprising that so little attention has been devoted to analysing the various constraints that have prevented any such reorientation occurring. Even more serious, few, if any, commentators are prepared to say just exactly what this reorientation should entail. The

result has been a vague and, at times, rather sterile debate which has lost any real sense of purpose and direction since it was first initiated over a decade ago.

### *2.1.3 The potential for change*

Given the received wisdom that training for the poor has had limited impact and training systems have not reoriented to meeting the need of the poor, the key question is ‘what is the scope for improvement with respect to both these dimensions of the training crisis?’ Again, the prevailing mood among leading commentators is decidedly pessimistic. Broadly speaking, two types of pessimism can be discerned.

‘Training pessimists’ (for want of a better term) maintain that training interventions for the majority of the poor are only ever likely to be effective under the most exceptional circumstances. Consequently, there is little point in trying to reorient public training systems in support of these groups. Rather it is better to concentrate on areas of training that have high pay-offs (which are mainly in the formal sector) and provide other types of support for the EVSE (such as micro credit, primary education and health services) that have much greater impacts on poverty reduction.

‘System pessimists’ believe that, while the training record has not been good, there is still considerable scope to develop training interventions that can effectively address the skill needs of EVSE. However, this can be achieved on a mass scale only if training systems are themselves comprehensively reformed. Their pessimism stems, therefore, from their assessment of the poor prospects for significant re-orientation of national training systems in the foreseeable future. Of particular concern is that, while the number of people living in absolute poverty continues to grow, the capacity of the state to support appropriate training appears to be declining in many developing countries. More generally, given dwindling resources and other pressing demands for training services from other sectors, there is a sense of being overwhelmed by the enormity of the skills challenge in support of the poor.

More optimistic voices tend to be drowned out by the prevailing mood of despondency about the potential role of training in overcoming economic vulnerability. The 1998-99 World Employment Report, which focuses on training, cautions against undue pessimism on this issue. It concludes that “if training is complemented with credit at low rates of interest through a decentralised system of loan delivery and collection, it is possible to make a real difference to incomes in the informal sector” (ILO, 1998). However, while obviously well-intentioned, this hardly amounts to a coherent strategy that addresses all the many concerns about the potential of formal training activities to reduce poverty. Indeed, it is precisely this lack of vision, of simply not knowing what to do, which is perhaps the most worrying aspect of the “training crisis”.

## 2.2 Contributory factors.

There are a number of additional factors that have further compounded the pervasive concerns about lack of impact and re-orientation. In particular, there is considerable confusion about what exactly “training to overcome economic vulnerability” actually refers to and the availability of hard evidence on training provision, outputs and impacts continues to be ‘lamentable’ (CINTERFOR, 1998).

### 2.2.1 Training provision, outputs and impacts

There is an extraordinary lack of good quality, comprehensive data about the provision of training to the poor and the outputs and impacts of this training effort which, in itself, amounts to an information crisis. Not surprisingly, therefore, most attempts to review the global experience of training for the poor are characterised by sweeping, unsubstantiated observations, generalisations and recommendations and chronic anecdotalism,<sup>2</sup> with most reports recycling the same examples of successful and unsuccessful interventions<sup>3</sup>.

Both ministry-based training institutions and NGOs and other private sector providers are equally culpable. Despite the alleged superiority of NGO training interventions, there is no evidence to suggest that they are any better at monitoring and evaluating outputs and impacts. Out of a total of 30 international NGOs who were asked as part of this study to provide evaluations of training and other skill development projects, not one was able to furnish any robust evidence.

Given this paucity of information, it is not possible to draw any solid conclusions about recent trends in the provision of training to well delineated target groups. However, a proper enumeration of all types of training activities that directly and indirectly impact on the poor would almost certainly reveal a far greater level of training provision than is commonly assumed.<sup>4</sup>

It is frequently stated that social and private returns to training for the poor are low, but there is little or no hard evidence to support these claims. The alleged limited net benefits to training are in striking contrast to the claims that are repeatedly made with respect to primary education and other interventions in support of the poor (most notably micro credit). What is interesting here is that the evaluation playing field is so uneven. Since most training interventions for the poor are assumed to have measurable and fairly immediate income and productivity pay-offs, it is normally expected that they should be rigorously evaluated. However, usually intractable methodological problems make it virtually impossible to measure the actual impacts of individual primary education projects. Thus, *faute de mieux*, as long as the outputs of primary education projects are reasonably good, it is usually assumed that the medium-long term impacts will be broadly in line with the social rates of return and externality evidence.

Moreover, since poverty is correctly seen as the consequence of unequal relations in different institutional arenas (the household, community and the state), it is widely believed (at least implicitly) that primary education (particularly for girls) has greater potential for changing these social relationships than training. In fact, because of the prevalence of stereotyped training for women, these kinds of training activities have been criticised for actually reinforcing the subordination of women.

There are a number of reasons for the paucity of information about training outcomes and impacts. These include fragmented provision, the complexity of evaluation methodologies and lack of commitment.

Fragmented provision: Even in quite small countries, training activities in support of the poor are widely dispersed across very large numbers of public and private organisations. Not only is reporting by local NGOs to parent organisations or funders partial and rudimentary, it is equally rare for governments to maintain any kind of basic data base on formal training courses and other types of training services offered by individual ministries.

<sup>2</sup> The 1991 review by CINTERFOR of vocational training reform in Latin America is a notable exception (see CINTERFOR, 1991).

<sup>3</sup> Favourites include SEWA, Joven Chile, SENA, Botswana Work Brigades.

<sup>4</sup> A recent survey of private sector training institutions in Zimbabwe estimated that in any one year, almost five per cent of the entire labour force attended courses run by these institutions (see Bennell, 1998)

Private sector training centres have burgeoned in many countries during the last decade. Public training provision has been unable to keep pace with demand (especially among school leavers) and governments have lowered regulatory barriers to entry for aspiring training entrepreneurs. Many private training centres are not registered and, even among those that are, little is usually known about the training that is offered and the clientele that are served. It has been suggested that ‘back yard’ training is affordable for the poor and widespread, particularly in urban areas. However, this training is often indistinguishable from on-the-job training, and formal provision (where fees are payable for discrete ‘courses’) is probably quite limited, especially in rural areas.<sup>5</sup>

**Evaluation methodologies:** Evaluating training programs is very complex. This gives rise to a number of serious methodological problems which, invariably, are not properly dealt with. In particular, attribution of the precise impact of training activities is virtually impossible when a package of services are made available (credit, tools, technical assistance, training courses). And, given the current “fascination with micro-finance” (Buckley, 1997) there is a real danger that credit may take all (or certainly more than its fair share) of the credit! Selecting a control group in order to compare training and no-training outcomes is also often very difficult and is frequently not done well. Similarly, the nature and incidence of ‘displacement effects’ are usually ignored altogether.

Tracer surveys of individuals once they have completed their training are essential. However, formal surveys of representative samples of graduate trainees are rare and low response rates invalidate the results of most that are undertaken.

**Evaluation commitment:** Most donor-supported training projects are formally evaluated. However, evaluations are usually undertaken too soon after projects have finished to be able to assess the extent to which there have been sustainable impacts on the well being of trainees. Rigorous evaluations are too time consuming and expensive for most projects. Moreover, there is usually little incentive to undertake them since it is the immediate post-project evaluation that is most critical in securing additional resources and project extensions.

### *2.2.2 The concept of training*

The general failure to clarify precisely what activities should be included in “training to overcome EVSE” has resulted in considerable confusion and vagueness. The conventional dictionary definition of training is “to prepare for a performance or a task(s) by instruction”. Generally, this involves a trainer instructing trainees in a formal classroom or workshop setting. The traditional concept of ‘vocational education and training’ is very much in accordance with this view of training. The main objective of VET is to furnish the technical and management skills and help develop appropriate attitudes for specific occupations and jobs: It is the “ordered and systematic transmission of skills and dexterities and of technical know how for workers in skilled and semi-skilled occupations” (CINTERFOR, 1997).

Governments in developing countries have established networks of VET institutions in order to supply the high and middle level ‘manpower’ needed to meet ambitious objectives laid out in development plans and elsewhere. In particular, national manpower development has been inextricably linked with state-led import industrialisation strategies. Consequently, public sector VET has come to be closely associated with the widespread failure of this particular development model. Moreover, as formal qualifications have been increasingly used by employers to screen potential job applicants, chronic credentialism has become pervasive as the supply of job seekers has far exceeded the jobs that are available. There is a strong feeling, therefore, that public sector VET provision is increasingly socially wasteful and, ultimately, dysfunctional.

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<sup>5</sup> A survey of non-registered private sector training provision in Harare, Zimbabwe found relatively little ‘backyard’ training for profit (see Bennell, op. cit).

It is clear, however, that training can embrace any instruction, advice or other type of purposeful activity that seeks to enhance the capabilities of targeted individuals and/or groups through the provision of relevant knowledge and/or development of specific skills. Income generating projects, for example, that enable groups of EVSE to learn new social and technical skills may not include any formal training courses, but assistance provided by an NGO or other provider can facilitate the development of these skills. The problem with broadening the definition of training in this way is that it may become too all-inclusive as a concept and the notion of a 'national training system' could lose any operational meaning since all learning modalities are included.

The conventional concept of training is, in many ways, being superseded by a much wider definition which focuses on activities that promote learning and skill acquisition through empowerment and capacity building but which are not considered to be training per se. In other words, the training function is itself becoming invisible, not so much because it is being ignored or excluded (hence the 'training crisis'), but because it is being more closely integrated or 'embedded' in a range of financial and non-financial interventions that seek to achieve sustainable improvements in the livelihoods of the poor. Many organisations are reluctant to describe what they do as 'training' because, with the growing emphasis on individual and community empowerment, the notion that poverty reduction entails a simple transfer of a discrete body of knowledge and skills from the 'haves' to the 'have nots' is politically and intellectually objectionable. Traditional training approaches are, therefore, being fundamentally questioned, to the extent that there is a denial that training is taking place at all!

In particular, with the advent of the New Poverty Agenda in the early 1990s, supporting microenterprises has become a major focus of governments, donor agencies and NGOs. While skills development is key objective of the microenterprise programmes/projects, most enterprise development organisations do not regard themselves as training organisations. In a very real sense, therefore, because the training function is losing its institutional identity, many specialised training institutions are faced with an identity crisis.

Whatever concept of training is actually adhered to, it is clear that 'training to overcome economic vulnerability' embraces a much wider set of skills than just conventional technical and managerial competencies. These include basic literacy and numeracy, social and political 'awareness' (gender training being a prime example) and life skills. Interventions that facilitate 'personal development' by raising self-esteem, confidence and motivation are the main objective of many NGO interventions. Similarly, it is generally accepted that enterprise development and income generating projects require more complex combinations of skills with much heavier emphasis on social and management skills rather than narrowly defined technical competencies.

### *2.2.3 Training objectives*

Training policy objectives with respect to the poor are frequently poorly defined. Social exclusion is a complex theoretical concept referring to causal mechanisms producing poverty. Translating this concept into practical, poverty reduction policies has proved to be difficult in most countries (see Gore and Figueiredo, 1997).

The labour market is a critical mechanism for inclusion and exclusion. Policies to combat labour market exclusion focus on the elimination or reduction in discriminatory practices and improvements in the human and social assets of the poor. Certain groups, most notably women, disabled persons and minority groups, continue to be seriously under-represented in many occupations. Thus, as part of a comprehensive equal opportunities programme, education and training policy can promote more equitable labour market outcomes. This can be done by improving the access of these groups to secondary and tertiary education institutions and, where necessary, by also providing various forms of support once enrolled so as to boost graduation rates. However, the impact (at least in the

short term) of these types of programmes on poverty reduction is likely to be fairly minimal because, in most countries, non-poor individuals tend to be the principal beneficiaries. Furthermore, the formal sector absorbs only a small fraction of the economically active labour force (typically 5-20 per cent in most South Asian and sub-Saharan African countries) so that only tiny proportions of the discriminated groups are likely to be affected.

There are two principal types of training provision to counter poverty. First, there are training activities directly targeted at specific groups of EVSE as the principal beneficiaries (e.g. poor farmers, roadside mechanics, women's income generating projects in a certain area). And secondly, there is training that has as its principal objective the improvement of services for the poor provided by institutions, especially those that are central to poverty reduction programmes. Many of these services are intended to improve directly the skills and knowledge of the poor and, as such, they can be considered to be forms of training.

Surprisingly, the literature on training for the poor focuses almost exclusively on the direct provision of training to the poor and largely ignores the role of training in improving the provision of basic services for the poor. This is a serious omission because the failure of many of the services provided by the state to benefit the poor (particularly women in rural areas), is a key characteristic of the 'training crisis' in many developing countries. The main concern here is that occupational structures in key areas of service provision are too top-heavy with a disproportionate number of professionals providing relatively sophisticated services to mainly non-poor, urban clientele. Attempts in the past to create more bottom-heavy occupational pyramids have invariably been strongly resisted by professional associations and other powerful vested interests<sup>6</sup> (see Box 2).

#### 2.2.4 National training systems

While constant reference is made in the literature to 'vocational training systems', it is rarely made clear what exactly is meant by training system. A system is "a set of things considered as a connected whole". However, in most countries, the degree of connectedness between training institutions in different ministries is so minimal that it is difficult to conceive of a public vocational training system, let alone a system that embraces all institutions that, in one way or another, are concerned with the provision of training services. National training councils are typically weak (advisory) institutions and are usually preoccupied with public sector training provision for technical and commercial occupations in the formal sector. In many ways, therefore, the lack of effective national training systems is a key feature of the training crisis.

More often than not, the term 'training crisis' only refers to a particular segment of the training system, namely post-secondary training institutions that were originally established to meet the 'manpower needs' of 'modern industry and commerce' and are usually part of Ministries of Labour and/or Higher Education. As noted earlier, these training institutions have been widely criticised for failing to provide good quality, relevant and cost-effective pre-employment and job-related training.

#### Box 2

##### The Pharmaceutical Profession in Ghana

Pharmacists in Ghana are an interesting example of how one of the newer professions in SSA thwarted attempts by the government to alter an essentially metropolitan occupational structure originally implanted during the late colonial period.

From the 1930s onwards, there occurred a steady increase in the qualification requirements for pharmacists in Ghana. By 1963, pharmacy had become the exclusive preserve of university-trained graduates. This was the

<sup>6</sup> This has also been called 'the barefoot manpower strategy'.



essential precondition for the Pharmaceutical Society of Ghana's campaign for recognition as a profession enjoying equal status and remuneration with the more established professions such as medicine and law.

The government became increasingly concerned, however, about the extent of the professional monopoly of pharmaceutical services in the country. In a poor, predominantly rural country the main need, it was argued, was for middle-level personnel capable of dispensing a relatively limited range of drugs. It was decided, therefore, to introduce a diploma level pharmacy technician course, curtail the outputs of pharmacy graduates and reduce the relative status and remuneration of pharmacists employed in the public sector vis-à-vis the medical profession.

The PSG interpreted this as a deliberate move to undermine the status of the fledgling profession and mounted a concerted counter-attack, principally by arguing that the new technician course was 'sub-standard'. A variety of arguments were deployed by the PSG. First and foremost, the PSG argued that the skills and responsibilities of the pharmacist were at least of a similar standing as other professions. Second, the 'team-work' aspects of the 'care of the sick' were emphasised so that differences in the status and remuneration among the health care professions would, it was argued, undermine the functioning of the team as a whole.

The third cluster of arguments used by the PSG focused on the importance of the Ghanaian pharmaceutical profession gaining recognition from the relevant international pharmaceutical bodies. This could not be achieved unless Ghana adhered to the dominant international model with respect to the training and professional status of pharmacists. And finally, the PSG argued that to reduce the relative status and remuneration of the public sector pharmacists would inevitably result in an exodus to the private sector.

In the end, the government capitulated to the PSG. The status of the new pharmacy technician was considerably downgraded and proposed enrolments on the diploma course were slashed.

See Bennell, 1983.

The response of enterprises to inadequate public sector training provision has varied. The private sector in some countries has largely turned its back on the public training system and internalised the training function as much as possible. More generally, industries as a whole have tried to take greater control of the training process. The result is that sectoralisation of training provision with the creation of lead bodies, industry training boards etc. is a major trend world-wide. Once individual enterprises and industry organisations gain some measure of control over public training resources and are given the freedom to choose where to train, they are increasingly opting for private sector providers.

The loss of the traditional clientele among public sector training institutions is bad enough. But, as discussed earlier, the training crisis is frequently compounded by the lack of interest and/or capacity of these institutions to re-orient their activities towards the poor.

While this particular group of VET institutions is struggling to survive in many countries, how true is this for training institutions in other parts of the 'training system'? It is necessary, therefore, to examine carefully the activities and resource commitments of all organisations that explicitly seek to promote skills development among the poor. Only then is it possible to reach any meaningful conclusions about the scope and efficacy of this training effort.

In nearly all developing countries, a significant proportion of the poor are smallholder farmers. And yet, the provision of training services, most notably agricultural extension, to these individuals is rarely considered in discussions of skills training. Similarly, much of the pre-employment training that is undertaken by the core tertiary VET institutions discussed above is for public sector occupations which provide social and economic services that should benefit the poor. Many of these personnel do not necessarily have an explicit training role as instructors, but the very provision of these services facilitates the development of certain skills. For example, road engineers involved in rural feeder road programmes not only impart skills to his/her technicians and other staff, but also to local contractors and the beneficiary communities themselves.

### 3. Training priorities, resources and reorientation

#### 3.1 The public sector

“While there is long history of poverty-focused training in developed industrial economies, it is still relatively rare in the large majority of developing countries where most of the poor live” (Malik, 1996:46). This seems particularly ironic given that most of the world’s poor live in developing countries. The following discussion looks at why public sector training priorities continue to favour non-poor groups. We shall focus in particular on the design of poverty reduction programmes, overall resource availability and competing claims over training resources from other sectors and groups.

##### *3.1.1 Training and poverty reduction*

To a considerable degree, limited, often tokenistic public sector training for the poor is symptomatic of the weak overall commitment to eliminating poverty that is displayed by many governments. A major World Bank study on poverty in Sub-Saharan African countries concluded that, in the mid-1990s, less than quarter of governments in the region were strongly committed to poverty reduction (World Bank, 1996). This lack of commitment is manifested in a variety of ways. With respect to the informal sector, governments have been criticised for adopting a ‘minimalist’ approach. Thus, in Asia, “few governments have tried to understand the constraints facing the informal sector... Besides easing access to credit, it is assumed that the sector will somehow manage and develop without any intervention from governments with NGOs taking increased responsibility” (ILO, 1995:7).

While it is generally acknowledged that creating an enabling macro-economic and legal environment is often likely to have a much greater impact on MSE development than specific promotional measures, deeply entrenched political and social forces prevent governments from doing this. Faced with this situation, “it is far easier and more politically visible to construct a few subsidised shelters to protect a few lucky informal sector mechanics than to liberalise the regulations which continue to constrain the majority” (Harper, 1996:107). There are, therefore, real worries that government training provision is a way of avoiding hard political decisions about creating truly ‘enabling environments’ for the poor in the informal sector.

In Latin America, many national vocational training institutes have set up specialist divisions to respond directly to the training needs of the poor and disadvantaged in the informal sector. However, in SSA and South Asia, public institutions “have found the idea of serving new target groups much more problematic” (King, 1996: 42). But, it is precisely in these two regions where the incidence of acute absolute poverty is greatest (see Box 3).

National training boards and committees are usually only advisory and their composition is heavily weighted in favour of representatives from other ministries and public bodies with minimal representation, if any at all, from organisations that protect and promote the interests of the poor. These governance structures generally lack any real influence over training policies and related resource allocations.

The design of poverty reduction programmes is also a key issue. Safety net programs tend to absorb the bulk of government resources for short term poverty reduction. This includes such measures as family assistance and/or cash social assistance, food transfers, public works, and income generation. Generally speaking, skills development for beneficiaries is not seen as a major requirement in order for these interventions to be successful.

Box 3  
Reorienting public sector training in India

With continuing high levels of poverty coupled with rapid growth in unemployment in India, the current Eighth Five Year Development Plan is employment-oriented with special reference to self employment. To this end, the government wants vocational training institutes to play a central role in the promotion of productive self-employment in the country. To date, however, efforts to reorientate training activities have not been successful. In particular, as part of a major World Bank funded project, 95 VTIs were expected to train 4,170 trainees who were self-employed. In the event, only 171 completed the specially designed training courses.

Source: D.N. Awarthi, 'Vocational training and self-employment: the Indian experience' in Grierson and McKenzie, 1996.

Political complacency has also been an important explanatory factor. In some countries, politicians and policymakers genuinely believe that concerted efforts are being made to train the poor. In particular, technical and vocational secondary schools are often seen as providing skills for the poor. In most of Latin America, "the establishment of (national vocational) training institutes constituted the instrument of public action in the education plane towards the most disadvantaged" (CINTERFOR, 1998).

It is important to acknowledge, however, that the need for the public sector to play a leading role in skills development in the smallholder agricultural sector is generally accepted by most governments and donors. Perhaps the best example of this commitment is the World Bank- inspired Training & Visit extension system (T & V) which has been adopted in over thirty countries during the last 10-15 years. World Bank lending for T&V projects has totalled over US\$4 billion since the early 1980s. However, the Bank policies concerning the role of training for the poor in other sectors are, at best, ambiguous and, at times, decidedly negative. This is particularly the case for core VET institutions which, typically, are the sole or joint responsibility of ministries of labour, education and higher education (see Bennell, 1996).

During the 1990s, the World Bank has consistently encouraged governments, particularly in low income countries, to reduce the share of VET in the overall education budget. Thus, one of the main objectives of the World Bank's VET reform agenda is to privatise funding and provision of VET as much as possible thereby ensuring that primary/basic education receives maximum possible government funding. In practice, however, because of the fungibility of budgetary resources, the exact opposite may be happening. In the early 1990s, the Bank was concerned that "educational policy reforms are being undermined because donor support for primary education allows governments to increase spending on VET" (World Bank, 1993:4).

### *3.1.2 Training for the formal sector*

Despite oft-repeated government pronouncements about the need for concerted efforts to improve the skills of the poor, responding to formal sector training needs has remained the top priority for most public sector training institutions during the 1990s. If anything, this bias has increased during the last decade as concerns have mounted about the need to re-shape training systems to meet the challenges of new (post-fordist) production and organisation technologies, international competition, and globalisation. Recognition that international comparative advantage in most of the key growth sectors is now largely determined by human resource endowments means that training systems must be at the forefront of the process of skills-driven economic modernisation. In short, the need to ensure national inclusion in a rapidly globalising economy has taken precedence over the continued exclusion of the poor from training provision.

There is a mass of evidence that demonstrates convincingly that good quality, relevant training does make a major difference to improving the productivity of formal sector enterprises, especially those producing tradable goods where attaining international competitiveness is critical for sustained export-led growth. In contrast, training needs for

MSE are often difficult to identify and effective training demand in many activities remains limited. It is hardly surprising, therefore, that most governments are reluctant to alter significantly resource allocations in favour of the informal sector.

These new demands for increased training provision come at a time when budgetary support for public training institutions in many countries has been declining rapidly as a consequence of stringent fiscal belt-tightening. As a consequence, core VET institutions have had their work cut out just finding ways to maintain their current training activities, let alone think about developing training for clientele who are generally unable to pay. With increased de facto and/or de jure autonomy, public sector training institutions are seeking to generate new sources of revenue from both enterprises and individuals. Unless, therefore, governments and other donors make available earmarked funding for training the poor, it is unlikely that these institutions will reorient their training activities in support of these groups.

Another important consideration is that the design and delivery of training for the formal sector tends to be relatively straightforward compared to training for the poor which, typically, needs to be closely integrated with other support measures which are usually provided by other institutions. These additional costs and risks of providing training for the poor can be a major disincentive for public training institutions.

In many countries (particularly in Latin America), the funding of public sector training institutions relies to a large extent on training levies collected from registered, formal sector enterprises. This has meant that governments have often felt constrained in the extent to which levy resources can be ‘diverted’ to meet the training needs of informal sector enterprises, nearly all of whom make no levy contributions (see Castro, 1996).

### *3.1.3 Market-driven training reforms*

During the 1990s, the World Bank has taken the lead in promoting the benefits of pro-market reforms for VET. The main objectives of these reforms focus on the need to promote enterprise-based training in both the formal and informal sectors, encourage greater private sector participation, increase cost recovery, and relatively less public sector training provision (see World Bank, 1991). To date, however, it has proved considerably more difficult to privatise VET than was originally anticipated which has meant that the state has continued to be heavily involved in the funding and direct provision of VET for the formal sector. And, in the poorest countries, even the leading proponents of reform accept that “central governments must play the central role in financing and providing training” ( Middleton et al, 1993:265).

The precise implications of market-driven VET reform for skills development among the poor have yet to be fully investigated. However, given that most training for the poor will have to be publicly funded, a pro-poor training strategy could easily be undermined by concerted efforts to privatise the funding of training. Low levels of demand for training among microenterprise operators and workers coupled with minimal ability to pay obviously limit the scope for cost recovery. The failure of World Bank-sponsored initiatives to introduce significant cost recovery measures for primary schooling in a number of low income countries during the mid-late 1980s provides a salutary warning in this regard (see Bennell, 1996 and Penrose, 1998).

### 3.1.4 Overall resource availability

The extent of public sector training for the poor is also strongly influenced by resource availability and the overall incidence of poverty. In Latin America, national vocational training institutes are relatively well resourced, but it would appear that only in a few countries (most notably SENA in Colombia) have training priorities and related resource commitments been changed significantly in favour of the poor (see CINTERFOR, 1998, Castro, 1996). While the overall incidence of absolute poverty is considerably lower than in Sub-Saharan Africa and South Asia, the political influence of the poor over training policy and practice has generally been greater. Consequently, the potential for public sector training systems in Latin America to support skill development for the poor in a concerted and comprehensive manner is likely to be considerably greater than in other regions.

In Sub-Saharan Africa, most governments are simply too poor to be able to fund major training programmes for the poor. Most training resources are allocated to a small number of public training institutions which train mainly school leavers for skilled occupations which, in most countries, are heavily concentrated in the public sector. Thus, the provision of public VET in SSA and other low income countries tends to be particularly inequitable (see Godfrey, 1998). And, because pre-employment occupational training by ministry-based training institutions accounts for the lions share of public sector training provision, the number of training institutions which could be re-oriented is usually quite small.

The AIDS pandemic will also limit the scope for training re-orientation. Over 20 per cent of the economically active population are (or are expected to become) infected with the AIDS virus in over 15 African countries (see Lowenson and Whiteside, 1997). Consequently, demands on the training system to replace workers employed in the formal sector who will die or become seriously ill will increase enormously over the next ten years.

As noted above, with pervasive economic adjustment, African governments have come under intense pressure by the IMF and the World Bank to privatise the funding and provision of VET mainly because it is not regarded as a 'basic social service'. Evidence is limited, but the share of VET in national education and training budgets has probably fallen very considerably since the late 1980s in most SSA countries.<sup>7</sup>

Given the very high incidence of poverty in South Asia, public sector training provision for the poor has been relatively tiny. Even in India, where there has been a series of nation-wide skills development programmes for poor and disadvantaged groups (including TRYSEM), only 5-6 per cent of urban target groups have been reached (see Malik, 1996).

## 3.2 The private sector

Little is known about the extent to which private sector training provision benefits the poor and even less is known about recent trends. In the past, NGOs have focused heavily on providing conventional training for the poor, but this may be changing for two main reasons. First, there is now a greater focus on income generating and advocacy projects that, invariably, have more limited formal training inputs. And secondly, in some countries (e.g. Zimbabwe and South Africa), large cuts in donor support to training NGOs are forcing them to commercialise a significant proportion of their training activities in order to survive. Given the inability of poor clienteles to pay for training services, they are, therefore, being increasingly excluded. Detailed research is needed in order to establish just how widespread this reorientation of NGO training is.

<sup>7</sup> In Tanzania, for example, the share of VET in the total education budget fell from 18 percent in 1993 to 12 per cent in 1996. (See Bennell, et.al. 1998).

## 4. The demand for training

As is well known, the supply of training does not usually create its own demand. Clearly, therefore, training provision for the poor has been powerfully shaped by the nature of the demand for training among targeted groups, in particular in the informal sector. Lack of effective demand is a key reason for both the limited training provision for the poor (and hence outputs and impacts) in most countries as well as the overall failure of national training systems to reorient their activities in support of the poor.

### 4.1 The potential for training interventions

There is a tendency to over-estimate the extent of self-employment among the poor in both the urban and rural informal sectors as well as the scope for improving productive independent economic activity. If anything, this tendency has increased in recent years with the emergence of 'private sector development' as the major long-medium term objective of economic reform programmes, particularly among donors. However, the fact remains that most informal sector activity will continue to be "the last resort for the desperate rather than a panacea for employment problems" (ILO, 1997:).

Breman eloquently describes the situation of the urban poor in Gujarat, India. In situations such as these, where "the great mass of people" are in wage employment and "have no prospect of improving their position" (Breman, 1995: 97), there is virtually no demand among the poor for formal training. In particular, for those at the bottom of rural society, the formal sector is an "impregnable fortress". With very simple technology and an abundant supply of cheap labour, not only can workers be trained at minimal cost on the job, but there are no incentives to invest in more skill-intensive technologies. In such brutal labour regimes, the degrading effects are such that employers regularly replenish their workforces with new recruits from rural areas.

It is clear that the informal sectors in other countries have much higher proportions of self-employed labour and tend, therefore, to be less exploitative. However, the value of detailed anthropological research of the kind undertaken by Breman is that it highlights the immense and complex array of social, economic and political problems that have to be surmounted in order to achieve sustainable reductions in mass poverty.

Another key development in India and other countries is that "the organised sector is disorganising itself" precisely in order to exploit cheap labour to the greatest extent possible. This process of "informalisation of the formal sector" is likely to become more pervasive as the benefits of non-regulation exceed those from regulation. Probably, the greatest training need in these situations is to develop the capacity of specific groups of poor workers to organise themselves in order to limit the degree of exploitation they are subjected to, in particular by increasing wages and generally improving conditions of work. The success of the Self-Employed Women's Association in Ahmedabad is widely cited in this regard. However, initiatives to replicate this type of project do not appear to have been widespread.

#### 4.1.1 *Survival enterprises*

In simple numerical terms, ‘survival’ enterprises predominate in most informal sectors. The general view is that the skill requirements for most tasks undertaken in this type of enterprise are minimal and/or are relatively easily acquired on the job. Women are particularly heavily concentrated in very low skill activities (most notably street vendors and food preparation). It is difficult, therefore, to see how conventional training services could significantly increase productivity and/or incomes in these kinds of occupations. “Within the household subsector and independent services subsector, training, in itself, has little impact in breaking the low income trap” (ILO, 1998: 103). In addition, “economic compulsions” and “acute vulnerability on a daily basis” keep the poor (and poor women, in particular) out of conventional training. Although most labour force surveys show high levels of “under-employment”, most poor people are, in fact, too busy working to have time to enrol on training courses of any kind.

Faced with so little scope for improvement among existing activities, more ‘transformative’ approaches have often been tried by both governments and NGOs. The main objective here is to provide a critical mass of skills and resources to targeted individuals and groups that will enable them to transform their livelihoods. Again, however, most interventions of this kind have not been successful mainly because the resources and time needed to start new enterprises are well beyond the means of the poorest and, more generally, they have failed to address adequately the complex array of constraints that keep the poor in poverty.

#### 4.1.2 *Enterprises with growth potential*

Most training strategies in the informal sector have targeted manufacturing microenterprises that are considered to have some growth potential. However, even within this relatively better-off segment of the informal sector, the effective demand for training has frequently been found to be quite limited.<sup>8</sup>

Lack of effective demand: Innumerable surveys of informal sector enterprises have shown that formal training and skill constraints are perceived as being relatively unimportant by most entrepreneurs and workers. Since they have to be ‘persuaded’ to become training clients, the chances of success are limited from the outset. The low level of formal education is also frequently cited as a key factor limiting the demand for training as well as the overall trainability of operators and workers.

The ILO has had considerable experience in trying to graft training projects onto indigenous apprenticeship systems, particularly in SSA. One of the main lessons that has been drawn from the ILO’s ‘self-training projects’ in Francophone Africa is that, initially, informal sector artisans do not usually regard skills training as a priority. They only become aware of its usefulness once they have gained access to new markets and have negotiated favourable terms of purchase for key raw materials (see Maldonado, 1989). Similarly, the results of a large number of country surveys in SSA during the 1990s (especially those conducted under the auspices of USAID’s GEMINI programme and the World Bank) have repeatedly shown that training is not perceived as a major problem *vis-à-vis* other operational constraints. While training is invariably identified as being desirable, when respondents are asked to specify particular problems facing their enterprises, training and/or availability of skilled labour are nearly always ranked as being of very minor importance (see, for example, Mead, 1990; Parker et al, 1992;). While this does not mean that appropriate skills training could not significantly improve productivity, the overwhelming perception among informal sector operators is that its role is limited.

Most surveys identify credit and access to markets as the most critical constraints. Because replication rather than intensification of activities is generally regarded as the

<sup>8</sup> Even in countries such as Malaysia, only 20 per cent of small enterprises provided formal training to their employees.

main source of short-term growth, the provision of credit is seen as having the greatest potential for improving incomes. However, because relatively small amounts of credit are, on their own, unlikely to lead to the adoption of new techniques and technologies, the scope to improve livelihoods without significant skills upgrading is likely to be quite limited in the medium-long term.<sup>9</sup>

The general consensus is that, unless a number of key constraints can be effectively tackled, there is little point in providing training to most entrepreneurs and workers in the informal sector. However, whereas training on its own is not usually effective, this is not generally the case for other services, most notably microcredit. There is broad agreement, therefore, that training should be integrated in a package of services. Where these are not affordable or the expertise is not available to design and implement what are typically complex, multi-input interventions, then there has been a marked preference for 'targeted' services such as credit. These can be delivered on their own and have lower opportunity costs than most formal training activities.

**Indigenous skill formation:** The prevalence of relatively well developed indigenous training systems among MSE in many countries, particularly in West Africa and South Asia is a key factor accounting for the low level of demand for formal training. The authors of the World Bank's influential VET Policy Paper go so far as to suggest that "traditional apprenticeships provide most of the training needed in the informal sector in most countries" (World Bank, 1991:60).

Growing recognition of the importance of indigenous training systems has had a major impact on government and donor training policies and practices. Where these indigenous training mechanisms are in place, it has been argued that "there is no a priori case to be made for specialised training interventions" (Middleton et al, 1993: 167). While there is scope for improvement, there is understandable concern that poorly conceived training interventions could easily undermine the traditional master-apprentice relationship on which the entire system is based. This has, in turn, dampened the interest of both governments and donors in getting too heavily involved in improving indigenous training systems. Informal credit systems, on the other hand, are almost universally inefficient and ineffective which has provided the necessary justification for the provision of cheaper, alternative forms of microfinance that are targeted at the poor.

**Formal sector experience:** Where MSE entrepreneurs and workers have been previously employed for relatively long periods in the formal sector, this is also likely to lower the demand for formal training. For example, King argues that in most of South America, "the majority of business people who receive training, credit, and other support services have only been able to start their own businesses only after many years of employment in other (formal sector) businesses" (King, 1996).

**Direct training costs:** The costs of formal training courses is frequently cited by MSE operators as an important reason for not taking up training opportunities. For example, in a large survey of MSEs in Kenya, over 40 per cent of respondents stated that they could not afford training because of 'limited resources' (see Table 2).

**Trainability:** Illiteracy among the poor significantly lowers their trainability. In South Asia, in particular, a high proportion of workers in the urban informal sector are illiterate rural migrants (see ILO, 1997). Acquiring basic literacy and numeracy skills is, therefore, generally regarded as being of higher priority than conventional VET. There is a growing group of NGOs which see the "transformative potential" of well designed, mass literacy programmes as being the key to poverty reduction. In recent years, Actionaid's REFLECT literacy projects have become perhaps the most well known example of this approach.

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<sup>9</sup> A major survey of microfinance projects in SSA found that 90 per cent of credit recipients had made no changes to technology and techniques after receiving the loan (see Buckley, 1997).



Table 2: Reasons for not being involved in formal training activities among manufacturing enterprises in Kenya: Percentage of survey respondents stating that specific reason “important” or “very important”, 1994.

Possible reason	Size of enterprise (employees)				
	1-5	6-20	21-75	76-500	500>
Can't afford because of limited resources	42.7	38.9	9.0	4.0	0.0
Costly because high labour turnover	3.4	16.5	14.1	25.4	11.0
Lack knowledge about training opportunities	15.5	6.8	4.6	11.0	8.8
Firm uses mature/well understood technology	25.8	49.6	13.6	44.0	27.0
Skilled workers readily hired from other firms	33.2	50.6	18.3	13.7	10.7
Skills provided by schools adequate	17.1	1.1	3.1	6.7	0.0
Sceptical about benefits of training	11.6	20.5	71.7	8.7	0.0

Source: World Bank, Regional Programme for Enterprise Development.

## 4.2 Women

### 4.2.1 *The gendered nature of poverty*

Over two thirds of those living in absolute poverty are women (UNDP, 1998). As noted earlier, women are very heavily concentrated in the most marginal survival enterprises (often working at home) and in wage employment in secondary labour markets that are characterised by low skills and high turnover. In Sub-Saharan Africa, they also undertake the bulk of agricultural production. The ‘training crisis’ is, therefore, overwhelmingly linked to the economic and social vulnerability of women and particularly the multiple constraints that prevent them from exploiting training opportunities.

In all societies, there are four basic institutional arenas - the market, state, community and the household. Each arena is characterised by specific rules, norms and practices which determine structures of entitlements and disentanglements for individuals and groups of individuals. There has been a pervasive failure to ground training policies and practices for women on a sound understanding of these institutional processes. More innovative training, especially in ‘non-traditional areas,’ has frequently failed to achieve significant and sustainable impacts precisely because it challenges “the norms of gender propriety which constitutes a risk which poorer households are unwilling to take on” (Kabeer, 1997:5). The focus of most training on productivity has ‘redistributive connotations’ that are threatening to gender relations.

Poor women are already “hemmed in by a complex bundle of risks” which seriously limits their degree of individual ‘agency’ with respect to most decisions that affect their own well being and that of their children and other household members. However, as far as training is concerned, the degree of female agency varies very considerably between regions and countries. It is especially limited in the ‘patriarchal belt’ that stretches across North Africa, the Middle and Near East and South Asia. The ‘invisibility’ of women in these regions is acute. But is also the case that nearly one-third of households in the developing world as a whole are female-headed. While women in these households are much freer to decide what education and training is desirable for themselves and their dependants, higher levels of poverty in this type of household may prevent women from availing themselves of training opportunities.<sup>10</sup>

<sup>10</sup> Some research on ‘the feminization of poverty hypothesis’ suggests that the extent of poverty among female headed households is no greater than male headed households.

#### 4.2.2 Training provision for women

The identification of women's training needs has often been flawed because "women are rarely treated as knowing what they need" (ibid: 30). The available evidence tends to show that poor women in most developing countries are usually most interested in skills training that meets their own immediate 'practical gender needs' as opposed to longer term, "strategic gender needs" that directly tackle the basic underlying causes of female subordination (see Moser, 1989). As a result, most formal training has been closely related to gender-stereotyped tasks and occupations. Once again, this highlights the fact that training provision for women is itself part of "deep-seated, culturally sanctioned forms of gender inequality".

The demand for training among poor women is not only low but is likely to be falling where poverty and economic pressures on households are increasing. Extensive research has shown that women have usually borne the brunt of household adjustment in the wake of economic crisis and/or macroeconomic policy reform. In these situations, training has rarely been a central part of the coping strategies of poor women.

The control over and allocation of household resources to training is determined by a similar set of factors as for formal education. However, it is the nature of the relationship between the woman and her spouse that is crucial for determining training demand and outcomes. Given the subordinate position of women coupled with very limited household resources, it is unlikely that training for adult female members will be accorded high priority. Furthermore, informal systems of skill transmission in most of the manual trades are generally from father to son. Traditionally, "apprenticeship is an important part of the socialisation process through which masculine identities are constructed" (Kabeer, 1997: 7). Thus, supporting indigenous training systems could actually undermine gender and development objectives.

With such limited room for manoeuvre, there is a widespread feeling that the potential long-term social and economic benefits of improving opportunities for girls in the formal education system are much greater in most countries. In simple terms, "daughters are the future, not mothers". (Godfrey, 1997: 18)

#### 4.3 The impact of economic liberalisation

The potential impacts of economic liberalisation on VET are twofold: change in incentives to invest in training and the availability of public funding for VET. Early arguments in support of economic liberalisation claimed that the removal of labour market 'distortions' (in particular, minimum wages and hiring and firing restrictions) would lead to significant increases in effective demand for training by both individuals and enterprises. Moreover, with the ending of industrial policy regimes that strongly favoured large enterprises, major increases in effective training demand from a rejuvenated MSE sector were also confidently expected.

Just as with formal sector enterprises, changes in the level and type of training activities in the informal sector have to a large extent been determined by the way in which adjustment programmes have impacted on specific areas of activity, in particular those that are more skill intensive. With 'private sector development' firmly established as a key objective of all economic reform programmes, governments and donors are placing more emphasis on the need for effective skill development programmes for MSEs. This is especially so in SSA where the bulk of economic activity is accounted for by these kinds of enterprise.

The evidence is fairly scanty, but what is available suggests that micro-enterprises (i.e. those with fewer than five workers) have often been negatively affected by depressed demand, increased import competition and generally higher levels of uncertainty that have typically resulted from economic reform, at least in the short-term. Not surprisingly, therefore, the expected increases in effective demand for training have not materialised.

Returns to activities among survival enterprises in SSA have declined mainly as a result of a flood of new entrants unable to find employment in the formal sector. Barriers to entry remain generally low for most activities (see Dawson, 1993; Dawson and Oyekinka, 1993; Dike, 1995; Gallagher and Yunusa, 1996). Thus, “most enterprises continue hand-to-mouth as increases in demand are quickly competed away” (Steel and Webster, 1991:2).

Among small enterprises (i.e. those with 5-49 workers), much higher capital and skill requirements have tended to restrict increased competition. Consequently, the overall gap in income (and thus returns to training) between relatively high and low income activities may well have widened still further. In some countries, better educated, “middle class” entrants are capturing the more lucrative and skill intensive MSE activities and men are also taking over the relatively few higher income activities where women previously predominated.

The impact of economic liberalisation on traditional apprenticeship systems has not been extensively researched. In Nigeria, however, Gallagher and Yunusa found that fewer school leavers want to become apprentices and the capacity of MSEs to offer training has also declined (op.cit.).

It is possible that more intense competition can also undermine individual incentives for pursuing common interests and undertaking collective action. Research on ‘industrial districts’ in both developed and developing countries highlights the crucial importance of social and economic relationships of these kinds in achieving high levels of productivity among MSEs. However, in the context of acute economic crisis, it is just as likely that informal associations are “collapsing rather than springing-up” with households rather than the community becoming the focus of resource mobilisation and coping strategies. This clearly has major implications for the current emphasis given by both governments and NGOs to encouraging community/associational-based efforts (including skill development) to improve livelihoods among the poor.

The share of formal sector employment in the total labour force has been contracting in most developing countries. In some low income countries, particularly in Africa, the number of people in formal sector employment has also fallen significantly in absolute terms. Data is generally not available, but the resulting increase in job competition has probably made it more difficult for women to gain access to non-traditional occupations and has, consequently, limited the role of more equitable training provision in redressing gender imbalances.<sup>11</sup> In contrast, in the developed industrial economies, increased education and training for women has enabled them to make major in-roads into rapidly expanding occupations since the early 1980s (see Box 4). With such marked differences in labour market conditions between developed and developing countries, great care must be taken in drawing lessons from the policy experiences of OECD countries.<sup>12</sup>

#### Box 4

Key lessons from the role of training policy in promoting equal employment opportunities for women in OECD countries

Higher education gender gaps have narrowed markedly in most OECD countries during the last two decades and have been eliminated altogether in a number of subject areas. The explanation of this widespread change in women’s engagement with education and training in these countries is the result of changing gender relations, on the one hand, and changing production and employment relations, on the other. Both have underpinned the rapid growth in demand for more qualified female labour.

Education and training have provided “a range of different mechanisms for improving women’s position in the labour market”, in particular as a route to non-traditional jobs, and as a means of competing according to objective criteria, of obtaining higher earnings, and maintaining continuity of employment.

<sup>11</sup> However, over the last 10-15 year, the overall proportion of women in wage employment has increased in virtually every country for which data is available.

<sup>12</sup> For example, the chapter on women and training in the ILO’s 1998-99 World Employment Report is based mainly on the paper by Jill Rubery which only covers women and training in the OECD countries. Consequently, much of the discussion is not relevant for women in developing countries.

Women are entering a much wider range of jobs - both higher level jobs as well as increased feminisation of lower level service and clerical occupations. Where the qualifications for entry into an occupation are provided within the education system, much of the change in the gender balance has occurred independently of employer policy.

Horizontal job segregation persists among traditional male-dominated jobs at intermediate and lower skill levels. But, if jobs are relatively low paid, then there is little incentive for women to make the considerable effort to overcome traditional discrimination.

The institutional organisation of the training system is also an important factor. It is easier to control access to specific male-dominated occupations through work-based traditional apprenticeships than where courses are open access and college-based.

There are, however, clear limits in the role of education and training as a defence against discrimination. In particular, where long job queues prevail, access to jobs becomes more dependent upon factors other than qualifications, such as family networks. These informal routes into the labour market are often mobilised more intensively for young males than they are for young females. Pure gender discrimination at work also continues to be widespread.

Exclusion from workplace-based training is one of the main forms of discrimination against women and one of the most difficult to monitor and to develop effective counteractive policies. Most employers rationalise decisions not to provide training to female employees on the basis of expected high rates of turnover. The increasing importance attached to firm-specific skills under the new forms of competition may increase the significance of women's under-representation on workplace-based training.

Lack of institutional equivalence of male and female vocational training is another potentially important source of discrimination. But even where no difference exists in forms of training provision (as in the German dual training system), gender earnings differentials frequently persist.

Women's choices of vocational training reflect expectations of employment opportunities. Over recent years, these have tended to reinforce traditional female gender roles as opportunities in many male-dominated jobs in manufacturing have declined.

Source: J. Rubery, 1998

## 5. Training outputs and impacts

### 5.1 Is there a poverty reduction crisis?

To what extent are the disappointing outputs and impacts of training interventions in support of the poor symptomatic of a much wider problem, namely the failure of government and NGO efforts to reduce significantly the level of poverty in most countries? Surprisingly, however, most of the literature on training for the poor makes little or no effort to situate this particular intervention in the wider context of the overall efficacy of poverty reduction strategies. By focusing exclusively on training provision for the poor, there is, in fact, a danger of losing sight of the general shortcomings that have characterised poverty reduction programmes world-wide.

Two sets of reasons for low impact can be identified, namely weak institutions and the lack of 'voice' among targeted beneficiaries. A number of key findings and lessons have emerged from recent reviews of poverty reduction policies and strategies.

- Bureaucrats usually have a strong incentive to target just below the poverty line in order to maximise the number of individuals who are lifted out of poverty. Programmes that use communities and other locally based groups generally have much better records in targeting the poorest.
- While it is commonly believed that the provision of credit as part of income generating projects has been widely effective, there is little hard evidence to substantiate these claims. According to Subbarao *et al* "the evidence for sustainable income generation is only strong for the Grameen Bank (in Bangladesh)...The evidence from other programs is not so strong...the more successful programs are extremely small in outreach. If the opportunity costs of donor funds was also taken into account, many programs (including the Grameen Bank) would not yet be economically viable" (World Bank, 1997:89). Similar concerns have been expressed by Buckley with regard to microfinance schemes in SSA (see Buckley, 1997).
- Regardless of overall political commitment to reduce poverty, few central government agencies have the necessary skills and orientation to foster continued interaction with a wide range of small and frequently scattered beneficiary groups.
- Most delivery mechanisms have serious weaknesses. This results in services that are "unavailable to the poor, neither needed nor desired by the poor, captured by the non-poor, of low quality, unsustainable, cost-ineffective, or delivered more slowly than necessary to respond to urgent needs" (*ibid*:93).
- The use of social funds can be very effective when they are strongly demand-driven (by groups and communities), rely heavily on non-state actors for the delivery of services (including training), and are autonomous from line ministries. However, this rarely happens, especially in low income countries.
- High transaction costs incurred by the poor prevent them accessing a wide range of services that are made available. Travel time and costs are a major issue in many poverty reduction programmes.

## 5.2 Public sector training

### 5.2.1 Training outputs

Despite a chronic lack of supporting evidence, most training for the poor provided by public sector training institutions has been widely criticised for being inaccessible, irrelevant and of poor quality. These limited training efforts, it is argued, have been based on a simplistic modernisation paradigm which, drawing heavily on human capital theories, identifies the skill deficiencies of individuals who are poor and disadvantaged as the key constraint which, once addressed, will result in major increases in productivity and incomes. Thus, the belief in individual agency - the ability of each individual to overcome their state of poverty - is of central importance.

Training projects and programmes for the poor have generally replicated the policies and practices of supply-driven training for the formal sector. As a consequence, they have had the following characteristics:

- A largely ‘top-down’ process of skills transfer with little or no involvement of trainees in the identification of training needs and the design of training programmes. As passive recipients, there has been little sense of ownership and, by failing to recognise the knowledge and skills of the poor, training has been a disempowering, even “infantilizing” process.
- Attempts to forge training partnerships with other organisations and groups have been rare. There have only been limited attempts to provide training as part of an integrated package of services. Poor communication and frequent “turf wars” among government ministries responsible for these services are endemic in many countries.
- Most training has been delivered at training institutions. In common with the mainstream programmes of these institutions, there has been a heavy emphasis on longer duration pre-employment courses for unemployed youth and other disadvantaged groups, especially the disabled. In many countries (particularly in SSA), governments have preferred to establish a parallel network of mainly rural based training institutions specifically intended for training for self-employment (e.g. Youth Polytechnics in Kenya, Youth Training Centres in Zimbabwe, Brigades in Botswana).
- Traditionally male-dominated artisan training courses (plumbing, metalwork, carpentry etc.) have predominated in most countries. Training in social and business skills has been fairly limited. In her review of programmes of assistance for women entrepreneurs in Africa in the early 1990s, Kuiper concluded that the acquisition of business skills was a “seriously neglected area... the skills taught remain limited to vocational skills and, in the case of women’s groups, organisational skills” (Kuiper, 1991:61). Lack of business training has had serious consequences for income generating projects. Other authors have come to similar conclusions (see Bakke-Seeck, 1996; Burckhardt, 1996).
- Fees drive away the poorest. In Ghana, for example, even at government-funded vocational training centres in remote rural locations, the majority of students come from relatively well off urban backgrounds (see Bennell, 1998). Given the massive excess demand that exists in most countries for post-school education and training, training intended for the poor and other disadvantaged groups is invariably ‘captured’ by better qualified school leavers.
- The provision of short courses for MSE operators and workers remains very limited. Instructors usually have little or no understanding of the problems of doing business in the informal sector. Governments have often created parallel organisations for the development of MSEs (especially Enterprise Development Institutes), but these tend to cater for non-poor clientele. Training targeted at individuals, (especially women in survival enterprises), has been the exception rather than the norm.
- The design of training projects, especially in post-conflict situations, has tended to be too rushed so that planning ends up being carried out simultaneously with implementation. The ILO-supported ‘Start Your Own Business ‘ Programme in Mozambique is a good example. Training objectives were seriously underfunded and insufficient information was collected in order to be able to

identify properly training needs in local labour markets. Serious shortages of trainers in rural areas meant that training was generally of poor quality and the skills acquired could not be effectively utilised mainly due to lack of credit and market opportunities (see Bryant, 1997).

- In SSA, training programmes for the poor have often been the result of donor initiatives. As separate projects and programmes with their own funding and management structures, they have rarely been effectively institutionalised on a sustainable basis.

### 5.3 Training impacts

Despite the lack of evidence, it is widely argued that the impact of public sector training for the poor has been minimal in most countries. Typically, unit training costs are relatively high with small enrolments and low completion rates. The intensive involvement of international experts in many projects has made them especially expensive. In youth training programmes, relatively few trainees have become self-employed. In Nigeria, for example, by the early 1990s, only 2 per cent of the over 100,00 apprentices trained through the government's Open Apprenticeship Scheme had managed to start their own businesses mainly because of the high cost of equipment (see Gallagher and Yunusa, 1996). In Zimbabwe, only three per cent of students graduating from Youth Training Centres in the early 1990s became self-employed (see Bennell, 1992).

There is a broad consensus that while smaller training programmes aimed at groups facing only moderate problems in the labour market have been found to yield positive results, broad and untargeted interventions have been universally ineffective.

#### *5.3.1 School-based VET*

There are widespread concerns among educationalists and education economists, especially in the donor community about the efficiency and effectiveness of specialised school-based VET. However, the political appeal of this type of training provision endures. With the chronic lack of institutional capacity to provide post-school VET coupled with pervasive concerns that formal schooling is too academic and engenders 'inappropriate attitudes', it appears quite sensible and rational to try to impart key vocational skills while children are in school.

Table 3 : Vocational secondary school enrolments as a percentage of total secondary school enrolments in developing countries, 1980 - 1992/LYA

Decreased				Increased			
Country	1980	1992/ LYA	% Δ	Country	1980	1992/ LYA	% Δ
<b>AFRICA</b>							
Botswana	8.6	5.1	- 3.5	Angola	1.4	5.5	4.1
Burkina Faso	42.3	20.8	- 21.5	CAR	6.0	7.1	1.1
Burundi	17.4	12.4	- 5.0	Congo	9.0	9.3	0.3
Cameroon	26.8	15.6	- 11.2	Egypt	21.6	27.7	6.1
Ethiopia	0.7	0.4	- 0.3	Guinea	5.7	7.9	2.2
Gabon	18.7	16.6	- 1.1	Libya	5.4	30.6	25.2
Ghana	3.9	2.7	- 1.2	Mali	7.0	10.7	3.7
Lesotho	4.7	3.0	- 1.7	Mauritius	0.3	2.7	2.4
Malawi	3.4	2.3	- 0.9	Namibia	0.3	0.9	0.6
Mauritania	4.5	2.4	- 2.1	Nigeria	2.9	3.9	1.0
Mozambique	12.5	7.0	- 5.0	Sierra Leone	2.8	5.6	2.8
Niger	1.2	0.9	- 0.3	Sudan	4.0	4.1	0.1
Reunion	37.2	15.6	- 21.6	Togo	5.8	6.6	0.8
Rwanda	58.4	54.3	- 4.1	Uganda	4.7	5.5	0.8
Senegal	10.3	3.8	- 6.5				
Seychelles	48.3	11.4	- 36.9				
Tunisia	27.3	2.3	- 25.0				
Zaire	33.8	25.4	- 8.4				
<b>ASIA</b>							
Cyprus	12.2	6.9	- 5.3	Bangladesh	1.0	1.6	0.6
Iran	7.4	4.8	- 2.6	Brunei	3.6	5.7	2.1
Israel	41.2	36.4	- 4.8	China	2.1	10.6	8.5
Japan	14.8	13.6	- 1.2	Hong Kong	6.6	10.0	3.4
Korea	20.6	18.6	- 2.0	India	1.2	1.3	0.1
Maldives	12.3	0.8	- 11.5	Indonesia	10.7	13.0	2.3
Oman	5.9	1.4	- 4.5	Iraq	5.5	11.2	5.7
Pakistan	1.5	1.4	- 0.1	Jordan	5.2	24.3	19.1
Qatar	2.8	2.1	- 0.7	Kuwait	0.2	0.6	0.4
UAE	1.2	0.8	- 0.4	Lao	2.2	4.9	2.7
Yemen	3.1	1.2	- 1.9	Malaysia	1.7	2.6	1.9
Vietnam	5.7	3.3	- 2.4	Syria	4.3	8.3	4.0
				Thailand	15.5	16.5	1.0
				Turkey	23.5	24.8	1.3
				Saudi Arabia	1.5	2.4	0.9
<b>LATIN AMERICA &amp; CARIBBEAN</b>							
Argentina	61.3	51.4	- 9.9	Chile	31.4	40.0	8.6
Costa Rica	24.3	21.0	- 2.1	Colombia	20.3	21.0	0.7
Honduras	29.3	28.9	- 0.4	Cuba	19.9	35.7	15.8
Nicaragua	13.8	7.8	- 5.0	Dominican Rep.	6.4	8.4	2.0
Peru	10.0	0.0	- 10.0	Ecuador	11.9	34.2	22.3
Suriname	40.4	35.3	- 5.1	El Salvador	62.0	73.7	11.7
Trinidad	2.7	0.7	- 2.0	Mexico	10.4	11.4	1.0
Venezuela	19.4	17.7	- 1.7	Montserrat	6.6	11.5	4.9
				Panama	23.2	23.3	0.1
				St Lucia	4.0	7.8	3.8
				St Vincent	0.7	3.8	3.1
				Uruguay	15.4	17.1	2.3
<b>OCEANIA</b>							
Kiribati	4.4	2.0	- 2.4	Fiji	4.6	9.9	5.3
Papua New Guinea	16.2	14.7	- 1.5	New Caledonia	23.4	32.0	8.6
Vanuatu	17.8	10.4	- 7.4	Tonga	3.6	4.8	1.2

Source: Computed from UNESCO, Statistical Yearbooks

Table 3 shows that secondary technical schools account for a very sizeable proportion of total enrolments in secondary schools in Latin America and Asia and that this share continues to increase in the majority of countries. Despite claims by the World Bank



and others that technical secondary schools are both relatively inefficient and ineffective compared with academic schools, the rates of return evidence, certainly in South America and Asia, does not bear this out (see Bennell, 1995). The impact of these schools on poverty reduction is, however, much less clear. Little or no research has been undertaken on the socio-economic background of students and the absolute and relative impacts of this type of education on individual and household welfare. Although it is frequently asserted that this type of education is particularly beneficial for students from poorer backgrounds, in many countries, a disproportionate number of students are from non-poor groups and relatively few graduates end up in training-related jobs in either the formal or informal sectors. Furthermore, with respect to gender, there appears little evidence to show that girls have managed to make major in-roads into traditionally male-dominated manual trades at these schools.

### *5.3.2 Pre-employment*

Most post-secondary public VET institutions have no explicit goals with respect to poverty reduction. In part, this is because tertiary enrolment ratios are simply too small in most developing countries for there to be much scope in educating more than a tiny fraction of the poor, at least for the foreseeable future. Efforts to reduce gender enrolment disparities in universities, technical colleges and other tertiary education institutions have been more widespread, but little or no research has been undertaken that has assessed the extent and nature of these various interventions (in particular scholarships, quotas and lower entrance requirements) and their outcomes. Interventions of this kind become increasingly less important once gender inequalities in access have been effectively redressed in primary and secondary schools, and for this reason, governments and donors are correct in attaching top priority to policy reforms in this area.

### *5.3.3 Women*

A common criticism of public sector training for the poor is that, at least up until fairly recently, it has been largely 'gender blind' which is part of a wider problem of mainly male policymakers simply 'not seeing' women. Without a strong, theoretically well-grounded gender perspective, training programmes have failed to address the invisibility of women in the informal sector. As noted earlier, what little training has been provided has been predominantly 'welfarist' in that it has focused on supporting women's practical gender needs thereby exacerbating the over-concentration of women in a few low skills occupations and perpetuating their traditional roles as mothers and wives.

International organisations working with national governments have identified a wide range of interventions that are needed to promote VET provision for women (see Box 5). Many governments have been particularly preoccupied with improving gender equity with respect to labour outcomes in the formal sector. Ensuring much better access for women to VET institutions is essential in order to redress genders imbalances in most occupations. However, this level of training is not accessible to most of the poor.

## Box 5

## Recommendations to promote VET for women in South Asia

There is a need to expand significantly training provision for women. This should be achieved through greater integration of women into existing institutions, structures and facilities.

The increased training provision for women should be relevant to local manpower requirements and employment opportunities. This will require review and revision of curricula in training institutions.

Specific targets should be set to increase the enrolment and integration of women into existing training programmes.

Training in non-traditional fields should be promoted through the establishment of specific training programmes and pilot support schemes.

Small enterprise development programmes and training should be made available to women.

Specific training provision should be made to meet the training needs of women in rural areas and in agriculture.

Training programmes for women should include personal development and life skills training modules

High priority should be given to management training for women

Support facilities and measures are required to facilitate the participation of women in training, including hostels, stipends, transport facilities, child care centres, tool kits.

Special mechanisms should be devised in the delivery of training to enable increased participation and take-up by women, including mobile training units, extension schemes, and in-plant training.

The pool of women trainers should be increased. Staff development programmes should be established to take into account the special needs of women

Progress in increasing the participation and integration of women in training and employment should be carefully monitored and the training institutions held accountable.

Community-based training and production units for women should be established.

Public and private employers should be encouraged to employ increased numbers of female apprentices.

Source: ILO. 1991. Women in non-traditional fields.

The design and implementation of ILO-supported projects in Cambodia and Nepal highlight the difficulties that have been typically encountered in trying to provide training for poor, mainly rural women (see Boxes 6 and 7).

## Box 6

## ILO Flagship Training Programmes: TRUGA and SDSR

Training for Rural Gainful Activities projects were based on a vocational training methodology designed by the ILO in the mid 1980s to promote and support income and employment generating activities for poor rural people in developing countries in Asia. The overall objectives of the holistic “systems approach” were (i) to ensure that the training that was delivered related directly to clearly identified employment and income opportunities; and (ii) to provide placement and other follow-up support once training had been completed. Thorough surveys of the status, needs and potentialities of each targeted community were undertaken along with extensive consultation with all the major stakeholders. This was termed ‘consultative planning’ because the approach was seen as participatory. The training itself was conducted using mobile camps which, it was argued, facilitated the involvement of women and the poorest rural groups. Considerable emphasis was also placed on the effective evaluation of training outcomes.

The Skills Development for Self Reliance (SDSR) projects that were implemented in Eastern and Central Africa during the early-mid 1990s also relied on a similar approach as TRUGA in Asia.

Given that these have been ‘flagship’ training projects for the ILO, it is surprising how little information is available on the medium-long term impacts on their target populations. An evaluation of the TRUGA project in Cambodia during the 1980s reveals a relatively large number of shortcomings. These include:

- Poor targeting of specific poor groups including women and the disabled;
- Lack of effective participation of beneficiaries in planning and decision making, particularly women.
- Women, most of whom were already working long hours, found it difficult to complete training courses. Special support measures, in particular child care centres, were not generally available;
- Very few women instructors were employed. In Nepal, for example, only one-quarter of the national instructors and none of the 12 international experts were women
- With limited numbers of project personnel in the field, it proved difficult to provide the full range of follow-up and support services;
- Links with other development agencies post-training remained weak;
- The focus on technical training in manual trades meant that most training for women was in a narrow range of traditionally female-dominated activities. Entrepreneurship /business skills training was generally very limited.
- Heavy reliance on very costly international experts.
- The overall number of trainees was relatively very small. 12 international experts and 97 national professional staff only managed to train 1,156 rural people over a six year period.

Source: Baidya and Chaudhari, 1991; Walsh, 1992.

## Box 7

## The UNDP/ILO project, ‘Vocational Training for Employment Generation in Cambodia, 1992-96’

This project is typical of many donor-supported projects that seek to provide training and credit to the poor. The overall objective of the project was to “contribute to the long-term socio-economic and human resource development of Cambodia through the establishment of a flexible, demand-driven programme of vocational training”. The four “immediate” objectives were to help establish:

- a system of decentralised training provision at seven provincial training centres,
- a “simple mechanism for the continuous assessment of employment and training needs”;
- strengthen institutional capacity at both the centre and the provinces to plan and implement ‘short-cycle accelerated income generating skills training’ for the poor;
- Impart income generating and employable skills to 3000 persons from special and vulnerable groups (women, demobilised soldiers, return refugees, and internally displaced persons).
- The project was implemented over a four year period (1992-1996) at a total cost of US\$4.8 million.

The project was evaluated in early 1997, barely six months after completion. However, project outcomes were assessed as

being largely achieved. In particular, the planned network of provincial training centres had been “successfully established” and 5,200 individuals had attended training courses with “considerable economic benefits”. Enrolments were roughly equally divided between two types of courses: three month ‘technical’ in the basic trades at training centres and 2-3 three week agriculture-oriented courses using mobile units.

Despite the generally very positive assessment of project outcomes and impacts, the evaluation mission did not have sufficient information to be able to reach robust conclusions. In particular, the evaluation report notes that: “Due to various limitations, comprehensive tracer surveys on all graduates and drop-outs were not conducted so the overall impacts of the project could not be assessed” (p. 16). Information on employment outcomes existed for only 25 per cent of trainees. Nor was any baseline information collected that would have enabled pre- and post-project comparisons to be made.

It is also clear that there were major shortcomings in the project’s overall objective of supporting the very poor, and especially women. Although the number of people trained by the project was considerably higher than planned, this was still only a tiny fraction of the poor in Cambodia. In the early 1990s, there were nearly 750,000 refugees, internally displaced persons and demobilised soldiers. Cost-effectiveness is also a major concern. The average cost per trainee was \$920 - over three times per capita income. International experts accounted for two-thirds of project costs.

Equity issues were not seriously enough addressed in the design and implementation of the project. In particular, “it is apparent that women and poor people in rural communities tended to attend agriculture-oriented courses which were of shorter duration and were often organised in the community. Therefore, they did not receive any allowance from the project while taking these courses which were relatively very cheap to organise. On the other hand, men and people living in or near towns who were generally better-off than people in rural areas, tended to enrol in technical courses” (p. 26) These course were six times more expensive than the rural courses and trainees received an allowance. While economic opportunities for urban, predominantly male trainees were relatively good, those for female trainees located in rural

areas were very limited mainly because they had no prospect of securing wage employment and most were not eligible for credit (see below). “In brief, those who were already badly disadvantaged will remain as disadvantaged, if not relatively more so, as before they took the training course” (ibid). The few women who did enrol on traditionally male-dominated courses “were hassled during class and have had tremendous difficulties in finding employment after graduating” (p. 13).

The project objective of combining vocational training with credit was largely unsuccessful. The NGO responsible for provision of credit, ACLEDA, had very stringent borrowing principles and practices which meant that only ‘the middle poor’ were able to obtain credit after completion of their training. In total, only 22 per cent of trainees obtained loans.<sup>1</sup>

Finally, with respect to capacity and capability building, this was only “achieved on an individual basis rather than on an institutional basis” mainly because the project was not integrated into the “normal structures and mechanisms of the provincial and national training centres” (p.16). Neither had the project “succeeded in establishing a fully decentralised structure” (p. 15). Lack of personnel and resources at provincial centres were identified as the main constraints. Concerns about limited institutional sustainability resulted in a follow-on project that has focused almost exclusively on capacity building.

Source: ILO/UNDP, 1997

### 5.3.4 *The unemployed*

The unemployed in most developing countries are generally not the most economically vulnerable because, in the absence of state income support of some kind or another, the poor cannot afford not to work. Large-scale retrenchment of public sector workers is currently one of the largest sources of open unemployment in many countries. Politically, retrenched are in a strong position to capture public VET resources. Social funds in SSA have a poor record in supporting training needs of retrenched workers.

The conclusion of most evaluations of training programmes for unemployed youth is that they have not been successful in raising incomes and job offers for these workers. Training keeps “unemployed youth off the streets but does not land them jobs”. The findings of extensive and sophisticated research on the impacts of major training programmes for disadvantaged youth since the 1960s in the United States have been particularly influential. With the possible exception of Job Corps, “no programme has produced significant benefits, whether by improving labour market outcomes for participants or by increasing efficiency in the economy as a whole” (ILO, 1998:92). Godfrey argues that the impacts of many retraining programmes for the unemployed have, if anything, been negative (see Godfrey, 1998). In particular, by raising job expectations,

training programmes can increase the reservation wages of trainees and thereby actually increase unemployment.

In Colombia, SENA's nation-wide programme of part-time short courses for poor, younger workers has also received widespread attention. However, the ability of SENA to adapt has been seriously constrained by employment practices in the public sector, in particular low pay which not only demotivates staff but has prevented SENA from being able to recruit personnel who have relevant private sector experience (see Box 8). The Chile Joven programme has been positively evaluated, but the replicability of this type of programme, particularly in SSA and South Asia is likely to be limited (see Box 9).

#### Box 8

##### SENA's training programmes for the poor and disadvantaged in Colombia

SENA has been frequently singled out as an organisation that has successfully reoriented its activities towards meeting the needs of the poor. Initially, the main focus was on short courses for poorer, unemployed young workers, geared to semi-skilled occupations for self-employment in both rural and urban areas. However, "an attempt is underway to shift training provision towards longer courses, involving adult retraining as well as youth apprenticeship, and for craft and technician skills for which market demand is greater" (ILO, 1998:104). More emphasis is also being given on training for those who are already in the informal sector.

An important reason for these shifts to more "incorporative" and "promotional" approaches is the failure of the first generation of training programmes "to substantially change the employment prospects of trainees"(Ramirez-Guerrero, 1996:97). More generally, SENA's social and formal sector training programmes "coexist but do not collaborate; they have not established the operational linkages that would make them complementary. An opportunity for mutual enrichment was lost and SENA's institutional identity and effectiveness deteriorated" (ibid:92).

Sources: Ramirez-Guerrero, 1996; ILO, 1998.

### 5.3.5 Micro and small enterprises

Generalisations abound about the generally poor performance of public sector training institutions in supporting MSEs. However it is clear that there has been very considerable diversity of experiences on the ground. For example, in a study of MSEs in five African countries in Steel and Riopelle conclude that in Tanzania, the Small Industry Development Organisation had been "comparatively successful at providing hands-on training and disseminating information" (Steel and Riopelle, 1995:33). In Ghana and Senegal, on the other hand, "scarce resources" had limited the usefulness of government training efforts.

#### Box 9

##### The Chile Joven Scheme

The Chile Joven scheme is widely cited as a successful training model for unemployed youth. The scheme has been funded from a loan from the Inter-American Bank. It was originally designed for four years (1991-94) with a target of 100,000 trainees, but it was subsequently extended for three more years.

Specific programmes have been developed which target poor youth and thus try to prevent the better educated and trained from participating. The four main types of provision are: the standard model of 400 hours of formal training plus 2-3 months 'practical labour' geared to wage employment; self employment orientation – 350 hours of training around an established production project with credit and other support services; training targeted at the most marginalised groups - 420 hours of training with an emphasis on remedial learning activities; and alternative apprenticeship which has been strongly influenced by the German dual system.

The other key features of the scheme are:

- Limit involvement of the traditional training institutions in the administration and execution programme and the creation of a well resourced, multi-disciplinary central co-ordination unit.
- A heavy emphasis on enterprise-based training using job placements which previously have been little used in Chile or in Latin America as a whole. Over 15,000 firms have agreed to accept CJ trainees.
- Recognition that training reform is an intensely political process requiring widespread consultation and

involvement of all key groups

- Recognition of the heterogeneity of target groups:

- Highly decentralised training provision with over 1000 accredited private training centres bidding for training contracts.

According to the 1998-99 World Employment Report, “evaluations have shown a significant number of formerly unemployed or inactive young people who found jobs after the programme. In the first three years, almost 60 percent of the young people enrolled found a job at the end of the programme, compared with 40 per cent for young unemployed people not in the programme” (ILO, 1998:181). However, more information is needed about the characteristics of these two groups as well as possible displacement effects before it is possible to make comparisons of this kind.

Other commentators have been less positive. King, for example, argues that the scheme “did not result in either appropriate training or relevant work experience for large numbers of young people who participated” (King, 1996: 43). In particular, formal training periods are too short to overcome basic skill deficiencies.

It is also important to emphasize that economic conditions in Chile are atypical compared with most developing countries. Economic growth has been very vigorous over a long period and accompanied by considerable formal sector job creation. In addition, the previously dominant public training system has been comprehensively replaced by a relatively well developed network of private sector training institutions. The key state institutions driving the reform process have displayed a high degree of competence which is crucial for inspiring confidence among the stakeholders. Finally, a relatively large group of employers in a wide range of sectors have been prepared to sponsor large numbers of trainees.

Economic difficulties in Argentina and Colombia have frustrated the adoption of the CJ model. It has also had to be adapted in Colombia in order to shift the focus of the programme to the poorest groups. This in turn resulted in a much greater emphasis on “formation-production tutoradas por ONG como espacio integral para capacitación and la practica laboral” (see CINTERFOR, 1998:241)

Sources: ILO, 1998; CINTERFOR, 1998; King, 1996.

The received wisdom is that it is extremely difficult for most public sector organisations to develop programmes that can promote and develop entrepreneurship in an efficient and effective manner. Such interventions tend only to work well where there are organised entrepreneurship associations and business advisory bodies, small enterprises are ‘relatively large’, training is closely integrated into a wider programme of inputs and services, and trainees are well motivated for business success. “Many MSE programmes have offered only low level, scheduled generalised often standardised services. This approach seldom addresses the real needs of small and microenterprises. Characteristically, both new and existing enterprises want quick, short term, moderate to high levels, of specialised services that are tailored to their immediate needs” (Grierson and McKenzie, 1996:22).

The key principles of ‘good practice’ which have emerged from business development support projects for MSE also apply to the informal sector as a whole (see Box 10). Training approaches should “conform to the natural processes of skill acquisition” but most public sector training institutions “are bound by structures and methods derived from bureaucratic imperatives” (ibid). However, it is clear that the combination of major fiscal crises and market-driven VET reform has resulted in major changes to these structures and methods during the 1990s. In particular, with many parent ministries being increasingly unable to fund their own training institutions, these institutions have been granted, in varying degrees, more autonomy in order to commercialise their training activities and thereby generate their own sources of funding. But, without public resources, they will have no alternative but to reorient increasingly to the market rather than the poor.

#### Box 10

##### Principles of good practice for business development support projects

- Business-like and demand-led. The best BDS organisations at supporting MSE are like those MSE in terms of their people, systems and values.
- Sustainability - the need to look for innovative ways to encourage the long term delivery of BDS.

- Tailoring is essential through focus on clients' needs.
- Participatory approaches to the design and implementation of BDS.
- Maximising outreach is essential and provides need to develop imaginative ways of achieving this.
- Building on demonstrated initiative - where possible build on what is already there rather than impose from outside.
- Split and focus delivery - i.e. stick to the knitting' and avoid trying to deliver a range of different services and products.
- Systematic approaches and programme integration. Focus in a project does not deny the need for strategic awareness and effective networking between providers.
- Renewed focus on cost analysis.
- Continued importance of impact assessment and evaluation.
- Subsidiarity - complement the role and activities of others including the state.

Source: CDSED (1997) Business Development Services for SME Development: A Guide to Donor Funded Interventions cited in Gibson et al.

## 6. For-profit and NGO training activities

### 6.1 Overall provision

There are two basic types of private sector training institutions (PSTI) – for-profit and not-for-profit. For-profit PSTIs usually focus on the sale of training services. With economic liberalisation, most governments have adopted a more positive attitude towards PSTIs and have, therefore, taken steps to create a more enabling environment. Many NGOs are only involved in income generation and other activities (advocacy, life skills) where skills development is mainly on a learning-by-doing/learning-by-earning basis.

There is an enormous range in the type of NGOs working with the poor in developing countries. On the one hand, there are numerous charitable organisations run by churches and elite, mainly urban-based groups which provide conventional training courses for the poor and the disabled. Some believe that many of these NGOs are in such “close embrace with the state that they are tantamount to voluntary agents of the government and thus can hardly be considered as non-governmental organisations”(Harriss-White, 1996:9). However, the fact remains that in many developing countries, these more traditional NGOs provide the bulk of training for the poor, especially in rural areas. In Tanzania, for example, vocational training centres funded and managed by the Catholic and Lutheran Churches account for over half of all formal VET enrolments in the country (see Bennell et al, 1998).

On the other hand, there is a new generation of NGOs that are more radical and innovative both with respect to their objectives and the methods they employ to support and work with the poor. An increasing number of donor agencies see these NGOs as being a particularly appropriate institutional vehicle for ‘working with the poor’. They are more ‘flexible’ (i.e. non-bureaucratic), politically committed to supporting the poor, use appropriate intervention strategies that encourage the poor to identify their own needs and address them in ways that are ‘empowering’. As will be discussed below, they also have a marked propensity for group schemes and co-operatives, especially for women.

Most of these organisations are, however, heavily reliant for funding from NGOs in the North (e.g. OXFAM, CARE, ITGD, NOVIB, SCF, ActionAid) for the bulk of their activities. External funding of NGO programmes has increased very significantly during the 1990s as donor agencies have become more aware of the relative effectiveness of well managed NGOs in delivering services and empowering the poor. However, as was discussed earlier, donor support for more traditional NGOs that focus mainly on training activities may be falling in some countries.

### 6.2 Traditional interventions

The training programmes of traditional NGOs have been similar in many respects to those offered by public sector VET government institutions. In particular, long-term pre-employment training in traditional trades for school leavers and the disabled have predominated. Church-run trade schools, especially in rural areas, have played a major role in providing training to school drop-outs in many low income countries in SSA. Training provision by these NGOs is frequently of better quality and more efficient than by government training centres. This is mainly due to the strong commitment of centre managers and instructors coupled with a more practical orientation (often involving direct production activities for income-generation purposes), and a marked emphasis on fostering certain attitudes and life skills (see Box 11).



The highly acclaimed SERVOL project was established in Trinidad and Tobago in 1970. The project is a good example of the more traditional approach to skills development by NGOs. The main target group is unemployed youth who are widely regarded as “failures”, victims of the breakdown of family life in the ghetto. Consequently, the need to develop “positive attitudes” is a central feature of the project. The first three months of the 15 month Adolescent Development Programme focuses on training in ‘life skills’ with instructors taking close, personal interest in each trainee. Thereafter, conventional training in manual trades based on recognised qualifications in order to maximise chances of obtaining wage employment. In the late 1980s, fees were around US\$30 per term.

Evaluations were undertaken in 1984 and 1987 but, since only around one-third of trainees were located, it is difficult to reach any robust conclusions about the overall impact of the project. Training quality is high, but this has made “heavy demands on instructional staff” (Frost, 1991:xviii). Financially, SERVOL has not been sustainable. During the 1980s, the project only managed to generate 45 per cent of its required total income.

The attempt to scale-up the project in the late 1980s was largely unsuccessful mainly because of lack of resources. Reliance had to be placed on voluntary instructors from the community for “some degree of craft training” (ibid:59).

Source: Frost, 1991

The high quality of NGO training programmes can, however, have unintended, adverse consequences. In particular, training has often become excessively formal sector oriented as, over time, major employers come to recognise the quality of the training provided (both skills and attitudes) and give preference to NGO graduates rather than students from government training institutions when recruiting new staff. However, this type of *de facto* competition merely displaces public sector trainees from their positions at or near the front of job queues and, in so doing, makes NGO training increasingly attractive to the non-poor.

Drop-out rates also tend to be very high, especially when the duration of courses is relatively long i.e. more than a year. Declining donor support for VET in many countries is another critical problem. This is particularly the case for rural training centres which, faced with small markets and strong competition from informal sector enterprises, are often unable to generate significantly higher levels of income from their own production activities (see Bennell et al, 1998a).

Given the growing role of NGOs in poverty reduction, it is surprising to find that no comprehensive and detailed surveys of the outputs and impacts of NGO skill development activities have been undertaken in recent years. Back in the mid-1980s, Goodale surveyed 132 income generating projects with 80 women’s groups in SSA and found that not one of these projects was profitable (see Goodale, 1989). A review in the early 1990s by OXFAM concluded that “training has all too often been offered with no knowledge of the potential market for particular product or skills (OXFAM, 1992). This has particularly serious consequences when trainees are encouraged to borrow relatively large sums of money to start or expand an enterprise. In Asia, “many of the NGO-based programmes are out-moded and do not meet the prescribed standards” (ILO, 1994:8). In Central America, the ILO-supported Promicro project has attempted to build up the institutional capacities of local NGOs largely through networking. The evaluation of the project notes that while the number of NGOs has grown rapidly, most of their interventions remain quite limited and there are numerous “technical weaknesses”. Most only offer credit “with mixed results” (see Maldonado, 1996)

More generally, lack of clarity in objectives, priorities and strategies by NGOs involved in skill development for the poor is a common criticism. Projects also tend to be staffed by those with community development backgrounds rather than business and enterprise development (McGrath et al, 1995). As with public sector training institutions, gender training has tended to focus on stereotyped tasks and occupations. Failure to utilise effectively the skills that have been acquired is a universal problem. In her discussion of training for the disabled in India, Harriss-White refers to this as the “paradox of disability” in that “the rehabilitated individual is too skilled for the available employment opportunities in the village” (see Harris-White, 1996).

### 6.3 Participatory skill development

'Participatory skill development' is perhaps the best term to describe the underlying rationale of an altogether new approach to skill development among the poor that has been adopted by many NGOs. This approach draws heavily on the educational philosophy of the late Paulo Freire who criticised the 'banking education' of government schools and training institutions as being profoundly conservative, elitist, and dysfunctional for the large majority. This is because formal education and training acts as a selection mechanism for the usually small minority of children, most of whom are from mainly privileged socio-economic backgrounds, who manage to get 'good jobs' in the formal sector.

Faced with this situation, the response of an increasing number of NGOs has been to develop forms of non-formal education and training that encourage and empower the poor to challenge the unequal social relations that result in mass poverty. Freire highlighted the fundamental importance of literacy in this process of consciousness-raising and emancipation, but this has been extended to other forms of training.

#### *6.3.1 Indigenous skills and knowledge*

The following discussion summarises the basic premises and key features of this new approach.

Despite policy pronouncements to the contrary, the commitment of most governments and public bureaucracies to creating the much discussed 'enabling environment' for the informal sector and the poor in general remains limited. Partnerships with the state are frequently possible but, ultimately, the poor and disadvantaged can only transform their livelihoods by directly challenging unequal and exploitative social relations. This requires concerted political action.

Promoting an effective process of skills development among the poor is fundamentally different from other groups in society. Conventional training inputs can, in fact, seriously undermine skill development among the poorest and most disadvantaged. In the main, training for the poorest groups must be for immediate specific work needs.

Lack of knowledge and skills is not, however, usually the most critical problem for the poor since most already have the necessary survival skills. The views of de Soto and his followers have been particularly influential. They argue forcefully that "the main constraint is not lack human capital but the impediments put in their way by state policies and practices" (Harper, 1996:107). An inability to access credit on reasonable terms is one of the most serious of these impediments. More traditional approaches have regarded training as a prerequisite in order to provide the poor with skills that can then be utilised through the provision of credit. The new approach, on the other hand, effectively reverses this traditional sequence of 'training and then credit'. Given that the key skills are already available, credit is the most critical input precisely because it "releases the potential contained in these (indigenous) skills" (Kabeer, 1994:230).

The poor do not need, therefore, to be 'trained' by outside instructors. They can manage their own process of skill development largely through their own efforts. Local people have developed a wide range of skills that enable them to develop effective coping strategies at both the household and community levels. "Poor rural women are experienced and knowledgeable managers of their local environments in need of material assistance from governments rather top-down 'education' instructions" (ibid:265). However, these indigenous knowledge and skills are rarely recognised and acknowledged by 'outsiders' who seek instead to introduce inappropriate technologies and other improvement strategies which are based on simplistic notions of top-down skills transfer using conventional training techniques.

In certain key respects, therefore, this new approach also draws heavily on farming system research methodologies which were first developed during the late 1970s. Proponents of FSR argue that most sustainable improvements in the incomes and

productivity of small, resource poor farmers are incremental. The role of research and extension is to work closely with farmers, understand and respect their skills and knowledge and identify key constraints that can be addressed fairly quickly through mainly 'adaptive' research. Carefully targeted interventions (including training) should be made in support of these efforts at productivity improvement.

### 6.3.2 Group empowerment

The new approach to skill development tends to be more overtly political in that its primary focus is to support collective action among groups of the poor and, particularly women, in order to achieve specific economic, social and political objectives. Self-help associations (SHA) have become one of the main institutional mechanisms for achieving this. There are two main types of SHA- work-related (i.e. trade or occupation) and community-based.

NGOs help to empower the poor by providing support that enables them to take responsibility for diagnosing their own problems and developing appropriate solutions. This process of empowerment focuses, therefore, on the holistic development of individuals and, in particular, with promoting awareness and attitudes that result in greater self-confidence and self-belief. Only when this has been achieved can worthwhile training be achieved. As a consequence, groups learn mainly by doing rather than as a result of conventional training activities.

Where specific new skills are needed that cannot be acquired through 'self training' and 'solidarity circles', it is essential that training is directly related to meeting these skill requirements and that training methodologies are appropriate for the targeted individuals.

There is a reasonable consensus that individual NGOs should not normally take responsibility for delivering all the services required (credit, technical and management training, technical/assistance), but rather they should be able to tap into a network of specialist organisations, both government and private, which have developed appropriate expertise. Support for capacity building among NGOs is of critical importance if these networks are to function efficiently.

## 6.4 Limitations of participatory skill development

There is simply too little information in the public domain to be able to draw meaningful conclusions about the outputs and impacts of this new approach to skill development among the poor. However, the following concerns are frequently mentioned.

- Beneficiary participation can be costly and difficult. In particular, there is a pervasive tendency to under-estimate the key role of external facilitators who need to have exceptional skills and attitudes.
- The romanticization of the community and groups and the potential for collective action to meet immediate income needs and longer term political goals. Most communities are riven with divisions and traditional structures reflect the interests of local elites. Misconceived notions of 'community' are widespread. "The solidary community is as much a myth of the policymakers' imagination as was the solidary household... The concept of community participation has been used largely as a euphemism for unpaid labour of women within the community" (ibid:269). In a similar vein, Harrison argues that "donor interest in women's groups rests on simplified images of these groups and insufficient knowledge of women's own motives for forming them. A common feature is that a few women use the group as part of personal strategies to obtain access to power, prestige and economic resources. Whatever the stated poverty aims of groups, there are intangible barriers to the poorest, based on status and skills" (Harrison, 1996:124).

- Most NGOs are very small and only work in a few localities. Consequently, the current capacity of NGOs to offer training services on a wider scale is limited. More generally, the growing interest in community-based training and rehabilitation is a direct response to the failure of both the state and NGOs to reduce poverty in most developing countries.
- Coordination among NGOs is usually weak as is the development of genuine and effective networks.

## 7: A pro-poor training strategy

### 7.1 Making the case for reform

The need for fundamental reform of VET provision in most developing countries is compelling and should, therefore, be seriously addressed by governments and all other major stakeholders as a matter of urgency. In order that the training needs of the poor are properly addressed, major policy reforms need to be introduced that transform the roles played by central and local governments, enterprises, communities and other key stakeholders in civil society. But, to reiterate, it is clear that there are no quick fixes or magic bullets.

The starting point in developing an effective strategy must be to address the on-going crisis of confidence in the role of training for the poor. Unless the proponents of reform can show that training for the poor really does make a major difference, the case for comprehensive reform of the training system will remain weak. This will require a fairly major programme of research and evaluation.

### 7.2 Room for manoeuvre

Recommendations concerning poverty reduction are frequently flawed because they fail to take adequate account of underlying political and social constraints and the ability of the state to fund and deliver effective programmes. Almost everywhere, the room for manoeuvre in developing effective training strategies for the poor is very limited. Furthermore, the unintended consequences of anti-poverty programmes are commonplace mainly because of lack of information and dysfunctional incentives (see Klitgaard, 1998). Consequently, any strategy that is adopted needs to be experimental and participatory and to make the least possible demands on already weak institutional capacity.

To a large extent, the failure of public training institutions to reorient their activities in favour of the poor is part of a wider political problem. In particular, pro-poor training reforms will invariably threaten powerful vested interests - both those of capital and organised labour in the formal sector - and the state itself. Thus, it is rather ironic that conventional tripartism between employer and worker organisations and the state, which was originally introduced as a progressive, social democratic governance arrangement, has become a major obstacle preventing the poor gaining an effective voice in VET systems in many developing countries.

#### *7.2.1 A pro-poor training strategy*

What exactly are the main features of a 'pro-poor training strategy'? This is a strikingly simple and obvious question, but the discussion about 'training for the poor' has been mainly preoccupied with the effectiveness of specific training interventions 'on the ground', particularly in relation to the provision of credit and other forms of assistance (see Box 12). Just why so little attention has been devoted to targeted reforms of the training system itself so that training provision is more inclusive of the poor is an interesting issue in its own right. As was discussed earlier, this neglect can, at least in part, be explained by superordinate concerns with meeting the training needs of formal sector enterprises and the almost universal crisis of confidence about the actual and potential role of training in poverty reduction. Current debates about the reform of national training systems are excessively preoccupied with how the 'higher skills' needed to achieve international competitiveness in a rapidly globalising world economy should be provided. There is an urgent need, therefore, for a more balanced and serious dialogue about the provision of (lower) skills for the poor. The ILO needs to take the lead in initiating this process of dialogue among all key stakeholders.

## Box 12

## The ILO World Employment Report on Training 1998-99

The 1998 World Employment Report “Employability in the Global Economy: How Training Matters” makes a strong case for better training provision for all sections of the labour force. However, it provides little guidance on what specific policy and other measures are needed to counter the current exclusion of the poor from training provision. Unless training exclusion is itself recognised as part and parcel of deep-seated political, social and economic forces that generate unequal access to resources (including services provided by the state), recommendations to improve training for the poor are unlikely to tackle the underlying causes of this particular process of exclusion. They may even result in unintended consequences that aggravate rather than expand the access of EVSE to training opportunities.

Significantly, the crucial chapter in the report on “Improving the efficiency and governance of training systems” precedes the chapters on training for women and informal and vulnerable workers. The report argues that “national problems are usually best solved by building on the existing training system and culture”, but proposes a set of global reforms that have been mainly designed and implemented in the North. These include social partnerships, evaluation and research, skills recognition and certification, and the creation of quasi-markets.

Emphasising the need for effective “social partnerships” among the major stakeholders is clearly important, but the report fails to address the deeply political contexts in which training policies and resource allocations are made. Used in this way, the concept of ‘partnership’ is in danger of becoming, at best, meaningless and, at worst, utopian. The report does recognise that “employers cannot be expected to consider as their first priority the needs of the socially disadvantaged who are unemployed, outside the labour force or effectively self-employed”. However, the subsequent discussion of partnerships focuses exclusively on traditional tripartite relationships (i.e. government, employers and organised labour) and, in particular, the need for an effective voice of trade unions in the governance of training systems. “Technical co-operation and solid policy support for their training systems are needed, and there is potential to build a concept of tripartite governance that would form an integral element of the emerging labour market institutions”.

Similarly, the discussion of ‘financing of training’ is confined to levy grant schemes and privately sponsored training. ‘Adequate financing’ is identified as a ‘common element’ which appears to enhance training effectiveness. In particular, “there must be appropriate incentives to promote training and stable funding for those training institutions which develop the higher skills for which there is expected to be demand in the medium term” (p.85). While ‘funding need not necessarily come from general tax revenues’, it is clear that most training for the poor will have to be government funded.

Sources: ILO, World Employment Report 1998-99.

The overall objective of a pro-poor training strategy is to ensure that training needs of the poor are met in an equitable and effective manner. There are, therefore, two sets of issues that must be addressed namely, overall resource availability and the development of the training system itself. Sufficient resources need to be made available that ensure that skill development among the poor is given the priority attention that it deserves. This training needs, therefore, to be mainstreamed in poverty reduction programmes and, more widely, in pro-poor development strategies. Equally important, a coherent, well articulated training system needs to be developed which ensures that resources that are made available are used efficiently and effectively. The main functional components of such a system are the governance, organisation, planning, funding, and actual delivery of training services to targeted groups of the poor and the disadvantaged.

To be effective, all training systems must be demand-driven. How training demands are articulated is, therefore, of paramount importance. Appropriate institutional structures have to be created that ensure that decisions about the control and utilisation of training resources are made not by the suppliers of training services, as traditionally has been the case, but by end users themselves. In the case of the poor, shifting the locus of control and decision-making in this way amounts to a radical change from past practices. In most countries, it can only be achieved as part of a much wider process of development that is based on local economic development initiatives and with poverty reduction as the top priority.

In broad terms, a pro-poor training strategy should be designed in accordance with the following principles:

- In order to improve their livelihoods on a sustainable basis, the poor need both improved skills and more resources in the context of an enabling economic environment.

- Governments must normally take primary responsibility for funding skills development for the poor while enterprises and individuals who are able to pay for training should be required to do so.
- The planning and funding of training by the state should be clearly separated from the provision of training services by public sector training institutions
- Training services must be closely integrated with local economic development. Consequently, primary responsibility for the identification of training needs for the poor should be devolved to community-based and other local organisations which also have control over other public resources made available to meet priority needs.
- Wherever possible, effective training markets need to be created by establishing a level playing field on which all suppliers, both public and private, can compete.
- Training should be delivered by a strongly motivated cadre of high level personnel who have the special skills needed for small enterprise and self-employment promotion.
- Business, self-employment and entrepreneurship concepts need to be closely integrated into training activities.
- Training programmes must be carefully targeted both with respect to particular groups of the poor and their particular skills development needs. As a general rule, specific training should be provided only where the required skills are a “key missing ingredient” for the development of the enterprise as a whole.

### 7.3 Mainstreaming skills development for the poor

#### *7.3.1 Pro-poor development*

Creating a training system that effectively supports the needs of the poor can only be done as part of a broader pro-poor development strategy. Training on its own cannot solve the fundamental underlying problem of the lack of productive employment opportunities for EVSE. It must be linked to broader processes of economic and social change.

Pro-poor development strategies will differ from one country to another, but there is general agreement that all strategies should be based on high and sustainable labour-intensive economic growth with strong support for the social sectors and the provision of safety nets for the most vulnerable. Other key objectives are the strengthening of civil society and the major decentralisation of political and economic power linked with the empowerment of local communities that will allow the full participation of the poor in local economic development.

While human resource development among the poor is at the very centre of pro-poor development strategies, it is likely that without a clear sense of what the role of training should be, government support for training of the poor will continue to be marginalised. This task will be that much harder so long as leading VET policy analysts and other experts continue to express serious reservations about the role of training. Just as microfinance for the poor has a large cadre of ‘product champions’ world wide, so too must training and skills development.

Making the case for training for the poor and disadvantaged is not going to be easy precisely because so much of the ‘training crisis’ is due to the failure to deliver formalised training that does demonstrably make a difference to more than a tiny proportion of the poor. A top priority is to assemble information concerning successful training interventions and to consider their potential for scaling-up.

### *7.3.2 Training as a basic social service*

Redressing inequities and under-provision in the formal education system is of vital importance, both for achieving a more equitable allocation of jobs in the formal sector for women and other disadvantaged groups and, more widely, for sustained poverty reduction. However, the provision of reasonable quality free primary education will, on its own, not be sufficient to realise these objectives. Unless there are strong economic incentives for poor parents to send their children to school, the relatively high indirect (opportunity) costs of formal schooling will keep many children out of school.

Not only are private (i.e. individual and household) rates of return to primary education much lower than has been widely claimed, but the demand for primary education in many of the poorest developing countries has been falling over the last decade (see Bennell, 1996, Appleton, 1995). Economic crisis has tended to increase the opportunity costs of education (especially among the poorest households), but improvements in the productivity of smallholder agriculture and microenterprises have remained relatively limited. Because the potential benefits of primary education (at least as far as production is concerned) are only likely to be fully reaped in “modernising” environments, it is essential, therefore, that appropriate training is provided to those who are already in employment. While this argument has been fully accepted with respect to smallholder agriculture, for the many reasons discussed earlier, it has yet to be taken on board by policymakers and donors with respect to non-farm activities.

Government support for skills development for the mass of the poor who live and work in the rural and urban informal sector should, therefore, be regarded as a basic social service. It is clear that acute resource constraints will seriously hinder many governments from being able to fund the large training programmes that are needed and primary education will continue to be given top priority. However, explicit recognition of this role of training in poverty reduction strategies is of crucial importance. In particular, government policy and resources need to be increasingly focused on supporting enterprise development in the informal sector. This is a long-term strategy and community-based organisations and other NGOs will have to take the lead in implementing these programmes in many countries. Strengthening the institutional capacity of all the public and private organisations involved should be a major goal of the training system as a whole (see below).

### *7.3.3 Reconceptualising the role of training*

The whole concept of training should be reformulated more in terms of purposeful skills development based on a variety of modalities/interventions and not just conventional, formal training courses. Because ‘training’ frequently has pejorative connotations, serious thought should be given to replacing it with other terms. ‘Skills development’ is generally preferable with ‘facilitators’ (rather than trainers) in appropriate supporting roles.

Equally important, the conventional training process needs to be transformed in order for the actual skills needs of the poor to be effectively addressed. Training must be directly linked to the development needs of clearly identified groups among the poor. These needs must be identified by the poor themselves using appropriate participatory research and evaluation methodologies.

There is an emerging consensus that skills development for the poor must be part and parcel of community-based economic and political development. Communities need to mobilise around specific “development alternatives” that address key political, social, and economic constraints. Skills development should be driven by a ‘people-centred’ pedagogy’ which maximises locally available skills and empowers the poor to learn for themselves. Support for skills development should be directly linked to the actual skills needs of the poor and, invariably, will need to be closely related to on-going production activities.



It is particularly important to avoid what has been referred to as the “replicability imperative” in policy discourse and formulation. This has led to “forms, design, and delivery of a range of interventions which embody values, assume priorities, attribute beliefs, attribute benefits and require conditions which are removed from the realities of those the interventions are purportedly intended to benefit” (Kabeer, 1994:8). To do so, requires high levels of participation among the targeted beneficiaries in the design of interventions and decentralised decision making in all phases of execution.

Extreme care should also be exercised in the use of new innovative training methods. The introduction of pupil-centred, active learning methodologies in primary schools in developing countries has been largely unsuccessful, in particular because of the poor quality of teachers, the limitations of cascade training models, and lack of powerful enough incentives to introduce major changes to teaching practice (See Al-Samarrai et al, 1998).

#### *7.3.4 Labour market reform*

Training for the poor must also be part of a coherent set of active labour market policies. Without concerted government interventions to eliminate key impediments that prevent women, disabled persons and other discriminated groups from gaining equitable access to formal sector jobs, efforts to equalise training entitlements will ultimately fail.

Where massive excess demand exists for post-secondary education, there is a strong *prima facie* case to de-link training for the poor from formal training institutions and/or provide training in such a way that it does not become subverted by overwhelming credentialist pressures.

Where formal sector employment opportunities are contracting (either in relative or absolute terms), the role of conventional labour market reforms in poverty reduction programmes will be considerably reduced. In particular, even if public education and training provision is made more equitable, the better-off (and particularly males) are likely to increase the level of their human resource investments in order to acquire additional qualifications, mainly at private sector training institutions. In this way, they will manage to keep their positions at or near the front of lengthening job queues. There is little that can be done to stop private employers from escalating entry level recruitment qualifications. But within the public sector itself, it is possible to establish other selection criteria that give preference to under-represented groups, in particular women, minority groups, and the disabled.

#### 7.4 Characteristics of a pro-poor training system

Many of the key characteristics of market-driven VET reform strategies can and should be incorporated into the design of pro-poor training strategies. In particular, the state should perform a largely regulatory and facilitatory role while actual training provision should, wherever possible, be contracted out to independent training providers. The state must, therefore, take primary responsibility for the funding of such a strategy and, in consultation with the major stakeholders, take the lead in the overall design of the strategy with clear priorities and related resource allocations.

There are clearly limits, however, with respect to the capacity of the state to perform these functions effectively, on the one hand, and the role of competitive training markets, on the other. Training reforms in Chile are frequently held up as a good example of a privatised training system with a strong focus on the unemployed and other disadvantaged groups. And yet, as noted earlier, the replicability of this reform model may be quite limited, particularly in low income developing countries.

Recent wide-ranging reforms of national vocational training systems in South Africa and Tanzania demonstrate the range of problems, both with respect to the design and implementation of new policies and practices, that have to be surmounted (see Boxes 13 and 14). The attempt by the World Bank to introduce training vouchers for informal

sector operators in the informal sector in Kenya also highlights the need for strong institutions if competitive training markets are to function properly (see Box 15).

Box 13  
The Skills Development Strategy in South Africa

The recently introduced Skills Development Strategy in South Africa seeks to cater for the training needs of both the formal and informal sectors. However, basic disagreements between employers and the government has meant that the government has had to move forward with its own proposals which draw heavily on active labour market policies adopted in Australia, Sweden and other developed industrial countries. Once again, this highlights the intensely political nature of any major reform of VET provision. Concerns have also been expressed about such heavy reliance on training policies that have been developed in very different economic and social contexts (see Bennell, 1993).

The main features of the strategy include:

**Organisational arrangements:** Rather than creating new institutions to develop and implement the reform process, preference has been given to using existing institutions. The creation of a unified training system is a key objective. In order to establish ownership of the reform process considerable efforts have been made to consult all the main stakeholders. Significantly, however, this did not specifically include the poor.

**National Skills Authority:** The NSA is a new advisory body under the Ministry of Labour. However, representation continues to be dominated by government, employers, and trade unions.

**A National Qualifications Framework:** The NQF is intended to be a comprehensive mechanism for awarding qualifications based on credits received for achieved learning outcomes. Attainment of credits goes towards the achievement of eight levels of nationally recognised qualifications. The system seeks to ensure the 'portability of learning outcomes' and cut across the traditional education-training divide. Critics of the NQF point out that it is likely to be very costly and will discourage employers from providing general skills training.

**Learnerships:** A new learnership scheme is intended to broaden the present apprenticeship system beyond traditional blue collar trades to include white collar occupations in the service sector as well as the informal sector and special target groups including unemployed youth. Through learnerships, structured learning and work experience can be accredited within the NQF.

**Public funding:** The state is to continue to fund training for the poor and other disadvantaged groups. A new system of competitive tendering for long-term training contracts is to be introduced.

**National Levy-Grant Scheme:** Eighty per cent of training levies collected will be distributed to employers through new Sector Education and Training Organisations (SETOs). The remaining 20 per cent will be allocated to a National Skills Fund which can be used to target training in 'priority sectors'

Sources: A. Ziderman and A. Van Adams. 1997. 'Reforming the Training System in South Africa' in I. Gill and F. Fluitman, 1998; Bennell, 1993.

Box 14  
The Vocational Education and Training Agency in Tanzania

Since the early 1970s, the government of Tanzania, with very considerable donor support, has developed a national network of 18 vocational training centres catering mainly for the traditional artisan trades. However, from the late 1980s onwards, public funding of these centres declined dramatically in real terms and the government came under increasing pressure from the major donors which had supported VET, to reform comprehensively the system. The outcome of these deliberations was the 1994 Vocational Education and Training Act whose overall objective is to provide "a legal framework for the implementation of a flexible VET system capable of responding quickly to the needs of the labour market" (VETA, 1996, p.1). The three key features of this new framework are: the creation of VETA as an autonomous government agency with its own Board; the introduction of a training levy of two percent of gross payroll for all enterprise with four or more employees; and decentralisation with the establishment of regional VET boards.

While VETA appears to have many of the key features needed for an effective demand-driven training system, there are a number of problems with the design of VETA which are likely to undermine its overall effectiveness. First and most serious, VETA continues to provide much the same type of artisan training in the core manual trades as before. Except for a small and declining group of mainly manufacturing enterprises, this is not the type of training that is needed by the large majority of enterprises in both industrial and non-industrial sectors. As elsewhere, enterprise demand for workforce training is of two main types: (i) technical and managerial skills that are largely sector-specific e.g. mining, horticulture, tourism; and (ii) general, mainly short term training in core areas of competence that are needed in all sectors (in particular, accountancy, marketing, personnel management, computing, and a wide range of secretarial skills).

Given the continued narrow training mandate of VETA, it is unlikely that the new training levy will "enhance participation and accountability" as is intended. Since over 90 percent of training levy income is to be allocated to VETA's own training centres until at least 2000, hardly any new funding will be available that could be used to support other kinds of training. Faced with this situation, most enterprises will regard the training levy as just another tax that, moreover, is to be used to support a set of training institutions that have little or no relevance to their training needs. It is not surprising to find therefore that in 1996 only 23 percent of the 12,000 liable enterprises were actually paying the training levy.

Another problem area in the design of VETA is the absence of any clear separation between VETA's roles as regulator and financier, on the one hand, and those of support services and actual training provider, on the other. Without such a separation, it is likely that in allocating levy resources, VETA will give preference to its own training centres rather than allocating these resources to all training institutions in accordance with actual training needs and the capacity of these VET institutions to deliver cost-effective training. Thus, as far as most private sector training centres are concerned, the VETA Act simple perpetuates what has become a very uneven playing field that favours a particular public sector training provider.

#### Box 15

##### Training vouchers for Jua Kali enterprises in Kenya

The Micro and Small Enterprise and Technology Project in Kenya incorporates many of the key features of the Bank's overall approach to VET. The provision of training vouchers to 60,000 entrepreneurs and workers among already established jua kali (hot sun) manufacturing enterprises is the main mechanism for improving skill levels. The total cost of the project is US\$21.83 million over a six year period (1994/95 – 2000/01).

Training vouchers are at the cutting edge of pro-market education and training reforms in the North. The use of vouchers in Kenya is intended to promote private sector training provision while building on traditional forms of apprenticeship and other forms of enterprise-based training in the informal sector and encouraging cost recovery even amongst the poorest. Thus, the project attempts to combine both poverty reduction and private sector development objectives. The project envisages a "downsized and more focused role" for the main ministry responsible for the Jua Kali sector. The original intention was that Jua Kali associations would themselves be given responsibility for the distribution of vouchers to their members.

Little information is available on the outputs of the project to date. However, soon after the project became operational, it became clear that, as a result of conflicts within and between the jua kali associations along with other institutional weaknesses, other mechanisms would have to be found to manage the distribution of training vouchers.

More generally, the use of training vouchers raises many of the same concerns and criticisms that have been expressed about education and training vouchers elsewhere. Market failure in the provision of a service is especially likely when there is low frequency of purchase, high costs of making mistakes relative to the buyer's income (including opportunity costs), an inability to judge product quality, and high cost of buyer mobility.

All these factors could undermine the implementation of VET voucher schemes for the informal sector in developing country contexts. For them to function properly, it is not only essential that consumers are well informed about the training that is being offered, but also are faced with real choices between training providers. In most rural areas, in particular, the number of accredited training centres is likely to be very limited and widely dispersed which seriously pre-empts any serious choice among informal sector operators, apprentices and other workers. Finally, it is again doubtful that the poorest will be able or willing to utilise training vouchers, especially where there is some element (even very small) of cost recovery.

Sources: World Bank, 1995; Bennell, 1996.

More generally, the capacity of the state to tackle mounting social exclusion is being called into question. Alternative and complementary systems of support for the poor must, therefore, be found which rely mainly on community and private sector initiatives. The ILO, for example, refers to this new strategy as "social economy" with new partnerships of "co-operatives, mutual societies, and other non-profit organisations" spearheading a process of community development (see ILO, 1998).

#### *7.4.1 Governance and organisation*

Once again, little or no systematic research has been undertaken on the governance and organisational arrangements of national training systems in developing countries. In particular, little is known about recent attempts that have been made to improve the level of representation and thus the power and influence of the poor in governance structures and with what results. Similarly, virtually nothing is known about specific organisational changes that have been made in an attempt to ensure that the special training needs of the poor are adequately catered for.

As noted earlier, truly national vocational training systems do not exist in any meaningful sense in most developing countries. The prevailing reality is one of a mass of disparate, uncoordinated activities of training institutions both within the public sector and between the public and private sector. As a result, policymakers have little idea of how the

totality of training resources are being allocated to different end users in both the formal and informal sectors.

What sort of training system is desirable? Vocational training activities are spread across too many ministries for it to be possible or even desirable for one ministry or agency to have direct responsibility for all publicly funded training activities and overall regulation of training provision. However, serious consideration should be given to the establishment of a high powered Skills Development Agency (SDA) which has the authority and capacity to advise government on all aspects of policy, in particular training priorities and related (public) resource allocations. As a part of its overall mandate, this agency should focus on skills development for the poor. The SDA should not normally be attached to a specific ministry, but should rather be located at the apex of government and directly responsible to the head of government. It should have strong in-house research capacity as well as resources to commission research from outside organisations.

Ensuring that the training needs of the poor are not marginalised in the decision making processes of such an apex organisation is a key issue. The typical committee structure of most national manpower advisory boards (or their equivalent) only covers the main industrial sectors and/or trades in the formal sector and thus the training needs of the poor are not properly addressed.

A number of governance reform options need to be carefully considered. The first is to leave existing governance and other organisational structures unchanged and hope that external political pressures supporting greater attention to the training needs of the poor will be effective. This is essentially what has happened in most developing countries. However, without any significant change in the power of vested interests, training policies and resource allocations have remained largely unchanged.

The second option is to leave the existing organisational structures and public sector training institutions largely intact, but increase the representation of the poor and other disadvantaged groups in the overall governance of the training system. To be effective, this requires the abandonment of traditional tripartite governance arrangements for a multipartite model which includes new training constituencies. Where the political will exists, it is entirely possible for governments to ensure strong representation of pro-poor stakeholders on apex boards and lower level committees. But opposition from employers, and other established stakeholders (including trade unions) is likely to be considerable which, in turn, could threaten to undermine training objectives for the formal sector.

Thirdly, an entirely separate training system for the poor could be established. The rationale for this is that the training needs and the process of skill development among the poor are so different from enterprises and individuals in the formal sector that only a network of specialist training institutions can properly cater to these needs. Just as sectoralisation of training provision is a dominant trend in the formal sector, so it is desirable to establish a separate network of training institutions for the poor. The basic premise here is that the dual purpose of training systems, namely to train for the advantaged in the formal sector and the poor and disadvantaged in the informal sector cannot be resolved efficiently and effectively within the same system of training provision.

One of the main problems with this proposal is that setting up a parallel training system runs the danger of marginalising rather than mainstreaming skill development among the poor, just as the establishment of women's units in ministries and separate Ministries of Women's Affairs have been criticised for 'ghettoising' women.

### 7.4.2 Planning and research

There is a strong consensus that demand-driven training requires comprehensive 'labour market information systems' (LMIS) based on market indicators. It is clear, however, that no operational LMIS exists anywhere in the developing or developed world that is capable of generating the kind of information that allows planners to arrive at well grounded and detailed decisions about training priorities and resource allocations (see Box 16). In practice, it is

Box 16  
Limitations of the Labour Market Approach

The need to develop simple, easy to collect indicators of training demand is essential if demand-driven training systems are to be successfully developed. However, it is important to recognise that there are a number of major problems with the labour market indicator approach that will have to be resolved if such a planning methodology stands any chance of being successfully implemented. First and most serious, LMA is certainly more labour intensive than the traditional manpower requirements approach. The central focus of the LMA is on assessing the private and social profitability of investing in the acquisition of specific skills rather than making projections of usually very broadly delineated occupational requirements as has been done in the past. Consequently, past graduates of these courses have to be surveyed in order to generate the necessary data concerning all relevant labour market signals. Leading proponents of this approach (see, for example, Middleton et al, 1993) have argued that considerable reliance can be placed on secondary data (including population censuses, labour force and household surveys). However, because detailed information on the exact employment outcomes of individuals who have undertaken specific training courses is rarely, if ever, collected, this data is of limited use when it comes to making decisions on specific VET investments. If governments are to make sensible decisions about potential investments, options have to be evaluated. This would require a major programme of tracer surveys which would be very resource intensive.

Secondly, in order to compare one VET investment with another, it is necessary to compute social rates of return. However, the theoretical and empirical problems of estimating robust rates of return estimates are usually insurmountable.

And thirdly, there is still considerable scope for using the traditional manpower requirements approach in the public sector. As Dougherty correctly points out, "quantitative forecasting has been of most value from those occupations whose demand may be related to demographic, social and political norms, such as school teachers, doctors, nurses and police" (Dougherty, 1980:18).

Sources: Bennell, 1996; Dougherty, 1980.

very difficult to assess trends in informal sector incomes and earnings (see Turnham, 1995) and many of the conventional labour market indicators that have been proposed are simply not valid, (including vacancy and unemployment rates). Even the use of application rates for specific training courses is questionable.

This is not to deny, however, that national information systems on training provision are urgently needed. In particular, every registered training institution should be legally obliged to provide fairly comprehensive information on training provision including: names of courses, numbers of applicants and enrolments for each course, fees, and completion rates. If public resources are received for training activities then more detailed reporting on training efficiency and effectiveness should be required.

The Training & Visit system for farmers is successful training model because information about what training is needed for target groups of farmers is generated by the agricultural research and extension system using appropriate diagnostic procedures and systematic research both off- and on-farm. Just as farmer trainer centres delivering standardised training courses have generally failed to have much of an impact on agricultural productivity and incomes among small farmers, so VET centres offering similar types of courses to informal sector entrepreneurs and workers with minimal research on the technology needs of these enterprises and very limited extension outreach have been equally ineffective.

While it would be neither desirable nor feasible to develop an altogether new national network of government research, extension and other support institutions for the

informal sector, steps should be taken to build up a critical mass of researchers working across the necessary range of technical and social science disciplines.

#### *7.4.3 Funding*

The poor do not have the resources to pay for their own training. The experience of nearly twenty years of structural adjustment has conclusively demonstrated that merely 'getting prices' and creating the appropriate enabling environment' for farmers and microenterprises is not sufficient in order to ensure a strong 'supply response'. Public resources are urgently needed, therefore, to tackle the most serious constraints that are preventing high and sustained economic growth among the poor.

As discussed earlier, apart from poor, marginal farmers, the provision of formalised training inputs is not generally regarded as a top priority. In the competition for donor resources, NGOs have successfully made the case for microcredit as the most critical input that can immediately improve the livelihoods of the poor, and particularly women. There are those who have serious reservations with this argument, but for the time being at least, the current fashion for financial services is likely to continue.

#### *7.4.4 Donors*

In poor, aid-dependent countries, the likelihood of pro-poor training strategies being introduced will depend very heavily on the policies and practices of their main donor partners. Unless, therefore, donors are prepared to concentrate the bulk of their assistance on poverty reduction as well as change their policies on VET, the prospects for the implementation of pro-poor training strategies are seriously reduced in most of these countries.

Despite formal policy commitments in favour of concentrating aid on the poor, in 1997 only about one-quarter of bilateral aid from European aid donors was allocated to projects and programmes with a direct poverty focus (see ODI, 1998). Equally serious, overall aid flows have been falling fast. OECD countries gave \$47.5 billion in 1997, a decline of 7.1 per cent in real terms over 1996. Since 1990, the real value of aid has fallen by nearly 40 per cent. Even primary education, where most donors have made high profile commitments about meeting 'education for all' targets, funding levels have fallen in real terms among the majority of donors (see Bennell, 1998)

### 7.5. Institutional design and capacity building

#### *7.5.1 Institutional specialisation*

The debate about specialist training versus multi-purpose organisations offering a range of services to the poor is still unresolved. According to Grierson and McKenzie (1996), attempts to provide multiple support services are neither efficient nor effective. "Integrated packages of services seldom work well, are prohibitively expensive, are extremely difficult to staff and manage, and, in any case, cannot hope to reach the huge and growing number of aspiring entrepreneurs. Cost and complexity make sustainability unlikely" (op. cit: 24). Proponents of this view argue that technical and management training are specialised activities and that training institutions should, therefore, concentrate on training in close co-operation and co-ordination with other organisations providing other key services. However, developing effective networks of support institutions is likely to be very difficult in many countries, especially in remoter rural areas. It is precisely for this reason that multi-purpose centres have been established in some countries (for example, Zambia).

### *7.5.2 Social capital, community organisations and NGOs*

Another key issue is that most of the poor do not have access to the wider social networks that are usually needed to sustain new enterprises. Since enterprise creation is fundamentally a social rather than a technical process, appropriate steps must be taken to create and nurture social networks. A closely related concern is the need to develop 'industrial clusters' within the informal sector (see Schmitz, 1997).

A key feature of pro-poor development programmes is the control of social funds by communities who are able to develop microprojects that combat poverty through employment creation. There is an urgent need, therefore, to develop the capacity of community institutions to manage this process effectively. Furthermore, most individual micro projects that are implemented will have a wide range of tasks which, in varying degrees, will require new and improved skills.

As noted earlier, there are pervasive concerns about the institutional capacity of NGOs to act as intermediaries in support of local economic and political development. While the promotion of self-organisation is an important objective, it is utopian to believe that most communities are capable of developing their own self-help organisations without considerable assistance from specialist NGOs as well as public organisations. Improving the management and facilitation skills of these organisations is, therefore, crucial. Curriculum and training methodologies need to be comprehensively revised in most countries in order for these skills to be effectively imparted.

### *7.5.3 Public sector services for the poor*

Within the public sector as well, concerted efforts need to be made to improve the pre- and in-service training of all personnel who are directly involved in facilitating knowledge dissemination and skills development among the poor. The key areas of activity are agricultural research and extension and other rural development services; technical assistance/extension for rural non-farm and urban informal sector activities; VET institutions; community development, co-operatives, local government and local economic development agencies, women in development, labour-intensive public works programmes (roads, bridges, irrigation), low cost housing and other construction activities that directly benefit the poor and/or where the poor provide labour inputs. A major objective of pro-poor development strategies is to expand considerably the level of these services to the poor.

As noted earlier, women comprise the large majority of the poor in most developing countries. Given deeply engrained social and cultural norms, it is particularly important, therefore, that the overall numbers of female trainers/facilitators should be increased significantly. As women, female trainers are much better able to understand the multiple constraints that typically undermine women's efforts to improve their livelihoods and that of their families. In general, NGOs have been more successful than government training institutions in employing women.



#### *7.5.4 The role of public sector training institutions*

Many believe that public sector training institutions are intrinsically unable to support the training needs of the poor and disadvantaged and that, for this reason, primary reliance should be placed on NGOs and other private sector training institutions. However, this is unduly pessimistic mainly because it fails to address the main underlying problem, namely that governments have failed to provide powerful enough incentives for public training institutions to change their traditional course offerings. The removal of soft (core) budgets and the resulting necessity to compete for clients in order to survive creates the necessary incentive framework. How gradually government should remove core funding becomes, therefore, a major issue. If this is done too quickly weak organisations will fail to adjust successfully. However, if done too slowly, the whole process of training reform can grind to a halt.

Increasing the organisational autonomy for public training institutions without changing the overall incentive structure can be problematic unless the poor are well represented on governance structures and/or senior managements are strongly committed to re-orienting training in favour of the poor. King argues that the considerable autonomy of national vocational training institutes in Latin America has given them an exceptional degree of independence from government interference and thus the flexibility to explore new modes of provision. Castro, on the other hand, argues that this autonomy has been a major factor inhibiting VTIs from adjusting the supply of training to training demands from the poor to the extent that is needed (see King 1996 and Castro, 1996).

#### *7.5.5 Vocationalising the school curriculum*

Vocationalisation of the school curriculum will continue to appeal to politicians and policymakers as an appropriate way of promoting productive self-employment and thereby reducing poverty, especially in rural areas. How long credentialist pressures will continue to increase in the face of rapidly dwindling employment opportunities in the formal economy is a key issue in many countries. But so long as the prospect of finding a 'good job' remains the primary motivation for both parents and children, curriculum reforms that seek to promote positive attitudes to self-employment as well as impart appropriate skills among school children will continue to be problematic. In short, the vocational school fallacy is as valid to today as it was in the early 1960s when it was first formulated by Philip Foster (see Foster, 1968).

#### *7.5.6 Women and disabled persons*

Increasing female enrolments in secondary and tertiary education is critically important, especially in subject areas that have been traditionally male dominated and where long-term occupational prospects are more promising. With relatively small (and in some countries, contracting) formal sectors, the number of women who will be able to benefit from increased access to and higher completion rates at tertiary education and training institutions will be only a very small fraction of the total female population. Even though the main beneficiaries of any policy interventions are likely to be from non-poor socio-economic backgrounds, increasing the representation of women and the disabled in top-level professional and managerial jobs is of vital importance for improving the overall position of these two disadvantaged groups in society as a whole.

## 7.6 ILO Convention No. 142 and Recommendation No. 150

The International Labour Convention No.142 and Recommendation No. 150 concerning Human Resources Development, which deal with vocational guidance and vocational training in the development of human resources, are the key ILO policy statements on VET. Their articles and provisions cover “vocational training throughout life of both young persons and adults in all sectors of the economy and branches of activity and at all levels of skills and responsibility” (Article 4 of Convention and paragraph 5.2.c of Recommendation). Accordingly, the need to provide VET in an inclusive, equitable, non-discriminatory manner to all groups in society is clearly stated. In addition, however, countries “should pay special attention” to, inter alia, “providing vocational training for members of the population who had not (sic) received adequate attention in the past, in particular for groups which are economically or socially disadvantaged” (paragraph 15.2.c of Recommendation).

Given the very wide differences in levels of economic, social and political development among Member States, ensuring that the convention and recommendation embody universal HRD goals and objectives that are applicable and thus meaningful to all countries is a major challenge. While both cover all the key equity, efficiency and effectiveness objectives relating to vocational guidance and VET, they do not, however, adequately address skills development for the economically vulnerable and socially disadvantaged, especially in low income Member States. As policy statements, therefore, they lack relevance with respect to the role of VET in the alleviation of poverty and the countering of other forms of social exclusion.

Despite its all-inclusive nature, Recommendation No. 150 focuses to a considerable extent on traditional VET provision for formal sector enterprises with workers in waged employment being the principal beneficiaries. The large majority of specific recommendations that are made are only relevant for vocational guidance and VET for this type of ‘undertaking’. This is particularly the case in the key section IV on ‘vocational training’ which covers ‘general provisions’. Since most ‘workers’ are assumed to be in waged employment, it is recommended that they should be covered by social security provisions, ‘receive adequate allowances or remuneration’ while in training, and be granted educational leave (paragraph 23 of Recommendation).

## Box 17

## Main sections of the ILO Recommendation No. 150

- I. General provisions
- II. Policies and programmes
- III. Vocational Guidance
- IV. Vocational training
  - A. General provisions
  - B. Vocational training standards and guidelines
- V. Training for managers and the self-employed
- VI. Programmes for particular areas or branches of economic activity
  - A. Rural areas
  - B. Branches of economic activity using obsolescent technologies and methods of work,
  - C. Industries and undertakings in decline or converting their activities
  - D. New industries
- VII. Particular groups of the population
  - A. Persons who have never been to school or who left school early
  - B. Older workers.
  - C. Linguistic and other minority groups
  - D. Handicapped and disabled persons
- VIII. Promotion of equality of opportunity of women and men on training and employment
- IX. Migrant workers
- X. Training of staff for vocational guidance and vocational training activities
- XI. Research
- XII. Administrative aspects and representative bodies
- XII. Periodic reviews
- XIV. International cooperation
- XV. Effect on earlier recommendations

The implicit but nevertheless strong bias towards VET for waged employment in the formal sector is not surprising. This has been the dominant form of employment in developed industrial economies since the late nineteenth century. Moreover, in the mid 1970s when these standards were formulated, the growth of the formal sector in developing countries was still widely regarded as being synonymous with rapid industrialisation which was the overriding objective of most national economic development strategies at that time.

The main forms of training that are specifically identified in the Recommendation also largely relate to VET in mainly large formal sector enterprises. There is, therefore, a heavy emphasis on ‘initial training’ and ‘preparation’ for ‘trades’ and ‘occupations’, ‘induction’, and ‘further training’ both on and off the job.

Similarly, the preoccupation with tripartite decision making structures is symptomatic of the Recommendation’s formal sector bias. In particular, paragraph 69(2) of the Recommendation states that “representatives of employers’ and workers’ organisations should be included in bodies responsible for governing publicly operated training institutions”. Apart from a fleeting reference to “other interested bodies” in Article 5 of the Convention itself, the involvement of other key stakeholders in the governance of these institutions and the national training system as a whole is not specifically addressed.

Sections V-VIII of the Recommendation do focus on vocational training for the EVSE, but still fail to address the special training needs of these groups as well to locate VET policy and practice in the broader context of comprehensive and concerted poverty alleviation strategies. Neither poverty nor the poor are, in fact, ever specifically mentioned in either the Convention No. 142 or Recommendation No. 150. While this is to some extent a semantic/terminological issue, both standards (which were adopted by the International Labour Conference in 1975) do need to be comprehensively revised. This will enable the new priorities and other key objectives of the pro-poor development strategies that have emerged during the last decade to be fully taken into account.

Very careful consideration needs to be given to how these standards should be revised. The main problem with one, all-encompassing and universal convention on VET is

that it is difficult to deal properly with the specific nature of skill formation for particular groups and also to develop a meaningful set of training priorities across such a disparate group of Member States. There is a strong case, therefore, for a separate HRD convention and recommendation that focus specifically on the role of VET in reducing poverty and, in particular, provide guidance to Member states concerning the formulation and implementation of pro-poor training policies and strategies.

Whatever form the new policy statements take, the poor themselves and the organisations that represent their interests must be properly consulted and be centrally involved in the process. And finally, the ILO itself needs to review its own programmes and related resource commitments in order to ensure that it is able to support effectively and efficiently Member States as they seek to design and implement pro-poor training strategies at the national level.

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<sup>12</sup> ACLEDA has subsequently considerably reoriented its services to the poor and, in particular, relaxed eligibility conditions for credit (see ILO, 1998).

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