



The Training and Qualification of Target Groups in the Informal Sector

Conceptual Outlines and Examples

inWent

Internationale Weiterbildung und Entwicklung gGmbH Capacity Building International, Germany

Impressum

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InWEnt in Brief

InWEnt – Capacity Building International stands for human resource and organisational development within the framework of international cooperation. InWEnt's services cater to new managers, skilled and executive personnel as well as to decision makers from businesses, politics, administrations and civil societies worldwide.

Programmes and measures at InWEnt aim to foster the capacity for change on three levels: They strengthen the capacity of individuals to act, increase the performance of businesses, organisations and administrations, and improve the capacity for action and decision-making at the political level. InWEnt's methodological tools are drawn up in modular form, so that they can be used for customised services development, according to needs and demand. In addition to face-to-face training situations, to exchange and policy dialogue, emphasis is also given to networking with the help of e-learning. InWEnt's partners are equally from developing, transition and industrialised countries.

InWEnt shareholders are the German Federal Government, represented by the Federal Ministry for Economic Cooperation and Development, as well as the German industry and the German federal states (Länder).

InWEnt was established in 2002 through the merger of Carl Duisberg Gesellschaft (CDG) and the German Foundation for International Development (DSE).

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Division 4.01 of InWEnt is seated in Mannheim and conducts on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ) advanced training programmes. Under the banner of "sustainable development", its work focuses on questions of technology cooperation, system development and management in the field of technical and vocational education and training. Its dialogue and training programmes are targeted at decision-makers from the public and private sectors, junior managers and multipliers from vocational training systems.



Introduction

From 2003 onwards, InWEnt's Division "Technological Cooperation, System Development and Management in Vocational Training" is to present a series on everyday practice in vocational training.

The intention of this series is described in the title itself ("Beiträge aus der Praxis der beruflichen Bildung" = series on everyday practice in vocational training). The division aims to support its programmes of international personnel development in the above-mentioned areas with technical documentation in both printed and electronic form.

These reports

- > originate in the partner countries, taking into account specific situational demand
- > will be tested with and for experts in vocational training in the partner countries in conjunction with respective practice-oriented training programmes on offer, and
- > with a view to global learning, will be improved and adapted prior to publication according to the recommendations of the partners or the results of the pilot events.

Thus, the Division "Technological Cooperation, System Development and Management in Vocational Training" is applying the requirements of InWEnt's training programmes to its own products in the above faculties: i.e., these can only be as good as their practical relevance for the experts of vocational training systems in the partner countries.

To this effect, we look forward to critical and constructive feedback from all readers and users of this special series.

Our thanks go to Prof. Dr. Bernd Overwien who made invaluable contributions to these activities.

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1. Qualification in the Informal Sector

1.1 Vocational Training and Poverty Reduction

International development cooperation is focusing increasingly on the aim of eradicating extreme poverty, as enshrined in the UN Millennium Development Goals of 2000. Poverty reduction is also the overarching goal of German development cooperation, which includes activities in the area of education promotion and technical and vocational education and training. A lack of education reduces development opportunities. Practice-related and employment-oriented training systems (particularly for young people), and the teaching of business skills and access to loans (particularly for women) help to develop the productive capacities of poor people and are crucial to the development of economic dynamism.

Women and young people

In the education sector, particular attention must continue to be paid to promoting women and young people. Education measures need to be adapted as far as possible to cultural and general conditions to ensure that girls, too, can participate in them. It is essential to identify education concepts for young working people which are appropriate to their situation. Working and learning should be linked together in a variety of ways. There are a number of concepts and experiences which indicate possible ways that this can be achieved. Special attention also needs to be paid to education programmes specially adapted for countries or regions in post-conflict situations.

Training and poverty reduction

The increased concern with poverty reduction must lead to a greater focus on the informal business sector as an area of action in technical and vocational education and training. Vocational training and basic education can be interlinked in many places; the acquisition of vocational skills is often reliant on elements of general education, and this also holds true for the informal sector. Conversely, existing barriers to access can be dismantled by creating mechanisms designed to recognize informally acquired skills.

Training and business

For the informal sector of the economy, too, the acquisition of vocational competencies is part of economic and employment promotion which has many different connections with other sectors and should not be regarded separately from them. It is a fact that vocational education and training alone cannot create jobs either in the formal or in the informal sector of the economy. What is needed are holistic concepts and approaches within which the participants can identify what benefits them personally.

1.2 The Informal Sector

A growing percentage of the world's working population is now employed in the informal sector, that is to say in branches of the economy which are generally outside the protection of the state and offer virtually no social security. It is estimated that around 500 million people in the world now work in the informal sector.

Work in the informal sector

As 'self-employed' people, family workers or wage workers in small and micro businesses, those working in the informal sector often earn little more than a subsistence income as, for example, street hawkers, small producers of craft products for the local market or tourism or as employees in the service sector. The use of the term family workers, it should be noted, is not intended to denote a particular concept of family which is not necessarily valid for all cultural contexts. Family workers are by no means always females, despite the fact that political concepts often imply this. Particularly in the informal sector there are a high proportion of women who work on their own account and are self-reliant.

Defining the informal sector

The term informal sector is a collective term which is not always appreciated by those who fall into this category and who dislike having the work they do

referred to as informal. Since it was introduced in the 70s by the International Labour Organisation, the term has, however, established itself and has since been further differentiated in numerous studies. It is important to note that the term informal sector describes far more than the employment conditions of those people who are excluded from the formal labour market. It includes areas of life in which complex structures and networks contribute to securing the livelihoods of those involved.

The ILO definition

Even today there is still no universally valid definition of the sector although it is possible to identify certain characteristics which occur repeatedly. The International Labour Organization (ILO) lists a number of features which characterize the informal sector.

Characteristic features defining the informal sector (ILO)

- Lack of safeguards provided by labour and social legislation
- Often restricted access to the market and to state subsidies
- Capital costs greater than in formal sector (because of higher interest rates)
- No separation of personal and business assets
- Personalized business relations
- No written contracts
- Family work plays a major role (particularly female and child labour)
- Surpluses are often consumed and only in part re-invested.

The informal business sector in relation to the overall economy

The informal sector is closely linked both to the formal sector on the one hand and to subsistence production on the other, more than 80% of which in some African countries is generated by women. The informal sector also covers the outsourcing of production processes to low-wage factories and direct production for the global market (particularly in the textile industry), exploiting the 'cheapest' female and child labour in the world.

Women in the informal sector

Two thirds of all the people employed in the informal sector are women. They work mostly in the less lucrative and lower-paid areas of employment in commerce and in the service sector. Often women are reduced to their 'traditional' roles and have very little access to education and training programmes. There are many examples which indicate that when schools or non-formal education programmes are set up, it is mostly males who benefit from them. This also applies to TVET projects within the scope of development cooperation which are oriented predominantly to male participants and which thereby help to cement in place gender roles.

Learning processes in the informal sector

In the urban informal sector in developing countries education and training processes take place under extremely difficult conditions. They are often concerned directly with survival, that is to say with earning a subsistence income. In these circumstances relevant occupational skills are largely acquired outside the formal education system, e.g. in traditional training relationships, non-formal educational measures and informal learning processes.

1.3 Forms of Employment

The informal sector is characterized by extremely heterogeneous economic activities. Roughly speaking it is possible to identify the following groups of people living and working in/from the informal sector:

Forms of employment

- Owners of small enterprises working on their own account
- Sole traders, hawkers, ambulant craftsmen
- Employees, wage workers, helpers, apprentices
- Family workers
- Home workers
- Casual workers
- Beggars, street children

Despite the many varied economic activities performed and regional and social differences, the basic lives and working conditions of the people in the informal sector are similar, characterized by poverty, the simplest and often most tenuous living conditions, lack of certainty of an adequate income and a constant worry about procuring water and food. Added to this are threats to health in the face of inadequate or no medical care and very limited access to both general and vocational education and training. Those who live and work in and from the informal sector are predominantly economically disadvantaged population groups who are generally of low social status and are excluded from political and social participation.

1.4 Living and Working Conditions

Particular attention needs to be paid to living and working conditions in the informal sector when planning vocational qualification measures. In many cases where they are not taken into account at the outset, the planning of courses and other educational measures comes into conflict with these conditions.

Features of living and working conditions

- High labour and time input for low income
- Extreme dependence on market fluctuations
- Little opportunity for saving
- No or only limited access to loans
- Disengaged from social events outside the immediate personal sphere
- Lack of access to relevant information
- No or limited access to education
- No legal certainty
- Social welfare provided almost exclusively by family
- Often high degree of economic and social solidarity within the family and neighbourhood

Many studies list a series of factors which are seen as obstacles to further development in this sector. These obstacles, too, need to be taken into account when planning training measures.

Obstacles to economic development

- Low productivity as a result of a lack of business skills on the part of owners of businesses
- Lack of effective manufacturing technologies
- Limited access to attractive market segments
- Lack of access to loans
- Lack of skilled workers

2. Employment and Competencies

Economically active people in the informal sector are predominantly reliant on themselves when it comes to developing effective employment-related competencies. In terms of the relevant learning processes it is firstly the family, the neighbourhood and possibly the village or part of town which are important in the context of the respective socio-cultural value concepts. The individual's competencies develop in a varying mixture of socialization, school instruction and differentiated work experiences. These skills are largely adapted to the demands of everyday life, but they can contain sizeable gaps since the process of acquiring the relevant competencies is dependant on many different aspects of chance. In general, observing and trying out play an important role in learning.

One feature of the living conditions of target groups in the informal sector is that these groups generally have to earn a daily living for their survival and cannot therefore afford longer-term unproductive learning processes. In addition, they have to fit their learning processes into the time frame and physical situation of their employment. In gender-specific terms there are considerable differences too between learning conditions, with women and children being particularly disadvantaged. Women are often doubly challenged since they have to reconcile learning with carrying chief responsibility for organising daily life and the need to earn (some) money. Girls are often responsible for looking after younger siblings, which often makes it impossible for them to learn.

Competencies

The term competencies incorporates skills, methods, knowledge, attitudes and values. How individuals acquire, develop and apply competencies depends on the individuals themselves and their ability to work on their own account. Competencies are acquired through individual learning and development processes and different forms of learning at work and in life. The development of competencies is a process actively controlled by the individuals concerned. Self-directed and informal learning play an important role here. The term competence includes the concept of qualification. Qualifications are skills, know-how and stocks of knowledge. The term qualification denotes how competence can be utilized with respect to particular activities.

2.1 Important Competencies

The diversity of the informal sector often makes it difficult to make general statements about which competencies are necessary. At the same time there are different forms of employment in the informal sector which require different competencies or subsidiary competencies. Running a small business is certainly a complex activity, but the level of complexity will vary depending on the trade in question and the range of services or products being offered. The following list of necessary competencies should always therefore be regarded in the light of this limitation.

Separating competencies into those anchored more in the personality structure which are more difficult to influence through courses and educational measures and into social and organisational competencies reveals the limits and possibilities of action on a general level. Despite various limitations, employment promotion measures in this sector should not be restricted to the teaching of technical and craft skills. Neither should it be expected that training

and qualification can in the end produce new personalities. Nevertheless, it is possible to provide support for people who show certain attributes in terms of their initiative, autonomy, ability to learn or their awareness of their own responsibility and to strengthen these characteristics. It is also possible to learn elements of tolerance in the face of frustration, the ability to improvise and the readiness to take risks. This applies to an even greater extent to social and organisational competencies. In the following, the individual competencies are listed first in overview and then described in more detail thereafter.

Personality-related competencies

1. Curiosity and creativity
2. Initiative and autonomy
3. The ability to learn
4. Sense of responsibility
5. The ability to tolerate frustration
6. The ability to improvise
7. Readiness to take risks

Social and organisational competencies

1. The ability to communicate and empathy
2. The ability to cooperate
3. The ability to analyze
4. The ability to plan
5. Organisational ability

Personality-related competencies

(1) Curiosity and creativity

Curiosity is the basic prerequisite for a willingness to learn, which in turn is the basis for working as a small entrepreneur. Creativity, i.e. the ability to develop one's own ideas, is important for small entrepreneurs, at least if they want to be more successful. It is closely linked to production and product innovation. In the small business sector, however, enterprises are often involved only in copying products without developing innovative new ideas.

(2) Initiative and autonomy

Setting up one's own business involves making a series of strategic decisions. These will be successful only if the person concerned is self-motivated and overcomes many difficulties in the process. In many cases it may be necessary to ignore or even go against the advice of others when pursuing goals. This requires a high degree of independence and belief in one's own judgment.

(3) The ability to learn

The demands of practical life time and again throw up new questions and problems which cannot be solved without a readiness and ability to get to grips with new subject matter and ways of doing things and – sometimes also through self-learning – to tackle practice-related questions.

(4) Sense of responsibility

Business decisions affect more than just the small entrepreneur alone. Families – and where the business is extended, also employees and business partners – are also affected by the decisions. Moreover, small businesses will be integrated into a part of a town or a social group. Ultimately decisions also have an effect on the outside world, for example, on competition. In these circumstances decisions need to be weighed up responsibly.

(5) The ability to tolerate frustration

It is frequently necessary – not only in the technical craft sector – to solve problems which may be a matter of economic survival. Small entrepreneurs must not allow themselves to be discouraged by obstacles and setbacks, but rather should see these as challenges which they must overcome through their own endeavours.

(6) The ability to improvise

Improvised solutions frequently present themselves or are called for, particularly in relation to pursuing business strategies, business organisation, designing production processes, selecting materials and financing. There is an obvious link between improvisation skills and creativity.

(7) Readiness to take risks

The ability to act in the face of many different known and unknown conditions and risks is an essential quality for small entrepreneurs. If they are not sufficiently self-confident or do not have social support networks, small entrepreneurs can easily be overwhelmed by the associated risks.

Social and organisational competencies

(8) The ability to communicate and empathy

In dealings both with employees and with business partners the ability to empathize with the attitudes of others is important to the success of a small business. This also includes the ability to engage in a dialogue with counterparts and to reach an understanding. Communicating with people with specialist knowledge and potential customers is also important in creating fresh impetus in connection with the production or service in question. Communication skills and empathy are particularly essential in the context of translating customer wishes into orders.

(9) The ability to cooperate

The success of a small business will generally also depend on how well the small entrepreneur works together with employees, business partners, suppliers and traders, in each case on different levels. In a business there is a constant need to consult with others involved in production.

(10) The ability to analyze

The ability to analyze is important in the context of the concrete technical, economic, organisational and social problems faced by a business. Causes have to be identified and possible strategies for solving the problems developed. Also important is the ability to understand operational processes in order to be able to develop concrete planning steps. In addition, it is necessary to be able to recognize and assess relevant societal and social structures and their effects on the operation of the business.

(11) The ability to plan

A business's own work process and operations need to be conceived on at least a medium-term timescale in line with the goals of the business. The involvement of other businesses etc. has to be coordinated with this. Seemingly complex operational processes need to be reduced to single plannable elements, taking into account general framework conditions.

(12) Organisational ability

Putting plans into practice requires organisation. Organisation is the basis on which all the activities connected with production, the rendering of a service or trade are shaped in the most rational way possible.

As this – by no means exhaustive – overview of key competencies reveals, it is clear that they are pivotal to the economic success or failure of a small or micro enterprise.

2.2 Delivering Employment-effective Competencies

Employment effectiveness can also play a role on a variety of levels. An approach which provides individuals or groups of people with the skills they need to secure employment as a wage worker in the informal sector can certainly be described as employment-effective. Frequently, manual and technical skills and the ability to make contact and communicate are enough in themselves. The situation is different in the case of small entrepreneurs if they are to achieve economic success through their activities. The subsidiary skills listed in the following graphic describe a package of skills required by small entrepreneurs if they are to be successful.

Employment-effective competence

1. Technical/craft skills
2. Business management skills, i.e. at least in simple market analysis, business management, financial management, personnel management, marketing, etc.
3. Communication and organisational skills, e.g. the ability to build up a customer base

Competencies and qualification

Learning under informal conditions can take place very differently in different contexts and different countries. It is therefore impossible to develop standard concepts for educational programmes.

It is, nevertheless, important, particularly given the diversity of the general conditions in question, to examine closely what skills can be delivered and how successfully with respect to regional and local conditions. It is also true to say that the target groups in the informal sector have much in common

in terms of their situation however much conditions in the countries in question and local traditions differ.

Many different factors therefore have a bearing on skills acquisition. Despite the resulting complexity it is, nevertheless, possible to formulate a series of principles for delivering competencies in this sector. In this context the set of principles listed below provides a type of checklist for use when preparing corresponding educational programmes:

Principles of training programmes

- a) Working and learning situation
- b) Learning habits
- c) Learners at the centre
- d) Participation
- e) Learning experiences and general conditions (e.g. gender)
- f) Basic catch-up education
- g) Learning content delivered practically/productively
- h) Integration in local environment
- i) Weighing up economic factors and interests of the learners
- j) Recognition of learning processes

a) Working and learning situation

The different working and learning situations of the learners should be the starting point for designing learning programmes. Individuals can only take advantage of such programmes if they can fit them into their everyday working lives.

b) Learning habits

The learning habits of the target groups, especially the practice of learning by doing, are particularly important when designing educational processes.

c) Learners at the centre

Since it is important for learners in the informal sector to acquire skills in a way which takes into account their situation, it is necessary to adopt a subject-centred learning process in which the learners – rather than the curriculum or the teachers – are at the centre of the learning process.

d) Participation

To ensure that learning processes are appropriate to the situation of the learners, the learners in question must be actively involved in designing the process. This demands a high degree of participation.

e) Learning experiences and general conditions (e.g. gender questions)

Programmes need to be designed differently for specific groups of learners – particularly girls – in order to take into account the particular learning needs and experiences and different general conditions of the group in question.

f) Catching up on basic education

In many cases, learners will have gaps in their prior basic knowledge. Learning for employment, however, frequently presupposes an existing level of basic education. This means that in some cases it will be necessary to include catch-up elements.

g) Delivering learning content practically/productively

Learning content must be predominantly practical and in some instances productive since the learners will be required to start earning money immediately and hence have to put what they have learned into practice right away. In view of the pivotal importance of key competencies, learning possibilities need to be broader in scope than would be normal for limited instrumental skills.

h) Integration in local environment

Learning programmes should – wherever possible – be embedded in the work of social movements or local organisations since experience shows that

learning processes can then proceed on a more continuous basis and therefore more effectively.

i) Weighing up economic factors and the interests of the learners

There is a basic tension in employment-effective learning programmes between economic and pedagogical aspects; that is to say, the interest of the learners to learn on the one hand and the interest of the business in commercial success on the other have to be carefully weighed up against each other.

j) Recognition of learning processes

Employment-effective learning processes are more attractive to many people in the informal sector if they are at least partially related to formal learning processes and linked with them.

This means firstly removing the stigma from out-of-school learning processes and secondly opening up learning institutions to a greater extent to target groups in the informal sector and paying greater attention to the working and living conditions of these target groups. In this respect bridges need to be built between both sectors. In other words there is a need on the one hand to introduce some certification of out-of-school learning processes to give those passing through them greater mobility. On the other hand some of the "school" element needs to be taken out of school learning processes to reflect the learning habits of people in the informal sector and where necessary to prevent learners becoming discouraged again by school-type learning processes with their focus on competition.

The principles listed here for designing non-formal education programmes in particular need to be tested out in the specific case to ensure they are valid for the particular location and then expanded as appropriate. Even in this open form they should prove an appropriate basis on which to develop non-formal educational programmes.

3. Employment Promotion

The following is a list of categories covering the entire field of possible training and qualification programmes already in use for target groups in the informal sector:

Training and qualification possibilities

- 1. Vocational training within small business promotion.** There are a series of programmes here for those who are already active in the informal sector. Such programmes assume the availability of certain tools and materials and at least a minimal infrastructure. Programmes focus predominantly on learning new techniques and methods. This includes technical advice and the extension of loans.
- 2. Programmes for young people leaving primary education or those leaving secondary school early.** These programmes focus primarily on providing knowledge about the market situation.
- 3. Programmes for owners of small businesses in the informal sector.** These offer continuing training opportunities to owners of workshops and also in part to apprentices in small businesses.
- 4. Programmes within the framework of local development and community work.** A series of programmes is conducted in the area of agriculture and water supply.
- 5. Programmes in the field of social work and social pedagogy.** The target groups here are often working children or street children. In addition to satisfying basic physical needs, these programmes also aim subsequently to provide training for the small-scale production sector.

Lenhart

Programmes providing employment-oriented training for the informal sector should, wherever possible, be integrated in an overall system. This includes having links with the formal education system. The following graphic shows some of the conditions that apply:

A holistic TVET system for the formal and informal sectors is subject to certain conditions:

- A regulated system of qualifications as well as practical initial and continuing training for teaching staff and trainers
- The establishment of an examination and certification system oriented to professional competence, including the recognition of prior learning
- Reform of the corresponding laws and ordinances
- The establishment of regulatory institutions with the involvement of the private sector
- Ongoing analysis of the labour market incl. surveys of job requirements and forecasts of future manpower demand
- Development and introduction of sustainable financing models

3.1 Opening up TVET Establishments

Traditionally, there has all too often been a dichotomy between formal technical and vocational education and training on the one hand and vocational courses for those from poorer sections of the population on the other. Formal vocational training demands school-leaving qualifications which many people from poorer sections of the population have been unable to acquire. Private institutions fund themselves by charging course fees and hence their programmes are inaccessible to many.

Employment-relevance of Training Concept

Criteria

Implementation of employment relevant/
flexible training programmes

Training open for disadvantaged target groups

Conducting training in cooperation with enterprises

Training needs assessment and ongoing tracer survey

Integration of technical skills training with
business and social skills training in order to gain
self-employment relevance

Development of practical training projects

Appropriate workshop/training organisation

Provision of start-up assistance for graduates

Indicators

Ongoing contact to entrepreneurs; implementation of
training needs assessment and tracing of graduates

More than 20% of the trainees have entrance
qualifications below secondary school level

Entrepreneurs are involved in planning, implementation
and assessment of training, apprenticeship training
and/or industrial attachments are conducted

Needs assessment and tracer mechanisms in place,
documentation of survey available

Entrepreneurship training is part of curriculum

Practical training/attachment in enterprises is
specified in the curriculum

Functional organisation of equipment, storage of
materials and tools, cleanness, safety precautions

Guidance, counselling and/or job placement mechanisms
in place. Advantageous: sheltered workshops for small
business start-ups, provision of credits, tool kits, etc.

Graphic: Specht

An example from Ethiopia

Very recent examples from Ethiopia show that there are ways of tying programmes into the formal sector and dismantling obstacles. Various private providers in the information services and office management sector, for example, have arranged funding for scholarships, giving a number of people with the necessary entrance qualifications but without financial means the opportunity to undergo training.

Other institutions are devising shorter and more holistic courses for the informal sector. There are, for example, three-month courses in plumbing, metal-work, woodwork and tire repair. These courses are open to the local community around the formal TVET institutions. It is assumed that young people will already have worked in the particular areas and that they will have some experience on which to

build. A needs assessment was carried out prior to the start of the courses. The TVET trainers are first prepared for their assignment in line with these identified needs since they must be acquainted with the different working and market conditions prevailing in the informal sector in order to provide appropriate training. The courses aim to develop and strengthen practical as well as business competencies.

Training concepts are examined and evaluated according to certain criteria.

An example from Zambia

Another example is the STEP IN (Integrated Skills Training for Employment Promotion) programmed in Zambia which started work in the Nineties. STEP IN is aimed at groups of unemployed people in urban and rural areas such as young people with poor school qualifications, as well as former public sector employees and employees of state-owned companies. There is a particular focus on disadvantaged girls and women.

Four main design components:

- Non-formal craft training for young people as initial training with integrated basic education, retraining and continuing training for people with prior knowledge and delivery of basic knowledge of small businesses.
- An integrated advice service for those who have undergone non-formal training, and short business administration training in business management and book-keeping, credit management and the introduction and use of technology, etc.
- Short non-formal commercial training for adults starting businesses or to improve the management of existing small and micro businesses.
- Credit funds for training graduates for business start-ups and employment promotion.

One important aspect here is the support for the programmed provider in decentralizing and implementing an employment-oriented vocational training policy as well as in measures to strengthen the Zambian implementing partner. A programmed of this kind must show great flexibility and readiness to learn in order to be able to accommodate the target group's own dynamism as well as the possibilities and needs of the implementing partner. (Gold)

3.2 The Informal Sector and the Family Economy

In this sector the economic unit formed by the household and business is crucial to the livelihood of those concerned. In view of the very limited availability of capital and market-related, often seasonal, fluctuations in orders, small businesses have to be able to react flexibly to changing circumstances.

Private and business sphere

Resources are often transferred between the business and private spheres. There is frequently no distinction between business and private assets. Depending on fluctuations in orders it is often necessary for a family to identify areas for additional earnings, whereby the whole family is involved. Sometimes a second craft activity will form a further means of securing a livelihood, while trading activities also often provide an additional way of earning money. Sometimes small businesses will receive income from an activity not performed on the person's own account.

Savings and the buffer function of the family business

Accumulating savings is important for the survival of the business, but given the circumstances, it is generally a difficult thing to do. In hard times, takings from the business may not stretch to cover production costs and the family's subsistence. In good times, surpluses earned often do not stay in the business but are diverted into the joint household and business finances. If one looks more closely at the household and business as an economic unit, it is often apparent that it is forced on the family by need. The business's capital is generally not enough on its own to secure the business's existence. Thus the combined business and family account acts as a buffer in both directions.

Internal logic of the family business

Hence businesses in the informal sector are tightly tied in with the family economy. The internal logic

of the business is often characterized by the desire to make a profit solely to ensure the family's livelihood. A further important aspect is neighbourly assistance, in other words, the network of relations in the community.

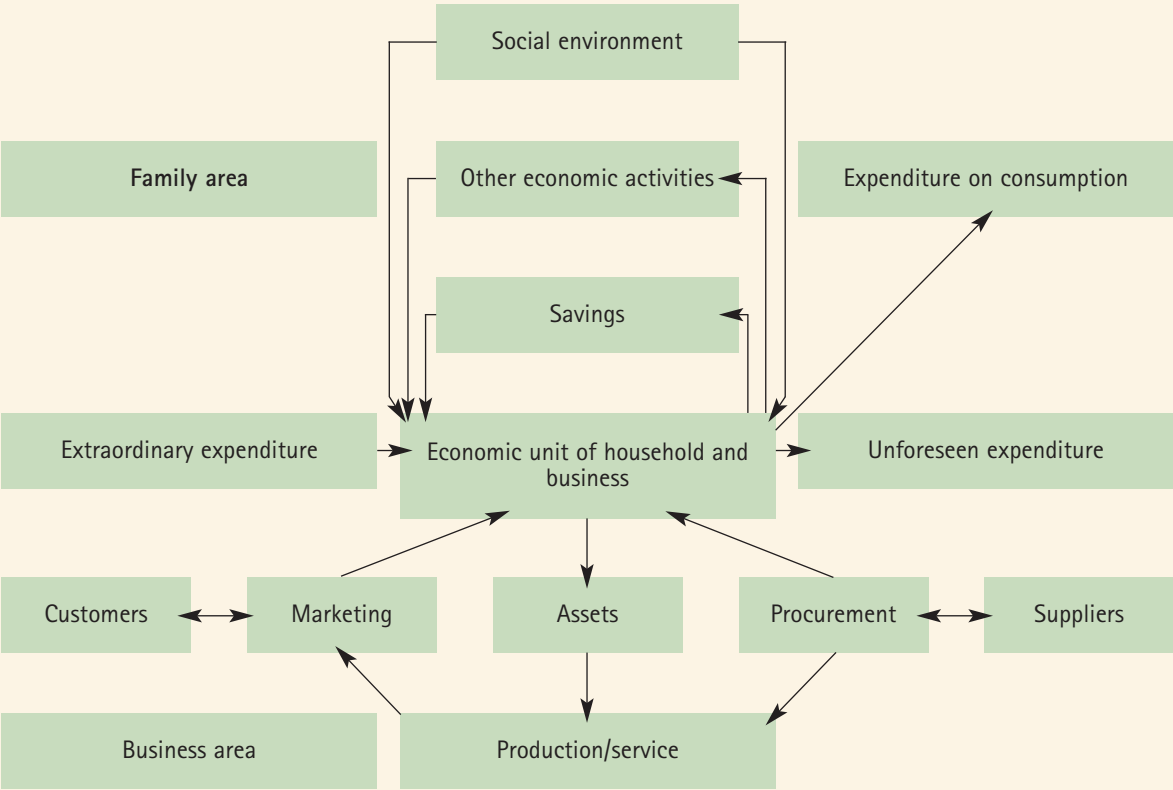
Household, business, training

The intertwining of household and business means that where training measures are concerned, the owners of small businesses must first be aware of their situation. Only once they know how different mechanisms affect each other are they in a position to influence them. In many cases, minimum business management methods are enough to enable the owners of small businesses to plan and monitor the success of their business activities. Learning business management alone, of course, is not enough. The acquisition of these skills must be embedded in an overall concept.

Some minimum requirements with respect to imparting business management methods

- Learners must be able to acquire the methods with little prior knowledge
- The methods must be appropriate to the economic and social structures of small businesses
- The business methods have to be practicable
- The methods must not be time consuming to use

Household and Business – Economically Intertwined



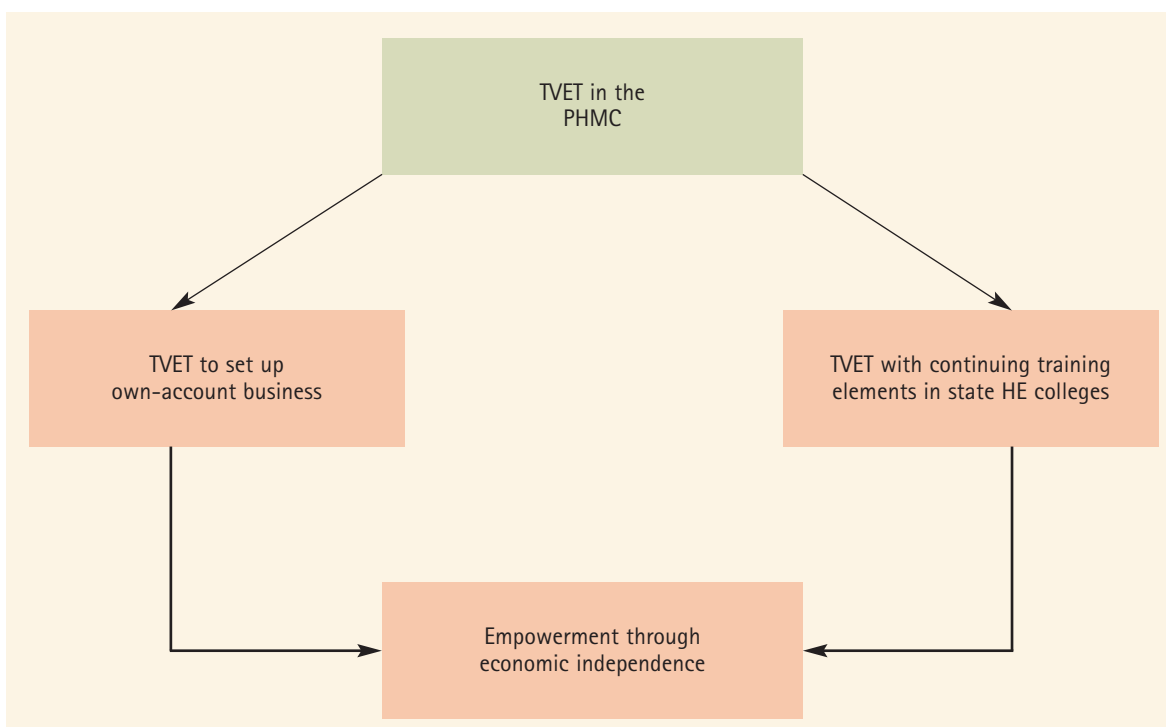
Graphic Specht/Overwien

3.3 The Promotion of Women

In the area of training, special reference needs to be made to programmes designed specifically for women. In many cases, women's activities have to be regarded more as an extension of their household activities. The care economy and market production are often closely interconnected. Women swap throughout the day between house and family work, subsistence farming and/or small business activities. Their priorities change according to the needs of the family, and it is important to note that in various countries large numbers of women are heads of the household and run the house on their own. Equally, they are often involved in kinship relations and alliances. The fact that they are embedded in social networks is also relevant in economic terms. The work women do in the informal sector, for example work in the home, is often rated lower. In some cases organisational approaches, sometimes linked to small loan organisations, are more effective.

An example from Cameroon

The promotion of and support for women can take very different forms and start at different levels. An example from Bafut in Cameroon shows how a girl's church school is offering courses for young women with the aim of increasing their employment chances. In the third year of school options are available. Courses are offered in food and nutrition, fashion design and health. One problem here, however, is that the part of the training designed for work in the informal sector is taught parallel to training for the formal sector, hence structurally devaluing it.



(Graphic: Nguedjeu Nkwenkam)

3.4 Community Orientation

Successful approaches to providing training in the informal sector build on existing structures. It therefore makes sense to take the village or urban community as the frame of reference.

Non-formal initial and continuing training in local structures

Non-formal initial and continuing TVET is often aimed at people who are already embedded in the local market but are not able to earn enough money. In **Cambodia**, for example, training courses were offered in food, wood and jute processing and in raising small animals. The work here was combined with micro financing instruments. In **Laos**, promotion was provided for a project aimed at production schools, to be followed by start-up assistance for integration in the local market. In **Nicaragua** and **South Africa**, job-oriented vocational training was tied in with building actual houses, followed by business start-ups. In **Zambia**, basic commercial skills were taught. What all these projects had or have in common is that they are embedded in the real world in which the learners live.

There are also projects that combine the different approaches possible on different levels. An example of this approach is described in more detail below.

An example from the Philippines

In one project in the Philippines which is oriented to the local community, two or three rural communities are grouped together in a cluster with one or more urban communities for the purposes of promotion and training. The composition of the cluster depends largely on the existing economic infrastructure in each case and its potential, as well as the willingness of government bodies to cooperate.

Those involved in the project

In line with the project's motto "Training in the Community, by the Community and for the Commu-

nity", a wide range of players were involved in the work: young people who were the immediate target group, the owners of small businesses as trainers and employers, and representatives of local authority administrative structures.

The sponsoring NGO identified the following groups as directly involved in the project:

- Unemployed school-leavers with no training and working young people of both sexes aged 18–30 who are prepared to stay in the community to work there.
- Operators of small businesses and graduates of TVET programmes as trainers and possible employers who can improve their market position by having skilled employees.
- Decision-makers and local administrative bodies, as well as NGOs and civil society organisations in the area of the project which are involved in youth and/or community development work.

Needs and market orientation

Training offered is oriented to the results of local surveys on needs, possibilities and potential, for which the NGO concerned has developed instruments. These are designed to ensure that the skills and knowledge delivered to the trainees are relevant to the local context. Only if they are embedded in this way is it possible to ensure that the training programmes benefit not just the trainees but the local community as a whole.

Participation and local ownership

The individual interest groups play a crucial role in the whole project cycle from planning through to evaluation. The programme is based on the conviction that sustainable improvements are possible

only if it has the full acceptance and backing of the people whose situation will be changed by it. This also means that all involved must be prepared to make substantial contributions (monetary or in the form of payments in kind) to planning and implementation costs.

The degree of participation is in direct proportion to the degree of ownership of individual stakeholder groups. Only in this way will they say: "This is our project, so we want to work to keep it".

Role of local authority

During the pilot phase one local authority, as an example, took responsibility for ensuring not only that the trainees from their district were equipped with the tools they needed, but also that premises were made available nearby for the various parts of the training. The authority made sure that "their" graduates had access to premises close to the market place in which they could take the first steps towards independence. One set up a tailoring businesses there, for example, and another a repair shop for household electrical appliances. There is also sleeping accommodation in the workshops for a small number of trainees. The NGO helps with equipping the workshops and improving the management of courses.

Four structured elements of the approach

- Advocacy
- Small business orientation
- Community orientation
- Training combined with production

Advocacy

To increase the participation of the local community and their awareness of their responsibility, the NGO adopted an advocacy strategy. The concept is based on the view that, in addition to those involved themselves, the state too, represented by the local authority, should acknowledge its responsibility for the wellbeing of particularly poor sections of the population. In the view of the sponsoring NGO, its job primarily is to make government agencies aware of their responsibilities, and at the same time to propose solutions, above all with respect to the promotion of small businesses and providing skills training for workers.

Small business orientation

The planning of training measures is always preceded by an intensive dialogue with local small craft businesses to discuss with the owners or managers of the businesses their requirements in terms of technology and the qualifications of their employees. The information gained from this dialogue then forms the cornerstone of the course curricula. In addition the courses are designed in such a way that the major part of the training is carried out in the local small businesses under the responsibility of the owner or manager. The premises of the NGO or other training centres are used only for preparatory or continuing training courses.

Community orientation

A training programmed responds to needs which are identified by the particular community itself and which are rated as priorities. Only if the local infrastructure is not adequate to stage courses and the assistance provided by the NGO is not sufficient to compensate for the deficiencies are courses or parts of courses moved to a training centre run by the NGO. Outsourcing of training is always avoided if possible in order to ensure it is available to all. As well as avoiding transport and accommodation costs, this also ensures that responsibility rests fully with the community.

Training combined with production

The aim is to design training in such a way that the trainees produce something of market value during the course of their training which they can sell themselves. The participants on one particular course on repairing electronic entertainment equipment, for example, were told to go into the neighbourhood and ask for radios that were not working. These were repaired during the course under the trainer's supervision. In a tailoring/dress-making course, participants made simple children's clothes and sold them, with the NGO providing some of the material. This combination of training and production boosts the trainees' self-confidence and develops their feel for the needs of the local market. The possibility of earning an income,

even if small, during training provides additional motivation. It is important to ensure that the trainees are involved in all aspects from costing and purchasing of materials through to direct contact with customers, and the production and marketing process.

Functions of those involved in the project

The interplay between the various people involved in the programme is very important for the functioning of the project. In the pilot phase of the programme the following groups emerged, each with specific tasks:

Group	Members	Main function
Training committee	<ul style="list-style-type: none"> • Local decision-makers 	<ul style="list-style-type: none"> • Analyzes and identifies what skills and services will be required in the community
Resource committee	<ul style="list-style-type: none"> • Representatives of local government agencies • NGOs • Civil society organisations • Churches • Stakeholders 	<ul style="list-style-type: none"> • Determines support priorities • Organises finances and physical resources for the training • Provides technical expertise, machinery and equipment and training infrastructure
In-company trainers	<ul style="list-style-type: none"> • Owners and managers of small businesses • Craftspeople 	<ul style="list-style-type: none"> • Identify skills and qualification requirements • Offer traineeships in their businesses • Remunerate their trainees for their work with money or payments in kind • Provide feedback on adapting and improving the programme • Offer job opportunities for trainees who have completed their training
Training centre	<ul style="list-style-type: none"> • NGO 	<ul style="list-style-type: none"> • Moderates and monitors the entire programme • Plans and stages elements of training (particularly preparatory and continuing training measures) • Coordinates individual training activities • Provides logistical support • Runs a savings and loans programme • Coordinates external project partners (e.g. donor organisations)
Trainees	<ul style="list-style-type: none"> • Unemployed young people of both sexes • School leavers with no training <p>(Age: 18-30)</p>	<ul style="list-style-type: none"> • Make decisions about training course • Undertake to attend regularly and adhere to agreements • Make their labour available to the training enterprise • Declare their willingness to help to build up the community • Be involved in the savings and loans programme

The whole training process involves three phases:

1. Preparation and programme planning

- Choosing project area
- Organising the resource committee
- Setting up the training committee
- Conducting surveys of needs and potential
- Conducting feasibility studies
- Devising a cooperation agreement
- Planning training and qualification measures
- Selecting course participants

2. Training and qualification

- Planning and staging preparatory courses
- Selecting in-company trainers and training enterprises
- Preparing, supporting and monitoring in-company training
- Providing continuing training programmes
- Supporting business ideas
- Conducting appraisals
- Providing advisory services for course graduates
- Graduation

3. Business start-up and promotion of small businesses

- Setting up and supporting savings and loans programmes
- Providing enterprise shelters and tool banks
- Tracking whereabouts of course graduates
- Providing support to establish cooperatives
- Providing job seeking assistance
- Organising further and continuing training courses

(Bellen, Stückrath)

The training process is divided into three main phases



3.5 Employment Orientation in Local Authority Infrastructure Projects

There are also examples of infrastructure projects in the field of financial development cooperation (e.g. water supply and disposal, house building, slum clearance, etc.) which look beyond the mere technical implementation of the systems. Recently there has been a focus also on social components and the acquisition of social competencies.

Cooperation

In the second half of the 1990s several German organisations, together with their partners in Guatemala, Zambia and various other countries, sought to train local water committees in the sustainable management of their plant. In these projects the international and, in particular, local experts used informal learning processes.

Qualification and empowerment

Members of the water committees were very open to informal learning and were able to carry out highly complex maintenance work very rapidly. The mobilization of informal learning in this context was predicated on the confidence displayed by those involved in taking things into their own hands. Community work played an important role here in terms of integral learning. The learning takes place in and with the group.

Methods

The team in Guatemala adopted practice-related methods from the German TVET system and adapted them to changed circumstances: for example, the team adapted methods for teaching basic skills in the repair of valves, tanks and pipework. The training gave the village plumbers deeper skills in maintaining water supply in various sectors. The learning group, with the involvement of the water committee, allocated sectors to the new village plumbers and all involved spent one day learning the skills for repairing water taps, stopcocks and defective pipes. Equipped with the necessary tools the new plumbers, accompanied by members of the committee, made a tour of individual sectors in the village. They talked with the users, made a list of water supply problems, diagnosed larger problems and, in the subsequent further training course, developed a first maintenance plan. In a series of consecutive development loops the team, following the structure laid down in the handbook method, then drew up the steps involved in more complex processes, such as planning and carrying out larger repairs and drawing up a maintenance plan for the year.

Training modules

Small further training modules were gradually formulated and staged locally, responding to the reality of the lives of the people living in the villages. A holistic approach was developed, bringing together community work, adapted training and employment promotion in water associations and micro enterprises. By providing people with key competencies, the aim is to give them new ways of earning a living beyond the water project. There were, however, problems with cooperation between the different development cooperation organisations. It took a long time to harmonize interpersonal and financial cooperation.

4. Industrial Promotion and Employment

4.1 Factors Affecting Small Business Promotion

Cultural obstacles

The methods used and resources applied to small business promotion vary depending on context. Although there are standard programmes which can be adapted, different cultural factors come into play. This applies to many societies in developing countries. One example from Papua New Guinea shows that small business promotion cannot be effective if it fails to take into account socio-cultural norms and values. Relations among neighbours, friends and other close people are often more important than the logic of the small business. Obligations to their own clan significantly determine the actions and behaviour of economically active people, who cannot simply withdraw from these obligations. In a value system of this kind private property has a different meaning than it does in western countries.

An example from Papua New Guinea

The following example highlights some of the problems that can occur. A young small entrepreneur sets up a small workshop on a main artery in a rural area. No sooner has the workshop opened than local people arrive to claim the land for their clan since they do not recognize the title to the land granted by the government to the young person in question. The young entrepreneur has to pay for the land a second time to avoid risking a conflict. Now he needs capital to buy tools, machines and raw materials. Within traditional communities it would be a matter of course for the local community to provide support on the principle that whatever he receives in the way of gifts he will have to give back later as gifts. So the young man turns to the local development bank. Having done all that is necessary to start up production, he now has to look for experienced workers. Given the cultural context none of the applicants will admit to not having the skills needed, since it is culturally unacceptable to admit any weaknesses. So the young entrepreneur will

have difficulties in finding exactly the staff he needs. He has to be well acquainted with the local communication structures in order to be able to find answers to the questions which are relevant to him. If he manages to get the business up and running, there is also a risk that this is recognized only too well within his clan, and he may be called on to pay compensation for damages caused by members of the clan.

Exaggerated but real

The problems described here may be exaggerated but they are intended to show that standard small business promotion programmes cannot be applied everywhere and under all circumstances. It is possible, however, to avoid many of the problems outlined here. A government can, for example, set up small business centres in which interested parties can rent premises in order to avoid problems with landowners. Small loan programmes can offer a way round the vicious circle of clan obligations. Contacts to organisations such as training centres, banks and official bodies can help to overcome the barriers of traditional structures. (Märting)

4.2 Small Loans and Employment Promotion

Many small businesses lack the capital to expand their activities. In addition to the limitations created by the close links between the family economy and small business, access to formal bank loans is hardly an option given the uncertainties of the informal sector. In many cases small entrepreneurs are forced to turn to illegal moneylenders who demand extremely high interest rates.

Microfinance

Microfinance institutions which provide small loans to people in the informal sector have existed for many years. In Bangladesh and India such credit systems have been around since the 1970s. In these countries they are aimed first and foremost at women.

A few principles of microfinance institutions

- Provision of small and very small loans to strengthen the more productive activities of poor people
- Group organisation and counselling
- Technical and management support for production, procurement and sales
- Further commercial and/or bookkeeping training

Microfinance enables customers to improve their economic performance and also gives them better access to the market. Small and very small loans help women in particular to become or stay economically active and perform work that generates an income. The loans help to secure working capital at low interest rates and hence to start up or expand a business. Often the loans help to enable recipients to do something better or something they prefer. In most cases borrowers are encouraged to organise themselves and set up a mutual exchange of experiences. Microfinance is not, however, a magic bullet, since it presupposes a certain level of independence which the poorest of the poor can often only achieve to a limited extent.

An example from Ghana

In Ghana a bank to promote small business was set up in the 1980s. This bank has established regional advisory offices whose tasks include not only loan allocation but wider training and advisory services. Many small businesses cite lack of capital as the reason for a failure to succeed. On closer inspection it often emerges, however, that what the business lacks is expertise in such areas as costing and bookkeeping, warehousing, organisation and marketing. In these cases therefore, the business is offered management training before a loan is negotiated. If the problems involve technical and manual skills, appropriate further training is offered. Once problems of this nature have been cleared away, the loan allocation process can begin, albeit with strings attached. Here as in other examples women have a better repayment record than men. (Schultheiß)

4.3 Self-organisation of Craftspeople in the Informal Sector

In many countries the informal sector, to which small and very small craft enterprises also belong, has grown to the extent that it now has important employment potential. Here as elsewhere there are a series of factors which are constraining development: lack of equity capital, lack of access to the formal capital market, a lack of technical and commercial expertise and legal uncertainties are holding back entrepreneurship and there are few bodies lobbying for the interests of this group.

There are frequently opportunities to mobilize reciprocal aid among small entrepreneurs, but in many cases there are obstacles in the way; some of these obstacles are in the mind but some are real and rooted in the competition situation. There are instances, however, where it has been possible to sweep away these obstacles by creating incentives for small entrepreneurs to cooperate with each other.

An example from Cameroon

A whole package of measures has been in place since the 90s to support small businesses. One NGO, for example, helped owners of small businesses in Douala to organise themselves. Together they built a centre to showcase their activities and house the local stakeholder groups. The craftsmen buy a small cooperative share in return for which they receive advice and further training. As in other countries, the level of knowledge of the various craftspeople is extremely varied in Cameroon's informal sector. The centre therefore offers further training in an open form. The craftsmen can bring any problems they are currently experiencing to the centre and will be given advice on solving them, thereby learning from the process. Where fixed courses are offered, these are adapted to the interests and current problems of the participants and linked in a meaningful way to their respective business activities. The centre, which receives financial assistance from foreign organisations, provides support in order procurement and sales promotion. The centre also hires out special tools which would be too expensive for people to buy. Participants have together established a savings and loans bank. (Arp-Stapelfeldt)

5. Employment Promotion for Young People

There are many arguments why training and employment promotion in the informal sector should be targeted particularly at young people: demographics, questions of the future, the proportion of young people in the population, etc. In order to optimize the preparation of programmes and projects for disadvantaged young people, development cooperation players should have a better understanding of the biographies of young people and the mechanisms by which they calculate the benefits of any measures, as well as having an appreciation of the general conditions in which disadvantaged people grow up. It should be noted that while precarious, the circumstances of the lives of marginalized young people are also highly dynamic.

At the same time children and young people are particularly affected by structural problems and their accompanying phenomena such as growing impoverishment, migration, unemployment and exclusion from the education process.

The aim of promotion measures must be to make a lasting improvement to the living conditions and prospects of girls and boys and hence also of their families. Young people should be encouraged to take an active part in improving their own situation, taking into account the particular potential of young people in the area of self-help and self-organisation. A further aim of increasing the support for the younger generation in development cooperation is to implement the UN Convention on the Rights of the Child.

Youth promotion measures should be aimed primarily at social disadvantaged girls and boys from both urban and rural areas, focusing particularly on the 12 to 18 age group. This group in particular has been neglected in the past in vocational training, employment promotion and basic education programmes.

5.1 Vocational Orientation and Labour Market Integration

Programmes which take into account the life situations of the participants and involve them at various levels are particularly appropriate in terms of addressing the living conditions of young people.

An example from Chile

One project in Chile acts as a bridge between young people and the world of work. In the face of massive social changes, the underlying premise is that integrating young people successfully into the world of work depends very crucially on their concrete perception of work. Schools do not provide adequate careers information and guidance and there is no body which is available to young unemployed people after school to give them advice and information. The project in question fills this vacuum by seeking to increase the employment potential of young people from disadvantaged sectors of the population.

The idea behind the approach

- Social capital: increasing the number and quality of contacts and relations which are important for job market integration.
- Cultural capital: enhancing technical and above all social competencies and skills.
- Symbolic capital: enhancing the prestige of young people from poor areas in the local environment.

The project is targeted at young unemployed people between the ages of 18 and 24 from socially disadvantaged districts and communities who fulfil the following conditions:

Conditions for taking part in the project

- Resident in the project area
- Minimum of six years of basic school education
- Beyond the age of compulsory education
- Unemployed
- Motivated to join the project

The minimum age was deliberately set at 18 to prevent young people taking part who are still subject to compulsory education and may be tempted to leave school early – something which has to be avoided at all costs.

The project comprises three components:

- A) Social pedagogic work with young people: focusing on their personal and subjective development, their own life projects, enhancing their self-respect and evening out career expectations.
- B) Making the local environment more aware: focusing on businesses in the local district, state programmes and public bodies.
- C) Employment strategy

The employment strategy is developed on the basis of the interplay of the other two components: the development of the young people's skills and the opening up of the local environment to them. The young people learn to adjust their own life plans to the work and jobs situation, get a clear idea about

their own abilities and social skills and learn how to look for and understand basic information on the jobs market. In this way, the personal competencies of the young people are aligned with the opportunities on the local jobs market, at the end of which they can define a strategy for their immediate future.

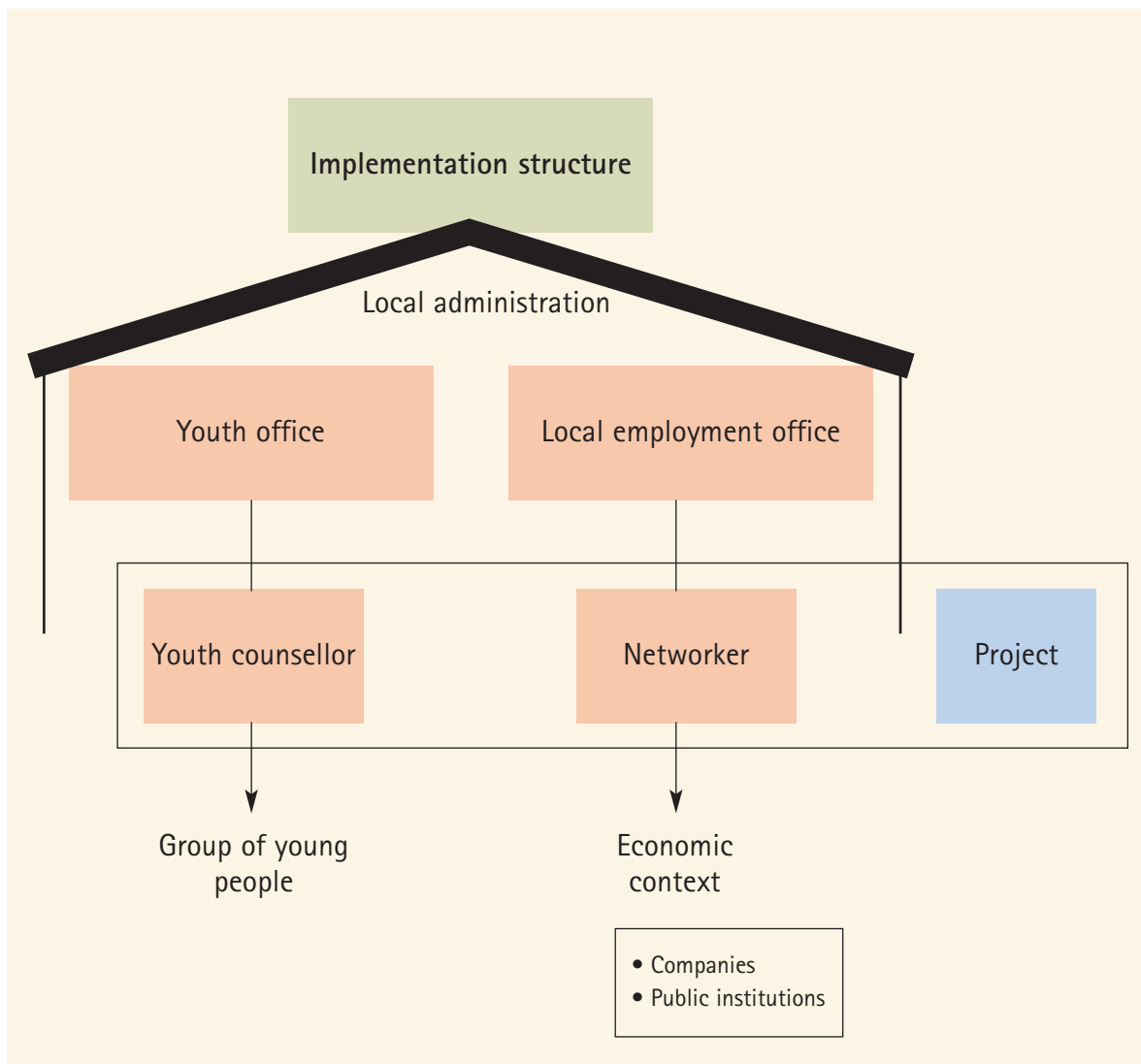
Ultimately the young people have to find an answer to the following question: What realistic goal can I achieve with what available means and contacts?

The following are possible strategies for young people:

1. Look for a job which matches their interests and possibilities
2. Begin a training course as the first step to achieving their future work and career goal
3. Become self-employed and build up their own business
4. Improve their education if their level of schooling is not sufficient to enable them to achieve their future career goal.

By the end of the course or the counselling sessions with the advisor the young person will have decided what strategies he wants to pursue and what concrete steps he needs to take to make this happen. In this process he will be helped by information on the jobs market provided by the local networker.

Existing bodies are involved in implementation.



Results

The pilot project "Young People's Employment Strategy" began work in March 2003 by training all the players involved in the CEFE method. These comprised staff from the independent agencies and the town administrations (youth counsellors, networkers, representatives from the local authority youth offices and employment offices). Steering committees were set up at the same time. The first work-

shops with young people began in April 2003. In the period from April 2003 to December 2004, courses were held in 10 towns and municipalities, which were attended by 727 unemployed young people (47% women; 52% men). By the end of the programme more than 60% of these young people were no longer jobless: 436 of them put their employment strategy into practice. (Steigler)

5.2 Youth Job Placement Centre and Job Exchanges for Young People

Training for young people in the informal sector must be embedded in measures integrated in an overall concept. Because of the logic of the circumstances of young people's lives, this will often involve more than just training in the narrow sense.

An example from Kyrgyzstan

In order to tackle the trend of rising youth unemployment in Kyrgyzstan, a job placement centre for unemployed young people was set up in the town of Bishkek in 1996 under the "Labour Market Policy and Employment" project. Its record has been very successful. For a number of years it has been able to find work for an average of one third of those seeking advice, 50% of them young women. A fairly high proportion of the jobs, however, are for a fixed term. This service in Bishkek alone is used by around 3,000 young people each year and the pilot scheme has far exceeded expectations.

Important elements of the employment strategy:

Youth job placement centre
Job exchanges
Unbureaucratic advice and placement service
Workplace cheques

Job exchanges

A major contribution to the success of these activities has been the regular monthly job exchanges which have created a forum to put employers and the young jobseekers in direct contact with each other. They also provide the young people with the opportunity to be shortlisted for a job or even to sign a contract for a job at the exchange itself. The job exchanges mean that the young people are actively involved in the search for work, which is in itself an important learning process which helps them in their

further search for work. In addition to the job exchanges, the youth placement centre offers an unbureaucratic advice and placement service for young jobseekers. The centre keeps in constant contact with the local employment offices in the process of seeking out job vacancies and also uses a further successful instrument: young jobseekers are given work experience placements with companies, in public administration and with other employers to collect details of job vacancies. The incentive is that most of them are able to find a suitable job for themselves in the process. This is a first step towards integrating young people in the jobs market.

After the successful end of the pilot programmes in the joint project, the Kyrgyzstan employment administration took over both the youth placement centre and the job exchanges and now continues to run them and is responsible for both content and finances.

Workplace cheques

A further instrument was also introduced in the form of financial incentives to companies to create new jobs specifically for young jobseekers. When representatives of the employment administration (which has a service orientation) visit companies, they provide them with information about the job exchange and the pilot workplace cheque scheme. The administration furnishes the unemployed young people with workplace cheques. Every company which establishes a new job for a young person for a period of two years can cash in this cheque with the employment administration. Since the cheques do not have a very high value (approx. €40) and therefore do not offer a sufficient incentive on their own to create a new job, the non-wage costs of the job are in addition cut by two thirds.

Results

In 1996, the year they were introduced, these cheques helped 180 young women and 80 young men into work. Only 40 people who were involved in the scheme failed to find a job. 75% of the jobs were new jobs, the remainder were a result of a

bandwagon effect. Both employers and employees revealed themselves in a survey to be very satisfied with the cheque system. According to feedback from the companies, more workplaces could be created if they had to commit themselves to only one year with respect to the young people instead of two. The difficult economic situation often makes planning over a longer period impossible. There were also complaints that the young people often had no or inadequate qualifications for the job in question.

At the end of the pilot scheme a countrywide programme was rolled out. (Kausch)

5.3 Combining Working and Learning

Training for the informal sector, therefore, is obviously particularly successful when learning and working are linked together in a meaningful way with economic aspects.

An example from Mexico

An NGO in Mexico acquired a sizeable property suitable for both agricultural work and also craft/industrial work and where young people can be housed at least on a temporary basis.

The project which is now up and running covers eight areas of work. The young people are involved in producing both for their own needs and for resale and looking after the facilities. There is a particular focus on raising goats, the milk from which is used to make both cheese and soap. The packaging material for these products as well as simple items of utility furniture and toys are made in the joinery. On the agricultural side vegetables and salad are grown for in-house consumption. In addition, the children are responsible for tending the gardens and looking after pigs and hens, as well as keeping the paths and living areas in good order.

The production activities in the workshops and on the agricultural side fulfil a dual purpose: firstly they serve

to develop a culture of work in the children and young people and secondly the products and produce contribute economically to the upkeep of the facilities. In 2004, the project was 80% self-supporting.

The NGO regards "work as an opportunity for the children and young people to develop and become integrated." This applies, it believes, not to all work but to "work in dignified, safe and hygienic conditions; to collective and responsible creative and educational work". In view of the great uncertainty about finding an adequately paid and secure job, the aim is that the children will not only learn an "occupation" but will acquire a combination of skills which can be used in many ways and which give them the tools they need to be able to act effectively in different situations.

In the project, which also runs schemes for children, young people between the ages of 13 and 16 work in the production workshops (goat raising, cheese and soap production, joinery, later also office work and use of computers) in order to acquire basic transferable skills which will be useful to them in later life in many different circumstances. A further phase involves careers guidance and steps towards employment or self-employment. (Liebel)

5.4 Young People and Small Loans

A particular component of a large youth project in Venezuela is a small loan fund which was conceived as a pilot project to extend loans via local organisations to young people who wanted to start up or consolidate micro enterprises. Designed as a rotation fund, the fund was launched to offer an alternative in the difficult employment climate. In the field of youth work and small and very small business promotion the fund is acknowledged internationally as an innovation, providing credit to young people, considered a risk group, who would otherwise have no way of procuring a business start-up loan.

The pilot project grew out of the question: what conditions must be attached to extending loans to young people to enable them to achieve commercial success in the longer term? The small loans are financed by a fund administered by the NGOs. This activity supports and strengthens them in the medium term in their role as broker organisations.

The target group for the loan fund are young people...

- who are between the ages of 14 and 25,
- who come from socially disadvantaged families,
- who are prepared to work closely with the NGOs
- which are responsible for allocating the loans and
- who put forward a business idea for which they need a small start-up loan.

The regulations also allow a loan to be used to expand, modify or improve an existing economic activity.

The four NGOs selected initially to implement the system are all very different in character:

Characteristics of the NGOs which administer the fund

1. One NGO had been allocating loans for years and therefore had a lot of knowledge in this area, although no experience at all in working with young people as a target group.
2. One NGO was prepared to work in close cooperation with the employment administration to allocate the loans in areas of the city selected together.
3. One NGO was involved primarily in talking directly to selected young people who, for example, had taken careers finding or business start-up courses and making them aware of the loan programme.
4. One NGO used the loan programme as an additional component of its community work.

In the course of the first 12 months, the programme reached nearly 3,000 young people who received training and advice on drawing up a business plan. More than 500 loans had been extended to young people after one year. (Stanzel)

Lending priorities

Young women and men have equal opportunities in terms of access to loans; 60% of the loans have been extended to young women. Minors (under 18 years of age) can also apply for a loan – 32% of loans were awarded to this group. The lending process was successful: only two loans were not repaid as a result of fraud; the rate of arrears is below 3%.

A total of 520 loans were extended in 12 months, half to set up new micro enterprises and half to consolidate and/or expand existing businesses. Over two thirds of the young people use the loans as working capital while a good third were invested in equity capital. The micro enterprises fall into three main categories:

Micro enterprises with loans: sectors

Service sector	21%
Trade sector	59%
Manufacturing sector	20%

The loans are extended initially at a low interest rate and repayment is deferred for a certain amount of time. The interest rate is steadily raised until by the end of one year at the latest it corresponds to the regular local interest rates charged by the banks. This process is speeded up if the rotation fund is called on more frequently since the interest rate increases by a percentage for each loan. This makes the young borrowers aware of real conditions while ensuring that their companies have enough time to become established.

Guidelines and experiences

Business start-ups by young people are most likely to be successful if they are backed by training and support. Both are provided consistently by the NGOs, most of which are engaged in other work in the same part of the town and are known to and trusted by the young people. The four NGOs involved had to themselves be trained in extending loans for and supporting business start-ups. The following concept was devised in collaboration with the NGOs.

Young people and loans: experiences

- The evidence showed overall that if they receive the appropriate input, young people are successful in starting new businesses. They are prepared to take risks, are very open to criticism and flexible enough to be able to put into practice suggestions on how to correct problems.
- None of the young people regretted the decision to join the programme; on the contrary, many of them are now seeking to network with other young entrepreneurs, to swap experiences and to give each other advice and support.
- The young people themselves feel their lives have more meaning and substance and that they now have prospects.

5.5 Working and Learning in Precarious Situations

Young people often grow up in precarious living conditions which are also shaped by the work of the adults in the locality.

An example from Egypt

One Egyptian organisation supports young people who work in textile recycling in their district, sorting and recycling rubbish. Their lives are characterized by a lack of respect and recognition. The people in the community make their living by sorting rubbish. They belong to the most marginalized group in the society and are excluded from education, health care and democratic participation. At the same time they have strengths in the form of their specialist knowledge and will to survive.

Learning venues

This non-formal training project took as its starting point the precarious reality of the lives of the target group. Preventative health care is an important element of the project, which uses cultural and theatrical approaches to learning about health. For example, the girls and women make dolls from rags and use them to develop role plays. The learning takes place in the street, in houses and in the community at large. In this case, the school is deliberately not regarded as an enclosed space. Instead the learning venue is defined as the places where the people live and work. One of the aims naturally is to find alternatives to sorting rubbish. Children and young people who want to find another way are given priority. Literacy training and support for economic activities are combined. The work in the community is supported by way of providing better transport for the sorted textiles, hence improving marketing. There is also cooperation with an organisation of rubbish collectors. The project also includes elements of social work, giving advice to street children, for example, on accommodation, basic education and vocational courses.

Skills of the trainers

A project of this kind oriented to a community needs to be specially designed to draw on the expertise of people outside school, recycling specialists, those with knowledge of building institutions in precarious communities and experts in community work.

Results

One section of the project aimed specifically at girls and women and worked successfully with 500 participants during the first six months. Half of them were able to earn a secure income. (Iskandar)

6. Informal Learning in Work

6.1 What is Informal Learning?

Learning is omnipresent in human activities. To this extent it is difficult to classify learning according to different forms of organisation. Who can clearly distinguish, for example, to what extent learning can be encouraged in the work process through structures deliberately created for the purpose, through the demands of production or the service in question, or through a problem-oriented approach on the part of the people working there? In many cases several dimensions come into play at the same time. It is also difficult to distil out of these concrete learning environments formative influences in terms of socialization and school.

The learners' perspective

From the learners' perspective there is growing interest in exploring how a worker, who after many years learning on the job and regular training has reached a level of competence equivalent to a skilled worker, can achieve recognition for the skills he has developed. A portfolio or record of skills as a means of gauging and evaluating skills will become increasingly important in the future. Systems of this kind are already in place in the United Kingdom and France.

Recognizing learning in the informal sector

People in the informal sector who have not been in a position to acquire valuable certificates learn, too. Why are we not then discussing how to recognize and certify such processes in order to promote social equality? Why do we not consider how people in difficult life situations can be helped to learn?

Venues for informal learning

In large part, informal learning takes place on an unregulated basis in daily life in the learners' respective social, family and communication settings or also in work contexts. Informal learning can take place equally in family discussions, for example as learning is passed from one generation to the next, or in group discussions. Within cultures in which the written role does not play a significant role, talking is one of the most important forms of informal learning.

A widespread definition of informal learning as distinct from formal and non-formal learning is supplied by the European Union:

Definition of informal learning

Formal learning

Learning typically provided by an education or training institution, structured (in terms of learning objectives, learning time or learning support) and leading to certification. Formal learning is intentional from the learner's perspective.

Non-formal learning

Learning that is not provided by an education or training institution and typically does not lead to certification. It is, however, structured (in terms of learning objectives, learning time or learning support). Non-formal learning is intentional from the learner's perspective.

Informal learning

Learning resulting from daily life activities related to work, family or leisure. It is not structured (in terms of learning objectives, learning time or learning support) and typically does not lead to certification. Informal learning may be intentional but in most cases it is non-intentional (or "incidental"/random).

(Commission of the European Communities)

6.2 Building on Traditional and Informal Structures

Examples from Africa

The existence of traditional forms of learning, particularly in a number of West African countries, has been known for a long time. Studies in various big cities in West Africa (Ibadan, Lomé, Dakar, Niamey) show that the structures of traditional learning primarily associated with the craft sector are similar in many respects. Basic know-how in weaving, joinery or car repair is passed on by the owners of small and very small enterprises to their apprentices.

In most of the countries of West Africa, traditional learning takes place without state intervention. In some instances there is a locally recognized need to improve the quality of training. One programme was set up in Nigeria in 1987, for example, to promote traditional training (National Open Apprenticeship Scheme/NOAS), and worked very successfully at first. Up to 1993, some 150,000 apprentices attended theory teaching in a total of 81 fields of work on Saturdays to back up what they were learning in practice. Selected theory teachers and small entrepreneurs in these fields organised needs-based teaching. Two-week special sandwich training courses were also offered to provide specialist knowledge.

Examples from Asia

Traditional forms of work-related learning can also be found in some Asian countries. The ustad-shagird system of apprenticeship continues to thrive on the Indian sub-continent. A large project in Pakistan in the 1990s built directly on these forms of training. During their training the shagirds (apprentices) learn skills in the traditional way by carrying out work according to the instructions of the ustad (master) or a senior shagird or assist them to carry out specific work. In businesses where products are made for the (in most cases) local market the apprentice learns in the course of his training to manufacture marketable products. He takes part directly or indirectly in the order and sales discussions with customers and acquires entre-

preneurial skills, as well as learning about costing, raw materials procurement (or semi-finished products) and the organisation of the work process, etc. An apprenticeship of this kind generally lasts four years.

The project built on traditional forms of training and also sought to even out weaknesses in training which often lacked system. Initially, the same basic training module was offered to tailors and joiners in the project's training centres and in selected enterprises in rural bazaars under the instruction of the ustad. This cooperation was entitled the "Apprenticeship Training Scheme" (ATS) and was monitored by the project's supervisors. At the beginning of their training, the apprentices were provided with a toolkit which they were allowed to keep. A high percentage of the trainees were able to set up their own businesses in the informal sector on completion of their training.

Examples from Latin America

In Latin America, job-related skills are acquired in broad areas of the informal sector, particularly in on-the-job practice. Although formal and non-formal educational programmes, the importance of which differs regionally, also have an effect, they are not as relevant as learning on the job. In many cases economically useful know-how is self-taught.

Traditionally a form of skills training, which can be defined as informal teaching, exists in many countries of Latin America. This informal teaching, which is particularly widespread in the small business sector, includes learning processes which are more or less clearly structured. The requirements of production or service delivery within the businesses in question are the formative elements of informal learning.

Tapping into traditional or informal teaching – an example from Nicaragua

In Estelí, a smallish town in Nicaragua, an NGO works with businesses in the informal sector in a project aimed at finding training places locally to ensure that the training provided is appropriate for

local structures in both the economic and social sense. The cooperative workshops are of a simple craft level and produce mostly for the local market. The educators see their role first and foremost in talking to the owners of the workshops and making them aware of the problems of the young people. Most of the owners of small businesses have already had experience of young people since it is common practice to employ apprentices on an informal basis. The trainees learn a craft in a few years and at least at first receive no wages. In many cases they retain the status of apprentice for three, four or five years, after which they are employed at relatively low pay as helpers.

Advantages of the training

The advantage of the training in daily workshop practice is its closeness to reality and to the market. Trainees learn using locally available tools making locally marketed products. The quality of the products and services is not generally particularly high and/or depends very much on the individual experience of the workshop owner in question. How successfully the apprentices can learn within such a workshop certainly depends very much on these experiences, and also on the teaching skills of the workshop owners.

Social pedagogics and basic education

The entire learning process is accompanied by social pedagogic specialists, who try to meet regularly with the young people to establish how they are getting on. If they are experiencing difficulties with the workshop owners or colleagues, appropriate action is taken immediately. As well as their training, the apprentices also attend courses in subject-related theory and back-up basic education. They receive a small scholarship since they come from very poor families who rely on an income from all family members.

6.3 Recognition of Informally Acquired Skills and Competencies

More and more countries are adopting a National Qualification Framework as a way of systematizing the relationship between learning venues, qualifications and certificates. This provides a record of skills and facilitates uniformity and comparability. It also formulates criteria, standards and an orientation framework. The main interest is in outcomes, in other words the skills acquired, rather than primarily the place where they are acquired. A standardization process of this kind is currently underway in the European Union. Some emerging and developing countries such as South Africa and now Ethiopia have already created such a framework or are in the process of doing so. In future, this will allow informal learning to be translated into formal education requirements via the recognition of informally acquired skills.

The informal sector – documenting competencies

Potentially there is a high demand for formal recognition of skills and know-how in the informal sector, a sector in which there are many broken career biographies. It is important both for the individual and equally for the economy to document available competencies at the point where the informal and formal economy connect.

Instruments

How, therefore, can informally acquired competencies be recorded, certificated or documented? Competencies can be analyzed, identified and evaluated using a competence analysis, for which there are different instruments and methods. These include various types of examination, as set by state bodies or business sector institutions, as well as types of skills statements in the form, for example, of a portfolio. Relatively open examination systems relating to a national qualification framework and the relevant standards can create more transparency and therefore benefit those people who have had to acquire their skills often with great effort outside the education system.

Prior learning assessment and recognition is a process involving

- identification,
- documentation,
- assessment and
- recognition of learning (skills, knowledge, values)

Methods

- portfolio review
- challenge processes (written/oral exams, demonstrations, assignments)
- standardized tests
- assessment can mean self-assessment
- assessment against a given standard
- assessment for academic credit
- assessment of workplace training for block credit by an accrediting body

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