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TRAINING FOR WORK IN THE INFORMAL SECTOR: fresh evidence from West and Central Africa

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Central African Franc	Franc CFA 720-740
West African Franc	Franc CFA 750
Ghana	GHC 7,200

EXECUTIVE SUMMARY

This study on *Training for the Informal Sector in West and Central Africa* reviews developments in the provision of technical skills for owners and workers of very small businesses, often self-employment, in Benin, Cameroon, Ghana, Niger and Senegal. It seeks to documents *fresh* approaches to skills development in the informal sector, including training offerings of private providers.

Economic situation and the informal sector

The economies in West and Central Africa (WCA) passed through severe problems in the 1980s, as the result of lower export earnings due to lower world market prices for commodities from the region (e.g. cacao, cotton and groundnuts). These led in the 1990s to a series of economic reforms meant to open up the economy, provide for a more prominent role for the private sector, and downsize the public sector. In recent years economic growth has returned to most of these countries (with notable exceptions, such as Cameroon), but often with little or no expansion of employment in private companies. The employment situation remains worrisome, with especially high rates of under-employment. Poverty levels in the countries studied are alarming, ranging from more than one quarter of the population below the poverty line in Senegal up to more than 60% in Niger.

In this situation the informal sector (IS) has come to play an important role in providing employment and (additional) incomes. Its expansion accelerated considerably during the last decade, for instance in Benin where IS employment grew at 10% per year between 1979-92, and possibly even faster since. As a result the IS constitutes in the countries studied 60-90% of non-agricultural employment. While initially sceptical about the economic role of the IS, its continuous expansion has made governments in the region recognize that the IS is not a transitory phenomenon. Consequently they have gradually increased policy and programme support for the sector (especially in Benin, where government concerns are matched with donor interests).

The informal sector has two distinct sides. It is, on the one hand, a negative manifestation of inadequate employment creation in private companies, parastatal and government services which 'pushed' large numbers of jobless in informal activities. On the other hand, it refers to the positive response of the poor (and many not-so-poor) in the face of such a situation, combining their minimal resources, hard work and often a large dose of ingenuity to earn low but important incomes. This dualistic nature continues to be one of the most important characteristics of the IS. There are some indications, however, that this character of the IS is slowly starting to change. Recent IS entrants, for instance, are on the whole some-

what better educated than earlier ones. Another factor is the extension of IS activities into the Information and Communication Technology (ICT) sector (e.g. computer repair and cyber cafes).

Even more interesting is that observers feel such changes are also permeating in the attitudes towards working in the sector. Before IS operators largely looked down upon manual work under hard conditions and generally preferred steady wage work or, better still a white collar job, particularly in the public sector. Increasingly younger IS operators have come to realize that such employment is not available and have reconciled themselves with IS work and are even appreciative of some of its aspects (e.g. being an entrepreneur). This marked change in attitude tends to be reflected in increased interest in skills upgrading, in collaborating with peers and in setting up genuine representative bodies.

The IS, in spite of evidence to the contrary, has been considered the poverty struck, socially archaic and technologically stagnant backwater of the economy. This is changing. There are growing signs of life and of advancement prospects within the IS, including increasing income levels among groups of Mastercrafts(wo)men (MCs), better education among some Traditional Apprentices (TAps), penetration of market niches with higher value-added (e.g. ICT activities), increasing practical co-operation including sharing of tools (*l'usinage)* and beginnings of linkages with modern sector firms (e.g. 'business-based' training);

Training for work in the informal sector

The study confirms the notion that the contribution of conventional vocational training centres (VTCs) and technical schools for skills development of IS operators is very limited. In WCA even more than elsewhere in Sub-Saharan Africa, the provision of technical skills training by the public sector in the is limited, under-funded, institutionally fragmented, and of low quality. Indeed, there are very few VTCs, while the training content at the *lycées* tends to be theoretical and directed at modern wage employment. In general public sector training facilities are less than satisfactory, training materials outdated and instructors de-motivated. NGOs do somewhat better as their training offerings tend to be more relevant (more practical, better linked with literacy and business skills training), but the courses usually takes 1-3 years or still longer, the range of trades is traditional and limited (particularly for girls/women) and linkages with post-training assistance (e.g. credit) are weak at best. And since their total trainees is small, their impact remains correspondingly limited.

Most of the technical skills used in the IS are actually acquitted within the sector itself through *traditional IS apprenticeship training* (TAT). This is the case in all the countries studied; overall, TAT is responsible for 90% (and more) of all ongoing technical skills training. In fact, in some countries apprentices do most of the work in the IS: in Senegal and Benin 60-80% of the total non-trading IS workforce are traditional apprentices (TAps).

In WCA, more than elsewhere in Sub-Saharan Africa, apprenticeship training has roots in the region's socio-cultural system. Traditional trades such as blacksmithing, weav-

ing and pottery used to be the exclusive domain of specific social groups and castes, and the MCs transferred the skills to children and members of the trade caste. Even though the caste character of such trades has diminished considerably there are still distinct conventions and customs to be followed in arranging for apprenticeship (e.g. duration, fee, terms of payments). Parents arrange for their children to be apprentices not only to acquire skills but also for wider training in life skills and even morals. Traditionally fees have been low, but now fee-paying has become generally accepted, especially for modern trades. In some trades, e.g. hairdressing, fees can be quite high.

The main fresh evidence with regard to the provision of technical skills for IS operators can be summarized as follows:

Training providers

- There have been attempts to re-focus some public and NGO training providers to become more 'business-like' and 'market responsive', for instance by involving them in complementary training for MCs and Taps. Such efforts have enjoyed mixed success as it is necessary to re-equip them, adjust the technical skills of the instructors, and adapt their teaching methodologies;
- In recent years there has been a rapid expansion of private-for-profit training institutions, but so far their relevance for the IS appears limited as they largely focus on office (e.g. computer) and business skills rather than technical skills, in part because of the high demands of *training colleges* that offer technical training (aimed mainly at modern wage employment);
- At the same time there have emerged a number of private small one-trade *training centres*, for instance in hairdressing and dressmaking, which are directly relevant for IS operators (e.g. suitable level of technology, practical training, and short duration);
- There are interesting embryonic examples of public-private sector partnerships, such as private companies approached by government to provide training (e.g. MIBOA in Benin), private training providers that issue training certificates or diplomas on behalf of a ministry (e.g. ISTI training college and *Exotif* training business in Senegal, and GIPA association in Cameroon);
- "Business-based" training (see e.g. CEP in Cameroon), which is little known yet not uncommon (e.g. limited experiences with wood finishing in Kenya, garments and sewing machines in Bangladesh), appears to present a potentially useful training mechanism by which formal sector businesses interact with IS firms to help them to upgrade their skills, products and markets (and by so doing. create interesting, value-adding sub-niches) through training, technology transfer and sometimes longer term partnerships;
- Whereas apprenticeship training used to be of particular importance for the training of members of the family, such training is now much more open (i.e. non-clan or family based), especially in 'modern' trades (e.g. welding and hairdressing). TAT is also showing other modernization aspects, such as increased use of contracts (e.g. in Senegal), wider charging of (monthly) apprenticeship fees (for 'modern' trades), and more structured training programmes (e.g. in dressmaking).

Training delivery

- There is a growing acceptance of the need to base training offerings on identified market needs and opportunities, together with an increasing institutionalisation of related instruments and processes (e.g. development of training curricula and modules by NIGETECH in Niger);
- Good experiences are gained with participatory approaches in which the IS operators are involved at an early stage in the design of training programmes, as well as in implementation;
- There is *fresh evidence* that, with an appropriate framework, skills upgrading of the technical and pedagogical skills of MCs has a positive effect on their training and production activities;
- Training projects in WCA often combine technical skills training with functional literacy training, though no solid data on the advantages and disadvantages of this combination were identified;
- In Benin an NGO 'innovated' from the provision of skills training to the operation of a strictly supervised common equipment centre: thus overcoming investment constraints and providing opportunities for implicit advisory services on skills/ technologies/ products;
- The study confirms the increasingly discredited nature of conventional, government-inspired representative institutions, such as the *Chambres des Métiers,* which makes it difficult to use them as an entry point to the IS;
- At the same time more genuine representative structures are emerging, such as informal sector Associations (ISAs), some providing examples of grassroots-based private sector-led IS skills development, for example by conducting short skills upgrading events and organizing end-of-training skills testing of TAps (see GIPA in Cameroon);
- ISAs are also more and more involved in efforts to improve training delivery for the IS. In the field they participate, through their members, in training project committees (to assist in trainee selection, curriculum development, organization of trade testing) and, at national level, in boards of Employment and Training Funds (levy administration, guidance for selection of training providers and financing of skills training).

Training costs and financing

- Short-term training of MCs and TAps produces competent artisans at much lower costs than conventional training courses at VTCs;
- The Employment and Training Funds which have been set up in WCA (such as FNE, FODESCA, ONAFOP and ONFP) are financing skills training that is relevant for the IS sector by working through informal training providers
- There is an (almost) universal acceptance (with some notable exceptions) of the need for financial contributions for skills training courses. Still, apart from TAT, business-based training and low costs one-session training events, no examples were found of skills training that pays for itself: even when a serious effort at

cost-recovery is made, such as APME in Cameroon, IS operators generally pay about half the training costs;
- Cost-recovery in the case of literacy training was found to be especially low;
- Most donor-led training initiatives have – at best – only reached the stage of 'commitment fees' (10-20% of the training costs); their training programmes offer little hope for sustainability.

Post-training assistance

- Lack of appropriate post-training assistance remains a major (perhaps the most important) stumbling block to using skills after training;
- In this respect some private sector training providers offer a more comprehensive service, for instance when they have a related business that imports/sells relevant equipment or production inputs (e.g. *Exotif* in Senegal).

Implications

These findings have clear implications for the planning and implementation of training programmes for IS operators.

- The provision of technical skills training needs, in line with Business Development Services good practice, must be demand-led, business-like and, if possible, market-based;
- Training should be based on both the need for skills and the interests of IS operators. The former refers at present principally to opportunities for self-employment and micro-enterprises. The latter requires a participatory approach in which the MCs (and possibly also the TAps) are involved in the identification of training areas and the development of training content. Taken together they mean that the suggestions put forward by the small producers need to inform and guide opinions of qualified informants and/or the results of (rapid) market assessments;
- The provision of skills training should be flexible, combining tailor-made content, short duration (maximum a few months), convenient venue (e.g. in or close to IS workshops) and appropriate time schedules (e.g. evenings and weekends);
- Private training providers, including NGOs engaged in a business-like provision of skills training, should play a larger role in skills development for the informal sector, as their training offerings tend to be better focused (responsive to market demand), higher quality and more sustainable;
- Among private training providers more attention should be given to the potential of private trainers, either running a one-trade training centre or operating as resource persons;
- Business-based training by private companies for the benefit of IS operators is an intriguing option which warrants further research. It holds a number of important advantages: low cost for participants; high quality; and, in principle, good prospects for sustainability. At the same time it should be realized that such training is intended as marketing rather than training needs;

- There is considerable scope for -improved- apprenticeship training, supplemented by private training providers to provide general skills upgrading for MCs, complementary training for TAps, introduction of new equipment, products and production techniques; and specialized training;
- The quality of apprenticeship training needs to be improved. Most importantly TAT requires the infusion of new technical, technological and pedagogical skills. This can be done in various ways:
  - upgrading technical and pedagogical skills of MCs, along with complementary training in theoretical aspects, improvements in existing practices, and exposure to new technologies
  - there is an intuitive logic in combining technical skills training with functional literacy but more research is needed to assess the actual results and the best delivery mechanism;
  - wide availability of cheap, simple and well-focused training curricula (e.g. to replace the catalogues and manufacturer supplied instruction booklets that are currently used as teaching texts);
  - refined apprenticeship agreements (i.e. . model contracts)
  - voluntary arrangements for monitoring training conditions and the progress of TAps;
  - wider availability and use of competency-based skills testing, organized by IS associations or training institutions/agencies;
- The infusion of new skills requires linking the TAT system with specialized training providers. Facilitators are needed to initiate linkages – a role now played by technical assistance projects. A main characteristic of a facilitation is that it should be designed to disappear once (market-based) relations between the parties have been established;
- Limited role for the government, principally improving the quality of training offerings; research into relevant market niches; development of training curricula; training-of-trainers, open skills testing arrangements; dissemination of information on courses and results of training providers; financing of training; stimulating capacity building through incentives and funding;
- There are ample areas for public-private sector partnerships: e.g. private training colleges and centres that carry out certificate-based skills training on behalf of the government; private company participation in IS training programmes such as making available places for “practicals”; business input to curricula, training delivery (e.g. staff, training materials or equipment, receiving trainees for exposure visits, etc.); sitting on the Boards of training institution, programmes, training improvement committees, etc.;
- The role of Training and Employment Funds should be expanded with a reinforced focus on training by and for the IS, especially with regard to (i) share of funding used to train IS operators, and (ii) financing of capacity building in training sector;

- Genuine grass roots ISAs appear to offer a credible entry point for improving IS skills development, but various caveats and warnings apply (e.g. ISAs are often weak, with limited capacity, and easily overburden; experiences with technical assistance shows decidedly mixed results);
- Cost-recovery depends on (i) a low-cost approach to training delivery and (ii) serious attempts at cost-sharing. For particular types of training (e.g. pre-employment training and especially literacy training) the potential (and arguably the justification) for cost-recovery is limited.

The study implies that there is as yet not one approach that stands out in providing training for the informal sector. There is still a dearth of information, in particular evaluations. The challenge of providing relevant skills on the scale and range needed is so large that it can only be met by an array of approaches and initiatives.

Training for the informal sector must be embedded in wider efforts to promote informal, small-scale economic activities. There must be both an 'enabling environment' and better linkages with other areas of enterprise support (e.g. credit, marketing and information dissemination). Special consideration should be given to facilitating linkages between the development of specialised technologies (i.e. production techniques, equipment and product designs for the IS) and skills training.

GLOSSARY

ADRA	Adventist Development and Relief Agency (e.g. Ghana)
AFD	Agence française de développement
APDES	*Association pour une dynamique de progrès économique et social* (Senegal)
APME	*programme d'appui et promotion de la micro-entreprise* (Cameroon)
artisanat	denomination in francophone Africa for small-scale activities, especially traditional activities such as blacksmithing, wood carving, weaving, etc.
ASI	*Actions de solidarité internationale* (France)
BAA	*Bureau d'appui aux artisans* (SDC-funded training project, Benin)
BDS	Business Development Services
CAFP	*centre artisan de formation professionnelle* (Douala, Cameroon)
CBS	Central Bureau of Statistics (Kenya)
CDASED	Committee of Donor Agencies for Small Enterprise Development
CEP	*Compagnie équatoriale des peintures* (private company Cameroon)
CERAD	*Centrale des ressources et d'appui au développement durable*
CFPA	*Centre de formation professionnelle d'Abomey* (training project in Benin funded by Hanss Seidel Foundation)
CFPP	*Centre de formation et de perfectionnement professionnel* (Niger)
CHART	*Chambre des artisans de l'ouest* (Cameroon)
CIDA	Canadian International Development Agency
CM	*Chambres des métiers* (government inspired organizations in WCA – e.g. Senegal and Benin- to represent the *artisanat* sector)
compagnon	A skilled worker (usually an ex-apprentice) who works as a wage worker or as an independent worker in an IS workshop, using space, tools and equipment for his/her own work jobs
DANIDA	Danish International Development Agency
DED	*Deutsche Entwicklungs Dienst* (German Development Service)
Don Bosco	VTCs established and operated by the Roman Catholic order of the Salesians
DfID	Department for International Development (UK)

EIU	Economist Intelligence Unit (UK)
EMAC	*Équipe consultative multidisciplinaire pour l'Afrique centrale* (ILO, Yaoundé)
EMAS	*Équipe consultative Multidisciplinaire pour l'Afrique sahélienne* (ILO, Dakar)
EMPRETEC	NGO involved in management training (Ghana)
EU	European Union
FCFA	common currency used in West and Central Economic Union
FENAB	*Fédération nationale des artisans du Bénin*
FENAPH	*Fédération nationale des professionnels de l'habillement* (Senegal)
FES	*Friedrich Ebert Stiftung* (Germany)
FIT	Farm Implements and Tools programme (for the promotion of appropriate tools and implements for farming and food processing)(ILO/TOOL project 1993-98)
FNE	*Fonds national de l'emploi* (Cameroon)
FOAS	*Formateurs associés* (training & consultancy group, Cameroon)
FODEFCA	*Fonds de développement de la formation continue et de l'apprentissage* (Benin)
FORAJE	Group of training NGOs (Cameroon)
formation continue	Post-employment skills upgrading
formation par l'alternance	External training complementary to in-service training
GDP	Gross Domestic Product
GEMINI	Growth and Equity through Micro-Enterprise Investments and Institutions (USAID)
GHC	Ghana cedi
GIC	*Groupement d'initiative commune*
GIPA	*Groupement interprofessionnel des artisans* (Cameroon)
GRATIS	Ghana Regional Appropriate Technology Industrial Service
GoB	Government of Benin
GoB/MENRS	*Ministère de l'éducation nationale et de la recherche scientifique*
GoB/METFP	*Ministère de l'enseignement technique et de la formation professionnelle*
GoB/MFPTRA	Ministère de le la fonction publique, du travail et de la réforme administrative
GoB/MPREPE	*Ministère du plan de la restructuration économique et de la promotion de l'emploi*
GoC	Government of Cameroon

GoC/METPS	*Ministère du travail et de la prévoyance social*
GoG	Government of Ghana
GoG/MEMD	Ministry of Employment and Manpower Development
GoG/NDPC	National Development Planning Commission
GoN	Government of Niger
GoS	Government of Senegal
GoS/METFP	*Ministère de l'enseignement technique et de la formation professionnelle et de l'alphabétisation*
GPRS	Ghana Poverty Reduction Strategy
GRATIS	Ghana Regional Appropriate Industrial Technology
GTZ	*Deutsche Gesellschaft für technische Zusammenarbeit*
HIPC	Highly Indebted Poor Countries
ICCO	Dutch NGO
ICTs	Information and Communication Technologies
IECD	Institut européen de coopération et de développement
IFAD	International Fund for Agricultural Development (Rome)
IGAs	Income-Generating Activities
IIPE	*Institut international de planification de l'éducation* (Paris)
ILO	International Labour Organization (Geneva)
IMF	International Monetary Fund
IS	Informal Sector
ISA	Informal Sector Association
ISTI	*Institut supérieure de technologie industriel* (Senegal)
ITC	ILO Training Centre (Turin)
ITDG	Intermediate Technology Development Group (UK, also in Zimbabwe)
KVTI	Kumasi Vocational Training Institute (Ghana)
MC	mastercrafts(wo)man
MIBOA	*Menuiserie industrielle du Bénin en Afrique de l'ouest* (private company, Benin)
MSEs	Micro- and Small Enterprises
NACVET	National Coordinating Committee for Technical and Vocational Education and Training (Ghana)
NBSSI	National Board for Small-Scale Industries (Ghana)
NEDA	Netherlands Development Agency
NGO	Non-Governmental Organization

NIGETECH	*Niger programme de formation professionnelle et technique* (ILO/EU project)
NVTI	National Vocational Training Institute (Ghana)
OICG	Opportunities Industrialization Centre – Ghana
ONAFOP	*Office national de la formation professionnelle* (Niger)
ONFP	*Office national de formation professionnelle* (Senegal)
PME	*Petites et moyennes entreprises (*small and medium enterprises)
RAC	*Regroupement des artisans de Cotonou* (Benin)
REP	Rural Enterprise Project (IFAD Ghana)
RTSC	Rural Technology Transfer Centre (REP Ghana)
RTTC	Regional Technology Transfer Centres (GRATIS Ghana, before: ITTUs)
SAP	Structural Adjustment Programme
SDC	Swiss Development Cooperation
SSA	Sub-Sahara Africa
TAp	Traditional Apprentice
TAT	Traditional Apprenticeship Training
TVET	Technical and Vocational Education and Training
TNA	Training Needs Assessment
TPs	Training Providers
UIS	Urban Informal Sector
UNDP	United Nations Development Programme
UNHCR	United Nations High Commission for Refugees
UNOPS	United Nations Operational Services
USAID	United States Agency for International Development
USD	USA dollar
VOTEC	Vocational and Technical Education division of Ministry of Education (Ghana)
VSP	Vocational Skills and informal sector Support Project (WB Ghana)
VTC	Vocational Training Centre
VTI	Vocational Training Institute
WB	World Bank
WCA	West and Central Africa
YMCA	Young Male Christian Association

1. INTRODUCTION

The employment situation in Sub-Saharan Africa (SSA) continues to give rise to grave concerns. With the exception of a short period immediately following independence, when government services absorbed substantial numbers, the creation of new jobs has been inadequate in relation to high growth of the population and the rapid expansion of the labour force.

Inappropriate post-Independence economic policies, inspired by different forms of 'African socialism', unfavourable economic trends (e.g. declining commodity prices and increases in the oil price) and adverse weather conditions, seriously constrained economic development. Economic reforms undertaken during the 1990s led initially to the retrenchment of thousands of civil servants and massive lay-offs from parastatals and private companies. While economic growth has picked in recent years, employment growth has not ('jobless growth') or not enough relative to the rapid expansion of the labour force.

As a result all over Africa most work is found in the *informal sector* (IS)[1/], which includes (almost) all economic activities, with tiny kiosks providing internet services and informal computer repair as recent additions. Ever since its recognition the 1960s, the IS has grown rapidly, providing sources of (additional) income for those who cannot find a job and opportunities for entrepreneurs to set up business. It is estimated that the IS in recent years has absorbed up to 80-90% of all new entrants to the labour market (see chapter two).

The explosive expansion of the IS begs the question: where do IS operators[2/] get their skills?, especially since it is well known that the technical & vocational education and training (TVET) sector in Africa is in 'crisis' (Grierson and McKenzie 1996). More than a decade has passed since the ILO (Turin) Training Centre's '*Training for Work in the Informal Sector*' stock-taking (see Fluitman 1989). This paper reviews training practices that have

1/ This paper, as the preceding survey on East and Southern Africa, uses the term 'informal sector' (IS) to refer to small-scale economic activities characterized by their small scale (up to 20 workers), their use of outdated technologies and traditional forms of work organization and management, their predominant use of local and scrap materials and their reliance on local and regional markets.
A further segmentation into small enterprises, micro-enterprises and income generating activities is suggested by Farbman and Lessik (1989). Firm-based conceptualizations of the informal sector are increasingly found to have limitations.
The ILO has recently introduced the job-based term 'informal work' (or 'economy') to bring to the fore work informalization processes in both developed and developing countries which lead to non-standard wage work in terms of security and protection of workers. 'Informal work' therefore includes, in addition to employers and self-employed of the informal sector, also wage workers of formal enterprises who work without minimum wage, assured work and benefits (Chen *et al.* 2002 and Carr and Chen 2002; see also the report on 'Decent work and the informal economy' discussed at the 2002 International Labour Conference (ILO 2002).

2/ 'Informal sector operators' refer to owners of informal enterprises and workers, apprentices and helpers in those establishments.

emerged in the intervening period and seeks to provide 'fresh evidence' of the ways in which IS operators get their skills and knowledge. It will present case studies of which are especially innovative or instructive for skills development in the IS. The emphasis is on technical/vocational skills training[3]/.

1.1 Changes in the context of 'Training for the informal sector'

In the past two decades, important developments have taken place that have had a major impact on the need for and the provision of technical training. Economic liberalization and globalisation have changed the context in which the informal sector operates. The 'economic reform policies' adopted by many countries in Africa and strong 'globalisation' processes have exerted great influence on the IS as well as on the context for training delivery.

Most countries in Sub-Saharan Africa have in the past two decades adopted some kind of *structural adjustment programmes* (SAP) that included measures to open up the economy, a more prominent role for the private sector, and withdrawal of the state from direct service provisions in order to focus on policy and the regulatory environment. Many government services have been cut back which has had negative implications for public sector training programmes.

Such economic reforms have been a mixed blessing for the IS (see also chapter two). A study on SAP reforms in five African countries (Ghana, Malawi, Mali, Senegal and Tanzania) indicates that the positive effects on the operation of small enterprises include greater access to imported inputs, a shift in relative prices in favour of domestic inputs (which small enterprises tend to use more intensively than larger firms), and less restrictive business regulation; on the negative side, many small enterprises come to face intense competition from imports and from increasing numbers of self-employment ventures due to layoffs and falling real wages in the formal sector (Parker *et al.* 1995).

Though possibly beneficial for economic growth in the long run, structural reforms have in the short run aggravated the existing un- and underemployment problem. While many SSA countries have had economic growth higher than population growth, on balance economic recovery has not resulted in jobs for the poor ('Jobs for Africa': ILO 1999). As a result, regional governments are increasingly paying attention to the job and income generation potential of the IS.

The IS is also affected by *globalisation*, understood as rapid technological progress, integrated global communications, around-the-clock financial business transactions and globalised manufacturing. Globalisation makes technical skills more crucial since without them, the IS will be overwhelmed by both local and imported mass-produced goods. IS development demands increased productivity and product quality, which in turn requires improved technologies and sector-wide skills upgrading.

3/ This paper is the second of a two-part survey of informal sector training in Africa. An earlier paper focussed on Kenya, Tanzania, Uganda, Zambia and Zimbabwe. See: *Hans Christiaan Haan, November 2001, Training for work in the informal sector: new evidence from Eastern and Southern Africa (ILO International Training Centre, Turin).*

1.2 Objectives of the study

There is a need to look again at developments in training for the informal sector (see also McGrath and King 1995, Grierson and McKenzie 1996, Grierson 1997 and Afenyadu *et al*. 2001). The purpose of the present study is foremost to get a feel of the field and identify some interesting developments in the provision of training for the IS. It highlights case studies of innovative or at least 'fresh' formal and non-formal training efforts relevant for the IS. On the basis of the case studies is seeks to identify trends and emerging 'good practices' of training provision for both IS entrepreneurs and workers.

The research questions at the base of the study included:

- has training delivery improved? Are there more IS owners and workers benefiting from training and are there are more relevant and better quality courses on offer?;
- what are the principal changes in IS training policies and training delivery systems?;
- has the role of government and VTIs changed in relation to training for the IS? Has the public sector embraced the IS operators as a target group?;
- have there been changes in the contribution of private training providers?;
- have there been any changes in the funding mechanisms?

These questions are all the more pertinent in view of the emerging interest in Business Development Services (BDS). An important element of *best practice* of small enterprise promotion is the need to provide demand-driven services that respond to the 'real' and changing needs of the clients. This implies a moving away from conventional, supply-driven services, that have been determined by 'perceived' needs and by installed capacity (in terms of facilities, staff and 'software'), resulting in the notion that such services should be continued because "they have always been provided".

The focus of BDS thinking is on the development of 'market-based' provision of services using a business-like approach through private sector providers with cost-recovery as a necessary element (Gibson 1997, Committee of Donors on Small Enterprise Development 1998 and Steel *et al*, 2000). The present study will review and analyse new products and delivery methods of training for the IS to see to what extent they correspond to the good practices suggested as part of the new BDS approach.

1.3 Methodology

This study is the joint effort of two authors. It is based on fieldwork and secondary sources. Short visits were made to Senegal, Benin, Niger and Cameroon[4]/, which were selected on the basis of expectations of interesting developments as well as pragmatic consid-

4/ The kind support of the director and staff ILO Office and the *Equipe Consultative Multidisciplinaire pour l'Afrique Sahélienne* (EMAS) in Dakar (Senegal) and the director and staff ILO Office and the *Equipe Consultative Multidisciplinaire pour l'Afrique Central* (EMAC) in Yaoundé (Cameroon) is gratefully acknowledged. In Benin the assistance received from director and staff of the *Observatoir de l'Emploi* was much appreciated. Special thanks are due to Mr J.J.M. Momo (ILO Yaoendé) for his tireless programmatic efforts as well as his interest in and contributions to the substance of the study.

erations (e.g. existing contacts and available documents). The Ghana chapter draws on earlier visits of the principal consultant.

The field methodology was largely determined by the time frame, necessitating a journalistic rather than an academic approach. Visits were organized in concentric circles, beginning with initial contacts with the ILO and other organizations, to get a first picture and identify local informants and relevant documents. The second circle were key informants from government, NGOs, the private sector and donors, selected on the basis of their knowledge of the informal sector or of training. The third circle consisted of interviews with government agencies, training organizations, NGOs, donor projects and private enterprises. Numerous documents were collected, especially from the 'grey' circuit (see list of references).

The 'cascade' methodology has a number of advantages. It is flexibile, allowing for impromptu visits to organizations, centres and enterprises that emerge as useful sources of information (e.g. the case study of *Exotif* hairdressing school and salon in Senegal was the result of a intriguing sign seen in Dakar). Correspondingly, the cascade methodology has serious shortcomings. One-week visits are too short to either conduct an adequate *tour d'horizon* or to dig deeply. Key informants are often unavailable on short notice. The time is insufficient to select the best examples for the case studies, to build relationships of confidence or to collect the materials required for detailed in-depth analysis. As a result the case studies presented are opportunistic and possibly unrepresentative. A further shortcoming is the implicit urban, even capital city, bias. Finally, the analysis is the paper is constrained by the lack of recent, credible evaluative material. [5]/

[5]/ The paper benefited considerably from peer reviews by John Grierson and William Steel, and extensive comments by Richard Johanson (WB). Overall guidance from Fred Fluitman (ITC) is gratefully acknowledged.

2. THE INFORMAL SECTOR IN WEST AND CENTRAL AFRICA

Similar to other countries in SSA, the informal sector (IS) is by far the largest employer in West and Central Africa (WCA). Informal ventures are all pervasive in both rural and urban areas. After initial neglect and even active discouragement, the IS and especially *l'artisanat* (see below) have gradually gained a place in official policy (although, sometimes, less prominently in their implementation).

2.1 The concept of the informal sector in West and Central Africa

West Africa is the cradle of the concept of informal sector – even though it became famous in Kenya (see Hart on informal income opportunities in Ghana, only published in 1973). The best-known part of small-scale non-agricultural activities refers to '*l'artisanat*', or traditional craft activities. Commonly *l'artisanat* is equated with traditional small-scale manufacturing activities, such as blacksmithing, weaving and wood-carving, while gradually more modern activities such as welding, metal working and furniture making are also considered to be included[6]/. Small trading and (personal) services activities are, however, still not considered as part of *l'artisanat*.

Already since the 1970s governments in WCA have initiated regulatory and support measures for *artisanat* activities. They stimulated the creation of representative organizations such as *Chambres des Métiers* (CMs), often at national, regional and sometimes even local levels. Those involved in a*rtisanat* activities can register with the CMs, which are also involved in the organization and delivery of support services on behalf of the government. Other small-scale activities cannot register in this way and are consequently often labelled 'illegal'- even though many of them do pay some taxes. This part of the wider 'informal sector' has also been neglected by government and support agencies and still faces even active obstruction.

With its continuous expansion, the character of the IS is gradually changing (see below). In the first place new types of economic activities are found to meet the characteristics of the IS. A recent survey in Cameroon, for instance, included informal *cybernet cafes* as part of the IS. Other activities are coming up which test the general definition of the IS (see Box 1).

6/ A national census of *l'artisanat* (1992) in Senegal found that more than two-thirds of all 78,000 enterprises were engaged in manufacturing activities.

Box 1. Dakar: Nescafe carts

The *Nescafe carts* in Dakar underline the informalisation of employment. They have been introduced by the Nestlé multinational as a marketing modality. They closely resemble and actually compete with the IS. Essentially it concerns an army of young boys and girls, often migrants (even from neighbouring countries), who are selling cups of hot Nescafe coffee in the busy streets of the capital city.

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

A quick calculation of their incomes runs as follows. The total revenues per day are said to be between FCFA 6,000-8,000. From this they have to pay the rent of the cart (FCFA 1,000 per day), coffee (FCFA 2,350 per day), plastic cups in 2 sizes (FCFA 1,800 per day) and gas to heat the water (FCFA 800 per week). The incomes for their labour would thus be around FCFA 750-2,800 or USD 1-4.

A second set of (related) changes in the informal sector observed during the field-work of this study, follows from the entry of young entrepreneurs with a higher-than-before level of education. Their knowledge and ideas not only result in new IS activities (such as the cybernet cafes mentioned earlier), but according to some observers is also reflected in a new view on IS employment. They are said not to view the IS as merely the 'employer of the last resort' but actually have come to appreciate the opportunities offered by self-employment and 'running your own business'. Concomitantly there is a re-evaluation of manual work and technical skills training, and in the end possibly attitudes towards collaboration for the future development of the sector (see also par. 5.2.3).

2.2 Size and structure

The informal sector concept has so far not been integrated in the official systems of regular data collection of labour market statistics. As a result, available information is scattered, incomplete and often not fully comparable, for instance as the consequence of the use of different definitions and the prominence given the *l'artisanat*.

It is however clear from the available data that the IS is immense and, on average, employs 78% of the total economically active population outside farming:

Table 1: Size of the informal sector in SSA (1990s) (percentages)

	Year	% of non-agric. employment	% contribution to non-agric. GDP	% of total employment	% contribution to total GDP
Morocco	1995	48.7	22.9	37.8	20.3
Tunisia	1996	n.a.	30.7	n.a.	24.9
Benin	**1993**	**92.8**	**42.7**	**41.0**	**27.3**
Burkina Faso	1992	77.0	36.2	8.6	24.5
Chad	1993	74.2	44.7	11.5	31.0
Ghana	**1988**	**n.a.**	**58.3**	**n.a.**	**31.4**
Kenya	1999	71.6	25.0	28.8	18.4
Mali	1989	78.6	41.7	13.3	23.0
Mauritania	1989	75.3	14.4	n.a.	10.2
Mozambique	1994	73.5	44.8	7.6	38.9
Niger	**1995**	**n.a.**	**58.5**	**27.2**	**37.6**
Senegal	**1991**	**76.0**	**40.9**	**n.a.**	**33.0**
Tanzania	1991	n.a.	43.1	19.6	21.5
South Africa	1995	18.9	7.2	16.6	6.9
Sub-Saharan Africa*/		***78.2***	***42.5***	***18.4***	***27.8***

*Note: */ Non-weighted arithmetical mean, excluding South Africa.*
Source: Jacques Charmes, Informal sector, poverty and gender: a review of empirical evidence (1998) (a background paper prepared for the World Development Report 2001), cited in: CBS [Kenya], K-REP and ICEG, 1999 National Baseline survey (2000).

The IS is smallest in South Africa, as the result of its large modern sector of modern industries and commerce, followed by countries in north Africa. The 'informalisation of employment' has progressed furthest in Benin, where the IS constitutes almost 93% of total non-agricultural employment.

As everywhere else, the (urban) IS in WCA is dominated by commercial activities, which constitute 35-88% of all IS enterprises:

Table 2: Structure of the urban informal sector in Sub-Saharan Africa (1980s and 1990s) (percentages of number of firms)

	Year	Total no. firms	Manufacturing	Trade	Services (incl. transport)	Construction
Benin (urban)	**1992**	**128,625**	**9.1**	**60.4**	**29.6**	**1.0**
Burkina Faso */	1987	68,649	12.5	73.6	11.6	2.3
Gabon (6 cities)	1983	14,814	18.8	66.2	15.0	n.a.
Niger */	**1995**	**667,935**	**41.5**	**35.2**	**23.3**	**n.a.**
Rwanda (1 city)	1986	7,867	18.5	57.4	18.3	5.8
Senegal (Dakar)	**1988**	**29,639**	**15.4**	**72.0**	**12.2** **/	**0.4**
Cameroon (Yaoundé)	**1993**	**89,314**	**17.6**	**45.9**	**30.8**	**5.6**
C. A. R. (Bangui)	1990	19,505	6.0	75.1	18.6	0.2
Chad (N'Djamena)	1990	12,300	5.7	88.4	5.9	n.a.
Guinea (urban)	1989	128,000	31.2	59.7	5.8	3.1
Madagascar (Antanarivo)	1995	123,000	29.6	39.3	25.7	5.4
Mali (Bamako)	1996	654,015	32.4	48.8	17.2	1.6
Mauritania (urban)	1992	n.a.	10.6	73.6	15.8	n.a.

*Notes: */ Urban and rural areas.*

***/ Due to an average firm size of 4.5, contribution to employment is significantly higher.*

Source: Maldonado and others 2001, on the basis of various surveys and studies.

The contribution of manufacturing varies widely from as low as 6% of IS enterprises to as high as 30-40%. In the case of Niger (42%), the importance of small-scale manufacturing is probably related to the fact that it refers also to rural areas where traditional manufacturing activities (e.g. blacksmithing) are still strong, and also to the fact that the country has a very small modern industrial sector. An important place is taken by services, including transport, which account roughly for 15-30% of all IS enterprises in (mostly) urban areas.

In other words, the IS in WCA, as elsewhere, is geared almost exclusively towards final consumption. Among small-scale trading there is hardly any wholesale; the services consist of repair and personal services directed at consumers, and even in manufacturing final consumption goods such as garments, leather products, furniture, food stuff are by far the most important. The only notable exception is formed by metal workshops manufacturing agro-processing equipment and machine shops producing spare parts for other IS workshops. Sub-contracting seems to be uncommon in WCA.

These features of the IS in francophone WCA are quite comparable to those in English-speaking Africa, where small trading is also by far the most important activity, constituting some 61% of all IS enterprises in urban and 48% in rural areas, while manufacturing enterprises represent some 16% of all urban IS enterprises and 46% of all rural IS enter-

prises (averages for Botswana, Kenya, Lesotho, Malawi and Swaziland, based on Mead and Liedholm 1998).

2.3 Occupational categories

Some idea of the organization of the IS can be gauged from the relative weight of the occupational categories. Most of IS workers are independent, pointing to the predominance of self-employment:

Table 3: Distribution of Sub-Saharan Africa IS urban workforce over occupational categories (percentages of number of firms)

	Year	Total workforce	Employers	Independent workers	Family workers	Apprentices	Wage workers
Benin (urban)	**1996**	**233,024**	**20.9**	**26.3**	**9.1**	**37.3**	**6.4**
Burkina Faso */	1987	83,109	4.6	81.1	4.8	3.6	5.9
Gabon (6 cities)	1985	16,137	47.3	n.a.	26.9 a/	n.a.	25.8
Niger */	**1995**	**847,312**	**14.3**	**56.5**	**17.1**	**5.9**	**6.2** b/
Rwanda (1 city)	1986	11,254	9.4	60.6	n.a.	4.4	25.6
Senegal (Dakar)	**1988**	**18,624**	**19.0** c/	**n.a.**	**13.0**	**55.0** d/	**13.0**
Cameroon (Yaoundé)	**1993**	**125,000**	**13.0**	**61.0**	**8.0**	**8.0**	**10.0**
C. A. R. (Bangui)	1990	30,442	2.1 e/	64.1 f/	11.0	48.0	9.0
Guinea (urban)	1988	73,870	32.0 g/	n.a.	20.5	1.2	9.2
Madagascar (Antanarivo)	1995	189,500	10.7	58.4	24.6	6.1	8.3
Mali (Bamako)	1996	1,176,064 h/	3.5 i/	57.4	14.2	8.2	21.7
Mauritania (urban)	1992	39,045	n.a.	55.9	22.6	1.3	9.9

Notes: */ Urban and rural areas.*
a/ Includes apprentices and family workers
b/ Wages workers (26%) and casual workers (74%)
c/ Refers to patrons and includes independent workers
d/ Non-family apprentices, while family apprentices are listed under family workers
e/ Refers to associates, with employers included in independent workers
f/ Refers to employers and independent workers
g/ Employers and independent workers
h/ Total remunerated non-agricultural employment
i/ Refers to employers, associates and managers

Source: Maldonado and others 2001, on the basis of various surveys and studies.

The table shows clearly that there are major differences in the organizational structure of the IS in WCA. For instance, while in Burkina Faso *independent workers*, i.e. mastercrafts(wo)men (MCs) form the largest category, representing 81% of the total workforce (possibly because it includes the rural IS where self-employment is generally higher than in the urban areas), in Benin it is just over one quarter of the workforce. The incidence of *family workers* is low in Benin (less than 10%), as well as in Burkina Faso and Cameroon. The share of *wage workers* is generally small, reaching just a little more than one quarter of the workforce in Gabon and Rwanda, but usually only 5-10% in most countries (e.g. in Burkina Faso and Niger).

The most outstanding feature in WCA, however, is the importance of *traditional apprentices* (TAps). In Senegal 'non-family apprentices' constitute 55% of the IS workforce and 'family-apprentices' another 13%. In other words, all together TAps make up more than two-thirds of the total IS workforce. In the Central African Republic, TAps make up almost half of the workforce, and in Senegal there are five times more TAps than regular or casual workers. In Benin, where the share of workers is only 6%, more than 37% of the workforce consists of TAps, i.e. more than six times the share of workers. Clearly, in francophone WCA much more than in other African countries, work in the informal sector is done by TAps.

The participation of women in IS employment in Sub-Saharan Africa is usually higher than that of men, ranging from 40-69%; they are, for instance in Cameroon, especially well represented among family workers and independent workers, while men tend to constitute the majority of employers (Maldonado *et al.* 2001).

2.4 Informal sector and economic reforms

Most countries in Sub-Saharan Africa have in the past two decades adopted some kind of economic reforms that included measures to open up the economy, a more prominent role for the private sector, and withdrawal of the state from direct service provisions in order to focus on policy and the regulatory environment. Such programmes have been a mixed blessing for the informal sector.

A study comparing the economic reforms in Ghana and Tanzania shows different effects on different segments of the IS (Dawson 1993). Enterprises that are relatively sophisticated in technology terms have often taken advantage of the changed conditions. They have (i) upgraded their products and services; (ii) formed linkages with growth sectors of the economy; (iii) diversified out of products and services based on mass production; (iv) occupied niches better suited to their scale, flexibility and import-substituting capacity; and (v) prepared themselves against market saturation by raising barriers-to-entry (in terms of cost of capital equipment and required skills). Conversely, enterprises with little capacity for technological enhancement have tended to remain dependent on low-income clients at a time when their own purchasing power is declining, and are, in addition, susceptible to overcrowding in increasingly saturated markets (*ibid.*).

A World Bank study (Parker *et al. 1995)* found that small enterprises with more than 5 workers were found to be generally better able to respond to the new conditions than micro-enterprises and self-employed workers, as the former had started the firm in response to market opportunities and were likely to change product lines, buy new equipment and seek export markets, while the latter were more probably 'pushed' into self-employment for lack of other opportunities.

Tesfaschew points out that the increased availability of imported production inputs, though expensive, has enabled enterprises, notably those with a stronger technological capability, to diversify into new product lines and to compete against imported goods (Tesfaschew 1992). In his view the retrenchment of higher-level public servants, together with the lay-off of managers and technical supervisors in the private sector, may have resulted in an inflow of skilled labour and modern technology into small enterprises. He sees indications, e.g. in Kenya, Uganda and Nigeria, that technological innovation has taken place as a response to the significantly increase costs of imported inputs. Interestingly, Tesfaschew cites a survey of the urban IS in Nigeria that suggests that economic reform induced IS enterprises to increase their in-take of apprentices (*ibid.*, page 26) – possibly to reduce production costs by replacing wage workers.

2.5 Informal sector constraints

In WCA the IS essentially plays the same role as it does elsewhere: with low barriers-to-entry in terms of required capital, skills and technologies, as well as low *de facto* legal requisites, it provides an opportunity, and often the only one, to new entrants in the labour market (e.g. women and youth), and to those who loose their job as the result of formal sector retrenchments following economic reforms or otherwise, to scrape together a living or at least contribute something to the household budget.

The constraints that the IS faces in WCA are also very similar to those found in other countries in Africa, which can be summarized as follows (cf. McVay 1996):

- past IS surveys invariably found a lack of capital (formulated in whatever way) to be the most serious problem facing IS enterprises, but, while to a certain extent true, especially for working capital and for start-ups, it was realized that entrepreneurs tend to overrate the beneficial effect of capital and under-estimate the risks of taking loans larger than their capacity to re-pay;
- poor management and technical skills: IS entrepreneurs possess limited management and modest technical skills, which constrains firm productivity and product quality;
- inadequate technology: which is usually stated as an access issue, but it is also an 'internal' problem in that some enterprises could have access to improved technology available in the market if they had higher literacy and technical skills and stronger business planning and investment skills;
- disadvantageous market structures: IS enterprises experience this problem as too much competition in low income markets, low demand for their products and services, lack of access to physical markets where larger and higher income groups

shop, difficulty in procuring inputs, low prices provided by traders, etc.; as a result IS enterprises suffer from diseconomies of scale; while market structures (which are complex) are primarily an access issue, forces external to the firm often play a key role in limiting their market access;

- inadequate infrastructure: low 'access' to services such as work sites, water & electricity, roads and communications limits productivity and access to product markets;
- government policies, regulation or harassment: government is one of the most significant external forces that affect the performance of IS businesses.

This is confirmed by a survey among leather workers in Senegal, which found that (i) marketing, (ii) access to capital, (iii) supply of raw materials, and (iv) lack of skills, were their most important problems (*Bureau des Etudes F.J.T.* 1996).

Apart from the economic reforms, the IS in WCA suffered greatly when in January 1994 the countries using the franc CFA, decided to devalue this currency by 50%. This meant not only sharply higher prices of imported products, but also an increase of the prices of local products by around a third. This had a very negative impact on the incomes of those working in the IS, which in Cameroon, for instance, declined by 40-50% between January and March 1994 (Maldonado 2001).

2.6 Final observations

The IS in WCA is similar (e.g. in size, structure and SAP effects) to that in the rest of Africa. At the same time the sector is more visible and more seen as an integrated part of society. The more particular characteristics of the IS in WCA refer foremost to its strong socio-cultural roots, which show, for instance, clearly in the notion of *l'artisanat* (e.g. Camilleri 2000). They are also reflected in the origin and form of traditional apprenticeship training (TAT) in the region. More than elsewhere parents arrange for their children to be an apprentice – not only to acquire skills but also for wider training in life skills and even morals.

The higher visibility and acceptance has led governments in WCA to pay earlier attention to the IS, or at least the *l'artisanat* part of it, than elsewhere on the continent. As will become clear in the following chapters, emphasis was largely put on the legal and administrative aspects, often in the form of government-inspired organizations such as the *Chambres de Métiers* to represent the sector.

3. TRAINING FOR THE INFORMAL SECTOR IN GHANA

3.1 Introduction

Ghana has a population of some 19 million people, of whom around 60% live in the rural areas and some 40% are estimated to be below the age of 15. After a promising start following independence in 1957, the country's economy gradually grinded to a halt in the 1980s, in part as the result of its African-socialist economic policies. It was one of the first countries in Africa to adopt structural adjustment policies (starting in 1983). Multiple economic reform programmes supported by IMF and World Bank have, although slowly and at significant social costs, assisted to reverse the economic decline of the 1970s. Recovery has been strongest in the main export sub-sectors (mining and cocoa).

GHANA (1999)	
Population	**18.9 million**
‣ population growth (90-99)	2.7 %
‣ pop. aged 15-64	51 %
‣ urban population	38 %
‣ labour force growth (90-99)	2.7 %
GDP per capita (at PPP)	**USD 1,793**
‣ economic growth (98-99)	4.3 %
‣ agricultural sector	36 %
‣ manufacturing sector	25 %
Quality of life	
‣ pop. below poverty line */	31.4 % (1992)
‣ life expectancy at birth	58 yrs M, 62 yrs F
‣ adult illiteracy	22 % M, 40 % F
*/ national poverty line of USD 1 per day	

Source: World Development Report 2000/2001 (World Bank)

Still, GDP per capita remains low at USD 400, especially when compared to neighbouring Ivory Coast which has a GDP per capita that is almost double. Also, inflation, debt servicing, and declining government revenues are a problem. High levels of government

borrowing have fuelled inflation (40% in 2000), kept interest rates high (45-50%) and tended to crowd out private sector borrowers. Concomitantly, the rapid depreciation of the Ghana Cedi against the US Dollar from GHC 1,820 in 1995 to GHC 7,100 in October 2001 has increased the cost of imports and weak cocoa and gold prices have reduced government revenue. All these factors affected economic growth which reached 3.7%.

Poverty in Ghana is widespread. The overall incidence of poverty is 43% in 1999 (down from 52% in 1991), but reached 69% in the northern savannah regions (up from 63%)(IFAD 2002). Ghana's total debt amounts to USD 5.8 billion (end of 2000), of which USD 1.7 billion or 30% was domestic, representing 709% of annual government revenue and 124% of GDP. The country has joined the Highly Indebted Poor Countries (HIPC) initiative and qualified for USD 2.2 billion of debt forgiveness. The new government, elected in January 2000 is thought to make private sector development a central role in government policies.

Ghana presents an interesting case for 'training for the informal sector' in view of its economic context after the country passed through a profound process of structural adjustment in the 1990s, and its large and ingenuous sector of IS enterprises.

3.2 Informal sector

Ghana is known for its relatively well-developed IS, which includes a concentration of thousands of small metal and wood workers in *Suame Magazine* in Kumasi. There is however woefully little statistical information on its size and structure. On the basis of data from the *Ghana Living Standards Survey* the following indication can be given the importance of urban and rural self-employment:

Table 4: Employment in Ghana by occupational categories (1998/99) (percentages of total employment)

Type of work	Urban areas			Rural areas		
	Men	Women	Total	Men	Women	Total
Agricultural employment	19.1%	11.7%	15.0%	59.6%	40.6%	49.3%
Wage-employment	42.4%	12.5%	25.9%	14.3%	3.3%	8.3%
Self-employment	32.8%	64.4%	50.3%	12.7%	28.0%	21.0%
Unpaid family work (agric.)	3.4%	6.1%	4.9%	12.4%	26.7%	20.1%
Unpaid family work (non-agr.)	2.0%	5.0%	3.7%	0.8%	1.4%	1.1%
No regular employment	0.3%	0.2%	0.3%	0.3%	–	0.1%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Note: The exact definition of wage-employment is not immediately known and it would appear that this category includes the -few- workers in IS enterprises.
Source: EMPRETEC, Case studies on training and the labour market in Ghana (2001), based the Ghana Living Standards Survey (Ghana Statistical Service 1998/99).

Non-agricultural self-employment constitutes half of total urban employment and more than one-fifth in rural areas. This type of employment is especially important for women, representing 64% of their employment in urban areas and 28% in rural areas[7/].

The IS is predominant in manufacturing, notably metal fabrication (especially small farm implements and food-processing equipment), wood-working, agro-processing and bakeries, textiles and garments, leather goods, ceramics, construction, plumbing and electricals, and handicrafts (e.g. beads). They are also ubiquitous in repair services (e.g. car mechanics, radio & TV and household applies) and other services (e.g. transport and communications); and they constitute the largest part of retail trade.

3.3 Influence of structural adjustment policies

Ghana was one of the first countries in Africa to embrace economic reforms, starting its first structural adjustment programme in the mid-1980s. Large numbers of civil servants were retrenched, the role of the government in the economy reduced and the economy opened up to imports. The results have been decidedly mixed. While there was some macroeconomic stabilization, private sector growth did not occur as expected. The output increase in agriculture and manufacturing was limited with only the services sector expanding on the back of a debt-financed import/consumption boom. In fact, the contribution of industry in total national value-added declined from 20% in the 1970s to 14% in the 1990s. Structural reforms largely failed, and the country is still repeatedly suffering from economic crises that, at least in part, are caused by a deficient domestic policy framework. Especially inflation remains very high, as the result of excessive government borrowing. The country's debt stands at USD 6 billion or 120% of GDP, which is one of the highest in Africa. Large inflows of external aid cover more than half of the government's total expenditures.

All this is having major impact on the IS. Up to 1985 the environment for the IS was rather repressive, strongly favouring larger industries. Police harassment of enterprise that had not succeeded to get all of the large number of licenses and permits was common. Financial and other support services were unavailable. Since then the situation has markedly improved, and a basic institutional infrastructure to support the sector has been build up. The National Board for Small-Scale Industries (NBSSI), for instance, was created to support small enterprises in various fields, including management training, marketing and also credit. Although some efforts have been undertaken to adopt specific legislation for the promotion of the IS, most recently in 2000, no clear government policy on the development of small enterprises has emerged yet.

An interesting study on the different impact of structural adjustment policies on the IS in Ghana and Tanzania (Dawson 1993, see also Steel and Webster 1991 and Sowa *et al.* 1992), points to the importance of technical and technological modernization as an important factor in determining the way in which small enterprises respond to SAP. The relative

7/ Other reports put the importance of the non-agricultural IS in rural areas still higher, stating that for an average of 50% of rural women non-farm activities constitute a vital source of additional household income.

sophistication in this respect of numerous small enterprises in Ghana enabled them to upgrade their products and services to a level where they were able:

- to develop linkages with the growth sectors of the economy
- to diversify out of product and service markets where economies of scale attendant on mass production favoured larger-scale competitors
- to occupy niches better suited to their economies of flexibility and serving an import-substituting function
- to prepare themselves against market saturation by moving into niches that require more capital equipment as well as technical and management skills and permit further innovation.

Conversely, enterprises that experienced little technological enhancement tended to:

- remain largely dependent on demand from low-income groups at a time when the purchasing power of these groups has declined
- fail to develop significant linkages with the growth sectors of the economy
- be susceptible to overcrowding of the market in which they operate and, in consequence, to cut-throat competition and falling income.

The study shows that in Ghana there are a significantly greater number of enterprises that have proven able to adapt successfully to the new conditions than in Tanzania. This opens opportunities for an authentic small-enterprise-led industrial strategy that differentiates between 'adaptors' and 'non-adaptors' and to provide them with specific support services.

3.4 Vocational training sector

The framework for development adopted in Ghana, *Vision 2020* (GoG/NDPC 1995), explicitly states the country's aspirations to become a middle-income country by the year 2020. It emphasizes the importance of competitiveness in the present era of globalisation and attaches a crucial role to the training of Ghana's human resource base.

The recent -draft of – Ghana Poverty Reduction Strategy (GPRS, see GoG/NDPC 2001) seeks to further elaborate (and to some extent tone-down) the Vision for Ghana's future. In addition to promoting domestic savings and investments, it is directed at "creating a policy environment in which Ghanaian skills, talent and enterprise can thrive in a globally competitive economy" (pg. 20). Accelerated vocational and technical training is stated to be one of the pillars if the strategy, which also focuses on agricultural reform and rural transformation, development of agro-industries and promotion of the private sector (see Box 2).

Box 2. GPRS and skills development

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

The Ministry of Employment and Manpower Development (GoG/MEMD), with the support of the Ministry of Youth and Sports, will develop a *Skills and Entrepreneurial Development Programme* to adapt and coordinate all existing initiatives and mobilize new resources to support the youth in acquiring employable and entrepreneurial skills. The Programme will combine formal and traditional forms of skills development, and be guided by:

- increased relevance of vocational and technical training
- developing and expanding traditional apprenticeship training
- promoting entrepreneurship among the youth

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

GPRS announces a number of other initiatives:

(i) Increasing the relevance and coverage of vocational training
  - revision of training curricula to enhance their relevance to the labour market (particularly for construction techniques, entrepreneurship and farm management)
  - improving the certification system to support on-the-job training of workers + TAps
  - matching grants for education and training programmes offered by NGOs and community groups

(ii) Establishing Community-based Vocational Apprenticeship Schemes
  - grants to enable (rural) youth to acquire skills within their districts (especially farm management and food-processing)
  - skills development for technology upgrading to MCs
  - advice on micro-finance opportunities

(iii) Providing entrepreneurial development among the youth and expanding TAT
  - training in business management for secondary and tertiary education graduates interested in self-employment
  - promotion of partnerships between GoG/MEMD, district Assemblies and enterprises for on-the-job training of vocational training graduates and traditional apprentices
  - linking training graduates with micro-finance institutions.

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

The TVET sector in Ghana shows some major weaknesses: (i) inadequate funding, (ii) fragmented institutional framework, and (iii) low quality and limited outreach of training at different levels.

The low budgetary priority given to education and training can be judged from the fact that Ghana spends only 2.8% of its GDP on education. In spite of various initiatives, progress in education is consequently slow, with the gains of higher gross enrolment ratios being offset by high drop-out rates (at junior secondary schools: 15% for boys and 30% for girls).

The situation is further aggravated by a fragmented and ineffective institutional framework. In Ghana several government entities deal with vocational training – more often than not without much coordination and collaboration. They are:

(i) *Vocational and Technical Education Division* (VOTEC) of the Ghana Education Service (GES) under the Ministry of Education

(ii) *National Vocational Training Institute* (NVTI), now under the Ministry of Employment and Manpower Development

(iii) *National Coordinating Committee for Technical and Vocational Education and Training* (NACVET), which essentially is an inter-ministerial body.

These organizations have different although not entirely exclusive responsibilities, in part linked to the type and level of training, but in some ways appear to duplicate efforts, e.g. in training curriculum development, skills testing and certification and monitoring of the maintenance of standards by training providers. Both VOTEC and NVTI run a network of vocational training centres.

NACVET is supposed to play a central role in the field of education and training. It's key functions are: (i) formulation of TVET policies, (ii) determining the middle level skills needs of the economy that will form the basis of planning and coordination of training resources, (iii) determining the financial needs of training institutions, and (iv) coordination of the provision of technical education and vocational training. In actual practice is a rather weak organization.

Essentially formal vocational training in Ghana is given at three levels. The highest level training institutions are the *Polytechnics*, located in all regional capitals (10), followed by *Technical Training Institutes* (22). There also are *Vocational Training Institutions* (VTIs) of which there are more than 300 in the country: 21 public sector VTIs and at least 280 private ones, many of them church-based VTIs. Their entry requirements are usually Junior Secondary School (JSS) or Middle School Leaving Certificate (MSLC), and have a training period of 3 years.

Vocational training provided by government institutions (and many NGOs) is essentially free of charge – but a 'materials fee' is usually charged to cover at least part of their operational costs. This fee differs per region, from e.g. USD 4.25 per term in the northern regions to USD 28.50 in Accra – reflecting not only the local costs of materials (e.g. wood), but also the differences in purchasing power of the (families of the) trainees.

After the training the trainees sit for skills testing for an NVTI or a City & Guilds (Ghana) certificate at craft or technician level. Testing is open to trainees from VTCs as well as to TAps. Testing fees are only some USD 6, although going up. NVTI has recently expanded the relevance and outreach of its trade testing by introducing *proficiency tests*. As different from the regular *trade tests*, the former do not include written examinations and are therefore more relevant for those with low levels of education. For instance, the knowledge of tools and equipment is assessed during an interview. Remarkably, proficiency tests are not very popular as many trainees look down upon them. Still, out of an annual total of some 30,000 tests, 45% concerns proficiency tests.

There are other organizations active in Ghana that provide 'non-formal' types of skills training. GRATIS and its Regional Technology Transfer Centres (RTTCs – before known as 'Intermediate Technology Transfer Units') have a small programme for in-house ('technical') apprentices that lasts 3 years (recently reduced from 4 years). It also offers training to 'visiting apprentices' that lasts some 3 months, as well as specific short-term training courses at the requests of companies, NGOs and others. Other organizations, such as church-based organizations (e.g. Don Bosco), Opportunities Industrialization Centre (OIC), Integrated Social Development Centre (ISODEC) and Enterprise Development Network (EDN) are also said to provide technical training courses relevant for IS operators (see Mensa-Bonsu 2001).

Still, on the whole the opportunities for skills development are limited in Ghana, especially in the rural areas. The general skill level of the country's population is weak: about one third of the working population has never been to school (and 41% of the working women), and only 1.4% has received any formal skills training (Amankrah 2001). Such deficiencies in technical and vocational education and training, may have contributed to the growth of informal trade since potential entrants in metal and woodworking and other 'technical' trades, lack the technical skills to do so (ibid).

In spite of its contribution to the total training output, TAT is so far only marginally taken into consideration, and there exist few linkages between TAT and the 'formal' training sector.

3.5 Main training providers

3.5.1 Public sector training institutes

The National Vocational Training Institute (NVTI) runs 27 Vocational Training Centres in the country. They conduct training in some 25 trades, ranging from hairdressing to computer technology. The courses take 2-3 years and include an attachment period of 10 months. The total output of the VTCs is only some 1500-2000 trainees per year, although it has increased from an average of 65 per VTC in 1994 to 90 in 1999. Less than a quarter of them were female students. NVTI expanded its facilities and improved its training standards with technical and financial assistance from DfID.

The Non-formal Education Division of the Ministry of Education (MoE) established 45 Integrated Community Centres for Employable Skills (ICCES), which are now run by the Ministry of Employment and Manpower Development (GoG/MEMD). They aim to provide skills to rural youth, and especially school-leavers. The package of courses is similar to that of the VTCs but also include tie-and-dye, rural crafts and agriculture. They take 2-3 years and emphasise on-the-job training. The courses are free of charge. The Department of Welfare moreover runs special vocational training schemes for 'vulnerable groups' and street children in urban centres.

The Ministry of Local government and Rural Development organizes short artisanal skills courses, especially in masonry, carpentry and painting. The training takes 6-12 weeks and is largely theoretical. The trainees obtain practical experience by participating in the implementation of community development projects. the graduates are presented with a set of tools and a certificate.

Although it is in the first place an organization for the development and dissemination of appropriate technologies, the Ghana Regional Appropriate Technology Industrial Service (GRATIS) is also involved in various forms of technical training. GRATIS started in the 1980s as a EU/CIDA technical assistance project, but is now operating as an autonomous foundation under the Ministry of Science and Technology. It operates Regional Technology Transfer Centres (RTTCs) in 9 regions of Ghana, which, apart from providing support services to IS enterprises, also offer 3-year apprentice training in metal machining, welding, foundry and wood-working to a limited number of trainees. It also provides short training courses in batik, weaving, engineering and tool design and certain manufacturing techniques. There are plans for a 'partial commercialisation' of GRATIS (see Harkey Reed Consultancy 2000), which, interestingly, has led GRATIS to shorten its training courses and focus more on training of MCs.

3.5.2 Non-Governmental Organizations

There are in Ghana a number of NGOs active in the provision of training. One of them is OIC-Ghana (see 3.7). Others include: TechnoServe, ADRA, YMCA, WorldVision and the Presbyterian Church.

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

As a follow-up, a group of 17 church-based VTCs started a programme to upgrade their service provision, including:

- introduction of entrepreneurship skills training
- training of 15 teachers in guidance and counselling for the trainees
- conducting instructor /Training Needs Assessment
- development of a curriculum for instructor training

- ♦ upgrading of curricula, to include language, numeracy, communication, ethics and self-confidence
- ♦ institutionalisation of tracer studies
- ♦ improvements in management of VTCs
- ♦ linking the VTCs with the local business community.

Another of the follow-up result, these VTCs institutionalised a special programme for female vocational training to promote the training of females in non-traditional activities.

3.5.3 Informal sector Associations

In Ghana there are a large number of local and national informal sector Associations (ISAs) active[8]/. Some of them are involved in vocational training, which would appear to refer largely to the efforts of their members to individually provide training to TAps. A recent study (see Mensa-Bonsu 2001) gives an impression of training activities of ISAs.

Table 5: Informal training offered by local trade associations in Sunyani district

Association	Courses offered
• Small Scale Carpenters Association	• Carpentry, Joinery Woodworks
• Ghana Electronic Services and Technicians Association	• Electronics and Electricals
• Ghana National Tailors and Dressmakers Association	• Sewing, dressmaking, embroidery
• Ghana Hairdressers and Beauticians Association	• Hairdressing, Manicuring and Pedicuring
• Tanoso Porters Association	• Pottery
• Food Makers Association	• Cooking
• National Association of Refrigerator and Air Conditioner Repairers	• Refrigeration and Electricals
• Ghana National Association of Garages	• Auto mechanics, Auto electricals, Welding and Body works
• Batik, Tie and Dye Manufacturers	• Batik Making, Tie and Dye Making

Source: Mensa-Bonsu, Survey of technical and vocational training facilities in Ghana (2001).

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

Such ISAs set out broad guidelines within which individual members train their TAps, e.g. the length of the training period and the level of the apprenticeship fee. They also stimulate the training graduates ("*master apprentices*") to take an NVTI proficiency test. Some of the larger ISAs (e.g. Ghana National Association of Garages, Ghana National Association of Tailors and Dressmakers, and the Ghana Hairdressers and Beauticians Association) are said to operate their own informal skills testing, that result in certificates issued by the association which are widely recognized by their members. More and more TAps are seeking certification as limited opportunities in their home districts forces them to look for work elsewhere.

3.5.4 Private for-profit training providers

In Ghana as in other African countries, numerous private training providers have emerged in the past decade, especially in the areas of office and business skills, but there are others that focus more on technical skills. Another modality of which examples are found in Ghana, concerns teaching staff from technical institutes and the university who set up their own business (e.g. metal working like SIS in Kumasi), and attract a large number of TAps. No information is immediately available on characteristics of private training providers in Ghana.

3.6 Traditional apprenticeship training

As in other West African countries, traditional apprenticeship training (TAT) takes a prominent position in Ghana. In fact, it is believed that TAT is responsible for some 80-90% of all skills development in the country – against a contribution of 5-10% by public sector VTCs and 10-15% by private, non-profit training providers (Korboe 2001)[9/].

In Ghana distinct customs have evolved in organizing arrangements for apprenticeship training. Parents and guardians make an agreement with the MC on the training period, content and apprenticeship fee. For instance, while in many countries the apprenticeship period varies with the trade, in Ghana this appears to be standardized at around 3-4 years. Apprenticeship periods do differ significantly between rural and urban areas (e.g. an apprenticeship in blacksmithing takes 39 months in rural areas and 55 months in urban areas). It is said that in Ghana almost all the training programmes that are provided in formal VTIs, can also be found through TAT – the main exception being catering. The working hours of the TAps are long while the working conditions, similar to others working in IS enterprises, tend to be sub-standard.

In Ghana apprenticeship training is usually paid for through a fee, while in other situations the TAp has to 'earn' the training by receiving no or a minimal remuneration for his/her labour. Fees range from USD 20-200, depending on the trade, period, area and the popularity and ingenuity of the MC. For instance, the fee for a 3-year carpentry apprentice-

9/ Amakrah reports that TAT constitutes some 90% of all ongoing training in the country. It is the source of the skills of more than half (52%) of the informal sector workforce – with 35% of them reporting 'self-taught skills' (Amakrah, 2001)

ship is USD 70-85, in addition to which the apprentice has to bring a basic set of tools, including hammer, chisel, handsaw and measuring tape. The fee is highest in tailoring and dressmaking, possibly reflecting high costs of wasted materials; the TAp also has to bring his/her own a sewing machine, scissors and a measuring tape.

There are different arrangements in use in relation to apprenticeship training. One way would be for the parents to agree on some kind of contractual agreement with the 'master' (or 'mistress'), to pay some drink money, and the apprentice to pay a "bulk training fee" to the master for the training after the TAp successfully completes the agreed period. In some cases where the parents/guardians cannot afford the fee, the trainee would be asked to work for an additional period as a 'master apprentice' at a lower remuneration than elsewhere to defray the training costs (GoG/MEMD 2001).

A study on TAT in Ghana (Velenchik 1993) reached the following conclusions with regard to apprenticeship fees:

1. Some 60% of the enterprises charged fees training TAps, while 40% did not. The average size of the enterprises that do not charge is significantly larger (i.e. more than 40 workers) than the ones which do charge (some 12 workers), making paid apprenticeship training unique to the IS
2. The average apprentice fee was, at that time of the study, around USD 70 for up to 3 years of training. Non-charging for apprenticeship training was found to be most common in food-processing.
3. The contract types in which TAps do not receive any remuneration are to be found primarily in textile enterprises and cover, to a high percentage, female TAps: enterprises training seamstresses operate largely as training centres: the trainees not only have to pay an initial (inscription) fee and bring their own sewing machine, but also have to pay monthly tuition fees[10]/

The study also shows that the apprenticeship fee is usually paid up-front, i.e. at the start of the training. However, it is not uncommon that a down-payment is made while a part, usually some 20-40% is only paid at the end of the training. The deferment of the payment of part of the apprenticeship fee to the end of the apprenticeship period gives the TAps some security that they will get the training to which they are entitled. Another enforcement mechanism is the desire of the workshop owner to maintain his/her reputation as a reliable 'master'.

Conversely, when the employer pre-finances the skills training, in the expectation to recover these costs by subsequent paying lower wages to the TAps, it is attractive for the TAps to leave the firm before repaying. This is usually counteracted by paying substantially higher wages in the post-apprenticeship period as an incentive for the graduates to stay.

[10]/ The study notes that dressmaking apprenticeship is often a form of dowry for women, selected and paid for by their fathers, for the reason that such marketable skills would make them more attractive potential wives. One wonders if this is still the case.

Another way is to include some kind of bonding in the 'apprenticeship contract' which also defines the obligations of the 'master'. Such agreements, which form the basis of apprenticeship training, are usually reached between the parents/guardian of the would-be apprentice and the workshop owner. They can be externally enforced by the legal system (especially in case of formal, written contracts), trade unions (in case of larger firms with unionised labour), and Informal Sector Associations. In the case of IS enterprises, among which apprenticeship training is most common, the large majority of them belong to ISAs that set explicit rules governing apprenticeship training and settle disputes among their members.

The end of the apprenticeship period is often celebrated by a party hosted by the apprentice. It marks a change in status, indicating his/her freedom from the bonds of apprenticeship and entry into the fraternity of MCs.

3.7 Case study A: Opportunities Industrialisation Centre – Ghana (OICG)[11]/

3.7.1 Background

The Opportunities Industrialisation Centre OIC is US-based, private not-for-profit organisation with over 30 years of experience in skills training in the USA and, through OIC-International, in various developing countries where it runs 46 'Self-Help Training Programs'. OIC has been active in Ghana since 1970. The mission of OIC-Ghana (OICG) is to contribute to the human resource and economic development of the nation through the provision of skills training, job placement, job-creation opportunities, counselling and follow-up services to the disadvantaged, the unskilled and unemployed youth of Ghana. OICG operates three vocational training centres in Ghana: in Accra, Kumasi and Sekondi/Takoradi. OICG is also involved in a food security programme in Northern Region.

The Training Centre in Accra has a staff of 49, of whom 22 are instructors. The Centre offers training in office and computer skills, masonry, carpentry, catering, plumbing, clothing and textiles, electrical, auto mechanics, graphic arts and ceramics.

3.7.2 Trainees and training courses

The trainees of OICG training are mostly aged 17-25. They include many school dropouts as there are no formal entry requirements except being able to read and write. Most of the trainees still hold Junior Secondary School Certificates while others are Senior Secondary School dropouts. Few of them have previous employment experience, except from some who were in IS trading or retrenched from the formal sector.

11/ This case study is largely based on EMPRETEC 2001, together with information from an interview with OICG staff (October 2000) and the OIC International website.

The number of trainees increased substantially in 2000, when the Centre introduced morning and afternoon training shifts. Almost 40% of the trainees are women.

Table 6: Number of Trainees in OICG programmes 1996-2000

Year	1996	1997	1998	1999	2000
Male	99	139	132	135	582
Female	45	54	77	84	376
Total	**144**	**193**	**209**	**219**	**958**

Source: EMPRETEC 2001.

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

3.7.3 Technical training

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

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

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

3.7.4 Costs and financing of the training

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

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

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

3.7.5 Post-training follow-up services

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

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

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

3.7.6 Conclusion

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

Self-employment has become more and more important. Of the 1999/2000 graduates, about half went into self-employment, while many others continued their education. For this reason an estimated 80% of the graduates sit for NVTI trade tests, even though they have received an OICG training certificate. This is also the reason why OICG is considering registering with City & Guilds (Ghana), since this would mean that its certificates would give training graduates the right to enter into colleges.

At the same time the OICG Training Centres face various financial and logistical constraints in providing training for the IS. For instance, the instructors and other staff have to work overtime due to the new shift system currently operating – without any salary adjustment to cover these extra hours, affecting morale (some staff members have already left). OICG's training equipment is out of date, making the trainees less competitive after

graduating. The infrastructure facilities on the compound are also inadequate to support the increasing number of entrants. Overstretching further these facilities would compromise the quality of training offered.

In all OICG training is quite popular (there is a waiting-lists to register interested trainees). A main reason for this is the fact that its training courses last only one year, whereas NVTI training takes at least 3 years.

3.8 Case study B: Vocational Skills and informal sector Support Project (VSP)

The World Bank-financed *Vocational Skills and informal sector Support Project* (1995-2000) is an interesting example of a technical assistance project that experimented with ways to enhance the results of TAT (see Amankrah 2001, Korboe 2001 and World Bank 2001).

3.8.1 Project implementation

VSP set out to promote a demand-driven system that responds to the need for short-term training of those employed in the IS. In this respect it aimed to change the focus of vocational training institutes (VTIs) away from the provision of long, pre-employment training towards the provision of short, post-employment, competency-based training, especially for IS operators. On the basis of preparatory surveys, VSP supported training in electrical installation, refrigeration and air-conditioning, carpentry and joinery, blockwork and concreting.

The project focussed on skills upgrading of MCs and TAps through the following components: (i) *Apprentice training*: centrepiece of the project consisting of short practical courses (12 weeks with demonstrations by the instructors followed by practical exercises by the TAps, provided through public and private training institutions; (ii) *Training of masters*: skills upgrading courses for the MCs who were found to be interested in both technical skills (4 weeks) as well as in entrepreneurial, accounting and costing skills (2 weeks), and (iii) *informal sector Associations*: involving local ISAs in designing the training courses, selecting the participants and choosing the tools for the equipment kits for the graduates.

The participating ISAs were to select the MCs, who in turn proposed one of their TAps. The condition for TAps to participate was that they had have been subject of apprenticeship training for at least 18 months. When this scheme proved to hamper project operations, the MCs and TAps were later also directly recruited by the participating VTIs.

3.8.2 Training incentives

Initially the clients of the project were suspicious of its activities which resulted in a slow response by the private and public training providers – support in the form of transportation and meal allowances increased the participation rates of the clients. VSP provided the following incentives for MCs and TAps to participate in the training: (i) training allow-

ance of USD 6.50 for each apprentice and USD 7.50 for each MC (both paid at end of training), (ii) possibility to purchase a set of tools against attractive prices[12]/, (iii) a "World Bank" certificate issued on successful completion of training, which clearly itemises the diverse competencies acquired which trainees reckon enhances their employability and is generally appreciated in a country revering paper qualifications[13]/.

The MCs argued that the training allowance was low when compared to their opportunity costs: "my daily profit averages are over GHC 10,000 (USD 1.40) and on good days I can make GHC 30,000 – when I attend classes I miss this, and when my prime clients visit my workshop and do not find me, they go to my competitors – it will take a long time to win back my clients" (Korboe, 2001:19). In addition there incurred other costs to participate in the training (see Box 3).

Box 3. Costs of training incurred by MC trainees

The VSP evaluation also made an estimate of the training costs incurred by trainees. They were found to vary according to trade area, VTI and area of residence:

- *transport costs* of USD 0.16 per day in the North and South and USD 0.11 per day in the forest belt
- *rented rooms* USD 4-5 per month in the coastal region and forest belt and USD 2-3 per month in the northern savannah
- *training materials* (e.g. fabrics in dressmaking and tailoring courses): USD 11 per course
- *registration fees*: USD 3-4 per course (with officials of some of the ISAs charging unofficially an extra USD 3).

This would mean that the total "direct enrolment costs" for short VSP-type courses range from USD 10-33 and beyond. To this needs to be added the direct income for the TAps (including tips for practical work, which are, for instance, common in the construction sector), and for the MCs: workmanship fees and 'free' apprenticeship labour. Clearly such costs make it difficult for the poor to follow such training without receiving support.

Source: David Korboe, Ghana: Vocational Skills and informal sector Support Project: Beneficiary Impact Assessment (2001).

Similarly, incentives were needed to ensure wholehearted involvement of the VTCs: 12 institutions withdrew from the project since they considered the support provided in terms of workshop equipment, allowances for staff (to work in project activities during the VTC holidays – during which they normally have other income-generating activities lined up) and logistical assistance, inadequate.

12/ The MCs complained that the tools were very expensive but the evaluation team noted that in October 2000 the *Butterfly* brand of sewing machines was selling for GHC 450,000 (USD 64) on the open market whereas the superior *Swan* brand was supplied by VSP at a low of GHC 88,000, ie. a 20% subsidy. The tools were indeed viewed by the evaluators as a major incentive for enrolment.

13/ The certificates, moreover, are valuable in the processing of the visa applications of the beneficiaries of the American Visa Lottery…

3.8.3 Project results and impact

Up to October 2000, VSP, through 39 participating VTIs, including 18 private sector ones (i.e. run by NGOs or private entrepreneurs), had trained some 5,000 MCs in technical subjects and about 3,000 in entrepreneurial/ business skills, and over 10,000 TAps.

VSP was found to have had an important impact on all the trainees. Both MCs and TAps were satisfied with the content and depth of the training courses. TAps indicated the following improvements:

- reading of formal technical designs;
- turning out better finished products and providing safer services;
- skills to make more interesting products;
- improved status, as they were envied by the non-enrolled peers for superior skills and better respected by their masters;
- improved prospects as they are sought after by some employers;
- and enhanced self-esteem – especially were graduation ceremonies have been instituted.

The MCs frequently commented that VSP- trained TAps are not only more effective in the art of crafting *per se* but also tend to utilize materials more effectively and less wastefully.

The main areas in which VSP technical training added value for the MCs included: reading of blue prints and production of own designs; undertaking of minor repairs of own tools (e.g. sewing machines); improved appreciation of resource economics (i.e. saving materials); safer and more reliable production methods; technical information, specifics on materials and standards; appreciation of aesthetics (e.g. colour combinations in dressmaking); improved creativity; and product pricing and time management (much appreciated by MCs). For the management training they indicated the following results: enhanced workshop economics, specifically reducing wasteful use of materials and improved ability to set profitable prices for their products.

Some MCs felt they were obliged to enrol by manifest improvement in the competence of the TAps they had enrolled – even leading to workshops friction as some TAps, upon completing the training, claimed now to be 'certificated' and better trained than their masters. The evaluation found abundant evidence that product/service quality and productivity had improved in the workshops of VSP graduates: "before it was all trial and error – we were anxious over each job we did and after completing a job we were waiting for the client to return with complaints: now my customers are more satisfied and there are few complaints" (Korboe, 2001:31).

3.8.4 Role of Informal Sector Associations

ISAs received every year 'in-take vouchers' from NACVET, which they distributed among their members MCs who in turn passed them on to deserving TAps and workers. TAps could select their own -nearby- centre offering the desired training course. In some cases the project also covered other expenses incurred by TAps. ISAs also played a role in

curriculum development, as NACVET, with support from VSP, consulted with their representatives on the upgrading of the training curricula for the selected 5 trades.

The role of ISAs in VSP only led to mixed success. The collaboration with the Association of Dressmakers and Tailors was very useful, but other ISAs were not very helpful in recruiting training participants. In many cases ISAs failed to verify the eligibility of applicants (many graduates of TAp courses confessed that they had managed to enrol without serving the mandatory 18 months apprenticeship). Some trade association executives even demanded underhand charges for this. In the end the relations between ISAs and VTIs tended to be unsatisfactory as training providers felt hampered by the monopoly position of ISAs.

The fact that association executives approved samples of what were later found to be inferior tools prior to their massive importation, also indicates a lack of commitment, and makes it clear that such consultations should not be restricted to leadership. The evaluation team even arrived at the conclusion that "most of the associations identified by the study team only exist in name and are not functioning as mobilizers of the local artisan corps" (Korboe, 2001:24).

3.8.5 Lessons learned

Some of the most salient VSP experiences include the following (Amankrah 2001 and Korboe 2001):

- after some initial hesitation, the VSP-organized technical training aroused widespread interest and enthusiasm among VTI instructors and IS trainees, who perceived the courses as a 'quick route' to skills development;
- VSP demonstrated that the duration of the vocational training does not necessarily impact adversely on quality – on the contrary, job-oriented competency is more swiftly achieved in VSP-type programmes which focus on practical workshop skills than in those devoting significant lengths of time to theoretical classroom instruction: the evaluation team noted that beneficiaries of the VSP training demonstrate competencies that are often beyond levels exhibited by their counterparts on the regular 3-year programmes (interestingly, some of the participating VTIs feel, however, that the course should last 4-6 months instead of VSP's courses of 2-3 months);
- VSP courses, as well as those by OICG and some others/, clearly indicate that payment of training fees is possible if the trainees feel that the training is relevant. It would appear in fact that costs are not the most important factor constraining the demand for skills development among MCs, but rather the inability to enrol reflects a general lack of trusted assistants in whose charge to conveniently leave the workshop;

14/ OICG and KVTI have introduced unsubsidized short courses for MCs/TAps that have been more successful in attracting candidates to these courses than to their regular full cost-recovery programmes. The fees charged are GHC 20,000 (USD 3) per week at KVTI and GHC 262,000 (USD 27.50) per 3 months at OICG.

- the lack of recent, adequate labour market information hampers VTIs to adjust to changes in the demand for skills by modifying their training offerings;
- training in local languages for illiterate trainees, facilitated by the translation of the manual by VSP instructors, was successful;
- tracer studies were found to be important to get feedback on the programme: they revealed that higher proportions of those trained through VSP needed a shorter period to set up their own workshops than non-VSP trained VSP-initiated changes (e.g. shorter course duration and more practical curricula) proved more sustainable in VTIs run by NGOs and private entrepreneurs.

The overall conclusion of the evaluation is that VSP-type training is producing competent artisans at considerably lower costs than does the formal system. The World Bank *Implementation Completion Report* was rather critical of the project in its principal performance ratings: outcome, sustainability, institutional development impact, and WB and borrower performances (World Bank 2001).

3.9 Case study C: Rural Enterprise Project (REP) and skills development

Since 1995 the Ministry of Environment, Science and Technology (MEST), together with GRATIS and NBSSI and with financial and technical assistance from the International Fund for Agricultural Development (IFAD), is implementing the *Rural Enterprise Project* (REP). Initially it covered two districts but in 1998 was expanded to nine districts. The main project implementers were initially NBSSI and GRATIS, but as they encounter difficulties to honour their commitments, increasingly important roles are now played by the District Assemblies and local trade associations.

3.9.1 Training interventions

Skills development has been the main entry point for REP to promote rural IS activities. Often the training is complemented by other services (e.g. credit, career counselling, follow-up business advice). The large variety of these services and the flexibility with which they were conceived and implemented, has probably been one of the important factors behind the success of REP so far.

The project includes several components, one of which is focussed on introduction of improved technologies and technical training for MCs and TAps. In this respect REP set out to replicate the GRATIS-model at district-level and established Rural Technology Services Centres (RTSCs), which are involved in:

(i) *training of master craftsmen* in metal working, welding, blacksmithing, carpentry and leather works, either through 1-3 months courses (with classes every other week) at the RTSCs, or on-the-job training for a few hours during 1-3 sessions in the workshops of the master craftsmen, both by RTSC staff

(ii) *training of 'visiting apprentices'* in metal working and carpentry, with a duration anywhere from a couple of weeks up to one year, at the RTSC by RTSC staff

(iii) *training of 'technical (resident) apprentices'* in metal working and carpentry for a period of 3-4 years, at the RTSCs and by RTSC staff

(iv) *technology demonstrations and information dissemination*, which were organized in different modalities: 'information seminars' to promote on new equipment, 'field demonstrations' to demonstrate the application of new equipment, and 'open days' for which producers and others were invited to the RTSCs to be acquainted with their facilities and activities

(v) *training counselling of unemployed youth* which, essentially, is one of the first steps for unemployed youth to enter (or not) into traditional apprenticeship training and consists in an interview to assess the interest and motives for technical training, and linking them up with workshops for apprentice training or referring them elsewhere.

REP provides financial support to poor rural youth to enter into traditional apprenticeship training. It operates an *Apprentice Fund* from which funds are allocated for the down payment of the apprenticeship contract fee and the purchase of the required tools which the TAps have to bring.

The RTSCs also provide *extension services*, which mainly refer to manufacturing and repair services, for instance of intermediate food-processing equipment and spare parts. They are important as the local enterprises otherwise would have to go to Kumasi. The RTSCs also organize *occupational safety & health workshops* for MCs and others, which are mainly conducted by resource persons (e.g. from the fire brigade), usually in local community centres.

3.9.2 Project results

The support services rendered by REP are widely seen as successful. Table 7 provides an overview of the results of project implementation (up to the end of 2000) in relation with the annual and overall targets of the project.

Table 7: Results of RTSC activities in relation to project targets

	During 2000	Fem.	Perc. annual target	Up to end 2000	Fem.	Perc. total target
RTSC activities:						
Training of master craftsmen [a/]	350	3%	46%	745	n.a.	134%
Training of apprentices	299	n.a.	141%	1080	n.a.	60%
• *'technical' apprentices*	*25* [b/]	*32%*	*n.a.*	*n.a.*	*n.a.*	*n.a.*
• '*visiting' apprentices* [c/]	*83*	*n.a.*	*39%*	*298*	***32%***	*63%*
Technology dissemination						
• *technology demonstrations*	*n.a.*	*n.a.*	*n.a.*	*25*	*n.a.*	*n.a.*
• *field demonstrations*	*n.a.*	*n.a.*	*n.a.*	*40*	*n.a.*	*n.a.*
Trg/career counselling youth	n.a.	27%	n.a.	570 [d/]	n.a.	n.a.
Technology trg & counselling	**860**	**45%**	**50%**	n.a.	n.a.	**n.a.**
Financial support for apprentices	n.a.	**27%**	n.a.	190	n.a.	**200%**

Sources: UNOPS REP Supervision Report [2000] and REP-I Annual Report 2000 (bold figures).
Notes: a/ Training included: workshop safety, fire prevention, maintenance and repair of equipment, correct sequencing of operations, free hand sketching, on-the-job training in 'improving production and productivity through appropriate technology', measurement and marking out.

b/ Enrolled (since 1996) 25, of whom 10 graduated in 2000 'after undergoing a 3-month industrial attachment at Kofuridua RTTC and GRATIS Engineering Design Centre in 3rd quarter of 2000".

c/ 'Visiting apprentices' include: (i) apprentices who are already attached to MCs in their respective localities, and (ii) graduates of technical institutions who require practical on-the-job experience in their respective trades; training lasts 3-9 months, during which training is given in specific modules to acquire skills or to learn to fabricate a particular product.

d/ Estimated number of youth who have been able to enter into traditional apprenticeship training as the result of the career guidance and counselling.

3.9.3 Lessons learned

The project has been recently evaluated (IFAD 2000). With regard to technical and technology, the following strong and weak points were identified:

- short skills training courses are very popular and contribute to marked increases in household incomes; at the same time it should be noted that they could still be more market-driven by selecting trades on the basis of a demand analysis; many of the trained entrepreneurs already have requested skills upgrading courses (which are more difficult and costly to organize)
- development of new technologies by the RTSCs addresses a clear need of rural entrepreneurs, but is advancing too slowly – more use could be made of the GRATIS 'shelf' of already developed products and technologies, so that more attention could be given to dissemination; this would also lower the equipment requirements of the RTSCs and thus the investment needed, which in the view of the evaluation was not justified

- RTSC in-house apprenticeship training is inefficient and ineffective: only a small number of apprentices can be trained, and in the end only very few of them set up their own business (most of them preferred to stay on as an RTSC employee or search for a -formal sector- wage-job)
- the evaluation viewed the results of the MC training as ambivalent: while improving the technical capability of IS enterprises, the effect on the training of apprentices was found to be minimal since MCs tend to adhere to their usual approach (which does not preclude exploitation of the TAps), the TAp/MC ratio is very high (not seldom 20 TAps per MC), there is a lack of proper structuring of the apprenticeship training, and low educational standards of MCs
- many of the TAp graduates encountered problems to secure loans from the banks participating in REP's *Rural Enterprise Development Fund* as they could not put forward the required 20% of the loan amount and the banks were often unwilling to provide them with start-up capital as the applicants cannot show a business track record.

3.10 Conclusions and observations

3.10.1 Informal sector and training needs

The IS has without doubt helped the country to get through the 1980s when the economic machinery gradually grinded to a halt. It was responsible for virtually all the maintenance and repair of capital equipment and especially vehicles. Since the 1990s it is indispensable for those who lost their job (as well as those who managed to keep it, but saw their real incomes decline sharply).

In spite of its pivotal role in the economy, the sector hardly enjoys any effective support. GoG has still not succeeded to formulate (let alone implement) a relevant policy framework for IS development – in fact, the sector is hard hit by the continuously high interest rates and inflation. The agency responsible for MSME promotion is not very responsive to the needs of the sector, operates rather bureaucratic and inefficient, and in the end has only a limited outreach and impact.

The main difference with other countries in West Africa (and for that matter with the rest of Sub-Saharan Africa) is the focussed attention given to technology development and transfer. With all its limitations and deficiencies, GRATIS and its decentralized structure still remains unique in Africa. The recent change in its legal status and plans for partial commercialisation' and increased cost-sharing by GRATIS' clients, could help to shed its aura of being an organization flush with donor funds, which is an essential condition for it to function more business-like and efficient.

3.10.2 Vocational training context

There are in Ghana no major initiatives underway to reform the TVET sector. Attempts to improve coordination and collaboration in sector, such as the one by VSP, en-

counter serious difficulties. The government agencies involved are continuing their longstanding turf war, and the Committee to coordinate TVET efforts seems to lack the standing and power to change this situation. As yet there does not exist a National Employment Fund as in francophone African countries (although there are programmes to mitigate the effects of the economic reforms).

The draft of the Ghana Poverty Reduction Strategy (GPRS) places considerable emphasis on the promotion of the IS sector, especially in the rural areas. Skills training is also frequently mentioned as one of the strategies towards rural development, including for small-scale farming. But further details of implementation strategies are so far unknown.

3.10.3 Role and deficiencies of apprenticeship training

TAT is, also in Ghana, by far the most important source of skills for those working in the IS. Still, it appears to be somewhat less established than in other WCA countries. The average number of Taps in enterprises is lower than in other WCA countries, the fees are more modest (and sometimes even absent), and the amounts much more modest than in some other countries in the region.

GoG is showing increasing interest in promoting TAT, but no concerted efforts based on a thorough analysis and comprehensive review are underway. Most work done so far appears to have been donor-led (see below).

3.10.4 Fresh developments

The main examples of fresh approaches towards training for the IS in Ghana include:

- GoG policy documents (e.g. GPRS) and institutional reform (e.g. wider TVET responsibilities for GoG/MEMD) place increasing emphasis on the promotion of the IS sector, especially in the rural areas, in part through provision of vocational training;
- NVTI has introduced *competency-based* skills tests that allow illiterate trainees (including TAps) to submit their skills to practical, non-written probing;
- REP and VSP have gathered important experiences in improving apprenticeship training:
  - VSP adopted a rather straightforward approach by providing additional training to TAps through the involvement of public and private training institutions. Useful work was done in the area of the development of new training curricula. It is encouraging that some of the training institutions with which it collaborated, have continued the new approach to training, using short, post-employment and competency-based training. It is noteworthy that public sector institutions appear to have more difficulties (or less interest) to do so;
  - REP's experiences make it clear that the impact of apprenticeship training depends on the availability of financial support for interested poor youth to make the down payment for the apprenticeship fee and, especially, for actually entering into self-employment upon terminating the apprenticeship training;

- ISAs play a major role in both REP and VSP, with regard to: (i) selection of participants, (ii) contributions to curricula development, and (iii) monitoring and follow-up support. In the latter this has led to some difficulties as the association and particularly some of the executives exploited the power base they were given (i.e. the exclusive right to nominate the participants for the training); this was remedied by allowing the training institutions, under certain conditions, to recruit trainees directly.

4. TRAINING FOR THE INFORMAL SECTOR IN SENEGAL

4.1 Introduction

Dakar's position as the capital of former French West Africa made Senegal one of the most developed states in the region at independence, with a well-developed physical and social infrastructure and a relatively well-diversified industrial base. In addition to being the most visited country in West Africa, Senegal has remained an important hub of economic activity in the region.

Senegal's population is estimated at 9.5 million (mid-2000), growing at a rate of 2.6% per year, which is in line with the West African average. The urban population is expanding much more rapidly, however, at an average of 4% per year. About 47% of the population is estimated to live in urban areas, well above the regional average. The Dakar metropolitan area, for example, accounts for more than one-fifth of the country's population, containing an estimated 2 million inhabitants.

SENEGAL (1999)	
Population	**9 million**
‣ population growth (90-99)	2.7 %
‣ pop. aged 15-64	53 %
‣ urban population	47 %
‣ labour force growth (90-99)	3.3 %
GDP per capita (PPP)	**USD 1,341**
‣ economic growth (98-99)	2.3 %
‣ agricultural sector	27 %
‣ manufacturing sector	11 %
Quality of life	
‣ pop. below poverty line */	26.5 % (1994)
‣ life expectancy at birth	50 yrs M, 52 yrs F
‣ adult illiteracy	12 % M, 27 % F
*/ international poverty line of USD 1 per day	

Source: World Development Report 2000/2001 (World Bank).

Formal sector employment is quite limited compared with rural employment and IS activities. The large majority (77%) of the total labour force worked in agriculture, 16% in services and 7% in industry. The urban unemployment rate is estimated around 23% (EIU) and in government documents sometimes put at 38% (GoS/METFP 2002).

In the first two decades after independence, the government professed allegiance to "African socialism", which in practice translated into heavy state intervention and an inward-looking economic strategy. In 1979 GoS embarked on the first of a series of adjustment programmes supported by the IMF and the World Bank, but the results were mixed. In the mid-1990s further economic reforms were implemented, focusing on liberalising labour legislation, prices and external trade; agricultural reform and the stimulation of market mechanisms; and the restructuring of the public sector, including a round of privatisations. The new government of president Wade that came in 2001 is perceived to be more "liberal" in economic matters, but has so far introduced few dramatic shifts in its overall economic policy.

Economic growth returned in the mid-1990s as the result of increased aid inflows, sound economic management and the devaluation of the FCFA. Since then real GDP growth has been around 5%, in spite of unfavourable weather conditions in 1997/98 and a severe electricity shortage in 1999. The main sources of farmers' incomes are groundnuts, produced primarily in central Senegal; sorghum and millet from the central and northern regions; and rice grown in the Senegal River valley and in the southern region of Casamanca. Groundnuts, cotton and horticulture are the main cash crops. Since the mid-1980s the fish sector has emerged as Senegal's main export earner.

Senegal is one of the most industrialised countries in the region, but the competitiveness of the manufacturing sector is generally low, largely because of high production costs, a cumbersome regulatory environment and a small domestic market. Since the late 1980s the government has launched a series of industrial reforms: quantitative trade barriers have been removed and custom tariffs harmonised; private participation and foreign investment have been encouraged; and the labour code has been amended to provide greater flexibility to employers. The industrial sector, which accounts for about 20% of GDP, encompasses a variety of economic activities, but is heavily dependent on agro-industries and mining, notably phosphates and the production of derived chemicals, which constitute Senegal's second-largest source of export earnings. By now, the services sector is, with 62% (1999), the main contributor of GDP (EIU).

4.2 Informal sector

4.2.1 Informal sector and '*artisanat*'

In Senegal as in other countries in West Africa there is a fine distinction between the concepts of the 'informal sector' and '*l'artisanat*'. Commonly, artisan activities (*l'artisanat*) are seen as the nucleus of the IS. Traditionally they referred to manufacturing activities, such as, for example, blacksmithing, weaving and wood-carving. Now more modern activities such as wood and metal working are also considered to belong to

l'artisanat, while trading and (personal) services are still excluded. While many of the former are in some way registered (e.g. with the *Chambres des Métiers*), the latter are not and are consequently felt to be 'illegal'- even though many of them do pay some taxes.

As a result there is more known about *artisanat* activities. In 1992 a special *Recensement National des Artisans* was carried out. It estimated that a total of 400,000 people were employed in 78,000 enterprises in some 120 trades. More than two-thirds (68%) of the enterprises were in manufacturing activities (which is considerably more than the share of manufacturing enterprises in the IS – see below), 19% in artisanal service activities and 13% in handicrafts (e.g. wood working). According to this survey, the artisanal sector includes between 234,000-312,000 TAps – i.e. 3-4 TAps per workshop (ILO/EMAS 1998). The sector takes in much more TAps than regular workers, so that the proportion of TAps increased from 40% to 70% of the total workforce in the period 1980-95 (*ibid.*).

4.2.2 Size and structure

There is remarkably little recent information on the size and structure of the IS in Senegal. Still, it is clear that the IS responsible for the large majority of urban employment. Even at the end of the 1980s, some 60% of the economically active population was employed in the IS, some 20% in the formal sector and another 20% were unemployed (statistics quoted in Maldonado *et al.* 2001).

Small-scale trading is by far the most important activity of the urban IS: it is responsible for 72% of all IS enterprises and 42% of total UIS employment in Dakar and its surroundings:

Table 8: Senegal: structure of the urban informal sector (1988)

Economic activity	% of total no. of firms	% of total employment	average firm size
Manufacturing	**15.4**	**35.7**	**4.5**
• *garments and leather*	*9.3*	*18.6*	*3.9*
• *wood working*	*2.3*	*8.3*	*6.9*
• *metal working*	*3.2*	*8.4*	*7.1*
• *others*	*0.5*	*0.5*	*n.a.*
Construction	**0.4**	**0.7**	**3.0**
Transport	**4.6**	**4.4**	**1.8**
Trade	**72.0**	**41.8**	**1.1**
Services	**7.6**	**17.4**	**4.5**
• *car repair*	*2.4*	*10.0*	*8.1*
• *electronics repair*	*0.9*	*1.9*	*4.0*
• *food catering*	*2.8*	*3.6*	*2.5*
•*other services*	*1.5*	*1.9*	*2.4*
Total	**100**	**100**	**1.9**

Source: Maldonado et al. 2001, based on data from USAID survey 1988.

Most of the trading concerns self-employment and the average firm size is only 1.1 workers, including the owner. The average size of manufacturing and repair services activities is markedly larger (4.5), so that while it constitutes only 12% of the number of enterprises, it contributes 36% to total informal employment. The largest average firm size is in car repair: more than 8 workers (including the owner) per firm – most of them TAps (see below).

4.2.3 Main constraints

The IS in Senegal faces the same problems as its counterparts in other African countries. For instance, a survey of small leather workers (*Bureau d'Études F.J.T.* 1996) identified the following problems in the leather sub-sector:

- marketing: 75% of survey sample
- access to finance: 69% of the survey sample
- materials supply : 54% of the survey sample
- technical and management skills: 38% of the survey sample.

In view of these constraints, it will be increasingly difficult for the IS to absorb the larger part of Senegal's more than 100,000 new entrants to the labour market every year.

4.2.4 Policies and institutions

In spite of several incidents of promotion of the IS, or rather the *artisanat* part of it, such as the inter-ministerial councils of 1992 and 1995, there are as yet no clear, coherent policies to this effect. GoS is in the process of preparing polices on IS institutions, credit, marketing and training.

In Senegal, as in other West African countries, a multitude of government entities are concerned with IS activities, enterprises and workforce. Unfortunately, they sometimes appear to compete with each other rather than to work together. The most important one is the Department of *Artisanat* (DA), created in 1978 and now under the *Ministère de l'Artisanat et de l'Industrie*.

DA works closely with the *Chambres des Métiers* (Trades Chambers – see below). Its strategy consists of three types of interventions: (i) to support technical training for IS workers, (ii) facilitate access to credit, and (iii) to promote the marketing of IS products. Some training efforts have been realized, but total impact has been minimal. It is expected to produce soon a policy note on the development of artisanal activities.

4.2.5 Associations and other IS organizations

The artisanal sector was subject of early government interventions, essentially following the notion of self-representation. Already in 1977 a semi-public[15]/ *Union Nationale*

[15/] The CMs do not have an autonomous budget but are funded by the state. Also, the President of the UNCM is elected by the members while its Secretary-General is nominated by GoS.

des Chambres des Métiers and 10 regional *Chambres des Métiers* were set up at the suggestion of the government to act as intermediaries on behalf of the sector. They started to operate in 1981 and were expected to support the artisanal sector, for instance by providing skills training.

The CM and the UNCM put emphasis on the legal and administrative organisation of the sector and are generally viewed as rather bureaucratic and ineffective. The artisans were not involved in the creation of the CMs, which rapidly became politicised and showed a fundamental lack of a democratic culture. Their leaders have been generally felt to act as bureaucrats rather than genuine representatives of the IS. The CMs are also constrained by logistical and budgetary problems (although the latter was partially solved during a revamp in 1996). As a result they have succeeded to group only 10% of the artisans in the country. The efforts of the CMs with regard to skills training have remained limited.

The *Chambres des Métiers* of Dakar seems more active in the area of skills training than some of the others. This may be related to the fact that it has linked up with the Chamber of Commerce of Coblenz in Germany. Together they have conducted some 10 skills upgrading seminars, in tie & dye/ batik, soap making, leather, fruits and vegetables, and puppet making, for the benefit of 250 artisans. No exact impact data were found, but such a 'triangular' approach involving the private sector in developed countries certainly appears to hold promises.

In the 1990s the artisans initiated the creation of various types of professional organizations (e.g. Trade Associations and Federations) to represent them in a more genuine manner. Such organizations are especially strong in the textile, leather and jewellery sectors. The *Union Nationale du Commerce, de l'Industrie et des Services* (UNACOIS) is said to have over 100,000 members, many among small and medium traders and wholesalers. Some, such as the *Fédération Nationale des Professionnels de l'Habillement* (FENAPH) also entered into the provision of technical skills training (see par 4.6).

4.3 Vocational training sector

4.3.1 Main TVET policies and institutions

Education in Senegal leaves much to be desired. Primary school enrolment stands at an average rate of 60%, which is well below the average for Sub-Saharan Africa. The literacy rate is therefore low, at only 35% of the adult population, placing a considerable constraint on the development of the country. The budget for education has recently been increased, to about one-third of recurrent expenditures, but improvements in the education and training sector have been slow.

There are several government ministries and agencies involved in education and training. The main ones are

- Department of Employment (DE, forms part of the *Ministère de la Fonction Publique, de l'Emploi et du Travail*)

- Department of Vocational Training (part of *Ministère de la Formation Professionnelle et de l'Alphabétisation*, GoS/METFP; before under *Ministère de l'Éducation*)
- *Office National de Formation Professionnelle* (ONFP)

The basic framework for TVET dates from the 1960s. Capacity is very low (some 7,300) and its distribution biased in favour of higher levels of technical education and urban areas (GoS/METFP 2002).

DE has undertaken some initiatives to foster the creation of employment in the IS, for instance through a convention with the employers federation to make available places for practicals for trainees and apprentices, but again the impact seems negligible.

ONFP, created in 1986, is a tripartite entity that aids GoS in determining training priorities and targets, in carrying out studies, in coordinating training efforts, and, foremost, in financing training programmes of training providers in both the public and private sectors (see par. 4.5). It receives its funding from a special company tax, revenues from services provided to firms and private or public organizations, state subsidies and donor funds.

During the 1990s there have been various committees and encounters to arrive at a more appropriate framework for training for the IS, but neither the government nor the donors seem to have been considering any concrete steps towards the strengthening of apprenticeship training (see e.g. ILO/EMAS 1998: 7-9 and 123). GoS/METFP formulated in 1996 a policy document on TVET which included vocational training for small producers and the self-employed among its objectives. A very recently published sector policy paper (GoS/METFP 2002) builds further in this and, *inter alia*, foresees a larger role for private sector training providers, but seems short on implementation details.

4.3.2 Main training providers

Public sector training providers

The public sector in Senegal has only few training institutes that are specifically directed at work in the IS. The large majority of government supported technical training providers are technical schools and colleges. They are not immediately relevant for the IS: the technological level of their equipment is relatively high, the training is largely theoretical and the training does not include business skills.

GoS started in the 1980 and 1990s with training centres that were directed at *l'artisanat*: in urban areas there are the *Centres de Formation Artisanale* (CFAs) and, in rural areas, the *Centre de Perfectionnement des Artisans Ruraux* (CPARs). They were found, however, to be wanting in various respects. Foremost they have come to suffer from a lack of government funding. As a result, training equipment could not be maintained nor new pieces installed. For all intents and purposes they are now under-equipped, with the remaining pieces obsolete and many not working. Another consequence is the lack of training staff, while those who are still in function tend to lack qualification, up-to-date technical knowledge and motivation.

NGO training providers

There are also a number of NGOs involved in the promotion of the IS by providing skills training. One of the first to do so was *Terre des Hommes* which started back in 1983, together with the CM in Dakar, to provide skills training to IS carpenters. Its activities were carried on by APDES (see 4.6). There are various others, including Don Bosco, but their total capacity is limited.

Private-for-profit training providers

There are said to be few private institutes providing technical training. One of them is the *Institut Supérieur de Technologie Industrielle* (see Box 5). An example of skills training provided by businesses as part of the regular business dealings, is formed by *Equip Plus*, which conducts short training for small enterprises and individuals who purchase a piece of agro-processing equipment (see Box 6). While the content of the training of both these examples of private sector training is relevant for work in the IS, the cost, in terms of a fee or, indirectly, the price of equipment to be purchased, appears to constitute a major stumble block for IS workers to access such training.

Box 4. Private training institute

The *Institut Supérieur de Technologie Industrielle* (ISTI) is an example of a private-for-profit training institute that provides pre-employment and skills upgrading training in trades that are in principle relevant for the IS (e.g. air-conditioning and refrigeration, electro-mechanics, electro-technics, and computer repair). ISTI has a capacity of some 200 students. The cost of the training is FCFA 40,000-50,000 (USD 55-65) per month, quite high for youth from the poorer strata of society.

ISTI training graduates receive an in-house diploma that, however, is also signed by the Ministry of Education. This stems from the fact that there are no official training curricula for many of the trades for which ISTI is providing training. It has now deposited its own training curricula with the Ministry and is waiting for them to be formally approved – which would mean that the graduates would get formal national training diplomas.

Most of the ISTI graduates are said to find a job with a modern company; even though the skills are said to be relevant for small workshops, few of them end up in the IS.

Source: Interview with ISTI principal, March 2002.

Box 5. Business-based training

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

As part of the sale of the agro-processing equipment (e.g. grain mills, price FCFA 2.4 million), *Equip Plus* provides delivery services which include installation of the equipment and some training for the user. The training lasts about a half-day and is conducted by the driver of the truck that delivers the equipment. Its main purpose is to instruct the buyer in the correct use and maintenance of the equipment and train them in some 'first-aid' in case of repair. The 'training curriculum' is formed by instruction booklets.

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

Equip Plus also provides training for welding equipment (price: FCFA 1.8 million), wood-working equipment (FCFA 7.5 million) for 1-2 days. For large users of the equipment, and even donor agencies (e.g. Embassy of France) it has organized training course for one week – at a cost of FCFA 100,000 (USD 135). For such events *Equip Plus* has two trainers and a roster of resource persons. *Equip Plus*, whose general manager is also the chairman of the Chamber of Commerce in Dakar, also provides places for practicals for trainees from a nearby training centre.

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

4.3.3 IS training needs

In the mid-1990s a study was undertaken by the ILO to take stock of the most pressing training needs in some of the major IS trades in Senegal, i.e. textiles and leather, construction, metal working, and food-processing (ILO/EMAS 1998). The most frequently indicated training needs, in addition to pure technical, activity-specific training needs, were:

1. basic literacy and numeracy
2. general theoretical aspects of the trades: nature and use of materials, drawing and reading of drawings, basic informatics, basic knowledge of industrial techniques
3. knowledge on recent technological developments in the trades
4. management practices, including:
   - firm organization: workshop lay-out, labour division, inputs stock planning, time management
   - workshop and production management: personnel management, customer relations, product promotion and marketing

– business administration: simple bookkeeping, stock administration, customer database

The study also refers to a number of other needs for training, which are not always immediately felt by the entrepreneurs, but found important by the authors of the study:

1. training on hygiene and work security
2. knowledge of the legal and fiscal context
3. professional standards: quality, marketing procedures, guarantees.

The study brought out an interesting feature of apprenticeship training in the clothing sector. While such training is free for boys and lasts on average 5-8 years, for girls the period is only 2-3 years while the training also has to be paid for. In the latter case, there is more often a structured training programme, including practical exercises, and the issuing of end-of-training certificates. Apparently, dressmaking training (for women) is becoming a business in its own right, and is showing clear signs of a process of 'professionalisation', while training for tailoring (for men) continues under the TAT modality with the low-cost TAps contribution towards production still holding prime importance.

4.4 Traditional apprenticeship training

4.4.1 Importance of TAT

TAT is very important in Senegal, as a mechanism to transfer skills and to replicate the social organization of production. It held particular importance in passing on technical knowledge and skills within social groups or castes, especially jewellers, weavers, leather and wood-workers.

Table 9: Senegal: IS employment by occupational categories (1988) (percentages)

Economic activity	Employers	Wage workers	Non-family apprentices	Family apprentices
Manufacturing	**19%**	**14%**	**53%**	**14%**
• *garments*	*25%*	*13%*	*48%*	*15%*
• *leather*	*22%*	*38%*	*26%*	*17%*
• *tapestries*	*21%*	*6%*	*58%*	*17%*
• *wood working*	*14%*	*10%*	*67%*	*9%*
• *sheet metal*	*11%*	*9%*	*64%*	*16%*
• *blacksmithing*	*24%*	*26%*	*34%*	*16%*
• *jewellery*	*26%*	*15%*	*32%*	*27%*
• *weaving*	*71%*	*10%*	*5%*	*14%*
• *wood carving*	*27%*	*11%*	*42%*	*20%*
•*others*	*23%*	*25%*	*34%*	*18%*
Construction	**28%**	**58%**	**10%**	**4%**

Economic activity	Employers	Wage workers	Non-family apprentices	Family apprentices
Trade	**31%**	**24%**	**24%**	**21%**
Services	**16%**	**11%**	**62%**	**11%**
• *car repair*	*11%*	*9%*	*72%*	*8%*
• *motorcycle repair*	*28%*	*16%*	*46%*	*10%*
• *tire repair*	*28%*	*16%*	*33%*	*23%*
• *electronics repair*	*24%*	*9%*	*55%*	*12%*
• *food catering*	*44%*	*20%*	*8%*	*28%*
• *others*	*42%*	*13%*	*28%*	*17%*
Total	**19%**	**13%**	**55%**	**13%**

Source: Maldonado et al. 2001, based on data from USAID survey 1988.

Consequently the number of TAps is high: a survey in 1988 found that more than two-thirds (68%) of the total IS workforce are TAps. The number of TAps is especially high in the case of car repair services where TAps constitute 80% of the total workforce. In service activities in general this is somewhat lower though still 73% – against 45% in trading and only 14% in construction.

The table shows clearly that the priority for TAps with family ties has given way to an open system of apprenticeship. Even in jewellery, once a distinct caste where skills were transferred from father to son, there are now more non-family apprentices.

4.4.2 Main features

Apprenticeship training is very much engrained in the Senegalese society[16]/. There are no specific requirements to enter into apprenticeship. In fact, it is usually the parents who take to first steps for their children by contacting a MC, and thus implicitly choose an occupation for them (although they can still change later on). The decision of the family to enter the adolescent into apprenticeship training is in most of the cases the combined result of a failure at school and the inability of the family to finance private schooling, with the need for some additional incomes for household expenditures. Interestingly, it seems that the youth themselves also gradually begin to prefer practical skills training to long-haul general education, which could give an important impulse to changing the image of traditional apprenticeship training.

Traditionally an MC who takes on an apprentice is not only responsible for his or her technical training, but is also expected to inculcate general knowledge and moral values. The duration of apprenticeship training varies considerably, ranging from 2-8 years. The main interfering factors concern the trade; the age, educational level and potential of the apprentice; the profile of the MC; and the equipment and volume of jobs of the workshop. Trainees are very mobile between workshops.

16/ This paragraph is based on Ngom and Seck 2000.

In Senegal, in contrast with other countries in the region, historically no apprenticeship fee is paid since this form of training is traditionally based on solidarity – between families and within social groups – and no fees are paid. In fact, TAps customarily received 'allowances' for transport, food and sometimes even accommodation. The costs of the training which the MC incurs are only repaid when the apprentice finishes his/her training and stays on as a *compagnon* (i.e. a skilled worker who gets a wage or an independent worker who pays for using workshop space and equipment – sometimes even combining both modalities). It would seem, however, that apprenticeship fees (as well as written apprenticeship contracts) are becoming more common, especially in 'modern' IS activities (e.g. hair dressing). In such activities the fees paid range from USD 7-15 per month.

What stands out starkly in Senegal is the young age of some TAps. As the result of the very poor state of general education in the country (e.g. only 30% of those who graduate from primary school continue to secondary school), there are large numbers of children who drop out at a very early age. To avoid having them roaming around the streets and getting into mischief, their parents try to find a workshop owner to take them in as an apprentice. Many TAps thus enter into apprenticeship at a very early age – some of the boys and girls are only 8 years old. Data for an association of car repairers indicates that less than one quarter of the TAps are below 15 years old (PROMECABILE 2002).

As a result of the early age of the intake of the apprentice, the period of training can be very long, and has been reported to last even up to 10-15 years, while in countries where TAT is more structured (e.g. Benin and Togo) it is said to take only some 2 years (Sylvestre 2002). During the initial years the youngsters do not learn much, if anything, as they are used for errands, bringing tools, cleaning the workshop, and endlessly hang around in the workshops. The masters hardly pay any attention to them but are rather watched over by a more experienced apprentice or workshop *compagnon*.

The apprenticeship training in Senegal broadly consists of 3 phases: (i) '*initiation'*: the apprentice is made to observe, (ii) '*consolidation'* (or strenthening): the apprentice is shown particular operations and sometimes receives some kind of explanation about them, (iii) '*confirmation'*: the apprentice can take own initiatives and so further develop his/her skills. The second phase may take up to two-thirds of the total apprenticeship period.

The training is as usual foremost practical. Very little attention is paid to the theoretical aspects of the occupation, which hampers the apprentice to fully understand the trade and consequently his/her capacity for adaptation and technological progress. The low education attainments also seriously affect the trainability of the TAps. The quality of the training is furthermore constrained by the fact that the masters themselves also do not have much education and the often high ratio of apprentices per master. As ultimately the training provided is a derivative of the jobs to be done in the workshops (materials and equipment are seldom if ever used specifically for training purposes), the trainees do not necessarily acquire a complete set of skills for their trade.

The apprenticeship conditions are often hard, with working days of usually 10 hours. In fact, many of the TAps feel treated as a 'galley slave', while the MCs see themselves often as their saviours and the parents are glad to have found a way to end their responsibility:

Table 10: Senegal: views on the position of an apprentice

View of apprentice	Apprentices express dedication to their trade and are anxious to get out of what they feel is a 'galley': "they ask me to do too many things – it is as if to learn a trade I have to be exploited".
View of mastercrafts(wo)men	Most MCs feel that apprenticeship training is the last resort for youth on whom parents have turned their back, which notion is reinforced by the impression that many of them are on the brink of delinquency when they enter into apprenticeship training. The MCs consequently feel like 'good Samaritans' and fully in charge.
View of the family	For the parents apprenticeship training is the last recourse: they are keen to pass on, without further costs, their responsibilities with regard to education and training of their children.

Source: Based on Ngom and Seck, 2000: table 1.

There is no final exam at the end of the apprenticeship training. The graduates get however a certificate from the workshop, which is usually (but of course erroneously) called *certificat de travail* (work certificate).

Observers indicate that apprenticeship training is yielding only modest results and needs to be strengthened (ILO/EMAS 1998). This can be done through (i) complementary training for the TAps (e.g. to remedy low educational attainments), (ii) a certain regulation, for instance, with regard to entry age (14-15 years), status of the TAps, training content and period (4-5 years maximum), and (iii) improved delivery of the apprenticeship training (e.g. training of masters to equip them with better teaching skills).

After the apprenticeship training, the graduates can: (i) become a wage worker in the formal sector, (ii) work as an independent *compagnon* in the workshop where s/he was trained or any other workshop, or (iii) set up his/her own business. In case of the latter, it is usually done 'away' from the master – to avoid embarrassments. According to a recent (2000) survey, in all 69% of the TAps find some kind of employment after finishing their training – ranging from 25% of the tailors/ dressmaker to 91% of the wood workers (quoted in Ngom and Seck 2002).

4.5 Case A: *L'Office National de Formation Professionnelle*[17]/

4.5.1 Background

The *Office National de Formation Professionnelle* (ONFP) was established in 1986. It comes technically under the Department of Technical and Vocational Education and Training, but operates as a tripartite organization with, in its Executive Board, representatives of employers' federations and trade unions (with each 4 of the 12 members), as well as members representing the *Union National de Chambres des Métiers* and others.

[17/] Based on *ONFP: formation pour le développement*; *Synthèse des effectifs formés par l'ONFP;* and *Programmes de Formation 2002*, all from ONFP Dakar.

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

4.5.2 Activities

With regard to training for the IS it includes: literacy training (in both French and national languages), computer skills, marketing, pedagogies, human resource management, and various technical skills (e.g. welding, electrician, agro-processing, carpentry, car repair, batik and tie & dye, sheet metal working.

ONFP prepares every year a training plan, indicating the areas for which training will be supported. These training areas should be based on studies carried out by ONFP into the demand for skills. The beneficiaries are matched by ONFP with the training courses that are organized – said to be on a 'first come (to register), first serve basis. For participants the training is free of charge.

The training providers conducting the skills training come from both the public and private sectors. They are first checked (training facilities, trainers and training programme). They also include MCs (see Box 7). Some 10% of the funds are allocated to NGOs involved in skills training.

The training contributions are financed from a special employers tax, government subsidies and donor funding. Total ONFP budget for 2002 is FCFA 270 million of which 68 million (25%, almost USD 100,000) is destined for training for the IS.

Box 6. Independent batik instructor

Mrs Yaye Faty N'Diaye, middle aged, is one of the independent instructors sometimes asked by ONFP to conduct short training programmes. In 2000 and 2001 she conducted 3-4 programmes and in 2002 so far one. She has her own small batik workshop in Dakar. Mrs N'Diaye has little education and speaks no French. She learned the trade when she was some 12 years old at a 'social' training centre, after which she gradually set up a small business in the outskirts of Dakar. She 'employs' 6-7 TAps in her workshop (apprenticeship period is 1-1½ year, no fee, TAps receive 'transport allowance' of FCFA 500 or USD 0.70).

Mrs N'Diaye is registered with the *Chambre de Métiers*, for which she needed a diploma and had to pay FCFA 1,000 (since she registered with a group, otherwise it would have been FCFA 5,000, or USD 7). She landed the jobs for ONFP 'through a contact' in the *Chambre*.

The training in batik skills last 5 days full-time or 10 days part-time. The groups that she trains consist usually around 30 women. The trainees are selected and organized by a CM or ONFP. The training materials are provided by ONFP. The training is free of charge. Mrs N'Diaye receives FCFA 50,000 (USD 70) fee. She does not conduct any other training.

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

4.5.3 Results

In recent years ONFP provided financing for training of some 3,000 persons (almost 4,000 in 2000) per year. Although respectable in itself, it is of course a drop in the ocean of those in need of skills. Moreover, less than a quarter of them work in the IS – which is most definitely not in accordance to the proportions of employment in the different sectors.

Table 11: Senegal – Number of persons trained with financial support from ONFP

	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Masters	30	105	121	77	20	40	205	220	275	1,093
Apprentices	27	30	49	58	79	120	150	110	155	778
Trainers	0	0	0	106	245	170	244	355	525	1,648
Total IS	57	135	170	241	344	330	599	685	955	3,516
Total ONFP	159	531	713	824	1,524	1,741	2,951	3,017	3,878	15,338
IS as % of total	*36%*	*25%*	*24%*	*29%*	*23%*	*19%*	*20%*	*23%*	*25%*	*23%*

Source: ONFP, March 2001, Synthèse des effectifs formés par l'ONFP de 1992 à 2000. (Dakar).

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

4.6 Case B: APDES and training for the informal sector

4.6.1 Background

The *Association pour une Dynamique du Progrès Économique et Social* (APDES), established in 1992, sprang from earlier IS work carried out by *Terre des Hommes* in Dakar (it was created by two former TDH staff). In particular, APDES continued the organization of associations and the provision of skills training for MCs and TAps.

4.6.2 Activities

From 1995-97 APDES implemented a 3-year programme *Appui à l'Insertion Économique des Apprentis et des Artisans de Dakar*, which was financed by 3 NGOs in the North (i.e. *Terre des Hommes*, Christian Aid and ICCO)[18]/. The programme aimed to (i) support IS activities through the provision of credit, training and follow-up, and (ii) stimulate the *auto-organisation* or organization of ISAs and other IS groupings. The actual resources for the credit programme came from USAID.

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

[18]/ This section is based on Chouraqui and Diao 1997 and an interview with APDES staff (March 2002).

For TAps, training was planned for a period of 8 months and included:

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

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

The training for the masters consisted of short training seminars. The duration of the seminars was from 2-10 days (with a mean duration of 4 days). During 1995 and 1996 a total of 19 such seminars were organized:

Table 12: APDES – training seminars conducted for mastercraftsmen

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

*Note: */ Total number of trainee days, i.e. days attended by the participants.*
Source: Chouraqui and Diao 1997.

The training for the women engaged in tie & dye included technical skills, marketing and management practices. In total 18 such seminars were conducted.

Table 13: APDES – training seminars conducted for women in tie & dye

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

*Note: */ Training in setting up of a credit and savings union.*
Source: Chouraqui and Diao 1997.

For the women, seen as much more serious than the trainees in the other trainings, the *mutualité* was by far the most popular training.

4.6.3 Results

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

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

Unfortunately, no exact data are available on the costs of the training. On the basis of its experience APDES counts with FCFA 65,000 (almost USD100) per trainee for 6 months part-time training.

4.6.4 Conclusions and lessons learned

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

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

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

4.6.5 Offspring

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

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

4.7 Case C: A private-for-profit training provider – *Exotif* Hairdressing Centre[19]/

4.7.1 Context and history

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

The hairdressing market is one of the most dynamic within the IS of Senegal. Although there are no official data, Mr. Maillet estimates the size of the market by the level of sales of hairdressing products, of which he is the only official importer. He sold, for instance, 1000 practice heads in 2001, on which apprentices learn various hairdressing techniques. That represents at least as many practitioners, but most probably 2 or 3 times as many, as people can take it in turn to practice on these heads. He estimates hairdressing business to grow by 40% a year; this means one new salon every week in Dakar, in addition to the 400 to 500 already in activity. The demand for hairdressing is, indeed, always there. Even with limited skills (3 months are sufficient to master the basics of the trade) an apprentice can easily find work. Setting up a salon requires a limited investment of USD3,600 for the smallest ones.

4.7.2 Centre and trainees

Exotif's is a training centre *agréé*, that is, it obtained authorisation from GoS/METFP to provide training. However, it only awards an in-house training certificate as there does

19/ This case study was prepared by Mr N. Serrière (ILO/ITC Turin).

not exist yet any government-recognised hairdressing diploma in Senegal. The centre is situated in the centre of Dakar and housed in a modern building. The salon is situated at the ground floor and the teaching facilities are located on the first floor. Taking into account all the different types of training offered, between 130-150 students can be trained – although not all of them will be present on the premises at the same time.

The trainees, all women, are usually between 18 and 35 years old and have different socio-economic backgrounds. Initially a minimum middle-level education was required, but that was dropped as it became evident that not enough candidates met that criteria. The main criteria of selection, therefore, remains the capacity to meet the training costs. There has also been occasion of placement refugee students by UNHCR. Many trainees drop out after the *Tabasky* (end of Ramadan celebrations), when families have spent all their savings on celebrations and cannot afford the training any longer.

Registrations take place all year round, every month. Trainees can chose between full-time or part-time training. A full course takes one year to finish, but as it is modular, trainees can organise their time as they like. In addition to registration costs and tuition fees they have to invest into their own professional kit. All products and equipment are, of course, to be bought from *Exodis* (Mr Maillet's import company). The table 14 below summarises the costs according to the length of training:

Table 14: *Exotif* hair dressing centre (Dakar): training costs (FCFA)

	Full time training (1 year)	**Part-time training (2 years)**
Registration costs	FCFA 37.500 (USD 53)	
Monthly tuition	FCFA 35.000 (USD 50)	FCFA 20.000 (USD 29)
Professional kit: • hairdressing • beautification	FCFA 215.000 (USD 307) FCFA 190.500 (USD 272)	

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

4.7.3 Future plans

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

Exotif is pursuing an expansion strategy at several levels:

- opening of resale shops: four are open at the moment in Dakar, and an additional four should open before the end of the year
- opening of training centres in other countries: one of them is already operating under franchise in Nouakchott, Mauritania, and a third school has just been opened in Bamako.
- institutionalisation of the course: negotiations have been held since 1995 with the government to recognize this diploma and integrate this course among other professional training
- initiate ventures with French hairdressing & beauty salons to sponsor trainees in Dakar.

4.7.4 Final observations

Mr. Maillet has invested between FCFA 60-120 million (USD 85,000-170,000) in his business. This came from his own savings as he didn't want to have to rely on local banks for loans. He feels that their requests for collaterals are not realistic and their interest rates are too high.

Initially some adjustments had to be made to the training set up, such as a lowering of the entry requirements and the introduction of part-time sessions to enhance the flexibility of the training schedule. It took some time before the fine-tuning of *Exotif's* was completed and financial stability achieved. A major advantage proved to be Mr. Maillet's control over the whole production chain, from the exclusive import of cosmetics and hairdressing products to the training of practitioners and the delivery of his services in his salons. This has allowed him to attract and retain a wide range of customers, as well as subsidising the training side of the business until that was no longer necessary.

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

4.8 Case study D: FENAPH – a trade association providing skills training

4.8.1 Background

In the Senegalese IS, 'textile' activities (e.g. tailoring and dressmaking) are well organised. In 1991 the *Association des Couturiers* (ACS) was set up with local chapters in various regions in the country. To complement its activities, in 1995 the *Fédération*

Nationale des Professionels de l'Habillement (FENDAPH) was started at the initiative of the clothing sector, which soon had some 6,000 members, mostly from Dakar. FENAPH has the following objectives:

- research into new commercial channels for the national and the international markets
- creation of a savings & credit union to finance production activities of members
- set up of a training centre for modern wearing apparel, including skills required for international sub-contracting
- establishment of a housing cooperative.

FENAPH has now some 10,000 members, which include small garment workshops as well as small and medium enterprises. It receives support from the *Friedrich Ebert Foundation* (FES) as well as from the *Coopération Française* (AFD), which is supporting the training centre.

4.8.2 FENAPH Training Centre

FENAPH's *Centre de Formation et Perfectionnement* (220m^2) was established in 1999 and is located in one of Dakar's industrial areas in a building that belongs to the federation's president. It employs 18 part-time instructors and has a total capacity of some 130 trainees. The trainees are apprentices/workers from small and medium workshops and newly recruited workers of modern garment factories.

The training seeks to enhance the level of skills in clothing enterprises, mostly small and medium enterprises, and improve their prospects to serve local and regional markets. The centre provides both pre-employment and skills upgrading training in 3 modalities:

Table 15: FENAPH: types of training provided

	Type of training	Target group	Duration	Training fee
Bac training	basic training	Clients selected by *Dir. de l'Emploi*	12 months	US$ 50/ month
Academic trg.	extended basic trg.	individuals	2 x 9 months	US$ 30/ month
Modular trg.	special skills upgrading	workers from SMEs/individuals	40-80 hours	trainees: US$ 1/ hr firms: US$ 3.50/hr

The ADF-funded project includes the purchase of additional equipment and a period of technical assistance provided by the *Académie Internationale de Coupe* in Paris. The Academy has assisted in the organization of training, the training of trainers, and the development of training curricula. The total budget of the project (1999-2001) was FCFA 250 million (USD 350,000).

The Centre is registered with the GoS/METFP. It so far issues its own certificates, but is in discussion with the ministry for an official trade certificate. No statistics on the impact of the training exist, but it is thought that some 50-80% of them in the end will have their own garments workshops, while 5% of the training graduates go abroad (e.g. to France) for work and further studies.

4.8.3 Appraisal

The training centre of FENAPH brings out number of points:

- when faced with a shortage of skilled workers, the enterprises in a particular sector band together to set up a training facility to solve their common problem
- the private character of the centre (it has been registered as a limited company) has resulted in higher levels of organization, equipment, management and, through its links with FENAPH, better focused training offerings
- the external assistance, and especially the link with the Paris fashion academy, seems to have resulted into low-cost, effective capacity building.

In spite of these generally positive observations, it should also be noted that the FENAPH training centre is facing a number of operational problems, such as lack of space and inadequate equipment. They could probably be solved by increasing fees, but in this respect FENAPH seems to have failed to solve the ubiquitous problem of low training revenues leading to sub-optimal training provision, which in turn reduces the possibilities to increase training fees. The feelings of ownership of the training facility by FENAPH members are apparently not strong enough to make them pay higher fees for skills training to allow further investments that will improve future training quality.

4.9 Conclusions and final observations

4.9.1 IS activities and organizations

While more industrialized that other countries in West Africa, Senegal has also seen a steady increase in IS employment for it to become by far the most employer in the country. Government support however is limited to traditional craft activities (*l'artisanat*), which while other IS activities and especially trading looked upon unfavourable and left to fend for themselves.

Government-inspired organizations to support artisanal activities, such as the *Chambres de Métiers*, are not effective and only group some 10% of the target group. Recently more representative IS organizations have been set up.

4.9.2 TVET sector

Education in Senegal leaves much to be desired. Literacy in the country is lower than in other countries in WCA. There only exist a few training centres relevant for IS operators. As a result the level of knowledge and skills in the IS is low. The training needs of IS opera-

tors include a variety of technical skills, and also basic literacy and numeracy, general theoretical aspects of the trades (i.e. nature and use of materials, drawing and reading of drawings, basic informatics, basic knowledge of industrial techniques), knowledge on recent technological developments in the trades, and management & marketing practices.

GoS, stimulated by international donors, is gradually changing its views on vocational training, giving more importance to *formation continue* (post-employment training) and considering a larger role for private training providers. The coming of the new, more private sector-minded government has further strengthened this tendency.

4.9.3 Traditional apprenticeship training

The socio-cultural roots of apprenticeship training in Senegal are still reflected in distinct TAT customs with regard to traditional and more recent trades. Paying of fees, for instance, is more accepted (and the fees higher) in case of new IS activities (e.g. hairdressing).

The expansion of the IS appears to be foremost the result of increases in the number of TAps. Already in 1995 they constituted 70% of the total workforce of the sector, which is considerably more than in surrounding countries (see table 3). It is often suggested that these are mainly members of the family, but data from an earlier survey (1988) indicate that there are more than 4 times as many non-family TAps than family TAps (and in car repair even 9 times).

As result of the dismal performance of the education system, many young children end up at a young age in the IS (possibly 25% is below 15 years of age). For their parents this is often the only way to ensure that their children acquire some skills – and possibly making a -small- contribution to the household budget. They hope that the MC will not only transfer technical skills but also instil discipline and moral values in their youth. As a result apprenticeship periods may be long, up to 8 years or more.

4.9.4 Fresh developments

The main examples of fresh approaches towards training for the IS in Senegal include:

- GoS policy documents increasingly designate the provision of vocational training for small producers and self-employment as a priority;
- Department of Employment has signed a convention with the Employers Federation for companies to make available places for practical periods for TVET trainees;
- NGOs have set up special, short programmes to improve the quality and results of apprenticeship training. Such efforts tend to focus on additional pre- and post-employment training for MCs, TAps and women self-employed, and include technical skills and literacy & numeracy. Often such schemes are linked with efforts to create or strengthen ISAs;

- An association of apprentices and *compagnons* was established to raise awareness on problems related to apprenticeship training (e.g. organization and conditions of apprenticeship training, young age TAps, and lack of start-up capital);
- The attempts of *Chambre des Métiers* in Dakar at a triangular arrangement by linking up with the Chamber of Commerce in Coblenz (Germany) represent an interesting way to *private-private sector partnership* to improve skills provision for IS;
- The *Office National de Formation Professionnelle* (ONFP) seems an useful mechanism to allocate funding for training, including for those entering in the informal sector;
- FENAPH shows that under certain conditions, such as (i) clearly understood self-interest among the members to participate, (ii) leadership, and (iii) relevant financial and technical assistance, trade association can be instrumental in providing skills for the IS;
- Some private business(wo)men have entered the field of technical training, showing that in the medium term profits can be made here. Setting up a private training centre is a combination of good entrepreneurship, technical skills that are in demand, investment capital and stamina. Parallel business activities appear important to overcome initial problems. They can also result in follow-up support for training graduates (e.g. provision of production inputs);
- Some private sector companies are involved in 'business-based training' which in particular situations can be useful for IS operators.

5. TRAINING FOR THE INFORMAL SECTOR IN BENIN

5.1 Introduction

Benin is smaller, less industrialized and significantly poorer than its neighbours. The economy is organised around two sectors: agriculture and services (see EIU). Agriculture (accounting for 38% of GDP) remains the main source of income for over 70% of the population. Commercial crops (mainly cotton) are grown for export, while food crops are destined both for national consumption and for exports, mostly within the region. The services sector (48% of GDP), is mainly concentrated on commerce and transport with neighbouring countries, mainly Nigeria and Niger. Trade with Nigeria, which remains largely unrecorded, is estimated to account for one-quarter to one-third of GDP. The industrial sector is rather underdeveloped (14% of GDP) as it is limited to import-substitution products and basic agro-industrial processes such as cotton ginning and oilseed milling.

BENIN (1999)	
Population	**6.1 million**
‣ population growth (90-99)	2.6 %
‣ pop. aged 15-64	49 %
‣ urban population	42 %
‣ labour force growth (90-99)	2.8 %
GDP per capita (at PPP)	**USD 886**
‣ economic growth (98-99)	5.1 %
‣ agricultural sector	38 %
‣ manufacturing sector	14 %
Quality of life	
‣ pop. below poverty line */	33.0 % (1995)
‣ life expectancy at birth	52 yrs M, 55 yrs F
‣ adult illiteracy	46 % M, 77 % F
*/ national poverty line of USD 1 per day	

Source: World Development Report 2000/2001 (World Bank)

Over the last decade, Benin's economic policy has mainly concentrated on reducing the budget deficit, sometimes through far- reaching austerity measures. The main sources of economic growth remain agriculture (mainly cotton) and cross-border trade with Nigeria – principally conducted on an informal basis. Benin's modern sector is very small. Private enterprises employ only some 20,000 workers, which number has been almost stagnant since 1993 and 33,000 in the public sector after retrenchments of one-third of civil servants between 1987-94 (GoB/MFPTRA 1998). As a result the IS is the second most important employer, after farming, in the country.

Many of those working, especially in subsistence farming and informal activities earn per month less than FCFA 10,000 (USD 13) and considered under-employed. Under-employment is estimated at almost 25% (UNDP 1998)[20]/. In 2000, for the first time since 1997, the government raised the minimum monthly professional salary (for civil servants and other professional employees) to FCFA 25,000 (USD 36). However, more than half of the urban population (55%) live on an income of less than FCFA 180 (USD 0.30) per day, while the rural population has even less purchasing power, with an average income of FCFA 155 per day (UNDP quoted in EIU).

5.2 Informal sector

5.2.1 Size and structure

The IS in Benin is all-pervasive, providing employment and incomes to more than 90% of those working outside agriculture and contributing about one-third of GDP (GoB/MFPTRA 1998). The IS is especially important for the poorer strata of the population: while 30% non-poor families include a wage-earner, only 14% of the poor households do (*ibid*.).

IS growth started in the 1970s when it became the main source of employment and incomes for those entering the labour force, absorbing almost half a million Beninese between 1979-92 (*ibid.*). This expansion of IS employment is to a significant extent the reflection of the enormous exodus from the rural areas. The population of the countries main urban centres increased more than 8% between 1960 and 1990; almost 40% of the country's population lives now in urban centres (Maldonado *et a.* 2001). According to the Population Census of 1992 there were some 250,000 employed craftsmen and workers in the IS. Almost 6 out of every 10 of them were TAps, while the number of regular workers was low; IS owners only accounted for just over 25% (Davodoun 2002).

The most recent data for the structure of the IS in Benin come from a 1996 survey of IS establishment in the six most important cities and towns of Benin. They show that in Benin, again, trading activities are by far the most important:

[20]/ An earlier study estimated under-employment in 1990 at 60% (quoted in Maldonado *et al.* 2000).

Table 16: Structure of urban informal sector in Benin

	Employment	Percentages
Manufacturing	12,539	9.2
Construction	82,405	0.9
Trade	40,229	60.4
Services	1,275	29.5
Total	**136,448**	**100.0**

Source: Maldonado et al. 2001 on the basis of existing data.

The survey also found that less than one in every 5 informal establishments has a fixed location, while the rest are semi-mobile (39%) or ambulant (42%).

Box 7. Joint use of equipment

In Benin it is very common, especially in the wood-working trade, for small producers without the required tools and equipment to make use, for a fee, of the equipment of other workshops (*l'usinage*). In this way young and poor entrepreneurs can start up their business with a set of simple tools and still accept orders for items that require the use of mechanized equipment. For initial sawing and planning of the wood, they would go to the larger IS workshops and even FORMAL SECTOR factories. To manufacture legs for table and chairs that need a wood lath they would try to find small workshops with such equipment in their neighbourhood.

Technical schools sometimes also make available there equipment to IS producers, but as there are no clear rules for the fees to be paid, this is limited to a few contacts of the instructors (who most likely will be rewarded in some way for such services).

This system makes it possible that IS furniture makers without a workshop or equipment, assemble large fancy looking sofas, beds, and cupboards, for display at the road side. Joint use of (rented) equipment is an interesting way for start-ups and other IS-entrepreneurs to overcome their financial constraints.

5.2.2 Training needs of IS entrepreneurs and workers

Both the owners of IS enterprises and their workers suffer from a lack of education and practical skills. An early study of IS apprentices (Tomety 1990, cited in Davodoun 2002) found that their level of education was quite low: 12% of them were illiterates, 43% educated at primary level, and the rest (45%) at the level of lower secondary. It would seem that the level of illiteracy has rather increased than diminished since then. Many informants indicated that the alarming high levels of illiteracy in the country, seriously undermine the efforts for technical training.

Another study charts the types of practical skills that IS operators generally have at their disposal and those skills that they feel that they need to acquire (GoB/MPREPE 1997). It comes up with a rather detailed list of such skills for different economic activities (see ANNEX-I). Essentially the skills gap refers to (i) general upgrading of skills to improve quality and finishing, (ii) new skills that are the result of technological developments (e.g. mechanics want training to repair fuel injection engines), and (ii) theoretical insights to give background to their practical skills. Interestingly, a large number of IS operators also clamour for increased knowledge of French.

In addition to a training need for such technical skills, almost all the owners and workers expressed a need for training in bookkeeping, management and marketing practices. In all, some 90% of all owners and two-thirds of the IS workers indicated particular training needs. More than half of them would want to training to be simultaneous to their work and in the form of short term training courses.

Only few IS business owners and workers are following training to upgrade their skills. The study inquired into the reasons for this phenomenon. It was found that 94% of the respondents pointed to a lack of funding as the main cause, while 13% mentioned a lack of information on training programmes. At the same time the study found that more than half of the respondents (54%) are in favour of contributing towards the training costs in case of skills upgrading.

5.2.3 Changes in the informal sector

The nature of the IS in Benin appears to be changing. Before the sector was almost exclusively the domain of those who did not have much general education or had limited practical skills. IS activities were generally equated with dirty manual jobs, low quality and meagre incomes, and was looked down upon by many IS operators as well as large parts of the population. In the past decade, however, the sector has absorbed thousands of youth who are better educated and more attuned to modern developments. As a result the image of the sector has started to change. A growing number of (young) IS operators have come to realize that it is futile to aim for a government job or even regular wage-employment in the formal sector. More than just being reconciled with IS work, new IS entrants have come to appreciate IS work in its own right, such as providing opportunity for interesting entrepreneurial activities. If indeed confirmed, such new ideas could finally chip away at the white-collar job syndrome that has been plaguing Africa for so many years.

Such changes would have a number of implications. In Benin, for instance, it is felt that this new generation of IS entrepreneurs is not interested in the old style of government-inspired bodies to represent their sector (e.g. *Chambres de Métiers* and *Associations/Fédérations des Artisans*), as they do not genuinely provide any real support for their businesses. There is now more interest in upgrading of business as well as technical skills in the IS. Whereas the traditional MCs always declined any need for technical skills upgrading and hardly showed interest in management training, the new generation of IS entrants is more ready to recognize their skills deficiencies and do something about it.

5.2.4 IS policies

Benin's policies aiming for solid industrialization, have seriously hampered the development of the IS. The resulting industries of the formal sector did not develop any linkages with local small-scale economic activities. No examples of sub-contracting between modern industries and IS enterprises were traced. Moreover, the policies implied, at best, a benign neglect of the informal sector, interrupted with harsh treatment of those who tried to earn a living in this sector.

The tide turned with political changes in 1990 after which the government of Benin (GoB) started to develop a clear interest in the role of small-scale economic activities. Especially after the 1994 Donor Conference the government actively intervened to promote the IS, when various government units for SME development and training were created.

Still, in spite of all this, GoB continues to suffer from a lack of a clear vision with regard to the role and the development of the IS (cf. Davodoun 2002:19). In as far as concrete support services are available, they are directed at the handicraft *artisanat* segment of the sector.

5.2.5 Informal sector Associations

Like other countries in WCA, there are in Benin many ISAs and other organizations purporting to represent IS artisans. At the suggestion of GoB a *Fédération National des Artisans de Bénin* (FENAB) was created in 1993 for this role[21]/. At the end of 2000 FENAB had almost 25,000 members, grouped in more than 450 ISAs all over the country (Davodoun 2002) – apparently like in Senegal some 10% of all artisans. FENAB represents the *artisanat* sector at various levels. It has offices and staff at all the main administrative levels (local, provincial and national). There exist also a number of ISAs outside the realm of FENAB, such as *Regroupement des Artisans de Cotonou* (RAC, see par. 5.7) and *Groupement des Artisans de Parakou* (GAAP).

In general terms, at least 4 distinct categories of informal sector Associations can be distinguished (see also FES 1999):

(i) *genuine ISAs* that were established 'from below' and seek to provide relevant services for their members and represent them at different levels (e.g. dressmakers and hairdressers associations);

(ii) *associations and federations that made use of the opportunities* opened by the state for trade-based representation of major sectors of small-scale economic activities (e.g. FENAB ISAs);

(iii) *local/regional groupings of small producers established by NGOs* that have objectives beyond improving the small business of their members (e.g. development of the wider community);

21/ There are plans to set up soon *Chambres des Métiers*, first on a regional basis.

(iv) *rent seeking 'associations'* which utilize the political cover to exploit the interest of government agencies and donors in working with organisations representing the IS.

The FES-study suggests that many of the ISAs function relatively well, even though some of them lack legitimacy and tend to take decisions without consulting the members (FES 1999:31).

5.3 Vocational training sector

5.3.1 TVET policies and institutions

After years of under-investment, education in Benin is in a poor state. The illiteracy rate is high (in government documents, it is estimated at up to 80%!) and apart from an exceptionally well-educated elite, educational achievements are below the average for Sub-Saharan Africa. Total gross enrolment rate is steadily going up, but stood at only 35% in 1997. Problems already occur at primary level, with less than one-third of the pupils reaching the end of the first cycle and only 16% getting their primary school certificate (GoB/MFPTRA 1998). Quality of education is generally poor: the classes are over-crowded, there is a lack of teaching facilities and materials, and the qualification of the teachers is often inadequate.

Increasing costs, for transport, books and other school requirements make that access to school is becoming increasingly problematic for the poor. Parents more and more prefer to take their children from (primary) school and place them directly in a workshop. They hope that as an apprentice, their children can contribute at least something to the household budget.

The training sector in Benin is currently the subject of some major changes. With the new government, a new policy document on reform of the TVET system approved and an Action Plan adopted (see GoB/MFPTRA 1998 and GoB/MENRS 2001). The main reforms concern:

- strengthening the legal and financial framework for TVET
- improving training offerings and enhancing the capacity of the national training system
- developing the human resources management of the TVET system

The Action Plan furthermore includes the creation of a National Training Board and the establishment of some kind of a National Training Fund. The reforms have been prepared and tickled along by some major donors (e.g. GTZ, SDC and ADF). As part of the reforms a new ministry was formed recently, the *Ministère de l'Enseignement Technique et de la Formation Technique* (GoB/METFP), which will be responsible for the technical schools in the country.

There are also various other government entities concerned with skills development. The *Ministère de le la Fonction Publique, du Travail et de la Réforme Administrative*

(GoB/MFPTRA) has a directorate (DFPC) that is responsible for *formation continue* (skills upgrading). The *Ministère de l'Industrie, du Commerce and des Petites Entreprises* (GoB/MICPE) has a directorate for training and employment promotion.

A *Fonds de Développement de la Formation Continue et de l'Apprentissage* (FODEFCA) was recently created (2001), with support from the World Bank, as a financing instrument for technical training. It will fund training for those working in the formal as well as in the IS. The training will be conducted by existing training providers, both in the public and the private sector, including ISAs and individuals with experience in training. They will be registered by FODEFCA, which may also support their rehabilitation. The trainees are expected to contribute some 15% of the training costs. Discussions are ongoing on awarding a special certificate for the graduates.

5.3.2 Main training providers

There are only few vocational training centres in Benin. Technical skills training takes place in technical schools (*lycées techniques*), which are normally not linked in any way to training for the IS. The only training centres to do so in the public sector are the special centres set up by international donors (e.g. the training centre in Abomey -see par. 5.5).

There are some NGOs active in the area of skills training, including Don Bosco. The Danish *Fondation pour l'Enfant* runs training centres for 7-8 months training for agricultural and handicraft skills, to be used in local communities. The *Mgr. Steinmetz Technical Training Centre* in Porto Novo has made it compulsory for its trainees to work one year in its production workshop before they get their diploma. The training provided by the Centre is very popular, indicating clearly that the quality of training offerings are an important determining factor for their demand.

By far the most common source of technical skills is traditional apprenticeship training, which is suggested to be responsible for around 90% of all training in the country (Davodoun 2002).

5.3.3 Training deficiencies

All those involved in technical training in Benin point to the importance of increased training capacity, together with crucial needs for training-of-trainers and the development of new training curricula and training materials. Moreover, few of the technical schools are adequately equipped, many urgently needing to update their training content, with trainers needing to adopt more modern teaching styles such as those used in adult education.

The recent reforms seem to indicate more genuine interest on the part of GoB, prodded by donors, in the provision of relevant training for the IS. As a first result, measures have been taken to open the technical schools for evening and weekend classes for MCs and TAps. Extra efforts are being taken to provide additional knowledge and skills to school drop-outs.

5.4 Traditional apprenticeship training

5.4.1 Background

In Benin TAT finds its roots in its social-cultural system: traditional trades, such as blacksmithing, weaving and pottery used to be the exclusive domain of certain social groups and castes who transferred the skills to children and members of the wider family. Nowadays apprenticeship training, especially in modern trades is entirely open.

The rapid increase in the umber of TAps appears to have contributed significantly to the expansion of the IS. From 1979 to 1992, for instance, the number of TAps increased from 36,000 to 145,000, or by more than 10% per year. In fact, TAps often seem to take the place of regular workers: it is common to see workshops (e.g. in car repair) with 6-10 or more TAps but without any regular wage-workers. Some say that indeed the entire IS relies on TAps to carry out the production: "when a workshop owner dies, the enterprise dies with him/her" since there are no managers/supervisors to continue the business (Sylvestre 2002b).

5.4.2 Main features

Contrary to the situation prevailing in other countries, apprenticeship in Benin is governed by clear customs. The training carries a – sometimes hefty – fee, ranging from USD 35-200. At the start of the training a down payment has to be made of some USD 13 in addition to a few bottles of liquor. The rest of the fee is paid in 2-3 instalments. At the end of the training period the apprentice has to pay the master a *dot* (dowry) to be 'liberated'. This is accompanied by a public ceremony, attended by other local MCs, to celebrate the entry and acceptation of the newly graduated artisan to the ranks of MCs.

In recent times some MCs, for instance in ladies hairdressing, are said to abuse the dowry system to demand ever increasing amounts of cash (up to USD 200)[22]/ as well as cattle, cloth and other gifts. As a result some TAps cannot formally terminate their training and become a recognized MC. To curb this, GoB adopted in 1991 an act to regulate the liberation ceremonies of TAps, limiting the amount for the dowry to USD 27. However, the act is widely ignored. More effective appear to be actions taken within ISAs to restrict the liberation dowry to some USD 67 (Davodoun 2002).

Apprenticeship training in Benin, more than in other countries, implies a total submission to the MC. S/he determines the timing and the content of the training – if any, especially in the beginning. The training depends on the jobs to be done in the workshop and its quality depends primarily on the teaching methods and skills of the MC. In general the apprenticeship period consists of 3 phases: (i) passive observation of what workers and the master do, (ii) partial involvement in practical work or production, and (iii) total involvement and being held responsible for output.

22/ One observer even quoted dowries of USD 400-530 in the hairdressing trade.

Studies on apprenticeship training in Benin point especially to two aspects: the low education levels of the TAps, a large number of whom are illiterates, and the almost entire lack of attention for theoretical aspects during apprenticeship training. Both these concerns are reflected in the remedial activities that are being tested in the country to improve TAT quality and impact.

TAT in Benin does usually not lead to any kind of diploma or certificate. Still, on an individual basis, particular criteria are used to determine if the TAps have completed their training:

Table 17: Criteria used to assess completion of apprenticeship training

Trade	Main points for skills assessment
Tailoring/dressmaking	• Cutting with or without creation of new models • Sewing, finishing and speed of operations • Customer relations
Car repair	• Detection of problems • Disassembly and assembly of engine parts
Construction	• Preparation of cost estimate • Reading of drawings • Measuring • Finishing • Implementation and rhythm of work
Painting	• Choice of colours • Quantities and measurements • Finishing
Hairdressing	• Choice of haircut and materials used • Time required for basic cutting • Time required for and manner of drying • Form, quality and speed • Hospitality and treatment of customers

Source: Report on a national seminar on apprenticeship training in Benin (Dec. 1990), cited in Davodoun 2002.

5.4.3 Appraisal

Observers feel that apprenticeship training in Benin is weak and refer to it as an 'incomplete' transfer of skills. The quality of the training suffers from the low level of education of both the MCs and the TAps themselves. It provides hardly any theoretical background for TAps to understand the reasons behind most of the practical operations they are learning. Neither does apprenticeship training guarantee that all the tricks of a trade will be mastered.

A further issue is that the outcome of apprenticeship training can be very different, depending on the competencies and training methods of the MC, the equipment level of the workshop, and the type and volume of jobs that need to be done. Since there is neither actual testing nor any type of certificate to indicate the level of skills learned, graduating TAps may have acquired widely differing types and levels of competencies.

5.5 Case study A: Abomey Training Centre – *dual training* to improve apprenticeship training

5.5.1 Background

The German *Hanns Seidel Foundation* has been involved since 1992 in a project to improve the quality of TAT through the introduction of *dual training*. It has set up and equipped a special training centre in Abomey. This *Centre de Formation Professionnelle d'Abomey* (CFPA) has as its main objective to introduce and test the relevancy of the *dual training* approach in Benin. The project tries to bring into practice lessons learned in a similar project in Lomé (Togo).

The project is implemented with FENAB as one of the counterparts. The complementary training is done in collaboration with local NGOs. The CFPA centre is operated as a public sector training provider under METPF, and as such is the only public sector training provider with its own programme to train TAps. The *Centre Régional d'Enseignement Technique et de Formation Professionnelle* in Lomé, Togo (also used by BAA) is involved in technical backstopping. The project receives inputs for German experts.

5.5.2 Activities

CFPA has as its main stated objectives: (i) operating a '*dual training*' centre; (ii) training of trainers of technical schools and TAps; (iii) upgrading of skills of MCs, together with literacy training; (iv) training of TAps; and (v) promoting the dialogue on dual training among relevant parties.

CFPA offers both general and complementary technical training for TAps and skills upgrading courses for masters. The project focuses on wood-working, car and motorcycle repair and dressmaking. The training for the MCs is organized together with two local technical institutions, while the Abomey centre is responsible for the complementary training of TAps.

Table 18: CFPA: Areas of complementary training for apprentices

	Technical training	General training
Car repair	Technology/theory Practical car repair Adjustments Electricity	French Workers rights Math Management Labour legislation Physical exercise
Motorcycle repair	Technology/theory Practical motorcycle repair Electricity	
Metal products	Applied mathematics Technology Industrial designs Practical work	
Carpentry	Technology Applied mathematics Technology Drawing techniques Practical work	

Source: Davodoun 2002.

The centre-based training for TAps lasts 3 years, during which the apprentice works 3 weeks per month in his workshop and comes the fourth week to the centre from 8-13 hrs, to return to his workshop at 15 hrs. Of the 5 days spend in the centre, 60% of the time is dedicated to practical work and 40% to technical theory and general education. The training areas include technical skills and general education (see table 18).

In the case of training for TAps, the master is considered as co-trainer, and is involved in the complementary training programme. At the end of the training, the CFPA and the masters jointly organize the trade test. The results are validated by a joint METFP-FENAB committee. They co-sign the *Certificat d'Artisans Qualifiés* (CAQ; not yet officially recognized). The master furthermore organizes a ceremony to mark the end of the apprenticeship period.

The cost of the training are almost entirely born by the Hanns Seidel Foundation: it is free for TAps (except for the insurance during the training period, i.e. USD 2 per year, while masters have to contribute a commitment fee of 10% of the training costs.

5.5.3 Impact

Between 1994-2001 some 700 masters have received skills upgrading training. In the same period some 400 TAps have been trained (drop-out rate of 12%); 91 of them got the CAQ. They moreover are more respected by their masters and peer apprentices, which tends to give them more self-confidence and pride in their status. They are more competent and towards the end of the training period are treated more as equals in a technical sense.

There is not yet a system in place to trace the CFPA training graduates, but an elaborate tracking system is foreseen in the next phase of the project.

5.5.4 Preliminary appraisal

No detailed information on the operations of the Abomey Training Centre could be accessed and various question remain: selection of trainees (both MCs and TAps), 'hook' for MCs to participate, and especially the training costs per type of trainee.

It is particularly unfortunate that no evaluation study was made available since efforts to import *dual training* and apply it in relation with skills transfer to the IS are often considered as costly, complicated, culturally inappropriate, lacking an institutional base and requiring considerable administrative skills, for which reason there have been expensive failures in this area. The low training fees for the training of MCs and the total subsidization of TAp training makes one wonder about the sustainability of the 'Abomey model'.

5.6 Case B – *Bureau d'Appui aux Artisans*: improving apprenticeship training

5.6.1 Background

The Swiss Development Cooperation (SDC) is, through the *Bureau d'Appui aux Artisans* (BAA), involved in improving the quality and results of the apprenticeship training system in Benin through complementary training for TAps. BAA's ultimate objective is to train a new sort of -future- masters and so to break the cycle of 'incomplete' skills development of TAps who later on become masters who are not adequately equipped to train their apprentices.

5.6.2 BAA Activities

BAA also refers to its activities as 'the introduction of *dual training*', that is the organization of complementary training conducted for the TAps. The main topics for such training are: (i) training in theoretical knowledge indispensable for the trades, (ii) improved knowledge of marketing, (iii) training to perfect technical knowledge and expand it to include modern production techniques, (iv) improving professional attitudes.

In its efforts to organize such training, BAA is working together with ISAs, such as the *Association Professionnelle des Artisans du Bois de Cotonou* (APAB-CUC) and the *Union Professionnelle des Artisans Tourneurs, Fraiseurs et Forgerons de Porto-Novo* (UPATAFF-CUP). Essentially it links the MCs who are members of these ISAs, as well as a number of their TAps, to a local training centres, either a public sector training provider (e.g. a *Lycée Technique*) or an NGO (e.g. Mgr. Steinmetz VTC). In this constellation BAA is the catalyst, financer and technical adviser; the ISAs are the main implementers.

To this end the ISAs create a *Comité de Formation* (CdF), which is the main implementing unit that organizes and supervises the training. Its tasks also include:

- work with BAA to pilot the *dual training*
- collaborate in the preparation of new training modules
- set the criteria and carry out the selection of the trainees
- negotiate the fee for the instructors
- insure the trainees during the training
- organize the training together with the staff of the training centre
- monitor the attendance of the apprentices
- check on the tools made available to the trainees
- co-organize the trade test at the end of the training
- participate in the evaluation of the training

The members of the CdF are also given a number of TAps whose training progress they need to follow through regular workshop visits. To prepare them for all these tasks, the CdF members made a number of exchange visit to the *Centre Régional d'Enseignement Technique et de Formation Professionnelle* in Lomé (Togo).

The other important body is the *Conseil Pédagogique* (CP), in which BAA, trainers, apprentices, parents of apprentices and members (5) of de CdF participate. The CP advises the CdF on all important matters.

Training of apprentices

The training is first of all directed at TAps of MCs who are a member of the ISA. The CdF is charged with the selection of the participants. The masters can propose two of their apprentices for the training. They need to have at minimum basic education, and need to be in their second year of training with at least two more years to go. The masters have to guarantee that the selected TAps will be in a position to regularly follow the training, to which effect the TAps must sign an agreement.

The training in wood-working consists of two cycles and 5 modules: (i) general knowledge of wood and other materials, (ii) use of manual tools, (iii) wood assembly, (iv) interior and exterior carpentry, and (v) use of mechanized equipment. After the course the TAps receive copies of all relevant training materials. In this way they do not have to take notes during the training. The trainers are contracted from technical colleges and training centres. They receive training and follow-up guidance from staff of the Lomé training centre mentioned earlier.

At the end of the training the CdF organizes a trade test. When they pass, the TAps receive a certificate of attendance signed by the training institution and the association. Once they finish the apprenticeship training they get another certificate from their master.

Training of MCs

MCs are also eligible for training, especially skills upgrading, through groups of 20-30 MCs formed by the participating ISAs. Their main motivation for MCs to participate is to ensure that they are not surpassed by their apprentices once they have finished their training. The MCs admitted afterwards that the training had changed their approach and methods for apprenticeship training.

Table 19: Some BAA training particulars

	APAB-CUC*	UPATAFF**
Type of activity	Wood-working	Metal-working
Av. number of trainees/group	15	20
Training venue: • workshop of MC trg participant • training centre	 5/6 1/6	 4/6 2/6
Training schedule	Sat 8 -13 hrs	Wed 15 – 18 hrs Sat 8 – 18 hrs
Training duration	1 cycle: 9m (36 sessions) 2 cycle: 13m (54 sessions)	1 cycle: 9m (72 sessions) 2 cycle: 13m (104 sessions)

Source: Davodoun 2002.

*Notes: * l'Association Professionnelle des Artisans de Bois de la Circonscription Urbaine de Cotonou*
*** l'Union Professionnelle des Artisans Tourneurs, Ajusteurs, Fraiseurs et Forgerons de la Conscription Urbain de Porto-Novo.*

The training is directed at technical skills (in the case of metal-workers) and drawing skills (for the wood-workers). Most of the training takes place in the workshop of one of the participating MCs, at spare hours (afternoons and weekends) and last almost two years (see table 19).

Other activities

In addition to the training the project encourages various other activities to take place: informal meetings and discussions between IS producers; formalization and strengthening of ISAs (statutes, internal rules, activities); particularly with regard to apprenticeship training (to come up with collective conventions); identification of relevant training centres; development of training modules; setting up of monitoring systems; and improving the training pedagogy.

5.6.3 Training results and costs

On the basis of partial information on the training results, the drop-out rate can be estimated at between 10-35% and the success rate at between 60-75% (see table 20).

Table 20: Training results and costs of BAA training through APAB-CUC *

	1st group		2nd group		3rd group		Total
No. of trainees selected • no. drop-outs • no. trade test failures	15 2 (13%) 2 (13%)		15 4 (27%) 0 (0%)		15 5 (33%) 0 (0%)		45 11 (24%) 2 (7%)
Total pass-outs	11		11		10		32
	1st cycle	2nd cycle	1st cycle	2nd cycle	1st cycle	2nd cycle	
Trg costs**/trainee/session • contribution MC • contribution parents • contribution ISA • contribution BAA	998 10% nil nil 90%	1,012 8% nil 1% 90%		1078 [?] 11% 11% nil 78%		500 17% 17% nil 66%	
Trg cost**/trainee/cycle	33,932	54,648	39,468	50,166	31,486	27,000	
Trg cost**/trainee/session				1,078			
Trg cost***/trainee/session				1,862			

*Notes: */ l'Association Professionnelle des Artisans de Bois de la Circonscription Urbaine de Cotonou*
***/ direct training costs*
****/ training costs including costs of equipment and teaching aids (depreciated over 10 years)*
Source: Davodoun (2002), on the basis of information from BAA.

The training costs are still largely borne by SDC/BAA, although the subsidy has decreased from 90% to 65-80%. The own contribution from the MCs has increased from 10% to 17% while the ISA and parents association (in case of TAp training) are contributing the rest.

5.6.4 Impact

As far as impact is concerned, no detailed data were available. MCs benefit from the complementary training as it enhances their technical, pedagogical and management skills and they become gradually convinced of the need to strengthen their apprenticeship training (Davodoun 2002). TAps who have received complementary training have become more precise, responsible, serious, confident and attracted to work well done. However, they do not always share the newly acquired knowledge with other TAps, start looking for jobs outside their workshop, get more in a hurry to end their apprenticeship training, and even become arrogant and egoistic (*ibidem*).

The costs of the training are calculated at some USD 1.30 per trainee per session (excluding depreciation of equipment). Since the start of project activities, the contribution from BAA has declined from 90% to 80%.

5.6.5 Preliminary appraisal

Documentation found on the BAA efforts was limited and unfortunately no impact study could be accessed. As a result of the lack of key information, some important ques-

tions could not be answered: what are the numbers of the different types that have been trained? What are the drop-out and success rates? What is the total cost of training per participant? What are, if any, the cost-recovery mechanisms?

On the basis of the limited information collected, some preliminary lessons can be noted:

- MCs are not familiar with the notion of complementary training, for themselves and for their TAps and they need to be carefully shown the benefits of such training
- MCs who allow their TAps to follow additional training tend to have the most dynamic workshops and to have a real need for skilled workers
- TAps who have followed the training acquire more authority and assume new responsibilities in the workshop and take more pride in their status of apprentice
- involving existing NGO and public sector VTCs in complementary training for MCs and TAps makes it necessary to improve their equipment, enhance the technical skills of the instructors, and adapt their teaching methodologies.

5.7 Case study C: RAC – NGO and training for the informal sector

5.7.1 Background

One of the groupings of urban artisans in Benin which does not fall under the FENAB umbrella is the *Regroupement des Artisans de Cotonou* (RAC). It was created in 1994 and has some hundred members, who are mainly engaged in wood-working, car repair, tailoring and construction activities.

5.7.2 Training activities

RAC receives support from CERAD-*International* which donated premises for association activities, which include a credit and savings union (700 members but experiencing difficulties), and a wood-working centre. Part of the premises, located in one of the more residential neighbourhoods of Cotonou, is hired out to RAC members with a car repair workshop.

The wood-working centre was started in 1998 as one of the main elements in RAC/CERAD's strategy to stimulate skills development among the RAC members. The centre is well equipped and was set up to provide technical training to the RAC members. A trainer was contracted with financial support from CERAD.

Other examples of training support for RAC members are short seminars on welding (in 2000), and hairdressing, theatre clothes making, catering and leather (in 2001). The training usually lasts some 3 days and is attended by groups of 25 artisans. It is free for RAC members. Some of the RAC members were even sent to Ghana for a tie & dye course.

5.7.3 Wood-working common facility

With declining contributions for training from CERAD, the training centre became uneconomic and the contract of the trainer was terminated. The centre is now used as a common facility centre providing services to furniture makers and carpenters. They come with their materials and can use the machines against a fee. The fees are based on those for such *usinage* (use of equipment) charged by workshops in town (e.g. USD 2 for sawing/planning of 6 chairs). The RAC members get a 20% discount on the fees (above USD 4 per day). Every day some 20 wood-workers come to use the equipment of the centre, three-quarters of them RAC members.

Interestingly, the artisans coming to use the wood-working machines are not allowed to operate the equipment themselves, which is done for them by 5 machine-operators which were trained by the CERAD-contracted trainer. They also provide advice to the small producers. The centre also stocks some wood for sales to the artisans.

The wood-working centre is not yet profitable: its total revenues are FCFA 4.5 million (USD 6,000) per year, and its operational costs (including salaries and electricity) are already FCFA 2.7 million, to which costs of repairs and spare parts and depreciation of the equipment should be added. However, the rates cannot be further increased since this would make the products too expensive to the taste of local consumers.

To further increase its incomes, the centre has employed two workers to carry out production jobs, but these do not come in very frequently.

5.7.4 Some lessons learned

The training activities of RAC and especially its wood-working centre provide some interesting lessons learned:

- the RAC services, including its training activities, appear rather donor-inspired and not very successful because they are largely dependent on subsidies (e.g. the RAC Credit and Savings Union charges only 5% interest per year, the default rate is high and now that the original funds have eroded there are no more resources for further credit – taking away one of the main incentives for repayment of outstanding loans)
- the main exception to this is actually the wood-working centre which is trying to recover its costs by charging (almost) market fees, while still making it attractive to become a member of RAC
- the operational modality of the wood-working centre is quite interesting as *machinistes* handle the machines, thus reducing the need for repairs, while also providing a simple mechanism for the provision of technical advise
- a further expansion of the sale of woods and other production inputs (e.g. through a specialized worker), might further increase the financial sustainability of the centre.

An important conclusion seems to be that the more business-like approach introduced in the running of the wood-working centre would appear to result in more relevant and better quality services for the target clients.

5.8 Case study D: Training by MIBOA, producer of furniture for export

5.8.1 Background

In response to insistent inquiries about examples of the provision of training by private firms, references were made to the *Menuiserie Industrielle du Bénin en Afrique de l'Ouest* (MIBOA). This small factory not far outside Cotonou produces furniture for export, using a minimum of modern, mechanized equipment (an electrical saw, two planers and a lath machine).

5.8.2 Training activities

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

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

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

The owner of the factory is somewhat dispirited that about half of those trained[23]/, "the real failures", do not continue in the carpentry trade but rather go to work somewhere else (e.g. in the harbour of Cotonou). Of those who do continue, about half of them find work in one of the few other furniture factories and the rest in small workshops in the IS

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

(sometimes they set up a group venture). Some of the latter remain linked to the factory, as they come in to make use of the equipment.

5.8.3 Some lessons learned

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

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

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

5.9 Some conclusions and final observations

5.9.1 IS expansion and training needs

With its small and largely stagnant modern sector, there can be no doubt that informal ventures will remain the most likely employer for some 90% of those employed outside agriculture. The notion that there are changes emerging in the way IS employment is viewed, also by the youth, is both interesting and important. It would suggest, for instance, that there will be more appreciation of and interest in initiatives to improve the technical and management skills of IS operators.

5.9.2 TVET context

Liberated by political changes and prodded by external assistance, Benin has embarked upon a number of interesting changes in the policy framework to revamp the vocational training system and especially to make it more relevant for IS operators. A new ministry for TVET has been formed and legislation plus an Action Plan formulated.

Skills upgrading and *formation continue* for IS work have now become official government policy. Such attention from GoB will bring definite advantages. It can be expected that it will help to ensure adequate facilities and funding for such training (although so far this is still not the case). At the same time there could be a risk that the tendency to formalize

TAT reduces its effectiveness, which to a large extent stems from its informal and flexible nature. Experiences has clearly shown that the introduction of 'apprenticeship acts' to regulate the type, duration and conditions of such training, affects its popularity in a negative way. There is a fine line between benign neglect to let TAT do what is has been doing to a reasonable extent successfully in the past and allowing damaging practices such as exploitation of TAps to continue.

The policy changes appear to have been largely initiated at combined donor suggestions. This shows that purposeful donor collaboration based on (almost) identical considerations, can be very helpful in changing the context for training for the IS. Still, at the same time the sustainability of the policy changes and its implications seems uncertain, especially in view of Benin's dire budgetary circumstances. So far few concrete actions have been undertaken to arrive at serious cost-sharing.

5.9.3 Apprenticeship training

IS apprenticeship training in Benin is said to be weak, but it is still the most important (if not the sole) source of skills for those working in the IS. A major impediment for upgrading the skills level in the IS is the often low education level of both masters and new entrants (with more than half of them having at most primary education). Some of the donor-funded training projects have already resorted to including literacy training as part of technical training courses.

5.9.4 Fresh developments

The main examples of fresh approaches towards training for the IS in Benin include:

- Following political changes in the early 1990s, and prodded by some donors, GoB has created a new ministry responsible for TVET and initiated far reaching TVET reforms (e.g. a National Training Board) and is increasingly attaching importance to the promotion of the IS;
- Recently (2001) a Fund for the development of on-the-job and apprenticeship training (FODEFCA) was established to fund training including skills development in and for the IS;
- While the government-inspired FENAB only groups some 10% of IS entrepreneurs, other, more genuine ISAs (e.g. dressmakers and hairdressers associations) have come to represent the IS;
- Interesting experiments are ongoing in Benin to improve the results of traditional apprenticeship training. Supported by Swiss, German and French technical cooperation, projects are introducing complementary training for MCs and TAps. Unfortunately no detailed information on the results and impact of the CFPA and BAA projects was immediately available, but some preliminary observations can be made with regard to their, markedly different, implementation strategies:
  - while CPFA has set up its own (public sector) centre for the training of TAps, BAA has adopted a more toned-down, more flexible and cheaper approach by making use of existing (NGO) training centres

- CFPA training for TAps last 3 years and that of BAA for 22 months – both of which is quite long (even part-time) when compared to similar schemes (cf. APEDES in Senegal);
- BAA appears to be more serious on cost-sharing, increasing the contributions of the trainees to 20% of training costs – but the sustainability in both cases seems doubtful;
- neither of the projects appears to have any links for post-training assistance (e.g. credit);
- CFPA has all the characteristics of a technical assistance project which, at least initially (but it exists already for some 10 years), operates on its own, in parallel to other activities, while the BAA project seems to have adopted more of strategy to get 'dirty hands' by leaving the decisions to local ISAs and rely on existing institutions and expertise.

♦ Some of the initial lessons of the SDC/BAA project include:
- existing training centres need to be re-oriented and re-vamped to participate in providing complementary training to MCS and TAps
- there is need for focussed awareness raising to inform MCs of the benefits of complementary training for themselves and their TAps
- ISAs can play an important supporting role in relation to IS training projects (e.g. awareness raising among MCs, selection of training participants, and contributions to curriculum development).

6. TRAINING FOR THE INFORMAL SECTOR IN NIGER[24]/

6.1 Introduction

Niger stretches over 1 270 000 km^2 of which only 12 % is used for agricultural purposes. In spite of a significant urban immigration, 85% of the population still lives in rural areas. A barren country, Niger sees its development hindered by a number of factors. It is landlocked, has poor natural resources and lacks stable politics. The health of the economy has declined over the past 20 years. Cereal crops form the staple diet of the inhabitants but their production is heavily reliant on the climate. In a poor year, grain imports can amount to up to 40% of the country's needs.

NIGER (1999)	
Population	**10.5 million**
‣ population growth (90-99)	3.4 %
‣ pop. aged 15-64	47.6 %
‣ urban population	15 %
‣ labour force growth (90-99)	2.9 %
GDP per capita (at PPP)	**USD 310**
‣ economic (GNP) growth (98-99)	-1.1 %
‣ agricultural sector	40 %
‣ manufacturing sector	6 %
Quality of life	
‣ pop. below poverty line */	61.4 % (1995)
‣ life expectancy at birth	44 yrs M, 48 yrs F
‣ adult illiteracy	78 % M, 93 % F
*/ international poverty line of USD 1 per day	

Source: World Development Report 2000/2001 (World Bank).

24/ This chapter has been drafted by Nicolas Serrière (ILO Training Centre, Turin).

Between 1976 and 1981 Niger experienced a short period of boom due to the income from its uranium reserves. From 1981, in spite of the continual drop in the price of uranium, the Government of Niger (GoN) continued its plans, and in 1984, the cumulated foreign debt amounted to 65% of Niger's GDP. Steps taken recently to ease the situation have allowed the government to resume its working capacity. Debt repayments, which took up 44% of state revenue in 1999, may be reduced to 11% in 2003. Niger's economic activity recovered in 2001 after two years of decline. The economic growth rate, estimated at 5%, benefited from a turnaround of agricultural production, fostered by good climatic conditions, and the efforts of the authorities to improve the economic environment, preserve political stability in the country, and restore full relations with the donor community [25]/.

6.2 Informal sector [26]/

The informal sector started to be properly studied in 1988 with a national survey on the informal sector (ENSI) carried out by the Statistics and Demographics Direction in collaboration with the French agency ORSTOM (now called the *Institut de Recherche pour le Développement*). Some 150 different occupations were identified as part of the IS, such as traditional craft activities, manufacturing, extraction, construction, transport and services activities. All thrive on the incapacity of the modern sector (public and private) to create adequate employment. All IS activities have in common a very low productivity.

6.2.1 Size and characteristics

Past economic uncertainties, cumulated to the social outcome of rigorous macro-economic policies and adverse climatic conditions have precipitated the development of the IS, which made up for the incapacity of the modern sector to provide jobs for the country's population. In the absence of job prospects at the end of school and the laying off of modern sector employees, the youth and workers have turned to the IS in great numbers. By 1995, including all occupational categories, about 850,000 people were estimated to be working in the IS in Niger (Maldonado 2001).

The distinctive characteristic of the IS in Niger, in contrast with other countries in WCA, concerns the prevalence of rural employment over urban employment. A 1995 UNDP survey indicates that IS employment constitutes 78% of employment in the primary sector (i.e. agriculture), 3% in secondary sector, and 15% in the tertiary sector. In 1995, almost 60% of all IS workers were domestic helpers and 20% apprentices.

The table 21 below shows that IS establishments are small, with employees, whether paid or unpaid, representing just 29% of all workers. It also shows that within employees, the share of TAps and domestic helpers is very high, reaching 79%.

25/ IMF Newsbrief 02/11, February 8 2002 (www.imf.org/external/np/sec/nb/2002/nb0211.htm).

26/ This part is largely based on Maldonado (2001).

Table 21: Informal sector employment in Niger in 1995, by employment status

Status	Employers and own account workers	Domestic help and apprentices	Wage and temporary workers
Numbers	600,019	194,595	52,698
Percentage	71%	23%	6%

Source: Maldonado, 2001, p. 200

The UNDP survey found that 68% of entrepreneurs had no formal education and 24% only Islamic education. Only 3.2% of entrepreneurs and 7.6% of the workers had received skills training relating to their work. IS incomes are low, with more than half of the IS workers, especially domestic workers and apprentices, not paid at all for their efforts, while 48% receive a monthly wage below USD 70.

6.2.2 IS development

Although the data series stop in 1988, they nevertheless allow for an interesting comparative analysis of the trends of various economic sectors. The IS share in the GDP overtook that of the modern sector as early as 1981, as a result of falling uranium prices and lower revenues from the extraction of the mineral. This trend was strengthened in 1984, after a succession of two years of drought, in 1982 and 1983, which provoked the collapse of the rural sector and pulled the economy into recession: the GDP dropped by 7 % in a year, the share of the modern sector in the GDP falling by 7 % and that of the rural sector losing 20 %. During that year the IS share in the GDP gained 20 %. The growth of the IS was thus directly nurtured by the agricultural crisis through a double mechanism: the reduction of the purchasing power, leading to the redirection of consumption towards low cost products of the IS, and the incapacity of the modern sector to absorb the additional workforce.

The data collected in the capital Niamey show that an increase in the population by one third led to an increase of 125% in the number of IS enterprises. This rate of business start-ups is explained by the resolve of the entrepreneurs to create jobs and income for themselves and their families. This brings about a development of both the fabric of the IS and the job market. The expansion varies according to sector but artisanal production seems to be the driving force behind IS growth with an average rate of growth per year of 11.3%, followed by the construction industry (8.9%), artisanal services (1.8%), while the transport industry slowed down by 3.8%.

6.2.3 IS policies

The attitude of GoN towards the IS is positive as it recognizes its capacity to create jobs and to ensure that the population's basic needs are fulfilled without requiring major financial inputs from the government. In 1992, a draft bill, which was half-heartedly prepared at donors' suggestions, proposed to create a more enabling environment for the development of craft industries through measures relating to tax, training, technology, credit and institutional mechanisms.

The bill also contained a training element, suggesting the integration of training for craft activities at all levels of mainstream education programmes, as well as the adaptation of vocational training to actually meet the needs of enterprises. Four types of action were envisaged: (i) definition of a legal and administrative framework, (ii) setting up support of services and relevant staff training, (iii) determining a pedagogical strategy for dual training, and (iv) establishment of VTCs. Other measures concerned the research and adaptation of rural technologies for increased productivity and competitiveness, the creation of a credit scheme for craft industries, and enhanced market knowledge through improved collection and dissemination of relevant information.

Ten years later the bill is still being debated. It is under increasing criticisms because its implementation would compete with initiatives that have been launched more recently, such as the extensive discussions related to the promotion and the institutional settings of dual training.

6.2.4 Professional Bodies

In July 1999 a National Federation of Artisans of Niger (FNAN) was created, uniting the Regional Federations of Artisans of Niger (FRANI) whose aim is to represent the artisans at the national level. Up until this time there were only corporate unions whose influence was limited.

The *Chambre de Commerce, d'Agriculture, d'Industrie et d'Artisanat du Niger* (CCAIAN) itself is not much involved with the IS, but it has relations with many professional organisations that do. One of them is the *Service for the Promotion of Craftsmanship* (PAA) which artisans can turn to for assistance with training, credit, management advice and trade relations.

6.3 Education and training in Niger

6.3.1 Education [27]/

Primary education begins when children reach 6 years, lasts for six years and leads to the *Certificat de Fin d'Études du Premier Degré* (CFEPD). Although education in Niger is compulsory for all between 6 and 12 years old, only a quarter of them, that is a net enrolment rate of 24% exactly, attended school, and only 40% of them will obtain the CFEPD. Girls represented 39% of all pupils in the school year 1998/1999. Secondary school education is comprised of two types of training:

- *First Cycle Secondary*, provided in *Collèges d'enseignement général* lasts for 4 years for pupils from 12-16. If successful at the end of cycle exam, students are awarded a *Brevet Études du Premier Cycle* (BEPC). The success rate for the brevet in 1999 was 49%

27/ Statistics are from the General Secretary of the Ministry of National Education (2000).

- *Second Cycle Secondary*, provided in *Lycées* lasts for 3 years for pupils aged 16-19, culminating in the *Baccalauréat.* There are 3 sub-streams in this cycle: general education, technical and vocational education, and *écoles normales* which train primary school teachers.

The education system is characterised by extremely low levels of enrolment and poor internal efficiency. School attendance is a meagre 25% in primary education, and illiteracy rates reaching 76% for men and as much as 92% for women.

6.3.2 Vocational education and training

Government TVET policies started in 1998, when an education reform was adopted that resulted in the establishment of the *Office National de la Formation Professionnelle* (ONAFOP, case study A). ONAFOP oversees, on one hand, all training and skills improvement of workers, job seekers and school drop outs, and on the other hand, short term apprenticeship in IS and rural areas.

There is a higher than expected number of TVET institutions in Niger. A study in 1998 by the Ministry of Education revealed that 84 such structures existed, most of them in Niamey. They depended on 10 different ministries and other agencies. Most of the institutions (85%) are private, and almost one third of the training institutions cater for office skills[28].

Only a limited number of training institutions offer training for IS operators. They are mainly public institutions, even though none of them openly targets (future) IS entrepreneurs. Institutions, such as the *Service National de Participation* of N'Dounga and the *Centre de Formation et de Perfectionnement Professionnel* (see Case Study B) have experiences relevant for the IS. The *Women's Community Homes* offer women training on food and personal hygiene, infant care, sewing, and basic literacy, but no real vocational skills to prepare them for income-generating activities.

There is a long tradition of technical assistance projects supporting vocational training in Niger apart from NIGETECH programme that the ILO and EU are currently implementing -see Case Study C):

- In 1987 the Chamber of Commerce, with the help of the German cooperation, established a dual training centre known as FASD. The training activities are now being phased out due to a lack of agreement between workshop owners and the FASD which resulted in apprentices not being allowed by their bosses to attend training sessions.
- DANI is a small Luxemburg-funded project to support artisan activities. It aims to improve technical qualifications, economic performance and working conditions of artisans. Training is conducted in villages around Niamey on basic education, management, technology, marketing, and technical skills.

28/ With ample success: the *Lycée Professionnel de Wangari*, for instance, expanded from 38 students in 1998 to more than 1000 in March 2002. Schools of this kind have no difficulty finding paying students even if the criteria for entry tend to be high (but are often gradually lowered).

- The French cooperation is preparing a project to assist vocational training, *Appui à la Formation Professionnelle* (AFOP). It will focus on leather work, for which there is already a well-developed knowledge base in Niger. AFOP will work to provide a horizontally integrated solution to train leather workers. It will encompass the whole chain of production, from the killing of animals in ways that minimise damages to their skins, to the tanning of the skins, the work on leather, and the creation of products of acceptable quality for exports. It is planning to build a centre in which a small team of 4 French technicians will train about 30 leather workers and artisans a year. It will also provide a conceptual and financial support to the ONAFOP.

6.4 Traditional apprenticeship training

6.4.1 Background

On of the accepted characteristics of the IS is that it relies heavily on workers who are still being trained (Charmes 1997, Ourdin 1990). Available data confirm that this is also one of the main features of the IS in Niger.

The ubiquity of apprenticeship in the IS makes it a necessity that its social, economic and cultural dimensions are apprehended fully for any training action aimed at this sector to have a positive impact. Indeed, the traditional apprenticeship system in the West African context is much more than a mere training scheme, and many factors can explain its importance and meaning[29]/:

- very low enrolment rate and poor internal school efficiency that force children out of school early as they fail to get into the secondary school cycle (which is the stage at which there is the highest occurrence of failure) and many of them enter workshops instead;
- families with many children can only afford to send a few to school, while the other ones, particularly the boys, are placed by their fathers in workshops;
- low value-added products and irregular economic revenues which prevent artisans and IS entrepreneurs from employing full-time workers and which make them rely on cheap labour.

6.4.2 Organisation and limitations

In Niger the apprenticeship period, the selection of TAps, the training content and remuneration are all based on tradition and on the MC's habits. The training itself is based on a clear, though unrecorded, organisation of tasks. It starts with the teaching of basic techniques before moving on to the use of instruments and later to more elaborate techniques. These steps are ordered in time. An apprentice tailor, for instance, will learn mending for the first 6 months, then move onto easy sewing jobs on a machine, and only at the very end

29/ See NIGETECH, *Notes sur l'apprentissage*.

of the apprenticeship period learn about cutting, without which he would be incapable to succeed as a tailor.

By teaching the essence of their trade as late as possible, masters make it very difficult for their TAps to leave and set up their own businesses before the end of their training (Ourdin, 1990). Master jewellers will keep the sculpting of jewels until the end. To keep TAps away from knowledge, MCs have a choice of unfair practices. A mechanic master, for instance, may send his apprentice to buy a spare part just as he is doing the diagnosis of a breakdown – by far the most critical skill for a mechanic apprentice, or simply exclude the TAp from the area where important repair is being done.

The apprenticeship period varies from one type of activity to the next; it is short for blacksmiths and butchers (usually 3 years) and longest amongst jewellers and mechanics, where it can last up to 7 years (Ourdin 1990). This can vary, within the type of activity as well as within a given workshop, depending on the learning ability of TAps or the market situation. In case of trades that are highly competitive trades or critically require experience, TAps tend to stay as long as possible (see Box 8).

Box 8: Mr. Razacq – an engineer in a garage

Mr. Razacq carried out all his education in Niger, where he obtained an engineer diploma. There was no work in his field but he had a passion for mechanics so he decided to open his own workshop with a friend. He is also trainer in general mechanics for a Luxembourg Project (DANI).

Mr Razacq has about generally 8-10 TAps in his garage. The selection of TAps is difficult. The high turn over prevents him from personally knowing all TAps. References are therefore very important in the selection. Behaviour and commitment at work are essential. He gives them pocket money (about FCFA 500 per day) and lunch. He has the capacity (technical and pedagogical) and will to train them properly.

It is difficult to say anything about the length of the apprenticeship. Some TAps may remain apprentice for 10 years. Others pick up the trade much faster. It very much depends on the individual quality of the apprentice: some gradually take importance in the workshop and may stay as partners. Others leave to either set up their own activity or to be employed somewhere else. A few come back, asking to be taken on as TAps again, when they realise they can't make it on their own, or that the treatment they got at Mr. Razacq's workshop was better than in other workshops.

Source: Interview with Mr. Razacq, March 2002.

This selection of the apprentice also follows some tacit codes of conduct. The relationship between an MC and TAps is primarily one of trust and respect. The biggest problems that a master fears to, and does, encounter, are indiscipline, dishonesty and theft. Although, in 1990, still half of TAps were somehow related to their masters, this tends to be less frequent and other elements have to be taken into account. Family ties are now increasingly replaced by friendship and neighbourhood relations: almost all masters require that the apprentice have references from someone they trust. This is all the more important in

Niger since masters do not make TAps pay for their training and that they often provide meals and pocket money (Ourdin 1990).

Probably the most substantial obstacle for TAT in Niger to act as a reliable and efficient training systems is its actual training organisation. MCs only teach what they have learnt themselves by observing and imitating. Theoretical inputs are kept to a minimum and there are no attempts to keep up with technology. In addition, several interviews confirmed that at least the old generation masters, those having received the least formal training (including school), believe that to retain their authority and a competitive edge over their TAps it is necessary to keep certain skills secret. The general level of artisans can be undermined, little by little, by such practices (Ourdin 1990).

6.4.3 From old perceptions to innovations

The apprenticeship system in Niger began to be studied more closely in the early 1990s. At that time Niger started to realise that the IS was more than just an intermediary development stage and that any serious development strategy would have to consider this part of the national economy. From being ignored, TAT was suddenly heralded as "one the major factor for the dynamics of [the informal] sector" (Ourdin, 1990). It appeared as a major vector for training, including business management, client relations, repairs and maintenance of machinery and tools, etc. In short, it was to train TAps to be future entrepreneurs themselves, which, the ORSTOM study found out, 70% aimed to be (ibid.).

It has now been accepted that a more qualified approach is needed. A concerted reflection was initiated between development projects and Niger's authorities based mainly on the experience of neighbouring countries. In November 2000, at the initiative of NIGETECH, the *Direction de la Promotion de l'Artisanat* and the ONAFOP, a framework of action was defined which will be integrated in the future skills upgrading under the responsibility of the ONAFOP. The reflection highlighted the specific operating conditions of the apprenticeship system in Niger, such as masters lacking professional and pedagogical skills, an economic context that offers no incentives to masters for providing quality training, and thousands of TAps with little formal education who are not, in the current apprenticeship system, getting the rights skills to practice their trade properly.

Taking into account local social and cultural habits of both the artisans and the population, the concept deemed the most appropriate to improve the apprenticeship system is that of dual-type training based on the following principles: (i) only take on TAps who are 15 years or older, (ii) provide additional training and education throughout the whole course of the apprenticeship period through a succession of 3 or 4 six-months sessions, instead of concentrating; (iii) provide only one or two training sessions a week; and (iv) the master must always agree and be involved. These principles have been implemented successfully for some years in other countries. The German Hanss Seidel Foundation has set up dual system-based training centres in Togo, which are used as examples throughout the sub-region.

6.5 Case study A: *Office National de la Formation Professionnelle (ONAFOP)*

6.5.1 Background

The National Education Directing Plan (1998) underlined the need for the country to have a concerted plan of action for continuing education to properly address the needs of the economy and of society at large. Niger decided to follow the example set by other West African countries and to set up an institution bridging various ministries which would be involved in technical and vocational training. Similar to, for instance, Senegal's ONFP, the ONAFOP in Niger came to life in December 1999 with a decree specifying its organisation, mission and means of functioning.

Its specific role is to oversee the training and skills improvement of workers, job seekers and school drop outs, as well as short term apprenticeship in the IS. Its underlying principles are:

- the redefinition of the continuing education system into 4 main areas: (i) improvement of the general level of education, (ii) an increased knowledge of the market including the analysis of the demand for training from both the informal and modern sector, (iii) the widening of the offer for training, and finally, (iv) the setting up of true partnership between relevant administrations
- the setting up of a conceptual framework for vocational training.

6.5.2 Organisation

A tripartite institution, the ONAFOP functions on its own budget, under the administrative direction of the Ministry in charge of vocational training and the Ministry of Finance. Its resources come from the *National Fund for Apprenticeship, Technical Education, and Vocational Improvement and Training* which was created at the same time as the Office. This fund is expected to generate approximately FCFA 200 million annually levied through a training tax (*taxe d'apprentissage*)[30]/ of which 25% will be allocated to the functioning of the Office. Other financial contributions will come from AFOP (FCFA 24 million) and NIGETECH (FCFA 80 million).

6.5.3 Activities

Although limited in absolute terms, the share of the training fund the ONAFOP receives from GoN (25%) is much higher than its Senegalese counterpart receives (5%). The Office's total budget in 2001 was about FCFA 30 million, a third of which was allocated to its running costs.

30/ This tax was created in 1959 and is paid to the Ministry of Finance by all companies on the basis of 2% on the payroll of employers. The novelty is that from 2000, the revenues of this tax are channelled into the newly created National Fund for Training to be effectively used for training purposes.

The ONAFOP is to set every year training priorities and determine accordingly the financing of training activities. In 2001, the Office financed some 58 training activities for a total amount of just over FCFA 20 million. Out of these 58 training activities, 14 concerned IS and small enterprises. Typical IS beneficiaries have been car mechanics, jewellers and leather worker at the artisans' village of Wadata, electricians, topographists, etc. In order to set its training priorities, the ONAFOP is carrying out some groundwork in close collaboration with projects like NIGETECH.

6.5.4 First appraisal

Considering the circumstances of operation and the heavy bureaucratic environment in Niger, the very existence and operation of the ONAFOP is a real case of putting the cart before the horse. To understand fully the difficulties that it has had to face, in addition to all kinds of practical obstacles (e.g. accessing the funds it was entitled to, finding a headquarter, getting phone lines, etc.), it suffices to note that the Office is on paper composed of three technical divisions (Continuing education division, Administration and Finance division, Advice and Communication division), but that in reality they are all staffed by the only member of the professional staff of the Office, i.e. its director.

With such a short life span, it is difficult to clearly assess the impact that the ONAFOP has had on the vocational training scene of Niger but it is possible to foresee that it is going to play an important role. Even with limited staff, it has already carried out a certain number of training activities catering for different economic sectors within both the informal and formal sector, but maybe more importantly, it is already recognised by training practitioners as an important and necessary partner. It has consequent financial resources to use and strong connections with operators that have strong conceptual capacities, such as NIGETECH or AFOP, on which to define a workable vocational training agenda in Niger.

6.6 Case study B: *Centre de Formation et de Perfectionnement Professionnel* (CFPP)[31]/

6.6.1 Background

The *Centre de Formation et de Perfectionnement Professionnel* (CFPP) is a centre that can trace its origins as far back as 1930, when it was created as a vocational school for masons, woodworkers and fitters-blacksmiths. Under the administrative direction of the Ministry of Labour since 1955, it was finally attached in 1998 to the Ministry of Basic Education.

There were 175 trainees (10 girls) in the 1998-1999 school year, about three fourths of them (136) being grant beneficiaries. The rest were paying substantial fees: FCFA 175,000 for the first year, FCFA 150,000 for the second year, and FCFA 125,000 for the last year.

31/ This paragraph is mainly based on Meunier (2001).

6.6.2 Training activities

In the education panorama of Niger, the CFPP positions itself right after the primary cycle. It takes on trainees who have passed their *Certificat de Fin d'Étude du Premier Degré* (CFEPD). Theoretically, these should be students of maybe 13 to 14 years old. In reality, they are between 17 and 23 years old, which gives yet another indication of the poor internal efficiency of the school system as much as of the low level of enrolment of the youth in education. There are 33 instructors, most of whom have received higher education (technical or academic), others have only the *baccalauréat* or even less.

CFPP offers training in 6 trades – car mechanics, general mechanics, wood working, metal working, construction and industrial electrics. The curriculum is fixed by the government, but is in a similar state as the machinery used: obsolete and in dire need of repair to address more adequately the evolution of technology and the needs of the market. The ratio of theoretical training to practical training is about 1 to 2.

Overall, the training lasts for 3 years (except for woodworking: 2 years). There are two job placements, at the end of the first and second year, of one and five month respectively. The school has agreements with some private and parastatal enterprises, such as NIGETECH and the electricity company. Although the CFPP provides training in trades common in IS, trainees are not usually placed in IS structures. Firstly for practical reasons, as it would be cumbersome to find workshops for each student. Secondly for quality reasons, as IS masters do not always have the appropriate skills and level of technology to properly carry out the training done in the Centre. And lastly for conceptual reasons, as Niger has begun only recently to promote the IS as a vector for development.

6.6.3 Difficulties

Due to CFPP's longevity, with the newest machinery dating from the 1970s, most training tools and equipment are now, at best, obviously obsolete but still working, at worse, not working at all. Maintenance has not been done correctly, if at all, for lack of appropriate skills, and since spare parts are not produced any longer, they are difficult to repair. Theft of tools is recurrent.

This state of affairs is related to the structural lack of funding of institutions such as CFPP. They depend on GoN for most of their budget, although there is a small number of paying students. To raise revenues, the Centre carries out jobs. It also occasionally rents its premises to NIGETECH or ONAFOP for the organisation of training.

Strikes represent another crippling element, especially now that the CFPP has been attached under the Ministry of National Education. Students and teachers are routinely voicing their anger at the State for not paying them their dues – grants or salaries.

6.6.4 Results

The rate of success measured by examination results very high by Niger's standards (77% in 1999). More specifically, 9 out of 10 of the paying students have passed their exam.

The drop out rate is some 10-20%, mostly through exclusions or actual drop out. Students can be excluded if their results are too bad, if they have to repeat a same year a second time, or more rarely, for discipline reasons. For girls, pregnancy is the biggest cause for dropping out.

CFPP has no information on its graduates. Up to one third of students are thought to unemployed and the number of ex-trainees working in IS workshops is unknown. The conceptual turn around of Niger's administration regarding the IS has not yet pervaded the functioning of these type of institutions, who keep ignoring reality and the need to adapt their curriculum and their use of technology or to design more relevant placement strategies.

6.7 Case Study C: NIGETECH – *Programme de formation professionnelle et technique*

6.7.1 Background

NIGETECH is an ILO/EU programme for vocational and technical training designed in the wake of the Lomé Convention on the promotion of human resources. With a 7 million budget, the project has been active in the whole of Niger since 1990 and targets, as direct beneficiaries, employers, artisans, farmers, as well as apprentices and the unemployed. By offering a variety of products, such as initial training modules, courses for improvement and lessons in specialisation, NIGETECH aims to cover all stages of learning so as to strike a balance between the supply and demand for professional qualification. One of the strengths of the project is the care taken to adapt the technical and professional capacities to the level of local economic development and in the respect of the population's socio-cultural values.

Ultimately, the project seeks to contribute towards the elaboration and the institutional integration of a national vocational training programme in order to develop the qualifications of artisans and IS entrepreneurs and enable them to improve their situation and increase their revenues.

6.7.2 Institution building activities

The institution building activities of NIGETECH have been much reinforced in the second phase of the project, started in 2000. Even if financial sustainability is unlikely to be reached for training projects in Niger before a long time, NIGETECH seeks to encourage at least an institutional and technical sustainability. To achieve this, the project has been active in the mobilisation of a working network of all partners, including NGOs, government agencies, private technical training institutions, bilateral donors and international organisations. Such a mobilisation should lead to a better cooperation at the national level of all involved in TVET, under the auspices of the ONAFOP.

A second goal of those capacity building activities is to contribute to the elaboration of training materials defining precisely and consensually the methods, contents and tools of training to be adopted for the elaboration of training activities. To this end, NIGETECH has prepared synthesis sheets on training modules that are available for, e.g., restaurant managers, mechanics or masons (see Box 10 for an example of an improvement module on diesel injection).

Box 9: Improvement Module: Diesel injection

Training type: Continuing education for people working in mechanics

Objective: To reinforce the expertise of mechanics in diesel engines

Contents: The module is comprised of 8 sessions :

- Knowledge of cycle of 4-stroke engines (petrol and diesel) and different fuel supply circuits;
- Know how to assemble and disassemble in line and rotary fuel injection pumps;
- Knowledge of the different injectors and their tare pressure;
- Know how to check warming up candles and control valves and how to make diagnoses

Method: The module is organized as follows

- Training sessions take place in professional environments: garage, workshops, etc.
- The trainer must appreciate the capacity of the learners and must insure that they master the requisite knowledge
- S/he must sensitise them on the necessity to acquire technical documents to have sufficient and applicable information; s/he must transmit theoretical information and carry out exercises

Enrolment: 10 people maximum

Duration: 40 Hours

Source: Fiche synthétique de module de formation, NIGETECH, 2002

6.7.3 Training activities

The underlying principle for providing training is that it must be in accordance with local cultural and socio-economic conditions, and that there must be a demand for it.

In 2001, NIGETECH'straining activities regarding the IS were:

- 1500 improvement modules and 400 specialisation modules for masters and workers (in Niamey, modules were provided for tailoring, wood work, metal work, electricity, gardening, leather work and masonry, for a total of 401 persons).
- 350 professionalising initial training modules for youth aged 16-35 (20 trained in Niamey)
- 60 reinforced apprenticeship sessions for 300 TAps (20 TAps in Niamey), and
- training for 100 trainers in various specialities (in Niamey, 3 trainers were trained on Diesel injection systems, 2 on tailoring, 1 on wood work and 3 in masonry).

Trainees can apply directly at NIGETECH's units opened throughout Niger (8 in all) or through the ONAFOP. A contribution of 10% of training costs is required to participate.

6.7.4 Preliminary appraisal

NIGETECH brings interesting and dynamic solutions to the specific training environment in Niger. The needs in Niger for more training and better training are enormous and cover the whole range of skills, from literacy to specialised training. Although NIGETECH benefits from a comfortable budget, as its large contribution to the Fund for Professional Training indicates, it has chosen to follow a versatile, adaptable training strategy based on short, well defined and easily replicable modular courses that can be provided in any institution rather than investing heavily in the creation of a training centre where all activities could be centralised.

6.8 Fresh developments

In a country that comes last for most social and economic indicators, the task of lifting the level of not only professional qualifications but also of basic education and literacy is a daunting one. To make things even more difficult, there is a strong demand by the public to be trained in tertiary skills, which are of limited immediate use in the labour market in Niger but are socially seen as better achievements than the skills for artisan activities. The Wangari training institute in Niamey is an example of a successful technical college (out of 26 private ones) offering computer technology, secretarial skills and book keeping to some 1,000 students. Clearly in Niger demand and supply of training does not match the needs of the labour market.

At the same time ones notes the absence of private training centres such as found in Senegal (e.g. *Exotif* in 4.7). Niger's private sector has not the density and dynamism of other countries in the region. Traditional apprenticeship training is not well developed, in part because low incomes in the country which has led to a custom that TAps do not pay for such training. With regard to training for the informal sector the only initiative worth mentioning is a recent GoN programme to promote very basic income-generating activities that are not training-intensive, such as shoe-shining, vulcanisation or hairdressing.

The creation and funding of ONAFOP is probably the single most important recent development as regards vocational training in Niger, whether for the IS or the modern sector. Although recently created (2000), the fact that the GoN is committing at least 25% – and probably more in years to come – of a training tax that was previously used for a completely different purposes, is an indication of the importance attached to TVET and the role of ONAFOP. Already ONAFOP has shown to be concerned with training activities targeted specifically at IS operators.

An approach to tackle the training failures in Niger is the combination of complementary strategies such as those implemented by the NIGETECH and AFOP aid programmes. By providing training packages in such specialities as general mechanics, tailoring, wood work, metal work, electricity, gardening, leather work or masonry,

NIGETECH contributes to strengthening the professional capacity of entrepreneurs at an intermediary level of technology. By working closely with GoN and social partners at the institutional level, training references and packages have been developed that allow for effective skills transfer between project officers and future local trainers. Thus the action of NIGETECH contributes to bringing a vertically-integrated solution to training gaps in Niger. Alternatively, AFOP is focusing on an important trade in Niger, leather work, and is setting up a horizontally-integrated training scheme, i.e. targeting all trades involved in the processing of sheep skins, from the staff in slaughter houses to the artisans working the skins, so as to enhance the quality of leather products and increasing revenues for qualified artisans.

7. TRAINING FOR THE INFORMAL SECTOR IN CAMEROON

7.1 Introduction

Cameroon has some 15.8 million inhabitants (2002 estimate). It is a predominantly agricultural country. With its oil resources and favourable agricultural conditions, it has one of the best-endowed primary commodity economies of Sub-Saharan Africa. From 1977-85 the country indeed experienced a period of relatively high growth (on average 7%) as the result of increased oil revenues and international borrowing. In the following years, however, the structural weaknesses of the economy (e.g. reliance on agricultural exports, inefficient bureaucracy and a generally unfavourable business climate), together with a sharp reduction in oil production, led to a severe recession that eventually (1993) halved the country's GDP. Since then there has been a certain recurrence of economic growth, ranging from 3-5% per year in 1995-2001. Still, per capita income, which in the early 1980s reached USD 1,100, stood 20 years later at only USD 580.

CAMEROUN (1999)	
Population	**14.7 million**
‣ population growth (90-99)	2.7 %
‣ pop. aged 15-64	54 %
‣ urban population	48 %
‣ labour force growth (90-99)	3.0 %
GDP per capita (at PPP)	**USD 1,444**
‣ economic growth (98-99)	5.0 %
‣ agricultural sector	44 %
‣ manufacturing sector	20 %
Quality of life	
‣ pop. below poverty line */	40.0 % (1984) **/
‣ life expectancy at birth	53 yrs M, 56 yrs F
‣ adult illiteracy	20 % M, 33 % F
*/ national poverty line of USD 1 per day **/ estimated at 48% in 2000 (CIA Fact book)	

Source: World Development Report 2000/2001 (World Bank)

Since the mid-1980s poverty has increased considerably, with more than half of the population living under the poverty line (1996). Possibly still entertaining the notion that Cameroon is not a particularly poor country, it receives relatively little donor aid. According to the 1996 Cameroon Household Survey, un- and under-employment are high (8% and 25% respectively). Open unemployment is especially high among the educated youth: whereas 1.5% of those with a higher degree could not find a job in 1983, this had risen to 31% ten years later.

7.2 Informal sector

7.2.1 Size and structure

The IS in Cameroon is expanding rapidly: it contributed 39% to total employment in 1987 and 57% in 1993 (Njoya 2001). Without any doubt it has increased further since; some even estimate that 85% of all those employed outside agriculture are now working in the IS. While formal sector jobs have gone predominantly (82%!) to men, women work almost exclusively (95%) in the IS.

Contrary to other countries where information on the IS is hard to come by and often dated, recent information is available albeit referring only to informal employment in Yaoundé (see Fluitman and Momo 2001) The survey provides interesting information on urban IS enterprises in Cameroon in 12 selected trades[32]/ (including informal cybernet cafes). It particularly studied the education and training background of the IS producers interviewed.

The survey results indicate that the IS is still the resort of people who migrate from the rural areas: over three-quarters of the entrepreneurs were not born in Yaoundé and almost half of them grew up in farmer's households. Interestingly, the younger IS producers surveyed are not only more likely to be born in Yaoundé but also in families of wage workers. The owners of IS enterprises, who in earlier studies were found to be surpassed in education by their TAps and workers, to have reached a higher educational level than those that work under them. Income in the surveyed trades was low, with the net profit of owners of leather workshops estimated at only USD 43 per month. It was somewhat higher for women's dressmakers, cyber cafes and restaurants, and highest in garages (mean USD 177, but half of them less than USD 88).

7.2.2 Government policies

All informed observers coincide that the Government of Cameroon (GoC) has effectively no policy for the promotion of the IS. The *Ministère du Développement Industriel et du Commerce* (MINDIC) has a department for the Promotion of *l'Artisanat* & *PMEs*, which will soon receive support from AFD, but its activities and impact so far are limited.

32/ Women's dressmakers, men's tailors, women's hairdressers, wood workers, car mechanics, carpenters/ masons, radio and electronics repair, leather workers, restaurant owners, secretarials/administrative services & cybernet cafés, refrigeration repair and metalworkers. The total sample was 682 owners of whom 25% were women.

Other government entities also -plan to- make contributions to the development of the IS, but there is no cohesion among them. In fact, one observer commented that the recognition of the IS in various official government documents, is to a certain extent "donor-driven", as such statements in no way rule out the use of bulldozers against informal (work)shops as part of a 'clean city' campaign.

7.2.3 informal sector Associations

Compared to other countries in West Africa, the organization of the IS in terms of associations is still in its infancy. Although Cameroon witnessed a minor *boom associatif* in the 1990s, when democracy made rapid strides in Africa and external funding was available, most of the new ISAs fell back or disappeared altogether. At this moment the number of active ISAs is small, they are generally weak, and have little influence.

7.3 Vocational training sector

7.3.1 General overview

In line with its history, Cameroon's technical and vocational education and training (TVET) system is based on the French and English models. It functioned relatively well up to the economic crisis that started in 1985, when wage-employment in government services and parastatal sector grew rapidly. Since then the system has been unable to respond to the changes in the demand for education and skills caused by the rapid expansion of self-employment in the IS.

A 1997 World Bank report[33]/ notes that over much of the past decade primary school enrolment rates have declined and average repetition rates stand at 29%, which probably means that almost half of all school-age children are not attending school (Fluitman and Momo 2001). As the result of a lack of recruitment of teachers by the state, the education system is becoming more and more dependent on teachers who are paid by the parents. In fact, one report suggests that almost two-thirds of the costs of primary education are borne by the households of the pupils (Njoya 2001).

There does not exist a distinct TVET policy in Cameroon. Contrary to other countries in the region, there is almost no donor assistance in the area of vocational training. It is understood that as part of initiatives with HIPC funding, an attempt will be made, with support from ADF, to improve coordination in the field of vocational training. Also, the African Development Bank is about to undertake a study of the need and institutional constraints for vocational education and training.

7.3.2 Main training providers

The TVET sector in Cameroon is seriously under-developed. The earlier cited WB report indicates that the country's technical colleges are not providing any meaningful,

[33]/ Report PID5206 at www.worldbank.org.

job-oriented, practical training due to lack of facilities, equipment, training materials and teacher motivation.

The role of the state in the provision of vocational training is very limited, even though several ministries are involved in skills training. The *Ministère du Travail et de la Prévoyance Sociale* (METPS) is the main one responsible for vocational training. It has 5 vocational training centres under it, which are said not to be relevant for work in the IS. The *Ministère de l'Éducation* runs in its schools more than 200 special sections for rural artisan activities and home economics. Other ministries that operate training facilities are the Ministry of Agriculture, the Ministry of Youth and Sports, and the Ministry of Social and Women Affairs.

The gap left by the state in the TVET area has in the last decade lead to an accelerated expansion of private institutes, especially for language and computer training. The void for technical training was, to some extent, filled by NGOs and especially church-based organizations operating vocational training centres (e.g. two Don Bosco VTCs, Mgr. Steinmetz and a few smaller ones). In Douala 15 NGO training providers have formed a network (see Box 10).

Box 10. FORAJE – a network of small training centres

A number of small NGOs in Douala with training facilities have organized themselves into a network, called *FORAGE*, to try to improve the quality and outcome of their training. It was created in 1996 when like-minded training centres supported through a programme of funding of 'local initiatives' (PIL) financed by a German NGO *Brot für die Welt* (Bread for the World), got together. FORAGE presently consists of some 15 NGO training centres. Since 1998 it receives support from DED in the form of the services of a local consultant.

FORAGE-members are mostly of the social welfare type of NGOs. One of the members, for instance, the *Centre Artisan de Formation Professionnelle* (CAFP) used to be part of a government social training programme and was later continued as an NGO. Its director is a former trade-unionist. The centre has recently been re-located, on terrain donated by the government. The three classrooms of the centre are made of wood and have a shabby appearance. CAFP provides training in tailoring, electricals and computer skills for 3 years, of which the last one consists of practicals in workshops. At the moment it has 52 trainees (among whom 4 girls), although it has a capacity of 80 trainees – it is said that the families of prospective trainees have problems in coming up with the required training fees. The trainees are between 15-20 years old, and need to have basic education. The training fee is USD 40 for the first year and USD 62 for the second year (said to represent 60% and 100% of the respective actual training costs). The third year is dedicated to a practical period in a workshop (but the centre has great difficulties to find places for such internships). While some of the (best) trainees get offered a job in the workshop where they do their practical, the others end up in the IS – often as workers, since they do not have the capital to start their own workshop.

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

In all there are 86 private training institutions registered (information from GoC/METPS), in addition to which there are a large number of unregistered ("*clandestine*") training providers. The main thrust in technical training comes however from traditional apprenticeship training (see below). It is estimated that while the total training capacity of public VTCs is around 14,000 trainees, there are estimated to be a total of 200,000 TAps being trained in the country.

7.4 Skills development for the IS

One of the most remarkable outcomes of the Yaoundé survey referred to earlier refers to the finding that the younger entrepreneurs were more likely to have enjoyed some form of pre-employment vocational training[34]/ (Fluitman and Momo 2001). Such skills training was especially common among entrepreneurs in women's hairdressing (55%), radio & electronics repair (55%), women's dressmaking (50%), and less common for car mechanics (28%) and men's tailors (29%). The skills training received was usually of long duration (2-5 years), although probably of a part-time nature.

In all, 58% of those who had followed vocational training did so in private-for profit institutions, especially: men's tailors, electronics repair, women's hairdressers, persons engaged in administrative and cybernet services and refrigeration repairers:

Table 22: Cameroon – Main training providers per economic activity (percentages of persons who received training, per trade and total)

	Gov. Training Institute	NGO Training Centre	Private-for-profit TP
Women's dressmakers	33 %	24 %	43 %
Men's tailors	0	0	100 %
Women's hairdressers	7 %	7 %	87 %
Wood workers	29 %	21%	50 %
Car mechanics	33 %	7 %	60 %
Carpenters/masons	78 %	0	22 %
Radio & electronics repair	0	0	100 %
Leather workers	23 %	15 %	62 %
Restaurant owners	35 %	20 %	45 %
Secr/admin/cybernet	19 %	7 %	74 %
Refrigeration repair	24 %	6 %	71 %
Metalworkers	33 %	0	67 %
Total	**26 %**	**10 %**	**64 %**

Source: Special calculations of data Yaoundé IS survey (682 interviews; see also Fluitman and Momo 2001).

34/ Even though the question inquired clearly about pre-employment vocational training, it could still be that some of the respondents have erroneously indicated here their apprenticeship training in a small workshop.

Payment of training fees was found to be rather common among the IS firm owners surveyed: 7 out of 10 had done so. Fees levels covered a broad range, from USD 65-650 per total training period, with marked differences between training providers:

Table 23: Cameroon – Training costs for different training providers*

	Mean	Median
Public sector training provider	$ 226	$ 107
NGO training provider	$ 249	$ 209
Private-for-profit trg. provider	$ 287	$ 213

Note: Different training periods.
Source: Special calculations of data Yaoundé IS survey (Fluitman and Momo 2001).

Such high training fees could constitute a limiting factor: half of those who had not followed any vocational training pointed to lack of financial resources to do so (while one quarter said there was no need for skills, probably because they had learned the trade in another way, while men's tailors and leather workers pointed out that no relevant vocational training for their trade exists).

The survey indicates that, while more than half of the IS entrepreneurs have followed pre-employment training and two-thirds of them had been TAps, 70% of IS producers are interested in skills upgrading – in the first place of their technical skills, but also of their business skills (e.g. customer relations, marketing, financial administration, business management).

7.5 Traditional apprenticeship training

The Yaoundé survey[35]/ clearly demonstrates the importance of apprenticeship training: two-thirds of the IS firm owners interviewed had been TAps before setting up their own business – the only activity where no TAps are found were restaurants, implying that only few skills are needed in this trade (*ibid*). Such training lasted usually some 2-3 years, ranging from a few months in computer-based services to 3-4 years for car mechanics.

Many of those interviewed during the survey indicated that they appreciated apprenticeship training as being useful. In fact, more than half of them (57%) would want their child to be an apprentice. The major exceptions here were relatively well-educated women in hairdressing and women in restaurants (where there is no apprenticeship system). The survey found that apprenticeship training and institute-based pre-employment vocational training are not mutually exclusive. Many of the entrepreneurs went through both, especially in car mechanics and metal-working, which suggests that they felt that these forms of training are in some way complementary.

35/ This section is based on Fluitman and Momo (2001).

The survey also attempts to arrive at typical individual career paths for the surveyed trades. Including general education (which on average makes up more than half of the time) it has taken the entrepreneurs some 17-23 years to get to the position where they are now. An important role (in terms of time) is played by previous employment, as an unpaid family worker, wage-worker or independent worker. In other words, only few of the entrepreneurs started their business immediately after finishing his/her apprenticeship training. One of the reasons for this is likely to be that they needed to amass savings, as most enterprises were started with own capital.

The respondents in the survey indicated that for them technical skills are the most important ones. Other skills that were frequently mentioned include: negotiating with suppliers and customers, book keeping, training and coaching, and marketing skills. To the extent that the owners of IS enterprises possessed such skills, they picked them up during apprenticeship training and not in pre-employment vocational training. Important skills gaps were found to pertain to: applying for and managing credit, marketing and book keeping. Seventy percent of those interviewed expressed interest in further training. They indicated to attach more importance to the upgrading their technical skills than to management, marketing or book keeping training. Especially car mechanics, radio & electronics repairers and metal workers were keen to expand their skills, while men's tailors and restaurant operators were less keen.

Box 11. An example of apprenticeship training in Cameroon

Merco is one of a small chain of informal Mercedes repair workshops in Yaoundé. It has 8 workers and 14 TAps (6 from the neighbourhood and 8 sent by NFE). The selection criteria for neighbourhood TAps are: between 15-18 years old, in possession of a basic level of education and apparent good behaviour. An oral understanding is reached on the apprenticeship training between parents/guardians and the workshop ("we deal only with the parents"). The apprenticeship fee is CFA 300,000 for 3 years (or USD 133 per year).

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

Although the workshop is not registered as a training centre, it carries out FNE contracts to train small batches of youth in car repair. Such training lasts one year. It is complemented with theoretical training that takes place outside the Merco workshop and is conducted by a specially contracted instructor (often at FCFA 2,000 or USD 2.70 per hour). These training graduates also receive a different certificate, which is co-signed by FNE.

Box 11. An example of apprenticeship training in Cameroon (cont.d)

In 6 years, 36 TAps have graduated in the workshop. No details on their work and whereabouts are available. At least 6 of the pass-outs are known to have established their own workshop, while sometimes a graduate is employed by Merco. Most of the graduates seem to find work in other garages – earning some FCFA 20,000-30,000 (USD 30-40) per month in IS workshops and up to FCFA 50,000 (USD 70) in more established garages.

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

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

7.6 Case study A: *Fonds National de l'Emploi* (FNE)

7.6.1 Background

The *Fonds National de l'Emploi* (FNE) was set up in 1990 with assistance from the World Bank and the African Development Bank. This Training and Employment Fund provides support for 'employment seekers', i.e. both youth who have never worked before and retrenched workers from public, parastatal and private sectors. Essentially its function is the organization, financing and monitoring of skills development and employment creation programmes: (i) on-the-job training, (ii) formal training, (iii) creation of self-employment, (iv) support to IS enterprise development, and (v) dissemination of labour market information (through the internet). It also provide financial support for those who want to enter into self-employment. FNE also has a special programme for returning migrant workers from abroad. FNE has offices in Yaoundé and Douala as well as in three regional centres.

FNE is financed, apart from external funding, through a tax[36]/ of 1% on the payroll of enterprises. It has an annual budget of about FCFA 4 billion (more than USD 5 million). FNE is a tripartite organization with representatives of the private sector in its Executive Board.

7.6.2 Training activities

FNE itself indicates for which areas short training programmes (max. duration: 1 year) will be financed. It gives priority to organizing training in trades that are thought to do well in the market (it is not clear how this is determined). The programme includes support for three types of training:

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

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

The training is carried out by one of the 140 training institutions that have been registered by FNE. Registration only takes place after FNE staff has inspected the conditions and the quality of the training offered: buildings, training equipment, trainers and training curriculum. Almost all of them are private-for-profit training providers, only 2-3% are NGOs. In fact, for on-the-job training some 80% of the training providers are in reality owners of small informal workshops (see Box 12).

Box 12. Workshops or training centres?

In Cameroon (and elsewhere) there is at times confusion about the term 'training centres'. Relevant ministries tend to dutifully register training centres which meet the established criteria (which are often quite high) and qualify other training providers as 'clandestine'. FNE, however, actually works with IS workshops providing apprenticeship training and other unregistered training providers.

The difference between genuine training centres and IS workshops with TAps is often small and subtle. All workshop owners are interested to take on TAps – as the training fee can be an interesting supplement to workshop income (as well as to appease family members who insist that cousins etc. need skills training). Depending on the fame of the 'master', the number of TAps grows, and with it the income from training.

At this point some entrepreneurs may decide to actually invest in the provision of training: preparation of a more elaborate training programme, even with handouts. Or recruit a special in-house trainer or establish a relation with a free-lance trainer (from the existing pool of such *vacataires*, who are often instructors at the local *lycée*), e.g. for management training .

At some point production or repair will be no longer the primary objective of the workshop and it has effectively become a training centre. So far few workshop owners have gone this route, possibly because, as some of them say, "there is no money to be made in training".

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

7.6.3 Financial support for IS activities

The financial support for setting up a business is not necessarily related to passing through a training programme. All NFE target clients can submit proposals. The maximum amount is FCFA 5 million for self-employment and FCFA 20 million for the creation of a micro-enterprise. For the latter FNE provides up to 80% of the total required financing, while the rest has to be contributed by the client (which can also be in kind, e.g. labour). The FNE loans carry an interest rate of only 8% per year, whereas the market rate in Cameroon is between 20-27%.

7.6.4 Results

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

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

Table 24: Cameroon – FNE outputs 2000/2001

	Total	Yaoundé	Douala	Rest of country
Formal training	589	194	238	157
On-the-job training	4,132	901	1,422	1,809
Total	**4,721**	**1,095**	**1,660**	**1,966**
Self-employment creation	211	66	73	72
Group initiatives	4,229	725	1,775	1,729
Total	**4,440**	**791**	**1,848**	**1,801**

Source: Based on data from FNE.

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

All together, FNE financed in 2000/2001 vocational training courses for a total amount of FCFA 850 million (some USD 1,13 million)[37]/, while for self-employment creation projects was available FCFA 775 million (around USD 1,0 million).

7.6.5 Appraisal

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

37/ This would calculate on the basis of the almost 2,000 trainees from table 23 to a rather high average training cost of USD 565.

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

7.7 Case study B: APME – Micro-Enterprise Support and Promotion Programme in Maroua

7.7.1 Background

One of the more interesting attempts to promote the IS concerns the Micro-Enterprise Support and Promotion Programme (APME) in Maroua. Maroua is a provincial capital in the very north of Cameroon, with some 150,000 inhabitants, in majority Muslims, and growing at some 9% per year due to immigration. Around 90% of the economic activities in the town are of a small-scale nature, often within the IS[38]/.

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

7.7.2 Project concept and objectives

APME has a two-sided objective: it aims to set up an entity of local artisans for the promotion of IS activities and to develop sustainable support services that will strengthen the local economy.

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

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

The project focuses on support for four trades: leather products, metal and woodworking, and car mechanics. To avoid market saturation and attract more youth,

38/ This case study has been prepared on the basis of project reports (see ASI-ADA, 2001, 2002a and 2002b) and the findings of a recent UNDP evaluation. A planned visit to Maroua had to be cancelled due to time constraints.

APME started at the end of 2001 with support for motorcycle repair. It also initiate a special programme for assisting women entrepreneurs.

7.7.3 Project activities

The project favours a market approach. Its training interventions are directed at both the masters and the apprentices. The project activities combine action-research with awareness raising and animation. The actual activities can be grouped into trainings and marketing interventions:

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

Technical skills training is the main entry point of the project. It refers to short-term, modular and *personalized* training, mostly conducted in the workshops and tested after each module. The trainers move on motorcycles. The training is demand-led and tailor-made for the participating artisans – which requires a lot of flexibility on the part of the trainers. To improve the marketing prospects the technical training focuses on (i) improving the quality of the products, and (ii) lowering the costs (e.g. materials). At the end of the training, graduates receive technical materials. Management (i.e. order and cash book) and marketing skills training are also provided. After the training, there are several follow-up activities for the benefit of the training graduates. APME's training interventions are as much as possible linked to its support interventions in the area of marketing. Promotion activities, for instance, are related to the introduction of new products through the development of prototypes.

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

The staff of the project consists of: 1 project manager (expatriate), 2 trainers-animators, and 4 trainers (for each of the intervention trades, except for leather works). The budget for the period August 1998- July 2001 (i.e. 3 years) totalled USD 1,7 million:

some USD 105,000 for preparation and studies, USD 423,000 for interventions, USD 411,000 for vehicles and transport costs, and USD 692,000 staff costs (of which USD445,000 for expatriate manager).

The project cooperates with a number of interesting organizations, including: government ministries, local development programmes, CIRAD Garoue (development of prototypes), GTZ (literacy training and training of trainers), FNE (financing of IS enterprises) and *Projet Urbain* (DED, for IS legal services, IS seminars and savings and credit scheme)

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

7.7.4 Results and impact

During the first phase some 150 IS artisans were supported by APME, distributed over 4 trades. In 2000 58 short courses were conducted. In December 2001, the project was providing training and follow-up visits to 83 workshops and a total of 260 trainees: 121 MCs, 51 workers and 88 TAps (ASI-ADA 2002).

APME's interventions in the area of marketing resulted in the creation of a brand name by the Maroua IS producers. This KALKAL brand name is especially applied to leather products: out of 232 articles offered by local producers for labelling, 87% were accepted after screening. Various marketing interventions were undertaken, ranging from participation in local and national trade fairs, setting up a permanent exposition in Maroua, elaboration of catalogues, creation of new products, and linking IS producers with large companies – all which resulted in significant extra sales:

Table 25: Extra sales generated in 2000 as result from APME marketing activities (in FCFA)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total 2000
Wood working	1,148,170	1,228,000	776,200	666,040	3,818,410
Leather products	865,000	1,729,000	1,273,500	2,027,500	5,895,000
Metal working	2,213,600	9,561,500	0	1,710,00	13,485,100
Total	**4,226,770**	**12,518,500**	**2,049,700**	**4,403,540**	**23,198,510**

Source: ASI-ADA 2001.

Such activities appear especially interesting for metal-working: almost FCFA 13.5 million (or USD 18,000) in 2000. As the result of APME interventions, some local IS enterprises have been linked to large companies, such as CAMTEL, some banks and Cameroon Airways.

In the first phase of the project its efforts to diversify the production of the informal producers resulted in: 65 new items for leather workers, 18 in metal-working and 7 in wood-working.

7.7.5 Some lessons learned

Some observers characterize APME as a 'classical NGO project' with strong NGO leadership to intervene on behalf of artisans, who play a less prominent role themselves. At the same time it would appear that the project holds out a number of interesting experiences and first lessons learned:

- the project has adopted a well-conceived integrated approach in which training is used as an entry point to improve the market position and opportunities for IS enterprises: it was found that it takes some 110 hours of training (i.e. 12 months of 9 hours of weekly sessions) for an IS artisan to significantly enhance the quality of his/her products
- *personalized* training, while very much appreciated by the clients, has as its downside that it is very time-consuming and difficult to plan, while the evaluation found that the trainers still adhere to standard training programmes defeating the exact purpose of the training approach
- the project has engaged in important networking with a good selection of other organizations active in IS development
- literacy training addresses a real local need and is an important pre-condition for effective business development: the training lasts 2.5 years and takes place through sessions between 19-22 hours, 6 days a week
- few of the MCs are genuinely interested in bookkeeping: if they do start the books suggested, they tend to merely go through the motions while maintaining their own informal system; bookkeeping only becomes interesting once the enterprises reach a certain level of sales
- the market-driven approach in which opportunities for local products are identified or created (through promotion activities) as the basis of the interventions is found to be very effective.

The recent UNDP evaluation (see Baier-D'Orazio and Nounga 2002) puts a somewhat different but certainly interesting perspective on the project. It feels that the project can be characterized by a 'well-doing' approach in that the artisans are more subject than partner. It is especially sceptical about the impact of the training efforts as the training needs are not indicated by the IS producers themselves. Rather they are identified by the trainers, who are said not to listen very well to the artisans, or simply inferred from the orders acquired.

In fact the evaluation notes that the use of acquired orders as the bait for training courses has a number of important disadvantages. The items produced serve a particular market (mostly expatriates) that is fragile as it is not linked to the normal items produced, causing a certain dependence on the part of the artisans. In the case of leather, the number of artisans who benefit from the KALKAL brand name is rather small (especially when compared to the total number of leather workers in Maroua).

The evaluation recommends an approach which relies more on creativity on the part of ADA and especially the trainers, to take the felt training needs as the point of departure of the training efforts and to try to transfer to the artisans the capacity to find solutions for their problems. Still, the evaluation underwrites the importance of the commercial strategy and the positive impact on turnover and incomes of the project clients.

7.8 Case study D: GIPA – Improving traditional apprenticeship training

7.8.1 GIPA association

The *Groupement Interprofessionnel des Artisans* (GIPA) is an interesting case of a genuine small enterprise solution for the problem of a lack of appropriate technical skills training.

GIPA is an association of over one hundred IS enterprises in different economic sectors (e.g. wood-working, leather products, textiles and metal-working). The purchase of a membership card costs FCFA 4,000 (USD 5) and the annual contribution is FCFA 6,000 (USD 8) per year – "most" of the members are said to have paid up.

GIPA was build on the remnants of earlier attempts at organization of the IS in Yaoundé by an IECD volunteer in the mid-1990s, when in 1995 some of the members of the original then-defunct association participated, at the suggestion of another IECD volunteer, in a trade fair. They subsequently decided to create GIPA to undertake the following activities: (i) to group IS enterprises on a sectoral basis, (ii) to provide information and documentation to local artisans, (iii) to stimulate pre-employment training and skills upgrading, (iv) to seek a 'normalization' of apprenticeship training, (v) to participate in trade fairs, and (vi) to create a quality label.

7.8.2 GIPA president

The president of the association is the owner of a small relatively modern garment workshop. One of his main problems is a lack of skilled workers – while the workshop has some 30 electrical overlook sewing machines, the present workforce consists of one wage worker and 7 TAps (no apprenticeship fee has to be paid, only some pocket money given to TAps). To contribute towards the training of garment workers, he is now setting up a training centre for some 30 trainees.

Interestingly, he has approached the Ministry of Labour to register his training centre, as he was approached by another training institute for placement of trainees for practical periods. The requirements are stiff (e.g. adequate training equipment, qualified trainers, teaching diploma of owner, and relevant training programme), and the paperwork (e.g. business licenses, proof of good citizenship) cumbersome, but the owner appears confident that he will succeed to get his registration.

7.8.3 Training activities

At present the association is undertaking the following activities: (i) regulation of apprenticeship training, (ii) supplementary training, and (iii) GIPA Newsletter.

GIPA has taken the first steps to regulate the training of apprentices conducted in the workshops of its members. Essentially it has introduced a joint examination, for which it organizes a Examination Committee with 5 members: one from *Ministère du Développement Industrial et Commerce* (MINDIC), two expatriates working in IS development (attached to DED and ADF) and 2 local mastercrafts(wo)men. The graduates are presented with a joint GIPA/MINDIC certificate. One of the 3 graduation ceremonies so far took place in the local Hilton Hotel – paid for in part by the FCFA 30,000 (USD 40) examination fee.

In the future GIPA hopes to further increase the standardization of the apprenticeship training, such as its training content and the duration of the training.

In 2001 GIPA organized short (one afternoon) training seminars in wood drying and marketing/ customer relations. They were conducted by an experienced MCs and an expatriate owner of an art gallery. Some 12-15 artisans participated; the training is free of charge. In the future GIPA intends to conduct courses to provide the TAps with more theoretical background on their trade. They will be given by educated IS entrepreneurs and teachers from technical schools.

The GIPA Newsletter is produced by its secretary-general, who holds the only paid job in the organization. Three issues have been published so far (Sept/Oct 2001, Dec/Jan 2002, Feb/March 2002), which look relatively well made. The GIPA representatives feel that the Newsletter is helpful in boosting the association's membership (which assumes not interest but also low illiteracy among the member MCs).

7.8.4 Appraisal

GIPA gives the impression to be a genuine and serious IS association. It appears to have emerged as the answer of the higher-end of the IS to the inadequate provision of skills training – not only by the state (and the NGO and private sector) but also by the IS itself. GIPA's activities (e.g. supplementary training, regulation of traditional apprenticeship training), and especially its president's upcoming training centre, are driven by a lack of adequately skilled workers for small workshops.

Noteworthy is also the catalytic role of external personnel (i.e. IECD volunteers) in bringing about a functional grouping of IS producers.

7.9 Case study E: CEP – a private company providing skills training

7.9.1 Background

Arguably the most interesting example of relevant and potentially sustainable training for the IS was found in Western Cameroon. A local paint industries, *Compagnie*

Équatoriale des Peintures (CEP) in Douala, provided a one-day spray painting course to IS panel beaters/painters in West Cameroon.

7.9.2 Private company

As an ISO-9000 licensed company, CEP regularly provides two kinds of training. First, it provides annual training to its main customers, i.e. paint wholesalers. This is general training on different types of paint, how to apply them, etc. Second, it organizes training for workers from FORMAL SECTOR garages as part of their sales service. This training is more technical and focuses on the way in which the different colours of paint should be blended. It takes place on the premises of CEP.

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

The training took place in the common spray painting facility of the local car painters association. CEP provided the training free of charge and even donated FCFA 100,000 (USD 140) of free paint.

7.9.3 Original idea

The training actually came about as the *Chambre des Artisans de l'Ouest* (CHART), wrote a letter to CEP inquiring about the possibilities for training. CHART is a regional federation of association of artisans in Dschang (some 70,000 inhabitants). It is currently receiving support from DED in the form of a technical adviser, who provides management advice, organizes study tours, and sets up a network with other IS support organizations.

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

7.9.4 Training activities

When the letter yielded no immediate reply (CEP is frequently approached for free paint, t-shirts, etc.), the request was taken up by a representative of *Formateurs Associés* (FOAS). FOAS is formed by group of (5) professional trainers in the area of engineering and especially car repair, each with at least 10 years experience in industry. FOAS conducts training for FNE and (international) NGOs, and also develops its own activities to promote small activities. There are longstanding contacts between SYNADEM in Dschang and one of the FOAS' members.

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

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

7.9.5 Outcome

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

The responsible staff from CEP were very positive about the experience. They felt that the training proved a good way to introduce their product to a new market segment (even though it is too early for the sales figures to reflect the effect from the training). CEP indicated their interest to conduct similar training on the same conditions for other "future clients". The artisans of CHART/SYNADEM in Dschang got so interested that the training went on for 4 days instead of the original 3 days. Not only the panel beaters participated but also welders and carpenters interested in aspects of spray painting.

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

7.9.6 Some first lessons learned

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

At the same time, the example points to the fact that training for artisans is not a regular activity for CEP and initially even not high on its agenda. CEP regularly gets requests for free paint, t-shirts, etc., and would have not entertained a request for training from indi-

vidual panel beaters or even just any group of them. It took a personal visit and some cajoling by an interested representative of the association to convince CEP to get involved in the training activity.

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

Finally, the verdict on the sustainability of this type of training is still out. The pilot activity has clearly helped to make the training provider (CEP) as well as the participants (CHART/SINADEM artisans) aware of the benefits of such training. The training was subsidized by CEP, CHART/DED and FOAS (in kind, through lower fees). It is yet not clear if the enhanced quality of the services of the car repairers, resulting from better spray painting skills and presumably higher quality paint, will be reflected in higher charges paid by the owners of the cars that are repaired.

7.10 Some conclusions and final observations

7.10.1 Promotion of the informal sector

In Cameroon the IS providing employment and incomes for 85% of those working outside farming. As the result of continued high rural-urban migration, the IS is still expanding rapidly. In spite of this important role, no coherent government policy to deal with the IS enterprises and operators has emerged. While in other countries in the region policy a start is being made with formulation of IS policies and institutional reform, few initiatives were observed in Cameroon.

7.10.2 IS training needs

The Yaoundé survey indicates that more than half of the IS entrepreneurs have followed pre-employment training, often in private-for-profit training institutions, while two-thirds of them had been TAps. This, and the large period for them to become IS firm owners suggests that the career path of many of them includes both pre-employment and apprenticeship training. In spite of such long learning, more than two-thirds of IS producers indicate interest for skills upgrading – mostly technical skills, but also business skills.

Artisanat is not well developed in Cameroon, and the IS seems to rely on the large number of consumers with low purchasing power who cannot afford quality industrial products. Consequently it is difficult to translate the results of training efforts to improve quality into higher prices. An interesting way to by-pass this problem is, as is done by APME in Maroua, to focus skills training not only on quality but also on reducing the pro-

duction costs, e.g. by saving on use of materials. Lower costs might be a better way to improve the market position of IS producers.

7.10.3 TVET context

Different from other countries studied in this paper, no major changes appear to be underway in the education and training sector in Cameroon. With low and declining financial resources government services in the area of vocational training is rather limited. This gap is more filled by private-for-profit training providers-many of whom are not officially registered.

7.10.4 Apprenticeship training

Apprenticeship training in Cameroon is by far the most important source of skills for those working in the IS. It appears to be relatively well organized, with a reasonable apprenticeship period of some 3 years (possibly still too long) during which some kind of training programme being followed. Apprenticeship fees of some USD 100-150 per year are rather stiff and certainly higher than in some of the other countries studied.

7.10.5 Fresh developments

In Cameroon a number of interesting innovations in the area of skills training were found:

- The *Fonds National de l'Emploi*, already established over a decade ago, clearly has been the most interesting development in the TVET sector in Cameroon, even though its relevancy for work in the informal is easily over-estimated. It has considerable funding and has shown to operate in a pragmatic and flexibility manner, with regard to both the type of training it provides (mostly on-the-job training), and the training providers it uses (most of them are private-for-profit, many even small workshops). Potentially its link to the provision of small amounts of investment capital is also interesting, although presently it is used mainly to support small (groups of) farmers and the subsidized interest rate makes it unsustainable.
- Collaboration among small training providers, such as in the FORAJE network, is an interesting notion (although by no means new). Small and often weak training providers can learn and benefit a lot from each other. Technical assistance to such a grouping will be more effective than on an individual basis. The FORAJE members still need major re-orientation and re-structuring;
- The APME project in Maroua is an interesting example of an integrated, 'marketing-led' IS support programme. It has allocated a very functional role for technical (and other) training, closely linked to marketing and other promotional interventions. Particularly the creation of a brand name to promote IS goods (also considered by the GIPA association!) would appear to be a promising step. The experiences gained here should be carefully monitored.

- The emerging activities of the GIPA association are relevant as they also have chosen technical training as one of their main entry points. Their efforts to improve the quality of apprenticeship training, for instance by organizing external trade tests for TAps, could become a model for others to follow. The involvement of representatives of the government as well as from donor organization are quite interesting.
- The CEP training is an interesting example of 'business-based training'. CEP rates this first experience as positive, but no clear policy for (funding of) future training of IS operators has yet been developed. CEP may not yet be quite ready for a possible avalanche of requests once the training activity in Dschang gets known. Since the training only took place recently, its effect on the sales figures is still not clear. The case establishes indisputably that some private sector companies are already providing relevant skills training to the IS as part of their regular business activities. Cost of such training for the participants is low (or gratis), its quality high and the sustainability in principle high (but dependent on market developments and business decisions).

The collective case of *Training for the IS* in Cameroon appears more interesting than the other ones. In spite of the absence of an IS policy in the country, relevant and sometimes innovative schemes to support IS operators have come up, such as the activities of GIPA and the training conducted by CEP.

This would suggest that such policies do not necessarily have to be leading the promotion of IS activities. It could be that they are rather pragmatic, bottom-up policies that make room for initiatives that have come up in the private sector, support them and formalize them.

8. CONCLUSIONS AND IMPLICATIONS

The present study reviews the developments that are taking place with regard to 'training for work in the informal sector'. Complementing an earlier study on Eastern and Southern Africa, it focuses on a number of countries in West and Central Africa, i.e. Ghana, Senegal, Benin, Niger and Cameroon. Most of the conclusions drawn earlier with regard to the other parts of Sub-Saharan Africa were confirmed and complemented with new insights.

8.1 Informal sector training needs

8.1.1 Informal sector and *l'artisanat*

In West and Central Africa (WCA) the 'informal sector' (IS) takes second place to that of *l'artisanat*, referring to manufacturing and repair activities, while excluding trading and services. This 'artisan sector' resembles the 'higher end' of the IS, even though it also includes some weak traditional activities (e.g. blacksmithing and weaving) that arguably hold little potential for further development. The IS is often taken to mean the 'lower end' of its activities, such as self-employment in small trading and (personal) services. Since *artisanat* activities have special possibilities to register, e.g. with the *Chambres de Métiers*, the IS has the connotation of less legal activities.

L'Artisanat caught the attention of governments at the end of the 1970s, after which some policies were formulated and support programmes with corresponding support structures set up (e.g. *Chambres de Métiers*). Both were met with mixed success. In the wake of the economic reform policies, government interest in the sector further increased during the 1990s. Economic and TVET policies are now more and more taking the IS into consideration, although as yet there are no coherent policies or programmes for the promotion of IS activities.

8.1.2 IS size and growth

As elsewhere in Africa the IS is showing a continued rapid expansion. In most of the countries studied the IS is already responsible for the large part of urban employment (i.e. 60% in Ghana and even 80-90% of total non-agricultural employment in Benin, Cameroon and Niger). IS employment has been growing very fast in the past decades in the region, for lack of employment opportunities in other sectors (government services and private modern sector). In Benin the IS has been growing at a pace of 10% between 1979-92, and it may

have expanded at an even faster pace since then. It is common that more than 90% of new labour market entrants are absorbed in IS enterprises.

The dualistic nature continues to be one of the most important characteristics of the IS. The sector (if that is indeed what it should be called) has two distinct sides: it is, on the one hand, a negative manifestation of inadequate employment creation in private companies, parastatals and government services which 'push' large numbers of jobless in informal activities, and, on the other, a very positive response of the poor (and many not-so-poor) in the face of such a situation, combining their minimal resources, hard work and often a large dose of ingenuity to earn low but important incomes.

A striking point of informal employment in WCA is the high number of TAps, which would appear to be closely related to the almost complete lack of regular workers. While most manufacturing and repair workshops would have a dozen or more 'apprentices', they generally did not have any 'worker' (although some graduated TAps who have not succeeded to set up their own workshop continue as -independent- *compagnons*). In Senegal, for instance, the share of TAps has grown from 40% of the IS workforce in 1980 to an incredible 70% in 1995 – which, in view of their contribution to production one can expect that productivity in the sector has gone down significantly.

8.1.3 IS structure and composition

The economic structure of the IS in WCA hardly differs from other countries in Africa. It is dominated by small trading activities, with service and manufacturing activities taking second and third place. Only the number of blacksmiths, weavers and wood carvers is higher than elsewhere, i.e. traditional *artisanat* activities which used to be family- or clan-based. Possibly because of the recognition and support received, they have survived better, even though their return to labour has seriously declined. At the other end of the IS, there are a growing number of 'ICT' activities, such as communication centres, computer repair and internet cafes.

IS employment is still especially important for migrants from the rural areas. The Yaoundé survey (2000), found that 3 out of every 4 IS producers were born elsewhere in Cameroon. In view of lower educational standards in the rural areas, they can be expected to bring only limited knowledge and few relevant skills (Fluitman and Momo 2001). Other in the IS have distinctly higher levels of education and experience – even though the latter may not always be immediately relevant. They include the large numbers of civil servants and modern sector employees who were retrenched in the 1990s or forced by eroded purchasing power to find additional income earning opportunities.

In all, it is critically important to view the IS as a heterogeneous bag of different activities and occupations. Not all of these activities and jobs make for low incomes and poverty. Especially IS enterprise owners make a reasonable income out of their business. The incomes of workers and the self-employed are meagre, irregular and uncertain. Very roughly they can be estimated at one dollar a day (based on income data of IS workers in Yaoundé, Cameroon, *ibidem*).

8.1.4 IS policies and associations

Countries in WCA have at sometime or another formulated elements of IS policies, especially in relation to promoting *l'artisanat*, but nowhere there does exist a clear and coherent framework for IS development. In any case implementation of such policies is fragmented over a large number of government ministries. As part of growing interest in stimulating IS employment, most of the countries visited have initiated major reforms in the TVET sector (see below).

An early approach common to WCA was the creation of government-inspired representative organizations such as the *Chambres de Métiers* to provide support for *l'artisanat*. Membership brought prerogatives, such as preferential access to government services. However, emphasis was placed on legal and administrative aspects and the organizations were bureaucratic and inefficient. Since IS entrepreneurs were largely by-passed in this process, the organizations did not become popular. In Senegal, for instance, the activities of the *Chambres des Métiers* do not represent more than 10% of the sector. Usually they are, to a considerable degree, politicised and lack transparency in their operations.

More genuine ISAs have also been established in WCA. Their origin usually goes back to the time that traditional IS activities remained with distinct social groups; often they still function as insurance arrangements that help to defray, for instance, medical and funeral costs. Some ISAs have now extended their assistance to credit & savings schemes, but hardly any offer structural services such as equipment sharing, purchase of production inputs, and -least of all- joint sales of finished products.

8.1.5 A new generation of IS entrepreneurs?

There are signs of a significant change within the IS. Observers see a 'new generation' of IS entrepreneurs emerging. The new IS entrepreneurs are younger than before and, on average, better educated. Some of them are said to have accepted that they will never have a white collar wage job and even feel that IS employment holds certain advantages (e.g. working at own initiative).

If indeed true, such a change would have major implications. They are thought to become more open to the notion that to succeed they need to upgrade their own technical, management and teaching skills, and be more interested than before in *formation continue* or continuous skills upgrading – not only for themselves but also for their workers and helpers. In this light they are expected to take a different look at the apprenticeship system. Instead of viewing TAps as a combination of a source of income and future competitors, they may realize that a better skilled workforce is in their own interest and that allowing TAps to follow complementary training brings definite advantages as they become more productive, less wasteful in using materials and more careful with equipment.

8.1.6 IS needs for skills development

While countries in WCA are slowly but surely modernizing, and new products are appearing in their markets, local artisans tend to take their time to change the goods and ser-

vices they produce. While their customers are becoming more sophisticated, the IS producers lag behind in adapting and adopting new products, product designs and production techniques.

The low educational attainments of both MCs and TAps limit their trainability and lead to modest skill levels. Interestingly, studies into the training needs of IS operators (see again ANNEX-I), apart from identifying a marked need for skills upgrading, reveal a felt need for *functional French*. Many informants pointed out that improving the quality and result of apprenticeship training thus requires in fact literacy and numeracy training – for both the TAps as well as some of the MCs.

Other areas for skills training concern:

1. general theoretical aspects of trades: nature and use of materials, drawing and reading of drawings, basic informatics, basic knowledge of industrial techniques;
2. knowledge on recent technological developments in trades;
3. management practices: e.g. costing and pricing, marketing, customer relations, quality control, workshop layout, and even time management.

It should also be noted that, in surveys, skills deficiencies do not score very high in the perception of IS operators, who invariably point to 'lack of capital' and 'lack of clients/demand' as their main concerns. For instance, in a survey among leather workers in Senegal, just over one-third of the informal entrepreneurs indicated skills problems – against three-quarters indicating marketing problems. Moreover, it should be realized that they are not always in a good position to identify their exact training needs because of their limited knowledge of recent technological developments in their trade.

In all, available evidence from surveys and other sources indicates that there is considerable need and interest for skills training in the IS (e.g. some 90% of MCs in Benin and more than 70% in Cameroon). This concerns, in the first place, the upgrading of technical skills and further the introduction/ improvement of management and marketing practices. The exact training needs, both felt and real needs, vary widely from trade to trade and even within trades. This makes it imperative to use tailor-made training modules covering a broad range of topics (e.g. one observer even suggested training in the preparation of pro-forma invoices). In WCA there is wide consensus that literacy training needs to be linked in some way with technical skills development.

8.2 Existing training for work in the informal sector

Recent thinking on Business Development Services (BDS) proposes a market-based, business-like provision of demand-driven training. In line with this thinking, so-called 'principles of good practice' have emerged. When applied to vocational training they advocate: (i) training that is driven by the (changing) demand for skills, (ii) relevant, tailor-made training, (iii) participatory methods applied to all aspects of training, and (iv) cost recovery

from participants (Nelson 1997). In the following it will be analysed to what extent the reviewed training for the IS in WCA conforms to these notions.

8.2.1 Major changes in TVET sector

The state of technical and vocational education and training (TVET) in the countries of the study is generally poor and when it comes to practical training for basic technical skills clearly under-developed. As one observer put it: "if the ministries do not overlap, they certainly do not coordinate". In Senegal and Benin there are only very few vocational training centres, apart from the *lycées techniques* which tend to be rather theoretical, lack equipment, and are generally not immediately relevant for work in the IS. The very limited budgetary resources available for TVET hardly allow for any meaningful skills training. Training facilities are often defunct, staff lacks qualifications, experiences and motivation, training offerings have not changed for many years and places for practicals are difficult to find. The training is still focussed on obtaining a certificate, even though the jobs for which it qualifies are no longer found.

In most of the countries studied (except Cameroon) the TVET sector is under-going major restructuring. Governments in the region, actively assisted by bilateral donors, have initiated some interesting new developments:

- while so far TVET responsibilities were shared by different departments, often with a major role for the Ministry of Education, coordination is now being improved and, for instance in Senegal the TVET department was promoted to ministry status and in Benin there are plans for the creation of a Vocational Training Authority;
- in most WCA countries, some kind of Employment or Vocational Training Fund has been set up, sometimes with World Bank support, as an additional channel to finance training delivery, including the training for IS entrepreneurs and apprentices;
- explosion of attention for *formation continue* (skills upgrading) and *formation par l'alternance* (complementary training for TAps, sometimes used in the sense of 'dual training'), both specifically directed at present and future IS operators.

While these initiatives seem to cater for the enhanced political concerns of governments to create substantial employment, including in the IS, they also sit well with interests of international donors who make available most of the financial and human resources (e.g. in Benin).

8.2.2 Links with education

More than in the rest of Africa, links between general education and vocational training in francophone WCA countries are quite distinct, especially in relation to apprenticeship training. Training by a 'master' traditionally goes beyond mere vocational skills, e.g. taking care of moral upbringing of the TAps. In view of disappointing experiences in general education, more and more parents turn, at an early age of their children, to apprenticeship.

The low educational levels in WCA seriously limit the results of apprenticeship training, both in the transfer and the application of knowledge and skills: (i) many education drop-outs are still too young and undisciplined, (ii) many TAps are inadequately prepared to absorb to the maximum the training offered, (iii) the apprenticeship period is needlessly too long, and (iv) TAps having graduated are often still too young to set up a business for themselves.

One of the most striking findings of the study is that there are numerous attempts in WCA to improve the quality and effectiveness of TAT that place emphasis on providing TAps (and also MCs) with literacy and numeracy training, as well as what is called *functional French*. There is no immediate corroboration of the advantages to integrate literacy training with technical skills training, and it might be that there are good reasons (e.g. need for specialized staff, different teaching methodologies, opportunities for subsidization) to keep the provision of both types of training separate. Further research in this area is needed.

8.2.3 Capacity of training provision

Organized capacity for technical skills training in WCA is extremely limited – traditional apprenticeship training is by far the most important source of skills development in the IS (see below). In the public sector there are technical schools and colleges (*lycées*), which provide pre-employment training to a few thousands youngsters. But this training tends to be theoretical, directed at wage employment in the formal sector, and as the consequence of low (and often declining budgets) the facilities are dilapidated, the training equipment scant and often defunct, training materials outdated and the instructors de-motivated. More recent training centres especially set up for IS producers are also generally not functioning very well (e.g. the *Centres de Formation Artisanales* and the *Centres de Perfectionnement des Artisans Ruraux* in Senegal).

Some NGOs have stepped in to fill this gap left by the government. While their training offerings are generally more relevant (more practical, linked with literacy and some business skills training), the courses often still take 1-2 years (or longer), while the range of trades is often traditional and small (usually limited to: carpentry, welding and car mechanics), particularly for girls/women (tailoring and catering). Linkages with post-training assistance (e.g. credit) are weak at best. Their impact remains limited, as their total number of trainees is small.

Furthermore a large number of private-for-profit training providers have come up in the past decade. They consist of two different types: (i) *training colleges* (sometimes called 'backstreet colleges') that provide largely theoretical training, usually in a number of different trades, and (ii) *private business training centres* that offer foremost practical training for essentially one trade. Many of the 'training colleges' are strong training for office and business skills and consequently are less relevant for IS operators. The 'private business training centres', often started as a small production workshop but gradually adopting training as their primary objective, tend to focus on technical skills training and are of more immediate relevance for the IS. Some are particularly agile and cost-effective training for the IS (e.g. training for hairdressing by *Exotif* in Dakar).

8.2.4 Training products and delivery

The study confirmed that there is tendency for training delivery to become more flexible and convenient for the trainees. A first point is the scheduling of the training activities. All examples show that training should be part-time and take place in the (late) afternoons or weekends to allow the masters and the apprentices to carry out, to the extent possible, their regular work activities.

Table 26: Example of duration of special training courses for MCs and TAps

Country	Project	Mastercraftsmen training	Apprentice training
Benin	– BAA	*Wood-working*: cycle-1: 36 sessions of 4-6 hours, for 9 months cycle-2: 54 sessions in 13 m	3 years
		Metal working: cycle-1: 72 sessions of 4-6 hours, for 9 months cycle-2: 104 sessions in 13m	3 years
Cameroon	– ADP	skills upgrading to improve product quality: 9 hrs/week for 12 months	
	– GIPA	wood drying; marketing: 1 afternoon	
Ghana	– VSP	skills upgrading: 4 weeks management training: 2 w.	technical + basic mgt trg: 12 weeks
Senegal	– APDES	skills upgrading: 10-12 days	French + math: 3 months technical theory: 4 months Practical work: 1 month
	– CEPAS	2 hrs/week (after 18.00) for 2 months	
	– PMC	20-40 hrs in max. 10 days (late afternoon)	

Secondly, although spanning a wide range, these courses are markedly shorter than regular vocational training courses. There appears to be an intriguing relation between the length of the training and the availability of donor funding: while BAA still offers 2-3 year training, GIPA in Cameroon, small NGOs in Senegal (and VSP in Ghana!) provide training from one or a few days up to 1-2 months.

Shorter courses do not necessarily affect the quality or the impact of the training – in fact, the opposite is true. The evaluation of the VSP project in Ghana, which organized training course for MCs and TAps that lasted 6 and 12 weeks respectively, even concludes that

> *evidence from VSP (and OIC-G that also runs abridged courses), demonstrates that the duration of the vocational training does not necessarily impact adversely on quality – on the contrary, job-oriented competency is more swiftly achieved in VSP-type programmes which focus on practical workshop skills than in those devoting significant lengths of time to theoretical classroom instruction* (Korboe 2001:31).

The main exception is the German-funded *Abomey Training Centre* in Benin which continues to offer the standard long courses: almost two years for MCs and 3 years for TAps. Further research is needed to establish the advantages of such long duration.

8.2.5 Training cost and financing

The study confirms that it has become well accepted to contribute towards the costs of technical skills training, even though there are still examples of (donor-funded) training offerings that continue to offer training (almost) free of charge (e.g. CFPA in Benin) or even pay training stipends or sitting allowances (e.g. VSP in Ghana). Even public sector training institutions have been forced to charge training fees – even when, as in Ghana, skills training in name continues to be free of charge but a contribution has to be paid for the costs of materials (which is markedly higher in the urban areas than in the poorer rural areas).

From the -limited- information collected (see table 27) it becomes clear that apprenticeship training can be the cheapest way to get skills training. Such training can cost only up to a few US-dollars per month – but it could be that the usefulness of such training is commensurately low. A more realistic level of TAT training fees would appear to be around USD 10-15 per month. This appears to be well in line with recent levels of training charges by public sector and NGO VTCs. Private-for-profit training providers are considerably more expensive, with training fees of USD 50-60 per month.

In the case of apprenticeship training and training offerings by private-for-profit providers, the fee levels will broadly correspond to the costs of the training. Public sector and NGO training centres and especially donor-funded training projects are still in a process to gradually increase the contributions paid by the training participants. In general, they have not yet managed to ask for more than a 'commitment' fee of some 10-20% of the training costs. The exception is the NGO-run APME project in Cameroon which recovers some 50-60% of the costs of its marketing and technical training (and almost 10% for the literacy training).

When asked, IS operators indicate a clear willingness to contribute towards the costs of training. In Benin, for instance, more than half of IS operators responding to a training needs study, said to be prepared to pay for skills training (though not exactly how much). In the Yaoundé survey 70% of the IS entrepreneurs interviewed stated to actually have paid for their skills training – often around USD 200-250 (see 7.4).

From the study findings, it becomes clear that IS training projects (e.g. in Benin) neither compete effectively with the private sector (despite considerable subsidy) nor wean themselves off donor-support and become sustainable.

Table 27: Examples of training fees in West and Central Africa

Type of training	Training fee/period
Public sector/NGO VTCs	
Ghana:	
NGO/OIC	$ 28/ 3 months
Public sector/KVTI	$ 3/ week
Niger:	$ 170-240/ year
Public sector/CFPP	
Cameroon:	
NGO/CAFP	$ 40-62 /year
IS association	
Senegal:	
FENAPH – basic training	$ 50/month
– specialized training	$ 1/ hour
Private training providers	
Senegal:	
ISTI (training college) – general	$ 55-65/ month
Exotif (training centre) – hairdressing	$ 53 registration + $ 50/ month (full-time) + $ 300 hairdressing kit
Apprenticeship training	
Ghana:	
general	$ 20-200 (mean $70)/period
carpentry	$ 70-85 + tools/ period
Senegal:	
'traditional trades'	no fees[?]
'modern trades'	$ 7-15/ month
Benin:	
general	$ 35-200/ training period
Cameroon:	
general	$ 100-150/ year
car repair	$ 400/ 3 years
Training projects	
Ghana: VSP	$ 10-33/ 6-12 weeks

Recovery of the costs of training for the IS raises two issues. The first concerns the troublesome issue of the 'public good' aspect of training. Especially literacy training, replacing and supplementing general education, would appear to qualify for subsidization.

The second issue refers to the difficulties that many IS workshops encounter to convert the higher product quality, resulting from the improved skills following training, into higher prices. Frequently MCs who have upgraded their skills do not succeed to increase their prices to reflect the better quality of their products. Consumers, because of their lim-

ited purchasing power and habituation, are not interested in better quality if that means that they have to pay a higher price. There are two ways out of this problem: (i) technical training for MCs should focus on enhancing the productivity which would allow for lower prices (or a stable price for higher quality as a way to improve the competition position) or aim at reducing the waste of materials (e.g. APME in Cameroon), and (ii) the training should aim to move IS enterprises into a more up-market segment where consumers are indeed willing to pay better prices for good quality goods and services. The latter is not easy, or even feasible for many IS entrepreneurs, as it requires a good understanding of marketing as well as extra capital for better tools & equipment, additional stocking, increased marketing and other costs.

8.2.6 Role for the government

The study confirms earlier findings from Sub-Saharan Africa that the TVET sector is very much 'under renovation' – often with active donor support. In Ghana one notes more attention for skills training, a growing appreciation for the achievements of TAT, and increased awareness of the need to improve the coordination within the TVET sector. In Senegal and Benin major steps are being taken to re-define the institutional mandates and re-organize the government entities accordingly. Here '*formation continue*' (skills upgrading) and '*formation par l'alternance*' (complementary training for TAps) have become real buzz-words, and various new programmes in these areas have started. An interesting example of the new trend from Benin is that government technical schools have started to open their doors for training of masters and apprentices outside their regular hours.

The study did not find any indications that the public sector has any particular comparative advantages in providing basic skills training. In the contrary, experiences in Benin with complementary training for MCs and TAps show that existing training centres and especially *lycées* need to improve their training equipment, enhance the skills of their instructors and adopt more modern teaching methodologies (e.g. adult teaching). The VSP experiences in Ghana indicate moreover that private training institutions pick up innovative training approaches much quicker, and that they need less support to carry e.g. the VSP-type training of MCs and TAps, on their own.

Instead of providing training itself, the state should rather focus on creating an enabling environment for such training to take place. In this respect, a number of important activities have to take place: (i) providing a clear policy framework (e.g. regulations and incentives in relation with objectives, target groups and training approaches of different types of training and providers); (ii) improving the quality of existing skills training, especially in non-government training institutions, indirectly by supporting training curriculum development, training of trainers, (competency-based) skills testing; (iii) stimulating investments, for instance through tax incentives or financial support, to increase the capacity and the quality of skills training (e.g. in facilities, equipment, instructor training, preparation of training handouts, etc.); and (iv) careful review and revision of existing Apprenticeship Acts which are not only out-dated but tend to contain regulations that severely hamper enterprise-based training.

Governments tend to believe that training quality and results can be improved through compulsory registration of training providers. This is not certain and the objective should in any case not be to convert unregistered private training providers and MCs training apprentices into a formalized "parallel training system" by stipulating standards for training facilities, equipment, programmes, testing, etc. or enforcing solutions for various deficiencies that would render the system expensive, making it less attractive for masters to provide and, if fees would go up, for -especially poor- apprentices to use. An effective alternative might be dissemination of relevant information (e.g. type of training provided, fees and particularly the drop-out and success rates of different providers).

An interesting way for governments to be engaged in training for the IS is through public-private sector partnerships. The study identified some interesting examples of such collaboration, such as private companies or associations that provide training on behalf of the government (e.g. MIBOA in Benin and FENAPH in Senegal), and private providers that issue training certificates or diplomas on behalf of the ministry concerned (e.g. ISTI training college and *Exotif* training centre in Senegal, and the GIPA association in Cameroon).

8.2.7 Training and Employment Funds

The creation, in one form or another, of *Training and Employment Funds* (ONFP-1986 in Senegal, FNE-1990 in Cameroon, ONAFOP-1998 in Niger, and FODEFCA-2001 in Benin), has proven an important innovation in government dealings with basic skills training. It presents a number of interesting advantages: (i) link (explicitly or implicitly) to a training levy which opens the way to a more adequate funding of training activities, (ii) tripartite set-up involving employers and workers (sometimes also from the IS, such as ONFP in Senegal), (iii) support for training of workers for both formal and IS, (iv) use of both formal and informal training providers, including apprenticeship training, and (v) use competition for funds to get the best results.

Two comments can be made on the workings of these Funds. First, their trainees are required to contribute only 20-25% of the training costs. While beneficial for those with problems in coming up with funding for training, it also undermines training systems (including TAT) that are based on full cost-recovery from the training clients. The Funds may want to consider at least a differentiation of cost-sharing principles with low fees for pre-employment training and higher fees for skills-upgrading of those already working who are in a better position to pay.

Secondly, it is not clear if the present operation of the Employment and Training Funds is optimally effective. While they benefit from considerable funding, the total number of persons trained, although significant, is of course very small when compared to the need for skills training. Further work needs to be done on their average training unit costs and on the clarification of their criteria for client selection, to see whether it would be possible to get more training 'bang' for the funds available. A further issue is if it would be possible, and justified, to increase the company tax that source the Funds. One particular question in this respect is the relation between the Funds and the TVET sector, which so far

appears to get a minor share of the available funding. A second area refers to the role that these Funds could play in building up the training sector. All of the Employment and Training Funds in WCA indicate that they want to assist training providers to expand their capacity and enhance the training quality but it seems that so far only limited initiatives to this effect have been taken.

8.3 Traditional apprenticeship training

8.3.1 Advantages and disadvantages of apprenticeship training

The traditional apprenticeship system (TAT) is better organized and more widely accepted in West Africa than in other parts of Africa. In all the countries studied it is probably responsible for -much- more than 90% of all ongoing training. While there are distinct differences between apprenticeship training in the countries studied (e.g. with regard to payment of fees), the findings generally confirm a number of important advantages of apprenticeship training:

- easy access for boys and, albeit to a lesser extent, girls, from early age to 18-20 years
- a massive self-financing system of hands-on technical skills development
- practical training constituting a real alternative for centre-based pre-employment training
- important mechanism for re-integrating of idle and sometimes delinquent youth
- certain integration of technical and business skills, together with opportunities for developing a business network (e.g. contacts with suppliers of materials and equipment, and opportunities to get acquainted with clients of the workshop)

Thus, the 'hidden training world' (Fluitman 2001) of TAT is well adapted to the conditions under which the TAps are likely to work the rest of their lives and in step with the real world of work.

At the same time the study identifies a number of important limitations of apprenticeship training:

- training content is not clear, lacks theoretical basis and often leads to an incomplete transfer of the set of skills that together make up a particular trade or occupation (see Box 13)
- often poor teaching skills and methods used by masters and high apprentices – master ratios
- some masters have no intention to transfer their complete set of skills for fear of competition from his/her apprentices when they set up a workshop for themselves, or at least delay the transfer of most important skills of the occupation towards the end of the training to prevent an early departure of the TAps before they have 'earned' back the costs of their training

- end result of the training varies widely (reflecting: differences in training capabilities of the master, type and level of workshop equipment, volume of work), and is difficult to compare for lack of reliable and detailed certificates
- apprenticeship training is not linked in any way to post-training support to find employment or to enter into self-employment.

Box 13. Apprenticeship training: complete skills transfer?

Davodoun gives the following example of the way traditional apprenticeship training is 'incomplete': Electronics repairers (e.g. radio, TV, video) are usually not capable of reading the schemes and charts of new models of electronic equipment. They thus are not capable to repair them. In fact they are even in a position to tell their clients beforehand if they can, or not, fix the problem that has occurred. They use the defective device to experiment. When they do not succeed to repair it, they tell the owner that they have not been able to find the required spare part. Later they will say that it is not available on the local market. In such circumstances it is likely that the client will abandon his/her equipment. This explains the large stacks of non-working equipment in the workshop of such electronics repairers – seriously limiting the space in which they have to do their work.

Source: Davodoun 2002.

8.3.2 Elements to improve traditional apprenticeship training

Improving the informal apprenticeship system is critically important to ensure that massive numbers of uneducated youth get a chance to reintegrate into a more regular life and to give them an opportunity to acquire skills that may lead to remunerative (self-)employment.

Some efforts in this area have been initiated (see table 28). On the basis of the analysis in this study it can be concluded that to make TAT more effective, an integrated approach is needed covering several areas: (i) improve the image of apprenticeship training; (ii) enhance the initial education of the apprentices and workers; (iii) create opportunities for skills upgrading for masters, including their training abilities; (iv) introduce opportunities for supplementary training for TAps; (v) set up a system to evaluate and certify the skills acquired; (vi) improve training and working conditions of TAps; (vii) link TAT with post-training support services; and (viii) assist the poor in financing their apprenticeship training.

Image of apprenticeship training

In spite of its traditional role, apprenticeship training lacks standing. It is often seen as the training provider of the last resort and looked down upon – by parents and apprentices as well as by policy makers and IS development specialists. Although it seems that this has started to change, further actions are needed.

It requires first of all recognition and publicity of the contributions made by apprenticeship training in the area of skills development. To do this, general information campaigns through the mass media on TAT success stories could be combined with more specific awareness raising activities for the youth during primary and especially secondary education.

At the same it requires MCs and the wider IS to ensure that apprenticeship is indeed all about training with identifiable results and that there exist no opportunities for exploitation of the TAps. Rather than enforce such changes from above through legislation or other government interference, such changes should come from the informal sector itself. In some countries an important role could, for instance, be played by ISAs. Already in Benin and Cameroon, ISAs are found that undertake actions to improve the functionning and the image of apprenticeship training.

Table 28: Example of improving traditional apprenticeship training

Country	Project	Objectives	Results/impact	Main lessons learned
Cameroon	– APME	– set up an entity of local artisans for the promotion of IS activities – develop sustainable IS support to strengthen the local economy	– support to ± 150 artisans – 58 short training courses conducted – follow-up to 83 IS workshops and 260 trainees – set up 'KALKAL' brand name, which improved market access of IS firms, and resulted in increased quality and sales – cost recovery rather high: technical training 62%, marketing assistance 47% (and literacy training 9%)	– integrated approach with training entry point useful to improve market position and opportunities for IS firms – it takes some 110 hours of training (i.e. 12 m * 9 hrs/week) for an IS artisan to significantly enhance product quality – personalized training much appreciated by clients but very time-consuming and difficult to plan – while trainers tend to stick to standard training programmes – literacy training (30 m. during 6 days/week) important pre-condition for effective business development – few of the MCs are genuinely interested in bookkeeping – market-driven approach to identify and create opportunities for local products are identified or created (promotion activities) as the basis of the interventions is very effective.
Ghana	– VSP	– improve skills of MCs (e.g. design reading) to enhance quality of goods and services produced – make TAps more effective in producing and less wasteful . – introduce new, attractive products – improve status of apprenticeship and enhance future prospects of TAps	– relatively large numbers of MCs (5,000 in technical and 3,000 in business skills) and TAps (more than 10,000) were trained – both MCs and TAps were content with training content and conduct – improved skills of MCs to read designs, repair small equipment, save raw materials, produce new items, calculate prices, manage time – improved skills of TAps, together with improved status among peers and employment prospects	– both MCs and TAps, once convinced, are eager to participate in external skills training – in case of focused training, short periods (2-3 months) are adequate – training fees are acceptable for participants when training is felt to be relevant – information on demand for skills crucial for adjusting training offerings – tracer studies critical for feedback – strong role of ISAs in participant selection gave problems
Benin	– BAA	– training of TAps-as-future-MCs to break cycle of 'incomplete' skills development in IS	– drop-out rate estimated at 10-25% and success rate 60-75% – TAps who have followed training gain authority, assume new responsibilities, and take more pride in status of TAp – no impact data accessed	– to interest MCs to allow their TAps to participate, they need to be carefully shown benefits of TAp training – participating MCs have relative dynamic workshops and/or real need for skilled labour – to involve existing NGO and public sector VTCs it is necessary to improve their equipment, enhance the technical skills of instructors and adapt teaching methodologies

Country	Project	Objectives	Results/impact	Main lessons learned
Kenya	– SITE	– eliminate gaps in TAp enrolment to make TAT for MC more attractive – reduce time and costs of training – improve training content and quality – ensure that training concerns productive activities	– increased number of TAps per workshop – increased incomes of TAps – increased employment in participating workshops – workshops entered into new markets – increased turn-over and profits of workshops	– MCs are not automatically interested to participate but need to be convinced, e.g. through training for new products – improved TAT can generate extra incomes for MCs, but in general they are not interested to specialize in training – skills training is an interesting entry point to enhance the level of technology of the IS – developing linkages with existing (public) VTCs was disappointing; easier to work with independent trainers – ISAs important to mobilize MCs and organize training
Zimbabwe	– ISTARN	– improve effectiveness of TAT in transferring practical skills without excessive interference	– high proportion of TAp (88%) find employment, especially self-employment and IS jobs – large majority MCs (91%) enthusiast over ISTARN – MCs (70%) indicate business growth – MCs (89% increased productivity and profitability – MCs (70%) prefer pre-trained TAps – major achievement: to keep down costs: cost per job created only 10% of costs of only training for formal sector job	– need for careful selection of trades in which to pre-train TAps, as otherwise early saturation of market – associated hire-purchase scheme for equipment will not be taken over by college and need to find a home – difficult to adhere to "90/10-rule" for participants to contribute at least 10% of costs of support activities – collaboration with existing VTCs tends to lead to training content and level not full commensurate with IS operators

Source: Based on case studies in present study and Haan 2001.

Improve educational standards

A very first condition to improve the quality of TAT is to provide literacy training to the youth before or at the beginning of their apprenticeship training. This can be done by self-standing non-formal education programmes, and this study shows various examples from francophone countries of efforts that have integrated literacy training in technical skills training (see e.g. APDES in Senegal, the Abomey Centre in Benin and APME in Cameroon). Such components cannot be financed through cost-recovery but require external financing. Similar efforts would be appropriate for illiterate MCs.

While the need for a better level of education on the part of the TAps and MCs can hardly be disputed, a further issue is the extent to which literacy training needs to be integrated. Training providers do not necessarily have comparative advantages in non-formal education, while at the same time NFE-providers tend to perceive literacy training as a way to (re-) integrate the students into the mainstream education system or as an end in itself, but seldom as a means to facilitate vocational training. Moreover, new NFE curricula need to be developed towards this end (see below).

Skills upgrading for masters

The findings indicate that training to further upgrade the skills of the masters should focus on: (i) teaching skills, (ii) technical skills, and (iii) management practices.

Improving the teaching skills of MCs is first of all needed to increase the effectiveness of the training. Apart from the naturally gifted, masters lack knowledge on how to train

(young) adults, which with the gradually improving level of education of at least some of the TAps becomes gradually more important.

With regard to technical skills, it becomes clear from the present study that MCs are, when properly prodded, quite interested in upgrading their knowledge and skills. While the exact type of skills in which re-training is needed depend of course on the trade and the MC, some examples of general training needs identified in this area include:

- general upgrading of technical skills used in trade
- improved knowledge of materials utilized in trade
- practical ways to cut down on waste of materials
- basic reading of designs and drawings
- repair of own equipment
- additional skills required for new product designs, more advanced equipment, improved technologies
- basic knowledge of industrial production techniques in the trade.

Management is not usually an area of prime interest for MCs who see themselves foremost as technical specialist, but again seem to gradually understand the need for them to improve their management practices. The training needs in this area, again in general terms, include:

- costing and pricing and related aspects of financial administration
- various aspects of marketing, including carrying out rudimentary market research
- customer relations, including setting up a customer data base
- division of labour in the workshop and personnel management
- input stock planning
- quality control
- workshop layout
- time management
- legal and fiscal regulations.

For both the technical and management skills a strong argument can be made that a major focus of the training should be to enhance the creativity of IS producers and help them to find solutions themselves for the problems that they are facing, rather than following standard training programmes (cf. Baier-D'Orazio and Nounga 2002).

A further area of training for IS producers would be on "working together – why? and how?", be it informally or in the form of a trade association. This would include: role of groups in IS development, structures and processes of an association, group dynamics, etc.

Supplementary training for apprentices

The study identifies the following areas for training for TAps in addition to their regular apprenticeship training: (i) literacy and numeracy, (ii) theoretical training, and (iii) expansion of technical training.

In francophone WCA there is a general belief that basic literacy, including functional French, is of prime importance for an increased result of apprenticeship training. While no doubt true in a general sense, there would seem to be a further need to develop a more appropriate curriculum for such training, which now at best follows basic ideas about non-formal education. It would appear that rather than general education there is a need for specialized training programmes that include functional literacy and numeracy with life skills and pre-vocational training (e.g. general knowledge about tools, business, etc.).

A second area of additional training for TAps concerns theoretical training to enable them to grasp the basics of the trade. This includes:

- basic knowledge of tools and materials, tool storage systems, and security practices
- simple practical abilities such as measuring, making of calculations with regard to required materials, etc., elementary reading of drawings
- relevant theory that underpins the practices in the workshops.

A third area of complementary training for TAps refers to the expansion of technical training, including:

- exposure to different types of equipment
- rectification of improper knowledge and practices transferred in TAT
- basic reading of drawings.

End-of-training skills assessment

One of the shortcomings of TAT is the absence of some kind of end-of-training assessment of the skills acquired by the TAps. Although there are, in WCA, sometimes elaborate ceremonies at the occasion of 'graduation' of the TAps, marking their entry into the MC fraternity, there is no mechanism to provide insight in the type and level of skills they have mastered. This limits their acceptance by – especially formal – employers and leaves them without any acceptable document to convince potential customers of their capabilities.

The National Vocational Training Institute (NVTI) in Ghana, which organizes skills testing for both trainees from regular VTCs, has recently introduced competency-based testing, which no longer includes written testing but focuses on the practical skills acquired during the training and theoretical knowledge through an oral examination.

Still more interesting to see is that GIPA in Yaoundé (Cameroon) (see par. 7.8) has taken up this cause by organizing joint trade tests for the TAps of its member workshops. Both the format of the test, which involves respected outsiders from both public and private sector, and the financial arrangements appear promising.

Training and working conditions of apprentices

A further critical aspect concerns the training and working conditions of the TAps. They make long hours, often without much actual training and are asked to carry out all

kinds of non-work related services and feel, in Senegal and probably elsewhere, like 'galley slaves' (see table 10).

There is consequently a need for some kind of monitoring to ensure that the training conditions and progress takes place. In Asia there are examples of NGOs that place beneficiaries as apprentices in IS workshops and enter into an agreement with the MC that gives them the possibility to enter the workshop to review the situation and progress of their TAps (Haan 2002). Alternatively, a role could be played here by ISAs. Obviously associations of apprentices, or of their parents, could also take on this task.

Post-training support

A factor seriously affecting the final impact of apprenticeship training, is the general lack of emphasis on follow-up services, and especially credit. Receiving only meagre allowances during their apprenticeship period, the apprentices are not in a position to amass capital. Banks, and even micro-credit schemes, tend not to provide credit or loans to start-ups, especially when they have not only no track record in lending, but have only just finished their training. Similarly recent apprenticeship graduates tend to lack marketing skills and experiences, constituting serious risks for their young enterprises (if they have managed to set up shop for themselves).

Again, the urgent need for financial and other post-training support should in no way be taken to suggest training providers to include such services in their menu. In the contrary, one of the important points of the BDS approach is the market-based provision of IS support services. Specialized financial intermediaries should therefore be responsible for making available credit and loans to IS enterprises and other specialized agencies for technology, marketing and other support.

Supporting the poor to enter into apprenticeship training

Implicitly it is always assumed that apprenticeship training is open to everybody and thus also to poor youth. The experiences of the Rural Enterprise Project (REP) in Ghana contradict this notion. While indeed the parents and guardians of most youth manage to arrive at some arrangement with an MC for an apprentice, this is not immediately possible for very poor households. Such difficulties refer especially to trades that carry a high fee or require for which the apprentice is required to bring tools or equipment.

REP has searched for a solution for this problem. It operates a *Training Fund* from which eligible poor unemployed youth get 75% of the down payment they have to make to enter into apprenticeship and 75% of the tools and equipment they require. So far these amounts, some USD 50-200, have been provided as grants. In the formulation of the second phase of the project it was attempted to change this into a more market-conforming scheme, but no efficient alternatives were found.

Some NGOs in Southeast Asia have, at their own initiative, adopted a strategy of assisting their clients in apprenticeship training instead of setting up their own training facilities, take care of the payment of the trainee fee (in exchange for, *inter alia*, a monitoring

arrangement), for the beneficiaries to repay once they have set up their own business – in cash or 'in kind' by taking on TAps from among the NGO target group (Haan 2002).

8.3.3 Role of associations

WCA offers a number of interesting examples of the role that ISAs can play in relation to apprenticeship training. In Ghana, for instance, associations of dressmakers, carpenters and others are themselves actively involved in the supervision of skills training. They monitor the training providers by their member MCs, and have their own certificates that are awarded to the TAps once they complete their training. In Cameroon, GIPA, as part of their activities to get more skilled workers for the trades in which its members are engaged, is planning to organize technical theory workshops to be conducted by educated artisans.

In various countries, especially in donor projects, ISAs are used to identify the training needs of their members and prepare the curricula for the training offerings. Especially in Benin, ISAs are fully engaged as partner in project implementation. They assist in the selection of the training participants, provide some of the locations for the training, and take care of the monitoring of the training programmes. Sometimes they are responsible for the payment of the contribution of the masters towards the training (e.g. 30% of the training costs).

With regard to the selection of those who will be trained, it should be noted that the VSP project in Ghana encountered problems in delegating this solely to the participating ISAs. Experiences in Senegal and Benin point to the contribution that ISAs can make to awareness raising, especially among MCs, about the need to upgrade their own skills as well as the benefits of letting their TAps follow complementary training. Finally, there are some interesting examples of ISAs taking responsibility for the follow-up of the training. GIPA in Yaoundé has gained valuable experience in organizing skills testing. Other ISAs in WCA ask their more experienced members to guide younger artisans, making (group) loans available to apprenticeship graduates, and to assist them in their marketing.

8.3.4 Final observations

Facilitator

Enhancing the quality and impact of apprenticeship training needs more than improving the delivery of the training. Importantly it also requires the infusion of new skills that are presently not available in the IS, such as: upgrading of present technical knowledge, theoretical insights to the practical IS practices, and know-how on new technologies and product designs. The need for other additional skills and knowledge refers to improved pedagogical skills of the MCs and enhanced functional literacy of the TAps (and MCs). In other words, there is need for training-of-the-MCs-as-trainers as well as additional education and training of the TAps and MCs.

One of the ways to introduce new skills would be to link up the traditional apprenticeship system with specialized training providers. This could be done by linking IS workshop

owners and training providers that can provide training for masters and apprentices along the lines sketched above. To get such a partnership off the ground, a facilitator is needed. The role of the facilitator is:

(i) to convince MCs of the advantages of training for themselves and their TAps, and identify interesting areas for such training

(ii) to identify training providers (from public, NGO and private sectors) who could deliver the required training at suitable conditions

(iii) to get the parties together and work out the details of the training programmes, with possibly a role to play for the ISAs

(iv) to make available funding for the first rounds of training.

In line with emerging good practices for the provision of BDS services, the role of the facilitator should be such that its services can gradually disappear as the partners get to know each other and enter into direct relationships.

Cost-recovery and 'hook'

Training is an investment and consequently there should be in principle no reason to provide any stipend, sitting allowance or other (financial) incentives for IS to participate in training – on the contrary: in the long run trainees should shoulder the actual costs of the training provided. Still, it should be realized that, even apart from any training fee, training participants are already contributing: (i) enrolments costs and (ii) foregone incomes. Estimates for Ghana indicate amounts of USD 1.40-4.20 per day and USD 10-33 per month respectively. Such costs need to be taken into consideration in determining cost-recovery schemes.

In the short run incentives might be necessary to entice MCs to participate in training. For them technical training does not rank as a high priority and they are generally unaware of the benefits of training. Until the positive results of training are widely known and understood, a 'hook' will be needed to attract MCs to training programmes. This can be (i) the provision of attractive skills, such as reading of technical drawings, producing a product that enjoys a clear demand in the market, improving product quality, and using materials more efficiently; (ii) the realization that workshop TAps that have followed additional training are getting better skills and more knowledge, or (iii) the participation as a member of an association, the leadership of which has accepted the need for training and has convinced the membership. The 'hook' should never be entirely financial or consist of subsidized support services, as this will renders the efforts unsustainable from the beginning.

The study shows that MCs are also initially wary of training offerings for their TAps. They see complementary training for TAps as a form of competition and are afraid that it will result in an immediate or at least early departure of their TAps. They feel that MCs can perfectly provide all the required training and that anyway the TAps cannot be missed in the workshop and therefore have no time for complementary training. Experience shows that MCs who are familiar with TAp-training become quite enthusiastic and convinced of the

benefits, such as: better technical work, less wastage of less materials and damage to tools & equipment, and more independence. In WCA ISAs have shown that they can be instrumental in raising awareness in this area.

An important emerging good practice is that training should be first provided to the masters before training the TAps, as otherwise tensions may arise in the workshop since the apprentice may (pretend to) know more than the master and the MC might become insecure about his qualities.

8.4 Private sector and skills training

The study makes it clear that, apart from TAT, there is a role for the private sector in the provision of technical skills for the IS – whether contracted, facilitated or on its own for profit. They include non-profit training providers (e.g. NGOs and ISAs), private-for-profit training institutes and private business. Some private sector training providers seem more interested and capable to introduce new training products, as was shown in Ghana where private training institutions were found to be much quicker in picking up the training improvements (e.g. shorter courses) developed by the VSP project (cf. 3.8).

Over the past decade numerous new private-for-profit training institutes (e.g. 'back street colleges') have come up. Almost all of them offer training in the area of office and business skills (for which reason they were not included in this study), and their immediate relevance for the IS seems limited. Far less private-for-profit training institutes provide technical training, possibly because of higher investment costs (e.g. in workshops and training equipment) and/or lower profit margins. Those who do, appear so far to be geared towards middle class students who can afford the relatively high fees and direct the training at formal sector wage-employment. It needs to be further researched if such private training providers can also be useful for transferring skills to IS operators and what kind of incentives and short-term support could catalyse this.

Even more intriguing is the role that private business can play to provide training to the IS as part of their regular business dealings. The present study includes a few interesting examples of such "business-based training". It remains unclear how often such training takes place, as local informants are generally not aware of this type of training and examples were difficult to locate within the time frame of the study. The few examples in this study establish clearly that private sector companies are already providing relevant skills training to the IS as part of their regular business activities. Such training brings a number of important advantages: (i) the cost of such training is low or none, (ii) its quality high, and (iii) in principle its sustainability is high, although it is dependent on market developments and business decisions.

On the basis of the information collected some tentative conclusions with regard to business-based training can be drawn:

- private companies providing training are unlikely to 'organize' the training and would probably want to work with a 'serious' partner (e.g. an association or NGO);

- training will be (very) short and to maximize its impact should be embedded in a wider training exercise;
- immediate costs of the training as well as its recovery will depend on the perceived/ experienced sales of the product being promoted;
- most interesting training is provided by companies who perceive the IS as an interesting niche in the market they want to enter or in which they want to increase their market share.

In all, it seems urgent to undertake further research into ways in which the private business could transfer relevant skills to IS operators as well as the conditions under which it is willing to do so. As a next step pilot activities could be set up in which short, well-focussed training activities by private companies are linked to other support services provided by IS support organizations or a link is established with a technical training institution.

8.5 Training for the IS and wider IS promotion

Beyond the conclusions and suggestions put forward elsewhere, there is a wider issue of the need to perceive skills training as an integral part of efforts to develop the IS. While programmes to promote the IS generally include a mixture of credit, management training and marketing assistance, there are generally weak linkages between such IS efforts and training programmes and institutions (see ANNEX-II for a brief review of IS support services). Training for the IS tends to be conceived and implemented in relative isolation (with a limited number of noteworthy exceptions among donor-supported projects).

It would be better to approach training for work in the informal sector as part of broader effort to stimulate the IS development. This will mean determining from the beginning if trades and skills have market potential, and determining what type of skills are in demand and what complementary support is required. Such a change in thinking and approach would do much to address the problem of very limited training graduates seeking to start up enterprises. As with all good training, skills training for the IS needs to be differentiated according to target group and objective (e.g. youth, retrenches or ex-combatants; self-employment or micro-enterprises; production, service or trade). Training should be part of a carefully targeted package of support.

Skills training should be seen in a less restrictive way. At present, 'training' tends to refer to structured courses delivering a pre-determined array of theoretical and practical skills. Increasingly, however, alternative ways of acquiring knowledge and skills are becoming common. Alternative approaches include technology demonstrations, exposure visits and trade shows (see e.g. Haan 1999). Some of these approaches are decidedly low-cost and might help address the financial challenges faced by training providers. Many do not require formal training institutions. IS workshop exchange visits, which have been pilot-tested by the ILO, bring groups of IS entrepreneurs together with peer workshops. During these exchange visits, which can be organized by ISAs, practical knowledge is exchanged and subsequently used. Normally participants pay most of the costs.

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ANNEX I

Types of training achieved and training needs identified on the basis of major technical problems

Economic activities	Training achieved	Training needs
Car electricians	– General installation – Coil winding – Alternators, starters and dynamos	– Improvement on use of new technology – Training on use of machinery
Refrigeration specialist, electrician	– Air-conditioning: individual, centralised, split systems, cold rooms, fridges	– Calculation and measurement of refrigeration power – Retraining of refrigeration specialist electricians on new technologies, products of substitution and application – Rev. of theoretical knowledge – Equipment
Turners, fitters, cutters	– Repair of two-and four-strokes engines – Manufacturing of spare parts – Manufacturing of mills (pepper, corn crusher, wood lath)	– Literacy of learners for the follow-up of the training – Funding for training centre
Mechanics	– Repair, reconditioning and fixing of petrol or diesel engines – Repair of transmission, braking, suspension and steering systems	– Reconditioning of electronic, injection or carburettor petrol engines – Rebuilding of diesel engines and wedging of injection pumps – Initiation of injection pump – Repair of braking, suspension and steering systems and complete transmission (clutch, gearbox, etc.) – Setting of the parallelism
Body repair specialist		– Theoretical and practical training – Training of trainers
Woodworkers		– Taxation – Marketing – Reading a picture or a drawing – Training on machines – Quality finishing – Setting up of cooperatives
Masons	– Buildings construction – Septic pits, cesspools, wells, cisterns	– Theoretical notions in masonry

Economic activities	Training achieved	Training needs
Fishers	– Cast net fishing – Sleeping net «TOHOUNBA» – *Sein* net fishing «ETION» – Fish holes (fish breeding) – Conservation of fish products	– Making fishing contraptions – Functional French – Basic fish farming management – Yearly hydrographic surveys – Basic manufacturing/drying principles – Methods of conservation
Tyre repairers	– Inflation of punctured tires – Batteries charging	
Foundry	– Production of pans, spoons, supports, shock absorbers (casting), pots, cranks – Rectification of motorcycle cylinders	– Manufacturing skills improvement
Arts drawing	– Photos on china, family portraits – Printing on Tee-shirts, cars, tights – Engraving on polished marble – Luminous signs – Creation of a villa – Sculpture on woods and other supports	
Hairdressing	– Hair treatment: straightening, cuts, plait – Making of wigs, wig fitting – Beautician training	– Functional French – General improvement
Dyeing	– Wall curtains (decorative product) – Vests, hammocks – Kitchen aprons, decorated purses – Hats, pillowcases, bed sheets, sandals – Plain cloth hue in favourite colours – Reproduction of different country maps	– Functional French – Knowledge management – Vocational improvement
Tailoring	– Jackets, vests, pants, shirts, dress – Wedding dresses, Afr. holdings (m/w) – Holdings classics of ladies – Child & babies clothes, bed sheets, table cloths, mosquito nets – Knitting of wool sweaters	– Functional French – General improvement and initiation to sewing software
Jewellery	– Melting of gold – Cleaning of jewellery – Jewellery repair and arrangements	– Functional French – Vocational improvement
Pottery	– Making of water jugs and pots – Roman tiles	– Skills improvement
Scrap-metal work	– Diverse	– Functional French
Plumbing	– Individual and industrial sanitary installations – Gas installations – Adduction of water	– Plan reading – Theory – Business management
Painting	– Old wall repairing – New wall painting – Varnishing of plated ceilings	– Writing an estimate – Making a plan – Skills improvement

Economic activities	Training achieved	Training needs
Photography	– Portraits (in studio) – Off. photography (private/public) – Special effects – Lab works: development and b&w/colour treatment, enlargement – Framing of photos – Production (recording)	– Repairing of video cameras
Welding	– Gate making – Installation of metallic framework – Composition of moulds – Agricultural tool manufacturing	– Basic business management – Skills improvement
Motorcycle repair	– Engine fine tuning – Verification of the ignition – Regulating of the carburettor – Rims adjustment	– Skills improvement – Functional French

Source: GoB/MPREPE, Inventaire des besoins de formation dans les secteurs formel et informel, 1997.

ANNEX II

Informal sector Support Services

Skills training by itself is almost never a sufficient condition for successful entry into self-employment. Setting up an informal sector enterprise, and subsequently operating it, requires a whole range of other services. Some of these are supplied by the general market (e.g. transport, communications), but in most developing countries the informal sector (IS) lack access to a variety of such services (e.g. commercial credit, technology, business support services). Therefore special IS support programmes have been set up. In the following a brief review of such services is presented.

1. IS Policies

The focus in dealings with national governments has, over the last 20 years, shifted from simply getting them to recognise the IS to encouraging them to provide it with relevant services and even purchase part of their goods and services from the IS. The pendulum appears to be swinging back as, nowadays, the role of government is seen as limited to "levelling the playing field", in part through de-regulation. More and more attention is being paid to the role of local governments, who are usually responsible for the registration and licensing process.

Several sources (Haggblade 1987, McVay 1996, Mead and Liedholm 1998, Dawson and Jeans 1997) provide an analysis of efforts to provide a better enabling environment for the IS through review of macro policy and regulatory framework and point to the following "good practices":

- maximising the enabling environment and minimising the political, legal and administrative elements that are harmful to the development of the IS are necessary conditions for the success of other interventions aimed at promoting IS development;
- broad-based macro-economic policy reforms that aim at creating a more dynamic economy can be an effective way to foster the creation of productive IS employment;
- policy reviews should be comprehensive and consider all the macro and sector policies that might have an influence on IS development;
- overly favourable policies towards the IS could hamper their "graduation" to a higher level (e.g. MSEs who enjoy tax exemptions may not want to expand into small enterprises);

- building up of an advocacy capacity within the IS, possibly as part of a wider private sector lobbying capacity, is a key to success in promoting meaningful policy changes.

2. Financial services for IS enterprises

After largely unsuccessful loan programmes for 'small enterprises' in the 1960s and 1970s, an entire new kind of credit programmes has come up, first called micro-credit and more recently micro-finance schemes. They introduced a number of innovative changes with regard to issues of collateral, delivery modalities and interest rates. In the past two decades Micro-Finance Institutions (MFIs) have been hugely successful in providing financial services to millions of poor people: their loan portfolios reach into billions of US-dollars and their repayment rates stand mostly at more than 90%.

Micro-credit/finance schemes have, however, a number of drawbacks. First, the amounts of small loans by MFIs are on average only a few hundred US-dollars, while larger and more experienced MFIs, in case of long-standing clients may lend up to USD 300-5,000. Second, there is generally a lack of orientation on productive use of the credit/loans as well as an almost total absence of follow-up business support (e.g. skills training, technology support, marketing assistance and counselling services). The effectiveness and impact of credit schemes are likely to be significantly increased if other, complementary, services would be available as credit on its own fails to address many of the constraints faced by small producers (Dawson and Jeans 1997).

3. Management Training and Entrepreneurship Development

Management training and, somewhat later, entrepreneurship development programmes, came up in the 1970's as another way to promote small-scale business development. Most often, management training was a tool for selecting would-be entrepreneurs (e.g. to benefit from a credit scheme). For a long time, management training was virtually the same as bookkeeping and even entrepreneur development programmes tended initially to focus narrowly on the preparation of business plans. Neither management training nor entrepreneurship development got much of a foothold in the institutes that provided vocational training. Rather, they have mostly been dealt with by specialised institutes (particularly common in India). The generic character of these forms of training and support has attracted many donor agencies. Among the better known management and entrepreneurship-training packages are ILO's *Start and Improve Your Business* (SIYB) and, more recently, GTZ's *Competency-based Economies through the Formation of Enterprise* (CEFE).

The impact of much management training and entrepreneurship development has been limited, owing to courses that were often too long and/or based on poorly focused or not-very-practical curricula (with an overload of bookkeeping and business-planning elements, concepts that were difficult to grasp, often not even relevant). Courses have also been short on the use of modern training methodologies (e.g. adult education techniques,

using experienced operators as trainers, visual and oral techniques for illiterates, etc.). In India, under its Integrated Rural Development Schemes, the government spent vast sums on entrepreneurship development with a view to promoting self-employment among rural youth and women. For a variety of reasons, including improper selection of trainees (low motivation), deficiencies in the curriculum (e.g. weak emphasis on commercial business aspects), the traditional nature of the IS activities supported and the lack of post-training counselling, the contribution of these schemes towards solving the unemployment problem was rather limited. The experience to date suggests that management training is best delivered through a local institution that specialises in business development and that will survive in the long run (McVay 1996).

4. Technology Development and Transfer

One of the older strands of IS support has been the development and transfer of "appropriate technology". Since the 1970's the Intermediate Technology Development Group (ITDG) and similar organisations in other European countries have been promoting appropriate technologies for small-scale economic activities in the developing countries. The impact of these efforts has been disappointing and this thrust has largely fallen out of fashion. ITDG has sharpened its community focus by introducing participatory technology development and other organisations have realized the importance of involving the private sector both in the development and the production/ dissemination of improved technologies. For instance, ApproTEC, a Kenyan NGO, has been relatively successful in developing new pieces of equipment like oil presses on the basis of the findings of market research and in transferring the technology to local small and medium- scale entrepreneurs whose training in how to make the equipment is associated with training and advice on costing and pricing, marketing strategies, business skills and market relations (Nelson 1997).

Some of the main problems in technology development and transfer to the IS were the following:

- equipment development was often supply-led, without active involvement of the intended clients and this led at times to socio-cultural problems and some of the technologies were technically unsound under local conditions;
- the frequently experienced implementation problems owing to weak management skills, lack of community support, poor training preparation, weak repair capacity and/or inadequate marketing arrangements.
- possibly most important of all, the projects paid insufficient attention to economic fundamentals: steady supply of raw materials, identification of demand and ensuring that the business would be profitable under normal circumstances (e.g. Zoomers 1993).

A special category concerns the "women's projects" which have usually been centred around the provision of pieces of intermediate equipment to groups, sometimes as a (soft) loan designed to introduce mechanisation, especially for agro-processing (cereals mills, oil presses, etc.). Many of these projects generated considerable initial enthusiasm but in the end failed to deliver. They often reported serious problems related to group dy-

namics and management, shortage of local raw materials (particularly when provided by group members), weak technical skills (men were often hired to run the equipment), rapid wear and tear associated with absence of local repair services, and (especially) problems with marketing.

There is still much to be learned on how to upgrade the level of technology within the IS but it is clear that technology development and transfer should be done very differently from the way it was done by the "appropriate technology" movement. Technology development needs to adopt a tangible business-like message; final users have to be perceived as clients (customers) not recipients of charity; incentives have to be understood and built into the value-added chain; marketing techniques must seek to educate potential customers and raise awareness; the people who provide support must have a feel for business as well as a commitment to poverty alleviation; technology development and transfer must be self-financing after initial development costs, etc.

At the present stage it is not clear which constitutes good (or better) practice. However, some promising elements of good practice in this area are identified by several sources (CDASED 1997, McVay 1996, Nelson 1997, Loucks 2000):

- develop, test and disseminate new technologies in the intended market place;
- adopt a market-led approach to technology development & transfer and identify real market niches for new products as the basis for selecting/ adapting the corresponding technologies;
- adopt a sub-sector approach that takes account of the upstream (supplies) and downstream (marketing) sides of the businesses that may use the new technology and that provides support for the development of businesses as whole, not just the provision of a piece of equipment;
- base the production of the new equipment in the local private sector, by designing simple machines that can be made from locally available materials, using local skills and equipment and ensuring proper identification and training of local manufacturers;
- encourage technological innovation rather than swamp the market with it by providing support for local technology development (rather than delivering it) by helping growth-oriented small enterprises to progress with their own innovations;
- identify "star" IS firms as the technological and market leadership provided by a small number of key growth-oriented entrepreneurs will strengthen the natural process of technological transfer throughout the entire IS.

5. Marketing Assistance

Marketing assistance is especially crucial for IS firms. As they are small, they tend to have little knowledge of markets and few marketing contacts. Also, "marketing" is arguably a weak spot of many master craftsmen who are technically inclined and at times even shun the idea of dealing with markets. Marketing is thus linked, on the one hand, with technology issues like product quality, design and packaging and, on the other hand, with the demand (i.e. what the customers want). Demand can be stimulated indirectly by macro pol-

icies that increase wages and incomes, especially those of the lower and middle-income strata who buy most of the IS products. It can also be stimulated by specific support aimed at awakening consumer interest in IS goods and services: promotion of IS products at expositions and trade fairs, advertising and public awareness campaigns, etc. Governments can increase IS sales directly by buying locally (e.g. school furniture).

It is only recently that support organisations and donors have started to give more attention to IS marketing issues, e.g. by exposing the entrepreneurs to non-local markets. Information plays an important role here. Some recent attempts have focused on alternative trade channels, product development and/or the development of horizontal linkages. Some elements of good practice have, however, been identified (McVay 1996, CDASED 1997):

- there is need and scope for overcoming the market distortions caused by factors like: lack of market information, lack of business communication, lack of awareness of customer standards, subcontractor capacities and potential benefits, and lack of knowledge of current business practices and especially those concerned with payments;
- it is already very helpful to bring entrepreneurs physically together or – even better – to assist them in building initial relationships by creating opportunities to meet and gain confidence;
- a sub-sector approach should be adopted and space should be allowed for "ownership" of the new relations to develop;
- new market structures should not be operated by organisations providing BDS;
- while useful, promotion, information dissemination and participation in trade shows are not sufficient and should be combined with other types of marketing assistance that are better at promoting long-term market relations;
- the rationale for intervention should be clear, take account of aspects like fair competition and try to avoid market distortions;
- there are advantages in operating as a business as from the start and in placing ethics in a consumer context;
- any financial support that may be required to develop the new market relations should be provided on a commercial basis (e.g. in the form of equity investments by a BDS organisation).

6. Business Counselling

Counselling has never been provided on a large scale, as a specific service for IS firms as one-on-one exercises are simply too expensive. Many credit programmes, as well as some training, technology development and marketing programmes have included – as part of the monitoring – follow-up visits that were used to give advice. But, this was usually done on an ad hoc basis rather than in a systematic manner based on an analysis of the firm's deficiencies. Interest in the provision of business counselling services for the IS is, however, developing. In Latin America, in particular, some NGOs are hiving off their credit operations into bank-like entities and shifted their development activity to concentrate on BDS, thus taking up the challenge of developing low-cost and sustainable counselling services to the IS.

One of the most important issues related to the provision of IS counselling services concerns their high cost and hence cost-recovery. Small producers, after an initially cautious response, usually recognise the value of counselling services and are prepared to pay something for them (possibly up to USD 2 per hour). However, this is rarely enough to cover the real costs. Some programmes manage to recover only about half the costs of providing these services and the only way for it to be fully self-financing would be to provide its services to a more solvent clientele, e.g. the small and especially the medium enterprises. Finally, an additional concern refers to the difficulty of assessing the actual benefits and hence the cost-effectiveness of IS counselling.

A recent approach consists in fostering a business counselling capacity within the Chambers of Commerce and informal sector Associations (Hitchins 1999). Other operators feel that it is easier and more transparent, for both parties involved (the provider and the client) to make business more like a consultancy aimed at making specific proposals and recommendations.

The limited but growing experiences allow to draw the following lessons (CDASED 1997):

- business counsellors should have broad, generalist knowledge and skills (e.g. interpersonal skills, problem-solving qualities, business management skills, networking skills); the best counsellors are likely to be persons who are socially and culturally close to their clients; programmes to develop counsellor skills are often required;
- the provision of business counselling services should be done in a business-like way and, given the general nature of counselling services, it is important that their organisation be given a clearly defined focus; costs can be cut by relying on volunteers but this can be detrimental to the quality of service;
- it is important to seek a productive relationship with clients: the informal, unstructured appearance, slightly discursive nature and intangibility of counselling outcomes will make it difficult to charge fees for the services, but there is evidence that this can sharpen the attitudes both of the client and the counsellor;
- there are advantages to be gained in piggybacking on other services, e.g. as a follow-up to training;
- there is scope for tapping into and developing existing voluntary advice networks: the most effective learning support mechanisms are invariably private; as they have developed indigenously, strengthened by culture and local institutions, it is better to develop nascent private networks rather than try to set up artificial, externally supported counselling systems.

7. Informal sector Associations

The small size of IS firms has led to the promotion of forms of collaboration aimed at overcoming their inherent diseconomies of scale. While co-operatives have become lasting support structures for small-scale producers in some countries, especially smallholder farmers, they have a tarnished reputation in other countries. Moreover, some observers feel

that less formal and regulated structures may have advantages in view of the renewed attention for private sector development. Groupings of IS producers can be informal yet have a legal identity, they can be small/local or large/national, active or hibernating, etc. IS associations go by many names including but not limited to: informal sector associations (ISAs) which are discussed below, membership-based organisations like Chambers of Commerce and even the self-help groups that are formed to undertake income-generating activities. More recently, stressing the unstructured character, the word "networks" has been used.

Increasingly market-friendly economic policies in the developing countries and the search for market-based organisations as channels for the delivery of IS support services have led to a renewed interest in ISAs. In many countries where they were leading a rather languished existence, ISAs have woken up in response to the call of national governments and donors to assist in the development of the IS. Some of the reasons for forming an ISA are the following: (i) obtain (cheaper) imported production inputs (e.g. by applying jointly for FOREX allocations in Africa during the 1980s when foreign exchange was scarce); (ii) as an advocacy group to represent the IS with national and especially local governments and, more recently, (iii) as a channel for assistance provided by government or a donor. It would appear that the establishment (or re-activation) of ISAs has been rather more a matter of "pull" than "push" (Gibson and Havers 1994, Haan 1995).

Studies on how ISAs support their members bring to light a wide variety of services, including: management training, joint purchase of raw materials, collective transport agreements, internal credit schemes and (especially in Africa) insurance arrangements. However, the quality and regularity of tangible business services often leaves much to be desired. By some accounts, the most important services are in the area of advocacy (bargaining power), particularly at local government level (Haan 1999). Ostensibly, ISAs can represent the IS and articulate their point of view; at the same time, their vision can be limited and sometimes hampered by internal strife. Medium and large-scale manufacturing enterprises tend to dominate the larger ISAs. The effectiveness of ISAs in a considerable number of countries (especially in Africa and Latin America) has been badly affected by entanglement in local and national politics.

Past efforts to work with/through ISAs have generated the following experiences (Gibson and Havers 1994, Haan 1995 and 1999, CDASED 1998):

- good functioning of an association depends on: the definition of clear goals that are shared by its members, visionary and dedicated leadership, mechanisms that promote leadership changes through fair elections, good management that involves the members in important decisions, and a dedicated and fee-paying membership;
- associations need to adopt a business-like approach (e.g. careful collecting of membership fees and cost control) especially if they want to deliver specific services to their members; such services should be well focused and carry cost-covering fees;
- IS associations should be autonomous from government and stay out of local and national politics;

- governments and donors should be careful not to overload ISAs as channels for the delivery of externally funded assistance as this may affect their sustainability;
- efforts to strengthen ISAs should be gradual and long-term (e.g. at least 5 years), starting with the introduction of greater responsiveness to the real needs of memberships on a business-like basis;
- as from the start of donor assistance, ultimate responsibility for all activities and services should be placed with the ISA; the donor should not undertake direct responsibility for services delivery but rather concentrate on capacity building.

8. Emerging 'Business Development Services' paradigm

Recent years have witnessed a resurgence of interest of what were before called 'non-financial services' for IS firms (i.e. training, marketing, technology and other forms of assistance discussed above) and are now labelled Business Development Services (BDS). The new aspect of the current discussion focuses on the extent to which such services, self-standing or bundled in packages, can be provided on a commercial or business-like basis by profit-oriented private sector providers. The CDASED, which is chaired by World Bank, with the ILO functioning as the secretariat of a Working Group on BDS, is playing a prominent role in the debate on whether the progress being made in the so-called "micro-finance revolution" can be matched in the field of BDS[39]/. A search for good practices resulted in the publication, by CDASED in 1998, of a "Donor Guidelines for Business Development Services".

Aware that past efforts to provide non-financial IS support had failed to result in quality, affordable services for the larger part of IS firms, the new strategy focuses on identifying and developing profitable markets for the sort of BDS that are appropriate to and demanded by small firms. The focus on "market-based" services that are demand-led and market-sensitive is a clear break away from the former supply-driven, public-sector-based delivery approach. The new approach is already common in the field of financial services. The important assumption to the effect that BDS can be provided to very small enterprises on a "for-profit" basis represents a significant reversal of previous thinking.

For years, in fact, BDS had been perceived as a public good that should be provided by government. The rationale for this was that a solvent market for BDS was virtually non-existent in developing countries and that the IS firms could not pay for them. As the demand was too weak to support a profit-making activity, BDS had to be subsidised and/or delivered by public-sector agencies. This meant that the nature, quality and price of the services were influenced by the perceptions of governments (and donors) as to IS needs and the ability to pay. As BDS provision was free or heavily subsidised, private services providers could not compete and were effectively crowded out. In the end, the services provided were not necessarily responsive to IS needs, lacked consistent quality, failed to achieve high outreach, achieved low impact and were not sustainable. Indeed, it would seem that most government agencies are inherently not sufficiently business-like and demand-driven

39/ This section is based essentially on Steel *et al.* 2000.

to respond adequately within a BDS market. The new paradigm envisages a distinct preference for promoting private services providers and building up their capacity to better serve the IS.

Under the new approach, BDS (in most cases, at least) are perceived as a private good that can and should be provided on a commercial, fee-paying basis, by private-sector providers, all the way down to the lowest segment of the IS. A visible involvement of government and donors (possibly even NGOs) would distort the market. Developing a market for BDS entails both building up the supply of relevant services by private-sector providers and stimulating the demand of IS entrepreneurs for the services. Such efforts must be based on a clear understanding what is already available as some BDS are already being provided in a fee-paying basis in many developing countries (e.g. preparation of feasibility studies and business plans, some marketing services, traditional skills training, etc.). Support should build on any existing mechanisms that appear to be sustainable in the local context (e.g. by improving the "product" and the delivery system of existing providers).

Efforts to enhance the (effective) demand for BDS must necessarily centre on the IS entrepreneurs. It might that the latter were not willing to pay for non-financial services in the past owing to poor quality, cumbersome delivery and lack of awareness of their value. The challenge as now seen is to develop better quality, lower cost services so that the entrepreneurs will be willing to bear at least part of the cost. There is a growing feeling that, with the right design and delivery mechanisms, suitable low-cost products can be beneficial and cost-effective even for the smallest enterprises and that the latter can become an attractive mass market for private sector providers of the services. Access to information will play a crucial role in developing the market for BDS.

The work and discussions on the new conceptualisation of the delivery of BDS to the IS have generated a set of principles for the design of services to support the development of micro-and small enterprises (based on McVay 1996 and CDASED 1998):

- all IS services should be demand-driven and delivered in a business-like manner,
- hence charging fees is an important element;
- an accurate need assessment is an important first step and
- this often requires involvement of the beneficiaries;
- it is necessary to focus on particular sub-sectors or services and
- create linkages with other institutions;
- plan for leveraged interventions to reach scale;
- develop sustainable service delivery mechanisms as from the beginning
- which often means provision through NGOs and private sector.

These principles are more and more being applied in IS support programmes, especially in donor-initiated interventions. While there is a wide-spread acknowledgement that these principles point in the right direction, there is as yet far less field level evidence that they indeed result in more effective promotion of the IS.

9. Conclusion

This review clearly indicates that progress has been made in moving away from the initial antagonistic attitude towards the informal sector, especially (but not only) on the part of African governments. Gradually more relevant and effective ways to stimulate the operation and expansion of IS firms are being found and applied. At the same time it should be observed that in all the countries visited much more could still be done to promote the IS – and should in view of the large number of labour market entrants it is expected to absorb.

Of all the potential interventions to support the IS, financial services in the form of micro-credit have by far progressed most. Non-financial services has progressed far less rapidly, and from these, vocational training for the IS has the image to have spurned least innovations. A further issue in this respect is to what extent the 'BDS principles' also apply to vocational training.