

## Technical and Vocational Skill Acquisition and its Impact upon the Lives and Livelihoods of Poor Youth in Ghana, India, and Pakistan<sup>1</sup>

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### Summary

*The research on which this policy brief is based explores skill acquisition and its impact upon the lives and livelihoods of disadvantaged young people in Ghana, India and Pakistan. It draws on new quantitative household surveys (Pakistan, India), new qualitative data (Ghana, Pakistan, India) and existing quantitative studies in all three countries. The three countries show different approaches to the provision of technical and vocational skills development (TVSD). This research examines the processes and pathways of skills acquisition available to poor communities and demonstrates the different labour market outcomes both within and between countries. It reviews the consequences of policy approaches adopted, and looks at the role of education in the acquisition and utilization of technical and vocational skills. It also argues that the presence of an enabling political, economic and social environment which supports schooling, training and livelihoods is critical to the realisation of both the acquisition and utilisation of skills.*

### Context

During the last five years up to 2010, technical and vocational skills development have increased their

salience on both regional and international agendas (OECD, 2009; ILO, 2008, UNESCO, 2009; ADB, 2008; World Bank, 2004; 2008a; 2008b; GTZ, DFID and EC, 2009). The *Education for All (EFA) Global Monitoring Report (GMR)* for the first time in 2010 paid substantial attention to youth and adult skills (UNESCO, 2010), and it will dedicate the GMR 2012 to skills.

At the national level too, there has been a sharpening and ambitious focus on the potential for skills development. This has been very marked in our three case study countries.

### Ghana

TVSD is seen as a politically attractive option largely because of the assumed close relations between youth skills provision and their future (self-) employment success (and the assumed close link between the provision of skills to the poor and poverty reduction (Palmer, 2007a; 2007b; 2009a). Since the mid-2000s, these long-standing more traditional drivers of interest in TVSD have been joined by other drivers such as the growing importance of skills for economic competitiveness and concerns over the ability of the education/training system to supply the skills demanded by a diversified economy (GoG, 2004; World Bank, 2008a). Further pressure has been added as social demand for post-basic<sup>2</sup> education and training opportunities continues to rise. Finally, another driver is the 2007 discovery of oil and the associated implications for oil industry skill needs from 2011. Ghana's current education reform is directly linked to TVSD reform, and acknowledges that the earlier attempts to improve the education-TVSD-work transition by vocationalising the junior high school level as a means to equip youth with skills for work have largely failed (GoG, 2004). The TVSD reform therefore aims to: reorientate Ghana's

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<sup>2</sup> Since the 2007 reform, basic education has consisted of 11 years, including 2 years of KG, 6 years of primary and 3 years of junior high school.

supply-driven TVSD system towards a demand-driven, competency-based system with strong industry involvement; shift from a focus on inputs to outcomes in terms of producing adequate skills and competencies defined on the basis of short-, medium-, or long-term economic growth strategies; establish a national qualifications framework; and formalise the informal apprenticeship system (Palmer, 2009b). To promote the TVSD reform, the Government has already taken important steps towards improving the coordination of the highly fragmented TVSD system by establishing a Council for Technical and Vocational Education and Training (COTVET).

### India

Skills development in India has been prioritised from independence: the aim then was to meet the needs of an industrialising country. A national network of industrial training institutes (ITI) was set up, but recent evaluations have questioned their relevance to the current needs of the economy (World Bank, 2008b, ILO, 2003). Policy makers have been grappling with how to revamp and expand the skill development system (Gol, 2009). There are several critical barriers including the low education levels of the workforce and the limited reach of formal vocational training (IAMR, 2010). The added socioeconomic disadvantage among different groups like scheduled castes and scheduled tribes and women complicates the issue of expansion and outreach. As a key element in the 11<sup>th</sup> Plan, the National Skill Development Mission was launched in 2008 with a plan of opening: 1600 new ITIs and polytechnics; 10,000 more senior secondary schools to include vocational education; and 50,000 new skill development centres. The 11th Plan envisions an increase in the skill development capacity from the existing 3.1 million to 15 million annually (Gol, 2008a: 88, 93). India has set the target of increasing the proportion of formally and informally skilled workers from a mere 2% to 50% by 2022 thus creating a 500m strong resource pool (Gol, 2007).

### Pakistan

The Government of Pakistan has also devoted increased attention to TVSD over the last 10 years. Numerous politicians and policy documents have viewed TVSD as crucial in sustaining economic growth, increasing competitiveness, and in the transition to an industrialized, knowledge-based economy. Also

regarded as a tool for poverty reduction, the demand for development of TVSD has gained further impetus in the wake of militancy in the North West Frontier Province (NWFP), often attributed to a lack of decent work options for the population. The emphasis on TVSD was particularly visible with the Musharraf-led government (2003 to 2008), where the President repeatedly emphasized the need for skill development. Pakistan developed a five year plan (2008-2012) for *Skilling Pakistan, a Vision for the National Skills Strategy* (NAVTEC, 2008). Although not to the same degree, the present regime also appears interested in skill development, as evidenced by the Prime Minister's Skill Development Initiative (*Hunarmand Pakistan*)<sup>3</sup> and the inclusion of vocational training in the recently launched social safety net scheme (Benazir Income Support Programme) (BISP, 2010). The rationale is usually grounded in terms of human resource development, economic progress and poverty reduction. The importance placed on TVSD by the Musharraf regime is also visible in policy documents of the time. Vision 2030 prioritises the provision of relevant skills in attaining its goals of poverty reduction, employment, and evolution to a knowledge-based economy (GoP, 2007). The Musharraf government established the National Vocational and Technical Education Commission (NAVTEC) at the end of 2005. NAVTEC was conceptualised as an apex body for skill development, and its functions included regulating, coordinating and providing policy direction for TVSD. Since its inception, NAVTEC has launched the National Skills Strategy (NSS) (2008-12).

### Technical and Vocational Skills Development and the Poor in Ghana, India and Pakistan

The poorest groups in Ghana, India and Pakistan are not getting access to either formal or informal skills training. The most accessible form of training for the slightly less poor remains private informal apprenticeships, but formal skills training options usually exclude the poor.

Without access to better levels of good quality school education, youth are usually excluded from most formal

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<sup>3</sup> Literally meaning "Skilled Pakistan", the scheme provides free of cost training to 100,000 youth annually. In addition, monthly stipends and toolkits are provided (NAVTEC, 2010).

TVSD provision. Access to quality formal schooling also impacts on the access to, and speed of acquisition of skills, in informal apprenticeships. Evidence points, further, towards a host of benefits that literacy and numeracy have for graduates of formal and informal skills training making use of their acquired skills in productive (self) employment.

Our findings suggest, in general, that technical and vocational skills (TVS) do help the poor but not the poorest to move out of poverty. But there is no simple relationship between TVS and overall poverty reduction.

The widespread assumption among policymakers that skills training is an effective tool for generating employment and growth and helping the young skilled worker to escape poverty must acknowledge there are complex links between education, training and the wider enabling environment (Palmer et al, 2007); and these become more complex when we note the crucially important poor quality of education or training accessed by the poorest in society.

Most informal enterprises in Ghana, India and Pakistan are caught in a cycle of low skills, low technology, low productivity and concomitantly low incomes. Since informal training is typically on-the-job, such enterprise deficiencies cross into the skill training process. Investments in informal enterprises can thus directly improve the quality of skills imparted.

## Key Findings

- Private informal skills training is numerically the most dominant form of technical and vocational skills in Ghana, India and Pakistan. And yet, in all three countries it receives the least support from government.
- The poorest young people in society do not easily access technical and vocational skills training, whether formal or informal, and there is little government support to help them to do so. In all three countries, technical and vocational skills training is usually more accessible to the poor (but not to the poorest) than formal academic options at the post-primary or post-lower secondary levels. It is an area that has received insufficient attention – this is especially the case for informal modes of skills acquisition in these countries which

appear to receive very limited support despite being the largest provider of skills learning opportunities for the poorer segments of these societies.

- Prior levels – and quality - of formal education affect **access** to, and **acquisition** of both formal and informal technical and vocational skills. In all three countries, there exist a few options to access some kind of formal TVSD with lower formal educational entry requirements. Prior levels of formal education also affect access to types of informal apprenticeship; in all three countries, it appears that the better educated tend to go into areas with higher income returns. It was apparent that apprentices with a basic grounding in formal education are easier to teach and they learn faster.
- Higher levels of previous formal schooling, of at least 9/10 years, make it easier for graduates of technical and vocational skills programs to **use** these skills, e.g. by: easing access to formal employment and contracts through certification; imparting knowledge of English which enables communication with customers and the reading of instruction manuals etc; easing the acquisition of new knowledge and more advanced skills in order for product/service quality and variety to be improved and kept in tune with market changes.

## Policy Points

### **The focus on the quality of education is imperative -**

This research illustrates how prior levels – and quality - of formal education affect access to, and acquisition of, technical and vocational skills. Governments, therefore, should continue to support equitable access to good quality basic education. Without better levels of good quality school education, youth are usually excluded from most formal TVSD provision. Evidence points also towards a host of benefits that literacy and numeracy have in relation to self-employment and confidence building. In general, the poor will not access these as most will be attending low quality schools with poor literacy outcomes.

### **Informal apprenticeships need more support -**

Informal apprenticeship is not only the dominant form of training, but it is the most accessible to the poor. And yet, in all three countries in this study it receives the least support from government. In Ghana, government plans for informal apprenticeships support the growing need among Ghanaian youth who either fail to complete basic education or complete with limited skills and literacy outcomes. However, these plans are far from materializing. Similarly, most skill training in Pakistan occurs under informal arrangements. However, there is an almost complete neglect of this mode of skill acquisition in current TVSD policymaking. Since the poor often rely on informal training mechanisms, any broad-based interventions in skills development must surely target the informal economy. In India, in order to strengthen and formalize the systems of informal training, the NCEUS Commission has recommended that a massive programme for Employment Assurance and Skill Formation with the aim to develop human capital through on-the-job-training be launched (see NCEUS, 2009: ch 15. Para 34). But this too is on hold.

Government support programmes for informal apprenticeship systems should focus on quality assurance, certification, providing theory classes for apprentices and, above all, upgrading the technical and pedagogical skills of master-craftspeople. Incentives should be offered to encourage master-craftspeople to improve the quality of their firms and their training.

### **TVSD needs to be made more accessible to the poor and the poorest -**

In order to achieve this, governments might consider partnering with NGOs. In Ghana, NGO programmes - such as tailor-made programmes in the north - appear to be more pro-poor and focused on young women and could be explored as models to support, replicate and adapt. However, the scale-up required is enormous – especially in India - and the number of reliable NGOs is small. In addition to partnering with NGOs, governments will need to expand the provision and quality of public and private facilities; but adapting/adopting the approaches used by NGOs to make their courses more accessible to the poor would be a good move. For many youth in the “very poor” quintiles, particularly women, the use of carefully targeted training mini-grants/subsidies similar to Ghana’s Livelihood Empowerment Against Poverty programme, with its conditional cash transfers, could be

explored – to enable them to access training. Targeted scholarships could also be used to promote access by the poor and poorest.

### **The school-training-work transition needs strengthening, with policies to support informal enterprises being especially crucial -**

Governments need to make it easier for youth to make use of their acquired skills, through a more enabling environment. Innovative approaches are needed that involve micro-finance institutions and rural banks in offering graduates of formal TVSD and informal apprenticeships access to micro-credit, but in sustainable ways. However when all three governments are planning really massive TVSD numbers, small-scale innovative schemes are a drop in the ocean; governments need to think big. In all three countries in the study, the informal economy represents the most likely destination for the majority of all those completing skills programmes, whether formal or informal. But can governments, concerned with skills-for-growth and competitiveness, also give sufficient attention to pro-poor policies for the informal economy that are concerned with helping youth - from socially disadvantaged groups – make use of skills they have acquired? In our three countries, most informal enterprises are trapped in a vicious cycle of low skills, technology, productivity and hence low incomes. Since informal training is typically on-the-job, such firm deficiencies cross over into the skill training process. Investments in informal enterprises should thus directly improve the quality of skills imparted. Furthermore, special courses for individuals with informally acquired skills should be initiated utilising the infrastructure of existing TVSD providers, especially for training of master-craftsmen in identified areas. As illustrated through this RECOUP study, given the divorce between formal education and informal skills acquisition, such courses should have a strong component on literacy. At the same time, opportunities for self-learning, for example through virtual courses and open learning, should be maximised.

*Views expressed here are those of the authors and not necessarily shared by DFID or any partner institution.*

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