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Challenges and Approaches to Expanding Learning Opportunities in Africa**

Session 2

**Presentations
on the Development
of Post-Primary Education**

Technical and Vocational Skills Development in Africa



**Working Document
Draft**

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Draft Summary of Key messages

1. *Technical and Vocational Skills Development (TVSD)*¹ in Africa is the thematic focus of this year's African Economic Outlook (AEO). Quality Technical and Vocational Skill Development (TVET) is recognized to be a key for enhancing economic competitiveness and for contributing to social inclusion, decent employment and income and poverty reduction. An insufficient supply of technical skill can also be a bottleneck to private sector development and economic growth. The African Economic Outlook reviews technical skills development systems across 35 African countries, exploring challenges, bottlenecks, highlighting good practices, and identifying priorities for further policy-oriented research. The analysis builds on OECD and AfDB staff missions to all the countries covered by report carried out in the fall of 2007, and on meetings with relevant stakeholders from the government, private sector, and civil society to share views on current approaches in developing, implementing and sustaining successful technical and vocational education and training programmes.
2. In addition to a review of the technical development system in each of the 35 country chapters, the report provides a comparative overview of different countries' experiences along the lines of the following five main research questions: i) To what extent technical skills development is occurring in African countries and which are its main actors; ii) To what extent do national TVSD systems develop the knowledge and skills necessary for a workforce more flexible and responsive to the needs of local, and global, labour markets? iii) Which are the lessons learned from recent reforms in TVSD?; Which vision, governance models and partnerships are most apt to ensure successful reform, iv) Which financing mechanisms are most appropriate in Africa for vocational training and ongoing skills development to support pro-poor economic growth and prosperity? How is TVSD funding managed between government, industry, community and learners? The report explores also emerging challenges, such as managing the effects of migration on skills development.
3. The AEO is published annually by the OECD Development Centre and the African Development Bank. It provides comprehensive and comparative up-to-date data and analysis on the economic, political and social trends of African countries. It is widely disseminated in OECD and African countries. The 7th edition of the AEO will be launched in May 2008 simultaneously at the Annual Meeting of the Governors of the African Development Bank (AfDB) in Maputo and in Paris. It will also be presented at the 8th International Forum on African Perspectives in June 2008 in Paris.

Main Messages:

Part I - Technical and Vocational Skills Development in Africa: Stock-taking

4. Quality Technical and Vocational Skill Development (TVSD) is recognized to be key for enhancing economic competitiveness and for contributing to social inclusion, decent employment, and poverty reduction. The term 'skills development' refers to the acquisition of practical competencies, know-how and attitudes necessary to perform a trade or occupation in the labour market. Across Africa, TVSD is delivered across multiple ministries, in the formal and informal sector, in high schools, technical schools, vocational schools and polytechnics, training centres, on the job, in enterprises and in the field. The informal sector, through traditional apprenticeships, is the main provider of vocational training in Africa.

¹ *Skills development is not equated with formal technical, vocational and agricultural education and training alone, but is used more generally to refer also to the productive capacities acquired through all levels of education and training occurring in formal, non-formal and on-the-job settings, which enable individuals in all areas of the economy to become fully and productively engaged in livelihoods and to have the opportunity to adapt these capacities to meet the changing demands and opportunities of the economy and labour market.* (King and Palmer, 2006)

5. TVSD was excluded from both the International Development Target in 1996 and as a Millennium Development Goal (MDG2) in 2000. Now **TVSD is back on the international agenda**. Recent development reports have all argued that a **holistic, integrated and inter-sectorial approach** to education is crucial, including TVSD. Increasingly, the Poverty Reduction Strategy Papers (PRSPs) will need to reflect this same comprehensive approach. Promoting incentives for investment, fixing the macroeconomic conditions, and favour a conducive business climate remain the necessary conditions for the success of TVSD policies, since training alone does not create jobs.
6. **Access to TVSD:** It is estimated out of more than 512 million students enrolled in secondary schools worldwide in 2005, only one out of ten was enrolled in secondary-level TVET programmes. The UNESCO Global Monitoring report provides some statistics on technical and vocational education enrolment in Africa as a percentage of secondary school enrolment. Overall, there seems to be a decline in the share of TVET as a percentage of enrolment in secondary education. This trend signals the uncertainties in the effectiveness of TVET matching the requirements of the labour market.
7. Depending on access, African countries can be grouped in three categories: in Eritrea, Ethiopia, Malawi, Namibia, Niger and South Africa, the proportion of TVET enrolment in general secondary education is under 2 per cent. Other countries where the proportion of TVET is close to 2 per cent of total secondary enrolment include Algeria (2.8 per cent), Chad (2.2 per cent), Lesotho (1 per cent), and Senegal (1.9 per cent). The second category includes Botswana, Burkina Faso, Côte d'Ivoire, Morocco, Mozambique, Togo, Tunisia and Uganda, where the proportion of TVET enrolment in general secondary education has been between 5 per cent and 9 per cent over the past few years. The third group includes Cameroon, Congo, Egypt, Gabon and Mali where the share of TVET enrolment in general secondary education is over 10 per cent.
8. Nevertheless, **enrolment data show only part of the picture**. Those data do not capture all the TVSD different modalities, including technical training which is provided outside the realm of educational institutions, on the job, in enterprises, in the informal sector. Indeed, the current statistics leaves aside the most widespread TVSD modality- traditional apprenticeship.
9. **Vocational training for the informal sector.** Traditional agriculture and the informal sector employ the majority of labour in Sub-Saharan Africa (95% in Benin, 90% in Cameroon, Ethiopia and Senegal, 31% in South Africa). By focusing on the needs of the formal sector, technical vocational education and training systems fail to address the needs of the full labour market. Vocational training can stimulate sub-Saharan economies, which are largely informal, helping them grow out of survival systems onto paths of sustainable development. The current situation of African economies requires an approach towards the development of competences which takes into account both the nature of the economic actors (the majority of which is represented by self-employed and micro and small entrepreneurs) and the specificity of the trainers – a great share of competencies is offered by informal operators. In Benin there are 240 000 apprentices versus 20 000 students enrolled in formal TVET.

Part II – TVSD and Labour Market

10. **Employment is considered one of the most important key route out of poverty** (cf. ILO's Decent Work Agenda), due to the employment link between economic growth and poverty reduction. As a guiding principle for all human resources, there is a need to understand the labour market dynamics in Africa.
11. In sub-Saharan Africa (population close to 800 million), **65% of the population is less than 25 years old, compared to 30% in Europe**. Field studies show large youth cohorts entering the labour market. In South Africa, every year there are 826,000 school leavers; in Morocco 400,000; in Benin 200,000. Whereas equivalent figures for annual labour demand are not readily available, the formal sector is clearly unable to absorb labour in such massive quantities.

12. African countries face the **twin evils of high youth unemployment (18 per cent on average) and shortage of middle to high skills**. At the same time in most of the continent the informal sector accounts for 80 to 90 per cent of employment. The limited access to technical skills appears as the fourth major constraints mentioned by entrepreneurs.
13. **Vocational curriculum change can not fix unemployment**. Technical and vocational skills development varies impact depending on the differing environments. The many benefits claimed for TVSD, such as higher productivity, readiness for technological change, openness to new forms of work organisation, and the capacity to attract foreign direct investment, all depend on the quality of the skills acquired, and a dynamic environment in which they can be applied.
14. Whereas vocational training can develop appropriate skills and thereby improve labour supply and the “employability” of the work force, demand for labour depends on incentives for investment, good macroeconomic conditions, and a conducive business climate in the country. **As a key feature of development strategies, training policies should target sectors with promising employment prospects**. Adopting a comprehensive policy of Human resource development is crucial. Although, PRSP and Decent Work country programmes (DWCP) contain elements of skills and education development, strategy papers do not have a methodological link between TVSD and economic development objectives. An ILO/FAO study found that governments giving incentives to growing certain labour intensive crops may tremendously increase job creation.
15. In order to allow youth integration into the labour market, it is important to **postpone specialization** as long as possible. **Access to a dual system and labour market orientation at the end of the school cycle** has proved to be successful. Training in entrepreneurship and business skills could be taught towards the end of the cycle, as these are targeted skills best transferrable over a short, focused period. Specialized skills for specific jobs are best suited to a business setting. The dual system seems to work better with better equipments and more qualified managers/trainers.

Part III. Lessons from Recent TVSD reforms

16. The skill development system in Africa remains **marked by multiple constraints that limit its expansion and impact on development**. Major problems include the inadequate quantity and quality of teaching staff, obsolete equipment and teaching curricula, and little relationship with the job market. This sober picture is not merely due to lack of resources but it is also relates to how available resources are being used.
17. The narrow, if quantitatively successful focus on the 1990s on primary education has produced **enormous pressures on the still small secondary and vocational systems** of many countries. In Mozambique and South Africa, for instance, secondary and vocational schools struggle to absorb the dramatic number youngsters completing the first cycle, while the poor quality of students is reflected in high drop-out rates from secondary school, and the failure of many students to gain employment.
18. Much of the expansion of primary education has taken place in the **absence of a holistic policy by the African governments or the setting up of an accreditation framework**. This situation is further exacerbated by a complex ownership and uncoordinated management of the system - TVSD is typically provided by a number of different ministries (education, labour, agriculture, industry, ect.). In many countries, the lack of co-ordination is particularly evident between the sphere of education/initial training and the one of continuing training. Consequently, much work remains to be done to integrate education policies, poverty alleviation and job creation strategies into a comprehensive system for human resources development.
19. Recognising the lack of institutional co-ordination and the fragmentation of donors support as main causes of these backlogs, an international consensus has been reached that **a holistic, integrated, inter-**

sectoral approach to education is crucial, including TVSD and training in the informal sector. This new vision is permeating several skill system reforms which are currently taking place in Africa and revamping donors' support.

20. In some countries (Tunisia, Morocco, Egypt, Senegal) TVSD system reform have been underway long enough to identify some of the main lessons learned to feed other countries' strategies and improve the next programming cycle. In other countries (Egypt or Algeria, Mozambique, Ethiopia), programs are in mid-term phased or delayed (Algeria).
21. The majority of the African countries which have started the reform have formulated or are in the process of preparing a **sectoral policy and an action plan for TVSD which summarise the objectives, and align the expected outcome with the available human and financial resources.** A major challenge for countries in this phase is to build up and strengthen their own capacities to formulate reform policies, not just capacities to implement policies supported by donors.
22. The vision of the government should involve a switch from a **provider-driven training model to a demand-driven one**, where training is aligned to an identified need in the labour market. In **South Africa and Mozambique's** TVSD reform, emphasis has been put on programs focussing on competency based objectives. But in most countries curricula implementation initiatives are still at an early stage and in some cases not embedded in a wider reform programme.
23. State's role is also crucial in establishing a clear **regulatory framework** that allows for the necessary flexibility to changing training needs.
24. Although governments carry the primary responsibility for the reform, TVSD policy design and delivery must be achieved through a **partnership between government, employers, industry, trade union, business associations, and the different social groups involved both in the formal and informal sectors of the economy.** A quality TVSD reform needs to build upon financial and human resources that only a partnership can ensure.
25. In **Mauritius**, where there is a strong partnership between the state and the private sector, through on the job training for instance, the TVSD system has diversified its sources of funding and improved the quality of training, making it more responsive to labour market requirements.
26. One of the main accomplishments of the **TVET reform in Ethiopia** is a new governance structure to be defined in a new TVET law (decentralization, public-private partnership). The objectives of the TVET reforms in Ethiopia is to facilitate the transition to a **demand-led training system** and provide the beneficiaries with more market relevant skills, through the following mechanisms: the establishment of a **TVET governance framework** with representation from government, industry, and civil society; the setting up a **new TVET qualifications framework with occupational standards for sectors experiencing employment growth and skill shortages**; and the diversification of funding sources of TVET to ensure its sustainability. Key challenges to the ambitious Ethiopian TVET programme were identified as resistance to change and availability of human and material resources.
27. Vocational and technical training must be adaptable **to local and regional needs**, while maintaining a national perspective. Experience in many countries has shown that regional participation and local control play a key role in determining the success and effectiveness of several TVSD initiatives. A balance must be struck between the directions provided by the central authorities in the system's reform and the appropriation of the process by the regional authorities. Over the past 10 years, many countries have started decentralising the management of TVSD, with the delegation of numerous responsibilities to regional authorities or even to educational institutions. However, although decentralisation is included in most countries' institutional reform packages, **local authorities do not always have sufficient management capacity to discharge their new responsibilities.**

28. Given the growing importance of informal employment, **skills acquisition among informal sector workers should get a prominent role in the policy agenda.** Morocco and Tunisia offer an example of a government response to improve the functioning of traditional apprenticeships by focusing on the introduction of apprenticeship contracts, setting remuneration levels, offering incentives to employers (in terms of exemptions for the payment of social security obligations), setting age requirements, and introducing dual training between the place of work and specialised training institutions. Also the TVSD reform in Senegal has tried to take into account the traditional ways of learning/apprenticeship of the country adopting both a **system of TVET certification** and a dual system. The TVET Ministry in Senegal has **certification level goals**. Professional training must be based on certain best practices in keeping with the code of conducts of certain professions as well as environmental concerns.

Part IV - Financing Vocational Training: Issues and Actors

29. **Training system in Africa is largely underfinanced.** Overall, – only about 2 to 6 per cent of educational budget is devoted to TVSD. Limited public sector budgets have seriously constrained the ability of governments to provide adequate and stable funding to public sector training institutions. In addition, the financing system is fragmented; private training institutions do not operate with the same financing framework as public sector training providers. **Countries should devote greater efforts in diversifying funding mechanisms.** In addition to the traditional budget allocations for public provision, other mechanisms such as performance-based budgetary allocations, linked with the autonomy of TVET institution, could create incentives for change in the TVET system.
30. In Africa, **public pre-employment training is mostly financed by Government’s budgetary allocations.** Most of budgetary resources finance operational expenses (in particular teachers’ salaries), while very little is allocated to investment, and maintenance of the equipments. This is particularly problematic in the training oriented to agriculture and industry which requires people trained in the maintenance of mechanical and electronic systems at every level of production. More investment is needed to upgrade the equipment and ensure they are apt to the needs of the industry.
31. Since budget allocations to public training providers are usually unrelated to objectives and outcome measures – such as success in placing trainees in productive employment – **there is little incentive for institutional training providers to align training courses offered with the needs of the labour market.** Most public training centres do not develop training programs focusing on the particular needs of informal sector nor they cater well for the special needs of the minority and disadvantaged groups.
32. **Private training providers are particularly active in the provision of training for the tertiary sector of the economy, which by nature requires less investment.** In Benin and Niger, for example, private centres of TVET train more than 70 per cent of the population. In Niger it is estimated that the cost for a trainee per year is about 840 Euros when is provided by the public sector and 230 Euros when the provider is the private sector. **The government should invest in better monitoring the quality of private training provision while at the same time making a better use of it. Indeed the government can reduce the call on public budget, favouring private training institution development, through subsidies and non monetary means.**
33. Most African countries are adopting sectoral policies and action plans identifying the objectives and the financial resources available to achieve them. The adoption of such a result oriented approach is crucial to improve the transparency and clarity of the system, making the **TVET system “bankable”**, and to attract financial and technical partners, from the donor community, business associations and industry. The involvement of enterprises in the implementation of sectoral policies is instrumental to their financial participation. **Participation of private enterprises can be favoured through a series of fiscal incentives (e.g. fiscal deductions of the training costs incurred by the enterprises).**

34. Since the 1980s, **National Training Funds** allow for the financing of continuing training both in the formal and informal sector. Many countries have introduced levy on firms' total payroll (it can range from 0.5% to 5 %), which provides dedicated funding for skills development both in the workplace and in the broader labour market. In most countries, the fund is responsible of financing the initial training of the youngsters in the traditional apprenticeship in the majority of African countries. **The funds play therefore a crucial role in filling the gap left by the state in providing access to training in the informal sector.**
35. Many funds encounter the problem of collection as well as the issue of actual transfer of resources from government's budgets to the funds. There are several cases in which "earmarked" training taxes are absorbed into general government revenues rather than being used for the financing of public training.
36. The paradox is that the financial resources of National Funds are drawn from formal enterprises which not only finance the continuing training for their employees but contribute also to finance apprenticeships in the informal sector, without return on their investments. Some countries are exploring ways of involving the informal sector in the funding of apprenticeships (through a lump sum tax on their turnover to craftsman).
37. Providing institutional autonomy to training centres to fix training fees has proved successful in some African countries. Nevertheless the financial benefits from greater cost recovery need to be checked alongside the potential adverse effects on equity. It is therefore important to introduce targeted subsidies directed at vulnerable groups in the form of scholarships and reduced fees.
38. The role of state remains crucial and cannot be compensated by the existing funds. It is necessary to set up an effective institutional financing mechanisms, **improve the visibility and the outcomes of National training funds in the Action plans prepared by the governments**; collection and transfer of funds from the Ministry of Finance to the fund need to be monitored and regulated and be subject to regular auditing.