

Vocational Training in the Informal Sector

or How to stimulate the economies of developing countries ?

Conclusions of a field survey in seven African countries

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Table of contents

FOREWORD	9
SUMMARY	11
Vocational training: one element in the overall informal sector development process	12
Ways to develop a thriving informal sector through vocational training	12
The process for developing a thriving informal sector through vocational training	17
METHODOLOGY OF THE STUDY	19
Objectives and hypotheses of the study	19
Initial points of enquiry	20
Methodological assumptions	22
Confrontation of first-hand information with desk research	24
The strengths and weaknesses of the field survey	25
The strengths and weaknesses of the documentary sources	26
INTRODUCTION: THE UBIQUITOUS NATURE OF THE INFORMAL SECTOR IN DEVELOPING COUNTRIES	29
1. THE FUNDAMENTAL ROLE OF THE INFORMAL SECTOR IN AFRICAN ECONOMIES	31
1.1. The various approaches to, and understandings of, the sector	31

1.1.1. Debates on the legitimacy and legality of informal activity	32
1.1.2. The informal sector and the specific economic role of MSEs	33
1.1.3. The informal sector: from unprotected employment to decent work	34
1.1.4. Informal sector or informal economy?	35
1.2. The major characteristics of the informal economy in the countries studied	36
1.2.1. Country data and specific sectoral surveys	37
1.2.2. Data on countries with multiple surveys or information sources	48
1.3. The central role of the informal sector in African economies	57
1.3.1. The growing importance of the informal sector in African economies	58
1.3.2. The fundamental role of the informal sector in providing access to employment	60
1.3.3. The informal sector's vital role in the fight against poverty	63
1.3.4. The informal sector: a force for innovation and development	66
1.3.5. The informal sector: subcontractor and partner to the modern economy	67
1.3.6. Current debates on the position of the informal sector	68

2. THE INEVITABLE ROLE OF THE INFORMAL SECTOR IN HELPING

PEOPLE DEVELOP THEIR SKILLS AND OBTAIN JOBS	75
2.1. Existing training systems and practices	76
2.1.1. On-site training of informal sector workers	77
2.1.2. Traditional apprenticeship and self-training	78
2.2. Current developments in the field of traditional apprenticeship	81
2.2.1. Initiatives undertaken by craftworkers and sectoral stakeholders	81
2.2.2. Initiatives by donors and national authorities	86
2.3. Current reforms of training systems	91

2.3.1. The systemic effects of restructuring apprenticeship in Benin	91
2.3.2. Plans for institutionalising informal apprenticeship in Senegal	98
2.3.3. The specific goals of the South African and Ethiopian 'rethinks'	101
2.4. The current structuring of training and job support systems	106
2.4.1. Pre-vocational skills training schemes for school age youths	106
2.4.2. Job-start schemes for young people	109
2.4.3. Initiatives to support vulnerable groups of adults	116
2.4.4. Initiatives to improve professionalism in the sector	124
 3. THE INFORMAL SECTOR'S GROWING ROLE AS A SOURCE OF ACTIVITY AND ENTERPRISE CREATION	 133
3.1. Education and training for self-reliance and enterprise creation	134
3.1.1. Entrepreneurship training for children and young people	134
3.1.2. Training entrepreneurs in how to start and manage their businesses	137
3.2. Conditions to ensure that training really does lead to activity creation and employment	143
3.2.1. Training cannot be effective unless its impact is monitored and assessed	143
3.2.2. Training cannot be effective without direct support for enterprise creation.....	147
3.2.3. Training cannot achieve maximum efficiency unless the stakeholders are directly involved	157
 4. THE STRATEGIC ROLE OF VOCATIONAL TRAINING IN STIMULATING INFORMAL SECTOR DEVELOPMENT	 163
4.1. Prerequisites to effectiveness: training as one element in an overall process to improve the present situation	164
4.1.1. Setting training within a given economic and social context.....	164

4.1.2. Designing and delivering training in line with intended results.....	166
4.2. Key factors to stimulate the informal sector	169
4.2.1. In all cases, raise the education levels of workers in the sector	169
4.2.2. Introduce pre-vocational skills training schemes to avoid social and educational waste	170
4.2.3. Acknowledge the sector as a source of skills development In its own right.....	171
4.2.4. Enhance the structuring role of professional organisations in defining the demand for training.....	172
4.2.5. Give young people a voice in the debate on job market access and activity creation.....	174
4.2.6. Organise traditional apprenticeship practices slowly but surely	175
4.2.7. Provide resources to support enterprise creation after training.....	177
4.2.8. Train adults at the same time as young people	178
4.2.9. Support efforts to make training effective by developing appropriate long-term financing instruments	180
4.2.10. Enable informal sector workers to become stakeholders in their own training and skills development	183
4.3. In conclusion: areas for future consideration and action	185
4.3.1. Further investigation of MSE-specific modes of development	186
4.3.2. Inclusion of the informal sector in an appropriate economic and social dynamic.....	187
4.3.3. The urban and rural dimensions of the informal economy	188
4.3.4. Skills development for informal sector workers in strategic and promising occupations	189
4.3.5. Identification and accreditation of skills effectively acquired outside the modern sector	190
4.3.6. Reorientation of investment priorities to meet real economic and social demand	191

4.3.7. Reorientation of investments towards post-primary vocational training systems.....	192
GENERAL CONCLUSIONS.....	195
ACRONYMS AND ABBREVIATIONS.....	197
BIBLIOGRAPHY	201

Foreword

This report is the final outcome of a series of field surveys conducted in seven African countries, which are, in alphabetical order, Angola, Benin, Cameroon, Ethiopia, Morocco, Senegal and South Africa.

The Research Department of the *Agence Française de Développement* (AFD) defined the methodological and operational framework for the overall study and entrusted the scientific and technical responsibility, as well as the writing up of all the country reports, to Richard Walther. The study also benefited from the input of the German Technical Cooperation agency, GTZ, for the financing and conduct of the Ethiopia survey, and from the French Ministry of Foreign Affairs for the financing and conduct of the Angola survey. The AFD expresses sincere thanks to these two partners for making it possible to widen the field of investigation to a selection of countries representative of the economic, social, cultural and linguistic diversity of Africa.

This study is a comparative analysis of all the country reports. It draws out some tentative proposals designed to help those involved in vocational training in the informal sector, as well as national authorities and donors, to better target their action and investment in the training and skills development field on a sector that dominates the economies of developing countries.

The field surveys have been written up in country reports, which have all been published in French and English. The Angola report is also available in Portuguese. These reports can be downloaded from the AFD's website (www.afd.fr, see Publications, then Working Papers), in the following order.

- Working Paper No. 15: Vocational Training in the Informal Sector – Concept Note.
- Working Paper No. 16: Vocational Training in the Informal Sector – Report on the Morocco Field Survey.
- Working Paper No. 17: Vocational Training in the Informal Sector – Report on the Cameroon Field Survey.
- Working Paper No. 19: Vocational Training in the Informal Sector – Report on the Benin Field Survey.
- Working Paper No. 21: Vocational Training in the Informal Sector – Report on the Senegal Field Survey.
- Working Paper No. 30: Vocational Training in the Informal Sector – Report on the South Africa Field Survey.
- Working Paper No. 34: Vocational Training in the Informal Sector – Report on the Ethiopia Field Survey.
- Working Paper No. 35: Vocational Training in the Informal Sector – Report on the Angola Field Survey.

Disclaimer

The analysis and conclusions in this document are those of the authors. They do not necessarily reflect the official views of the Agence Française de Développement or its partner institutions.

Summary

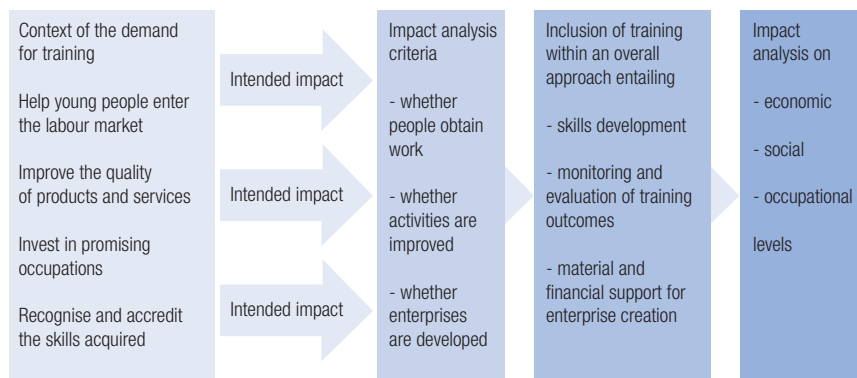
Analysis of the situation in the countries surveyed made it possible to identify a number of key factors for stimulating the informal sector in Africa. These factors offer some useful guidelines for further reflection and action. Firstly, they determine the conditions required if intervention in the informal sector is to help it thrive and progress from being a subsistence economy to one of growth and development. Secondly, they provide the basis for a range of recommendations on how to refocus local, national and international policies on objectives and modes of action that are truly adapted to the specific circumstances of this economy, whose main benefits are that it gives work and income to those who would not otherwise have any, and is a potential source of growth and development.

Vocational training: one element in the overall informal sector development process

The field surveys clearly showed that training schemes in the informal sector are only truly effective when their promoters tailor them to the social and economic situations they are supposed to improve or develop.

The surveys also clearly revealed that the effectiveness of such schemes depends on their being part of a vaster process of means to implement and expected outcomes. For this to happen, it is vital to clearly define the types of impact sought, as well as assessment criteria for measuring them.

Training as one element in the overall informal sector development process



Ways to develop a thriving informal sector through vocational training

A comparison of the countries' respective situations helped to identify ten major factors or guidelines to ensure that vocational training in the informal sector has the means to increase the skills and qualification levels of employees and micro-entrepreneurs, and make a positive contribution to their working conditions and the profitability of their activities.

Introduce pre-vocational skills training schemes to avoid social and educational waste

Many children leave school at the age of ten or twelve and have no chance of starting an apprenticeship before the age of fourteen. Too many of them lose the few educational achievements they gained at school, either because they are on the streets or because they started to work too young. Too many simply continue to work in a family or neighbourhood activity and have no opportunity to progress to another field of work. Giving them a chance to have pre-vocational skills training in order to maintain or strengthen their educational achievements and actively chose an occupation allows them to avoid the social ravages of the streets and progress towards possible vocational qualifications.

Acknowledge the sector as a source of skills development in its own right

Alongside the formal methods of training and acquiring qualifications, there is a whole range of ways and means of developing skills that are either not known to those responsible for existing formal training systems or under-valued in terms of the knowledge and know-how generated, and are consequently neither recognised nor validated: skills acquisition in the family, on-the-job training, through observation and imitation, and by means of traditional apprenticeship in the countries where this is well-developed. These alternative routes taken by the sector's workers account for the training of up to 90% of a country's workforce. In terms of the results achieved, they often amount to being the countries' real training systems. The time has come for developing countries to acknowledge the true role played by the informal sector in training young people and adults and helping them enter the labour market. It is also time to recognise the content and levels of knowledge and skills thus acquired and to incorporate the best skills development schemes and practices into a comprehensive reform of existing systems.

Enhance the structuring role of professional organisations in defining the demand for training

The analysis of positive changes and mutations in informal economy training schemes for apprentices, the self-employed and micro-entrepreneurs reveals the major role played by professional organisations in the sector. As national policies tend to develop training supplies that target formal enterprises only, these professional organisations are, in the vast majority of cases, the only means of making the informal sector's skills needs heard and incorporating them into the reforms underway. They must, therefore, be supported so that these reforms can at last take into account the training and qualification demands among all economic stakeholders.

Give young people a voice in the debate on job market access and activity creation

Meetings with numerous young people pinpointed an observation shared by all: societies dominated by the informal economy are incapable of finding young people decent jobs corresponding to their levels of education and training. Such societies consequently exclude the upcoming generation. Faced with this feeling of exclusion, young people have decided to react and take their rightful place in debates and proposals on how to change the economic and social situation, notably in the informal sector. Some initiatives aimed at organising African youth, while they are too recent to be evaluated, have the merit of helping young people become full-fledged players in the economic, professional and civic life of their countries.

Organise traditional apprenticeship practices slowly but surely

Traditional apprenticeship is the most common form of youth training in most of the countries surveyed. The country studies showed that traditional forms of youth training

in workshops are in fact the point of departure for the slow but far-reaching transformation of crafts apprenticeship into dual systems that combine on-the-job and theoretical training. The changes taking place vary from country to country, but everywhere they entail the structuring of established practices through the progressive introduction of interaction between practice and theory. The field survey showed that schemes to structure and progressively improve apprenticeship practices that involve all of the partners concerned are the best way to help young people vitalise their professional trajectories.

Provide resources to support employment and activity creation after training

The numerous national and international technical and financial partners working in the informal sector in the countries studied agree that training should not be an end in and of itself but must truly enable young people and adults to find appropriate jobs or activities. They have, therefore, often developed educational, material and financial resources to help create effective pathways from training to the world of work. These include support for the implementation of skills acquired (mentoring, post-training support, etc.), help for the start-up phase of an activity (for example through material contributions such as tool-boxes) and financial grants (such as access to microcredit).

15

Train adults at the same time as young people

Current training efforts in the informal economy give priority to young people in apprenticeships and the numerous young people outside the education and training system who are seeking to earn a livelihood. However, this observation does not detract from the legitimacy of the request made by many groups of craftworkers and micro-entrepreneurs met during this study to be able to access continuing training. The field surveys identified various continuing training schemes in the different countries. However, people said that these are presently restricted to limited or privileged groups. But the improving quality of youth training cannot be separated from the often

simultaneous literacy and skills development schemes for informal sector craftworkers, employees and micro-entrepreneurs.

Support efforts to make training effective by developing appropriate long-term financing instruments

The analysis of the various countries' vocational training policies clearly reveals the disproportionate amount of funds spent on those in established training systems in comparison to those spent on people who find work through traditional apprenticeship or the various other informal routes to inclusion and skills development. This imbalance is contrary to the need for equity, which requires that the countries' public authorities divide education and training resources fairly among all those who have a right to them. It also goes against the principle of economic and social efficiency because the resources allocated to declining qualifications and occupations are not being used in areas that could create wealth and jobs.

16

Informal sector training can only be effective and well-organised if public authorities bear in mind the major contribution that micro and small enterprises (MSEs) make to wealth and job creation, and review current budget allocations, and if training actions are based on mechanisms for levying and allocating resources that suit the ultimate goals and needs of the informal sector. Vocational training funds seem to be totally appropriate instruments for this purpose, if they are able to support MSE workers and are managed in partnership by all of the public and private stakeholders concerned.

Enable informal sector workers to become stakeholders in their own training and skills development

All of the countries studied have introduced forms of training and skills development based on the principle that trainees are mentored and supported by informal sector

workers. These experiences prove that informal sector stakeholders can take their futures into their own hands if they have the human, organisational, educational and financial support necessary to invest effectively in their own skills development, and if such efforts are focused on activities and occupations that hold promise for the country's economy. They also show that training can more easily guarantee that skills acquisition leads to enterprise creation if it is promoted by peers who agree to share their experience and support those with whom they have pooled their knowledge and know-how.

Raise the education levels of all workers in the sector

The study highlights two important realities. Firstly, the informal sector is by far the largest employer of poorly-educated and uneducated young people and adults. Secondly, the greater the number of years spent at school by the self-employed and entrepreneurs, the more the results of their activities will be positive and allow them to earn a decent living. The close link between under-education and informal sector employment and the causal relationship between education and profitability levels therefore advocate for improved universal education in developing countries. Universal education provides the foundation on which any major efforts to help people into the labour market can be built. When the foundations are unstable, it is hard to build the rest.

17

The process for developing a thriving informal sector through vocational training

The following diagram gives a coordinated, interactive overview of the means and conditions for effective intervention in the informal sector.



Methodology of the study

As part of the work carried out by its international network of experts, GEFOP¹, the AFD decided to conduct an in-depth analysis of the conditions for, and means of, investment in training in the informal sector in Africa.

Objectives and hypotheses of the study

The methodological framework for this research uses a very precise method of enquiry into how informal sector workers have acquired the knowledge and skills they need in order to conduct their activities. This method of enquiry focuses on the role of existing formal and non-formal training systems with regard to these workers' skills development. It also concerns the ability of stakeholders in the informal economy to develop innovative training schemes that could help boost the activities of micro and small enterprises (MSEs).

19

1. The GEFOP network of vocational training experts (*Groupe des Experts en Formation Professionnelle*) brings together some thirty specialists from Europe, Africa and Asia, some of the major international organisations active in this field (the OECD, UNESCO, the ILO, the European Commission, etc.), and organisations representing the social partners. The experts are members of the GEFOP network in a personal capacity. They meet every six months in order to debate recent developments in vocational training strategies, systems, and interventions, notably in developing countries. They also hold in-depth discussions of topical issues and fields for action such as training in the informal sector, financing of training, how to assess the impact that increased knowledge and improved skills have on economic activity and the labour market, and how to recognise and accredit workers' professional capabilities and experience. For more information, see www.gefop.org.

Initial points of enquiry

The study first identified four major analytical parameters regarding the position of informal sector stakeholders in relation to levels of training achieved and types of knowledge and skills acquired. These parameters were used to structure the interviews during the field surveys in the seven countries concerned.

Do existing training systems meet the informal sector's qualification and training needs?

This analytical parameter very specifically aimed to set the established vocational training systems within the social and economic context of the country observed, and to identify whether or not these systems provide an appropriate response to the training needs of both the entire working population and all economic stakeholders. It notably focused on the ability of the various national, regional and local systems to adapt their interventions and offer in response to the economic and social demands and the context in which they were expressed.

How are knowledge and skills acquired in the informal sector?

The purpose of this question was to identify the major characteristics of existing apprenticeship systems as well as the types and levels of skills they can develop. The specific aim was to establish whether or not such apprenticeships can move away from exclusively traditional contexts and create the conditions necessary for the development of income-generating activities, and production and service MSEs in the informal sector. The aim was also to describe the methods, whether formal or otherwise, used for recognising skills acquired by apprentices and their employers, and to explain how their behaviour may be affected by such recognition.

How do existing innovative training schemes help to stimulate the informal economy?

The goal here was to identify, using this parameter, the current training practices used in the selected countries, in order to increase knowledge and skills levels in the informal sector and help it move from a logic of survival to a logic of growth and development. The aim was essentially to gather the following information:

- the context of the training scheme: analysis of the demand for training, identification of current and potential stakeholders concerned, clarification of the concepts and hypotheses underlying delivery of the scheme;
- organisation of the innovative scheme: description of the intervention and its critical phases and issues, identification of its strengths and weaknesses, clarification of the role of the stakeholders involved, and interviews with the beneficiaries on its effects;
- the impact of the training: description of the process used for managing, coordinating and evaluating the schemes and systems established, and the initial results and impact achieved with regard to the agreed-upon indicators;
- lessons to be learnt: what are the replicable good practices, which principles can be drawn, and which innovative aspects should be showcased and used widely?

How can the training supply be organised to meet the demand from the informal sector?

The purpose of this question was to analyse, using established observations, the necessary conditions for transforming existing situations, and to provide analytical and operational tools for both actors in the field and those in charge of vocational training projects and programmes who wish to intervene in the informal economy in a structured and effective way. It aimed to provide food for thought to help these actors and

managers to develop, roll out, regulate and finance innovative and effective training schemes for young people and adults that are likely to boost the sector.

Methodological assumptions

The study chose to adopt the concept of the informal sector commonly used in statistical circles and to expand it, in terms of how it is both understood and used, with desk and field research gathered from among the many stakeholders active in this field.

A statistical and economic approach to the sector

The study deliberately used the definition of the informal sector adopted by the ILO's Fifteenth International Conference of Labour Statisticians in January 1993 (Kanté, 2002). This definition states that the informal sector is a subset within the household sector in national accounts. It consists of a fraction of household-owned enterprises which are distinguished from corporations and quasi-corporations in that they neither keep full sets of accounts nor constitute legal entities distinct from the households that own them.

The conference furthermore clarified its overall definition of the sector. "The informal sector may be broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at a low level of organisation, with little or no division between labour and capital as factors of production and on a small scale. Labour relations—where they exist—are based mostly on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees. Production units of the informal sector have the characteristic features of household enterprises. The fixed and other assets used do not belong to the production units as such but to their owners."

The field surveys carried out in the seven countries selected showed that this definition of the informal sector was the most operational in the framework of the studies and analyses carried out by the countries themselves: it had indeed been used as the conceptual basis for the statistical surveys on the sector in Angola, Cameroon and Morocco, and was one of the analytical parameters for the work carried out by the South African and Ethiopian statistics offices.

A description of the reality of the sector without pre-conceived notions as to its legality or legitimacy

The study deliberately chose to consider the economic and social value of the sector irrespective of any prior debate on its position in relation to the existing legislative framework. It started from the assumption that the sector helps to combat poverty and, in doing so, fulfils a vital survival, subsistence and development role in the economies of the countries surveyed, regardless of the limitations of its activities in terms of tax and social security regulations. The study also started from the premise that MSEs in the sector, notably those in the crafts, repair and retail fields, fulfil a role that goes beyond their direct economic production and concerns the way in which their surrounding societies organise and replicate themselves or, conversely, adapt to the need for modernity and the globalisation underway.

This report therefore develops a pragmatic vision of the informal sector: in reality, and irrespective of any moral or normative assumptions, the sector is a major, if not the main, provider of jobs and wealth in developing countries. Its development therefore constitutes a major stake for the future of these countries. However, for such development to take place, informal sector workers have to be acknowledged and supported, through suitable training schemes, in their ability to create, manage and improve income-generating production and service activities.

How the study was conducted

The methodology used for the study is based on interaction between the following elements:

- objective analysis of socio-economic data from the selected countries;
- broad-based consultation of the different categories of stakeholders concerned by the informal sector, and both oral and written transcription of the information gathered during the field surveys;
- comparative analysis of innovations in training and skills development, both within each country and between them;
- cross-identification of the major change processes underway in the informal sector.

This cross-disciplinary approach was the only way to understand the unstructured reality of the informal sector and identify areas for further reflection and action on how to stimulate it by improving the skills of workers in it.

Confrontation of first-hand information with desk research

The study adopted a working methodology that entailed a rigorous comparison of existing statistical data and documentation on the informal sector with the information gathered during the field surveys from the main national and international stakeholders working in the field.

Each field survey was thus preceded by a detailed analysis of the economic and social data of the country visited as well as an in-depth study of the structure and employment potential of its labour market. Each also evaluated the education systems' potential to achieve the goal of universal education and analysed the ability of the training systems to meet the overall demand for qualifications and skills. Finally, each

provided an opportunity to gather all available statistical data on the informal sector, and undertake the field visits with a basic understanding of the sector's position in relation to the country's development policies and strategies.

The country surveys took place between March and October 2006, with each lasting between eight and twelve days. They provided an opportunity to gather opinions, observations and personal accounts from the following categories of stakeholders:

- those responsible for national vocational training policy;
- representatives of professional organisations practising traditional apprenticeship;
- representatives of organisations that have created and/or implement new forms of informal sector training;
- representatives of social partners who are members of the various advisory committees in the field of vocational training;
- training providers;
- groups of young and adult beneficiaries;
- representatives of national and international donors involved in financing training for the various workers in the sector;
- country experts who have worked on the evaluation of past or present training schemes.

The various country reports produced following the field surveys were sent to officials or acknowledged experts in each country surveyed for approval. The observations, criticisms and positive feedback received from these people were included in the final versions of the country reports.

The strengths and weaknesses of the field survey

The main difficulty encountered in the field surveys was identifying the resource people best able to discuss the informal sector in each country. This identification

difficulty was, above all, due to the fact that this was the first time a survey had been carried out on such a subject in all of the countries visited and that, for this reason, there was no official or unofficial list of the organisations directly concerned with the subject. It can also be explained by the fact that certain people refused to talk about a subject that they considered to be of only minor interest. In spite of such reservations, it was possible to meet most of the categories of people identified at the outset, with the exception of training beneficiaries in Angola, South Africa and Morocco, whom it was not possible to interview.

Moreover, the highly fragmented nature of the data on informal sector training presented a great challenge for the survey. Although countries such as Benin, Ethiopia and South Africa had, prior to the field visits, conducted detailed studies of the situation in the sector, or started to survey its main characteristics, as was the case in Cameroon and Morocco, it was necessary, in most countries, to piece together the puzzle of information scattered among public or private institutions and stakeholders in the field. In several countries, the survey was the first attempt to structure a field of reflection and analysis that is a matter of real concern but for which the information is poorly structured, if at all.

Lastly, it was, in all cases, necessary to reconstitute often incomplete oral accounts, compare them with others to grasp their synergy and complementarity, and above all, distinguish how much related to activities that had already been carried out and how much related to future intentions or projects in the design or finalisation phase. Failure to do so would have given an idealistic picture of current trends in intervention and change.

The strengths and weaknesses of the documentary sources

For all countries it was possible to access basic information that could be used to describe the main socio-economic characteristics and trends. In each case, this data

made it possible to situate the informal sector of the country in question in relation to its overall performance in regard to the economy and social and human development.

It was more difficult to access and interpret the information available on the informal sector. Thus, the various statistical surveys specifically devoted to the informal sector focus mainly on the analysis of data on urban areas. This is the case in Cameroon, Ethiopia and Morocco. In these three countries, data on rural areas had to be drawn from more general employment surveys. The case of Angola was even more complicated, as a real estimate of the weight of the informal sector required both a cross-comparison of data from two statistical surveys carried out at a five-year interval (the 1995 survey specifically on the informal sector (INE, 1996) and the 2000/2001 Survey on Income and Expenditure (*Instituto de Pesquisa Economica e Social*, 2006)), and a multi-criteria analysis of the different meanings assigned to the concept in the data gathered. The understanding of the informal sector in Senegal is mainly based on the survey carried out by AFRISTAT in the seven West African metropolises (STATECO, 2005); the data on Benin were drawn from the Ten-Year Plan for the Education Sector (2006-2015); and the data on South Africa came from the Labour Force Survey (Statistics South Africa, 2005). The diversity of information sources required very careful interpretation of the data given by the various countries, particularly because the meanings of the concepts used varied from one country to another and were interpreted differently by the authorities of the countries concerned.

Having taken these precautions regarding the statistical data available, it should nonetheless be emphasised that the informal sector is increasingly the subject of in-depth studies. In most of the countries surveyed, it was therefore possible to rise above the quantitative data and understand the specific characteristics of the sector: employment structure, the levels of education achieved by informal sector workers, income levels, market access, etc. Several of these studies were launched at national level. The important work carried out by donors, NGOs and the major international

organisations should also be emphasised. All of these surveys and analyses helped establish the position of the informal sector as objectively as possible within the economies of the countries studied.

Introduction

The ubiquitous nature of the informal sector in developing countries

“Contrary to what has long been presumed, the informal sector is not a passing phenomenon, nor is it marginal and destined to disappear in the medium term. Its size and growing complexity within the economic, social and political landscape of developing countries in general, and Africa in particular, are an unchallenged and increasingly acknowledged reality”. This observation by the International Labour Organization (ILO) is based on quantitative data and shows that not only does the informal sector account for a significant proportion of African, South American and Asian economies, but it also plays an increasingly predominant role in job creation and the production of national wealth (ILO, 2004).

29

Based on this observation, and bearing in mind its own field experience in developing countries and notably in Africa, the Agence Française de Développement's Research Department decided to undertake research on training in the informal sector in the form of field surveys in five African countries (Benin, Cameroon, Morocco, Senegal and South Africa). Negotiations with the German Technical Cooperation Agency (GTZ), and the French Ministry of Foreign Affairs made it possible to widen the research to Ethiopia (with help from the GTZ) and Angola (with support from the Ministry of Foreign Affairs). The final list of countries selected thus takes utmost account of the wide variety of the economic, geographical, historical and cultural situations that characterise

the African continent and allows for a synoptic view of both the uniqueness and the diversity of its informal economies. A report has been written on each of the seven field surveys. These reports are available in English and French. The reports follow the same structure so as to allow a synoptic vision of the situations and development dynamics in the various countries concerned. They analyse the economic and social challenges of the countries concerned, ascertain the place and role of the informal sector within them, describe the training and reform dynamics underway in this sector, and identify areas for action and reflection that should help its workers increase their skills and thereby make the transition from survival and subsistence activities to growth and development activities.

The overall purpose of this study is to draw on all of the analyses carried out and results gathered, in order to answer the following question: how can the strategic, operational and financial means used in developing countries be retargeted to ensure that an economic sector, which accounts for 75% of existing jobs, 80% of new jobs, and approximately 50% of national wealth, is not excluded from skills training policies for young job seekers and working adults? This study reports on the similarities and differences between the countries' situations, and identifies topics for reflection and comparison that apply to all of them. It successively emphasises the fundamental role that the informal sector plays in African economies, the vital role it plays in helping young people enter the labour market and adults develop their skills and, finally, the growing role it plays in activity generation and business creation. In conclusion, it highlights the strategic function that vocational training fulfils, or can fulfil, as a means to cause the MSE economy to move from a logic of survival to a logic of growth and development.

The fundamental role of the informal sector in African economies

1

The field survey leaves no doubt as to the fundamental role that the informal sector plays in the economies of developing and emerging countries. It emphasises its real role as a significant contributor to national wealth and access to employment. It relates the lively and sometimes contradictory debates that the informal sector generates on how it should be defined and positioned in relation to the formal economy. Lastly, it provides a glimpse into the sector's development potential and its capacity to make the transition—on certain conditions and in ways yet to be defined—from a survival and subsistence economy to an economy of growth and development.

31

1.1. The various approaches to, and understandings of, the sector²

The definition of the informal sector established by the ILO's international conference of labour statisticians, which was adopted in January 1993 and used as the conceptual framework for this study, was written as follows in the latest survey on the informal sector in the economic capitals of the seven countries of the West African Economic and

2. Developments concerning the various approaches to, and understandings of, the informal sector are partly covered in a paper on the subject written by the author (Walther, 2006).

Monetary Union (WAEMU): “The informal sector is defined as being all production units without an administrative registration number and/or which do not keep formal written sets of accounts (accounts permitting the preparation of an operating account and a balance sheet)” (STATECO, 2005). While this definition is the one most commonly used in the various statistical surveys of the African informal sector and was accepted by all of the people met as being a very operational approach to the informal economy, it nevertheless contributes to reflections on the most legitimate way of approaching the nature and specificities of the sector's activities.

1.1.1. Debates on the legitimacy and legality of informal activity

The adoption of an economic concept by statisticians coincided with the development of two other visions of the sector (Collège Coopératif Provence-Alpes-Méditerranée, 1999). The first associated the informal sector with the notion of marginality and poverty, consequently placing its activities in a logic of survival and poverty alleviation. The second centred its analysis on the nature of the activities developed, highlighting production and service activities or, in other words, the social function fulfilled notably by the crafts sector and small-scale commerce.

During the same period, other studies focused on the categories of informality and legality, and introduced interesting distinctions between the legitimacy and legality of activities (Niang, 1996). Legality places the sector's actors in relation to administrative, fiscal and social regulations. Legitimacy defines the social value of an act in relation to the degree of support from society and, in this case, explains why informal sector activities, because of their acknowledged utility, are more than tolerated by the authorities, even when they fail to comply with established regulations. Thus, according to the INSEE/AFRISTAT survey, while only 18% of informal production units (IPUs) are listed on a relevant register (patent register, trade register and social security), a mere 4 to 8% of IPUs have problems with government agents.

1.1.2. The informal sector and the specific economic role of MSEs

Another approach, very different from the previous one, was also developed during the 1990s in response to the negative impact of structural adjustment policies on the formal sector in developing countries, and the increased awareness in developing countries of the role of small, individual entrepreneurs as motors for innovation and development in economies in crisis or recession. It emphasises the notion of economic/business units and defines the informal sector as an arena for micro-enterprise and small business or, in other words, a potential arena for economic growth and development that is specific to the economic organisation of developing countries. Some authors, while not denying the traditional role of the sector, identified a varying scale of activities, ranging from basic survival to productive activities that could enter the modern sector. Each of these categories can further be broken down into more specific sub-categories, according to the type of entrepreneur, activity, surrounding environment and growth potential (Botzung, Le Bissonais, 1995):

- income-generating activities exercised for survival purposes;
- micro-enterprises (or even very small businesses);
- small businesses;
- medium-sized businesses (which could be in either the informal or the formal sector).

Other authors pursue the same logic in classifying the sector by type of economic unit while simultaneously categorising activities according to their development potential: the survival-based informal sector, the subsistence-based informal sector, the development-based informal sector, and the transition-based informal sector (Niang, 1996, study quoted by the French Ministry of Foreign Affairs).

1.1.3. The informal sector: from unprotected employment to decent work

The field survey in the seven African countries showed that the various debates of the 1990s are still topical. In all of the countries, a clear distinction still exists between an informal sector focused on the development of income-generating activities and, consequently, the struggle for survival, and an economy structured around more stable and more profitable production and service units in the craft and trade sectors. In the same vein, training schemes run by various national and international stakeholders, such as the ILO in Ethiopia and the United Nations Development Programme (UNDP) with Chevron in Angola, clearly distinguish between micro-entrepreneurs who find it hard to access the local market and those who are developing activities and products that are capable of being adapted to the demands of international markets. Nevertheless, the debate between legality and legitimacy has evolved slightly because the great majority of people working in the sector pay taxes in some form or another, often a local tax, and there is a general tolerance of the informal economy that sometimes goes hand in hand with local authorisation to exercise one's activity.

However, a new issue has recently emerged among these recurring themes: decent work. This concept was notably defined in the resolution adopted by the ILO in 2002. It considers that all workers, whether they work in the modern or informal economy, have a right to a minimum set of regulations ensuring respect for their freedom, dignity, right to social protection, and equal opportunity. More specifically, the ILO states that “the promotion of decent work for all workers, women and men, irrespective of where they work, requires a broad strategy: realizing fundamental principles and rights at work; creating greater and better employment and income opportunities; extending social protection; and promoting social dialogue” (ILO, 2002).

The field surveys showed that the concept of decent work served as an analytical parameter for the informal sector in several countries. Thus, South Africa defines the informal sector as the sector in which companies are not registered for tax purposes

and are not subject to social security regulations. Ethiopia tackles it using a range of criteria, one of which defines informal activity as that which is “not recognised, assisted or regulated by the public authorities and does not comply with social protection regulations, labour law or health and safety provisions”. Angola also includes in its multiple criteria for analysing the informal sector the non-respect of law although fiscal aspects are emphasised more than social ones. The data available in the other countries first emphasise, in compliance with the statistical definition, the lack of separation between household and professional activities. Nevertheless, the survey carried out in Cameroon emphasises the precarious nature of the sector (poor quality of business premises, precariousness of employment conditions, etc.). Similarly, the surveys carried out in both Morocco and in the seven West African capitals give detailed analysis of the nature of the contractual relationships of workers in the sector and their forms of payment and work. The concept of decent work is, therefore, used nearly systematically in all of the countries. However, this does not mean that the concept is uniformly applied, because, as the later sections of this study will demonstrate, its application encounters several obstacles, including the fact that it endangers the very existence of MSEs.

1.1 4. Informal sector or informal economy?

35

It is useful to raise the issue of the extent to which these two terms are similar to, or differ from, one another. The AFD study chose to use the term ‘informal sector’ because it is commonly used in the vast majority of studies on income-generating activities and household-owned MSEs in developing countries. This rational choice was necessary because the expression refers to a subject of study that is clearly identifiable in contrast to the ‘modern sector’, which itself designates all economic activities that do not come under the spectrum of traditional or household society.

The ILO decided to include the notion of decent work in the general framework of the informal economy. In its own words, drawn from the conclusions of its 90th Session,

the “term ‘informal economy’ is preferable to ‘informal sector’ because the workers and enterprises in question do not fall within any one sector of economic activity, but cut across many sectors”. The ILO thus emphasises that the informal economy does not concern any specific sector of activity, such as trade, industry or services, but clearly covers all existing sectors in a given country.

The study uses the two terms indistinctly, given that the statistical definition selected clearly states that informal production and service units with no specific form of accounting may be found in all sectors of activity while belonging to a specific field defined by the constant household nature of its economic and professional activity.

The field surveys showed that most, if not all, of the countries had allocated resources to gather substantial data on the informal sector. This is clearly due to the driving effect of international work and debates on the subject. It is also, and perhaps above all, because the various national authorities have implicitly recognised the sector’s essential role as the only stepping stone to social and professional integration for a large proportion of the economically active population, and as a vital arena for poverty alleviation.

A precise analysis of the quantitative and qualitative data available for each country reveals the real place occupied by the MSE economy in Africa and, more broadly, in developing countries.

1.2. The major characteristics of the informal economy in the countries studied

This study began with the assumption that the informal sector constitutes a significant share of developing countries’ economies, although it was not possible to

base this assumption on specific quantitative data for each country or identify possible variations between the countries' different levels of development. However, the country surveys rapidly made it possible to access reliable information sources showing the contribution the sector makes to national employment and economic growth policies in each country.

1.2.1. Country data and specific sectoral surveys

Four of the seven countries selected for the study have conducted specific statistical studies on the informal economy in the past ten years. Consultations in the countries provided an opportunity to meet with the statistics institutes that had produced the surveys, or at least with the people who had been responsible for organising them or for exploiting the results.

Angola

Angola's informal sector was the subject of two surveys carried out by the National Statistics Institute (*Instituto Nacional de Estatística* – INE).

37

The first of these, carried out in 1995 and published in 1996, indicates that most of those working in the informal sector are women engaged in small-scale commerce, and that, in 51% of urban households, at least one family member is involved in informal trade, which contributes up to 55% of urban household incomes (INE, 1996).

The IDR³ Survey on Income and Expenditure, carried out by INE in 2000/2001, was analysed in a number of studies, one of which was published in partnership with the

3. *Inquérito sobre Despesas e Receitas*

UNDP (De Vletter, 2002), and in a monograph on how the informal economy has an impact upon the reduction of poverty and exclusion published by the Angolan Economic and Social Research Institute (*Instituto de Pesquisa Economica e Social*, 2006). Most of the data quoted in the present study are taken from these documents. The 2000/2001 IDR Survey gives a clear picture of employment in the informal sector in urban areas. It reveals the importance of self-employment, given that such work accounts for 43% of total employment, whereas micro-enterprises and entrepreneurs account for only 6%, and unpaid domestic work for 16%. It can be concluded from this that all informal activities are carried out by at least 65% of the urban economically active population. According to the monograph, the survey data show that “barely 30.3% of the economically active population works in the formal sector”.

The survey showed that 72% of households have at least one member who works in the informal sector (78% in Luanda, 68% in Benguela, Lobito and Catumbela, and 50% in Luena, Cabinda and Lubango). It states that twice as many women are active in the informal sector as men, and that 82% of those working in the sector are self-employed, while 18% are MSE owners/managers.

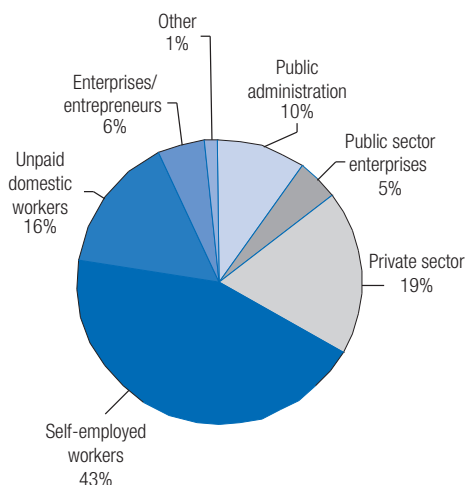
The breakdown by category of heads of household surveyed showed that 61% are women who are single, divorced, or members of polygamous households, 53% are young people aged between 16 and 20 with the equivalent of four years of schooling, and between 16% and 24% are elderly people near the age of 60. This shows that the informal sector is primarily occupied by categories of people who are vulnerable in the labour market, and who have no other choice but to try to earn their living in this sector.

The various data indicate that the Angolan informal sector today is dominated by poor, self-employed vendors. More generally, the informal sector is characterised by the preponderance of trading activities compared to other production or service

activities (three-quarters of the activities are trade-related and only 10% concern productive activities such as welding, carpentry or bread-baking). Another characteristic is the fact that the people working in this sector have low levels of education and skills and modest incomes. Finally, the informal sector is a full-time activity in Luanda, while it is more often a seasonal activity in the rest of the country, especially in rural areas.

These surveys did not give an accurate picture of the informal sector's contribution to national wealth. It can only be said that the informal sector participates heavily in activities in the agriculture, construction and civil engineering, and trade sectors, and that the wealth generated by these sectors is close to 30% of the gross domestic product (GDP).

Figure 1.
Percentage share in employment 2000/2001
(cities of Cabinda, Catumbela, Benguela, Lobito, Lubango, Chitato, Dondo and provinces of Luanda, Cunene and Namibe)



Source: : INE, 2001

Cameroon

The Survey on Employment and the Informal Sector in Cameroon (*Enquête sur l'emploi et le secteur informel au Cameroun – EESI*) was conducted in 2005. It defines the informal sector as “all production units without a tax number and/or which do not keep formal written sets of accounts” (INS, 2006). It excludes agricultural activities, except for those in the forestry and logging sector, which it lists in the ‘other industries’ category.

The survey was carried out in two phases. The first aimed to assess the employment situation, including in rural areas; the second aimed to analyse households’ informal-sector economic activities. “This second phase is a ‘business-type’ survey among informal establishments, which are called ‘informal production units’ (IPUs), given that many of them do not have their own premises (workshop, shop, etc.), which is something usually associated with the notion of an establishment.” Phase 1 identified approximately 6,000 units throughout the twelve regions covered by the survey. When the number of IPUs identified per region was higher than the estimated number of IPUs per household, a representative sample was selected from among people working for themselves in the two to four most common areas of activity. 4,815 IPUs were ultimately selected for the analysis.

Table 1.
Cameroon: Employment structure by institutional sector and area of residence

	Urban	Rural	Cameroon
Institutional sector			
Public	10.5	2.6	4.9
Formal private	11.8	2.0	4.7
Non-agricultural informal	67.4	22.5	35.2
Agricultural informal	10.3	72.9	55.2
Total	100	100	100

Source: INS, 2006.

The main results of Phase 1 of the employment survey outlined above showed that the informal sector, as a whole, accounts for a little over 90% of employment in Cameroon (table 1).

If a distinction is made between rural/urban areas, the results show that the agricultural informal sector is preponderant, since it accounts for 55.2% of overall jobs and 72.9% of rural jobs, whereas the non-agricultural informal sector accounts for 35.2% of overall jobs and 67.4% of urban jobs. When these results are broken down by sector of activity, they reveal a high concentration of IPU in industry (45.8%), trade (28%) and services (26.2%).

Table 2.
Cameroon: Non-agricultural employment structure by branch of economic sector and according to institutional sector (in %)

Economic sector	Institutional sector			All
	Public	Formal private	Informal non-agricultural	
Industry	10.5	39.6	35.4	33.1
Agri-food	0.2	16.3	18	15.9
Clothes production	2.2	1	6.3	5.3
Construction	0.3	7.7	4.8	4.6
Other industries	7.8	14.6	6.3	7.3
Trade	-	10.9	28	23.3
Wholesale	-	5.8	2.1	2.3
Retail	-	5.1	25.9	21.1
Services	89.5	49.5	36.6	43.5
Transport	1.9	9	7.1	6.7
Food service industry	0.2	2.8	9.6	7.9
Repair	-	1.8	4.6	3.8
Other services	87.4	35.9	15.3	25.1
Total	100	100	100	100

Source : INS, 2006.

Data on Phase 2 of the survey, which is currently being published, gives a more detailed overall picture. It highlights four major characteristics: the job insecurity of informal workers; the sector's increasing focus on job creation, especially self-employment rather than entrepreneurship; the under-appreciation of skills levels in relation to educational potential; and, finally, the sector's strong resistance to any formalisation of its activities.

The survey results do not give a clear idea of the informal sector's contribution to GDP. However, some experts believe it to be as high as 50%, on the premise that the primary and tertiary sectors, which employ a very high number of informal workers, respectively contributed as much as 43.9% and 40.4% to national wealth in 2004.

Ethiopia

Data on the informal sector in Ethiopia come from two statistical surveys: the 2003 survey on the informal sector and the 2005 survey on employment and the labour force.

42

The 2003 survey on the informal sector focused exclusively on urban employment (Central Statistical Authority, 2003). It used multiple criteria, which are much wider than just 'businesses with no specific accounting system' (the definition used in the surveys identified in the other countries visited). The basic definition used was that the informal sector refers to activities which are carried out in the home or in a single-person enterprise by the owner alone, or by the owner and a very small number of employees. This wider definition includes the following criteria:

- the informal enterprise is not usually officially registered and has low levels of organisation, productivity, and profitability;

- it has limited access to the market, credit agencies, formal training, and public services;
- it has very small or no fixed premises, and is usually located in the family's home;
- it is not recognised, supported or regulated by the public authorities and does not comply with social protection regulations, employment legislation, or health and safety provisions.

Using these criteria, the survey gives a detailed insight into the urban informal sector:

- informal enterprises employ 50.6% of the economically active population;
- 43.29% work in manufacturing and 37.78% in the trade or hotel and catering sectors;
- 99.09% of enterprises have a single owner, whereas ownership by a structured partnership accounts for only 0.56% of cases. Cooperatives and associations, which are on the rise, therefore represent only a very small percentage of informal enterprises at this time.

The employment survey gives a detailed analysis of the labour market in Ethiopia, indicating in particular that the majority of the economically active population is either in domestic work (50.3%) or self-employed (40.9%). Although the available data does not enable any explicit classification of these workers, there is no doubt that most of the activities thus defined are informal, in that they are, above all, based on occasional employment (according to the term 'day labourer' used to define elementary activities), and on family, personal or social relationships (as is characteristic of domestic work) rather than based on proper contractual employment agreements with guarantees.⁴ Table 3, on the breakdown of the economically active population according to

4. See the definition of informal employment in Walther, 2006.

Table 3.

Breakdown of the economically active population according to type of employment

Employee status	As a percentage of overall participation/activity rate	As a percentage of urban participation/activity rate	As a percentage of rural participation/activity rate
Government employees	2.6	16.5	0.9
Self employed workers	40.9	40.3	41.0
Domestic workers	50.3	15.0	54.6
Private enterprises	2.9	15.1	1.4
Other	3.3	13.1	3.5

Source: National Labour Force Survey, 2005

employment status, shows that, at most, 8.8% have salaried employee status and, thus, the possibility of a formal employment contract.

When the expression ‘informal unit’ used for urban areas is applied to rural areas, it can be said that all of the jobs recorded in 2005 under the headings of self-employed workers and domestic workers do, by analogy, come under the informal sector. This brings the percentage of informal workers to 91.2% of the total economically active population.

No estimates exist regarding the informal sector's contribution to Ethiopia's national wealth. However, it is fair to assume that it makes a significant contribution, bearing in mind that the agricultural sector accounted for 42.1% of GDP in 2004 (OECD, 2006), employs 80% of the population (of which over 90% hold informal jobs) and provides around 90% of export revenue. The same reasoning can be applied to the services sector (46.5% of GDP in 2004) and above all the industrial sector (11.4% of GDP in 2004), which is largely driven by construction and civil engineering, a sector with a traditionally large informal component.

Morocco

Morocco's awareness of the unique importance of the informal sector is not recent. There have been surveys on the sector's economic actors since 1984, which makes it easier to ascertain their contribution to national wealth and job creation. These surveys have successively dealt with activities in the construction and civil engineering industry (1984/1985), unstructured businesses with fixed premises (1988), entities with fixed premises in urban areas (1997) and the non-agricultural informal sector (1999/2000).

A study of analytical criteria used in the various surveys shows that Morocco has taken part in international debates on how to apprehend and define the sector (Ait Soudane, 2005). These debates, which were notably instigated by the International Labour Organisation (ILO), have successively focused on the size (less than ten people) of units producing goods and services in the sector, on whether their rationale is based on survival or wealth production, on their legitimacy (social utility) and legality (compliance or non-compliance with tax and social security legislation) and, finally, their capacity to formalise their activities, grow, and keep detailed accounts.

45

The 1984 survey on the construction and civil engineering industry used the analysis criterion "all units (whether or not they have fixed premises) that do not keep detailed accounts". The 1988 survey on unstructured firms with fixed premises used the concept of a "unit with a maximum of ten workers which does not keep detailed accounts." The 1997 survey on urban entities with fixed premises took account of "all unregistered units with less than ten workers."

The national survey on the non-agricultural informal sector conducted in 1999/2000 is the latest approach to date and provides "an overview of the inclusion of households' production activities in national accounts" (Statistics Directorate – *Direction de la*

Statistique, 2005). This survey looks at the non-agricultural informal sector through analysis of the activity of informal production units (IPUs), which are defined as “any organisation existing in order to produce and/or sell goods or services which does not keep fully detailed bookkeeping records on its activity in accordance with the accounting legislation in force since 1994.” Sub-criteria for analysing the size of production units include whether or not they have fixed premises, and whether they comply with tax and social security regulations. It is therefore in line with the various previous surveys.

In the national survey, the estimated number of IPUs is 1,233,240, the vast majority (71.6%) of which are in urban areas. This figure is much higher than the 1988 estimate (244,869 in urban areas, excluding the construction and civil engineering industry) and that of 1997 (513,450 IPUs with fixed premises in urban areas). This illustrates the informal economy's growing share of national employment.

Table 4.
Breakdown of IPUs by sector of activity (1999/2000)

Sector of activity	Number of IPUs	
	in thousands	in %
Industry and crafts	257,700	20.9
Construction	76,900	6.2
Trade and repair	650,900	52.8
Other services	247,700	20.1
Total	1,233,200	100

Source: Statistics Directorate, 2005.

These IPUs usually occupy just one person (in 70.5% of cases), and the overall average is 1.5 persons per unit. They employ 12.7% women and 87.3% men, and the average age of the labour force is 36.5. Employees account for 18.4% of all workers, and 81.4% of them work in a family business.

Analysis of employment by sector gives the following results:

- 48.2% of people working in the informal economy are in the trade and repair sectors (of whom 36.9% work in retail outlets).
- 25% work in industry and crafts (of whom 49.7% work in the textiles, clothing, leather and footwear industries).
- 19.8% provide non-trade related services (of whom 30.5% provide personal services and 28.3% work in transport and communications).
- 7% work in construction and civil engineering.

More broadly, the informal sector accounts for 39% of the country's overall employment (outside the agricultural sector).

The Moroccan survey is unique in that it provides a detailed estimate of the informal sector's contribution. The statistical results available show that the non-agricultural informal sector alone accounts for 17% of national wealth creation. If the value creation of the other two fields mentioned are taken into account, and one reasonably supposes that a very large share of their output is from non-structured activity, then its overall wealth creation is approximately 40.5%, broken down as shown in table 5.

47

Table 5.
Morocco: Contribution of households to the national economy

Nature of production activities	Value added contributed to GDP
Agriculture and slaughter	15.9%
Non-agricultural informal sector	17%
Non-agricultural domestic activities	7.6%
All combined	40.5%

Source: Statistics Directorate (2005).

More detailed analysis of the breakdown by sector shows that trade and repair make a significant contribution to the informal sector's wealth creation, ahead of crafts, other services (including transport and personal services) and construction.

1.2.2. Data on countries with multiple surveys or information sources

South Africa, Benin and Senegal have not conducted specific surveys on the informal economy. However, it was possible to ascertain its place and role by combining existing sources of information and confirming them with the results of the field survey.

South Africa

It was relatively easy to determine the role of South Africa's informal sector because regular employment surveys included specific questions on the subject, and a team of researchers had deepened analysis of trends and the results obtained.

48

Thus, according to the statistics in the Labour Force Survey (Statistics South Africa, 2000), South Africa's informal sector covers companies that are not registered for tax purposes or subject to social security regulations, as well as paid domestic work. It comprises four million workers, which represents 34% of total employment: 26% of these workers are employed in enterprises and 8% in domestic work. The statistical data show that a greater proportion of women work in the informal sector than men (45% compared to 25%). It also reveals that 39% of the women working in the informal sector are employed in domestic service, which accounts for only 8% of total employment and 25% of informal employment.

According to the survey, the distribution of jobs per category is as follows:

- 53% of the economically active population in non-urban areas are in informal employment, compared to 27% in urban areas;
- agricultural employment and the services sector accounts for 52% of informal employment;
- 30% of informal sector workers work in construction and trade, with women accounting for 60% of trade sector jobs;
- 81% of farmers, gardeners and skilled agricultural workers are in the informal sector, as are 36% of non-skilled workers and 32% of crafts workers.

The survey also emphasises that 80% of informal enterprises depend on formal firms for inputs, 36% of them sell their products directly to formal sector firms, and 50% of them are in direct competition with formal sector firms. It also shows that only 14% of informal enterprises had received subcontracted work. However, it should be emphasised that the survey takes no account of people working informally in formal firms. According to the statistical data, almost one formal firm in ten (9%) fails to comply with 'formal working conditions' in the following areas: the existence of a written contract, working hours, and entitlement to paid leave. Furthermore, 33% of micro-enterprises (1 to 5 employees), 50% of very small enterprises (6 to 20 employees) and 60% of small enterprises (21 to 49 employees) hire temporary labour.

Finally, the survey shows that the South African economy is one of the least informal in the African continent inasmuch as the informal sector's contribution to GDP was 28.4% in 2002,⁵ compared to 50 to 60% for the informal sectors in Benin and Senegal.

The study on the informal sector published by the Human Resources Development Review reports on current research on the sector and is based on the results of the 2001 Labour Force Survey (Devey *et al.*, 2003). It defines the informal sector as one that

5. According to World Bank data.

employs workers not covered by social protection or labour law. It then describes the sector as encompassing a wide variety of professional activities, employment situations, and economic potential. It also demonstrates that the formal and informal sectors are not mutually exclusive, but overlap in different ways, depending on the contexts and circumstances of the activity or jobs in question. Lastly, it asserts that the term ‘informal economy’ is more suitable than ‘informal sector’, because workers not covered by relevant legislation exist in both the first and the second economies.⁶

More broadly, the study draws two conclusions from the statistical analysis. The informal sector grew sharply between 1997 and 2001. Using various household surveys and the 2001 Labour Force Survey, the study’s authors note that the number of workers employed in the informal economy (excluding subsistence agriculture and domestic labour) doubled from 965,000 to 1,873,000 between 1997 and 2001, and that informal sector workers (including agricultural and domestic workers) account for at least 30% of the South African labour market.

Informal employment is aggravated by racial and social discrimination. Accordingly, 84.5% of informal sector workers are black (as opposed to 6.8% coloureds, 2.1% Indians and 6.6% whites). Blacks hold the least skilled informal sector jobs and are over-represented at low income levels, while whites are over-represented at high income levels. Women also have low skills levels in comparison to men insofar as they are massively present in the most elementary occupations (43.9% compared with 21.3%) and they are three times less likely to exercise management responsibilities than men (1.6% compared with 4.9%).

One can conclude from these data that the distinction between the formal and informal sector in South Africa is aggravated by social and racial discrimination, and

6. ‘Second economy’ is an expression used by the South African President, Thabo Mbeki.

thus includes economic and social factors other than worker status and company registration. It also shows that informal sector jobs are primarily low skilled subsistence jobs rather than jobs that enable people to make social and economic progress.

From an analysis of available data, informal MSEs contributed 28.4% to GDP in 2002 and, therefore, participate in the development of an economy that is today driven mainly by services, given that the tertiary sector accounted for 65.2% of GDP in 2003, compared to 3.8% for agriculture and 31% for industry.

Table 6.
South Africa: Distribution of GDP by sector (in %)

	1980	1990	2000	2003
Value added in agriculture	6.2	4.6	3.2	3.8
Value added in industry	48.2	40.1	31.1	31
Value added in services	45.6	55.3	65.6	65.2

Source: World Bank (2005).

The exact nature of this contribution is not specified. It is however probable that MSEs operate mainly in the service sector and agriculture, in which a very large number of subsistence farms managed by black farmers coexist with a small number of huge properties owned by white farmers.

Benin

Two data sources offer material for analysis of the situation in Benin. The first is the Ten-Year Development Plan for the Education Sector (Education Ministries – *Ministères responsables de l'Education*, 2005). This document reports on the results of the joint survey by the Ministry of Planning and the World Bank in 1997. Although it is based

on data from the previous decade, it helps to form a clearer picture of the employed labour force and highlights the 'informal structure' of employment in Benin. The huge proportion of self-employed people, followed by that of family helpers, indicates that—as in all the other countries surveyed—no distinction is made in the unstructured economy between household duties and professional activity.

Table 7.
Benin: Resident population (aged 10 and over) in 1997 by type of employment

	Number	%
Employers	7,554	0.3
Self-employed	1,473,272	59
Permanent employees	88,485	3.54
Temporary employees	41,934	1.68
Cooperatives	4,600	0.18
Domestic workers	598,410	23.96
Apprentices	175,751	7.04
Other	44,815	1.79
Not stated	62,456	2.5
Total	2,053,128	100

Source: INSAE Volume 1, Estimated results RGP27

According to the Ten-Year Development Plan, 97.3% of women and 92.7% of men are currently employed in the informal sector. It is clear that the informal sector is by no means diminishing, since the sector employed 86% of the labour force in 1979 and 92.9% in 1992. The significant expansion of this sector may be attributed, at least in part, to the structural adjustment policies pursued during the 1990s; the resulting privatisations and civil-service cuts left many Beninese no choice but to move into the informal economy. The ensuing stagnation in paid employment (approximately 5%)

7. Table taken from the Ten-Year Development Plan for the Education Sector (*Plan décennal de développement du secteur éducatif*), *op.cit.*

reflects the difficulties faced by the modern sector in taking over from the State in the area of job creation.

The second source of data is the 1-2-3 Survey conducted in the capitals of seven WAEMU countries (STATECO, 2005). It permits analysis of employment structure in Cotonou in comparison to the other West African cities.

Table 8.
Benin: Main jobs in each institutional sector (in %)

Main jobs in each institutional sector	Cotonou	WAEMU
State-owned companies (%)	2.2	1.8
Formal private sector (%)	9.9	14.2
Informal sector (%)	80.3	76.2
Associative sector (%)	1.3	1.2

Source: WAEMU 1-2-3 Surveys, 2001-2003.

The data first confirm the findings of the 1997 survey regarding the dominant role of the informal sector. This sector accounts for more than 80% of jobs in urban areas, a percentage that would undoubtedly be much higher if the agricultural sector were included. This rate exceeds the average of 76.2% for the other WAEMU capitals, and illustrates—as if it were necessary—the unstructured nature of Benin's labour market.

The survey data also give an indication of the size of the formal sector in urban areas and the breakdown of jobs within its various sub-sectors. Altogether, the formal sector accounts for 18.4% of total employment including the civil service, and 12.1% if it is confined to the formal sector in the economic sense of the term; in light of the 2005 World Bank data, the formal sector may therefore be said to be primarily urban and largely concentrated in Cotonou.

In keeping with some experts' analysis, the two sources confirm that Benin's economy is not based "on a production policy, but rather on a service policy with an emphasis on trade and speculation" (LARES, 2005). This past trend has been greatly amplified by the current situation in which the structural differences between Benin and its large Nigerian neighbour are tending to increase the flow of trade between the two countries, including the illicit trafficking of petroleum products and various consumer goods.

Senegal

It is difficult to ascertain the role of the informal sector in Senegal. There are no statistical data with which to analyse the country's economically active population according to the types of jobs occupied.

In 2001-02, the economically active population in Senegal numbered three million. The breakdown of this population into those in employment and those unemployed is given in table 9.

54

For roughly the same period (2003), the total number of jobs recorded in the modern sector was 105,231, most of which were in industry (48% of jobs) and, more

Table 9.
Senegal: Analysis of the economically active population in 2001-2002

	Economically active population	Economically active population in employment	Unemployed	Total population	Gross participation rate (in %)	Employment rate (in %)	Unemployment rate (in %)
Senegal	3,028,746	2,593,926	434,820	9,802,775	30.9	85.6	14
Dakar	800,679	579,099	221,580	2,411,528	33.2	72.3	28

Source: Senegalese survey of households (*Enquête sénégalaise des ménages*), 2001-2002.

specifically, in the food industry (27% of jobs). The proportion of civil servants was 6.5 per 1,000 inhabitants, which gives a total of 65,650 civil servants for Senegal as a whole.

Comparative analysis of this data and information gathered during the field survey suggests that informal sector jobs account for about 90% of total employment.

This estimate is confirmed by the survey on the informal sector in Dakar carried out as part of the 1-2-3 Survey conducted in the various WAEMU capitals (STATECO, 2005). According to the data from Senegal's Directorate of Forecasting and Statistics (*Direction de la Prévision et de la Statistique* – DPS), “there were 281,600 informal production units (IPUs) in the Dakar area, employing 434,200 people in non-agricultural market sectors. This figure indicates the economic importance of informal activities, as there are more IPUs than households in Dakar. On average, each household in Dakar receives all or part of its income by running an informal production unit” (Ministry of the Economy and Finance – *Ministère de l'Economie et des Finances*, 2004). It can therefore be concluded that informal sector activities provide additional income or at least help to improve the subsistence of the capital's entire population.

The DPS also notes the large increase in the numbers of IPUs being created in recent years, which reflects the growing importance of the informal sector as a source of jobs for workers.

55

The survey reveals some of the sector's other characteristics:

- IPUs are distributed as follows: 46.5% operate in the trade sector, 30.6% in industry, and 21.3% in services;
- the average size of micro-units is 1.5 jobs per unit and self-employment is the norm in two out of three units;
- the average length of service for informal sector workers is 7.4 years;

- 42.4% of jobs are held by women, who are most frequently represented in insecure jobs, in other words, among self-employed workers and domestic workers;
- the informal sector is primarily devoted to meeting household demand, as 83% of the demand is ultimately consumed by households.

Dakar's position in relation to the overall data for the WAEMU shows that its informal economy is broadly similar to that of other West African capitals (see table 10).

Table 10.
Dakar and WAEMU: Breakdown by sector, job insecurity and size

	Dakar (2002)	WAEMU
Number of workers in the IPU's identified	277,200	251,686 (average)
% Industry	31.1	28.4
% Trade	47.3	45.6
% Services	21.6	26
Insecurity of working conditions		
% IPU's without premises	41.2	47.3
Work organisation		
Proportion of salaried employees (in %)	13.1	13.6
Average IPU size	1.5	1.5

Source: WAEMU 1-2-3 Surveys, 2001-2003.

The survey also evaluates Dakar's informal sector's participation in the creation of national wealth. It estimates it to be 10.7% of GDP, and 13.1% of non-agricultural commercial GDP. These figures do not include the output of informal activities outside the capital, or that of rural areas, which, according to World Bank indicators, probably employs about 70% of the economically active population. According to a former director of the National Union of Senegalese Merchants and Manufacturers (*Union nationale des commerçants et des industries du Sénégal* – UNACOIS), the informal

sector is a key factor and lifeblood of Senegal's economy, accounting for up to 60% of Senegal's national wealth (Bangré, 2003).

This overview of means used for gathering and analysing the main data on the seven countries' informal economies shows that most of them have a near comprehensive vision of the role such economies can play in anti-poverty and employment policies, even though the real extent of their contribution to gross national wealth has not been properly measured and valued. It also highlights a general trend across all of the situations identified, which is that the number of MSEs is on the increase in the various national economies. This growth in the informal sector compared to the modern sector forces one to acknowledge, and better understand, its predominant role in African economies. It also invites one to better assess the situation and describe the major characteristics and trends so as to identify possible reform options to promote growth and development.

1.3. The central role of the informal sector in African economies

The data gathered during the study clearly show that the informal economy, which has until now been seen as a last-resort solution to deal with the situation in developing and emerging countries, is playing an increasingly important role in their future. In most cases, the sector generally offers the sole point of access to the labour market. In all of the countries, it is the most rapid way to fight poverty and obtain a minimum income. Contrary to received opinion, it is often a sector in which creativity, innovation, initiative and entrepreneurship flourish. Lastly, and almost everywhere, it acts as an interface between traditional activities and modern business, often fulfilling an ambivalent subcontracting function for large national and international firms. Thus, the informal sector occupies a multidimensional socio-economic position in African countries, which means that it cannot be labelled a marginal activity and, quite the opposite, its true role in development policies must be fully acknowledged.

1.3.1. The growing importance of the informal sector in African economies

The desk research and interviews clearly showed that the informal economy is gaining ground in all of the countries surveyed. This observation is just as valid for emerging countries such as South Africa as for the less developed countries of West Africa. The informal economy is currently growing in quantitative terms: it is generating a drift of jobs towards MSEs. It is also weakening the labour market, given that the countries' growth rates, although positive, are not managing to create decent working conditions.

A significant increase in informal employment

Statistics on the increase in informal employment exist in most of the countries. Table 11 summarises the observed trends towards greater informality of the labour market in recent years. The periods of observation are those for which detailed data exist. All of the people interviewed believe that the informal sector continued to grow in 2006, despite the lack of statistical data.

An increasingly insecure labour market

Increased job insecurity is a result of the reduction in salaried employment in several countries and, thus, the increase in non-regulated and unprotected activity. For South Africa, the growing informality of employment is having an impact on the formal sector, in which jobs are becoming increasingly insecure. As well as having a falling number of employees, Cameroon faces obstacles to social mobility, which can be seen in the decrease in the number of managers, employees and qualified workers (21.9% of fathers compared to 13.1% of their children) and the extensive replication of informal professional circumstances (84.3% of children whose fathers were unsalaried remain so). In addition to having the highest level of informal employment, Benin also has an

Table 11.
Size of the informal sector in the countries surveyed

Country	Period of observation	Numerical estimates
South Africa	1997-2001	Twofold increase in the number of urban informal jobs (from 965,000 to 1,873,000). Non-agricultural informal jobs increased from 15% to 19%.
Angola	1995-2000/2001	Decrease in salaried employment from 43% to 34% of jobs. Increase in the number of families involved in the informal sector from 55% to 72%.
Benin	1978-1992	The proportion of the economically active population working in the informal sector increased from 86% to 92.9%. 9.8% annual growth in the number of informal jobs.
Cameroon	2005	A father/son comparison of employment shows that the number of salaried employees has decreased from 28% to 21.2%.
Ethiopia	2003	"The economic recession, structural adjustment policies, increasing urbanisation and high population growth have led to the unexpected and unprecedented growth of the informal sector" (analysis of the survey on the sector).
Morocco	1988-1997	7% increase in the number of informal units. 8% increase in the number of people working in the sector.
Senegal	2003	"Each household in Dakar receives all or part of its income by running an informal production unit" (analysis of the survey of the informal sector in Dakar).

invisible underemployment rate—affecting workers whose remuneration is lower than the local minimum wage and generally reflected in the high total number of hours worked—of 61.1%, which puts it at the top end of the scale for West African countries. Angola is notable for the expansion of a non-structured sector dominated by poor traders who work for themselves. After twenty-seven years of war, it has a working population outside the modern sector which is particularly vulnerable: widowed or isolated women, young people who are obliged to act as heads of household due to the death of their fathers, and disabled former-combatants who are struggling to return to civilian life. The Ethiopian labour market has an increasingly high proportion of self-employed and

domestic workers, accounting for over 90% of overall employment. This generates a particularly high degree of job insecurity, which is itself aggravated by the fact that half of informal jobs are occasional in nature. Lastly, Senegal also has a high proportion of self-employed workers and, above all, a low capacity for accumulation in the informal sector, which seems incapable of developing in any way other than through a process of extensive growth, which thus reduces the income of those who are already established.

Quantitative and qualitative information on economic trends in the countries surveyed demonstrates, as if it were necessary, that the informal sector there is so large that questions should be asked about the short and medium-term sustainability of the growth and development models at work in most of these countries.

1.3.2. The fundamental role of the informal sector in providing access to employment

Cross-analysis of the economic reality in the seven countries shows that the informal sector is an essential stepping stone to the labour market and employment for the vast majority of young people and adults in sub-Saharan Africa. For the least educated segment of the population in Morocco and South Africa, it offers the only means of earning a subsistence wage. In both cases, it plays an irreplaceable role in efforts to combat poverty and social exclusion.

The informal sector is almost the only route to employment in certain countries

The various past debates on the legality and legitimacy of the informal sector have mainly focused on economic and social regulation issues. Except from an anti-poverty point of view, they have failed to tackle the fundamental role that production and service MSEs play in giving both young people and adults access to employment.

Analysis of the percentage of workers in these micro-units shows that the informal labour market in developing countries mostly works inversely to how it does in developed countries and, in five of the seven countries, it is by far the largest national employer.

Table 12.
Size of different employment categories in the countries surveyed

Country	Share of informal employment	Share of formal in-company employment	Share of administrative employment
South Africa	31% (urban and agricultural sector)	69% in formal agriculture and companies (including administration)	
Angola	66%	24%	10%
Benin	95%	5% of salaried employment in companies (including administration)	
Cameroon	90.4%	4.7%	4.9%
Ethiopia	90.8%	6.2% (private companies and other)	2.6%
Morocco	39% (excluding the agricultural sector)	?	?
Senegal (Dakar)	77.5% (excluding the agricultural sector)	16.8%	5.7%
	90% (overall estimate if the agricultural sector is included)	?	?

This data on the size of informal employment compared to overall employment shows that young and adult workers in Ethiopia and the four sub-Saharan countries of French-speaking Africa have little choice: those who wish to work and earn enough to live on have no alternative but to go into the informal sector and, in most cases, stay there. About nine in ten young people find their first job in the informal sector and most of them lack the means to leave it in order to become a company employee or, to an even lesser extent, work for a local, regional or national administration.

The informal sector is almost the only route to employment for the least educated

More detailed analysis of the labour market shows that, to earn a living, those with the least educational capital have no alternative but to work as a family employee, be self-employed or employed in a micro-unit. Thus, the Ethiopian survey on the literacy and education levels of informal sector workers showed that 55% of men and 93% of women who work in the informal sector are either illiterate or have received primary schooling. At the same time, 14% of informal sector workers are young people or adults who have secondary-level or higher educations. Given the shortage of jobs in administration and the modern economy, this suggests that the informal sector is also the only route to employment for a proportion of the economically active population that would normally be qualified to work in the formal economy.

The AFRISTAT survey on the informal sector in the seven capitals of West Africa confirms this analysis of the structure of labour market (STATECO, 2005). A comparison between different types of workers shows that public sector workers have, on average, completed 11.3 years of education, formal private sector workers have completed 8.5 years, and informal sector workers have completed 3.5 years. This causal relationship between educational capital and inevitable entry into informal employment can also be

Table 13.
South Africa: Analysis of the level of education of informal sector workers by gender
(in %)

Total workforce by gender	Illiterate	Intermittent school attendance	Years 1-6	Years 7-8	Years 9-12	Over 12	Total illiterate
Men	32.50	5.03	16.45	13.48	13.01	0.71	67.50
Women	67.41	1.57	35.28	7.46	6.98	0.13	32.59
Total	53.05	2.99	24.19	9.46	9.46	0.37	46.95

Source: Statistics South Africa, 2003.

seen in countries such as South Africa, where the balance between the two types of economy is nonetheless tipped in favour of salaried employment. Analysis of the 2001 Labour Force Survey clearly shows that while 55.6% of formal sector workers had reached or exceeded Matric (final high-school diploma) level, 80.3% of informal workers had not reached this level. There is, therefore, a very clear distinction, if not a conflict, in terms of education and training levels, between workers in the modern economy and those in the 'second economy', to employ an expression used by the South African President.

1.3.3. The informal sector's vital role in the fight against poverty

The various surveys, whether they focused specifically on the informal economy or undertook broader overall analysis of the labour market, clearly highlight the vital role that micro-activities play as a means of fighting poverty. In other words, in most of the countries, the informal sector is primarily devoted to income-generating activities that offer people their sole means of earning enough on which to live and, sometimes even, survive.

The informal sector mainly generates subsistence employment

63

Analysis of employment structure in the seven countries covered by the study shows the predominance of self-employment and domestic employment. As the Cameroon survey emphasises, the informal sector is a fragmented one, in which activities are primarily family-based and serve chiefly to meet the needs of their members. Micro-enterprises, which are the most economically structured form of activity in the sector, account for a very small fraction of informal production units (3.3%) and employ a tiny proportion of employees and apprentices, whereas the self-employed and domestic workers account for between eight and nine workers in ten. The above-mentioned survey on the informal sector in Dakar provides a further illustration of this

reality, as every household in the city acquires all or part of its income from informal production. Similarly, the study on income and expenditure in Angola shows that 72% of households have at least one member working in the informal sector (including 78% in Luanda); there are twice as many women as men in this type of activity, and the self-employed account for 82% of the sector's workers compared to 18% for MSE owner/managers.

The high number of women in informal jobs, as seen in the Angola survey, is another indication of the role played by the informal sector as a means of survival and subsistence. Meetings with several women's associations during the field survey showed that most of them worked in the food processing, clothes-making and trading sectors in order to meet the basic needs of their families. The 1-2-3 Survey also showed that women hold 48.6% of informal jobs, which is much higher than the usual percentage for women in salaried employment. Similarly, the South African Labour Force Survey in 2001 emphasised that the gender gap in employment rates is much wider in the formal sector (38.9% of women compared to 61.1% of men) than in the informal sector (45.5% compared to 54.5%).

Subsistence employment goes hand in hand with insecure and unsteady activities

The family-oriented, self-employed and relatively feminine nature of informal economy employment enables the vast majority of the population to earn enough to live on and even, sometimes, just survive. However, it is mostly exercised in precarious conditions, both in terms of people's places of work and employment relationships.

Thus, in the West African capitals, over 80% of employees have no salaried-worker contracts. Some 67% are victims of invisible underemployment and work a high number of hours in exchange for an average and even low level of productivity. Less than 22% of production units own specific premises for their activity, 98% have no access

to water, 93% have no telephone, and 78% have no electricity. Cameroon has more or less similar problems regarding premises. In addition, only 6.6% of micro-units' employees receive a salary and only 2.5% have a written contract with their employer. There are just as many problems regarding premises in Ethiopia and Angola, and employment relationships are similar to those in the other countries mentioned. Makeshift stalls are increasingly seen along public streets in all of the countries, as are street vendors, for whom the working conditions are even more unsteady than those mentioned above.

As far as income is concerned, informal workers in the WAEMU cities earn an average 33,000 CFA francs (or €50) per month, which is equivalent to daily earnings of a little less than €2 per day. This income is one third of that earned by employees in the formal private sector and one quarter of that earned by employees of public enterprises or the administration. Informal workers in Cameroon earn an average of 43,000 CFA francs (or €65), which is equivalent to daily earnings of between €2 and €3 but represents barely 15% of the average salary of employees in the formal economy. Expressed in absolute terms, this income is just enough to prevent them from falling under the monetary poverty line.

In all of the countries, women working in the informal sector experience discrimination regarding their occupational situation and income levels. Thus, in South Africa, women are poorly skilled in comparison to men in that they are very heavily represented in the most basic jobs (43.9% as opposed to 21.3%) and are three times less likely to have management responsibilities than men (1.6% as opposed to 4.9%). Moreover, they are overrepresented in jobs entailing different types of service activities and in the low-income scale. In Angola, where informal workers' income is calculated in relation to their level of expenditure, women's purchasing power is 40% of that of men. In West Africa, women earn about half the amount earned by men if one looks at average incomes, or a third of the amount earned by men if one looks at median incomes.

Cross-analysis of this data as a whole shows that high levels of self-employment and domestic work in the informal sector frequently coincide with the exercise of income-generating activities. The main purpose of these activities is to help households to feed themselves and meet their basic needs. Even though conditions regarding people's place of work and their social protection continue to be much worse than the level required by decent work standards, they currently reflect the informal sector's effective capacity to struggle against the poverty of its workforce.

1.3.4. The informal sector: a force for innovation and development

Analysis of the sector's structure in terms of production units and jobs reveals the existence, alongside self-employment and domestic work, of a number of MSEs with between one and ten workers or employees. They work in a whole range of sectors, including crafts, agri-food, hotel and catering, and various industrial production and service trades. The percentage of such units is difficult to calculate because they do not have any clearly-defined statistical characteristics. They have a certain degree of business stability and their incomes are, if not constantly increasing, at least stable. They employ permanent staff and have gained a recognised position in existing market segments. Lastly, as the field survey revealed, they are innovative micro-businesses that have developed products and services tailored to the needs of market niches with high development potential.

In the statistical surveys, entrepreneurs following a logic of innovation and development can be identified according to the following characteristics: they take a positive view of the informal sector as the best way to be independent (32% in Dakar); they believe they can earn more there than they could in salaried employment (30% in Cameroon); they are involved in production and processing activities rather than trading activities (all of the countries concerned); they practice trades that the public authorities deem to be strategic (as is the case for cultural crafts in Morocco, market gardening

in Angola and Ethiopia, new food crops in Cameroon, the fashion industry in Benin, welding trades in South Africa, construction electricity in Senegal, etc.); and, lastly, they have a comparably large educational capital that facilitates their capacity to invest and access markets (all of the countries).

In all of the countries, donors, NGOs and national public or private partners support innovative enterprises through action and aid programmes. These organisations seek to help young people who are setting themselves up in business, as well as adults who are already established, to further develop the quality of their products and services, and, by doing so, improve their access to local, regional and even international markets.

1.3.5. The informal sector: subcontractor and partner to the modern economy

At first glance, the informal sector would seem to be an unfair competitor to formal enterprises in that it operates outside fiscal and social regulations and, thus, has a dumping effect that puts the modern sector at a disadvantage. However, analysis of the real economic situation in the various countries clearly shows that the interests of the two sectors converge much more than they conflict with each other.

67

This is because the informal sector's primary function is to fulfil the most immediate needs of the local market, in which structured enterprises are little, if at all, present.

- Sales of basic necessities, food products (mostly non-processed), clothing and other locally-made products for household consumption.
- Street food, rapid repairs, on-the-spot services.
- Affordable transport services: taxicabs (cars or motorcycles), bush taxis, rickshaws, etc.

Not only do none of these activities harm to the formal sector in any way, but they even occupy low-profit market niches of little interest to formal enterprises in the current circumstances.

However, the structured and non-structured economies work in partnership together in more profitable sectors such as construction, industrial or agricultural production, and on-site hotel and restaurant services. MSE entrepreneurs often act as subcontractors for better-known companies. The field survey thus demonstrated the important role that small production and service units play in the construction and civil engineering industry in Morocco and Senegal, the metal and beverage industries in South Africa, palm oil production in Cameroon, the hotel sector in Angola, weaving in Ethiopia, and cash crops in Benin. In all of these countries, the relationship between the two economies is blurred and interfaces for cooperation exist. Thus, some social partner organisations (South Africa) and chambers of commerce and trade (Cameroon, Senegal) are developing the idea of an inclusive, or at least more interactive, approach to both sectors.

1.3.6. Current debates on the position of the informal sector

A comparison of the countries' respective socio-economic situations raises important questions about the position of the informal sector. The first of these concerns the way in which this sector, which is statistically seen as an urban phenomenon, also concerns agriculture and the rural world. The second concerns the operational differences between traditional or crafts activities and a trade sector that is becoming increasingly dominated by street vendors. Finally, the third concerns the manner in which activities move from survival to growth and development. These three areas of tension illustrate some of the fairly distinct forms of organisation and position that are characteristic of the informal sector in relation to the formal sector.

From urban activities to agricultural and rural activities

Existing statistical surveys focus exclusively on urban activities (Angola, Cameroon, Ethiopia, Morocco and South Africa). These are subdivided into industrial, trade and service activities, and only include agricultural activities around the fringe of big cities. However, according to definitions of the informal economy, there is no reason that agricultural activities in rural areas should not be considered an integral part of this economy.

It is even more important to consider agriculture as part of the informal sector because, in all of the countries studied, it is still mainly a household activity and plays a decisive role in the subsistence and/or self-sufficiency for a large majority of the population (between 85% and 65%) who live in rural areas. Agriculture thus makes a substantial contribution to national wealth creation and the fight against poverty. For certain types of crops and livestock, it is even becoming an area of growth and profitability. Above all, it stabilises local populations, helping to prevent or slow down the exodus of people to large urban centres. By doing so, it even prevents uncontrolled urbanisation from significantly exacerbating the precariousness of new arrivals and making it even harder for them to enter the labour market. Bearing this in mind, it is therefore more than appropriate to examine the issue of training in the informal sector as a means of boosting all economic activities, whether urban or rural.

Due to the lack of reliable statistical data on agricultural and rural areas, the study could only obtain overall estimates and partial data. To obtain an accurate picture of the informal sector in developing countries, it will therefore be vital for future surveys on the subject to include agricultural and rural activities.

From traditional production to street trading

Comparative analysis of the countries clearly reveals the two factors that determine the informal sector's degree of organisation or non-organisation, for which traditional crafts and street trading represent the two extremes. On this point, two countries constitute what could be called 'ideal types' concerning the sector's organisation.

Benin represents the optimal type of organisation, given that the crafts-based structure of production is the cornerstone of the traditional Beninese economy and serves as a vehicle for the formal transmission of the social and professional values that underpin the economy. In such a context, it is not surprising that the informal sector resembles a representative network of actors grouped into local, regional and national professional organisations and is becoming the focal point for the transformation of traditional apprenticeship into a training system that is better suited to technological change and labour market needs.

70

Angola represents the minimal type of organisation, since twenty-seven years of war have severed the links binding the traditional economy together, displaced over a quarter of the population to the cities, and reduced most of them to survival via devices such as peddling or micro-trading activities. The breakdown of economic and social networks has been aggravated by the economy's focus on extractive resources (oil and diamonds), which has allowed the import of goods usually produced nationally and pushed the informal sector even further into the almost exclusive activity of selling and reselling imported products.

The other countries are situated at various points along the scale between these two types of informal economy, with West African countries and Morocco maintaining a strong crafts tradition, in contrast to the other countries studied.

The need for fiscal and social regulations tailored to the sector's possibilities

The difficulty informal production units have in adopting the formal economy's fiscal and social regulations is being debated in all of the countries surveyed. However, analysis of the real situation shows that there is very little open conflict between the public authorities and informal sector actors over legality issues. For example, the AFRISTAT survey shows that only a small minority of these units (between 4 and 8%) has trouble with government agents and that these problems primarily concern transport enterprises (between 30 and 60%). It also indicates that, in nearly half of the cases, problems are settled through gifts to agents. The Cameroon survey provides the best illustration of the ambiguous relationship between the informal sector and the State. Informal sector actors there say that they do not approve of state intervention (only 7.2% agree that the State should fix prices), yet two-thirds of them want the State to establish special support and development programmes for them. The Angolan authorities have a more pro-active attitude, as they want to force informal markets out of the centre of the capital in order to impose standardised hygiene and quality regulations. However, this does not alter the fact that the State tolerates, and even accepts, the informal sector's non-compliance with fiscal and social regulations.

71

More detailed analysis of practices in the sector shows that it does not always fail to comply with legal obligations. Thus, in almost all of the countries, market traders and those with fixed premises pay a sort of local levy. In Angola, workers in the sector have to obtain local authorisation in order to exercise their activity. In Senegal, the Chamber of Trades helps MSE entrepreneurs obtain a national craftwork enterprise identification number, trade abroad, take advantage of guarantee funds, and pay a universal business tax (*Contribution générale unique* – CGU) guaranteeing entitlement to family allowances and industrial accident allowances without the need to make a personal declaration. An identical plan is currently under discussion in Cameroon under the aegis of the Chamber of Commerce, Industry and Trade.

In 2002, Morocco introduced basic health coverage through a compulsory health insurance system (*Assurance maladie universelle* – AMO), founded on the contribution principle and pooling of risks, and a medical assistance system (*Régime d'assistance médicale* – RAMED), founded on the principle of national solidarity for the benefit of poorer segments of the population. Decrees enforcing this legislation were published in 2005, and the whole insurance system is just being launched. The AMO targets people employed in the formal public and private sector, but obliges all informal actors to declare any employees to the national social security fund. In return, they only have to make a very small contribution (about 40 dirhams, or €3.63) and are guaranteed a minimum set of social rights.

While meetings with people working in the field showed that the informal sector is making progress in adopting the most basic forms of regulations that fulfil certain requirements regarding the notion of decent work, it has also demonstrated the various actors' reluctance to apply existing fiscal and social regulations as such. For example, an entrepreneur from Cameroon who employs several dozen people said that it was impossible to comply with legislation because current taxation rates are totally unsuited to the situation of small enterprises. If he had to do so, he would have to cease trading immediately. In the same vein, a local craftworkers' association in Benin expressed strong opposition to the declaration of its members' incomes because there are no established rules regarding taxation of assets and, consequently, no tax rate schedule adapted to their specific circumstances. As they say themselves, the State taxes them without taking their real profit levels into account, which discourages those who wish to expand their businesses and incites those who are expanding to hide their equipment and production in order to avoid paying too much tax. This is why they are calling for the creation of Approved Management Centres (*Centres de gestion agréés* – CGAs) as the only possible way to protect them from arbitrary over-taxation.

The field survey showed that all officials and actors from the seven countries surveyed were aware of the urgent need to help the informal sector gradually adopt basic

fiscal and social regulations. However, it also confirmed that informal sector actors are convinced that any move towards greater formality must take account of the sector's specific modes of organisation and enable it to work towards decent work standards without jeopardising the major role it plays in efforts to combat poverty, in giving disadvantaged groups, particularly young people, access to jobs, and in acting as a driving force for innovation and development, without which developing countries will find it hard to meet future challenges.

The inevitable role of the informal sector in helping people develop their skills and obtain jobs

2

While the informal sector plays a preponderant economic and social role in the countries studied and, more broadly, in developing countries, it is also a major provider of job skills for its workers. Skills development is one of the sector's traditional functions because, according to the analyses conducted, it is still the only place where the vast majority of domestic and self-employed workers, and MSE owner/managers can learn their trade. Skills development has now become a major strategic issue, and an increasing number of public, private, national and international stakeholders are working to promote training and skills projects and programmes. In line with the initial assumptions of this study, they firmly believe that improving the skills of young people and adults employed in production and service MSEs is an effective way to enable them to earn a better living for themselves and their dependents. They hope that better skills will improve the whole sector's performance, thus enabling it to rise above precarious survival and enter a dynamic of job and wealth creation.

75

Comparative analysis of the different countries' youth and adult training practices in the informal sector permits four main observations:

- First, the informal sector is its own training provider since the great majority of people working in it acquire their skills through self-training, learning from their families, on-the-job apprenticeship and traditional apprenticeship.
- Second, at its own initiative, the sector is developing numerous initiatives aimed at transforming traditional apprenticeship into dual apprenticeship, which greatly improves the beneficiaries' job opportunities.
- Third, initiatives aimed at restructuring traditional apprenticeship into dual work/theory training schemes tailored to MSEs' circumstances are driving training reforms in several countries.
- Fourth, each country is developing specific schemes tailored to the needs of their various priority target groups: young uneducated people, the most vulnerable, craftworkers struggling to access markets that have ever-increasing standards, and micro-entrepreneurs facing the constraints of regional and international competition.

All of these observations show that vocational training in the informal sector is progressing towards more structured and more effective forms of job training and skills development everywhere.

76

2.1. Existing training systems and practices

The field survey clearly revealed the gulf that still separates the MSE economy from the formal national vocational training system. The first provides a great number of young people with employment in existing production and service activities, while the second trains a minority of young people for occupations in administration and the formal economy. Given this reality, there can be no doubt that the informal sector is the major stakeholder in the skills development of young people and adults on the African continent.

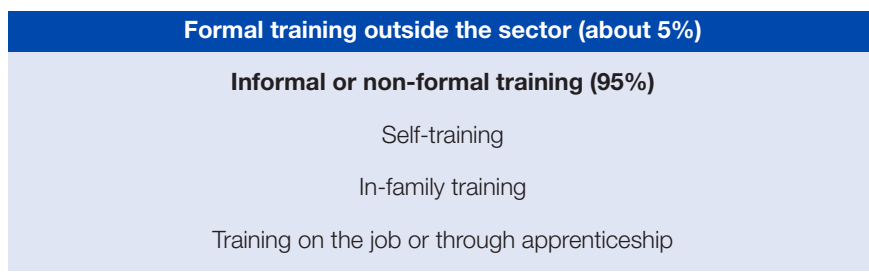
2.1.1. On-site training of informal sector workers

The various statistical surveys showed how little existing education and training systems contribute to informal sector employees' initial skills development.

Thus, the statistical surveys carried out in Morocco in 1997 and 1999/2000 on the informal sector in urban areas show that only 4 to 5% of informal sector workers have been to a vocational training centre, whereas 80.3% of them had received their training on the job (Ait Soudane, 2005). It can, therefore, be said that the vocational training provided in the national training system has a very limited impact on the skills developed and used by the informal sector, and almost exclusively concerns young people entering the modern and formal labour market.

The Ethiopian survey on the informal sector in 2003 shows that the country's education system has an almost negligible effect on informal sector workers' skills development. Only 0.09 % have had any formal training, whereas 67.86 % acquired their skills through self-training, 26.88 % acquired them within their families, and 3.54 % were trained on the job or through apprenticeship.

Figure 2.
Skills development routes in the informal sector



Analysis of the situation in Senegal and Cameroon shows that the great majority of young people are trained through traditional apprenticeships outside the education system. Thus, 300,000 Senegalese young people are trained in crafts workshops whereas barely 10,000 are educated in vocational training centres. Benin was in the same situation until recently, although the current restructuring of the traditional apprenticeships system into a dual training system is changing this situation because apprentices will acquire a qualification recognised by the formal training system.

No specific data exists on the number of informal workers trained in South African colleges. However, analysis of gaps in levels of education shows that 80.3 % of them did not reach Matric (final high-school diploma) level, compared to only 55.6 % for formal sector workers. The education system's impact on skills development is, thus, much weaker for workers who have failed to find a job in the modern economy.

2.1.2. Traditional apprenticeship and self-training

The nearly universal ineffectiveness of formal training systems when it comes to skills development in the informal economy is offset by the existence of forms of non-formal or informal training that, as the above-mentioned surveys have shown, offer a majority of young people in developing countries their main, and sometimes only, means of acquiring technical and occupational know-how. The field survey identified two main ways of acquiring occupational knowledge and know-how: the traditional apprenticeship schemes existing mainly in the sub-Saharan countries of West Africa, and the various forms of on-the job training or self-training.

Traditional apprenticeship

For the majority of young people in Benin, Cameroon and Senegal, traditional apprenticeship offers the only means of acquiring the skills they need in order to

exercise a trade. To a lesser extent, it also exists in Morocco, where it is still the usual form of training for craftworkers. It remains common in Ethiopia, but is used to train people to do the least-esteemed trades. It has almost disappeared in Angola as a result of the war, which has destroyed craftworkers' professional networks, although it is making a comeback in certain training schemes for traditional trades. It has never existed as such in South Africa, although there used to be a well-developed apprenticeship system in the mining sector.

The different forms of apprenticeship practised in West Africa have been analysed and described in great detail, with the main distinction being between the Saharan system (no fixed duration and work output more important than training aspects) and the coastal sort (fixed duration, qualification and written contract) (Collège coopératif Provence-Alpes-Méditerranée, 2000).

The field survey identified three main phases of traditional apprenticeship:

- an introductory phase, during which the apprentice watches the actions and conduct of the master craftsman and assimilates them into his or her behaviour;
- a phase devoted to instruction in the names of instruments and their use, with an opportunity to undertake simple and repetitive technical tasks;
- a phase entailing participation in more complex tasks and the production of finished objects. The apprentice also starts to supervise new arrivals and learns to negotiate with customers during this phase.

79

Progress from one phase to the next is left to the discretion of the master craftsman, which can lead to periods of training far exceeding four years. In certain countries, such as Benin, the apprenticeship is concluded with a completion ceremony to acknowledge the apprentice's ability to exercise the trade in which he or she has been trained.

The meetings with craftworkers in Benin and Cameroon and interviews with professional associations and chambers of commerce in Morocco and Senegal established that traditional apprenticeships are going through major change. They are starting to be organised so that they entail periods of practical training alternated with classroom learning according to learning sequences that organise apprentices' pace and modes of learning.

On-the-job training and self-training

This type of training generally occurs in trades with no tradition of apprenticeship, notably commerce and construction, as well as activities of a domestic or rural nature. All of the statistical surveys (and especially those for Ethiopia and Morocco) show that on-the-job training (learning by doing, learning by repetition and imitation) is the most common way of acquiring skills in the informal sector. It goes without saying that this type of self-training takes place within economic, social and cultural environments where there is esteem for the transmission of existing skills, and continuity of techniques and traditional tasks. A visit to a building site at Dire Dawa University in Ethiopia clearly illustrated the extent to which practices handed down from the past are hard to change, such is the extent to which they are part of a barely-changing mentality. The only way to do so would be to incorporate resistance to cultural change as a key aspect of the vocational qualification sought.

This brief look at existing ways and means of training in the informal sector shows the extent to which it continues to serve as a genuine medium for skills development among young people and adults, involving a type of production-based training that includes studying and doing. This skills development consists of acquiring not just technical competencies (knowing how to reproduce, copy and also improve an object), but also social competencies (alignment with a given occupational tradition, negotiating with clients) and general competencies (managing business profitably, adapting in

order to access markets). In interviews, several master craftsmen with apprentices indicated that vocational training is a major concern. The interviews also showed that they were increasingly aware of how important it was for training to evolve towards more operational and effective forms of skills acquisition, and to make it capable of preparing both young people and adults for the ever-faster changes in their trade.

2.2. Current developments in the field of traditional apprenticeship

The field surveys identified numerous initiatives in the different countries to structure existing traditional apprenticeship systems and, when appropriate, redefine existing training systems in order to transform these apprenticeships into dual training schemes leading to qualifications. Some of these initiatives were taken by proponents of traditional apprenticeship. Others are the outcome of a partnership between these proponents, national authorities, and donors. All are indicative of the extensive changes occurring in both the resources devoted to training and in the various types of training available.

81

2.2.1. Initiatives undertaken by craftworkers and sectoral stakeholders

Two schemes are particularly representative of initiatives taken by professional associations to transform their methods of apprenticeship into more structured and effective training systems.

The structuring of traditional apprenticeship by craftworkers in Cameroon

The Intersectoral Craftworkers Association (*Groupement interprofessionnel des artisans – GIPA*) was created in 1999 in Yaoundé at the initiative of nine company

directors representing various crafts occupations. The association is keen to strengthen the technical and managerial skills of crafts enterprise directors, and to structure and establish apprenticeship training standards. The GIPA currently brings together nearly a hundred crafts enterprises from Yaoundé, which, on average, employ three workers and two apprentices, in eleven different occupations (carpentry, clothes-making, hairdressing, basketry, screen printing, dyeing, ceramics, interior design, electrical engineering, construction, and sculpture).

The company directors met during the field survey run different training activities for the various occupations. Some take on young, uneducated people as apprentices and train them using a methodology similar to the functional literacy approach, while others take on qualified apprentices and guide them to craftsmanship, and sometimes, expertise levels. Overall, the GIPA is trying to develop a harmonised approach, which can be summarised as follows:

- It makes a broad and regular assessment of the improvements to be made to the training.
- It supplements the technical training with some management training provided by master craftsmen themselves.
- It introduces methods for positioning young people according to their level of entry and achievement of specific objectives.
- It organises the monitoring arrangements for apprentices, which entail continuous assessment of their ability to progress.
- It adjusts the length of training to take account of entry levels and regular assessments of apprentices' professional abilities.
- It sets up a panel that proposes joint final tests and assesses them according to identical production methods.
- It organises the apprentices' final exam at a single location and issues a joint diploma in partnership with the ministry in charge.

The qualifications obtained at the end of the apprenticeship (about 10% of apprentices entering training reach this stage) are awarded in the presence of the Ministry for Vocational Training.

The master craftsmen, who are members of the GIPA, cover the cost of training the apprentices from their own funds. They also largely subsidise the effort to restructure apprenticeship, with aid from the German Development Service (*Deutscher Entwicklungsdienst* – DED), which finances 10% of the GIPA's annual budget, and from other external partners, which finance 20%.

There is no doubt that the GIPA's experience in apprenticeship training is one of the foremost initiatives for the possible structuring of traditional apprenticeship, based on both the active involvement of master craftsmen as trainers/mentors of apprentices, and on the use of training methodologies that suit the educational levels and learning cycles of the young people being trained.

The PROMECABILE project in Senegal

PROMECABILE is the association of professionals in the metalworking, general mechanics and automobile sectors. It views vocational training as one of its duties and as key to strengthening the competitiveness of enterprises, especially MSEs. It has thus decided to involve itself extensively in improving traditional apprenticeship in terms of training programme content, training methods, and skills upgrading schemes for apprentices and master trainers.

The apprenticeship system

The existing apprenticeship system was inspired by the experience of the “improved apprenticeship workshops” (*Ateliers d'apprentissage amélioré*) developed by the NGO Concept in Senegal with ILO support.

The system is based on linking production workshops with training centres, and uses training programmes developed and implemented jointly by key persons in PROMECABILE and the training centres. During the first phase of the project, only pilot workshops in the sectors of activity the organisation represents were authorised to train apprentices. The workshops were selected according to criteria applied to both the workshops (workshop environment, standard of equipment, volume of production) and the master craftsmen as trainers (character, technical skills, aptitude for teaching and working with others).

The minimum legal age for becoming an apprentice is fifteen, and training normally lasts four years. However, the actual duration of the training partially depends on the apprentices' initial level of instruction: apprentices may be put at level 1 (apprentices who have never attended school or who are at beginner or pre-elementary level), level 2 (apprentices having attained elementary levels 1 and 2), or level 3 (apprentices having attained intermediate levels 1 and 2), and attend functional literacy or remedial classes, according to their specific needs.

Apprentices under the age of fifteen can be recruited for pre-apprenticeship, on condition that they do not work in production. Their training focuses on knowledge of the work environment and French language skills. The same training is provided for those who are illiterate and attend literacy courses in preparation for remedial classes.

Finally, to ensure that apprenticeship conditions are optimal, PROMECABILE has signed an agreement with the Social Security Office to provide the apprentices with health insurance coverage.

The training scheme

In line with the principle of dual training, apprentices spend two-thirds of their time receiving hands-on training in a workshop under the supervision of an accredited master

trainer, and the remaining one-third following theoretical courses in a public vocational training centre. Practical work experience in businesses is an integral part of the scheme and is covered by agreements signed between the State and business organisations. The different stages in the four-year apprenticeships are organised as follows:

- three months to familiarise apprentices with the work environment;
- three months' instruction on health and safety issues;
- six months in a workshop, with training on the use of tools and equipment;
- three years' hands-on training through involvement in production activities.

The number of training hours per day is limited to six in order to maintain family and peer group links. Training is assessed at regular intervals to detect and correct apprentices' knowledge and skills gaps. After a final assessment, apprentices receive a certificate recognised by all the actors involved. Apprentices who have completed their training and satisfy the academic requirements can sit for nationally recognised diplomas such as the Vocational Skills Diploma (*Certificat d'aptitude professionnelle* – CAP), the Vocational Education Diploma (*Brevet d'aptitude professionnelle* – BEP) and the Technician's Diploma (*Brevet de technicien* – BT).

The PROMECABILE educational committee is composed of business professionals and retired technical subject area teachers. It pays particular attention to ensuring quality trainer training, notably in the technical and pedagogical fields.

Job-entry schemes

PROMECABILE has defined three levels or types of entry into work:

- Self-entry with material assistance from a cooperative: PROMECABILE assists individuals in joining together to form group workshops; they receive 100,000 to

200,000 CFA francs (about €150 to €300) worth of tools and equipment as support.

- Employment by the workshop owner: In this case, the apprentices stay in the workshop where they did their apprenticeship and become aspiring master craftsmen.
- Employment in a business: PROMECABILE has signed maintenance agreements with several big companies that frequently contact PROMECABILE so that it can send them their most promising apprentices.

The overall project is one of a number of innovative apprentice training schemes that Senegal's Ministry of Technical Education and Vocational Training is planning to use as the basis to develop an apprenticeship model within the public training system.

2.2.2. Initiatives by donors and national authorities

The innovative apprenticeship schemes run by GIPA in Cameroon and PROMECABILE in Senegal were launched by professional organisations with the aid and support of external partners. Similar initiatives exist in these countries and in Morocco, although they are mainly the work of the donors and international technical assistance agencies that created and financed them.

Focusing apprenticeship on the learning enterprise (Morocco)

Morocco has an apprenticeship system that is accessible to young people with a minimal level of educational achievement equivalent to the sixth year of primary education. According to the various people met, this apprenticeship, which provided training for 12,000 young people in 2005 and 60,000 in total since Act 12-00 came into force, comes up against two difficulties:

- First, the scheme's partner firms find it difficult to respect the terms of reference governing the training. So the public vocational training and jobs agency (*Office de la formation professionnelle et de la promotion du travail* – OFPPT), which first organised joint training schemes with the handicrafts sector in 2001, rapidly put a stop to them. Cooperation with the sector was apparently a failure. The craftworkers did not provide any theoretical training, and put the young people to work without any wages or social security coverage. This led to as many as 70% of the young people dropping out of the training they had started.
- Second, training centres are not successfully meeting firms' skills and training needs. This difficulty, which was emphasised by the various professional organisations met, is notably due to the fact that training centres send young people to the companies at times and for jobs that do not necessarily correspond to firms' production cycles or their skills needs.

This situation has led the Secretariat of State to support, in the framework of MEDA II and with assistance from the German Technical Cooperation Agency, GTZ, the development of an apprenticeship scheme via inter-firm apprenticeship centres. The experiment is supported by professional associations and federations such as the Moroccan textiles and clothing industry association (*Association Marocaine des industries du textile et de l'habillement* – AMITH) and the leather industry federation (*Fédération des industries du cuir* – FEDIC). It consists of organising training focused on the effective acquisition of skills on the job. Firms take responsibility for the training on themselves by pooling their efforts as a consortium, which enables each of them to reflect about their own skills needs and thus train according to those needs. The scheme's success has created a need for an effective coaching scheme to enable firms to go beyond just putting young people to work and become true training providers.

Morocco is also in the process of launching an apprenticeship-based training scheme in rural areas with the support of the French rural family centres (*Maisons*

familiales rurales – MFR). It aims to use training to support the social and professional insertion of 15- to 24-year-olds who have left school early, and strengthen sustainable development in their areas. The scheme uses a unique teaching method that combines general and vocational training that seeks to closely suit local circumstances. Training courses last three years. The first year aims help young people refamiliarise themselves with an educational environment through remedial skills training. The second and the third years are more vocational in nature, and include support for specific projects such as creating a business or taking over the family farm. All the educational programmes are designed in close collaboration with firms and with the learners' families.

The Project to Support Vocational Training for the Newly Literate (Projet d'appui à la formation professionnelle des néo-alphabétisés – PAFNA Senegal)

The PAFNA project is designed to provide skills training for work in growth sectors for young people left on the sidelines by the formal education system.⁸ It aims to contribute to the development of vocational training by providing support for the establishment of a training model based on non-formal apprenticeship training provided in master craftsmen's workshops. The model also aims to improve master craftsmen's capacities to act as trainers.

Mindful of the needs of its audience of newly literate and uneducated young people in the Saint-Louis and Louga regions, the project has opted for sectors that are not technologically complex. These were selected by comparing the results of various studies on supply and demand in vocational training with the major economic development options in the regions concerned. The sectors chosen thus include: maintenance mechanics for farm vehicles, mechanical construction applied to farming

8. The description of this project is based on notes from the survey meeting report and a document produced by the Paul Guérin Lajole Foundation for the Association for the Development of Education in Africa (ADEA).

machinery, domestic refrigeration systems, sewing/dyeing, and the processing of agricultural products (in the broad sense of the term).

The project aims more specifically to:

- organise and enhance the status of traditional apprenticeship by exploiting the possibilities offered by functional literacy in national and workplace languages;
- open trades traditionally reserved for men to girls and women, in order to achieve gender parity in these areas;
- set up a participatory and responsible system to manage vocational training that is tailored to the needs of the communities, and involving the regional chambers of commerce and trade, craftsmen's associations, a certain number of master craftsmen, and all other key actors in the education community at local and regional levels;
- integrate an educational and awareness-raising dimension into apprenticeship schemes in order to better meet the challenge of two major survival and development issues: the AIDS pandemic, and the sustainable management of the environment, which has been made vulnerable by inappropriate work practices.

The training offered is essentially practical, and is provided directly by master craftsmen in their workshops, with occasional support from supervising technicians. 50% of these technicians are trainers from training centres in the formal sector, and are selected by the different partners involved in the project; the other 50% are craftworkers selected in consultation with the chambers of trades and the craftsmen's associations. The project thus combines the contributions of the formal training of the former, and the practical skills of the latter. The entire training process is monitored by supervisors, trained by Canadian experts, who help the master craftsmen improve their methods of training young people in the neighbourhood workshops and garages.

The training programme provides for forty hours of training per week over a total of fourteen months. Training is largely practical and, in terms of content, corresponds to courses given in technical schools. The proportion of academic training relative to technical training is low, and is dispensed in a very functional manner.

By December 2005, the project had trained 150 apprentices, and planned to train 250 others by 2006, 74% of them girls. Twelve supervisors have been recruited and

Figure 3.
The major phases of traditional apprenticeship

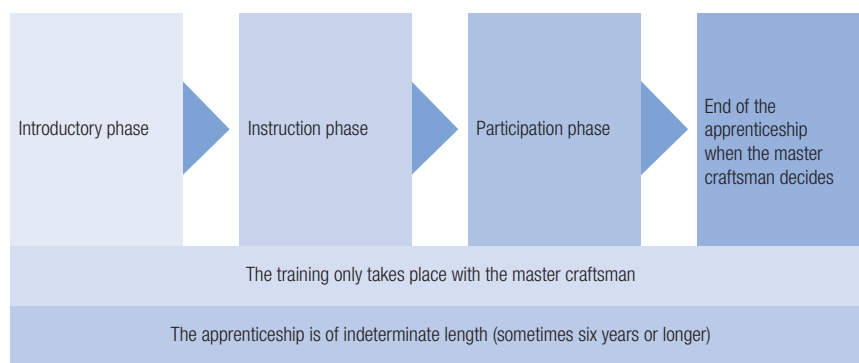
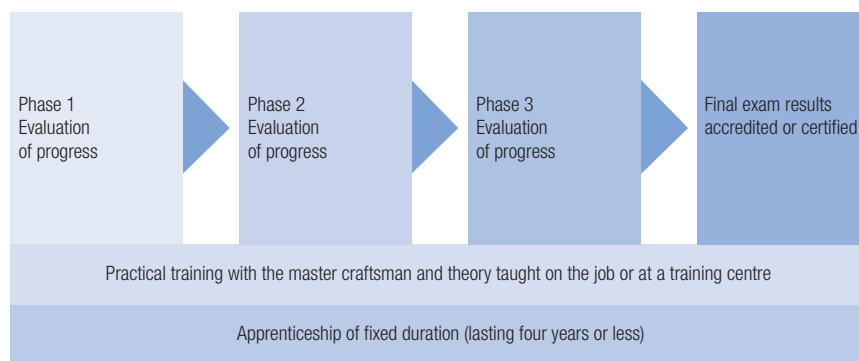


Figure 4.
The reform process to move towards dual apprenticeship



trained in the PAFNA approach, including four women. Eighty-four master craftsmen have also been recruited and trained in the PAFNA approach, of whom thirty-eight are women, and fifty-six craft workshops are involved.

The schemes described are neither unique nor totally representative of all of the initiatives taken in the various countries to reform traditional apprenticeship systems in the informal sector. They illustrate new approaches to training design and development that are turning these systems into dual apprenticeship. Above all, they provide, for the participating apprentices, a significant improvement of their knowledge and skills levels.

2.3. Current reforms of training systems

While the initiatives undertaken by professional organisations and donors have started to transform training practices on the ground, they have, above all, led some countries to revamp all of their training policies, drawing inspiration from the dynamics of change taking place in traditional apprenticeship. In this regard, Benin provides the most advanced example of a system redesigned on the basis of apprenticeship practices developed in close coordination with professional stakeholders from the informal economy. Senegal is also in the process of reviewing its entire youth training system and, within a coordinated framework, is drawing on the best practices of the craft sector. Other countries such as South Africa and Ethiopia should be mentioned for having developed, or wanting to develop, new dual training schemes without, however, relying on a 'redesign' of traditional apprenticeship.

91

2.3.1. The systemic effects of restructuring apprenticeship in Benin

Benin is noteworthy for implementing a reform of vocational training that puts change to the traditional apprenticeship system at the heart of its future institutional

system. Since 2006, the systems and diplomas created following reorganisation of training for informal sector apprentices have become an integral part of the national training policy, and are the aspect most appreciated by economic and social partners.

How the reform was implemented

Benin's situation is unique in that it successfully combines various elements: the reform focuses on the real role played by the informal sector; it takes into account the training needs of all the stakeholders concerned; and it has developed a reform steering process which entails the effective involvement of all of the partners concerned and the systematic transfer of innovations into regulatory mechanisms accepted by all.

Recognition of the preponderant role played by the informal sector

The informal sector occupies the vast majority of Benin's labour force. For most of the young people leaving the education system, it offers the only means by which they can enter the labour market. For more than 150,000 of them, it offers the opportunity for an apprenticeship that guarantees them future employment and a place in the economically active population. And for many school dropouts, it is the only way to get off the street and into the working world. For the vast majority of the active population, therefore, training in the crafts or agricultural sectors is the only opportunity for professional advancement that would allow them to put their social integration and career path on a more secure footing. The reform needs to place the informal sector's training needs at the heart of its strategic and operational guidelines.

Taking into account the training needs of both apprentices and craftworkers

One reason the reform has met with consensus is because it strives to raise the level of skills and occupational development among both apprentices and craftworkers.

The Benin field survey revealed the insistent demand among craft workers, who are often illiterate, to be able to access, as young people do, training to enable them to adapt to technological change and new market standards for their products and services. It also provided an opportunity to demonstrate that a reform targeted exclusively at the improvement of young people's skills would turn them into direct competitors of their elders, which would rouse strong and even systematic resistance among the latter to measures and schemes designed to improve training provision in the informal sector. By taking into account craftworkers' training requirements, the reform has converted them into facilitators and proponents of the new measures planned.

The development of a participatory and rigorous steering process

The means used to steer the reform are the key factors in its success. These are based on a three-pronged process for consulting and involving the partners concerned:

- The first link in this process entails the involvement of all the national stakeholders in the decision-making process. In Benin, it would be difficult to introduce any new measure that had not received the assent of the National Federation of Craftworkers (*Fédération nationale des artisans du Bénin* – FENAB) or of employers' and trade union's representatives.
- The second, indispensable link in the chain is inter-ministerial consultation and cooperation, without which nothing would be possible. According to an official source, the effect of this consultation and cooperation was to bring the duration of the legislative and regulatory process, which in Africa usually requires a minimum of five years, down to nine months.
- The third and final link concerns the vital role played by the local craftworkers' groups. Without their initial adhesion and their active participation in implementing

the agreed-upon measures, there would have been little chance that things would leave the experimental stage and enter the roll-out phase.

One of the aspects of the reform management process was Benin's self-imposed obligation to transcribe all reform measures in such a way that the schemes to be implemented would be known to and accepted by all those involved. This called for an overall constitutional bylaw, together with a set of governmental decrees and orders concerning its detailed application. Thus, the introduction of dual apprenticeship schemes in Benin gave rise to a series of regulatory instruments that define both the overall policy objectives to be achieved and the specific arrangements for organising apprenticeship, the types of contracts to be drawn up, and the rules governing vocational skills certification.

The main components of the reform

The principles of the reform

Benin has clearly built an exemplary system for vocational training in the informal sector (the Vocational Skills Certificate (*Certificat de qualification professionnelle* – CQP), which is currently being introduced, and the planned Occupational Skills Certificate (*Certificat de qualification au métier* – CQM), based on the following principles:

- recognition of the role and contribution of traditional apprenticeship and in particular the practical skills it transmits;
- a gradual evolution of this apprenticeship towards a policy that acknowledges the value of the existing set-up (the apprentice receives training from a master craftsman that is recognised and assessed as part of a national certificate) and a move away from repetitive tasks, thanks to the addition of practical and/or theoretical training adapted to new technological, managerial and sales requirements;

- explicit inclusion of this training in the responsibilities of existing training establishments, which has the effect of instigating a renewal of the whole training system (design and development of learning materials, training and assessment methods, teacher training, facilities, role and place of technical certificates, etc.);
- the use of a skills-based approach in the development of this training system, which seems to have been accepted and adopted by all those involved in the process;
- joint management of the system as a whole, within a framework for consultation and coordination among the various socio-economic partners and those involved in vocational training, and establishing a special relationship with craftworkers' professional organisations, in particular the FENAB.

A basic accomplishment: the CQP Vocational Skills Certificate

The CQP is a national diploma attesting to the attainment of skilled worker level through a reformed traditional apprenticeship. It was created through the reform measures, introduced from 2001 onwards, that transformed apprenticeship carried out full-time with a craftworker into dual apprenticeship, where enterprises, notably crafts enterprises, share the responsibility for training with training colleges. It goes hand-in-hand with the introduction of a directory of occupations in the craft sector, proposed by Benin's National Statistics Institute and approved in 2003, and with a certification approach that has classified these occupations into job descriptions and portfolios of activities and skills. It is awarded using an assessment method that establishes a balance between both theory and practical tests (30% and 70% respectively), and between continuous assessment and examinations (60% and 40%). Finally, it calls on the habitual training provided by master craftsmen in enterprises, trainers in training centres, and local trainers. The latter are present in work-based learning situations. They help illiterate master craftsmen fill out the apprentices' report books and help the apprentices adapt into French what the

master craftsman has conveyed to them, often in one of the many local languages spoken in Benin. The local trainers act as a relay between the craftworker and the training centre.

Five CQPs have been approved so far (masonry, electricity for the building industry, plumbing, refitting, cycle maintenance), and four CQPs are in the process of being approved (carpentry, refrigeration and air-conditioning, clothes-making and design, and hairdressing). There are plans for about ten more CQPs, which will be developed after research into labour market opportunities (car mechanics, metalworking, TV and radio repair, food processing, etc.).

Five hundred apprentices were enrolled in the three training cycles in the Spring of 2006, and a first-year intake of 700 new apprentices is expected during the year. The target of the reform is to train up to 3,000 apprentices a year by making the most of the existing resources within open colleges.

Two hundred and ninety two apprentices had already been awarded the CQP at the time of the survey. All those we met emphasised that the introduction of the CQP was not only the first concrete step in the reform process, but also the reference upon which all the other initiatives would be structured. They also emphasised the quality of the training provided. Finally, companies in the modern sector should more readily take on a young apprentice who has obtained a CQP (whose skills would be better suited to the firm's needs) than a young person with a CAP Vocational Training Diploma (wherever they came from, the company would have to retrain them).

The CQP system also contains provisions for craftworkers to prepare for the certificate by taking continuing training courses. The craftworkers' group and social partners met during the field survey all emphasised the importance of offering craftworkers the possibility of obtaining the CQP.

The CQM certificate: a way to promote standards and occupational development

Whereas the CQP is aimed at apprentices and craftworkers who are sufficiently educated to follow theoretical training courses, it should be remembered that the majority of young people do not have access to this training because they do not have the level of education required. There is also a strong demand on the part of craftworkers for recognition of their skills independent of their level of literacy.

The CQM meets the need expressed by professional organisations to give a common, nationally recognised content to traditional apprenticeship certification. In this sense, it is a certificate attesting to the completion of an apprenticeship and can be obtained by young people aged 16 and over. It marks the acquisition of practical vocational skills by the apprentice, and is intended, in the long term, to replace the Completion Certificate (*Diplôme de libération*) granted by the employer.⁹ It must be emphasised that the intended application of the CQM is much wider however. It is intended to make the various trades more ethical by imposing quality standards. In Benin, as throughout the sub-region, anyone who wants to can set themselves up as a craftworker even if they do not have the required qualifications since this is not covered by any laws. The aim of the CQM is, therefore, to become the equivalent of European vocational training certificates. In this perspective it is not only aimed at apprentices but also implies that those already working in the craft sector acquire a certain level of skills authorising them to set themselves up in the trade and to pass on good practice to their apprentices. It is also planned that the CQM, which is a continuing training certificate and thus has to be awarded by panels involving the Ministry for Tourism and Crafts,

9. The '*libération*' marks the end of the apprentice's apprenticeship. It is a ceremony in which the master craftsman discharges the apprentice from his workshop. On the day of the ceremony, the apprentice and his employer make a tour of the neighbourhood and the employer introduces the apprentice to the other master craftsmen and inhabitants. After this ceremony, the apprentice is considered to be a master craftsman. This step is indispensable for finding clients, but the process is much criticised. The ceremony is very costly, and since apprentices often cannot afford it, they are obliged to wait, sometimes for several years. Also, and more importantly, the certificate received by the apprentice is of value only in a limited geographical area and does not attest to a level of skills.

the Ministry for Vocational Training and the trade itself (through the FENAB), be developed for all of the twenty-five occupations selected for the CQP.

While the establishment of the CQP can be seen symbolically as the cornerstone in the development of dual apprenticeship in Benin, the CQM will undoubtedly constitute the system's foundations. It will, first of all, recognise and validate skills acquired through traditional apprenticeship. It will then structure this recognition and validation around agreed minimum standards for key skills in each occupation. Finally, it will be the first stage in the training process for a class of professionals, who will be encouraged to continue to train themselves and, thereby, increase the quality and profitability of their activities, which will have a beneficial effect on the economy as a whole.

2.3.2. Plans for institutionalising informal apprenticeship in Senegal

The Ministry of Technical Education and Vocational Training (METFP) is currently preparing a reform of vocational training as part of a France-Senegal Partnership for Apprenticeship and Opening Up the Vocational Training System (*Partenariat pour l'apprentissage et l'ouverture du système de formation professionnelle* – PAO/sfp). One of the reform's components entails the integration of apprenticeship, and notably that practised in informal situations, into the overall training system.

An Apprenticeship Unit for steering and coordinating existing schemes

This last component entails setting up a non-formal education pilot scheme to structure traditional apprenticeship and conduct experiments in three sectors of activity that are traditionally known for training apprentices: car mechanics, construction, and clothing. It is financed by the French government's aid programme (€2.75 million) and aims to produce apprenticeship models that can be replicated for other occupations and sectors.

The pilot scheme is a key feature of the reform and is linked to the creation of an Apprenticeship Unit within the METFP. The mission of this unit, which has been turned into an Apprenticeship Directorate since the field survey, is to steer the various pilot projects and coordinate the schemes underway in this area.¹⁰

The field survey's interviews with ministry officials and members of the Apprenticeship Unit allowed the following observations to be made:

- The ministry's work is based on the assumption that apprenticeship must be structured in such a way that it respects the diverse nature of the pilot schemes to be implemented.
- It sets the following prerequisites: the current length of apprenticeship (which can be up to ten years) must be reduced to a maximum of three years; such apprenticeship should be structured without craftworker associations being allowed to develop their own training centres (which would be too costly and would weaken the focus on in-house business training); there must be a skills-based approach; and the certification process should lead to a CAP level qualification.
- The ministry states that it does not have a particular model in mind, but that it hopes to design one by standardising the trial projects under way.

99

A standardisation project supported by international development agencies

According to those in the Unit, the ministry has set a two-year schedule for achieving an initial standardisation of current schemes, which will be based on the PAO/sfp and

10. The unit comprises representatives from the METFP, the Craft Industry Directorate, the Vocational Training Directorate, the Directorate for Educational Planning and Reform (DPRE), the National Union of Craftworkers, Traders and Industrial Workers of Senegal (UNACOIS), the National Union of Chambers of Trades (UNCM), the Project to Support Vocational Training for the Newly Literate (*Projet d'appui à la formation professionnelle des néo-alphabétisés* – PAFNA), and the National Organisation for Workers in the Metal, General and Car Mechanics Industries (PROMEABILE). The French cooperation authorities provide technical assistance and those of Canada support the PAFNA project. The German technical cooperation agency, GTZ, may also join the unit soon.

the projects it is launching in the three selected sectors, while integrating those already implemented in other sectors (including PROMECABILE) or by other partners with the support of the Canadian (PAFNA), German, Belgian and French development agencies.

The METFP's work to promote apprenticeship is also supported by the Programme to Promote Skilled Human Resources through Vocational Training (*Programme de renforcement de la qualification des ressources humaines de la formation professionnelle*), run by the AFD as part of the wider PARCES programme (*Programme d'appui au renforcement de la compétitivité de l'économie sénégalaise*) to help improve the competitiveness of the Senegalese economy. Among other things, this programme provides for setting up three sectoral vocational training centres, each based on a productive sector (agri-food, construction and civil engineering, and port activities). These centres plan to link vocational training curricula very closely to the labour market by adopting new teaching methods, including dual training and training through apprenticeship.

Finally, the ministry's action is supported by the German Technical Cooperation Agency, GTZ, which has created, in the framework of a partnership between the cities of Dakar and Koblenz and their respective chambers of trades, two training centres for apprentices: one in Dakar, in the Sodida district, and the other in Thiès. These centres already use a dual training model that alternates one week of theoretical instruction with two weeks of practical training with a master craftsman. Also, as is the case in Benin, apprentices can attain the first level of the CAP diploma at the end of their training. Following this project, the GTZ would like to help the METFP structure traditional apprenticeships. In cooperation with the AFD, it notably intends to invest in skills improvement for master craftsmen, and support the development of a specific traditional apprenticeship certificate.

Current reforms in Benin and Senegal illustrate the far-reaching institutional changes that can be brought about when countries with a large informal sector transform their

traditional apprenticeship system into dual training. This transformation has the advantage of building on the existing skills of apprentices and craftworkers while improving their ability to master technological and qualitative changes affecting their products and services, thus helping them to earn a better living for themselves and those around them. For the countries concerned, it also offers an opportunity to introduce a training system based on real skills and jobs needs, thus improving their ability both to participate in the fight against poverty and to vitalise an economy of growth and development.

2.3.3. The specific goals of the South African and Ethiopian 're-designs'

While the vocational training systems in Benin and Senegal will most probably be rebuilt around the mainstay of reformed traditional apprenticeships, South Africa and Ethiopia have opted to base their reforms on other foundations. Thus, South Africa is developing a diversified approach to the formal and informal economies, whereas Ethiopia has hedged all its bets on the formal system's ability to integrate the approaches in the informal sector through a total change of paradigm.

Towards a structured learnership system in South Africa's informal sector

101

In 2001, South Africa revamped its entire training policy around its National Skills Development Strategy for young people seeking to enter the labour market, and for adults in work or seeking employment. The strategy aims to boost the country's economic and social development through a decision-making and funding process steered by the national authorities and social partners. The funding system established in 1999 and launched in 2000 is based on a specific state levy on enterprises that is redistributed through the National Skills Fund (NSF) and the Sector Education and Training Authorities (SETAs). These two funds finance the informal sector indirectly, as the NSF provides extensive support for efforts to help the unemployed and vulnerable

people into jobs, and the SETAs use Discretionary Funds to improve the professional capabilities of micro-entrepreneurs in their sector. Examples of these schemes are described later in this report.

In parallel to this system, the South African Department of Labour, with support from the GTZ, is testing a scheme specifically tailored to the informal sector's circumstances and issues. The initial assumption for this work is that conventional forms of training do not meet the skills needs of people working in this sector, and that it is necessary to design and set up training content and methodologies that suit the specific circumstances of the people to be trained. Its strength is that it has been tested and evaluated in Free State Province and is currently being rolled out and institutionalised throughout the country.

The Active Labour Market Strategy (ALMS) on which the experimental scheme is based is organised as follows:

- Development of a local cooperation network at municipality level, involving NGOs and local cooperatives, the Development Bank of South Africa (DBSA), and the Local Economic Development (LED) Fund¹¹.
- Coordinated identification, by the network, of the skills and qualifications needed to create new businesses and self-employment.
- Setting up of training schemes and transfers of experience for future 'entrepreneurs', using the Basic Entrepreneurial Skills Development (BESD) methodology, and supported by funding from the NSF, SETAs and local and provincial funds. Grants for start-up activities and micro-businesses will be

11. The LED Fund is administered by provincial and local authorities. It finances four types of project: creation of a favourable economic environment, promotion of the agri-food industry, support for tourism initiatives, and human resource promotion.

provided at the end of training in the form of loans from microcredit organisations, and loans or grants from the APEX Fund managed by the Department of Trade and Industry.

- The new businesses and self-employment activities can obtain development aid services and apply for loans from finance institutions supported by the South African Government, such as Khula or Ntsika.
- Once the new businesses or self-employment activities have become sustainable, they continue to develop and progressively enter the formal economy.

The full project is currently being implemented in Free State Province (Kroonstad, Bloemfontein). There are plans to roll it out across the country during the second phase (2007-2014). The project, which has a total budget of 16 million rand (about €1.7 million), will be financed by an NSF funding window (300 million rand, or about €33 million from 2007, which represents 30% of its revenue). According to the GTZ, the use of Government funds will be essential if the project is to be rolled out across the country.

A reform centred on the recognition of informal-sector skills in Ethiopia

103

The strategic thrust of the reform was defined as part of the implementation of the Plan for Accelerated and Sustained Development to End Poverty (PASDEP) and in the context of the various national and sector-specific economic development plans. The public authorities responsible for overseeing it with technical assistance from German aid agencies have the goal of training a skilled, motivated and competent work force. The aim is to develop the private sector and introduce education and training schemes geared to demand and tailored to the economic and social needs of the labour market, notably in the area of self-employment opportunity creation. The current reform thus directly focuses on upgrading the skills of those employed in the informal economy.

The main thrust of the reform can be described as follows:

- Broadly speaking, it seeks to change the vocational training paradigm by moving from a supply-driven approach to one driven by demand and, more importantly, by the accreditation of existing skills, irrespective of how they are acquired.
- By reversing the logic of the system, it will provide access to training for people who are usually excluded (young people and adults who have dropped out of school, have a low level of education or are illiterate, entrepreneurs and workers in the formal and informal economies who need to upgrade their skills and obtain recognised qualifications, farmers and agricultural workers, unemployed people seeking skills in order to enter the labour market, etc.).
- It is designed to gear training to MSEs, encourage training centres to concentrate on the informal economy's skills needs, introduce incentives to encourage local business start-ups and, in particular, link the acquisition of skills to access to microcredit so as to facilitate self-employment, and lastly, to enable the various training institutions to develop training content tailored to the needs of their target groups.

On a more structural level, the current reform is intended to make non-formal training an integral part of the training system. This means that the new system must notably include the objectives, content and methods of such training in training establishments, and that all the relevant partners must be involved in planning, managing and assessing the provision of non-formal training. It also means that the existing distinction between formal training leading to specific qualifications and non-formal training leading to non-validated, unrecognised skills and qualifications must be abandoned. To this end, the reform proposes that the entire training system be based on occupational standards as well as a single format for accrediting all different types of courses. It also proposes that training be assessed and certified on the basis of outcomes, that is to say, the competencies actually acquired as a

Table 14.
Inclusion of informal sector training within the vocational training systems
of the seven countries surveyed

Country	South Africa	Angola	Benin	Cameroon
Main changes underway or planned	Experimentation with learnerships for informal sector workers	Adoption of specific legislation on training to help people into employment and self-employment	Transformation underway of traditional apprenticeships into dual apprenticeships	Planned introduction of dual apprenticeships
	Introduction of pre-vocational modules in the education system	Plans to establish dual training, training with in-company placements, apprenticeship training, and training for self-employment	As part of this process, the CQP Vocational Skills Certificate has now been introduced for apprentices	Trials underway of innovative training schemes for apprentices and workers in the crafts and agriculture sectors
	Roll-out (in 2007-2014) of an experimental learnership system to promote business creation and self-employment	Planned introduction of employment schemes (temporary jobs, local initiatives, etc.)	Planned creation of Occupational Development Centres (Centres des metiers – CM) and the CQM Occupational Skills Certificate	Planned experimental introduction of dual training into the technical and vocational education and training (TVET) system
Country	Ethiopia	Morocco	Senegal	
Main changes underway or planned	Establishment of a system for certifying skills, regardless of how they have been acquired	Planned trial and roll-out of dual apprenticeships	Pilot scheme underway to transform traditional apprenticeships into dual apprenticeships	
	Definition of standardised occupational listings	Functional literacy-schemes, pre-vocational skills training, and pre-apprenticeships underway	As part of this process, creation of an apprenticeship directorate within the ministry	
	Incentives to encourage public and private training colleges to train informal sector workers	Development of innovative training schemes for craftworkers, notably in the cultural handicrafts sector	Reform of TVET through the creation of three sectoral centres whose task is to tailor training provision to labour market needs	

result of formal or informal training and validated using a uniform certification method and system.

Although the nature of ongoing reforms targets each country's specific priorities, audiences and training systems, they all strive to place the informal sector's skills development needs at the heart of future changes. This common goal is a sign of a fundamental change in attitudes about the sector's economic and social role. It is also probably the start of a thorough overhaul of existing training systems.

2.4. The current structuring of training and job support systems

The field surveys revealed the vital importance of apprenticeship and different forms of dual training in the various countries that are structured around strongly-committed professional organisations and greatly-esteemed traditional occupations. However, the surveys also revealed that other important types of training and paths into employment exist. They are generally developed by working partnerships involving the associative sector, national or local authorities, and sectoral organisations. They aim to develop the job skills of young people and vulnerable groups of adults while helping them into employment.

2.4.1. Pre-vocational skills training schemes for school age youths

Most of the countries have a high number of children who drop out before their schooling is complete. Available data does not permit an exact estimate of their numbers. However, figures do exist for the percentage of children who drop out before completing school, and the percentage of children who begin work before the legal age of fourteen. The net enrolment rates published by UNESCO for 2004 give averages of 65% for sub-Saharan Africa, 46% for Ethiopia, and 60% for Angola. Some data is also

available on child labour: for example, this affects 25% of 10 to 14 year-olds in Angola, and 39.9% in Cameroon. The other countries say that child labour exists but are not always able to provide exact figures.

The field survey identified several types of interventions designed to counter school drop-outs.

Functional literacy and pre-apprenticeship schemes for young people in Morocco

Since 1997, Morocco has had an extremely high number of 9 to 16 year-olds outside the formal education system (about two million). This situation forced the education ministry to look at ways of dealing with the vast number of 'invisible' school age children who have a right to education, despite being outside school.

One response was to create, in 1998, a non-formal education directorate within the ministry to enable the public authorities to achieve the three priority objectives set to foster the country's development: education for all, extension of education, and the fight against illiteracy. Another was to conduct specific actions to ensure that uneducated children are not left to their own devices, but helped into work, vocational training, or back into formal education.

The ministry set up several major schemes to improve skills in the informal sector. They were based on the principle of neighbourhood action, and a maximum effort was made to involve regional, provincial and local stakeholders, and the associative network (NGOs, district and village associations). They benefited 35,000 children a year until 2003, and 43,000 children a year from 2004:

- A basic on-the-job education and training programme was set up in partnership with NGOs, the handicraft ministry, and chambers of trade. It enabled 12 to 15

year-olds to acquire minimum basic skills, allowing them to follow relevant occupational training for a given trade and to be helped into work.

- A programme to help uneducated 12 to 15 year-olds into vocational training was set up in partnership with the vocational training ministry and businesses. It primarily focuses on updating basic knowledge and apprenticeship of an occupation through entry into the vocational training system. It provides the beneficiaries with an awareness of trade apprenticeships, and enables them to acquire the basic skills needed in order to meet the entry requirements of the above-mentioned vocational training system.

Prospects for pre-vocational skills training in Benin and South Africa

Benin's Ten-Year Plan does not mention a specific strategy for children between the ages of 11 and 14 who leave primary school but are not old enough to go into apprenticeship, even though UNICEF commissioned a study in this area looking at the concept of alternative primary education. However, the option it defends, specifically limiting the percentage of children entering secondary education while the proportion of children completing primary education is rising, added to the low survival rate in elementary education (50%), can only mean that there will still be a large number of children leaving school before they can enter into apprenticeships. In 2015, at least 110,000 children will be affected by the restrictions on entering secondary school in addition to those who have dropped out of school at an earlier age. Achieving the objective of universal education—taken to mean the completion of primary education—will only be possible if a solution can be found that justifies keeping children in the school system. The creation of a pre-vocational skills training system, in which children could build, maintain, or increase their academic accomplishments was suggested by most of the people interviewed.

In the opinion of the French development aid authorities, occupational development centres could act, in part, as points of entry into pre-vocational skills training or pre-

apprenticeship training. They would cater to children who have left school but who are not old enough to start an apprenticeship, and would offer them a second chance to build, maintain, or develop their basic knowledge in arithmetic, reading and writing, and have an introduction to three or four trades in order to help them choose a future occupation. This would help prepare them to enter the dual apprenticeship system in which they could obtain a CQP, or at least a CQM, and, in any event, would help them to obtain a nationally recognised certificate.

Pre-vocational skills training schemes also exist in South Africa, namely the School Pre-Learnership Pilot-Project (SPLP) run by the Sector Education and Training Authority (SETA). However, such schemes are primarily for secondary school students, who, along with theoretical instruction, are given an opportunity to acquire the knowledge and know-how they will need to enter the world of work. They can also help young job seekers make the best possible start to their learnerships and, thus, provide the most opportunity to acquire the skills they will need to find work. In both cases, the aim is more to create bridges between schools and the world of work than to take on responsibility for the future education and careers of uneducated and unoccupied children.

2.4.2. Job-start schemes for young people

Cross-analysis of the countries' efforts to help countless unemployed young people find jobs shows that public authorities, the associative sector, and donors deploy a wide range of methods and means to ensure that employment is found. All of these stakeholders share their concern to ensure that people starting work have been trained and that all training leads to employment. This unbreakable link between skills acquisition and qualifications and access to the world of work is the only way to avoid further discouraging the many young people who are unsuccessfully seeking jobs.

Public schemes to support enterprise and job creation

Both South Africa and Ethiopia have launched public investment programmes in sectors of activity deemed to be priorities for national development. They have also seized the opportunity of these investments to help young people and unemployed adults access the jobs created and support them through appropriate training and job-start schemes.

The Expanded Public Works Programme in South Africa

The Expanded Public Works Programme (EPWP) is concerned with job creation in areas such as in-home care for the elderly and ill, care for young children, school feeding, road maintenance, construction, the environment, etc. The jobs are created in the framework of existing public budgets and under the responsibility of existing governmental structures. The programme as a whole is coordinated by the National Department of Public Works (NDPW). It aims to create one million job opportunities over the next five years for unskilled or poorly skilled workers, notably young people and disadvantaged unemployed people. The idea is to create high quality public services, with all government departments making financial contributions. The creation of all these jobs includes training and skills development schemes supported by funding from the National Skills Fund (NSF). The initial results show that the operation has had very positive effects on employment. At least 130,000 public service jobs were created in 2005. The construction sector has developed a learnership scheme that is said to have provided training for 1,500 workers in the sector. Learnerships also exist in the agriculture and services sectors.

110

Public support for enterprise creation in Dire Dawa (Ethiopia)

The prime concern of the Dire Dawa regional authorities in Ethiopia is to find work for the many unemployed young people who, until recently, earned a living from the traffic of goods between the region and Djibouti. They therefore commissioned the Regional

Micro and Small Enterprise Development Agency (ReMSEDA) to set up effective schemes for helping people into work.

The agency, which cooperates with local elected officials, the regional authorities, local education and vocational training providers, and other local stakeholders, has decided to focus its work on sectors that are part of the region's economic strategy and make a significant contribution to GDP, such as property development, public works (including road-building), food, textiles, arboriculture, etc. It intervenes in these various sectors by supporting the creation of associations and cooperatives, especially for young people, and has them participate in works commissioned by public authorities or included in the regional development plan. To date, ReMSEDA has facilitated the creation of 220 cooperatives or associations, including sixty-three in construction, forty-one in food processing, forty in metal-working, twenty-five in waste disposal, eleven in clothes-making, six in wood-working, five in urban agriculture, and so on.

Job training is an integral part of these cooperatives' activity. The agency aids the young and adult members in their efforts to acquire job skills. It helps them to bid for tenders issued by regional investment programmes. It also encourages them to acquire technical skills (carpentry, joinery, stonework, masonry, etc) and financial and managerial skills (bookkeeping, accounts management, enterprise creation and development, etc.). It helps them to draw up development plans and obtain loans from microcredit organisations. Lastly, it supports and monitors the groups until they are operationally autonomous and capable of entering the labour market.

Educational support and assistance schemes

Several countries have schemes for supporting and assisting young people that, each in their own way, illustrate the strengths and weaknesses of different methods for helping young people develop their skills and obtain jobs.

Continuous support for young people in the Sambizanga district (Angola)

The Dom Bosco Salesian Mission's project is a social and community development project in the Sambizanga district in Luanda, which has a population of about 700,000. There are twenty-five centres throughout the district that operate in various socio-educational fields. The main centre is a large training establishment with up to 1,000 learners. Training is delivered in three daily sessions. This experience is unique for several important reasons:

- Project leaders accompany the young people throughout their schooling. This support means, among other things, that a permanent contact is established with local families and that each youth is monitored regularly.
- Once the primary schooling has ended, the same project leaders continue to support the young people and help them choose between secondary school in the district or one of the training centres also located in Sambizanga.
- Young people on vocational training have a choice between short and long courses. Those who start two-year dual training courses must commit to completing them. They are motivated to make such a commitment because their practical training does not take place in a workshop, but entails working in real-life situations in the district (participation in the construction of a school, for example). Those who opt for short courses of six to nine months are guaranteed a vocational qualification upon completion, and can continue their training if they wish to do so.
- Upon completion of their training, the young people are not left to their own devices. If they do not find work immediately, the centre helps them do so. The centre can also help them set up a micro-enterprise, or encourage them to continue work-based training. In all cases, they are supported until they find employment.

The field survey confirmed that the Dom Bosco initiative in the Sambizanga district is a quite remarkable case of comprehensive and coordinated intervention in an area of acute poverty and in an economic sector where working informally is the only stepping stone to employment. The initiative looks at problems from all angles—human, social, educational, vocational and economic—and takes each of these aspects into account when designing solutions. As a result, the young people's job prospects inevitably depend on the form of the permanent mentoring they receive from the time they enrol in school until they find employment, and on the provision of dual-type vocational training with practical input in the form of on-the-job apprenticeships.

The entire initiative is financed by national funds (teachers and employees in the various centres), the European Union (literacy and health initiatives), the Portuguese development agencies (social, sporting and microcredit initiatives), the Spanish and Italian development agencies, and UNICEF. Several ministries (the Ministry for Social Assistance and Reintegration, the Ministry of Public Administration, Employment and Social Security, and the Ministry of Youth and Sports) are also involved, more as coordinators of the funds received from donors than as financial backers. The sale of goods produced at the centres also helps the project finance itself.

The interaction between integration and training: the JEVAIS project in Douala (Cameroon)

The Youth and Associative Life for Social Insertion (*Jeunesse et vie associative pour l'insertion sociale* – JEVAIS) project is a Franco-Cameroonian project that has been running in Yaoundé and Douala since October 2003. It is conducted in close cooperation by the French Service for Cooperation and Cultural Action (*Service de coopération et d'action culturelle* – SCAC) and the Ministry of Youth, and has two main lines of action: integration of young people through associative life (sports, culture, environment, health, etc.) and support for income-generating activities (IGAs). The project involves

1,000 to 1,200 youths in associative schemes, and about thirty young people in its IGA component.

In the field of IGA, young people grouped together into associations receive support from JEVAIS for projects that they have devised themselves. The approach is as follows:

- During the first phase, the young people set up their own projects without any training. They establish a logical framework setting out the objectives, implementation, and means necessary for the success of their initiatives. Of the thirty to forty requests made, a dozen are selected for funding.
- In the second phase, those people whose projects have been rejected are trained in project development, and those whose projects have been accepted are given basic know-how in management, accounting and marketing (in cooperation with the European Institute for Cooperation and Development – IECD), among other things.

The JEVAIS idea is not to offer training from the start but to let the young people mobilise their capabilities, with training being used to solve difficulties encountered during the first phase. The training includes follow-up measures: the trainer visits the field to discuss any practical difficulties with the young people. It is currently being assessed whether young people have any technical training needs that could be met by working professionals (for example, by craftsmen).

The IGAs are grouped into micro-businesses and job-start workshops. The following activities have thus been launched: fish- and chicken-smoking, sanitation, chair hire, wood delivery, screen printing, oil sales, marketing of second-grade cardboard, an IT workshop, hairdressing, pig breeding, wood sculpture, a cafeteria, cold storage and air conditioning, sales of wood chippings, clothing design, soap production, etc.

The young people remain in the job-start workshops for one to two years. They move on when their businesses have been approved by their respective associations. Regarding funding, the associations make a capital contribution and become 'shareholders'. They mainly participate in the project management board, which meets once a month. The profits are divided as follows: 60% for employees, 10% for reserve funds, 10% for the funds of the associations that have supported the project, and 10% for the project centre.

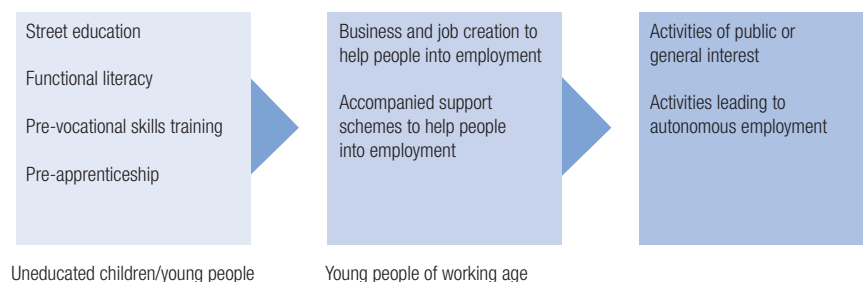
JEVAIS's business creation component is interesting because it establishes an effective process for helping people into work, which follows these steps:

- Young people propose their own job plan through the associations of which they are members.
- The association validates the job plan and its methodological and operational framework.
- JEVAIS managers monitor the young people and identify the skills they will need in order to succeed.
- The young people are trained according to identified skills needs and trainers monitor the results.
- There is a collective assessment of the business's development and the job plan's success.

115

These examples do not reflect the diversity of schemes set up in the countries. They simply illustrate the two important constants in all job support initiatives: they cannot succeed when insufficient jobs or activities are available, although they may nonetheless do so if those who are seeking to enter the labour market, particularly the most vulnerable groups, are aided in their efforts through a combination of support and skills development that will give them the best chance of success.

Figure 5.
Job-start schemes for young people



2.4.3. Initiatives to support vulnerable groups of adults

While young people are particularly vulnerable in economies that have few stable jobs and are mainly geared towards informal activities, they are not the only ones who have to struggle hard to access saturated or very competitive labour markets. The field survey identified three other vulnerable groups: the disabled, notably as a result of war; women, the majority of whom are less well trained than men; and street vendors, whose job is difficult, little or not at all skilled, and the least profitable occupation in the informal sector. Special training initiatives for these highly vulnerable groups show that it is possible to give them greater opportunities if suitable means are used.

Reintegration of former combatants into employment (Angola)

After twenty-seven years of war, Angola has to reintegrate a large population of former combatants into civilian life, as well as the large number of soldiers and civilians who became disabled as a result of the fighting and mine explosions throughout the country's rural areas. These particular populations mainly find work in the informal economy, but only if they can access training and skills programmes that suit their specific needs.

Training schemes for former combatants

Under the direction of the Ministry for Social Assistance and Reintegration (*Ministério da Assistência e Reinserção Social* – MINARS), the Institute for the Socio-Professional Reintegration of Former Combatants (*Instituto de Reintegração Socio-profissional dos Ex-Militares* – IRSEM) is responsible for matching labour market needs with the ex-soldiers' profiles, requests and availability, and for creating favourable conditions for their return to civilian life and employment. Obviously, this return often involves a stint in the informal sector. IRSEM intervenes in several fields.

- *Return to the land.* This scheme targets ex-UNITA fighters, most of whom are from the countryside. IRSEM encourages ex-soldiers to form groups and, through land-sharing schemes, enables them to produce both food for domestic use and agricultural products to sell. IRSEM supports the whole operation and attempts to develop the occupational skills of those it aids. It also caters to the strong demand for literacy expressed by the former combatants.
- *Support for occupational development and enterprise creation.* Since the development of the strategy for former combatants in 2002, IRSEM has enrolled several thousand of them in training courses. These courses were run through mobile training units set up by the National Institute for Employment and Vocational Training (INEFOP). 1,802 participants dropped out, 11,716 were trained, and 5,900 found work. Participants receive a tool-kit at the end of their training to help them exercise their acquired occupation. Having observed that the kits are not enough to create income-generating activities, the Institute has launched a microcredit scheme (up to \$100 can be borrowed per person trained) and has encouraged the ex-soldiers to form associations to launch their professional activities.

IRSEM receives \$33 million in funding from the World Bank, \$37 million from the multi-country skills development scheme for the Great Lakes region (with the EU

contributing €20 million to the Trust Fund), and €13 million from the EU as part of its aid effort to support vulnerable groups.

Training the disabled with master trainers in Huambo

The project run by Handicap International (French section) aims to provide occupational training for disabled people in Huambo in order to help them find work in the city's promising economic sectors (350 people, of whom eighty are demobilised soldiers, all providing for their families, totalling 1,800 people). Since the disabled live largely on the outskirts of Huambo, whereas the training centres are located mainly in the city centre, Handicap International decided to drop its usual method of residential training and train the disabled in their day-to-day surroundings.

The NGO consequently looked for master craftsmen who could teach their trade in the neighbourhoods where the disabled lived, and then helped them set up as micro-entrepreneurs. It signed framework agreements with the craftsmen and identified the necessary premises and equipment, as well as the people to train. The training plan, which is tailored to each individual's circumstances, lasts six months and aims to teach the basic skills of the trade. Since the trainees are heads of households providing for their families, it is impossible to extend the length of training.

The experiment in having micro-enterprise owners provide training had very satisfactory results. The training is module-based and is monitored to verify skills acquisition after each module and perform a mid-course assessment. The master craftsmen are brought together regularly to discuss their practices, follow changes in customer demand (such as fashion, for example), and share their respective experiences. Over two years, 350 people have been trained, including eighty former combatants.

The project lasts for two years (2005-2007) and has an overall budget of €578,707. It is financed by IRSEM (€87,606), the French development aid authorities (€170,000) and European foundations such as *Stichting Vluchteling* of the Netherlands.

Training Senegalese and Ethiopian women for income-generating activities

A majority of informal sector workers are women, with most working in unpaid or poorly paid domestic jobs. Analysis of the situation in the various countries shows that women have become aware of the importance of developing their skills in order to pursue income-generating activities. Analysis shows that most have also taken their development into their own hands and organise training sessions for themselves. These sessions can enable them to create their own activities and earn a better living for themselves and their families.

Training schemes organised at the initiative of women in rural areas of Senegal (GRET, 2004)

The Project for the Promotion of Rural Micro-Businesses (*Projet de promotion des micro-entreprises rurales* – PROMER), which began activities in 1997, encourages private operators in the informal sector to manage their own production and trade activities. To this end, the project has a training component specifically targeting women as promoters of economic activities in rural areas. The project works with women's groups, which offer a starting point to better identify individual training needs.

PROMER has provided numerous technical training courses in a wide range of fields directly connected with the activities of rural micro businesses, including food processing activities: fruit and vegetables, groundnut oil, cashew nuts, fish, and milk. The food processing training courses target adult women in particular. Young women are not excluded from these courses by PROMER, but they take these courses in smaller

numbers because they are more interested in catering, hairdressing, and sewing. In addition to providing technical training, the project has also developed broad-based training schemes, such as the GERME programme (the acronym stands for *Gérez mieux votre entreprise*, which means 'manage your business better') and others on women's entrepreneurship, business development, commercial law, and management accounting. Finally, PROMER has also offered literacy courses, but not in direct association with its other training courses.

In total, since 1998, more than 4,400 people have attended the training courses. This includes more than 1,400 for technical training courses (11% on food-processing activities), about 800 for broad-based training schemes (68% on business development), and more than 2,200 for literacy courses.

The training courses mainly target women's groups, who chose from among their members those who will attend the courses. They generally last eleven days and aim to help newly trained women start income-generating activities, or develop them with, for example, training coupled with assistance in finding new markets.

Training to promote the integration and empowerment of Ethiopian women

This job training scheme is run by the Dire Dawa Women's Association, which has 5,000 members and aims to help prostitutes and HIV-positive women create income-generating activities. To this end, it has set up 'Singer workshops' (named after the German sewing-machines), which are workshops on producing clothing. The women receive practical training in making clothes specifically for the local market. They also receive training in sales, accounting, and managing their activities. The association has twenty social care workers who have been trained to assist women in various ways. A principle applied in DDWA's mode of operation is mutual training in which each woman trained by the association agrees either to pass on to another what she has

learned, or to take part in an awareness-raising campaign for women needing assistance or support. The overall scheme is an excellent example of how social and economic integration can be successfully combined.

The Integrated Programme for the Empowerment of Women, a pilot programme developed by the Institute for International Cooperation under the aegis of the German Institute for Adult Education (IIZ/DW),¹² is an integral part of the country's overall development strategy. It aims to provide capacity-building support for poor women and their families by combining three usually separate types of action:

- adult literacy programmes;
- training for income-generating activities;
- training in entrepreneurship that combines management skills development and funding opportunities for starting up a manufacturing or service enterprise.

The project, which began in July 2006, is planned to last five years and is funded by the Dutch Embassy in Ethiopia. Its main target groups are poor women and their families (including husbands), women trainers in existing training centres, key persons in administrative departments and NGOs directly involved in support programmes for women, persons in regional offices with special responsibility for education and women's affairs, and trainers in technical and vocational education and training (TVET) colleges.

The content of the training programmes for women seeking jobs and profitable activities is based on both the initial educational levels of the women concerned and an assessment of the economic potential of local markets. All the programmes offer training in enterprise development, group awareness-raising on opportunities and

12. The *Institut für internationale Zusammenarbeit des Deutschen Volkshochschul-Verbandes*, which is active in the field of informal sector training throughout East Africa.

procedures for starting up income-generating activities, and an introduction to how to access microcredit. Financial aid for start-up operations will be available through a special fund, but subject to certain conditions: the women should be able to read, write and count, and demonstrate that they are capable of managing an income-generating enterprise, and know how to keep accounts.

The complete training course will last a minimum 360 hours spread over three years. It will be organised to take into account the women's work-loads, the seasonal character of their work, and their family responsibilities.

Structuring street vending activities

Observation of the development of informal markets in the seven countries surveyed shows that street vending activities are at the bottom end of the informal sector jobs scale. There are no specific statistical data on the subject, but information gathered from the people met suggests that it is the worst paid and most uncertain sort of work. Street vending is by definition a subsistence occupation which enables people to earn the minimum needed to eat and survive. With this observation in mind, the schemes in South Africa and Cameroon aimed at improving the lot of this category of informal workers are particularly important.

Entrepreneurship training for street vendors in Johannesburg

The Grow Your Own Business initiative is supported by the City Council of Johannesburg and conducted with help from the University of Witwatersrand in Braamfontein. It entails training street vendors, who are very typical of the South African informal sector. It runs for fourteen weeks. The learners are already at work. They are chosen at random from a list of economic actors in Gauteng Province (where Johannesburg and Pretoria are located) and notified by telephone or text message that

they have been selected to take part in the project. Those selected are trained in how to better organise and manage their activities. Classes are organised after work on Saturday afternoons, and the University pays for their meals and the educational resources necessary for the scheme's success. Once trained, they are supervised by a mentor, who helps them to use the knowledge and skills acquired in their work. The Sector Education and Training Authority (SETA) has invested 1.4 million rand (nearly €153,000) in the training, and the first 50 participants have just completed the course. A second session involving 225 participants started in February 2006. If the scheme proves successful, SETA plans a nationwide roll-out.

Strengthening street vendors' management capabilities in Cameroon

This project is run by the Ministry of Education and Vocational Training (MINEFOP) in the framework of the Integrated Support Project for Informal Sector Actors (*Projet intégré d'appui aux acteurs du secteur informel* – PIAASI). It is based on the idea that “the Cameroon economy's dynamism and competitiveness largely depend on the hidden job market,” namely the non-structured sector (MINEFOP, 2006). It was launched in 2005 with funding from the HIPC (Heavily Indebted Poor Countries) initiative and consists of the following phases:

- Creation of a neighbourhood committee (*Comité de proximité*), whose mission is to contact the various organisations representing informal sector stakeholders. After several working sessions, this committee decided to recognise the Cameroon National Street Vendors' Association (*Association nationale des sauveteurs¹³ du Cameroun* – ANESCAM) as a partner.
- Meetings held in Yaoundé and Douala brought together over 300 street vendors during the first phase.

13. In this case, the word 'sauveteur' is used to describe unauthorised street vendors or hawkers ('vendeurs à la sauvette').

- Production of a directory of street vendors. The various meetings made it possible to identify and list about 800 young people working as street vendors.
- Selection of training projects and financial support for operators. The training, which entailed 'focal point seminars', covered the most basic management and information tools to help young operators conduct their businesses effectively and profitably. In 2005, 132 young people received financial support in amounts of between 100,000 CFA francs and 500,000 CFA francs (or about €150 to €760).

An introductory seminar on project finance management was planned for the end of 2006. Networking between focal point seminar organisers was also planned so that they could assume responsibility for monitoring and auditing the use of the funds granted to project operators.

The job training and skills development practices and schemes for young job seekers and vulnerable groups described in this report give only a very partial idea of all the current national initiatives aimed at offering a wide number of people facing the immediate problems of poverty and unemployment a chance to earn a living by gaining a foothold in harsh labour markets. Because of the state of the economy in these countries, nearly all of the various job and employment schemes identified during the survey lead to income-generating activities in the informal sector. Nevertheless, the often combined efforts of public, associative and private stakeholders to help the various target groups improve their vocational skills, even for the least-esteemed occupations, tends to show that improving the skills of these groups and their members is one of the most effective ways to help them build a future for themselves.

2.4.4. Initiatives to improve professionalism in the sector

While the informal sector includes workers who hover on the fringe of survival, it also comprises craftworkers, shopkeepers, skilled employees – in sum, professionals who

occupy a clearly defined position in terms of production and services on local markets. These professionals are often identified in statistical surveys as being on the high end of the informal sector income scale. They have business premises and have exercised their trade for several years.¹⁴

The field survey identified a number of training schemes aimed at improving quality and efficiency among these professionals. They aim to help the most established entrepreneurs adapt to current technical changes and new standards, and thus facilitate their access to the most modern segments of the market. They also aim to help those who are setting themselves up in business or consolidating their activity to reach a level of skills that will give them access to promising local and national niche markets.

Training in new technical and occupational standards

Groups of professionals operating on a relatively stable basis are mainly active in countries with professional organisations such as national craftworkers' federations or chambers of trade in charge of providing them with services. The training practices in this area demonstrate the extent to which the informal sector is being pushed to adapt to new regulations and requirements in their fields of activity.

125

Training in technical standards for electricians in Dakar

A group of 300 electricians in Dakar (that is, all of the officially registered electricians) put in a request for training which would update their working knowledge of standards in the profession. The need for capacity-building came from changes in the law that relieved the Senegalese electricity company (*Société sénégalaise d'électricité* – SENELEC) of the task of installing electrical systems in private homes. This opened up

14. According to the AFRISTAT survey on the informal sector in the seven WAEMU capitals, the average age of the production units run by the professionals described here is seven years.

the market to artisan-electricians, but brought with it the obligation to carry on where SENELEC had left off in compliance with the existing electrical standards.

The requested training programme contained six modules that covered nineteen standard requirements. Their request, supported by the Chamber of Trades, was submitted to the Technical and Vocational Education and Training Development Fund (*Fonds de développement de l'Enseignement technique et de la Formation professionnelle* – FONDEF) which, after re-working the original programme into two modules, agreed to cover 75% of the cost of the training (estimated at 16 million CFA francs, or approximately €25,000). The electricians were asked to fund the remaining 25%.

Training plumbers to comply with sanitary equipment installation standards in Benin

Training for artisan-plumbers was organised by the African Organisation for Equipment, Works and Technologies (*Société africaine d'équipements, de travaux et de technologies* – SAFRETTE) with the purpose of training them in the installation of sanitary equipment in compliance with current standards and regulations for the profession and in the interpretation of plumbing blueprints (Amoussouga, 2005). Previously, most had installed sanitary equipment however they saw fit.

This five-day training course, designed for master plumbers aged 28 to 53 who wished to improve their service offer on the job market, aimed to help plumbers recognise and interpret conventional plumbing standards and symbols, familiarise them with the operation of sanitary equipment, master installation techniques, and finally, teach them to determine how sanitary installations work.

There was keen interest in the training among the plumbers because it enabled them to improve their general skills and bring their services into compliance with international standards and regulations. The twenty-one plumbers who took part all expressed a wish

to take advantage of further training, especially in the field of village and urban water supply. They also stressed that it would be beneficial to extend this training to all of Benin in order to harmonise knowledge levels nationwide.

Training for taverners in South Africa

The Taverners Training Programme, which was initiated and funded by South African Breweries (SAB), was launched in 2003 to improve the quality of service in taverns selling the firm's products. It also aims to provide taverners with the skills they need in order to comply with occupational quality standards.

The training includes modules on management, customer service, business law, stock management, bookkeeping, and credit management. It lasts five days, after which trainers visit the business twice. It is run throughout the country, with SAB subsidiaries in charge of receiving applications. The classes are given in English, but trainers must also have a good knowledge of other national languages.

The training is recognised by the Department of Education (DoE). It is also accredited by the Tourism and Hospitality Education and Training Authority (THETA), which provides learning materials for the course. Participants demonstrating good knowledge of the training content can be awarded credit units under the National Qualifications Framework. Taverners who have completed the training usually take steps to obtain a formal license for their businesses.

These three initiatives show how vocational training can help the most skilled informal sector workers adapt to the constraints and standards of an increasingly competitive market. It thus acts as a key means of boosting their production and service units, and raises them to a level of regulations and practices that is characteristic of the formal economy.

Training in promising occupations and trades

Given that the informal economy is growing at the expense of modern enterprises, the seven countries are increasingly obliged to set growth objectives that take into account this second economy's¹⁵ potentially vital contribution to national employment policies and, more broadly, national wealth creation. Even though these objectives often have a pragmatic focus and would merit further integration into overall development strategies, they have led to various training initiatives aimed at developing participants' skills in occupations offering short and medium-term profitability.

Training for new farmers in South Africa

Training issues in South African agriculture are directly linked to the question of land reform, which aims to transfer 30% of land to black farmers by 2014. Land redistribution is a fundamental issue as the reform basically entails the transfer of extensive capital-intensive and export-oriented farms to unskilled or poorly skilled farmers, who run small farms more for survival purposes than for profit. To deal with this situation, the Agriculture Sector Education and Training Authority (AgriSETA) set up a skills development scheme for new farm owners. The scheme is based on mentorship, which entails senior farmers who are at the end of their business career agreeing to support and mentor the new farmers, who are usually black and have little professional experience. The mentors pass on their skills in the fields of organising people and activities, and farm management. They also facilitate the transfer of technical knowledge and know-how according to the type of crops grown. The ultimate goal is to avoid a rupture in cropping and farming techniques and occupations when the large landowners' land is redistributed to small farmers.

15. This expression was coined by the South African President Thabo Mbeki.

Horticultural training in the urban fringe around Luanda

This scheme was run by the NGO Agrisud with support from the French development aid authorities. The project was set up in a context in which traditional farming was unable to meet Luanda's high demand for foodstuffs, mainly because of the poor road linkages between the farming areas and the capital, and in which cultivatable, irrigable land was available around Luanda. It made it possible to strengthen the capacity for action of the provincial agricultural services in Luanda, and provide horticultural training to small farmers in the green belt. The training lasted three months, which included one month's basic training and two month's on-the-job apprenticeship. It was given to groups with a maximum of six trainees, and the training comprised a phase focusing on knowledge and practical experience transfer by a professional farmer, further instruction in complex notions delivered by the trainer, and a practical phase during which participants applied what they had learned to their own land. At the end of 2005, the project had trained fifteen technicians who would be able to instruct other market gardeners, twenty master farmers, and 780 peasant farmers.

Training Moroccan craftworkers to meet the requirements of the international market

129

For a long time, the Ministry of Tourism, Handicraft and Social Economy gave priority to a social approach. However, it has now decided to change its strategy by addressing the future of this sector—which is heavily present in the informal economy—in terms of economic development and the labour market. After analysing the future development prospects of the tourism market, it thus concluded that handicrafts with a high cultural content (decoration, furniture, clothing, accessories, jewellery and construction) were a sector with high development potential and would be particularly likely to grow with the increase in tourism. In this spirit, and in partnership with craftsmen's organisations, public authorities are planning a huge programme to upgrade

the skills levels of people working in the sector. The main lines of this programme can be summarised as follows:

- training for handicraft workers in new design concepts in order to help them adapt their products to foreseeable changes in the international market;
- initiation in modern management methods for self-employed craftworkers to enable them to pursue their trade in future innovative sales areas (crafts villages, economuseums);
- deployment of a large, continuing training programme for 200,000 to 300,000 workers in the sector in order to raise the overall quality of handicraft products.

This large programme to transform the crafts trade is planned to run for a period of ten years. It demonstrates that the evolution of the informal market is inevitably dependent on a confrontation with an increasingly globalised market, and that this confrontation cannot be won unless there is a substantial improvement in skills levels among those who work in it.

Helping weavers from Addis Abeba access a promising international market

130

The project forms part of a cooperative arrangement between the ILO and the Ethiopian Government within the national programme to promote decent jobs, and whose ultimate goal is to promote sustainable development and reduce poverty. The ILO identified cotton, textiles and, more broadly, clothes-making as priority sectors, following the end of the 1974 multi-fibre agreement. Specific studies had in fact demonstrated the benefits of incorporating this sub-sector into the national value chain¹⁶ and identified that this integration required improved technical skills in weaving

16. In the project's internal presentation document (*Technical Cooperation Summary Project Outline*), the ILO defines the value chain as all the activities required to create a product or service, from design to delivery. It emphasises that the challenge in this particular case is to improve the competitiveness and effectiveness of the entire value chain, with the aim of supporting job creation and economic growth.

and in management capabilities as a pre-requisite for greater market access and increased financing.

In concrete terms, the aim of the project is to train informal weaving MSEs with a view to enabling them to acquire suitable premises and new generation looms, to open production to the international market by exploiting new niches in the national market, to improve working conditions, and to update products and the production process. It has thus set out to train workers from the sector at all skills levels and greatly improve their professional capabilities:

- Basic level: Provide people with elementary weaving skills.
- Intermediate level: Give people who already work in the weaving trade the ability to produce goods of the quality and quantity necessary for the international market.
- Specialised level: Train people in the design of new products, and help designers and clothes-makers respond to international market aspirations, and specialise in the clothing ranges demanded by this market.
- Specialised level: Train clothes-makers to produce, in a uniform manner, the new models created by the designers, and adopt the new weaving and clothes-making techniques demanded by this market.

The joint project between the ILO and the Ethiopian government has only just begun and is yet to prove its effectiveness. Nevertheless, like the Moroccan project, it shows that the informal sector has the potential to reach the level required by the international market. But this potential will only be fulfilled if the sectors' workers are acknowledged as being capable of meeting the quantitative and qualitative challenges of the market and can obtain sufficient funding to adapt both technically and professionally. Training is, therefore, a pre-requisite for the success of such an endeavour.

Figure 6.
The different levels of training and skills development



Cross-analysis of all these skills development practices and schemes in the informal sector reveals the great complexity of the situation. First, it highlights the major role the sector plays in its workers' skills acquisition. Very few have been trained within the formal system, and the vast majority have learned their trade on the job, through their families, or by way of traditional apprenticeship. Second, it sheds light on some new trends: alongside the traditional transmission of methods, techniques and behaviours, new forms of dual training are increasing young people's skills and adaptability. This raises serious questions as to why the education system is not achieving the same thing. These trends are not affecting all young people and adults in the sector. Many find it hard to enter highly competitive markets or pursue sufficiently profitable activities in order to rise above mere subsistence. However, the progressive introduction of more effective training and job support schemes for both vulnerable and well-established groups by the various public and private, national and international stakeholders shows that the informal sector is becoming a potential area of investment and, consequently, a source of hope for those who are at once workers and stakeholders.

The informal sector's growing role as a source of activity and enterprise creation

3

The fundamental purpose of the various training schemes in the informal sector that aim to enable workers who wish to enter it to do so and to increase the professionalism of those already working in it is to enable their participants to acquire subsistence incomes or increase their present incomes to improve their standard of living. It is hard, if not impossible, to comprehend the role that training can play for domestic workers, the self-employed, and production and service MSE owners without explaining the intimate connection between the acquisition of new skills and the expected effect, which is improved living standards.

133

Only by clearly understanding this connection can one appreciate why training for self-reliance, entrepreneurship, enterprise creation, and management is playing an increasingly important role in education systems, and in job training and skills development schemes. Given that job availability is much lower than demand, it is better to be able to develop one's own activity than to wait for infrequent work opportunities. As market shares are either limited or highly competitive, it is better to learn how to improve one's product quality and widen one's area of activity than it is to continue working at a level that equals instability in the present and uncertainty about the future.

3.1. Education and training for self-reliance and enterprise creation

The field survey identified a wide range of noteworthy schemes, underway or planned, aimed at enabling current and future informal sector workers to train so they can earn a living. Some countries have opted to introduce training in entrepreneurship as early as in school. All are developing training to help micro-entrepreneurs generate at least subsistence incomes and, at best, enter a virtuous circle of good management and sustainable activity.

3.1.1 Entrepreneurship training for children and young people

Analysis of educational performance in the African countries, and notably sub-Saharan countries, shows that many educated children are entering the labour market directly, without any vocational training. This situation again raises the issue of the appropriateness of providing pre-vocational skills training in schools for children who might drop out and spend time on the streets before they are of working age. To tackle this problem, some countries, namely South Africa and Angola, have launched initiatives aimed at introducing children to entrepreneurship and enterprise creation while they are at school.

Closer links between schools, the economy and employment in South Africa

Among the countries surveyed, South Africa has the highest percentage of children in secondary education (over 66%). However, only 30% of those who complete secondary education manage to find a job. This is the background against which various recent initiatives to help young students enter work or start a business are taking place.

Use of pre-learnership modules in the education system

The School Pre-Learnership Project (SPLP) was launched by the Services SETA in March 2006. It offers students in their last two years of secondary education (grades 10 and 11) an opportunity to be trained in generic workplace functions and processes. The training provided enables young people to acquire core workplace skills. It includes thirty-nine modules that cover subjects such as contract terms, personal responsibility and accountability, how businesses work and are organised, CV and interviewing skills, workplace behaviour, productivity and time management, etc.

The fundamental purpose of pre-learnership is to build a bridge between theoretical learning in formal education and practical workplace learning. It also enables young people seeking employment to make the most of learnership schemes and, thus, ensure they have the greatest chance of acquiring the skills needed to find work. It also enables trainees, trainers, and employers to have a positive experience of the dual theoretical/practical approach, and thus appreciate the added value of learning methods that combine formal schooling and workplace-based training. The Services SETA is currently piloting this initiative in fifty-two colleges in the nine South African provinces. 4,800 young people are involved. It is being evaluated by a research project with a view to possible roll-out throughout the education system.

135

The Enterprise Education Programme

In 2004, the Umsobomvu Fund for young people launched a programme aimed at developing entrepreneurship and promoting self-employment. The programme is primarily targeted at upper secondary school students. Entrepreneurship training has been included in school curricula (economics, management, and business studies for two hours a week). The Fund also provides educational aids. These modules are for all schools in the country, although some teachers do not use them because they lack

sufficient knowledge of the subject. To remedy this situation, the Fund organises teacher training sessions, to which local businesses are also invited.

Training in self-reliance and entrepreneurship in Angola

In 2006, the Angolan government devised and launched a broad strategy for the development of a pro-active enterprise and job creation policy in certain promising economic sectors. Support measures include new legislation on job market access and self-employment, and a USAID scheme to prepare young people, as early as primary school, for their entry into economic life.

Specific legislation on employment and self-employment training

Act 1/06 of 18 January 2006 addresses the entry into active life of job seekers and, especially, young people seeking their first jobs. Although this act primarily targets economic and professional integration in the formal labour market, it also targets young people who are likely to be unable to enter the formal sector. It sets the educational objective of creating conditions in which young people can acquire the knowledge and skills they need to become self-employed and adapt to new job market requirements. The Act's focus on the need to train future workers to become self-reliant and capable of developing income-generating activities illustrates the new challenges facing state education and training in all developing countries, which is to give children and young people a basic education while at the same time creating the necessary conditions for this knowledge to permit their future economic and social integration.

Youth training in entrepreneurship: the 'Junior Achievement' programme

In Angola, USAID is currently developing a scheme that has proved highly successful in Brazil: the Junior Achievement programme, which aims to equip

young people, from primary school to university level, with entrepreneurial skills. The linchpin of the overall programme, which was launched over eighty years ago, is to bring entrepreneurs into the classroom so that, from an early age, young people can learn about and acquire the skills they will need in their personal and professional lives: how to start and grow a business, and how to manage and head an enterprise, etc. The aim is to help them prepare themselves for a successful entry into working life. In the scheme, young people acquire the basic concepts of business economics (the work environment, gross and net profits, opportunity costs, etc.) and develop aptitudes for interpreting data, solving problems, critical thinking, and self-assessment.

According to the USAID project leader in Angola, the scheme should help to provide young people with the training they need in order to grasp the self-employment and enterprise creation opportunities created by the new Act, given that most young Angolans have no choice but to enter the job market through the informal sector.

The South African and Angolan schemes are not unique, given that most of the countries are faced with the problem that the young know little about the world of work and business, and they are trying to remedy the situation by progressively introducing more dual training schemes. However, these schemes are interesting in that they raise practical concerns about the gulf between schools and businesses and are bridging it by giving young people early training in the basic skills they will need in order to be able to work and earn a living.

137

3.1.2. Training entrepreneurs in how to start and manage their businesses

Whereas entrepreneurship training for young people is a recent phenomenon, training for MSE owner/managers in the informal sector is widely developed in all of the

countries surveyed. It aims to promote the creation and efficient management of informal production and service units. It is notably provided to help participants move from subsistence activities to growth and development activities.

Training Senegalese women in enterprise management (GERME)

The Women's Entrepreneurship Bureau (*Direction sénégalaise de l'Entrepreneuriat féminin*), as part of its plan to participate in the reconstruction of economic activity in the Casamance region, set up a national programme for developing women's managerial skills. To do this, it called on the assistance of a management training programme offered by the ILO entitled Start and Improve Your Business (SIYB, also known as *Gérez mieux votre entreprise* – GERME). The Bureau benefited from the support of the International Finance Corporation (IFC), a World Bank subsidiary, for the implementation of the pilot phase that provides training and follow-up for eighty women in the region. Training took place over a period of ten days. The first stage in the process, which consisted of needs analysis, was followed by a training phase that aims to build women's capacities through seven modules (enterprise and family, marketing, supply, stock management, costing, accounting, and financial planning), and consolidate entrepreneurship through four modules of an enterprise simulation game. For each module the women participants drew up an action plan that was assessed during the process's follow-up phase. This last phase took the form of two follow-up visits (at two and six months after training). A third visit was planned to take place after approximately ten months.

The follow-up phase included other support activities, provided according to need. These were determined on the basis of an assessment and the mapping of the performance of their businesses. Each entrepreneur could then be given appropriate support in the form of two-day capacity-building seminars, group training for improving enterprise performance, or individual assistance.

Analysis of the results of the performance mapping for thirty women showed, on the economic level, an increase in the real size of their businesses (the number of workers had increased in twenty cases), a doubling of turnover after six months for each of the production units surveyed, and even a diversification of activities and, in some instances, a migration towards more profitable niches. Cashbooks were kept in all the units, and more than 90% of the women paid their workers a salary, compared to 10% at the beginning of the training scheme. The increased credibility that these women have earned has also given them easier access to sources of funding.

Training Moroccan micro-entrepreneurs

The Al Amana Association is one of leaders of the Moroccan microfinance sector (it has the largest portfolio and is one of the two largest in number of active borrowers). It currently operates across nearly the whole country and has over 160,000 lenders, the vast majority of whom are solidarity groups, for total outstanding loans of €36 million.

Since 2001, and with support from the Spanish development aid authorities, Al Amana has been training micro-entrepreneurs in the Tangier and Tetouan regions in the woodwork, metalwork and clothing sectors. The training scheme, which had involved 300 people until 2006, is divided into three phases:

- Phase 1: diagnostic (needs analysis, a questionnaire for micro-entrepreneurs).
- Phase 2: design of a training plan in the areas identified.
- Phase 3: delivery of the programme. This consists of providing management training workshops (with groups of ten to fifteen people), which are followed by individual management assistance in the workplace. It also includes providing technical training in public training centres, which are also followed up by in-company assistance. Each training module lasts approximately fifty hours.

Al Amana also trains people who pursue income-generating activities in order to help them increase their means of subsistence by creating or developing business activities. Due to the participants' lower levels of education, this type of training uses audiovisual aids and a participatory approach (viewing of a film, group discussion of the content, *in situ* application, and experience sharing). The modules focus on stock management, human resources management, sales techniques or other topics, depending on the participants' identified needs.

Training of craftworkers and entrepreneurs in Cameroon by the IECD

As part of the Cameroon Occupations (*Métiers du Cameroon*) programme funded by the French development aid authorities, the European Institute for Cooperation and Development (IECD) trains IPU owners who meet the following criteria: they must be working and in a position to manage this activity, be able to read, write and count, and express interest in the training. There are no pre-requisites in terms of educational achievements.

Each year, the IECD trains nearly 300 small entrepreneurs through training courses organised in groups of a maximum of twenty people. Each course has a theoretical component: basic management concepts are taught in ten two-hour modules given three times a week (evening classes) for six weeks. They also have a practical component comprising five two-hour practical sessions, which are designed to consolidate the knowledge acquired in the theoretical modules. The sessions may take the form of role-playing, presentations, practical exercises, etc.

Further support measures have recently been added to this training. They include the following stages:

- Six on-site monitoring visits: these take place as early as the third week of training. Once the training module on bookkeeping has taken place, the trainers visit the

seminar participants at their workplaces in order to provide individual support in applying the knowledge they have acquired to their businesses.

- Three support visits: these take place three months, six months and one year after the end of the training, and aim to support the entrepreneur and measure the impact of the training.

The results of the training speak for themselves: 90% of the trainees have a bookkeeping system at the end of the training. This proportion goes down to 60% three months after the end of the training and to 50% six months after the end of the training. The IECD is planning to shorten the length of time between support visits to improve the results achieved.

The RAVE project to develop the entrepreneurial capabilities of South African wholesalers and retailers

With support from grants from the National Skills Fund, the Wholesale and Retail Sector Education and Training Authority (Wholesale and Retail SETA) organised an entrepreneurship training scheme entitled Retrenchees and Victory to Entrepreneurs (RAVE). It ran from October 2002 to May 2005, and involved 10,000 individuals, each of whom represent a wholesale or retail business in the informal sector and, thus, a much greater number of workers:

- 5,000 individuals were from existing small wholesale or retail businesses with monthly turnovers of between 1,000 and 50,000 rand (or about €110 to €5,500). The aim was to help them improve their business performance and profitability while raising their basic skills levels. The businesses were supposed to be stable, and candidates had to have at least completed the first stage of secondary education.
- 5,000 of them had lost their jobs (as a result of retrenchment or restructuring) or were unemployed. The aim was to provide them with the skills they needed to launch a

trading activity and to help them become capable of managing their own businesses. Candidates had to have taken the first steps towards creating their own businesses and had to have at least completed the first stage of secondary education.

The project, as a whole, focused on sectors such as the food and beverage trade, sales of sanitary and building equipment, fruit and vegetables, meat, bread and pastries, clothing and textiles, and even second-hand objects and cars.

The training course included a ten-day theoretical component (organised into three sessions) and three months of practical training, which included visits to trading businesses and workplace learning. It was organised in such a way as to provide learners with access to qualification units accredited by the South African Qualifications Authority (SAQA). The five thousand learners already running businesses were monitored by mentors who visited them in their businesses and helped them use the skills acquired. The other five thousand who were just setting up their businesses received, in addition to the theoretical learning, individual support to help them set up their businesses and access bank loans.

The impact analysis for the whole RAVE project, carried out by Wholesale and Retail SETA, shows that significant progress was made in several areas: some learners who were already in business increased their turnover by 50%, changed their pricing policies, decided to give all their employees a salary, started to use a cash-control system and thus keep full accounts for their businesses, or even recruited new staff.

This report cannot describe all of the many management skills development initiatives for informal sector entrepreneurs in the various countries. Others that deserve a mention include the new Angolan project run by the government, the UNDP and Chevron to improve MSE market access; and the Basic Entrepreneurial Skills Development (BESD) initiative in South Africa, which is developing highly effective

training tools and methods (South African-German Development Cooperation, 2003). The training schemes described above and those discussed in the various country reports clearly demonstrate that support that encourages informal operators to become self-reliant and strengthen their management skills has notable effects on the profitability and sustainability of their activities. Such support is undoubtedly key to stimulating the informal sector's economic development.

3.2. Conditions to ensure that training really does lead to activity creation and employment

The analysis of training schemes shows that they stand the greatest chance of being effective if they are part of a broad follow-up process that includes help implementing the results of training, the inclusion of individual skills within collective projects, and support systems (notably financial ones) to ensure that skills development really does lead to the creation or consolidation of an enterprise.

3.2.1. Training cannot be effective unless its impact is monitored and assessed

143

Not all of the training schemes organised in the various countries have set up systems for monitoring and assessing their impact on the beneficiaries' lives and careers. However, analysis of the different countries' experiences and good practices shows that a greater impact is achieved when training is accompanied by specific monitoring and support processes.

On-site monitoring and evaluation: an integral part of informal sector training

The above-mentioned Cameroon Occupations and JEVAIS projects are designed so that ongoing support for young entrepreneurs or on-site visits by qualified financial

management and accounting experts are an integral part of the training process. The same can be said for the Local Initiative Promotion Programme (*Promotion des initiatives locales* – PIL) supported by the German Development Service, DED. It finances productive and profitable micro-projects in the city of Douala. Visits to two credit recipients (one makes natural fruit juice and concentrates, and the other is launching a pastry-making business) showed how productive this programme is. It gives potential entrepreneurs an introduction to business management and accounting, grants loans to consolidate or launch their businesses, entails on-site monitoring to support entrepreneurs, helps them use management tools, and ensures that loans can be renewed or re-evaluated according to the results achieved.

Ethiopia's Federal Micro and Small Enterprises Development Agency (FeMSEDA), which trains micro-entrepreneurs through a course entitled "Develop a skills-based economic activity through business creation", conducts on-site visits to help acquired skills take root within the training beneficiaries' business activities.

For its part, the Beninese project to promote the craft enterprises and SMEs (the PPA project supported by the GTZ), which trained more than 9,000 craftworkers in thirty different occupations up to 2006, systematically organises monitoring and evaluation activities. Each training course includes individual monitoring. Six to ten weeks after training, a trainer visits each participant in his or her workshop to check that the content of the course really is being implemented. This provides an opportunity not only to check whether benefits are real, but also to offer additional training in the craftworkers' actual working situations. This approach is essential since it is not always easy to apply theory to practice. It seems that the rate of skills transfer increases after the trainer's visit. An impact evaluation is then carried out in the six months following the training. It is completed by the craftworkers themselves, so that they can ascertain whether or not the training had a positive effect on their activities (increase in turnover, profit, reduction in costs, opening up of new markets, etc.). An evaluation of results over the

2000-2005 period demonstrated that 60% of the craftworkers trained stated that their turnover and profit had increased following training, and their costs had gone down. 70% said they had accessed new markets, and over 80% acknowledged that they had significantly improved their technical knowledge.

These examples only illustrate the sort of training that exists in the countries concerned, but they also reflect providers' increasing awareness that training designed to transform participants' working practices or help create or consolidate income-generating activities cannot leave out accompanying support to implement the intended skills in the workplace.

Mentorship and the quest for optimal efficiency

The field survey showed that individual assistance for production and service MSE owner/managers is increasingly used as a means to transfer and develop skills in the informal sector. Whether it is called mentorship, coaching or tutoring (the term used in the French-speaking countries is '*tutorat*'), this mode of assistance is noteworthy because it enables people to benefit directly from the expertise and accumulated experience of a designated mentor.

145

South Africa has invested the most in this area, and has invented a particularly effective mentorship method used in the farm sector (see the AgriSETA example), the services sector (by the Service SETA), and the wholesale and retail trade (by the Wholesale and Retail SETA). This method is part of an overall skills development process in the informal sector, which was initially developed by the Free State employment authorities with support from the GTZ. Various publications give details of the main phases and describe the role of mentor¹⁷. Mentors are highly-qualified and

17. South African-German Development Cooperation (2003).

experienced women or men who help trainees acquire skills according to their specific circumstances and individual paces of learning and development. They play a key role in developing the skills of informal sector workers.

Coaching is also one of the priorities of the new public/private partnership initiative in Angola. For example, the Angolan Enterprise Programme (AEP), run by the UNDP and the oil company Chevron in coordination with the government, offers individual coaching to micro-activity or micro-enterprise owners/managers to help them find solutions to match their needs and seize opportunities for growth. The advantage of such personalised support is that it can be organised to fit entrepreneurs' particular work patterns, and allow them to take business decisions, rather than outsourcing decisions to an expert who is often expensive and little involved in the business. To this end, AEP provides training for mentors and coaches able to work efficiently with enterprises, and provide both motivation and support, while respecting the business owner/managers' prerogatives. The training sessions for future mentors will thus include the basic theory required for mentoring work, and, above all, the development of skills for timely intervention in real life business situations.

By offering effective tutoring, trainers from the OFPPT in Morocco have enabled young fish vendors in Mohammedia to improve the way they organise their activity and manage it in compliance with hygienic transport standards. They have thus helped the vendors to acquire small two- or three-wheeled vehicles equipped with isothermal containers that enable them to sell their goods around the region. They encouraged them to obtain a permit allowing them to sell throughout the province. Lastly, they urged them to come together in an association (more precisely, to revive an existing association) and to use it to pursue a joint development plan.

The above-mentioned ReMSEDA scheme in Dire Dawa, offers a very promising 'institutional' mentoring model. ReMSEDA helps associations of young people and adults

access business opportunities arising from regional development programmes. It supports groups of job seekers by encouraging them to train in the areas of skills they will need for work experience. Then, it helps the associations access microcredit and works with them to determine what they need to do in order to become autonomous business units.

Finally, the construction of Dire Dawa University provides an example of on-the-job mentorship. Every day, workers in small enterprises at the building site are given training in different areas, depending on the tasks they will have to do. In parallel, site managers give them direct on-the-job support for implementing new methods and know-how.

In all of the examples of mentoring and/or tutoring described in the country reports, skills acquisition among the beneficiaries is maximised by individual assistance and advice. It truly is the outcome of a learning and apprenticeship process that emphasises the relevance of results and thus maximises the efficiency of the training.

3.2.2. Training cannot be effective without direct support for enterprise creation

The various field surveys showed how important it is for training schemes to include follow-up and monitoring for learners, but they also demonstrated that the most essential ingredient for success is the provision of financial and material support at the end of training, without which it is difficult, if not impossible, to ensure that people obtain work and, above all, keep it.

Training with contributions in kind

At the end of many training schemes in the informal sector, participants are offered material contributions to help them develop activities. These can be divided into two main types.

Provision of tools and equipment in urban areas

One common practice is to give participants a tool-box at the end of their skills training, to give them the minimum resources they need in order to enter the labour market. This happens systematically in training schemes run by the organisations responsible for the reintegration of former combatants in Angola (IRSEM and MINARS). At the end of training courses for welders organised by the Steel and Engineering Industries Federation of South Africa (SEIFSA), participants receive a complete set of welding equipment (welding machine, helmet, gloves and apron).

In South Africa, the Wholesale and Retail SETA has developed training for street vendors, with the Schield company as a partner. The aim is to help young people create their own businesses, with each paying for their own training. However, the company recycles port containers for them and provides them with an initial stock of merchandise so that they can launch their businesses.

The JEVAIS project in Cameroon gives young people in enterprise training access to the equipment they need for successful entry into the labour market.

148

At meetings with the various organisers of these training/endowment schemes, it became clear that the provision of such resources was a prerequisite to ensure that the skills development activity has a chance of leading to enterprise creation. However, they also acknowledged that it is not always sufficient in and of itself.

Access to land in agricultural areas and to livestock in rural areas

It is difficult, if not impossible, to train farmers in rural areas without giving them a minimal amount of land and input (to grow crops), or livestock (to rear).

The Angolan Ministry of Agriculture has, therefore, set up a Rural Development and Expansion Programme (*Programma de Desenvolvimento e Extensão Rural* - PEDR) that aims to promote food self-sufficiency. In the Uije Province, 63,000 households benefited from this programme in 2006. Farmers in five districts (Uije, Negage, Songo, Pompo and Damba) were given over 1,000 hectares of cultivable land, working tools, and seeds. The Ministry for Social Assistance and Reintegration launched a similar scheme to help 4,230 ex-UNITA combatants to return to farming in the Province of Kwanza-Sul. As with the preceding project, the beneficiaries received land and agricultural tools.

South Africa has set up a mentorship programme in the farm sector as part of its land reform policy, which is redistributing land ownership to black farmers from huge farms previously owned by whites.

The main objective of the Rural Jobs Support and Development Programme (*Programme d'appui au développement des emplois ruraux* – PADER) in Cameroon is to promote rural employment and alleviate poverty. It targets organised groups and unoccupied or underemployed young people in rural areas and on the urban fringe. It gives those who demonstrate a real interest in working on the land a proven right to a two-year ownership of plot of land. They are also given technical training in farming and business management. Once trained, the farmers receive funding to purchase inputs, and the farmers are responsible for all preparatory, maintenance and harvesting work.

The Harar Technical and Agricultural Training College in Ethiopia trains farmers in poultry-rearing and milk production. Aware that people cannot start farming without a minimum number of chickens or cattle, it decided to give poultry farmers free chickens and make a heifer in calf available to milk producers on hire purchase as part of its skills development programme.

All of these examples of training combine, within one process, the acquisition of human and professional skills with access to land and the acquisition of the vital initial resources to start an activity. Training is one of these three components, but it will not succeed without the other two.

Training schemes supported and/or followed by microcredit

In all of the countries surveyed, microcredit is an integral part of the means deployed to cement training and make it effective. All people met stressed its growing importance in helping informal sector workers to progress from the skills development phase to enterprise creation, consolidation and development.

The Moroccan experience: microcredit as a means of encouraging people to train

Morocco is noteworthy for having formally recognised microcredit organisations. One is the Zakoura company, which is specialised in the development of rural tourism and has devised an approach in which participation in training is a condition for obtaining a loan. Another is the Al Amana Association, which has already been mentioned with regard to management and entrepreneurship training. It acts as both a financial organisation and a training provider.

As a training provider, Al Amana encourages micro-entrepreneurs in the informal sector and people wanting to develop income-generating activities to take technical and management training courses. The aim is to give learners' the best possible chance of succeeding in their undertakings. It is particularly important to encourage people to train because microcredit users are not always aware of the benefits of acquiring new knowledge and skills. However, impact studies carried out by Al Amana show that while loans can help increase income, they are not enough to ensure the development of an enterprise in the medium term. Training is a key ingredient for success in this regard.

As a financial organisation, Al Amana grants loans to groups of five, four or three co-entrepreneurs who have committed themselves to making investments that are profitable in the short term, and to mutually guarantee repayment of their loans. No other formal guarantee is required of the borrowers. These loans are repayable within three to eighteen months. They range from 1,000 to 30,000 dirhams (€90 to €2,700) and must be repaid in weekly, bi-monthly or monthly instalments. Training is not compulsory for a loan, although it is strongly recommended. Al Amana is currently participating in a government programme that aims to assist the creation of 30,000 small enterprises in three years. The state-guaranteed loans will include a 'training support' voucher which will be part of the enterprise creation process.

The Angolan experience: microcredit as a means of pooling training

Angola has also developed a microcredit scheme which is closely linked to the informal sector. In 1996, an NGO called Development Workshop (DW) launched the Sustainable Livelihoods Project (SLP). This project, which is still running today, was the first in Angola to introduce and test the microcredit model developed by the Bangladesh Grameen Bank. The principle underlying this form of microcredit (known as *Kixicredito*) is that social solidarity is not automatic, but rather the result of specific training for small groups in such solidarity. These groups undertake to use microcredit in a shared and well-managed way. At the end of 2001, the scheme reached a 98% repayment rate, a better result than that of most commercial banks. The programme assessments showed that this credit experiment had very positive effects on the incomes of families working in the informal sector, and that it could be widely applied to this sector.

Following this experience, DW greatly expanded its lending activities. Since the start of the scheme, three million dollars have been lent to micro-enterprises in the informal sector, with the average loan being \$250. While the scheme does not operate as

formal training, it is in effect an experiment in solidarity steering that forms a sort of pooled training by group members committed to a given venture.

Microcredit as a means of extending training activities

Other microcredit experiments came about when training schemes proved ineffective because they lacked the resources to meet their objectives, notably concerning their capacity to ensure that learners went on to pursue activities that generate incomes and economic development.

The activities of the Senegalese women's group Ounou Mountaga Tall clearly illustrate this approach explicitly combining training and microcredit. Today, this group, which was founded in 1991, brings together more than 1,800 adult and young women from Dakar and fifteen women's associations. It has a seven-member training commission which is in charge of analysing training needs and translating these needs into training courses tailored to women's demands.

The group develops activities in areas such as fruit and vegetable processing, dyeing, chicken-farming, and micro-gardening. It trains its members in a wide range of topics: business management and planning, management, literacy, fruit and vegetable processing, dyeing, and enterprise management.

As the group's activities have expanded over the years, it has realised that, while skills development is essential, it is not enough on its own to create activity. The women trained need to be given the means necessary to use the training they receive. The group therefore set up its own fund, financed through membership fees, which allows it to provide micro-loans and revolving credit. This enables it to help women create and develop income-generating activities. Figures for July 2005 show that the group had granted 1,262 loans to a total amount of 23,565 million CFA francs (approximately €36,000).

The Local Initiative Promotion (PIL) microcredit and advisory programme supported by the German development aid authorities, which is aimed at financing start-up projects in the city of Douala, organises training for potential entrepreneurs, and helps them to draw up business plans. Then, it grants them micro-loans, the amounts of which depend on the planned budget. According to programme officials, the first instalment, which can be as high as 600,000 CFA francs (or about €915) over a period of six months, varies in accordance with the project's development potential. Project officials regularly visit to see how the loan is being spent and decide whether to renew it according to the results achieved.

The IRSEM, which is responsible for the reintegration of former combatants in Angola, has finally concluded that, on their own, the tool-kits handed out at the end of training are not enough to create income-generating activities, and that these activities can only succeed if they are accompanied by a financial grant to enable ex-soldiers in search of employment to get through the first difficult period. Without this financial support, they become discouraged very quickly and resell the tools that they received. Following this observation, microcredit schemes to support their first professional activities were developed. Experience has since shown, however, that these loans only had positive results when granted to the former combatants' wives. IRSEM currently targets this group of people. Results are satisfactory and, overall, the women have thus far managed to reimburse the loans received. These loans can be as high as one hundred dollars for individuals and can be higher when those trained form associations to launch their professional activities together.

153

Training chosen and supported with funding provided by formal enterprises

Alongside microcredit, financial support for training and job support comes from two other sources: from levies paid by modern enterprises as part of their contribution to

national training efforts, which are collected by training funds; and from direct contributions made to micro-units in the informal sector by some companies.

Schemes financed by training funds

Training funds in West Africa (Benin and Senegal) support skills development among learners but do not provide any direct aid for enterprise creation, in contrast to the South African funds that assist the creation or development of informal micro-units through sectoral agencies.

The Continuing Vocational Training and Apprenticeship Development Fund (*Fonds de développement de la formation professionnelle continue et de l'apprentissage du Bénin* – FODEFCA) provides training for apprentices, and technical training for craftworkers and farmers throughout Benin. For example, its interventions in agricultural areas have helped to train one hundred Ketou farmers on how to use the raw materials employed in feeding pigs, fifteen farmers per village (710 in total) in the local authority areas of Zou, Les Collines, Le Mono and Le Couffo in the production of cassava, 245 women in Dangbo, Glazoué and Tori-Bossito in the technique of sun-drying food crops, and 545 women farmers in Ouémé in bay leaf and lemon balm cultivation techniques. The funding is used exclusively to develop people's skills, and there is no direct support for enterprise creation.

In 2006, the National Vocational Training Office (*Office national de la formation professionnelle* – ONFP), which is partly funded by the vocational training levy channelled through the state budget, financed training for 675 apprentices in Dakar at a cost of 28,775 million CFA francs (about €43,800) and for 225 craftworkers in Saint-Louis. It also planned to support training initiatives in the following areas: electricity (journeymen), metal-working (apprentices), wood-working (journeymen), mechanics (master craftsmen) and construction (master craftsmen). For its part, the Technical Education and Vocational

Training Development Fund (*Fonds de l'enseignement technologique et de la formation professionnelle* – FONDEF) is run by a tripartite board of directors made up of state representatives, employers and unions. Its primary mission is to support the formal economy, which is the only contributor to the vocational training levy. It has developed an application procedure enabling craftworkers or micro-enterprises grouped into federations or Economic Interest Groups (EIGs) to apply for financial support. FONDEF thus agreed to fund training in standards for electricians, supported by the Dakar Chamber of Trades. Other projects are pending approval in vocational sectors such as building and public works, food, harbour workers, and the hotel trade.

The South African Sector Education and Training Authorities (SETAs), which act as training funds, provide more comprehensive support depending on the informal sector's overall needs. The above-mentioned financial support provided by Wholesale and Retail SETA concerned 10,000 micro-entrepreneurs and informal workers in activities such as the food and beverages trade, sales of sanitary and building equipment, fruit and vegetables, meat, bread and pastries, clothing and textiles, and even second-hand objects and cars, etc. They provided both theoretical and on-the-job training, and, above all, gave 5,000 participants, who were just starting their activities, individual support to create their business and obtain bank loans. Similarly, and as mentioned above, the Manufacturing, Engineering and Related Services Education and Training Authority (MERSETA) financed training for informal sector workers in welding techniques, and gave them a complete set of equipment at the end of their training.

Schemes financed by enterprises themselves

Analysis of the relationship between the formal and informal sectors showed that there are areas where the two types of economy interact (sub-contracting, mobility of people, etc.). This convergence of interests between large, small and micro-enterprises in any given country explains, among other things, why certain large groups have

decided to help informal operators to train themselves and create or develop production and service activities.

South African Breweries (SAB) has already been mentioned for its efforts to improve the professionalism of its subcontracting taverners. It has also run a project called Kickstart, which in over ten years has provided training for over 22,000 people and subsidised more than 3,000 businesses to the order of 34 million rand (or €3.7 million). The objective of the project is to provide support for business creation or expansion to young people between the ages of 18 and 35 who were disadvantaged under apartheid.

Angolan oil companies also intervene in favour of micro-entrepreneurs.

- The firm Chevron, whose partnership with the UNDP and the Angolan government has already been mentioned in relation to coaching schemes, helps create support services that are notably designed to give 'survivor businesses' better access to the local and national market.
- For its part, Total has decided to intervene in a targeted manner in the informal sector by fostering the creation of solidarity groups with access to microcredit. The idea is to help finance the projects (submitted and selected with NGO assistance) with initial loans of between \$100 and \$500. Depending on the repayment rate and business performance, groups may be eligible for a second round of loans. The support given by Total—which is using this initiative to position itself as an economic stakeholder actively promoting Angolan social projects—mainly targets women, as “they offer the best guarantee of the stability and security of activities”. The initiative primarily targets high-potential sectors such as mechanics and food processing. According to Total, if farm production applied improved techniques (packaging, drying techniques, cold storage facilities), the situation would be very different, and farming activities could even be re-launched

and developed sufficiently to end undue imports. To launch the entire initiative, Total does not envisage creating a specific training supply, but rather aims to work with existing institutions and change their approaches to training. This will be done, notably, by setting up management training courses based on the experiences of French and European chambers of trade, although they will not be copied or imported directly.

The various forms of support given to informal sector workers to help them turn their training achievements into real professional activities highlight the specific role that vocational training plays in the sector: its primary function is to help the beneficiaries earn a living and, as such, it is just one feature of an overall process which, if it is to succeed in the objective of helping people into activities and the labour market, must include recourse to additional material and financial means.

3.2.3. Training cannot achieve maximum efficiency unless the stakeholders are directly involved

Analysis of the training schemes promoted in the various countries surveyed shows that the practice of calling on informal sector operators to train their peers is proving to be one of the most effective means of raising the entire sector's overall professionalism. Only a limited number of schemes have been identified to date. However, they offer an interesting way to invest in a future that has a good chance of maximising the return on efforts and investment made.

The Ethiopian scheme in which farmers train farmers

This scheme was designed by the Harar agricultural and technical training centre, which was created and is subsidised by a German foundation. The centre developed a model training approach in which farmers mutually train each other. It classified

farms or farmers into two categories: 'model' farmers and 'copy' farmers. The distinction is not based on education level since some model farmers have eight years of basic education while others are, quite simply, illiterate. It is based exclusively on people's motivation and keenness to develop.

- A farmer is a model farmer when he has a sense of and a desire for progress, develops relationships with other farmers, and is capable of evaluating approaches necessary to introduce new crops or raise new animals. A hundred days after he begins his own experiment, he then becomes responsible for transferring his new animal farming or cultivation skills to the farmers under him. The model farmer maintains close contact with the training centre.
- The copy farmer implements what his mentor transmits to him. He has no direct relationship with the training centre, except in the event of serious problems that the model farmer is unable to resolve.

The overall process operates as follows: the centre experiments with new methods of cultivation or stock farming. It then transfers the experiment to the model farmer who continues it and tests it until the experiment is complete. Once the experiment is validated, the model farmer turns to his copy farmer and repeats the experiment for the benefit of the latter.

The use of this methodological framework has enabled the training centre to implement two areas of development for activities in rural areas: the creation of model farms in the field of milk production, and the creation of model farms in the field of poultry-rearing.

The mutual agricultural skills development programme in Cameroon

The Agricultural Skills and Institutional Development Project (*Professionnalisation agricole et renforcement institutionnel* – PARI) was launched and is run by the Ministry of

Agriculture (MINAGRI). It aims to help increase incomes in rural areas and develop farmers' skills. To achieve these objectives, the project centres its action on the development of agricultural business organisations by developing a mutual or group training method.

The project co-ordinators centralise information on the training needs of farmers' organisations. They identify farmers, in given regions, who have found relevant solutions to these needs. The project then organises meetings between those farmers who have asked for training and other farmers who might be able to fulfil the requests. The meetings are prepared in advance so that the exchange can be as useful as possible (knowledge exchange). The meetings involve between fifteen and twenty participants. They are organised in the workplaces of those who are passing on their know-how. After the meetings, participants who have requested the training are invited to draw conclusions from the exchanges and, when appropriate, change their production methods. They then draw up an action plan.

According to the project coordinators, the training/exchange does not merely entail the vertical transmission of solutions. It is beneficial for all participants and pools results. Indeed, discussions on the reasons for this or that practice enable all of the participants to think about their own work methods and how to improve on them.

Mutual self-training in microcredit groups in Luanda

Although *Kixicredito* groups are not specifically identified as providers of training, the way they are run can be classified as a self-training or self-run skills development activity for informal market traders in Luanda.

Solidarity groups have between twenty and thirty members. Each group draws up its own internal rules, chooses its members, and meets weekly for two hours to discuss operating methods, each other's activities, and all other issues raised by members.

Groups may break into sub-groups of five to seven members, which makes it easier to assess each other's activities, manage loans, repayments and savings, recruit new members, etc. Each sub-group appoints a representative who reports on its activities during the weekly meetings.

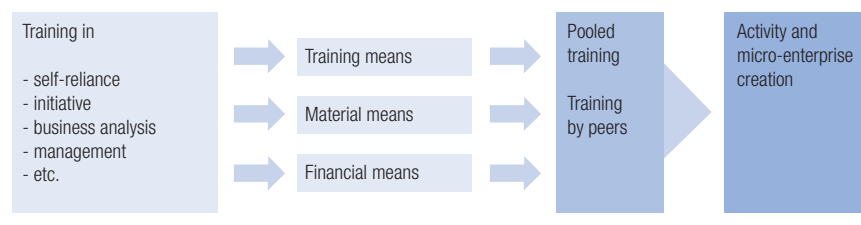
Each group democratically elects an eight-member board of directors made up of a chairperson, secretary, treasurer and sub-group representatives. Those appointed assume management responsibilities for the whole group: repayment of loans and weekly financial reports to staff in charge of the Sustainable Livelihoods Project (SLP) project.

Loans and repayments are managed collectively. Thus, agreements to grant loans apply to the group and not to individual members. Repayments are made within four months through weekly instalments co-guaranteed by all the members. Members undertake to save 10% of the amounts borrowed. These savings become available at the end of the loan repayment period, and are again subject to collective discussion and decisions.

160

Working collectively has allowed member traders to acquire a greater capacity for initiative and creativity, and consequently increase the sustainability and profitability of their activities. The informal sector has become a true force to vitalise the private sector.

Figure 7.
The process to optimise the transition from training to enterprise



In conclusion: training as a motor for overall intervention in the informal sector

Cross-analysis of schemes developed and the results obtained shows that vocational training acts in favour of informal sector workers in many ways: it offers people a path to self-reliance and creativity; it gives them a means of acquiring the skills they need to do and manage their work efficiently; it gives them faster access to innovative and promising occupations; it offers a vehicle to share and pool efforts; and, finally, it provides them with an opportunity to exchange professional experiences with their peers within a given trade or sector of activity. In a way, training serves as an indispensable tool for giving people access to the activities that will allow them to earn a living.

However, this analysis also emphasises the fact that, despite its pivotal role, training alone is not automatically effective in attaining the goals of employment and profitability. On the contrary, the experiences described demonstrate that training intervenes pertinently and optimally when it is backed by ongoing support, monitoring and financial assistance schemes.

Training is a driving force in the complex process of stimulating the informal sector. This appears to be the most accurate way to describe it in the wake of a survey that has tried, in the most concrete manner possible, to observe its multiple forms of intervention in the sample of seven countries selected for the study.

The strategic role of vocational training in stimulating informal sector development

4

The study initially set out to investigate how existing training systems relate to the informal sector's qualification and training needs. It also aimed to identify different ways of and schemes for acquiring knowledge and skills run by the informal sector, in particular any innovative training schemes aimed at helping it move from a logic of survival to one of growth and development. Lastly, it aimed to define the conditions for ensuring that public and private training provision could be optimally adapted to the needs of the informal sector. The survey work discovered how the seven countries visited are responding to these fundamental issues. Above all, it permitted cross-sectional and comparative analysis of how these countries are acknowledging and then incorporating the informal sector into current training strategies, and how they are adapting existing training practices, schemes and systems. This chapter reports on the results of this analysis.

163

- First, it makes a fundamental observation: training can only be effective if precise objectives and expected outcomes are determined prior to delivery, and if it is carefully incorporated within an overall plan to improve the situation of the potential beneficiaries.

- Then, it identifies ten key factors or elements that determine and, above all, maximise the impact of training interventions in the informal sector.
- Last, it identifies some areas for further thought and analysis raised by the survey that merit, more than ever, attention in order to help countries with large informal sectors clearly understand the issues they need to address and changes they need to make.

4.1. Prerequisites to effectiveness: training as one element in an overall process to improve the present situation

Vocational training is just one of many means that can be used to improve the situations and incomes of informal sector workers. This assumes that it must, from the outset, be clearly viewed as one element in a process of change that defines its role and function, but does so within a much wider programme of action. It also means that, when training is being planned and delivered, one must clearly target the desired outcomes and the most suitable means of achieving the desired impacts.

4.1.1. Setting training within a given economic and social context

The field surveys clearly showed that training schemes in the informal sector cannot be considered in isolation from their surroundings. Their meaning varies according to whether they are part of an overall strategic plan, a sectoral priority, or an *ad hoc* support measure. A rapid description of some countries' positions on the informal sector explains why it is so important to position training activities properly within a given context from the very outset.

- By deciding to include training for craftworkers within a pro-active policy to develop the cultural handicrafts sector, Morocco has opted to combine training

with enterprise creation and improved market access. It has also decided to introduce minimum social security measures that give craftworkers and micro-entrepreneurs an opportunity to gradually formalise the way they operate, which, by definition, means they need better management skills.

- Senegal is starting to develop a structured approach to the informal sector. It has well-defined strategies on the promising sectors it is seeking to develop. There are determined and committed people who have started to push the informal sector towards greater qualifications and quality, thereby increasing its potential to improve the economic and social circumstances of those in it.
- Benin has put the attainment of qualifications by young people and adults at the heart of its vocational training system reform. As a result, all of the measures and schemes developed are geared towards the recognition of skills acquired in the workplace and improved occupational standards for selected skills areas.
- Cameroon has emphasised both the need to improve the management abilities and profitability of existing micro-enterprises and promote enterprise creation in promising sectors. It has, therefore, introduced skills development schemes to help craftworkers manage their production units better and enable farmers to better launch and cultivate crops that are more suited to the needs of the food market.
- Ethiopia has launched policy steering by the Ministry of Capacity Building to help young people enter the labour market. It has accordingly devised educational and financial support measures that include training as a structural feature of its public economic development and social integration policy.
- The public and private partners involved in South Africa's economic and social development who come together in the National Economic Development and Labour Council (NEDLAC) want to develop a unified approach to the labour market. They thus want to establish a single regulatory framework for all workers in the formal and informal economies, regarding both access to skills and the development of decent and secure working conditions.

All these examples of training measures within their specific contexts clearly show that they can only be effective when their promoters take care to position them in relation to a given social and economic reality and according to the impact they are supposed to have on it. They therefore clearly emphasise that training can only be relevant if it has previously been defined as one of the appropriate ways to achieve a strategy goal or improve a given situation.

4.1.2. Designing and delivering training in line with intended results

All of the skills development schemes identified during the field surveys show that training activities in the informal sector can only be effective when they are part of an overall process of objectives to be met and means to be deployed. Training content and delivery methods should, therefore, only be defined to take into account the types of impacts desired and how its effects must complement those of the other measures taken.

Clearly define the types of impacts sought

166

Synoptic analysis of training schemes and systems developed for the informal sector in the various countries shows that they target three main types of results:

- the entry into activity or employment of young people and unemployed adults;
- improved skills and better qualifications for employees and micro-entrepreneurs in order to improve their profitability and market access;
- development of existing or future activities in strategic trades with good potential for development in the short and medium term.

The stakeholders encountered found it difficult to assess the suitability of their training interventions because they had not previously determined, either quantitatively

or qualitatively, the types of impacts they were aiming for, and had, above all, failed to define specific analysis criteria permitting justifiable and structured assessments. Many emphasised the importance of establishing tools to evaluate the desired effects of training before setting training objectives, content and means of delivery.

Clearly define the means required to achieve the desired impact

The same people also emphasised that it is important to set training within an overall intervention process in order to achieve the objectives of job market access, work improvement and enterprise development. Among other things, this process involves:

- training design and development enabling people to acquire skills appropriately and efficiently in the workplace;
- a mechanism to accompany and support people trained in order to help them turn their training achievements into professional accomplishments;
- the availability of material and financial resources designed to help training beneficiaries exercise their acquired trades in real work situations.

Training design and development aims to identify learners' knowledge and skills needs and meet these needs by providing appropriate apprenticeships. The support and monitoring mechanism obliges trainers to perform regular on-site visits to help trainees turn their cognitive achievements into real business successes in the workplace. Finally, the allocation of material and/or financial means consists of giving training beneficiaries equipment and microcredit without which they would have no chance of creating or developing their activities.

All of the people met said that the presence of all these elements is an absolute prerequisite for successful training interventions, and consequently, a vital criteria for evaluating the suitability and impact of the training.

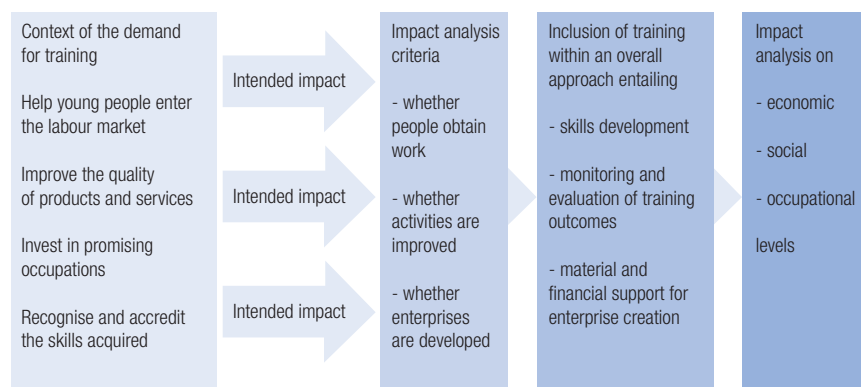
Clearly define criteria to evaluate the impact sought

The field survey identified a number of evaluation criteria for the effects of training, such as:

- the number of people trained who keep a cashbook three or six months after the training;
- the percentage of micro-entrepreneurs who have reimbursed the loans obtained through microcredit;
- the number of adults in job training who have found work using resources obtained at the end of training (tool-box with or without microcredit);
- the percentage of small-scale traders who have increased their turnovers after management training;
- the number of cooperatives of young job seekers who have succeeded in finding work; etc.

Figure 8.

Training as one element in the overall informal sector development process



However, all these interviews made it clear that the great majority of schemes aim for an overall result without having previously established evaluation criteria that can be used to measure impact quantitatively and qualitatively.

4.2. Key factors to stimulate the informal sector

These factors have been identified through exhaustive analysis of the modes of delivery and success of current employment, training, and skills development schemes for young and adult workers in the informal sector. The determination of their relationships within an overall process to stimulate the informal sector come from the observations made throughout the field surveys on how various essential aspects of the schemes and practices interact with one another. It also comes from the opinions of the various people met during the field surveys on the conditions necessary for the success of their actions in the field of vocational training.

4.2.1. *In all cases, raise the education levels of workers in the sector*

The various statistical surveys in the capital cities (the seven West African capitals) and countries (South Africa, Cameroon, Ethiopia, and Morocco) reveal two major facts:

- The informal sector is by far the largest employer of uneducated and poorly-educated young people and adults. The data given at the beginning of this report on the education levels of Ethiopian, South African, Moroccan and West African informal sector workers are clear: the sector is virtually the only route into employment for educationally disadvantaged people, and they generally remain there unless an external opportunity allows them to upgrade their skills.
- The massive presence of under-educated young people and adults in the informal economy is linked to an important fact: the greater the number of years spent at

school by the self-employed and entrepreneurs, the better their business results, which in turn enables them to earn a decent living. There is therefore a correlation between the extent of social capital acquired and the ability of those who have it to exploit it profitably.

The close link between under-education and informal sector employment and the causal relationship between education and profitability levels clearly show how important it is to improve universal education in developing countries. Universal education provides the foundations on which all future efforts to help people into the labour market can be built. When the foundations are unstable, it is hard to build the rest.

4.2.2. Introduce pre-vocational skills training schemes to avoid social and educational waste

Many children leave school aged ten or twelve and have no chance of starting an apprenticeship at fourteen. Too many are losing the few educational achievements they gained at school, either because they are on the streets or because they started work too young. Too many simply continue to work in a family or neighbourhood activity and have no opportunity to progress to another field of work. Giving them a chance, as Benin plans to do, to attend an occupational development centre in order to maintain or strengthen their educational achievements and actively choose an occupation allows them to avoid the social ravages of the streets and even progress towards possible vocational qualifications.

Many young people who have finished their schooling or even earned diplomas are vulnerable to the same social and educational waste if, as in Cameroon, they cannot participate in positive and sustained schemes to help them find work or start an enterprise, notably through training.

South Africa has launched pre-vocational skills schemes (known as pre-learnership) at the initiative of some sectoral training authorities and through funds aimed at helping young people into work. Similarly, Senegal has run a literacy and pre-apprenticeship scheme in the car repair sector, which takes into account the circumstances of uneducated young people who are too young to start vocational training. In the non-formal training field, Morocco has developed schemes combining functional literacy training with basic occupational instruction that are helping thousands of young people—among the two million on the streets—complete or consolidate their basic educational achievements while preparing them for their first jobs.

None of these schemes can be incorporated as they are into the standard routes from universal primary education to secondary education advocated so ardently by the World Bank (World Bank, 2006). This indicates that countries with high drop-out rates and restricted formal job markets should, therefore, invest in designing post-primary systems that emphasise strengthening basic educational achievements through initial work experience that provides motivation and support for this.

4.2.3. Acknowledge the sector as a source of skills development in its own right

171

Analysis of the training routes used by MSE workers surprisingly shows that the great majority acquire their knowledge and skills through informal and non-formal forms of training: in the family, on-the-job, through observation and imitation, and by means of traditional apprenticeship in countries where the latter is well-developed. A tiny minority of workers go through the public or private training system. The fact that many of these workers set up their own enterprise and produce goods and services that are recognised by local, and sometimes even regional and international, markets means that they have reached decent professional levels without following the paths normally marked by existing systems and qualifications.

Alongside the formal methods of training and acquiring qualifications, there is, therefore, a whole range of ways and means of developing skills that are either not known to those responsible for existing formal training systems or under-valued in terms of the knowledge and know-how generated, and are consequently neither recognised nor validated. Yet, these alternative routes taken by the sector's workers account for the training of up to 90% of a country's workforce. In terms of the results achieved, they often amount to being the countries' real training systems.

It would, therefore, be difficult for policymakers in the countries concerned to start altering and restructuring existing vocational training systems without including the informal sector's skills development capacity into their calculations and plans. Current reforms in Ethiopia and South Africa have clearly opted to validate and accredit skills acquired in the informal sector. Those envisaged in Benin and Senegal are thinking about exploiting trends in the field of traditional apprenticeship in order to restructure existing training systems.

The thrust of these reforms clearly shows that the time has come for developing countries to acknowledge the true role played by the informal sector in training young people and adults and helping them enter the labour market. It is also time to recognise the content and levels of knowledge and skills thus acquired and to incorporate the best skills development practices and schemes into a comprehensive reform of existing systems.

4.2.4. Enhance the structuring role of professional organisations in defining the demand for training

Analysis of improvements to informal economy training schemes for apprentices, the self-employed and micro-entrepreneurs systematically revealed the major role played by professional organisations in the sector.

In this area, Benin has the most advanced training experience because the country's craftworkers are organised at local, county and national levels and have recognised that training for apprentices and owner/managers is a vital prerequisite for the adaptation of their products and services to market changes. As a result, the National Federation of Craftworkers (FENAB) has become a key partner in the current reform of the entire national vocational training system.

For their part, South Africa's professional and social organisations and sectoral funds focus on skills development in the modern sector, but they also provide training to informal sector workers, notably in the retail, personal services, and agriculture sectors. The country is simultaneously testing a pilot approach to training so as to consolidate income-generating activities in collaboration with networks of local professionals.

Bipartite professional associations in Morocco give priority to training for the formal sector, but they are also very enthusiastic about developing apprenticeship systems that suit the needs and working circumstances of craftworks and micro-enterprises.

In Cameroon, craftworkers' associations are very keen to reform traditional apprenticeship, and its chamber of commerce and crafts is very involved in turning apprenticeship into dual training. However, the country lacks a federation of craftworkers' associations that could centralise innovative approaches and disseminate them nationwide.

There are numerous competing professional organisations in Senegal, and, as a result, policies there are based on a combination of national and sectoral approaches (with the assistance of the AFD). Professional organisations are not very active in Ethiopia, which means that policies on the informal sector are defined by the national authorities (with the assistance of the GTZ).

The detailed analyses in the country reports of the respective positions of professional organisations leaves no room for doubt about the impact of their work in the area of training and skills development. As national policies tend to develop training supplies that target formal enterprises only, these organisations are, in the vast majority of cases, the only means of making the informal sector's skills needs heard and incorporating them into the reforms underway. They must, therefore, be supported so that these reforms can at last take into account the training and qualification demand among all economic stakeholders in each country.

4.2.5. Give young people a voice in the debate on job market access and activity creation

Although associations of craftworkers and micro-entrepreneurs are the most direct representation of the informal sector, they are not the only ones with voices. Meetings with numerous young people, notably those from the *Jeunesse Verte* (Green Youth) association in Cameroon, pinpointed an observation shared by all: societies dominated by the informal economy are incapable of finding young people decent jobs corresponding to their levels of education and training. Such societies consequently exclude the upcoming generation.

174

Young people strongly feel they are excluded from the real economy and employment and thereby from social and civic life because they are unable to find work that fits their career aspirations and have difficulties finding work that corresponds to their levels of training and qualifications, or are even unable to find work at all. Objectively, this is due to the severe reduction in the number of skilled jobs in all developing countries and the lack of any real social mobility, which could have been hoped for due to the widespread rise in education levels.

Faced with this feeling of exclusion, young people have decided to react and take their rightful place in debates and proposals on how to change the economic and social

situation, notably in the informal sector. Through the Bamako process, they have decided to set up national, regional and African platforms to find positive solutions to their integration problems in society and the labour market. This process is just being launched, and it is too early to draw any conclusions. However, some of the suggestions made by the young people met during the survey can be mentioned:

- support the creation of a resource centre for young entrepreneurs;
- provide young people with human and financial resources to help them develop innovative businesses;
- recognise and value the experience of young workers;
- do not separate informal sector stimulation from the need to give young people an opportunity for professional and civic integration;
- lobby for an approach entailing fiscal incentives for starting businesses;
- support the participation of young people and civil society in managing training funds; etc.

These proposals will be fine-tuned during 2007, when a pan-African cooperation network for young people should be created. Its aim will be to help them become full-fledged actors in economic, professional and civic life. It seems obvious that the network's debates will become formative elements in reflections on how to vitalise informal sector employment and activity.

175

4.2.6. Organise traditional apprenticeship practices slowly but surely

Traditional apprenticeship is the most common form of youth training in most of the countries surveyed. It accounts for almost 90% of all training in Benin, Senegal and Cameroon, and trains more young people than the formal apprenticeship system in Morocco. It still plays an important role in Ethiopia, even though it is under-esteemed and almost ignored by the Ministry of Education. It has all but disappeared

after the long war in Angola, which demolished craftworkers' networks, although new legislation on first jobs proposes to reintroduce apprenticeship schemes using the craft sector and micro-enterprises. Only South Africa has no tradition of training with master craftsmen, because apartheid did not allow black people to create their own businesses. South Africa did, however, develop apprenticeship in the mining sector, from which new forms of dual training, largely financed by training funds, have been developed.

The country studies showed that traditional forms of youth training in workshops are, in fact, the point of departure for the slow but far-reaching transformation of crafts apprenticeship into dual combined work/training systems. The changes taking place vary from country to country, but everywhere they entail the structuring of established practices through the progressive introduction of interaction between practice and theory.

- After having introduced apprenticeship primarily based on the intervention of training centres, Morocco is starting to encourage craftworkers and enterprises to take initiatives and is developing training that combines both theoretical and workplace training.
- Cameroon's Intersectoral Craftworkers Association (*Groupement interprofessionnel des artisans* – GIPA) is currently structuring on-the-job training into progressive modules that enable young people to acquire practical skills and knowledge. These modules entail regular assessment of achievements and lead to a level of vocational qualification that is starting to be recognised by the public authorities.
- The various ministries and professional organisations concerned in Benin are working in close partnership to transform traditional apprenticeship into a regulated dual training system (the CQP Vocational Skills Certificate and the CQM Occupational Skills Certificate) and make it a key element in the forthcoming reform of the national training system.

- Senegal has set up an Apprenticeship Unit in order to draw on the best traditional training schemes and use this to develop dual training that suits the country's needs.
- There is little understanding of the reality of apprenticeship in informal production and service enterprises in Ethiopia, but the country is developing a system for accrediting achievements outside the formal system, which should make it possible to recognise the skills acquired by young people working with craftworkers and micro-entrepreneurs.
- Finally, South Africa is developing several schemes based on the notion of 'learnership', which relies on partnerships between training centres and enterprises and on the acquisition of vocational skills in the workplace.

These changes are important because nearly all are based on modes of skills development used in the informal sector. They retain the best aspects (learning while doing), and are progressively incorporating a cognitive dimension (better understand and improve what is learnt by doing). The field survey showed that schemes to structure and progressively improve apprenticeship that involve all of the partners concerned are the best way to help young people vitalise their professional trajectories.

4.2.7. Provide resources to support enterprise creation after training

The numerous national and international technical and financial partners working in the informal sector in the countries studied agree that training should not be an end in and of itself but must truly enable young people and adults to find appropriate jobs or activities. Most of these partners have, therefore, developed educational, material and financial resources likely to improve post-training effectiveness. These resources ensure the relevance of training in the informal sector inasmuch as they treat it as one key element within an overall process whose primary aim is to tackle the economic and social exclusion of those who are trained. These resources can be divided into the following types:

- Support for putting acquired skills to use: The schemes described show that mentorship, tutoring, and on-site follow-up considerably increase trainees' potential to turn acquired skills into operational capabilities. There is no point in training people in the informal sector without providing follow-up.
- Help to set people up in business: This generally takes the form of material contributions, although it can also involve giving people temporary or permanent access to property, as is the case with agriculture.
- Financial contributions: Most of the time, this means the provision of microcredit to support enterprise creation. Organisations that offer or manage microcredit tend to include technical or financial management and accounting training in the conditions for access to loans. Borrowers are then monitored and loans can be renewed or extended if business and jobs are effectively created.

It would be wrong to consider all these resources as optional extras in training and skills development schemes. All the people met emphasised that acquiring a trade or the technical and managerial skills necessary to create a micro-enterprise is ineffective unless it is accompanied by a combination of support measures to ensure that training really does lead to employment.

4.2.8. Train adults at the same time as young people

It is clear that training efforts in the informal economy give priority to young people in apprenticeships and the numerous young people outside the education and training system who are seeking to earn a livelihood. These efforts are especially justified since these young people often feel rejected by and excluded from society when they face difficulties finding work and rapidly become apathetic or despondent about their futures.

This observation does not detract from the legitimacy of the request for access to continuing training expressed by many groups of craftworkers and micro-entrepreneurs

met during this study: for example, craftworkers in both Cameroon and Benin have expressed a keen interest in literacy schemes to compensate for never having had an opportunity to learn to read or write and, through these schemes, be able to acquire the basic theoretical knowledge they need to access new technologies and more promising markets.

Analysis of the countries' actions to help working adults earn better livings through training gives a picture of current efforts to raise quality and profitability levels among informal sector workers. It emphasises:

- the existence of a wide range of tools and means for training in enterprise creation and management, with a major emphasis on setting up financial management and accounting tools;
- the emergence of training in technical standards in increasingly regulated trades such as electricity and construction;
- the setting up of skills development projects for promising occupations such as new agricultural techniques and crops, animal farming, food processing, weaving, cultural handicrafts, and market gardening.

Changes in traditional apprenticeship also generate additional training for craftworkers and micro-entrepreneurs. For example, master craftsmen in Benin who train their apprentices up to CQP Vocational Skills Certificate level are invited to update their skills beforehand. The planned introduction of the CQM Occupational Skills Certificate even plans to give interested Beninese craftworkers an advanced vocational qualification. In Senegal, the PROMECABILE and PAFNA pilot projects to structure apprenticeship include specific training for professionals in charge of young people. The GIPA in Cameroon has developed cooperative methods to improve responsiveness to new techniques and market demand.

All of these examples show that continuing training schemes are being implemented in the various countries. However, people say that these are presently restricted to limited or privileged groups. Thus, the development of dual training and apprenticeship under the current reform in Ethiopia is in danger of running up against the inability of MSE entrepreneurs to meet the demand for work experience among young people because they lack the relevant training to oversee it. Benin has policy incentives to encourage continuing training, but craftworkers are adamant that a rapid increase in the number of well-trained apprentices would showcase their own skills gaps and put them at a professional disadvantage. Professionals in Morocco express the same concern.

This is not an exhaustive overview of all the situations and opinions. However, it is enough to emphasise how difficult it is to separate the improving quality of youth training from the often simultaneous literacy and skills development schemes for informal sector craftworkers, employees and micro-entrepreneurs. Any current reform must bear in mind that improved skills among one group of beneficiaries will have a simultaneous effect on the skills demands of the other group. As in all developed countries' systems, continuing training promotes initial training and vice versa.

4.2.9. Support efforts to make training effective by developing appropriate long-term financing instruments

Analysis of the various countries' vocational training policies clearly reveals the disproportionate amount of funds spent on those in established training systems in comparison to those spent on people who find work through traditional apprenticeship or the various other informal routes to inclusion and skills development. Established systems usually cater to the training requirements of a small minority of the young and adult population, but they use almost all of the meagre budgetary resources allotted

to vocational training ministries. People in the informal sector receive few or no public subsidies. Their training is often paid for by international donors, or sometimes by training funds when these exist, but most of the time they have to pay part of the costs themselves.

This imbalance between the amount of funds devoted to young people and adults in the formal sector and to those in the informal sector poses a problem. It is contrary to the need for equity, which requires that the countries' public authorities divide education and training resources fairly among all those who have a right to them. It also goes against the principle of economic and social efficiency because the resources allocated to declining qualifications and occupations are not being used in areas that could create wealth and jobs.

Fortunately, financial instruments and resources outside national budgets (in the strict sense of the term) are starting to benefit production and service MSE workers in four of the seven countries studied. These funds are directly or indirectly financed through the collection of vocational training levies from modern enterprises, and managed by tripartite boards involving the public authorities and social partners. Analysis of their redistribution policies and practices shows that some are beginning to allocate considerable sums of money to craftworkers, farmers, women seeking to develop income-generating activities, and young apprentices.

Benin has established a training fund (FODEFCA) specialised in training in the craft and agriculture sectors, and is planning to set up a mutual vocational training fund financed through dues paid by craftworkers. Senegal has two training funds: the National Vocational Training Office (ONFP), which spends half of its limited budget on informal enterprises, and the Technical and Vocational Education and Training Development Fund (FONDEF), which targets the formal sector in priority but is setting up a funding request system open to MSEs.

Morocco has a training levy, all the proceeds of which are spent on the formal sector and the administrative costs of initial training. However, some people, including employers, are starting to demand that funds be diverted to the craft sector.

South Africa has established a dual financing mechanism. Part of the funds raised by the levy, which is collected by the National Skills Fund (NSF), finances the social and professional integration of groups of people in the informal sector. The remaining funds raised by the levy are allocated to the Sectoral Education and Training Authorities (SETAs) and spent on formal enterprises, although they are increasingly being allocated to informal MSEs that often act as subcontractors for the modern sector.

Under its current reform, Ethiopia plans to set up financing instruments that meet the training needs of the informal economy, but no definitive decisions have yet been taken on the matter.

Although Cameroon supports some training projects and job creation schemes using non-specified public funds, the country has no suitable instrument for collecting resources. However, both employers and trade unions, which have recently set up a discussion forum, say they would support the creation of such a fund.

It is clear that training in the informal sector will only have a future if it has long-term resources managed in partnership by all the public and private stakeholders concerned. Training funds are thoroughly suitable instruments for this purpose. Although training does not necessarily have to be free for recipients (for example, Benin has an exemplary system in which beneficiaries co-finance their training), training in the informal sector will only become efficient and structured if there are mechanisms to collect and allocate funds that match its ultimate goals and needs, and if the public authorities review their current budget priorities in light of the fundamental role MSEs play in creating wealth and jobs.

4.2.10. Enable informal sector workers to become stakeholders in their own training and skills development

The seven countries studied have developed modes of training and skills development outside the usual, institutional vocational training methods.

- Benin is training traditional craftworkers, even those who are illiterate, to become apprenticeship mentors to young people, and is offering to recognise their skills through a national qualification.
- The GIPA in Cameroon has decided to develop differential learning approaches that are appropriate for the different educational levels and trades of young people in traditional apprenticeship, and farmers are training each other by pooling experience and long-developed collective expertise.
- A women's association in Senegal that works mainly in the food processing sector has decided to do something about its members' training needs and is developing its internal expertise. It has, thus, established its own group of trainers specialised in various types of income-generating activities.
- South Africa's AgriSETA is training recently established black farmers using a mentorship approach that draws on the expertise and advice of professionals working in the sector. The Services SETA has developed pre-learnership schemes and the Wholesale and Retail SETA has set up an innovative street vendor training scheme.
- In the agriculture sector, Ethiopia has developed a collective training initiative in which 'model farmers' give support and advice to other farmers in their area. It also uses peer training as the best way to create new livestock production enterprises.
- Finally, Angola has developed a mutualised microcredit system which establishes joint responsibility between those that create or manage informal activities, and organises collective training for them in how to optimise the meagre investment resources they have at their disposal.

All of these experiences prove that informal sector stakeholders can take their future into their own hands if they have the human, organisational, educational and financial support necessary to invest effectively in their own skills development, and if such efforts are focused on activities and occupations that hold promise for the country's economy. They also show that training can more easily guarantee that skills acquisition leads to enterprise creation if it is promoted by peers who agree to share their experience and support those with whom they pool their knowledge and know-how.

These ten key factors are interconnected elements of an overall process to ensure effective delivery of training in the informal sector. Ultimately, they constitute some

Figure 9.
The process for developing a thriving informal sector through vocational training



useful guideposts for further reflection and action. First, they determine the conditions required for intervention in the informal sector to help it thrive and progress from being a mere subsistence economy to one of growth and development. Second, they provide the basis for a range of recommendations on how to refocus local, national and international policies on objectives and modes of action that truly suit the specific circumstances of this economy, whose main usefulness is that it gives work and incomes to those who would not otherwise have any, and is a potential source of future growth and development.

4.3. In conclusion: areas for future consideration and action

The ten key factors for effective training in the informal sector naturally determine the priority lines of action for all the national and international technical and financial partners who have decided to aid countries that have large informal economies. They might be considered as the terms of reference for a development initiative that favours investment in people's ability to take control over their individual, economic and social fortunes as opposed to external aid designed to change the course of events.

185

However, these key factors are not a miracle solution. They offer guidelines, a way of thinking and a set of values that should guide action. They do not resolve all of the problems and they raise further issues that all of the stakeholders concerned will have to address when assessing the inevitable gaps between initial objectives and end results.

From cross-analysis of the seven country reports and the wealth of information obtained at meetings held throughout the surveys, it is already possible to identify the problems and issues that are highly likely to fuel future debates. It is not the aim of this section to resolve these issues, but rather to state them clearly and, above all, stimulate reflection, debate and research on the subject.

4.3.1. Further investigation of MSE-specific modes of development

The field survey clearly shows that large enterprises are on the decline while MSEs are increasing in number. This could be seen as a sign of economic recession in developing and emerging countries, but it could also be seen as an indication that economic development is being driven less by capital-intensive national and international enterprises and more by small, micro and medium-sized enterprises that are steadily adapting to local and regional markets before progressively rising to meet the quality standards and competition of world markets. In other words the existence and expansion of the informal economy calls for in-depth reflection on economic growth processes specific to the countries studied.

- These growth processes are heavily dependent on societies with strong family and social networks that tend to favour respect for tradition over innovation, and the continuance of household management of production and service activities over more entrepreneurial organisation.
- They reproduce the ambivalent relationship that these countries have with technology (there is a strong attraction to the use of new communication technologies but strong resistance to introducing new technologies in the workplace).
- They rely less on the wide-scale expansion of modes of production than on the identification of niche markets that are able to progressively start to meet the quantitative and qualitative demands of international competition.

The statistical surveys showed that the sector's development relies more on its tendency to create or generate jobs than on any real enterprise dynamics¹⁸. The good

18. Ministry of the Economy and Finance (DPS 2004), *op.cit.*

training practices identified and analysed by the study reveal the importance of training as a stimulating factor. However, analysis of the countries' overall situation reveals a lack of any overarching theoretical or practical reflection on how enterprises progress from income-generating activities to being dynamic businesses in promising trades and niches.

4.3.2. Inclusion of the informal sector in an appropriate economic and social dynamic

Morocco and Cameroon deem it important, if not essential, to use an economic view of informal enterprises and activities as production units with no declared accounts, whereas South Africa and Ethiopia put more emphasis on the ILO's notion of decent work, specifically economic entities that do not provide their employees with adequate *de jure* and *de facto* protection.

However, all countries stress that the two approaches are complementary. Thus, the surveys that use the accounting definition describe the legal framework of labour relations and the position of informal production units in relation to the overall regulatory and fiscal framework, while those that favour the regulatory and social context of the activities also examine the specificities of how they operate economically and financially.

In practice, this complementarity between statistical analyses generates common attitudes and concerns when it comes to translating them into policies.

- In practice, all of the countries are highly tolerant of the extra-legal status of micro-production and service units. They know that an overly repressive approach would only aggravate the poverty and exclusion of their workers, and that forced formalisation would not have any concrete results.

- All of the countries are also considering what social and fiscal provisions they should adopt so as to allow micro-units to comply with minimum tax and social security regulations without hindering their efforts to develop profitable income-generating activities and jobs.
- The positions adopted by the countries in these two areas are very hesitant and cautious. National authorities and donors have not given sufficient thought to transitional measures to allow the informal sector to develop in a coordinated movement towards economic and social progress. Countries with large informal sectors are also failing to share their experiences with good and bad experiments in this area.

4.3.3. The urban and rural dimensions of the informal economy

Generally speaking, statistical organisations view the informal sector as basically an urban phenomenon, although they address the economic and social situation in rural areas using the same analytical criteria and parameters.

In practice, agriculture contributes heavily to national wealth creation and poverty alleviation in the countries studied. For certain crops and livestock, it is even a growth sector and helps, notably, stabilise populations. It helps to slow the exodus of people to major urban centres and, by doing so, stops uncontrolled urbanisation from significantly exacerbating the precariousness of new arrivals and making it even harder for them to enter the labour market.

In light of this reality, it is more important than ever to avoid making false distinctions between urban and rural enterprise and employment practices. They should be dealt with in a complementary manner, or even jointly. The country reports showed that field actors attach equal importance to investment in training in urban and rural areas, and that they are just as innovative with regard to the development of new cultivation

and livestock practices as they are concerning the design and delivery of new types of services and goods for urban populations.

The vitalisation of the informal economy in developing countries will require coordinated analysis of urban and rural activities, and schemes that strive to enhance the existing interdependence between the two production and service areas.

4.3.4. Skills development for informal sector workers in strategic and promising occupations

The field survey showed that existing training schemes primarily focus on helping young people and vulnerable groups into work, creating income-generating activities, and improving management skills among craftworkers and production and service MSE owners. It also provided insight into skills development schemes aimed at training people in emerging occupations, in production and service activities with potential to access international markets, and even more specifically, in areas essential to feeding the population. Examples of such schemes include training in design techniques for Moroccan cultural handicraft workers and Ethiopian fashion designers, international technical standards for construction craftworkers in almost all of the countries, horticultural training for Angolan market gardeners, new food crops and animal rearing methods for farmers in Cameroon, Benin and Ethiopia, and food processing for women in Senegal.

189

The overall situation clearly shows that none of the countries studied have truly developed any strategic analysis of promising market niches and occupations that could help the informal sector develop dynamically and promisingly. Such analysis is necessary. It would enable the informal sector to participate in the production of national wealth, and above all, use appropriate training to focus on production and services that create both real jobs and sustained growth.

4.3.5. Identification and accreditation of skills effectively acquired outside the modern sector

Many of the people met emphasised the capacity for creativity, initiative and entrepreneurship developed by many informal sector workers and micro-entrepreneurs. The field visits also made it possible to verify the management capabilities of certain particularly innovative and profitable entrepreneurs.

In most countries, however, despite this positive picture of the professionalism of informal sector workers, there is an almost total lack of knowledge about the types and levels of skills developed there or the specific occupations and trades that structure its activities. Nobody has truly mapped these trades and occupations, let alone drawn up occupational standards that could define them. Cameroon has merely started describing some common formal and informal sector activities, and Ethiopia is planning to introduce standards for all occupations, without addressing the specific circumstances of MSEs. South Africa is the only country that has begun to define the skills acquired by informal workers as elements in the national qualification system.

The lack of a map of existing human and professional capital is more than detrimental. It constitutes an almost insurmountable difficulty for countries such as Ethiopia that have decided to incorporate informal workers' skills development into national qualifications systems. It will stop many of the national policymakers interviewed from achieving their wish to develop training that draws on the existing skills of craftworkers and micro-entrepreneurs and upgrade them without having to start from scratch. It is an even greater handicap for projects aimed at accrediting prior experience, such as Benin's plan to accredit occupational skills, which is starting to meet with consensus and will no doubt increase demand for continuing training among craftworkers, micro-entrepreneurs and all self-employed people in the sector.

The production of such maps should be a priority for study and research as soon as possible within the reforms planned by the various countries.

4.3.6. Reorientation of investment priorities to meet real economic and social demand

The field surveys clearly showed that existing education and training systems train a low, and even infinitesimal, percentage of young people in a given age group. They mostly offer poor quality training courses which are ill-suited to changes in technology and employment. The surveys also showed that the countries have begun to realise that their training systems are having little impact on the national economic and social situation, and have undertaken reforms that intend to meet labour market needs, including those in the informal sector.

For example, South Africa has decided that improving the skills of young job seekers and MSE employees while setting up a training system that specifically targets informal sector workers is a priority. Morocco has opened its apprenticeship system to poorly-educated young people and plans to improve training for young people and craftworkers in promising crafts areas. Benin has just restructured its traditional apprenticeship system into a dual training system based on progressive certification levels. Cameroon is developing innovative traditional training schemes. Senegal has recently created an Apprenticeship Unit whose mission is to develop models for various types of work experience training schemes. Ethiopia, finally, has totally redefined the goals and resources of its TVET system to target informal economy groups; it has focused all its efforts on the certification of existing skills, however they have been acquired.

All these examples illustrate the positive reforms being introduced by the countries in order to meet the skills needs of all young job seekers and working adults within or

outside the formal sector. However, analysis of the reforms' goals and methods of implementation also shows that the countries are struggling to abandon the established view of training, and acknowledge the informal sector as a reservoir of jobs and a specific place for training. They are finding it hard to incorporate existing non-formal sector training dynamics and actors within the future systems.

In order to acknowledge the informal sector and the actual role it plays in providing initial and continuing vocational training, it will be necessary to bring about a thorough reorientation of national and international technical and financial means for the benefit of the largest section of the population. Of course, this does not mean that skills training curricula for modern enterprises should be neglected. On the contrary, the point is to restructure the entire training supply in light of national labour market realities. The whole training system should be based on more demanding and operational qualifications for local MSE workers and managers, and the workers, technicians and managers of companies operating in national and international markets.

4.3.7. Reorientation of investments towards post-primary vocational training systems

192

It is inadmissible that young school drop-outs under working age remain on the streets and lose their meagre educational achievements. It is not fair that they should be barred from any sort of access to the basic additional knowledge and know-how required for entry into the vocational training system. Nor is it acceptable that school curricula give no attention to skills development other than as 'second chance' initiatives designed to train people directly for a specific job or activity. But there is potential to develop support initiatives for young people to help them enter formal or informal skills development schemes, as shown by the various non-formal education and vocational initiation schemes for children and young people on the streets in Morocco, the literacy and training schemes for young pre-apprentices in Senegal, and the pre-learnership modules for

uneducated young people in South Africa. These schemes come in many forms: combining functional literacy training with initial work experience, updating basic knowledge through vocational training access programmes, and even the design of school curricula combining acquisition of basic knowledge with preparation for economic life.

In all cases, the goal is to offer the millions of children and young people outside the education system alternative routes and schemes that give them a serious chance of obtaining work in the labour market. The proposals strongly supported by the World Bank² to give priority to and deploy all means for the transition from universal primary education to the first stage of secondary education do not take into account the specific circumstances of young school drop-outs in developing countries. Nor do they take into consideration the role vocational training plays in the acquisition of basic knowledge when it is not reduced, as the World Bank does, to merely a way to adapt to the labour market.

General conclusions

Two fundamental observations can be made following the field survey in the seven African countries.

The first focuses on the fact that the informal economy, which trains a vast majority of young people in developing countries, does so mainly with its own resources or external aid, while national budgets are almost exclusively spent on job training for a minority of young people, who still struggle to find a job in the formal sector. Allowing this economic and social injustice to continue goes against the principle of equity that prevails in education and training systems. It also ignores the importance of MSEs as a potential factor for growth in developing countries. It is, therefore, urgent to review the ways and means deployed by national governments and donors in their current training policies and devise processes for acquiring knowledge and skills that focus on the realities of these countries' economies and labour markets.

The second observation concerns the lack of strategic reflection on promising occupations and market niches that would allow developing countries to enter the virtuous cycle of dynamic economic and social development. Some of the good practices identified show the highly effective interrelationship between identifying such occupations and niches, targeting training on the skills they require, and creating

profitable and sustainable activities and jobs. It is also urgent for national authorities and donors to develop investment programmes that are likely to identify the real factors behind sustainable development in countries and efficient conditions for putting them into practice.

Using training to help developing countries build thriving economies will, ultimately, require aid policies to be reviewed and their goals and modes of delivery to be rethought. The ten key factors for effective intervention in the informal sector, which were defined following close observation of realities on the ground, should constitute structuring elements in this redesign process. They should help create and sustain initial and ongoing skills development systems that have all the human, technical and financial resources necessary to ensure that skills acquisition leads to employment.

The study had a recurring refrain: training in the informal sector needs a short-term objective, specifically to enable its beneficiaries to earn a livelihood for themselves and their dependents and thereby escape the poverty trap. It must also have a medium and long-term objective, specifically to generate a thriving enterprise economy that creates jobs and growth and thereby contributes actively to countries' development. However, at the end of the day, training can only achieve these objectives if all of the partners concerned—the public and private sectors, representatives of professional organisations and workers, and national and international technical and financial partners—do their utmost to tackle the various issues described. They must thoroughly explore the areas for consideration suggested and deal with the unanswered questions. Above all, they must redirect human and financial resources towards a sector which is too often forgotten, despite its primordial role in alleviating poverty and promoting development.

Acronyms and abbreviations

ADEA	Association for the Development of Education in Africa
AEP	Angolan Enterprise Programme
AFD	Agence Française de Développement
AgriSETA	Agriculture Sector Education and Training Authority
AMITH	Association Marocaine des Industries du Textile et de l'Habillement
ALMS	Active Labor Market Strategy
ANESCAM	Association nationale des Sauveteurs du Cameroun
AMO	Assurance maladie obligatoire
ANER	Association Nationale des Enfants de la Rue
BEP	Brevet d'études professionnelles
BESD	Basic Entrepreneurial Skills Development
BT	Brevet de Technicien
CAP	Certificat d'Aptitude Professionnelle
CFA	West African franc or Central African franc
CGA	Centres de Gestion Agréés
CGU	Contribution générale unique
CQM	Certification de Qualification des Métiers
CQP	Certificat de Qualification Professionnelle
DBSA	Development Bank of South Africa
DED	Deutscher Entwicklungsdienst
DPS	Direction de la Prévision et de la Statistique
DoE	Department of Education

DW	Development Workshop
EESI	Enquête sur l'Emploi et le Secteur Informel
EIG	Economic Interest Group
EPWP	Expanded Public Works Programme
FEDIC	Fédération des Industries du Cuir
FeMSEDA	Federal Micro and Small Enterprises Development Agency
FENAB	Fédération Nationale des Artisans du Bénin
FODEFCA	Fonds de développement de la formation professionnelle continue et de l'apprentissage
FONDEF	Fonds de développement de l'Enseignement technique et de la Formation professionnelle
GDP	Gross Domestic Product
GEFOP	Groupe des Experts en Formation Professionnelle
GERME	Gérez mieux votre Entreprise (cf. SIYB)
GIPA	Groupement Interprofessionnel des Artisans
GTZ	Gesellschaft für Technische Zusammenarbeit
HIPC	Heavily Indebted Poor Countries
HDI	Human Development Indicator
IDR	Inquérito sobre Despesas e Receitas
IECD	Institut européen de Coopération et de Développement
IFC	International Finance Corporation
ILO	International Labour Organization
INEFOP	Instituto Nacional de Empleo e Formação Profissional
IRSEM	Instituto de Reintegração Socio-Profissional dos Ex-Militares
JEVAIS	Jeunesse et Vie associative pour l'Insertion sociale
IGA	Income-generating activity
INE	Instituto Nacional de Estatística
INSEE	Institut National de la Statistique et des Etudes Economiques
IPU	Informal production unit

LED	Local Economic Development
MAE	Ministère des Affaires Etrangères (France)
MERSETA	Manufacturing, Engineering and Related Services Education and Training Authority
METFP	Ministère de l'Enseignement Technique et de la Formation Professionnelle
MFR	Maisons Familiales Rurales
MINARS	Ministério da Assistencia e Reinserção Social
MSE	Micro and small enterprise
NDPW	National Department of Public Works
NEDLAC	National Economic Development and Labour Council
NGO	Non-Governmental Organisation
NSF	National Skills Fund
OFPPT	Office de la Formation Professionnelle et de la Promotion du Travail
ONFP	Office national de la formation professionnelle
PAFNA	Projet d'Appui à la Formation Professionnelle des Néo-Alphabétisés
PAO/sfp	Partenariat pour l'Apprentissage et l'Ouverture du Système de Formation Professionnelle
PARCES	Programme d'Appui au Renforcement de la Compétitivité de l'Economie Sénégalaise
PASDEP	Plan for Accelerated and Sustained Development To End Poverty
PADER	Programme d'Appui au Développement des Emplois ruraux
PEDR	Programma de Desenvolvimento e Extensao Rural
PIAASI	Projet intégré d'Appui aux Acteurs du Secteur informel
PIL	Programme d'initiative locale
PPA	Projet de promotion de l'artisanat
PROMER	Projet de Promotion des Micro-Entreprises Rurales
RAMED	Régime d'Assistance Médicale
RAVE	Retrenchees and Victory to Entrepreneurs

ReMSEDA	Regional Micro and Small Enterprise Development Agency
SAB	South African Breweries
SAFRETTE	Société africaine d'équipements, de travaux et de technologies
SAQA	South African Qualifications Authority
SEIFSA	Steel and Engineering Industries Federation of South Africa
SENELEC	Société Sénégalaise d'Electricité
SETA	Sectoral Education and Training Authority
SIYB	Start and Improve Your Business (cf. GERME)
SLP	Sustainable Livelihoods Project
SPLP	School Pre-Learnership Pilot Project
THETA	Tourism and Hospitality Education and Training Authority
TVET	Technical and Vocational Education and Training
UNACOIS	Union Nationale des Commerçants et des Industries du Sénégal
UNDP	United Nations Development Programme
UNCM	Union nationale de la Chambre des métiers
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WAEMU	West African Economic and Monetary Union

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