

Enhancing Employment Opportunities through VSD at Scale

This paper is informed by the ESA Division's learning process *Labour Market Integration through Vocational Skills Development (VSD): How to reach Outcome at Scale?* The learning process was undertaken in collaboration with the e+i network, as part of the expert team Inclusive Economic Development, in 2020-2021 and referred to the SDC's existing products on VSD (eg. SDC's VSD typology). It reflects the position of ESA on this topic.

SDC understands vocational skills development (VSD) as a broad concept that encompasses all organized learning processes for the development of technical, social and personal competencies and qualifications that contribute to the sustainable long-term integration of trained people in decent working conditions in the formal or informal economy, either on an employed or self-employed basis.

Underemployment, as well as vulnerable¹ employment, pose massive challenges to Eastern and Southern Africa (ESA). Although the economy has grown faster than the population since the late 1990s, the young women and men entering the labour market in large numbers each year face inadequate prospects for decent² and productive³ employment. The high level of informality in the ESA labour market – up to 90% of the non-agricultural labour force is informally employed – aggravates this situation, as informal employment lacks legal protection and does hardly provide access to social insurance. Unemployment in ESA is low compared to other regions as job seekers cannot 'afford' to be idle; due to a lack of social protection, they rely on some form of employment to survive.

The majority of projects in the SDC ESA Division's portfolio on Vocational Skills Development (VSD) has recognised these labour market challenges. VSD has been identified as a way to prepare less privileged social groups to acquire the needed technical, business and soft skills to access jobs and income. This is in line with SDG 8 and the Swiss Strategy for International Cooperation 2021-2024.

For the ESA Division, skills development for decent and productive jobs can either be addressed in stand-alone projects or complementing other interventions in the employment and income domain, basic education or other sectors. It is considered an essential lever and enabler for the integration of target groups into decent and productive employment and thus for the reduction of poverty and a contribution to social cohesion.

Skills development can enhance access to productive employment and strengthen awareness on decent jobs in a number of ways, e.g., by improving people's technical, social and personal competencies that raise chances to access better jobs, by sensitising workers as well as employers for safety at work, and by engaging in policy dialogue for decent work aspects such as social protection and social dialogue. The ESA Division does not consider VSD as a means in itself, but as a lever to employment potentials in various sectors. Based on analysis of context, markets and development priorities, SDC will identify if VSD is the appropriate entry point.

To deal with the complexity of the VSD reality, projects often put a focus on specific elements. The SDC typology categorizes VSD interventions along two axes: The horizontal axis describes the range between economic and social policies, which can both be a priority in the VSD engagement. The vertical axis contrasts a focus on the educational system to a focus on employment and productivity. In consequence, VSD can conceptually have four different foci: strengthening of training systems, access and inclusion into VSD, promotion of industry solutions, and labour market integration. This position paper has its focus mainly on the latter, without neglecting the important contributions of strengthening the overall VSD system

To increase the effectiveness and overall impact in regard to access of target groups to decent and productive jobs, and to respond to Africa's employment crisis, the ESA Division and its Cooperation Offices will consider the following points:

1. Strategic Positioning:

- ➔ **One of ESA's key objectives in VSD is to enhance employment opportunities for its target groups and integrate them into more decent and productive employment**, expressed as increased probability of finding employment (wage employment or self-employment), increased ability

to retain jobs, better quality of employment and increased earnings.

- ➔ **ESA acknowledges the economic, social and cultural potential of disadvantaged groups.** We focus on reducing inequalities and improving the employment situation of disadvantaged people, including large numbers of people with low educational credentials, women who lack access to

¹ Vulnerable employment, as opposed to decent employment, includes aspects such as inadequate earnings, long and unregulated working hours, insufficient safety and stability, unequal opportunities at work, etc.

² The concept of decent work comprises both quantitative (more jobs) and qualitative (better jobs) aspects. See also the SDC Working Paper on Addressing Decent Work in International Cooperation: https://www.shareweb.ch/site/EI/Documents/HowTo/Decent%20Work/Working_Paper_Decent%20Work_v2_final.pdf

³ Productive employment is considered by the ILO as employment yielding sufficient returns to labour to permit a worker and his/her dependents a level of consumption above the poverty line.

https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_565180.pdf

the labour market, and rural communities. This means to follow the UN's leading principle to "Leave No One Behind" (LNOB).

For example: Skills for Life (S4L), Kenya

The SDC-funded S4L project in the Kakuma refugee camp in Kenya targets young people with limited education credentials from refugee and host communities (50% women / 50% men). Combining career guidance, the provision of hands-on vocational skills and a variety of soft-, business and financial literacy skills, as well as the promotion of business and savings groups, this project follows a 'shotgun' approach – integrating comprehensive training packages – targeting particularly vulnerable populations.

- **Scale is a condition to overcome Africa's employment crisis.** In complement to innovative pilots, ESA aims for interventions that build the basis to achieve outcomes at scale. To achieve meaningful change, interventions have to reach beyond the directly targeted group and improve the employment situation of tens, or perhaps hundreds of thousands. Besides replication and expansion of activities (horizontal scaling-up), strategies to achieve outcomes at scale through

- **ESA acknowledges that VSD alone does not create any jobs.** Skills development addresses the labour supply side, while interventions on the labour demand side (job creation) may be needed as well to allow for successful integration into employment. Private sector and entrepreneurship development and financial sector development may be adequate measures to increase the availability of jobs.

For example: Eco-Emploi, Rwanda

The GIZ-funded and implemented project Eco-Emploi has its focus on job creation via the strengthening of micro, small and medium-sized enterprises. The project applies an integrated approach, focusing on three value chains. At the labour market's supply-side, Eco-Emploi strengthens training delivery, mainly through public TVET, and promotes job matching through employment centres, job fairs, etc. At the labour market's supply-side, the project stimulates labour demand through private sector development actions. The project is working through the existing public and private systems, complemented by advocacy and capacity-strengthening interventions for Leave No One Behind.

2. What we do

- **ESA seeks strategically combining access to decent and productive employment, LNOB and scale, while being aware of trade-offs.** It asks for a conscious and transparent prioritization of these elements, based on context requirements, feasibility, available budget and synergies within the internal portfolio and the overall development landscape. The theory of change gives a transparent and plausible focus on a project's key element, which is reflected in the intervention strategy, partnerships and budget allocation.
- **ESA realizes projects driven by economic demand and opportunities.** This means creating a broad understanding of the region's economic potentialities and the role of VSD in the given context – and continuously monitoring changes in the system to identify new opportunities that might emerge. The private sector is a key stakeholder.
- **ESA understands VSD as a broad and flexible concept,** including not only the provision of technical and soft skills but also vocational orientation and counselling, internships/jobs placement as well as entrepreneurship and after-training support, such as mentoring and coaching. The specific objectives and intended outcomes of a project determine if VSD is considered the best-suited instrument and if it should be complemented with interventions on the labour demand side.

For example: Opportunities for Youth Employment (OYE), Tanzania

The SDC-funded OYE-project, implemented by SNV, has its focus on rural out of school youth. The project combines short, tailored VSD with on-the-job training and coaching towards enterprise development as well as enhancing access to informal inclusive finance through savings- and credit groups. Results are impressive: over 7'000 youth entered employment, of which 70% in agriculture; income increased from 17 USD to 37 USD per months. 48 enterprises were formed and youth took leadership positions in communities. Despite a gender pay gap of 30%, increased female income contributed to changed gender relations at household level and male / female participation equalized towards the end of the project.

- **ESA recognizes equal access to VSD as a means to gender equality and women economic empowerment:** Aiming for the integration of target groups into more decent and productive employment, it seeks to think and act beyond industry stereotypes and recognises economic inclusion of women as entry point for gender transition.
- **ESA promotes a long-lasting, sustainable change. Therefore, it seeks for synergies and partnerships** with other actors of the ecosystem in which the projects operate, be it the formal or informal training system or a productive market system. Government buy-in and ownership, as well as building capacities of local stakeholders not only increase the quality of

interventions, but also contribute to long-lasting, sustainable changes at system level. Policy dialogue is thereby at the center. Thus, we take a facilitative approach. We see our role as connectors and coordinators of various stakeholders and offering a platform for exchange. Coordination with other initiatives and creating incentives for coordination is central in ESA's approach

For example: Promoting Market Oriented Skills Training in the Great Lakes region (PROMOST), Great Lakes Region

The SDC-funded project PROMOST, implemented by Swisscontact, partners with craftsmen-trainers, public and private training centers and technical and professional schools. It promotes dialogue between private and public sector actors on the VSD system. Micro-enterprises provide apprenticeships and jobs. In return, they benefit from support to modernisation and from the provision of training material and capacity strengthening.

3. How we do it

- **ESA aims for scale through a programmatic and portfolio approach.** Achieving labour market outcomes, LNOB and reaching scale are distinct and interlinked elements that require specific interventions and a conscious use of synergies with other thematic fields such as private and financial sector development, social inclusion, and system strengthening through good governance. Combining them under a programmatic approach (different components in a single project) or under a portfolio approach (several interlinked projects) enable the use of synergies. Synergies are formally enshrined in the respective project documents, defined targets and the monitoring system.

For example: Opportunities for Youth Employment Plus (OYE+)

The OYE+-programme has an integrated regional policy component, implemented by a regional knowledge hub. The component covers all SADC member countries. Thematically, OYE+ promotes innovative capacities (biogas, solar energy). The project is funded by SDC's Southern Africa cooperation programme.

- **In order to respond to Africa's employment crisis, ESA combines flexibility to experiment on VSD approaches with scaling.** ESA's portfolio comprises both innovative pilot activities and programmes that scale successful experience. Scaling requires partnerships with private and public ecosystem actors, based on stakeholder mapping, long-term financing models, and policy dialogue for public uptake. Scaling and sustainability are part of the project design from the beginning, even in pilot activities. Flexibly adapting the project to context changes goes hand in hand with a solid monitoring

system at outcome level, which allows for evidence-based project steering and implementation.

For example: Strengthening Rural Youth Development through Enterprise (STRYDE)

Technoserve's STRYDE-programme aims for youth's self- and wage employment with a focus on business and life skills training. It follows a two-levelled approach: Through its peer-to-peer model, STRYDE tests and develops experience through direct training provision. Its partnership model allows for outreach and sustainability. The partnership model strengthens actors who are locally anchored and who provide stable services based on partners' business models. Partners include private colleges, government colleges, NGOs / CBOs and government-run non-college partners. The partnership model is cost-effective with 32% lower project costs. It allows STRYDE to reach scale and sustainability. <https://www.technoserve.org/our-work/projects/stryde/>

- **Comprehensive projects require appropriate capacities in complementary fields** such as technical VSD, private sector and market systems development, facilitation, policy dialogue, gender and LNOB, outcome monitoring and management. We invest into human resources and promote continuous learning and knowledge sharing among our programme officers and project implementers. Project partners ensure an appropriate team composition and if reasonable work in consortia or sub-contracting schemes to make best use of complementary experience and knowledge.
- **A range of actions can help to address inequality and promote women's empowerment.** They include female mentors and women groups as role models, cross-sponsoring between profitable and subsidized services, social protection, and the provision of childcare.

Further Reading:

- Troxler, Roman (KEK), Lilja, Daniela (Helvetas) (2021): Skills development, labour market integration, inclusiveness, scale – concepts, approaches & lessons learned for the ESA context. Input paper for the online workshop. SDC Eastern and Southern Africa Division, 2021.
- Shareweb of the SDC Inclusive Economic Development Network: <https://www.shareweb.ch/site/EI/Pages/Default.aspx>. SDC