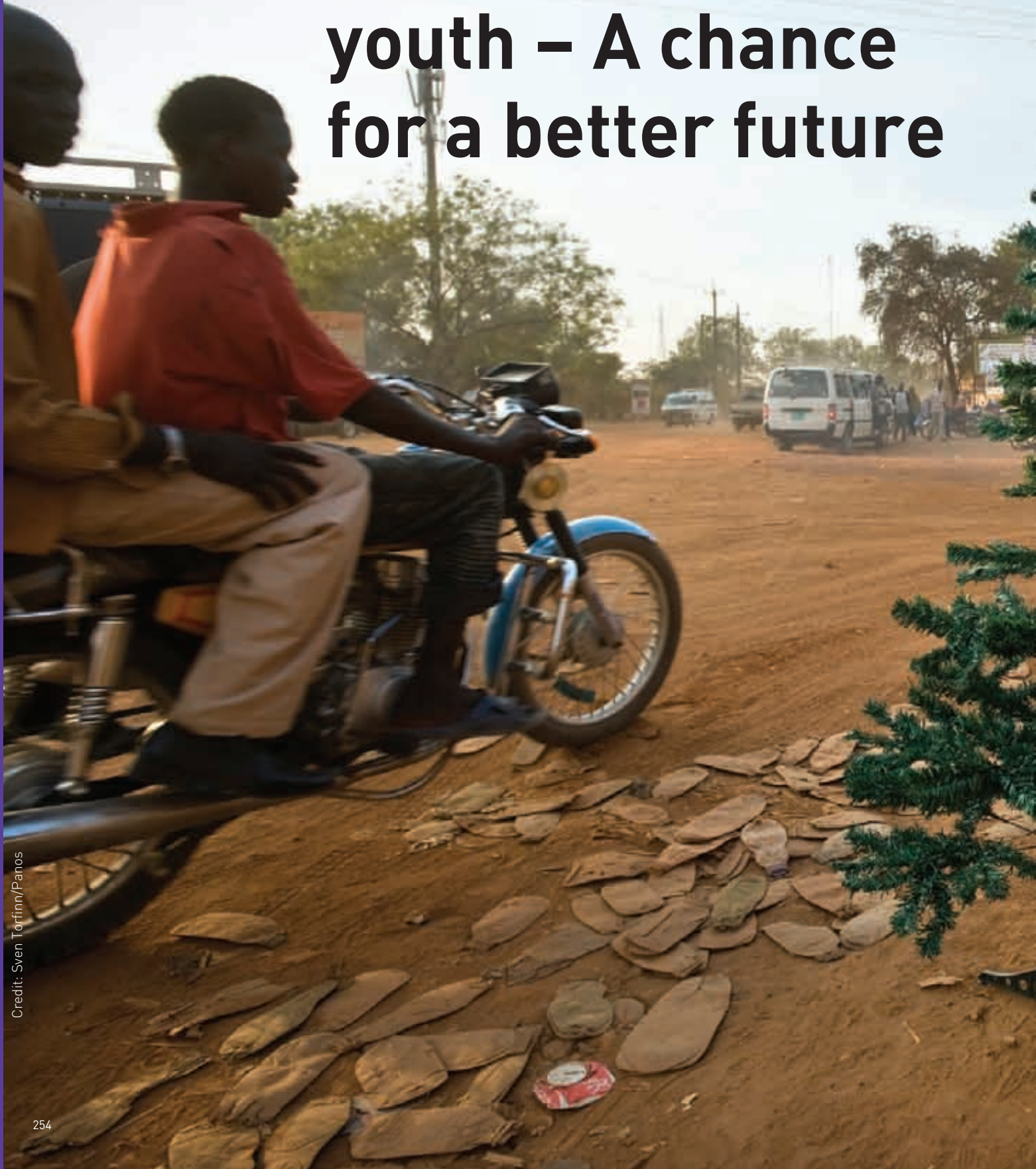


Chapter 6

Skills for urban youth – A chance for a better future



Credit: Sven Torfinn/Panos



A street vendor in Juba, South Sudan, selling plastic Christmas trees and inflatable balls made in China. Training can help street vendors improve their business skills, their income and their chances of finding alternative work.



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Increasing numbers of young people are trapped in urban poverty, without the skills they need to build themselves a better life. This chapter examines ways of providing skills training as part of a package of measures to help the urban poor overcome the disadvantages they face. It shows how combining work experience in specific trades with training to improve basic literacy and numeracy skills can help the urban poor find better work.

Introduction

The urban population is growing rapidly in many parts of the world, most notably in developing countries. Large numbers of young people are migrating away from rural deprivation towards towns and cities that hold the promise of greater freedom, better living conditions and improved work opportunities. Population growth is also contributing to rapid urbanization. Today's urban youth population, the largest in history, is better educated than previous generations and represents a powerful force for political and social change as well as for economic growth.

Urbanization has been accompanied by a rise in urban poverty, however. Young people tend to make up a disproportionate share of those living in squalid conditions in unplanned urban settlements. Many are trapped in insecure, subsistence activities. Women are at particular disadvantage in urban labour markets. Many of these young people left school before mastering basic skills such as literacy and numeracy.

Urbanization can broaden opportunities if policies not only promote economic development and job creation but also allow disadvantaged youth to take advantage of opportunities by acquiring relevant skills. Unless they are offered a second chance at education, young people are unlikely to be able to develop skills through workplace training, including traditional apprenticeships.

Urban poverty is widespread and increasing

It is estimated that virtually all the world's population growth will be concentrated in urban areas over the next thirty years, and that by 2040 more people will be living in urban areas than in rural areas in all developing regions (UN-HABITAT, 2008).

Although the economy and infrastructure of urban areas are expected to improve, they are unlikely to keep pace with growth in the youth population. Urbanization has led to significant urban poverty, manifested in the growth of slums and informal settlements. More than 800 million people are estimated to live in slums

in developing countries – equivalent to one in three city dwellers (UN-HABITAT, 2008). In sub-Saharan Africa, almost two-thirds of the urban population live in slums, and in South Asia more than one-third. This population is expected to reach 889 million by 2020 (UN-HABITAT, 2008), making it even more crucial to pay attention to skills and work in these environments.

Whether in regions where urbanization is increasing, or others that have long been urbanized – such as Latin America, where around one-quarter live in slums – many young people live in extremely poor environments that offer little prospect of finding decent jobs. Slum dwellers and other urban poor suffer from inadequate housing, overcrowding, lack of access to sanitation and water, and inadequate basic services. They are vulnerable to natural disasters and environmental hazards, experience high levels of crime and violence, and lack legal protection. Under these conditions, a growing number of disadvantaged youth are struggling to find good jobs that will give them a secure future. But the odds are against them. Many are trapped in informal, insecure, low paid work.

Young people migrate to urban areas in the hope of better lives

Most urban growth is driven by natural increase, but rural to urban migration also plays a part, especially where countries are urbanizing from a predominantly rural context, such as in East and South Asia, sub-Saharan Africa and the Arab States. Migrants made up more than 40% of the population of seven West African capitals in the early 2000s (Brilleau et al., 2004).¹ Many are young: in Egypt, those aged 15 to 29 were 40% more likely to migrate than those aged 30 to 39, and 80% more than those aged 40 to 59 (Kabbani and Kothari, 2005).

The reasons for migration to urban areas vary. For young men in particular, migration to cities offers the prospect of work and income opportunities that do not exist in rural areas. In some places, male and female migration patterns are converging. In China, rural to urban migration is taking place on a massive scale, with 145 million migrant workers living in urban

**By 2040,
more people
will live in
urban areas
than in
rural areas**

1. The seven cities are Abidjan, Bamako, Cotonou, Dakar, Lomé, Niamey and Ouagadougou.

In one-fifth of countries, urban poor youth have less education than rural poor

areas in 2009. More than half were born after 1980; among these younger migrants, 41% were women. Among rural youth with low education or unable to afford higher education, moving to a city is an alternative to continuing with studies: more than 70% of migrants had not completed upper secondary education (Chiang et al., 2011).

Young women, like young men, are increasingly responding to economic incentives to migrate, which include escaping rural unemployment or working to save money to start a business. In Viet Nam, growth in manufacturing increased rural to urban labour mobility. But young women unable to obtain manufacturing jobs often seek work in low skilled, low paying occupations, including domestic work. They cannot compete equally with men in the private sector, partly because of discrimination in recruitment and partly because they tend to have less education and fewer skills (Kabere et al., 2005). Elsewhere, young women migrate from rural areas in hopes of escaping restrictions imposed by discriminatory cultural practices. In slum areas of Addis Ababa, Ethiopia, 25% of girls had migrated to escape forced marriage (Tacoli and Mabala, 2010).

Many young people are displaced to cities by a range of other factors, including rapid population growth in rural areas, effects of climate change on agricultural productivity and livelihoods, and internal conflict (Grant, 2012). In Sudan and South Sudan, conflict has led to forced displacement of large rural populations to a small number of urban centres, whose population has grown exponentially (Pantuliano et al., 2011).

Many arriving in urban areas have fewer chances of getting jobs than other urban residents because they have less education and lack contacts and job information. This is reflected in differences in employment and earnings. In China, 80% of short-term or seasonal migrants aged 15 to 18 have dropped out of school, compared with 34% of permanent residents in urban areas. They lack access to education, health and other public services, which are primarily restricted to those with residence permits: 40% of children of migrants (aged 11 to 14) are out of school, compared with 15% of children of permanent residents (Grant, 2012; World Bank, 2007b). Consequently, they

end up filling the least skilled jobs available, without health insurance or pension benefits, and with lower pay – often half of what similarly skilled urban residents are paid, although still above rural income levels (Grant, 2012).

Many urban poor lack foundation skills

The extent of education deprivation among the urban poor is often overlooked. Inequalities within urban areas are often extreme – implying that slum dwellers do not necessarily live better than the rural poor – and the extent and depth of urban poverty are underestimated (Grant, 2012). For instance, in greater Cairo a large share of the population live in informal settlements. Not only do they lack a decent income, but they also face costs that are often higher than in more prosperous areas of the city due to the lack of infrastructure for education, health, water, sanitation, electricity and transport (Sabry, 2010).

While education opportunities are more widespread in urban areas than rural ones in many developing countries, the difference in acquisition of foundation skills between the urban poor and rural poor is not large. Across forty-five countries, the urban rich are far more likely than the urban poor to have continued at least until the end of lower secondary school (Figure 6.1). In ten of these countries, the proportion of those aged 15 to 24 lacking foundation skills is even higher among the urban poor than among the rural poor.

In Cambodia, 90% of poor urban youth do not have the chance to complete lower secondary education, compared with 82% of the rural poor and 31% of the urban rich. In Nigeria, there is a vast gulf in education opportunities between the rich and poor in urban areas. Almost all the urban rich get at least as far as lower secondary, compared with less than half of the urban poor. In Kenya, low levels of formal education for youth living in slums limit their opportunities of finding decent jobs (Box 6.1).

Policy-makers often neglect to provide education and training alongside economic strategies that promote job creation, confining many young people to low skilled, low paid work. The Kazi Kwa Vijana (Jobs for Youth) programme in Kenya,

Urban poverty is widespread and increasing

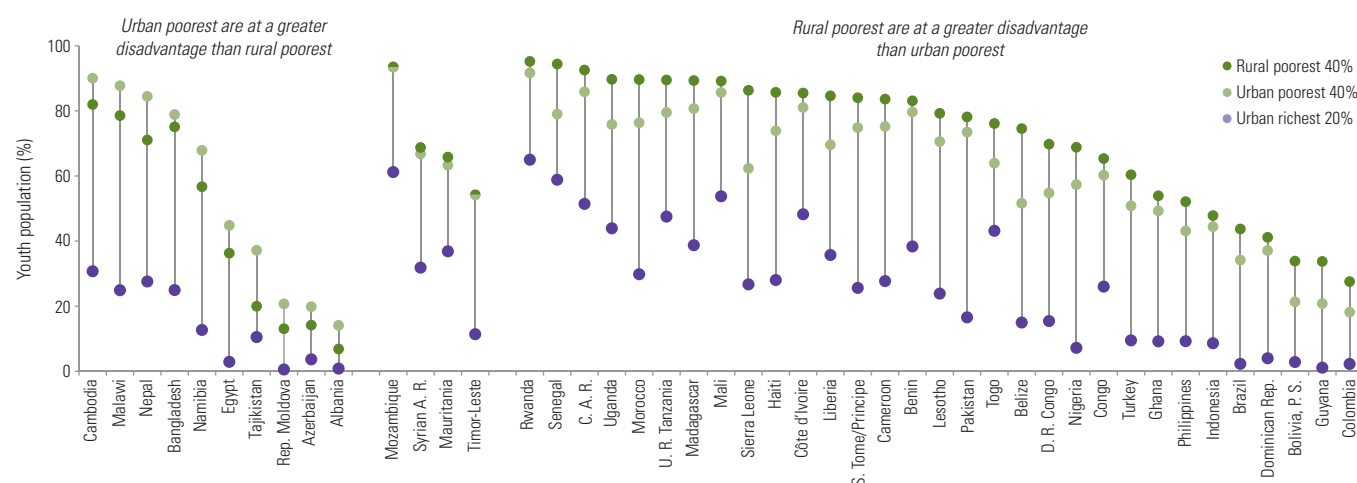
for example, offers manual jobs to young people but lacks systematic skills training (Oketch and Mutisya, 2012).

A review of poverty reduction strategies in nine countries² found that they tended to view poverty as a rural issue, and that seven failed to provide an adequate discussion of education in

urban areas, if they mentioned it at all (Baker and Reichardt, 2007). Some countries have recognized the need to improve living conditions in slums, but tend to focus on housing, sanitation and health. While these are crucial, without better opportunities for education and skills training, many young people will remain trapped in subsistence living.

Figure 6.1: Wide disparities between urban rich and poor

Percentage of 15-to-24 year-olds leaving before completing lower secondary school, by wealth and location, selected countries, latest available year



Source: UIS (2012a).

Box 6.1: Many young people in Nairobi slums lack education and training opportunities

About 60% of Nairobi's 3 million inhabitants live in slums. Occupying public land along two rivers, Korogocho and Viwandani are two of the poorest, with a combined population of around 66,000 in 2010. Young people aged 20 to 29 comprise a large share of this population – 31%, compared with around 18% in Kenya overall. Kenya's prospects of reducing poverty depend to a large extent on expanding secondary education and training opportunities for these young people, while improving their working conditions.

Inhabitants of the two slums live in extremely poor conditions: river pollution and proximity to industrial areas and dump sites create major health hazards. There are no secondary schools in either slum. Viwandani attracts more educated migrants from rural Kenya, many of whom then manage to move to non-slum settlements: about half of men and more than one-third of women living there have attended secondary school.

In Korogocho, only around 19% of men and 12% of women have attended secondary school. Training opportunities are sparse. Only around one in five of those aged 19 and 20 report having received any training in a trade or skill, and just half of these can use their training to help them earn an income.

About 50% of men and 80% of women aged 15 to 24 have no income-generating activities. Some, particularly young men, are still in school, but the rest are having trouble finding work. Many young women are confined to household work. Most of the employed (about 60% of men and 40% of women) are in petty trading or casual employment for survival. Around one-third work in the formal sector, but seldom in formal, salaried jobs. Most are in casual jobs with daily or short-term engagement.

Source: Oketch and Mutisya (2012).

2. Albania, Burkina Faso, Cambodia, Djibouti, Georgia, Honduras, Kenya, Pakistan and Yemen.

Employment for poor urban youth is mostly informal

Usually for the uneducated they find hard, labour work – for instance in construction. For the educated, they can be hired in offices that demand skills.

– young man, Ethiopia

In urban areas of developing countries, a large share of employment is in medium-sized, small and micro enterprises that operate informally – that is, they do not keep formal business records, have no legal status and are not regulated. Informal enterprises are typically fragile because they operate in markets that are limited geographically and often saturated with other informal businesses, as entry is relatively

easy. In many cases, low levels of technology are used, output prices are low and customers are poor (Adams et al., forthcoming; Charmes, 2009; Palmer, 2007). The diversity of the informal sector makes its size and scope difficult to grasp (Box 6.2).

The informal sector is here to stay

It is difficult to find a job that lasts long.

The longest period of work is not more than a week. And for my work I earn 30 birr (US\$1.70) per day.

– young man, Ethiopia

Many young people around the world are employed in the informal sector. In sub-Saharan African countries including Côte d'Ivoire, Mali and Zambia, the informal sector accounts for

Box 6.2: Defining the urban informal sector

The informal sector is heterogeneous. It includes self-employed workers and family enterprises that do not regularly employ workers, as well as small and medium-sized enterprises that do. It covers a wide range of economic activities, from subsistence activities, such as waste-picking and street vending, to sewing and garment-making, car repair, construction and various crafts.

For many young people, particularly those with low levels of education, informal sector work is a necessity for survival. They receive very low pay and face poor and insecure working conditions. Others, with higher levels of education, may choose informal entrepreneurship rather than wait for a formal sector job – and for them it can be a pathway to prosperity.

Given the diversity of the informal sector, determining its size is problematic. The International Labour Organization (ILO) measures what it terms 'vulnerable employment', including own-account workers and unpaid family workers, aiming to indicate numbers in informal work arrangements characterized by low pay and difficult working conditions. The global vulnerable employment rate is put at around 50%, equivalent to 1.53 billion people worldwide. An alternative ILO measure of informal sector employment is the share of non-agricultural employment (Figure 6.2).

A further complication to measuring the informal sector arises when considering work in the sector in urban and rural areas together, without recognizing the distinctiveness of their labour markets. Since most agricultural employment and rural off-farm work is considered part of the informal sector, almost all work in some developing countries could be viewed as informal. Combining rural and urban sectors makes it difficult to establish a differentiated policy response.

The ILO and the Organisation for Economic Co-operation and Development (OECD) have attempted to bring together the definition of the informal sector with the broader concept of informal employment. Informal employment includes not just the informal sector but also workers in formal businesses who are employed without a contract, job security or benefits, and without labour regulations being enforced. This is likely to be a growing phenomenon in the economic downturn.

Distinguishing between the informal sector and informal employment, and between the informal sector in urban areas and that in rural areas, matters for policy formation. This chapter focuses primarily on the informal sector in urban areas of developing countries. Chapter 7 examines smallholder farming and non-farm work in rural areas.

Sources: Adams et al. (forthcoming); Charmes (2009); ILO (2011a); Palmer (2007); Walther (2006b); Walther and Filipiak (2007b).

The ILO estimates that there are 1.53 billion in vulnerable employment

Employment for urban poor youth is mostly informal

around 70% of non-agricultural employment. In some countries in the region, women are much more likely than men to be working in the informal sector (Figure 6.2).

Large numbers are also in informal sector work in Latin American and the Caribbean. The informal sector accounts for more than half of total non-agricultural employment in poorer countries of the region, including the Plurinational State of Bolivia, Honduras, Nicaragua, Paraguay, and Peru – and one-quarter to one-third in more advanced economies such as Argentina or

Brazil. In some of these countries, a sizeable proportion is also in informal employment.

In South and West Asia, the informal sector is the main 'employer'. In India, 41% of both men and women in urban areas were self-employed in 2009/10, and 17% of men and 20% of women were casual labourers (Chowdhury, 2011). Informal employment represented about 70% of non-agricultural employment during the 2000s in East Asian countries, whether in the informal sector or the formal sector (Charmes, 2009; World Bank, 2010a). The share of informal

Figure 6.2: The urban informal sector employs large numbers in low and middle income countries

Share of employment in the informal sector, and of informal employment outside the informal sector, in non-agricultural employment, selected countries, late 2000s.



Note: Data pertain to the latest year available, between 2008 and 2010 for most countries.

Source: ILO (2011d).

CHAPTER 6

employment in non-agricultural employment varied widely across the Arab States during the 2000s, from 31% in the Syrian Arab Republic to 67% in Morocco (Charmes, 2009).

After the ILO recognized the existence of the informal sector in the early 1970s, it was expected to be a temporary phenomenon, providing work opportunities until the formal sector created more jobs. In the 1980s, however, structural adjustment programmes and slow economic growth led to a reduction in public sector jobs that was not offset by job creation in the formal private sector. Rapid economic growth in the 2000s did not reverse these trends, so the informal sector has persisted and, in the current economic downturn, is likely to grow.

The decline in public sector jobs and the persistence of the informal sector has increased job insecurity for disadvantaged youth. In India, the number of workers employed in the formal sector rose from 54.1 million in 1999/2000 to 62.6 million in 2004/05, but this represented only 14% of total job creation, and most of the jobs created in the formal sector offered little or no job security or social benefits (India NCEUS, 2009).

While over 80% of employed men and over 90% of employed women aged 15 to 24 worked in the informal private sector in West African capitals in the early 2000s, employment in the public sector was rare (Nordman and Pasquier-Doumer, 2012). In 1980 in urban Burkina Faso, 13% of men aged 15 to 24 had obtained their first job in the formal public sector, but the share fell to 8% in 1990 and 3% in 2000. The same trend was observed for the formal private sector, with the share declining from 10% in 1980 to 5% in 2000 (Calvès and Schoumaker, 2004).

Formal jobs remain a distant dream for many young people. In the seven West African capitals, in 2001–2002, 27% of youth aged 15 to 24 expressed a wish to join the public sector, even though it accounted for only 4% of jobs created the previous two years, as opposed to 82% for the informal sector (Brilleau et al., 2004).

Education can enhance earnings in the informal sector

Evidence suggests that returns to education and skills in the informal sector can be strong. A study of informal sector workers in seven West African capitals found that those who had completed primary or lower secondary education could earn 20% to 50% more than those without qualifications, in most cases. Informal sector workers holding a vocational secondary school certificate rather than the secondary general education diploma received earnings premiums of between 80% and 110% in four of the seven cities (Kuepie et al., 2006).

High returns in some situations show that the informal sector can become a more attractive option when young people have the appropriate skills, but many enter the informal sector lacking foundation skills. In Rwanda in 2006, only 12% of those working in the informal sector had studied beyond the lower secondary level, compared with 40% in the formal sector (Adams et al., forthcoming).

But conditions do not always enable microentrepreneurs to raise their earnings above the poverty level, for example where they operate in saturated markets in which most consumers are poor as well. In Kingston, Jamaica, market stalls, street vendors, grocery shops and taxis provide an illusion of prosperity, but most make little if any profit. Many youth in such settings are 'necessity entrepreneurs' lacking marketing skills and other business skills (Grant, 2012; Rakodi, 2004).

Discrimination excludes many from good jobs

Employers prefer boys to work for them. They don't want girls to work for them. They turn girls away and feel there could be problems by employing girls.

– young woman, India

Even if the challenges facing young people living in poor urban areas can be solved, discrimination both in education and in labour markets denies opportunities to certain groups, notably young women and people with disabilities. This requires special attention in policy.

Formal jobs remain a distant dream for many young people

Discriminatory social norms (such as early marriage) and institutional practices limit young women's mobility and access to education and training, as well as to paid work, while imposing a heavy burden of unpaid, domestic work. More women than men are employed either in the informal sector or informally in the formal sector in twenty-five of thirty-nine countries in a recent ILO survey (Figure 6.2). The range of activities women engage in is constrained: many are confined to home-based work, and women are overrepresented in the most informal and insecure activities, such as waste-picking and street vending.

In urban Bolivia, where female labour force participation is high by Latin American standards, women are much more likely than men to be self-employed in the informal sector, and have much lower earnings (World Bank, 2009b). Women also face discrimination in pay in informal work. In greater Buenos Aires, controlling for education, qualifications, industry and personal characteristics, wages were 20% higher for men working in informal firms than women (Esquivel, 2010).

Young disabled people also face discrimination in education and labour markets. The limited evidence available points to their lower activity rates and higher unemployment in urban areas, even where legislation is meant to protect against discrimination in the labour market (Freedman, 2008). The lack of access to employment of youth living with disabilities is compounded by discriminatory attitudes, inaccessible environments, and physical and communication barriers. Among young people living with disabilities, young women are further disadvantaged (Kett, 2012; UNDESA, 2012).

A pilot survey conducted in 2009 in five urban areas of Sierra Leone found that 69% of people living with disabilities had no income at all, and 28% were living in households with no income. Youth aged 15 to 25 with disabilities were 8.5 times less likely to work than those without disabilities (Kett, 2012).

Expanding skills training opportunities for disadvantaged youth

Public policies fostering skills development for young people are crucial to the development of urban economies. Because of the diversity of the informal sector, training needs are wide-ranging. For some youth, the most immediate need is a second chance to develop foundation skills. Approaches that combine basic literacy and numeracy with social protection can be particularly effective. Those who have already achieved foundation skills need equitable opportunities to develop further skills in a trade, as well as transferable skills to enable them to become more successful entrepreneurs.

National skills strategies need to include disadvantaged urban youth

Given their share in the employment and output of urban areas, informal enterprises should be a key concern in national skills development strategies, yet this is not the case (Fluitman, 2009, 2010; Walther and Filipiak, 2007b). A review of forty-six developing countries in the Arab States, South and West Asia, and sub-Saharan Africa conducted for this Report shows that most do not have a national skills development strategy that explicitly addresses the urban informal sector (Engel, 2012). Reforms of formal technical and vocational education and training are seen as the main policy option, and training for those who have left the formal system is rarely mentioned. India's ambitious strategy is a notable exception, but faces challenges in reaching disadvantaged young people (Box 6.3).

Combining skills training with broader protection of informal sector workers

Given the precarious circumstances of many informal sector workers, a vital first step towards enabling them to participate in skills training programmes is offering them broader social support, including legal protection, to help them move out of high risk environments.

The situation of street vendors, who make up a large number of informal sector workers in many countries, illustrates this need. India's urban

In greater Buenos Aires, men in informal firms earned 20% more than women

Box 6.3: India's skills strategy recognizes training needs for the urban informal sector

India's training policy historically focused on the formal sector and operated on a small scale. By the mid-2000s, the overwhelming majority of urban youth had received no training. Resulting skills shortages risk hampering India's rapid economic growth and reinforcing inequality.

Since 2008, India has embarked on an ambitious strategy to raise the number of skilled workers to 500 million by 2022. The National Council on Skill Development formulates principles and provides policy advice, while strategy design is entrusted to national and state boards. A non-profit partnership between the government and the private sector, the National Skill Development Corporation (NSDC), is in charge of implementation, for which a National Skill Development Fund has been created. The overall approach is to finance short-term courses (no more than six months) delivered by either public or private providers, including apprenticeships, and to assure the relevance of training to rapidly changing market and technological conditions through cooperation with the private sector and non-governmental organizations (NGOs). A National Vocational Education Qualifications Framework is also being proposed.

Skills development in informal businesses is vital, as they employ most workers and are linked to formal companies

via outsourcing and contract work. The NSDC has identified the 'unorganized sector' as a priority area and proposed a framework for a Labour Market Information System that would cover that sector. Detailed analysis was conducted of labour demand and skills gaps in activities where employment is mostly or entirely informal, such as construction, textiles, transportation, tourism, jewellery, domestic work and private security. A proposal by the Self-Employed Women's Association was one of the first proposals funded by the National Skill Development Fund.

A comprehensive Action Programme for the Unorganized Sector proposed by the National Commission on Enterprises in the Unorganized Sector, appointed in 2004, was not fully implemented, however. For the time being, India's principal focus remains on formal institutions such as (public) Industrial Training Institutes and (private) Industrial Training Centres, working with high growth sectors such as automobiles, textiles, food processing, tourism and banking. Access to such training and employment remains difficult for marginalized urban youth, who lack foundation skills, who cannot take time off even for free training and whose mobility is constrained by gender- or caste-based discrimination.

Sources: India NCEUS (2009); India NSDC (2011, n.d.); Sudarshan (2012).

India's national policy recognizes technical and business training for street vendors

areas were estimated to have 10 million street vendors in the mid-2000s (Bhowmik, 2005), and South Africa's some 445,000 around 2000 (Mitullah, 2004). Women are overrepresented. A study in Uganda found that those who turned to street vending tended to do so because they could not engage in other activities due to poverty, orphanhood, widowhood and low levels of education. Studies across Africa show that vendors face long working hours and poor working and living conditions, characterized by lack of shelter, roads, water, toilets, sewerage and garbage collection (Mitullah, 2004).

Street vendors, like others working in particularly insecure work, are sometimes harassed by police or other officials because they lack legal protection. This increases their economic uncertainty and hampers any training effort. Mohammed Bouazizi, the street vendor whose self-immolation is said to have been a catalyst for the revolution in Tunisia and the wider Arab Spring in 2011, set himself on fire in protest against the ongoing harassment that he reported was inflicted on him by police and a municipal official.

Some national and local governments have taken measures to facilitate training of subsistence workers. India's National Policy on Street Vendors states that, as street vendors run microenterprises, they should receive training to upgrade their technical and business skills so they can increase their income and look for alternative work (India MHUPA, 2006). In Malaysia, the economic crisis of the late 1990s led to large losses of jobs in the formal sector through mergers, downsizing of production units and outsourcing of work to the informal sector. Many laid-off workers became street vendors, whose numbers increased sharply between 1990 and 2000. The Department of Hawkers and Petty Traders regulates and controls their activities while funding credit and training programmes in areas such as business skills, accounting, health and hygiene, as food stalls account for a large share of street shops (Bhowmik, 2005).

NGOs, trade unions and other social movements are often more active than governments or donors in improving conditions for subsistence workers. India's Self-Employed Women's

Association (SEWA), a trade union registered in 1972, provides a variety of services: banking, insurance, legal aid, health care and child care, together with training in literacy, vocational skills and political mobilization (Chen et al., 2006; Jhabvala et al., n.d.). Negative perceptions about women's skills and capabilities among male builders, engineers, supervisors and clients have made it difficult for women to access new work opportunities. SEWA's answer has been the promotion of a cooperative of women that provides technical training and links up with employers to facilitate placement (Sudarshan, 2012).

SEWA inspired the creation of the Self-Employed Women's Union (SEWU) in South Africa. It has helped training providers adapt their courses to the needs of its members and has subsidized members' participation. This has allowed women to receive training in vocational skills such as baking, fashion design and sewing as well as in more general management skills and in English. SEWU has encouraged its members to receive training in male-dominated areas such as construction and wire fencing (Devenish and Skinner, 2004).

Giving disadvantaged youth a second chance

A huge number of young people living in urban poverty need a second chance to learn basic skills. Existing programmes are mainly provided by NGOs, largely because they are perceived as too expensive by many low income countries that are already struggling to strengthen primary schooling (Garcia and Fares, 2008).

Although there are many innovative approaches, second-chance opportunities in the parts of the world where they are needed the most are often small in scale. They also tend to be poorly coordinated, and governments often have little information about their activities.

Second-chance programmes aim to provide basic skills corresponding to the primary education curriculum so as to improve young people's employability. Practical curricula that offer technical skills, together with flexible schedules and less formal instruction methods, are the most attractive to young people. Programmes are more likely to be successful if they are part of a package that also offers other forms of

social protection to address the multiple disadvantages that young people often face.

Many second-chance opportunities focus on children who have just missed the opportunity for schooling. It is vital for these to be extended to 15- to 24-year-olds, who also need the chance to catch up. Accelerated learning programmes that have been developed in conflict-affected countries, including Afghanistan, Liberia, Sierra Leone, South Sudan and Uganda, offer some positive experience. The programmes focus on promoting re-entry into primary and secondary education for out-of-school youth. In addition to basic literacy and numeracy, the curriculum incorporates life skill subjects and sometimes includes vocational education and microenterprise activities (Nicholson, 2007).

Even where second-chance programmes are successful in extending basic literacy and numeracy skills, one problem they can face is ensuring that these translate into improved work opportunities for young people. In Liberia, the government has run an accelerated learning programme since 1998 with UNICEF support, providing ex-combatants and older youth with three years of education covering the primary school curriculum. Successful students are then qualified to continue in the formal education system, but some use their new skills as the basis for engaging in small businesses to improve their lives. By 2009, the programme had reached around 75,820 students, almost half of them female. In 2008, 93% of graduates passed national exams allowing them to progress further with their education (Nicholson, 2007; Nkutu et al., 2010). Participants were, however, critical of the lack of technical and vocational teaching in the programme and of the absence of links with the labour market (Williams and Bentrovato, 2010).

Addressing the need to combine a second chance in basic literacy and numeracy with vocational skills to improve work opportunities, the Training for Employment project in Nepal was implemented between 2000 and 2008 by a local organization, the Alliance for Social Mobilization. The project aimed to provide access to technical and vocational education and training to out-of-school young people. Training packages of six to fifteen months were developed

Second-chance programmes need to be scaled up

Second-chance programmes need to be well aligned with the labour market

for a broad range of activities, such as car repair, computer hardware maintenance, construction and cooking. They were open to youth with five to eight years of schooling. All packages included on-the-job training, and employers were consulted during their design. The number participating in the project was small: 854, 37% of whom were women. But it was successful in reaching marginalized groups – 66% of students belonged to disadvantaged castes or ethnic minorities. A tracer study covering 206 project graduates reported that 73% had found employment (Paudyal, 2008).

Similarly, in Jordan, where overall enrolment is relatively high, large numbers of young people are still missing out on education. Questscope, an international NGO, has run a second-chance education programme since 2000, targeting youths who missed out on education or dropped out. The aim is to provide twenty-four months of accelerated learning towards grade 10 requirements, together with tutoring, so that programme graduates may re-enter the formal education system or have access to loans to start a microenterprise. According to Questscope, more than 7,000 youth have participated (Questscope, 2012). About 98% of those who sat the 10th grade proficiency test at the end of the programme passed and were able to continue with formal education (Angel-Urdinola et al., 2010).

It is vital to strengthen and expand second-chance programmes to give disadvantaged young people better work opportunities. To be successful, such programmes need to be well targeted and geared towards labour market needs, and provide the opportunity for young people to re-enter the education system.

Packaging skills training with pro-poor programmes

If young people engaged in subsistence activities are to move on to more profitable informal sector activities, they need to improve their literacy and numeracy skills as well as to acquire technical and vocational skills. To set up a profitable small business, for example, young people need not only credit but also financial skills to invest the money wisely. They also need

help to overcome disadvantages such as poor health, insufficient assets and lack of networks. Since young women face even greater adversity, they require particular attention.

Microfinance and social protection programmes have been successful in alleviating the immediate financial constraints that disadvantaged young people face but have tended to pay insufficient attention to transforming their lives in the longer term. Providing skills training as part of the package can change this.

Microfinance seeks to alleviate financial constraints on self-employment and entrepreneurship. Initially it offered only small loans, but it now includes savings and insurance services. In 2010, 82% of all microcredit clients lived in Asia; 7% were in Latin America and the Caribbean, 6% in sub-Saharan Africa and 2% in the Middle East and North Africa (Maes and Reed, 2012). Microfinance started in rural areas, but has recently expanded to urban areas.

Often targeted at women, microfinance has been hailed as promoting women's empowerment and gender equality and improving children's health and education, but evaluations find a significant impact only on access to credit and business outcomes. In slums in Hyderabad, India, the introduction of group-based lending resulted in an increase in the number of new businesses and in the purchase of business durables but had no impact on consumption or human development indicators (Banerjee et al., 2010).

Social protection programmes organized by governments and aid donors, including cash transfers and public works programmes, aim to protect the poor from economic crises and other income shocks. These programmes, which usually have national coverage, have outcomes that contrast markedly with those of microfinance. Cash transfers, which are often small, are mostly used by households to meet basic consumption needs. Nutrition improves, access to health care or education may also improve, but there is rarely productive investment (McCord, 2012).

Incorporating skills development into microfinance or social protection measures can make them 'transformative', allowing their beneficiaries to improve their livelihoods

permanently and to move out of poverty. Some programmes have begun to include skills training, but evidence on them is limited so far.

Microfinance institutions could become an effective vehicle for skills training

Microfinance institutions could be a good platform for training, as they already reach large numbers of the poor. At the end of 2010, 3,652 microfinance institutions reported having more than 205 million clients with a current loan, 55% of whom were women living below the international poverty line of US\$1.25 a day when they took up the loan (Banerjee et al., 2010; Maes and Reed, 2012). Recent studies show that beneficiaries lack technical, entrepreneurial and financial skills that microfinance institutions assumed they had (Karlan and Valdivia, 2006).

Microfinance programmes offering entrepreneurial training are rare, but some experience indicates they can be very effective. In 2002–2003, the Foundation for International Community Assistance, which provides credit and savings services to young, poor, largely female microentrepreneurs, introduced entrepreneurial training in mandatory weekly meetings with its clients in Lima and Ayacucho, Peru. A randomized evaluation found that participants were more likely to maintain records of sales and expenses, reinvest profits in the business and plan for future expansion, resulting in higher, less volatile income (Karlan and Valdivia, 2006).

One reason for the programme's success is that credit officers received training. More generally, though, NGOs specialized in microfinance may not be efficient in skills development. Where credit officers are asked to double as trainers, they need teaching skills and training in subjects such as health education, entrepreneurship and financial literacy.

Skills training is necessary to sustain the benefits of social protection

Adding skills development to social protection programmes may help their beneficiaries gain greater autonomy; by the same token, complementing training programmes with cash transfers, to help learners meet their basic

consumption needs during the training period, can improve retention and completion. Training may also be associated with public works jobs, either by making initial life skills or vocational training a condition for receiving work or by emphasizing on-the-job training and work experience (McCord, 2012).

Social protection programmes help young people move into the labour market who would not otherwise be employed, particularly women (McCord, 2012). The programme Chile Solidario, introduced in 2002, provides cash transfers for twenty-four months to extremely poor families in Chile, as long as they cooperate with a social worker who helps them identify and solve their main problems and raises their awareness and use of social services. Participants are then given preferential access to other programmes, including training aimed at increasing employability. After 2004, specific programmes focused on women with low educational attainment and little or no professional experience. The programme now reaches 40,000 to 50,000 families every year, 60% of which belong to the poorest fifth of the population and more than 80% of which live in urban areas. Employment grew by up to four to six percentage points among women who entered the programme in 2005, partly through increased participation in the training programmes (Carneiro et al., 2009).

Experience from South Africa's Expanded Public Works Programme, initiated in 2004, highlights the importance of ensuring that training is sufficiently long and of appropriate quality to be transformative (Box 6.4).

Overall, transformative microfinance and social protection programmes are promising, but they are harder to design and implement than individual interventions, and may therefore be more difficult in contexts where institutional capacity is weak, as in many low income countries.

Scaling up the programmes is also difficult, even for governments and aid donors. In Afghanistan, the World Food Programme's Food for Training provided poor urban widows (including, though not targeting, youth) with food rations as well as training in functional literacy, health, and vocational skills such as handicrafts, tailoring

Cash transfers and training in Chile increased employment for women

Box 6.4: Enhancing outcomes of South Africa's Expanded Public Works Programme through skills training

South Africa's Expanded Public Works Programme aims to extend job opportunities in a context of extremely high unemployment. By December 2010, only 12.5% of youth aged 15-24 were employed. The recession that hit South Africa resulted in a contraction of youth employment - youth accounted for 40% of jobs lost over the period. Unemployment rates were higher for youth aged 18-24 who had at most some secondary education compared with those with tertiary education.

The first phase of the public works programme (2004-2009) aimed to provide 100,000 to 200,000 short-term work opportunities each year for four to six months in total. A second phase (2009-2014) aims at even broader coverage; in 2014 the programme expects to offer 1.5 million work opportunities lasting 100 days each. Work is in areas such as road construction and maintenance, home care for elderly people,

child care and providing school meals. For every month worked, participants take two days of training, including life skills (HIV awareness, job search skills), on-the-job learning and formal training.

An evaluation of the first phase found that the number of work opportunities created had far exceeded targets but that only 46% of the target number of days of training had been reached. Difficulties defining relevant training content and a scarcity of good quality training providers sometimes posed problems. The benefits of the training received were further affected by the limited duration of public works and the low wage paid: at best workers could invest in survivalist microenterprise activities. Investing more in training could help ensure that the programme has a more sustainable impact.

Sources: McCord (2005, 2012); Meth (2011); South Africa National Treasury (2011); Walther et al. (2006a).

and embroidery. Shortages of implementing organizations and trainers prevented the programme from reaching the poorest women and those most in need of food, however, and it proved difficult to expand to rural areas (WFP, 2004).

Despite these challenges, when social protection and microfinance programmes are carefully designed and implemented to incorporate relevant skills training, they can enhance the opportunities for disadvantaged youth to work in improved conditions.

Programmes targeting unemployed youth are successful, but need resources

Programmes that combine basic literacy and numeracy, vocational skills training and other forms of support to enhance employability have been successful in some parts of the world, notably in Latin America and the Caribbean. Innovative programmes in the region offer classroom training and work experience in basic and specific trades, alongside life skills, job search assistance, counselling and information. Participants receive stipends and their employers receive wage subsidies. The programmes have played a key role in countries where large

numbers of young people living in poor urban conditions lack opportunities for good jobs.

Several programmes have been found to raise rates of employment, formality of employment and earnings, particularly for women and youth from poorer households (Betcherman et al., 2007). For instance, the Inter-American Development Bank has run programmes in Argentina, Chile, Colombia, the Dominican Republic, Mexico, Panama and Peru that provide short training covering both basic job readiness skills and specific vocational skills. These have increased participants' employment rates and job quality, defined by wages, social benefits and formality (Card et al., 2011; Ibararán and Rosas Shady, 2009).

In Mexico, PROBECAT (Programa de Becas de Capacitación para Trabajadores Desempleados/ Unemployed Workers' Training Grants Program), which began in 1984, relies on companies rather than training institutions. Beneficiaries receive a stipend equivalent to the minimum wage. They are trained in private sector businesses, which cover the training costs and have to offer them an internship of at least three months. Companies have to agree to keep at least 70% of the trainees for one year (Ibararán and Rosas Shady, 2009).

In Latin America, work experience along with classroom training has reduced unemployment

Jóvenes is another successful programme in Latin America. It was introduced in Chile in 1991, targeting unemployed or underemployed youth aged 16 to 29, with eligibility tied to income, educational attainment (below secondary education), gender and region of residence. It has been successfully replicated in Argentina, Colombia, the Dominican Republic, Panama, Paraguay, Peru and the Bolivarian Republic of Venezuela. While governments have coordinated and funded Jóvenes programmes, they are delivered by private providers selected through competitive bidding. This helps assure the quality of the training and its relevance to labour market demand. Evaluations indicate that the programmes have improved labour market outcomes, particularly for younger participants and women (Box 6.5).

In Colombia, between 2001 and 2005, Jóvenes en Acción targeted poor youth aged 18 to 25 who were unemployed or working informally. Participants received three months of classroom training and three months of on-the-job training in the country's seven largest cities. Courses covered a wide range of activities aimed at the needs of the formal sector. Random selection

of participants from a larger group of applicants found a strong positive impact on women: their probability of being in paid employment rose by 7% and their wages by almost 20%. The likelihood of being in formal employment also increased significantly, by 7% for women and 5% for men (Attanasio et al., 2011).

The drawback is that these programmes tend to be expensive. The cost per participant ranges from US\$700 to US\$2,000 – clearly unaffordable for many of the low income countries (Betcherman et al., 2007). In addition, for the programmes to be successful, a country has to have enough companies able to participate, and parts of sub-Saharan Africa may not meet this criterion.

Most Jóvenes programmes have been integrated into national public training institutions or replaced by smaller interventions. Since 2002, a new model has emerged in Latin America: Entra 21, conceived by the International Youth Foundation and funded by the Inter-American Development Bank, local organizations, multinational companies and other partners. Like the Jóvenes programmes, Entra 21 targets

**In Colombia,
three months
of training
increased
women's wages
by 20%**

Box 6.5: Peru's PROJoven programme helps young people find better jobs

In Peru, as in other Latin American countries, large numbers of young people work in the informal sector. While access to primary schooling is high, many still leave school lacking foundation skills. In 2009, around one-quarter of young people were neither in employment nor education or training, and 76% of women and 66% of men were working in the informal sector.

When PROJoven (Programa de Capacitación Laboral Juvenil/Youth Labour Training Programme) was introduced in 1996 following the Jóvenes model, poor youth in particular were less likely to receive any training and only had access to institutions of lower quality. The programme was funded by a variety of national and donor sources, including the Inter-American Development Bank, and run by the Ministry of Labour. It targeted youth aged 16 to 24 who had low educational attainment, lacked work experience and were unemployed, underemployed or inactive. Almost all belonged to poor households. The focus was on basic or

semi-skilled training to improve employability in the short term. Between 1996 and 2003, about 42,000 youths participated. Courses, financed by PROJoven, were offered in training centres for three months, followed by a three-month internship in private firms that had to pay trainees at least the minimum wage.

Participation in the programme significantly improved young people's chances of securing a paid job, and increased their monthly earnings. The impact was larger for younger participants (aged 16 to 20) and for women. For instance, the likelihood of gaining access to formal employment increased by between seven and thirteen percentage points among men and by seventeen to twenty-one percentage points for females. Close links between training centres and participating companies may have contributed to the positive outcomes.

Sources: Cárdenas et al. (2011); Díaz and Jaramillo (2006); ILO (2011d).

CHAPTER 6

unemployed youth aged 16 to 29, providing them with short-term training³ in technical skills, life skills and job-search skills, combined with internships with local employers. One innovation of Entra 21 is that almost half of training focuses on information and communication technology skills, responding to growing employer demand. A second innovation is the inclusion of job placement services in close association with local employers (Pezzullo, 2006).

The first phase of Entra 21 projects operated between 2001 and 2007 through thirty-five local projects in eighteen countries.⁴ They attracted almost 20,000 young people, well beyond the initial target of 12,000. Of these, 54% were female. The vast majority were from poor urban families. But unlike Jóvenes, Entra 21 mainly benefited youth who had completed upper secondary school rather than very poor youth with low educational attainment (Lasida and Rodriguez, 2006; Pezzullo, 2009). Some projects did include basic literacy and numeracy training for youth with lower initial achievement, but this accounted for only 5% of training time on average (Pezzullo, 2009).

Evaluations of twenty-eight projects between 2005 and 2007 show several positive outcomes on employment and wages six months after participants had graduated. A shortcoming of the first phase of Entra 21, however, in addition to the lack of targeting of poorly educated young people, was that women did not benefit to the same degree as men in most countries, in contrast to the Jóvenes programme. On average, controlling for age and education, a female graduate was only 59% as likely as a male to get a job. Men earned 32% more than the minimum wage and women only 19% more (Pezzullo, 2009).

In response, the second phase of Entra 21, starting in 2007, targeted young people who were more disadvantaged than those in the first phase, including those with less than ten years of formal education, people living with disabilities, and youth living in rural areas. By early 2011,

more than 51,500 had enrolled, exceeding the target of 50,000 (Pezzullo, 2011).

Entra 21's evaluation of programmes in four countries⁵ indicated that vulnerable youth in the second phase found it harder to keep up with classes or internships, mainly because of lack of formal education or personal circumstances such as child care and family problems. To retain trainees, projects had to provide tutoring, basic literacy and numeracy training and personalized attention to respond to special needs. About 40% of employers in Ecuador said the youth lacked sufficient technical, mathematic or literacy skills. This led employers to allot more time to upgrading trainees' basic skills so they could acquire sufficiently high levels of work skills.

Another difficulty was that employers were sometimes reluctant to recruit disadvantaged youth into the programmes. In Nicaragua, some employers were initially unwilling to hire youth who lived in high crime neighbourhoods. However, once businesses overcame their resistance, they reported being satisfied with the trainees' performance (International Youth Foundation, 2011). To overcome potential prejudice and negative stereotypes, it is important to establish strong relationships with businesses, NGOs and the public sector.

The Latin American experience formed the basis for programmes targeting unemployed youth in other emerging economies. Indonesia's Education for Youth Employment programme was an example. Although Indonesia is a middle income country that has experienced relatively high levels of growth, income-related and regional disparities in education are strong. Education for Youth Employment targeted poor, unemployed youth aged 16 to 24 with low educational attainment. It sought to improve 'equivalency education' at secondary level. The programme included training in life skills and had a job placement component using a network of companies. A 2006 evaluation found that 82% of participants were employed after three to four months of training, at a cost per participant of US\$300. After three years, 80% of those were still employed and receiving at least the local minimum wage (di Gropello et al., 2011).

3. The duration ranged from 270 hours to 1,210 hours over 4 to 12 months.

4. Argentina, Belize, the Plurinational State of Bolivia, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and the Bolivarian Republic of Venezuela.

5. Ecuador, Nicaragua, Paraguay and Peru.

If programmes for unemployed youth are well targeted and offer a comprehensive range of skills development training, as the Jóvenes programmes have done, this increases their chances of reaching the most vulnerable young people and improving their earnings and employment. The successes of these Latin American programmes in targeting disadvantaged young people hold lessons for the Arab States, where government and private training programmes tend to focus on highly educated youth (Subrahmanyam, 2011).

In Morocco, for example, where around 30% of the population is aged 15 to 29, about 90% of females and 40% of males not in school are either unemployed or not in the labour force. Among the unemployed, 80% have less than secondary education. Yet policy interventions tackling unemployment have tended to focus on the 5% who have benefited from tertiary education, in part because these young people have been better able to exert media and sociopolitical influence (World Bank, 2012b).

Beyond foundation skills for disadvantaged youth

To improve the employability of young people who already possess foundation skills, policies need to foster the development of transferable and technical skills, especially in small and medium-sized informal businesses with growth potential. Governments need to identify activity sectors to be targeted and organize training in the relevant skills. Two promising avenues for such efforts are traditional apprenticeships, which are already a major provider of skills development for informal sector workers, and training to enhance entrepreneurship.

Expanding access to traditional apprenticeships

In many countries, more youth are trained in the urban informal sector through traditional apprenticeships than in formal training institutions: costs for their families are usually lower, as are educational entry requirements. The poorest may still be disadvantaged, though, especially where apprentices are recruited through family or community networks, and young women are largely excluded from

male-dominated activities. Making access to traditional apprenticeships more equitable and improving their quality are key priorities for skills development policy.

In sub-Saharan Africa, traditional apprenticeship is the main type of skills training in the informal sector (Johanson and Adams, 2004). In the mid-2000s, Senegal had just 10,000 young people in formal technical and vocational education training compared with 440,000 traditional apprentices in the motor repair business alone (Walther, 2011). In Ghana, according to various sources, apprenticeship training is responsible for 80% to 90% of all skills training, compared with no more than 5% to 10% for public training institutions and 10% to 15% for NGOs (both for-profit and non-profit) (Palmer, 2007).

Traditional apprenticeships are also found in other regions. In Pakistan, where official statistics estimate that 79% of youth aged 15 to 24 working outside of agriculture are employed in the informal sector, traditional apprenticeships are the most prevalent mode of skills acquisition (Bhatti et al., 2011; Janjua and Naveed, 2009).

Traditional apprenticeship has several advantages over formal training. It is more flexible, cheaper, and has immediate practical relevance. Many apprentices are hired in the workshop where they were trained. In Punjab and Khyber Pakhtunkhwa provinces of Pakistan in 2006–2007, the average length of apprenticeship was longer than formal technical and vocational education and training courses, yet the average cost for households was less than one-tenth as much (Bhatti et al., 2011).

For many young people, therefore, traditional apprenticeships are the preferred way to acquire skills. In Kenya, in the early 2000s, the World Bank-financed Micro and Small Enterprise Training and Technology Project distributed vouchers to 24,000 informal sector manufacturing workers, letting them choose what kind of training they wanted to receive, and from whom. Only 15% of participants opted for public or private training institutions, while 85% chose to train with master craftspeople. A strong preference was thus revealed for traditional

In sub-Saharan Africa, most skills training in the informal sector is in apprenticeships

Access to apprenticeships is broad but not equitable

apprenticeships, a type of provision that had hitherto been 'invisible' to policy-makers (Johanson, 2002; Johanson and Adams, 2004; Riley and Steel, 2000).

There are disadvantages, however, with this form of training. Access may be broader than in formal training, but it is not equitable. In Ghana, for instance, the poorest and least educated are disadvantaged: in 2008, only 11% of the poorest 20% of 15- to 30-year-olds had done an apprenticeship, as opposed to 47% of the wealthiest. Only 9% of those with no education had been apprentices, compared with 51% of those who had completed lower secondary education (Adams et al., forthcoming).

Such differences in access are compounded by differences in employment status and earnings once the apprenticeship is completed. According to 2005/06 data from the Ghanaian Living Standards Survey, less than 20% of former apprentices with no formal education were working and had earnings placing them above the poverty line, compared with about 30% of those who had attained lower or upper secondary school. In urban areas, the mean earnings of former apprentices who had attended lower secondary school were almost triple those of former apprentices with only primary education (Baradai, 2012).

Traditional apprenticeship systems may also reflect gender segregation in the local labour market. A survey in the towns of Lindi and Mtwara in the United Republic of Tanzania found that 95% of apprentices in tailoring were women, but that there were hardly any female apprentices in the other trades surveyed, including carpentry, car mechanics, electrical service, food processing, local arts and plumbing (Nübler et al., 2009). Since most apprenticeships are in trades that women are less likely to take up, this limits their opportunity for training.

Lack of organization can lead to exploitation of sometimes very young apprentices in poor learning and working conditions (Johanson and Adams, 2004). In Lindi and Mtwara, apprentices worked 60 hours per week on average. While more than 90% of master craftspeople taught their apprentices technical skills specific to their occupation, and 65% gave theoretical background information, few masters also taught managerial

skills (Nübler et al., 2009). In Senegal, a study on motor repair found that young apprentices worked from 8 a.m. till 9 p.m. (Senegal METFP, 2007).

Public interventions building on traditional apprenticeship systems need to provide access to those usually excluded, improve skills of master craftspeople, improve working conditions of apprentices and ensure that skills are certified (Johanson and Adams, 2004; Walther, 2011; Walther and Filipiak, 2007b).

The size and potential of traditional apprenticeship systems have led several sub-Saharan African countries to pass laws on apprenticeship in recent years (Hofmann, 2011). Two distinct directions have been explored (Walther, 2011):

- transforming traditional apprenticeships into a dual system that combines theoretical learning with practical training;
- gradually recognizing traditional apprenticeships formally and providing them with support, including by training master craftspeople to improve their vocational and teaching skills and by introducing regulations, assessment and certification.

Both approaches face practical difficulties. For example, cooperation between formal training institutions and master craftspeople is often limited, and the state may lack the capacity to enforce regulations where there are no trade unions.

Reforms aiming to transform traditional apprenticeship into a dual apprenticeship system were developed in the 1990s and 2000s in several countries, starting with projects in Benin and Togo run by the Hans Seidel Foundation, a German development organization. Côte d'Ivoire, Mali, Senegal and the United Republic of Tanzania are also taking steps to reform traditional apprenticeships (Walther, 2011). The ILO has made the development of dual apprenticeship one of its priorities for action in these countries (ILO, 2008).

Evolution towards dual apprenticeship requires an agreement between the government and organizations representing informal sector employers and master craftspeople. It is therefore possible only to the extent such

organizations exist. The agreement needs to define a model contract for apprenticeships and training structures. At the same time, formal training institutions need to be reformed to accommodate apprentices, to whom they provide theoretical training covering general education as well as technical and vocational skills. Apprentices are then awarded a diploma recognized by the national authorities and included in the national qualifications system (Walther, 2011).

If successfully implemented, dual apprenticeship can become an effective and sustainable part of national technical and vocational education and training systems. A study on the costs of training and job programmes in Burkina Faso showed that reformed apprenticeships cost about one-third as much as formal training courses (Walther and Savadogo, 2010).

In Benin, an experimental project in the city of Abomey in the 1990s led to a decision in 2001 to include dual apprenticeship as part of the country's technical and vocational education and training system. Political consensus and cooperation with unions and informal sector associations such as the *Fédération Nationale des Artisans du Bénin* (Benin National Craftspeople's Federation) allowed a relatively quick elaboration of the legal and regulatory framework by 2005/06. Dual apprenticeships last two to three years, with a day of theoretical training in a technical and vocational training institution and five days of practical training in a workshop every week. Master craftspeople are assisted by a local trainer, who acts as a link between the workshop and the training centre and facilitates the exchange between local languages spoken at the workshop and official languages used as the medium of instruction in training centres. Apprentices are awarded a professional qualification certificate after passing a national examination covering theory and practice. The number of youth entering dual apprenticeships progressed quickly, from 700 in 2006 to 1,740 in 2007. Barriers to further expansion included low levels of education among prospective apprentices, requiring pre-apprenticeship courses that were lacking. There was also a lack of ownership by informal sector associations, as funding remained dependent on aid donors (Walther and Filipiak, 2007a).

Reforms aiming to create dual apprenticeships require institutional capacity from the state and strong informal sector associations. Those initiated by aid donors may prove unsustainable once donor support is withdrawn. In Mali, interviews with masters and apprentices in five cities suggested that dual apprenticeships introduced in the late 1990s improved skills levels. Masters reported that apprentices were quicker, better at using materials and maintaining equipment, more autonomous and able to take on more responsibilities in the workshop. By the mid-2000s, however, traditional apprenticeships were still much more common than dual apprenticeships, the development of which was hampered by the institutional weakness of the country's training fund and of informal sector associations, which lacked capacity to train employers as trainers. The system remained dependent on donors, in this case the Swisscontact foundation (Thiéba and Ndiaye, 2004).

Gradually recognizing traditional apprenticeships formally may be an easier policy option than transforming them completely into dual apprenticeships. Such initiatives may be particularly efficient if designed and implemented in cooperation with informal sector associations or other professional organizations.

Gradual adoption of formal status can include regulations to protect apprentices from exploitation, a common issue in traditional systems. They include limits on daily and weekly working hours, a ceiling on the number of years of training for each type of occupation, and safety measures. In Senegal, PROMECABILE, a professional association in metalwork, mechanics and automobile maintenance, has set rules for apprenticeships conducted by its members regarding the age of apprentices, the duration of their training (linked to their initial education level) and availability of literacy classes. Training covers health and safety issues along with technical skills and apprentices can take nationally recognized diplomas. Further support is given for youth to start their own workshop or be employed by companies partnering with PROMECABILE (Walther, 2011; Walther and Filipiak, 2007b).

In Senegal, a professional association has set rules for apprenticeships

**In Egypt,
73% consider
becoming an
entrepreneur
a desirable
career choice**

Gradual formal recognition of traditional apprenticeships also involves improvements in teaching practices and the introduction of certification, which are best promoted by informal sector associations. In Cameroon, the Interprofessional Association of Craftspeople (Groupement Interprofessionnel des Artisans, GIPA) comprises about 100 companies in Yaoundé. Member companies have, on average, three workers and two apprentices, and represent eleven trades, including joinery, tailoring, hairdressing, pottery and construction. Training at these companies used to be based on repetition and did not lead apprentices towards greater autonomy. GIPA has developed a pedagogy involving progression through several stages, with an evaluation at the end of each. The length of apprenticeship depends on apprentices' initial education level and their evaluation results. Vocational training is complemented with training in management. GIPA also organizes a common final examination in which a jury evaluates an object made by the apprentice and awards a certificate recognized by the Ministry of Employment and Vocational Training (Walther et al., 2006b).

Certifying apprentices' skills and work experience through national qualification frameworks may be a good way to recognize their legitimacy. Similar certificates would also benefit master craftspeople. Such measures would provide official acknowledgement of the part played by the informal sector in skills development for young people and help build capacity in the sector. However, measures of this type are often difficult to design and implement and require strong commitment from government and the informal labour market (King and Palmer, 2010; Walther, 2011).

When appropriately implemented, traditional apprenticeships have a lot to offer young people. Given their potential benefits, attention is needed to ensure that they extend access to disadvantaged groups, including young women.

Easing the path to entrepreneurship

I want to work in my own hair salon and be an owner, you don't depend on others who may exploit you. As an owner, you can do anything you want. I don't want others to exploit me.

– young woman, Viet Nam

Some young people working in the informal sector choose self-employment to avoid the rigidities of the formal sector. They tend to have higher education levels, parents who are entrepreneurs and access to the resources needed to start a business (DIAL, 2007). In the Arab States, many young people are eager to start their own businesses. A survey in Egypt, Palestine, Saudi Arabia and Tunisia revealed that the countries have particularly high total entrepreneurial activity rates, as does sub-Saharan Africa. In Egypt in 2008, 73% of the adult population considered entrepreneurship a desirable career choice, although only 40% saw opportunities for themselves to open a business in the next six months (Wally, 2012).

The lack of managerial or entrepreneurial skills has long been neglected by policy-makers and training providers, but it is a key constraint on the profitability and growth of the informal sector (Bruhn et al., 2010; Mano et al., 2011). Skilled entrepreneurs are better able to manage workers, maintain physical capital, and market and sell their products (Bruhn et al., 2010; Mano et al., 2011).

Data from the Global Entrepreneurship Monitor on thirty-eight low, middle and high income countries suggest that training programmes can make a difference provided there is a favourable environment allowing for the use of the knowledge, skills and perceptions developed through training. In low and middle income countries, this is often lacking, reducing programme impact (Coduras Martínez et al., 2010).

The impact of entrepreneurship training is often reduced because participants lack the financial assets required to apply their newly acquired skills. Another reason is that the complex nature of some skills requires initial levels of education higher than many trainees have attained:

- In a randomized experiment conducted in 2007 in the Dominican Republic, female microentrepreneurs in urban areas were taught either a simplified curriculum based on simple 'rules of thumb' (for example, microentrepreneurs were taught to pay themselves a wage, but to take no other money out of the company) or a more standard curriculum based on fundamental accounting principles such as cash-flow analysis. Business practices, such as setting cash aside for business expenditures, improved systematically in the group that received the simplified training suiting those with lower levels of education, but not in the group that studied the standard curriculum, which was more difficult (Drexler et al., 2011).
- A training programme for microentrepreneurs in car mechanics and metalwork was run in 2007 in Kumasi, Ghana's second-largest city. Training comprised three modules of five days each, covering business planning, marketing, production and quality management, record-keeping and costing. Participants' interest in the training was reflected in high attendance, and they were more likely than non-participants to adopt recommended business practices. For instance, the share of participants keeping business records increased from 28% before the training to 64%, the share analysing business records rose from 21% to 55% and those visiting customers went from 20% to 51%. Participants with higher levels of education were more likely to start keeping records, pointing to complementarities between entrepreneurship training and formal education (Mano et al., 2011).
- In Bosnia and Herzegovina, where 47% of youth aged 15 to 24 were unemployed in 2007, vocational skills deficits have been identified in specific activity sectors (World Bank, 2009a). Nearly half of new businesses

do not survive beyond the first year, which may point to a lack of entrepreneurship skills (Bruhn and Zia, 2011). In 2009, a financial literacy programme was run as a randomized experiment with 445 clients of a microcredit institution living in the city of Tuzla. Some were already running a small company, while others planned to create one. Initial levels of financial literacy were low. Among those who received training, financial literacy improved significantly for those with the lowest initial levels, but it was the business owners who received training and had higher initial financial literacy who saw their profits increase. More financially literate business owners were able to immediately translate into practice advanced aspects of the training, covering business practices such as account-keeping or the use of bank accounts (Bruhn and Zia, 2011).

To be successful, curriculum design of entrepreneurship training, therefore, needs to take into account the low initial levels of education among many of those working in the informal sector who are most likely to benefit from such programmes.

Conclusion

Youth offer huge potential to transform urban economies in developing countries. Yet most disadvantaged young people in poor urban areas have low levels of education and skills that consign them to low paid, insecure work in the informal sector. Together with broader macroeconomic, education and employment policies, skills development strategies adapted to the realities of the informal sector can give them a chance for a better future.

Youth offer huge potential to transform urban economies in developing countries