



Issue 34 Sept.2004

Enterprise Impact News

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Contact: EDIAIS Project, IDPM, University of Manchester, Harold Hanksins Building, The Precinct Centre, Oxford Road, Manchester M13 9QH
Tel: 0161 275 2808, Fax: 0161 273 8829, Email: info@enterprise-impact.org.uk

TRAINING FOR PRO-POOR GROWTH: EXPERIENCE AND WAYS FORWARD

Linda Mayoux

Summary of 'Learning and Decent Work for All: New Directions in Training and Education for Poverty Reduction' 2004 forthcoming paper written for ILO InFocus Programme

The accelerating rate of globalisation in the 21st century presents increasingly complex and demanding challenges.

These challenges are not only economic, but also social and political if benefits of global growth are to be equitable between and within countries, and hence truly sustainable. It is now widely recognised that although globalisation has the potential to deliver benefits for all, it may also significantly increase global poverty and inequality. The degree to which globalisation will benefit the poor will depend crucially on the types of policies introduced in order to complement and build on market growth, and to address underlying

inequalities in power and resources which significantly distort the ways in which markets operate.

Since the end of the 1990s international agreements and policy debates have increasingly focused on the concept and imperatives for 'pro-poor growth'. In these debates Human Resources Development is seen as playing a key role. Education and training are explicitly part of the pro-poor growth framework in many multilateral development agencies, including ILO, UNDP, World Bank and bilateral agencies like DFID, SDC and CIDA. Skills development and training for the informal and formal sectors are an essential component of ILO's Decent Work policy framework. This



includes explicit attention to the needs of particularly excluded and disadvantaged people including women, the extremely poor, the disabled and ethnic minorities.

In the context of changing production systems there is increasing recognition of the pivotal role of both education and training for both economic and social goals. No society can succeed in a globalised environment unless people have adequate knowledge and skills. These are vital not just for maintaining competitiveness and ensuring adaptable and productive enterprises but also for achieving personal and social development. In particular, a well functioning system of education and training enhances both economic and social integration by offering opportunities to many groups who would otherwise be excluded from the labour market. This is especially important for promoting gender equality and overcoming many forms of discrimination

(ILO 1999. Decent Work: International Labour Conference 87th Session 1999: Report of the Director-general, Geneva.)

Moreover education and training are not only instrumental to economic growth, but also a basic human right, explicitly mentioned in the

1948 Universal Declaration of Human Rights and many international and regional agreements and national constitutions. Training and skills development are included in the standard definition of 'basic education for all' agreed at the Jomtien Conference in 1990 which covered 'all the skills and knowledge that people need if they are to lead a decent life'. These 'basic learning needs' include not only early childhood education and primary schooling, but non formal literacy and vocational and other training for youth and adults to provide basic life and employment skills.

However throughout the 1990s, despite official commitments in many development agencies to Human Resource Development and poverty reduction, funding for training and skills development decreased. Public expenditure on basic education, skills development and training was seriously squeezed in the context of structural adjustment policies and liberalisation. Poverty-targeted assistance was focused on provision of minimalist microfinance. Funding for integrated or complementary non-financial services, including training, substantially decreased. Human Development budgets in major donor agencies

focused largely on primary education programmes rather than skills for work. Although a few programmes have been introduced for 'lifelong learning' and ICT these do not reach the very poor.

Towards the end of the 1990s and increasingly in recent years, there began to be some renewed interest in the need for training and skills development. This was partly because of increasing evidence of the shortcomings of minimalist microfinance for poverty reduction and particularly for enterprise development. A combination of shrinking aid budgets and documented evidence of limited impact and effectiveness of much publicly funded skills development and training led to a focus on market solutions and (following debates in micro-finance) on financial sustainability. This has taken a number of specific forms: training focusing on entrepreneurship rather than technical skills; apprenticeship schemes through private enterprises for technical training; market-led financially sustainable Business Development Services targeted at small and medium entrepreneurs in which training is one element; voucher schemes to combine some degree of poverty targeting with trainee choice.

Systematic poverty assessments of these training programmes remain to be done. The market focus on



demand-led services, partnership with the private sector and cost-recovery have been important advances on many earlier subsidised programmes in terms of meeting the needs of certain groups of entrepreneurs and employees in a more sustainable and cost-effective manner. However evidence indicates that they fail to address the training challenge faced by very low income women and men. Enterprise training is designed mainly for small and medium-scale entrepreneurs and the methods and models of management promoted do not meet the needs of very poor entrepreneurs. Apprenticeship schemes generally fail to address the training needs of employees for a time-efficient and thorough grounding in production skills. In some cases they amount to little more than a means for employers to get subsidised and very cheap labour. Market-led BDS does not meet the needs of very poor entrepreneurs or employees and often excludes them. There has been no empirical examination of the underlying assumptions of trickle-down of benefits at the small enterprise level to employees and micro-enterprises down the value chain.

Crucially, although women are the majority of very poor 'people', training interventions continue to see them as a marginal and special case. For poor women gender inequality compounds the constraints of

poverty. Women have much more difficulty controlling household resources to invest in their own skills for enterprise or career development. Women are generally excluded from private apprenticeship in more lucrative 'male' industries. 'Mainstream' enterprise training and interventions rarely discuss gender issues and gender discrimination within value chains and households. This is despite the serious constraints these pose for industrial upgrading, household poverty reduction and livelihood development.

Parallel to these 'mainstream' debates about the best mix of subsidised and market approaches, there have been many small-scale project-level innovations in poverty-targeted training methods and content, particularly in female-targeted projects. These have included:

- Integration of life skills, gender awareness and empowerment into livelihood and entrepreneurship training.
- Participatory methods which focus on participant bottom-up learning rather than top-down 'expert' training and which are

accessible to illiterate people.

- Integrated programmes of livelihood development training for very poor and illiterate people with literacy training and programme impact assessment.
- Training as part of a set of poverty-targeted programme strategies including micro-finance, marketing support, organizational strategies and macrolevel advocacy.
- Training targeting different levels of particular economic sectors: employees, outworkers and upstream enterprises as part of an integrated pro-poor sectoral approach in these sectors.

In many cases two or more of these elements have been combined. However these innovations have so far been marginal in donor-level debates and also funding.

This paper argues that the recent small-scale innovations deserve much greater consideration and funding in any serious and coherent strategy for pro-poor growth.

The paper builds on current debates and evidence from a number of donor agencies including ILO, World Bank,



DFID and GTZ¹ and also secondary source material from NGOs and the author's own research:

- Part 1 provides an overview of current debates and evidence in relation to training and skills development for pro-poor growth and proposes a framework for examining training needs.
- Part 2 discusses in detail the poverty impacts and broader implications of the experience of a number of innovative training and skills development programmes.
- Part 3 summarises the main conclusions in relation to potential ways forward to improve the content, targeting and institutional framework for training and skills development for poor and very poor women and men.

The Case Studies selected are not the only important examples of innovation, only those for which sufficient impact information was available to the author in the short timeframe of the paper. Poverty assessments have not

¹ In particular for ILO the other papers from the InFocus programme, Occasional Papers from the International Training Centre in Turin, the Training Policy and Employability programme and Training Partnerships Country Studies; For World Bank the studies commissioned for the Working Group for International Cooperation in Vocational and Technical Skills; For DFID the papers commissioned under the 'Learning to Compete programme. All available from the respective agency websites.

been systematically done for all the Case Studies and the studies cited were often commissioned for other purposes.

Nevertheless, there is sufficient evidence to indicate that such programmes are an effective and potentially significant contribution to pro-poor growth and the Decent Work Agenda. Although undoubtedly in all cases further improvements and refinements can be made they point to the possibility of developing effective:

- Content of training to equip poor women and men to take advantage of the opportunities in the rapidly changing economic and social environment. It means training which addresses basic numeracy, literacy and analytical skills to enable very poor people to take advantage of emerging opportunities and decrease their vulnerability within the market. It means not only technical or enterprise skills training, but ensuring that skills are relevant to markets and can be adapted to market changes over time. It also requires integration of negotiation and organizational skills to address underlying

forms of inequality and discrimination because of gender, ethnicity, age and disability.

- Methodologies for training to make them more accessible to the poorest women and men in the informal as well as formal sectors. This means accessible to women and men with very low levels of numeracy and literacy. It means rethinking methodologies so that the training process itself develops skills for participatory organization and analytical thought. It entails adapting delivery of training to the time and resource availability of the target groups. Crucially it entails a change in the power and status relationship between trainer and trainee whereby trainers facilitate the building of trainee confidence and questioning and see themselves as 'learners about poverty and the strategies of poor people' rather than top-down imposition of 'solutions for the ignorant.'
- Integration of training into other dimensions of programme delivery, in particular micro-finance and impact assessment. The recent shift to minimalist micro-finance is not necessarily the most developmentally effective or cost-efficient means of poverty reduction and



misses a very important potential means for cost-effective delivery of training. The large amounts of money currently spent on monitoring, evaluation and impact assessment could be used to develop effective information systems for ongoing participant action learning and programme innovation. These innovations in poverty-targeting in small-scale projects also have valuable lessons for some ways of integrating poverty targeting into larger-scale 'mainstream' programmes.

This will however require a shift in funding priorities and real commitment to investment in training and skills development for the poor as an integral part of the pro-poor growth agenda. The content of 'market-led' services needs to be redefined to incorporate not only the technical and managerial skills directly required by enterprises for their market competitiveness and survival, but also the basic and life skills needed by the poor in order to negotiate and manage livelihoods in response to market opportunities and constraints. It requires a serious commitment to target and design innovative training for the very poor, including paths for upward mobility to other types of training. It requires a rethinking of ways in which poverty-targeted training can be integrated into other types of pro-poor intervention like literacy, micro-finance and sub-sector development and

how these themselves can be more effectively poverty-targeted. It also requires integration of equity concerns: poverty, gender, ethnicity and disability into mainstream training and interventions for enterprises upstream in value chains and into mainstream education and training at all levels. Crucially it requires a political shift from rhetoric of pro-poor growth which sees the poor as needing to be integrated at the margins into 'growth as usual' to a real commitment to developing the skills and potential of the vast majority of the world's women and men as part of a Human Rights agenda for growth itself. Unless the rights of the very poor to skills development and training are prioritised, they will become even more marginalised not only by economic growth but even by 'Human Resource Development'. The primary focus on Basic Education for children excludes the majority of adult women and men on whose income their children's access to education depends, thus perpetuating inequalities to the next generation. The focus on small enterprises and cost recovery in poverty-targeted interventions risks leading to further marginalisation and disadvantage of micro-enterprises further down the value chain. The failure to seriously address the

training needs of employees and workers undermines both enterprise efficiency and employee incomes. In all cases the impacts on women in terms of increased exploitation, unmanageable workloads and ill-health are likely to be particularly damaging. In all cases this is in contravention of Human Rights Agreements and undermines not only 'pro-poor growth' and social cohesion but the economic and political sustainability of global growth in general.

Related resources

International Institute for Educational Planning Newsletter – Educating the Poor IIEP, Oct Dec 2003

<http://www.unesco.org/iiep/eng/newsletter/previous.htm>

In 1996 the IIEP initiated a research project on 'Alternative strategies for disadvantaged groups' which examined various strategies attempting to give appropriate education and training to out-of-school children and youth. A large number of programmes were analysed. Many focused essentially on basic education, others on providing vocational education but a good number combined basic literacy with vocational or pre-vocational skills. This issue of the newsletter draws a number of conclusions from the research project.



Lifelong learning in the global knowledge economy: challenges for developing countries *The World Bank 2003*

http://www1.worldbank.org/education/lifelong_learning/lifelong_learning_GKE.asp

This report provides a departure point for continuing discussions, providing a conceptual framework for education-related lending activities reflecting the latest knowledge and successful practices of planning and implementing education for lifelong learning. It encourages countries to look beyond traditional approaches to education and training and to engage in a policy dialogue on the pedagogical and economic consequence of lifelong learning. It represents the Bank's first attempt to lay out an analytical framework for understanding the challenges of developing a lifelong learning system.

<http://www1.worldbank.org/education/adultoutreach/>

This site aims to be a source of knowledge, resources, and information on Literacy and Non Formal Education for Adults and Youth, defined as education and training provided outside the formal schooling system, for adults and youth mainly over 15 years of age but sometimes younger. The information on this site is provided in order to assist task teams, and their clients, namely policy makers, program planners, and development practitioners engaged with the design and implementation of

effective Literacy and Non Formal Education programs. It also aims to develop a community of practice in areas related to Non Formal Education.

The United Nations Literacy Decade (2003-2012)

http://portal.unesco.org/education/en/ev.php-URL_ID=5000&URL_DO=DO_TOPIC&URL_SECTION=201.html

UNLD aims to extend the use of literacy to those who do not currently have access to it. Over 861 million adults are in that position, and over 113 million children are not in school and therefore not gaining access to literacy either. The Decade will focus on the needs of adults with the goal that people everywhere should be able to use literacy to communicate within their own community, in the wider society and beyond. Literacy efforts have so far failed to reach the poorest and most marginalised groups of people – the Decade will particularly address such populations. Literacy News and Resources are available on site as is information on what's going on by region.

The ILO's InFocus Programme on Skills, Knowledge and Employability

<http://www.ilo.org/public/english/employment/skills/index.htm>

IFP/SKILLS assists individuals to become employable through training, skills development and education. Through the vehicles of advocacy, knowledge development and services to ILO constituents, IFP/SKILLS promotes the improvement of training policies and programmes world-wide, with special emphasis on training strategies that support the integration of groups that may be disadvantaged in the labour market. The site provides information on the department and key groups and work themes. Other resources include working papers, details of meetings and events and information on projects.

UNESCO's International Centre for Technical and Vocational Education and Training

<http://www.unevoc.unesco.org/>

UNEVOC was established in September 2000. It is dedicated to developing and improving technical and vocational education and training in UNESCO's Member States. The UNEVOC Directory provides access to over 200 UNEVOC Centres in 137 countries. The site provides information on the Centre's work in knowledge management, facilitating inter-agency collaboration, supporting capacity building and strengthening the UNEVOC network. Publications, newsletters, information on events, and email discussion



groups are all available on site, as is the new publication *Agencies for International Cooperation in Technical and Vocational Education and Training: A Guide to Sources of Information*.

<http://www.norrag.org/wg/>

The Working Group for International Cooperation in Skills Development is an informal group of bi and multilateral donor agencies and international organisations involved in international assistance to vocational and technical skills development. The Working Group was launched in 1996 with a view to provide a forum to promote the exchange of new ideas and good practices, highlight key issues in the field of skills development and stimulate dialogue among its members. The notion of skills development chosen by the Working Group defines a common field of activity involving a broad range of actors in education, training and production systems.

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<http://www.enterprise-impact.org.uk/newsletter/index.shtml>

