The informal economy can be regarded as the powerhouse of developing economies, particularly in Africa and Asia. It accounts for 95% of new jobs in these continents which can be accessed by a vast number of unemployed youths and young people that enter the labour market annually. The emergence of vast informal sector economies as major employers in developing countries has raised awareness regarding the contribution of this sector to skills development, leading to the recognition of informal apprenticeship. As part of education and training, informal apprenticeships transmit skills of trade to young people in small or micro-enterprises in the informal economies. This reduces the number of youth trapped in a never-ending cycle of poverty, low skills, low productivity and low income.

In order to become skilled, apprentices in small and micro-businesses learn technical skills from master craftsmen and practitioners at the workplace and are inducted into a business culture and network that makes it easier to find employment or start businesses. A few countries in Africa have included provisions on upgrading informal apprenticeship laws and policies based on pilot experiences, although efforts of scaling up informal apprenticeship in the countries remain scattered and evidence of successful policy interventions is very scarce.

The failure of the formal apprenticeship system to absorb large numbers of school leavers requiring skills for employment has placed a high level of importance on informal apprenticeship, an area previously neglected in African economies due to a lack of organization. In the past few years, some African countries have started to embark on training reforms that are inclusive of informal apprenticeship and formalizing informal apprenticeship remains one option among many suggested to improve it. Governments need to recognize the important role being played by informal apprenticeship and embrace the valuable benefits it offers in providing skills to the youth and promoting employment.
Justification for Action

Formal training is not easily accessible to the majority of young people for many reasons; the high cost attached to the entry requirements into the workforce being one. In some countries, only 5% of youth acquire skills through formal training, particularly in countries which have a large informal economy. Another major challenge with formal apprenticeship training is that it requires significant prior formal education (secondary education), including literacy and numeracy, thus marginalizing access for a large number of school leavers and the poor. Formal apprenticeship focuses more on meeting the demands of the formal economy, whereas jobs in the formal economy are not sufficient to cater for the increasing numbers of new entrants into the labour market. Finally, the quality and relevance of formal training does not adequately meet the dynamism of technology characterizing the formal economy.

Informal apprenticeship is believed to be responsible for the majority of skills development, accounting, for example, for almost 90% of all training for apprenticeships in Ghana, Benin, Senegal and Cameroon. This type of apprenticeship relies on market feedback tracer studies and market labour surveys on demand and supply, with participation of the employers, before taking in more apprentices. The system allows substantial accountability for the results and quality of the apprentices being churned out by the system. The training programs vary according to market demand as the financial support comes from selling services (job opportunities either wage or self-employment) in the marketplace. Trainees are given orientation in the Vocational Training Institution and spend more time on job training, while examinations are set and written in the local language of the trainee. The facilities and equipment are also adaptable, possibly rented, and new technology is normally acquired by the enterprise in order to remain current and benefit the apprentice and master crafts-person. The other comparative advantage is a greater focus on business skills, such as how to negotiate with customers, as well as basic marketing and/or accounting and cost calculation, which are not part of the formal apprenticeship system.

Emerging Trends

There is a growing awareness among policy-makers, policy-shapers and researchers of the potential for upgrading informal apprenticeship, not only to address its weaknesses but also to make more of its potential. As much as formal apprenticeship offers many advantages, it has some shortcomings requiring solid interventions in order to realize its true potential. Examples of countries taking an initiative to recognize informal apprenticeship are listed below and different strategies have been used to upgrade and formalize the system.

- In Kenya, skills development for new products and better business practices resulted in tangible business improvements for master craftspersons to improve the results of informal apprenticeship training.
- In Zimbabwe, the International Labour Organization implemented the Quality Improvement in Informal Apprenticeship (QIA) strategy. The program focused on new, short, intensive pre-training courses at vocational training centres (VTCs) introduced to prepare potential apprentices for on-the-job training. The apprentices are then placed with master craftsmen who also receive training in quality improvement, designing and production techniques from industry experts as well as pedagogy skills from training experts.
- In Ghana, training courses were set up to improve the skills of master craftspersons (for example, training in design skills to repair equipment, saving raw materials, production of new items, calculating prices and managing time).
- Benin put in place several different interventions in collaboration with crafts associations aimed to improve the informal apprenticeship system. Based on these experiences, the government introduced legislation in 2005 that established a dual apprenticeship system, building on the informal practice. Apprentices attend training at public or private training centres on Saturdays while, at the same time, working with a master crafts-person during the week. After three years, which is the common duration of informal apprenticeship, they undertake an examination and receive a formally recognized certificate.

Upgrading informal apprenticeship can include the following: improving working conditions for apprentices; training master craftspersons; setting skills standards; combining vocational training and on-the-job training; strengthening dialogue between apprentices and between business associations and community groups, raising public awareness and creating linkages with medium or large enterprises.
The implementing committee carries out a viable trade analysis assessment and labour market survey to identify the trades that require skilled labour and trades that have the potential for wage employment and self-employment. The committee then identifies the providers and trade associations that can offer training to apprentices.

The above model focuses on three things: the master crafts-person, the apprentice and the training institution where most of the training is done. The other elements of the model provide support for the control, expertise and supervision of the training process. The apprentices are recruited through an advertisement sent out by the institution, in agreement with the Master Crafts-person Trade Association. The selected Trade Association and the Vocational Training Centre agree on the competencies to be learnt and assessed after completion of the training. These then help the Vocational Training Centre and trade association to draw up a program of training which starts with an orientation period at the Vocational Training Centre and then proceeds with on-the-job training.

When placed with the master crafts-person, the apprentices sign a binding on-the-job training contract designed by the implementing committee together with the master crafts-person association, spelling out the terms under the contractual agreement between the apprentice, trade association, master crafts-person and the committee. The contract contains elements such as allowances, work diary, number of days off (or leave days) and sick leave as well as the engagement and termination period of the contract. After the on-the-job training, the master crafts-person and the institution assess the apprentice based on the competences designed and approved at the initial stage, and recommend certification or further training. For those trades that are tested through a skills examination by the responsible authorities, the apprentices are advised to go for trade tests. The graduates are then engaged in terms of potential: those with the potential for self-employment are helped to set up their individual enterprises, although still encouraged to work as closely as possible with the master crafts-person or mentor for a certain period. Some are absorbed by other sectors and the master crafts-person’s enterprises. A key to success in all trades is to encourage the apprentices to build up a basic tool-kit during the training period as this is crucial for trade tests and employment.

Research carried out in Zimbabwe and Burkina Faso on the piloted model indicates that, based on the number of youths that are able to receive training, QIA will address the challenges that Africa is facing in terms of youth unemployment and labour market supply issues.
Recommendations

1. Governments are encouraged to formulate policies that recognize training and qualifications through comprehensive National Qualifications Frameworks (NQFs).

2. Countries are advised to consider differentiating between enterprises that will train for wage employment and those that train for self-employment; these two activities require a different set of technical and business skills needed to run a larger enterprise that is part of the formal sector.

3. Governments should provide a start-up capital for those apprentices considering self-employment through the form of loans which are easily accessible for both apprentices and the master crafts-person.

4. Micro-finance institutions are encouraged to put in place loan assessments that suit the informal market.

5. The National Qualifications Framework should be developed with a view to standardizing the Vocational Training Centre’s orientation curricula and master crafts-person’s on-the-job training competencies for national recognition of certificates.

6. Trade testing departments are encouraged to use local languages in tests to make information more accessible to trainees.