

Case Study: The role of apprenticeships in the informal economy for skills development in Tanzania¹

Apprenticeship in the informal economy in the national skills system

The Tanzanian government first recognized the importance of informal education and training in its 1995 Education and Training Policy, which states that non-formal and informal education and training shall be “recognized, promoted, strengthened, coordinated and integrated into the formal education and training system” (para 2.3.9). Until 2011, however, implementation of these policy pronouncements, grounded in careful analysis of labour market and training needs, was lacking. Whatever training took place, was conducted through informal apprenticeships in individual enterprises and had little to no ties with formal training or recognition (WB, 2013). Acknowledging the importance of establishing bridges between informal training and formal employment the new Education and Training Policy (2014) thus devotes issue 3.3.6 to the establishment of a system of recognition of competencies gained outside formally recognized institutions (URT, 2014). Moreover, the latest national strategy for growth and the reduction of poverty (2016-2021) pledges to assess and recognize the skills of 200.000 informal apprentices and workers by 2021 (URT, 2016, para. 4.3.3).

Informal apprenticeships have thus gradually become a recognized part of the TVET system in Tanzania. The responsibility to regulate and provide *formal* vocational



training² and to implement policies regarding the upgrading of *informal* vocational training falls on the Vocational Education and Training Authority (VETA) which operates under the Ministry of Education (MoE). Indeed, until 2013, training for the informal sector did not appear among the eight strategic issues in VETA's corporate plan III (2007-11). VETA's latest corporate plan IV (2012/13-2016/17), however, dedicates objective 2.6.1 to enhancing skills in the informal sector. Recognizing informal apprenticeship as an important means to close the national skills gap, the plan aimed to provide training to 2500 informal apprentices by June 2017. Moreover, given that VETA's own training capacities at 125,000 trainees per year are limited and satisfy only about 12 per cent of the estimated annual demand for training (Lukindo, 2014)³, VETA, with the support of the ILO, implemented a pilot for the establishment of a System of Recognition of Prior Learning (RPL) in 2011 as a means to assess and recognize informally acquired competencies

The reality of apprenticeships in the informal economy

Recent data from the Tanzanian International Labour Organization's (ILO) Integrated Labour Force Survey (ILFS) (2014) confirm that informal apprenticeships are a

widespread phenomenon in the Tanzanian labour market. More importantly, the incidence of people having learnt their skills through informal apprenticeships is almost

¹ This case study was drafted by Helen Kirsch and Albert Oka.

² In addition, *technical* education and training at the post-secondary level, is regulated by the National Council for Technical Education (NACTE).

³ The annual training capacity on the side of VETA has likely gone up between 2014 and 2018, due to increased support from the Ministry of Education since 2016. However, it still does not nearly reach the demand for training.

The role of apprenticeships in the informal economy for skills development in Tanzania

three times as high as for those having had formal training. Formal apprenticeships as well as vocational certificates seem to have no bearing on whether someone will work in the formal or informal economy. The share of people having been formal apprentices in the overall economy is 10.6 per cent compared to 11.7 per cent when looking only at people working in the informal economy.

This is similar for those with vocational certificates G1-G3. Despite this surprising finding, informal apprentices are more likely to remain in the informal economy. The incidence of those reporting to have completed an informal apprenticeship at some point in their lives increases from 26.2 per cent to 38.8 percent when looking only at the informal economy.

► **Table 1. Skills acquisition modalities of workers in the Tanzanian labour market**

Type of Training	Economy Total	Informal Economy
On-the-Job Training	9.8	10.0
Informal Apprenticeship	26.2	38.8
Formal Apprenticeship	10.6	11.7
Vocational Certificate G3	3.4	3.9
Vocational Certificate G2	1.7	1.5
Vocational Certificate G1	2.9	2.8
College Certificate	44.4	30.3
Other	1.0	0.9

Source: ILFS Tanzania 2014. Percentages are reported as subset of the population that stated having received any training (ca. 12%).

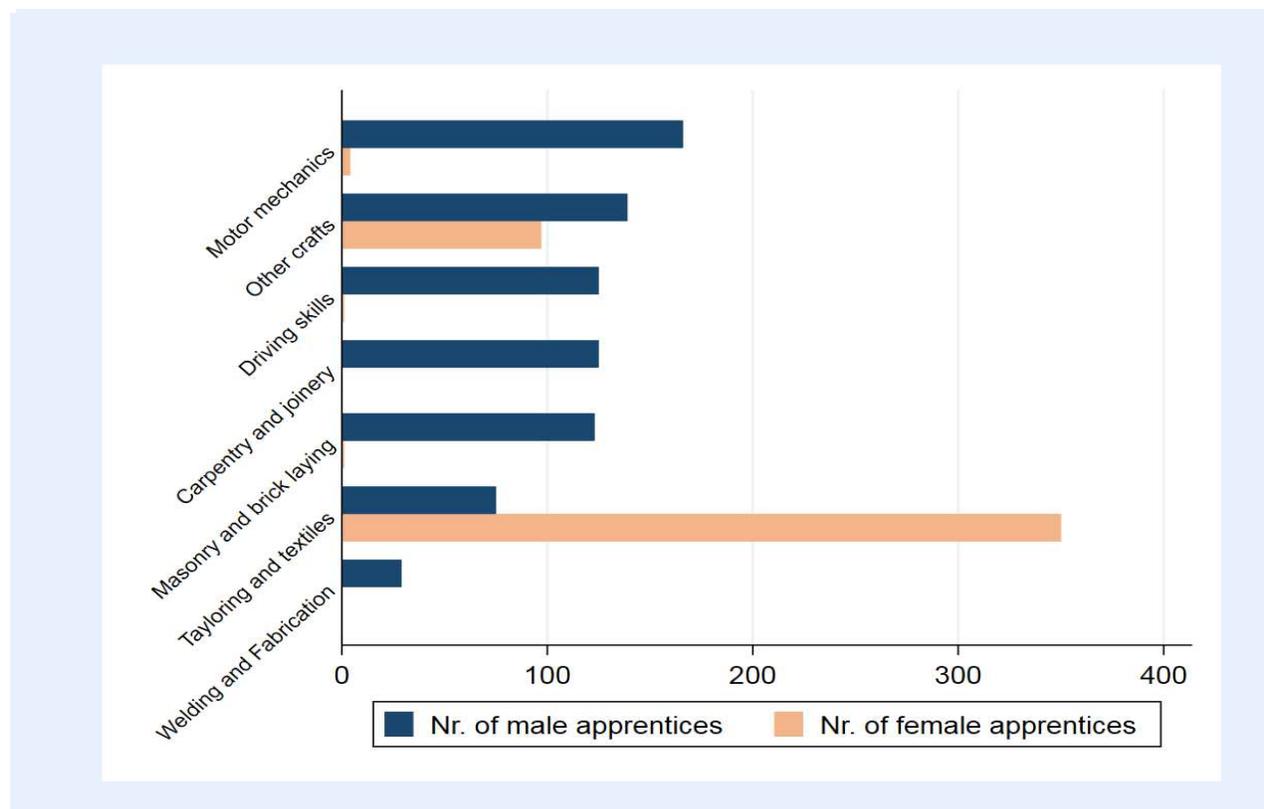
Informal apprenticeships become the most common form of skills-acquisition followed by formal apprenticeships and on-the-job training.

Informal apprenticeships are the dominant source of training across all sectors (WB, 2013). They make up 26.2 per cent of all training with an average duration of 9.89 months. The majority of all apprentices (67.4%) are men and the average age at completion is 22 years. Yet, they tend to occur most frequently in a small number of occupations, namely: motor mechanics, carpentry and

joinery, masonry and brick laying, driving, and welding and fabrication (see figure 1). The same occupations also have the highest incidence of formal apprenticeships. Figure 1 furthermore illustrates the strong occupational gender segregation in Tanzania's informal apprenticeship system. Female apprentices are almost exclusively pursuing training in tailoring and textiles, while male apprentices are distributed nearly evenly across occupations with a high incidence of informal apprenticeships.

The role of apprenticeships in the informal economy for skills development in Tanzania

► Figure 1: Incidence of Informal Apprenticeships by Occupation



Despite being the primary mode of skills acquisition especially for those continuing to work in the informal economy, Informal Apprenticeships remain largely understudied. A notable exception is a qualitative survey conducted by the ILO in the Mtwara and Lindi regions which found that informal apprenticeships are regulated by a variety of traditions, customs and norms which are disseminated through social networks and establish an incentive structure for mutual cooperation. Training is based on an oral contract between the apprentice and a master craftsman, who most commonly has acquired his or her skills through an informal apprenticeship as well. The informal apprentice usually pays for the training with his or her contributions to production, as well as, a small training fee. In return many receive pocket money.

The survey further revealed that most apprentices decided to do an apprenticeship for so-called “pull-reasons” such as the desire to acquire the skills of the trade, liking the trade, and viewing apprenticeship as a cost-effective way of skills acquisition. Moreover, the level of formal education was an important requirement for obtaining a position as an apprentice (Nübler, Hofmann, Greiner, 2009). Indeed, Tanzania’s LFS data indicate that the educational attainment of informal apprentices is lower than that of formal apprentices while it is higher than the educational attainment of those that report not having received any training (see table 2)⁴

⁴ What is more, the difference in educational attainment for those with no further training and informal apprentices depicted in table 2 is probably understated since the former also includes people with tertiary education.

The role of apprenticeships in the informal economy for skills development in Tanzania

► Table 2. Educational attainment of formal and informal apprentices vs. no training (%)

	No Training	Formal Apprentices	Informal Apprentices
No schooling	19.9	0.6	1.9
Pre-primary education	58.6	44.2	66.1
Primary education	9.1	6.0	7.9
Lower secondary education	7.7	31.5	19.1
Upper secondary education	1.8	14.1	3.3
Post-secondary non-tertiary education	1.4	2.2	0.7
First stage of tertiary education	1.5	1.4	1.0
Total	100	100	100

Source: ILFS Tanzania 2014. Elaborations are based on the ILO's ISCED 1997 classification. 88% of the surveyed population report to have received no training. 3.5% report to have completed an informal apprenticeship and 1.2% report to have received a formal apprenticeship.

Moreover apprenticeships seemed to yield good returns in terms of employment, with most apprentices starting their own businesses (Nübler, Hofmann, Greiner, 2009). These findings indicate that apprentices and as well as MCs choose to engage through informal apprenticeships based on positive perceptions of their benefits. Third parties (NGO staff, researchers, government employees) in contrast, ranked informal apprenticeships low in terms of respectability and contributions to national development. This apparent scepticism about the value

of informal training seemed to be mutual. Informal apprentices and their MCs also expressed doubts about the quality of formal education and training provided by VETA. In fact, some VETA students entered an informal apprenticeship upon completion of their VETA courses, thus opting to pay for further practical training to acquire the desired skills (Nübler, Hofmann, Greiner, 2009). These interesting findings highlight the need for further research especially into the qualitative aspects that govern informal apprenticeships.

What have been major initiatives in the past 10 years in the country?

What is the nature of intervention?

Initiatives to upgrade informal apprenticeships in Tanzania have mainly focused on the implementation of RPL, with a view of extending efforts to other areas, (such as training informal sector operators (MCs) or strengthening sectoral business associations) as capacities are built. "RPL is a process used to identify, assess and certify a person's knowledge, skills and competencies – regardless of how, when or where the learning occurred – against prescribed standards for a part (modular) or full qualification" (VETA, 2014). Therefore, it provides a link between the formal and informal apprenticeship system

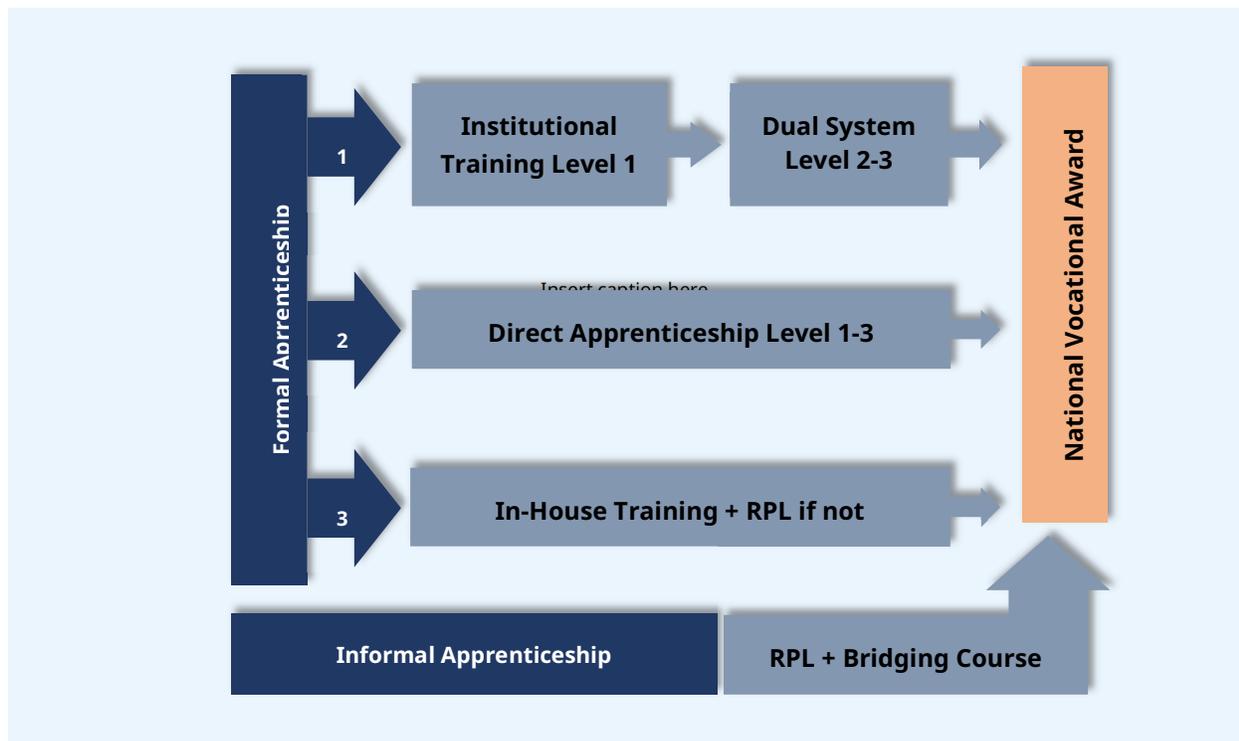
(see Figure 2). Between 2011 and 2015, and with technical support of the ILO, VETA developed five competency-based occupational standards covering occupations with a high incidence of informal apprenticeships, namely: motor mechanics, carpentry and joinery, masonry and brick laying, food production, and food and beverage services. Another set of occupational standards was developed later between 2015 and 2018 and covered tailoring and sewing, plumbing and pipe fitting, auto body repair, welding and metal fabrication and electrical installations. The baseline requirement to apply for RPL are three to

The role of apprenticeships in the informal economy for skills development in Tanzania

four years of work experience. Based on this, around 40% of interested candidates are rejected before the assessment stage (VETA, 2018). Informal apprentices and workers may submit an application (if applicable together with a portfolio), which is evaluated by a VETA-registered assessor. If the application is successful, the assessor

guides the candidate in overcoming shortcomings and in preparing for the final assessment. Moreover, he or she seeks the master craftsperson’s endorsement of the candidate prior to the assessment and conducts the assessment (VETA, 2016).

► **Figure 2: RPL in Tanzania’s Apprenticeship System**



Source: VETA (2014).

Have results been measured?

As of 2018, 5282 informal apprentices, who successfully passed the admission stage (60%), had been assessed. The vast majority of these (89 per cent) were men. This would be striking considering that more than 30 per cent of informal apprentices are female, but is probably due to the fact that a profile for tailoring did not belong to the first five occupational profiles developed. This is despite the fact that it is the occupation with the largest number of apprentices. Almost 90 per cent of assessed men passed the assessment resulting in a national vocational award. Before receiving the national vocational award,

however, successful candidates⁵ have to participate in free short-term skills upgrading courses offered during the summer months. These courses aim to supplement practical skills with theoretical knowledge and soft-skills. While candidates may possess the relevant practical skills to pass the competency based RPL assessment, they may not have sufficient theoretical knowledge relevant to their occupation. Skills upgrading courses thus allow candidates to bridge identified gaps in knowledge and contribute to quality assurance of awarded certificates. In fact, skills-upgrading has become the most attractive part of the

⁵ Reaching more than 75 per cent in their final exam

The role of apprenticeships in the informal economy for skills development in Tanzania

RPL system with many applying for an assessment in order to get access to upgrading offers⁶.

How is the intervention/system financed? Is it sustainable?

What is more, this supply side intervention, was successful at creating further demand, with applications for RPL increasing rapidly. As of July 2018, another 8,000 informal apprentices and workers have been identified for RPL assessment and are awaiting an appointment. While some studies argue that a lack of demand for formal recognition undermines the success of RPL in Tanzania (WB, 2013), these figures suggest that VETA's limited capacity to assess the many skilled individuals applying for RPL, may actually be the main constraining factor to reaching its ambitious targets. Both ILO technical and financial support, and VETA's own budget funded the establishment of the RPL

system. Nevertheless, since 2016, based on the success of ILO supported RPL pilot programme and in recognition of increasing demand for RPL, the central government pledged to contribute to VETA's budget with an active budget dedicated to RPL. Increasing government funding and involvement has allowed VETA to scale up the initiative increasing assessment numbers in recent years whilst ensuring the sustainability of the intervention. In 2018/19, VETA is planning to assess the impact of RPL on job promotion, formalization of employment relations and business registration.

What are major challenges and how have they been addressed?

Despite these successes upgrading informal apprenticeships remains a challenging task. While the sustainability of RPL funding has improved considerably in recent years, collecting a small RPL fee of 10-20 dollars from applicants could contribute to the purchase and maintenance of equipment and

In the absence of vibrant trade and business associations able to cooperate with VETA with regards to standard setting and assessment, VETA's capacities to offer assessment as well as skills up-grading remain constrained. Moreover, other means to upgrade informal apprenticeships, such as curriculum development and training MCs in the informal economy, lack the institutional foundation through which they could be regulated and implemented. Therefore, after an initial phase of testing different means of upgrading informal apprenticeships, the government's pilot initiative (2011-2015), supported by the ILO, focused on the establishment of an RPL system, with the intention to expand efforts as capacities are strengthened. Moreover, to fill the institutional gap that results from the absence of active

training materials used for the assessment, yet could also be a disincentive for participation. Moreover, the introduction of on-site-assessments involving the respective MC, especially in sectors like construction, improved the efficient use of raw materials. Still, there is room to strengthen the use of on-site assessments.

business and trade associations, VETA assessors have been seeking MCs' endorsements of all applicants. While finding an MC to endorse each individual applicant is challenging in sectors where one MC is responsible for multiple informal apprentices (such as construction), it has nevertheless proven beneficial in three ways. First, it led to the identification of an additional source of demand for RPL, with many applications being filed by MCs themselves. Second, it allowed to identify skilled MCs able to support the establishment of RPL by contributing their expertise to assessment design and development. Finally, involving MCs in assessment development as well as offering them to apply for RPL, ultimately helped to gain the

⁶ The high demand for further skills upgrading puts an additional strain on VETA's limited training capacities. Therefore VETA, with support of the ILO, has developed an app for modular self-assessment in 10 occupations. The app, which is not yet in use, allows candidates to identify their skills and knowledge gaps and apply for future modular summer-courses that are planned to be delivered in addition to VETA's regular training schedule.

The role of apprenticeships in the informal economy for skills development in Tanzania

support of the informal networks that govern informal apprenticeships.

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<p>Contact details: Skills and Employability Branch International Labour Office 4, route des Morillons CH-1211 Geneva 22, Switzerland www.ilo.org/skills</p>	<p>For more information' : ILO. 2012. Upgrading informal apprenticeship. A resource guide for Africa, Geneva. Palmer, R. 2020. Lifelong learning in the informal economy. A literature review, Geneva, ILO</p>	<p>T: +41 22 799 7239 E: Skills-branch@ilo.org</p>
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