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*Informal Sector Training in Jamaica:  
An Assessment*

**Andrea M. Miller-Stennett**

**INTERNATIONAL LABOUR OFFICE - GENEVA**



## FOREWORD

The phenomenal growth of the informal economy during the past three decades poses a major challenge for the ILO's decent work agenda. The development of skills and knowledge is undeniably a major instrument for promoting decent work in the informal economy.

This report is one of a series of papers on skills development in the informal economy that were prepared in the framework of the InFocus Programme on Skills, Knowledge and Employability. At the same time this series also fits into the preparatory work for the general discussion on the informal economy to be held at the 90<sup>th</sup> International Labour Conference (ILC) in Geneva in June 2002.

The papers in this series include literature surveys and case studies reviewing various experiences with regards to skills development in the informal economies of developing and transition countries.

The reader will observe that nearly all of the papers in this series attempt to tackle the problem of conceptualising the 'informal sector'. The development of a conceptual framework for the International Labour Conference report was carried out at the same time as the production and finalization of the papers included in this series. As such it was not possible to advance a single concept for use by the authors of these papers.

This paper was prepared by Andrea Miller-Stennett, Director, Research and Statistics, Ministry of Labour, Jamaica.



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## **List of Acronyms**

CBO	Community based organisation
CBT	Community based training
EX-IM BANK	Export Import Bank
GDP	Gross Domestic Product
HEART	Human Employment and Resource Training
ILO	International Labour Organization
JAMPRO	Jamaica Promotions Limited
MIDA	Micro Investment Development Agency
MOU	Memorandum of understanding
NCTVET	National Council on Technical and Vocational Education and Training
NDFJ	National Development Foundation of Jamaica
NGO	Non Governmental Organisation
NIP	National industrial policy
NVQ-J	National Vocational Qualification of Jamaica
PIOJ	Planning Institute of Jamaica
SL-TOP	School Leavers Training Opportunities Programme
SSF	Self Start Fund
TVET	Technical and Vocational Education and Training
UTECH	University of Technology
VTC	Vocational Training Centre
WFDC	Workforce Development Consortium

## Executive summary

This paper reviews current policies and programmes that concern skills training for informal sector workers in Jamaica, and draws from them lessons that may be pertinent for the design and implementation of future policies and programmes. While there is no consensus regarding the meaning of the term "informal sector", there is agreement that the sector consists of very small-scale producers and distributors of goods and services, and independent, self-employed persons in urban and rural areas of developing countries. Informal sector activities also include activities that are often carried out without formal approval from the authorities and are therefore "outside" the legal and regulatory frameworks.

Conservative estimates have put the size of the informal economy in Jamaica at approximately 35 per cent of GDP in recent years. A significant proportion of the Jamaican labour market is involved in informal sector activities. In recognition of the significant contribution of the micro and small businesses, the Government of Jamaica has sought to promote the development of these enterprises through the provision of training, financial assistance and technical assistance.

This paper recognises the existence of a wide cross section of non-formal training providers in Jamaica but focuses on a small selection of these viz. the Jamaica Productivity Centre, the National Development Foundation of Jamaica, the Entrepreneurial Centre at the University of Technology, the Workforce Development Consortium, and the HEART Trust/NTA.

How training needs in the informal sector are determined varies with the institutions which deliver the training. In most cases training needs are assessed through interviews with potential trainees or through the use of screening instruments or both. Under the community-based projects, communities play a major role in the determination of their own needs through interactions with the training providers. All the training programmes examined are based on the assumption that a market exists for the end product (or service) of the training process. This is the same perception that drives potential trainees to attend training.

The HEART Trust/NTA provides training through ten institutes and academies, sixteen vocational training centres (VTCs), and on-the-job and community-based training programmes. The Trust manages and organises on-the-job training through the School Leavers Training Opportunity Programme (SL-TOP) and an apprenticeship programme. Studies in the 1980s indicated a reluctance on the part of employers to hire graduates of the programme who lacked working experience. Also, the apprenticeship scheme has progressively declined in recent times, with the number of persons enrolled and the number of contracts declining.

With a view to establishing a comprehensive national training system, the Trust has embarked upon an extensive reform of vocational education provision and financing. Among the reforms being pursued is reinforcement of the role of employers in the delivery of training. The Trust is also seeking to move away from the traditional "time served" apprenticeship system to a performance-based system within the framework of the new National Vocational Qualification of Jamaica.

The HEART Trust/NTA is also involved in the provision of community based training, including the SKILLS 2000 programme. This programme targets vulnerable groups in the society, including food stamp beneficiaries and members of households, street children, unemployed, unskilled mothers and school dropouts. The programme seeks to promote employment, income generating capacity and self reliance of poor households and individuals by providing institution based vocational training in immediate productive economic sectors and disciplines. A recent evaluation of the programme highlights some positive aspects as well as some weaknesses. Among the weaknesses are problems which relate to the social and economic circumstances of the trainees and to the specifics of the communities themselves.

A number of institutions, both government and nongovernmental, exist in Jamaica that provide credit to individuals and groups in the informal sector. Chief among the governmental agencies are the Self Start Fund (SSF) and the Micro Investment Development Agency (MIDA). Non-governmental organisations include the National Development Foundation of Jamaica (NDFJ), Commercial banks and Credit Unions. However, the poor may not be able to access loans from lending institutions which require traditional forms of collateral. They are also highly unlikely to be able to finance businesses from equity. The lack of financial assistance therefore constitutes a major obstacle to experiences that could otherwise be successful.

Several factors which can impact negatively on the success of informal sector training programmes have emerged. Not least of these are the social and economic circumstances of the trainees themselves. Notwithstanding this, a number of good elements are in place in all the organisations highlighted, which could be extrapolated to a general model of skills development and knowledge transfer outside the formal labour market. These include, inter alia, institution - assisted choice of training, hands on training, flexibility in the delivery of training, and post training support.

The paper concludes with a recommendation for a more coordinated approach to skills training for informal sector workers. There is also need for a process of reform in on-the-job training programmes in ALL institutions and programmes providing skills training for informal sector workers. A special effort needs to be made to target men for the various training programmes. The potential for the SKILLS 2000 programme to contribute to national development is significant. However, the programme suffers from design and implementation problems. In this regard, there is a need to address the problem of inadequate monitoring, the high attrition rate among participants and the long time it takes for projects to be approved.

# **1. Introduction**

Over the past three decades, the informal sector has not only persisted but also has expanded all over the world. It is now operating under a new reality due to such forces as globalization, the “revolution” in information and communication technology, and changes in monetary systems. Governments increasingly recognize the potential of the informal sector to create jobs, but strategies and programmes aimed at supporting workers in the informal economy and bring improvements in technology, skills, market linkages and the working environment are rare. Current implementation approaches, for example in skills training and provision of business services, remain ineffective, mainly because the institutional context and the realisation of the needs of the informal sector have been neglected at both national and local levels.

The vulnerability of informal sector workers is attributed to two interrelated problems: the problem of lack of appropriate skills, and the problem of their restricted access to economic opportunities. The challenge of skills development is to define new approaches and to assess emerging skill needs.

The objective of this paper is to review current policies and programmes that concern skills training for informal sector workers in Jamaica, and to draw lessons that may be pertinent for the design and implementation of future policies and programmes. More specifically, the paper documents several non formal training programmes (particularly the International Labour Organisation supported HEART Trust/NTA programme) aimed at informal sector workers, and identifies emerging issues and problems implicit in some of these programmes. The paper also reviews in general the skills acquisition process in Jamaica. Secondary data and information were collected from a variety of sources and were supplemented by unstructured interviews with selected persons in the field.

The discussion that follows is structured thus: Section 2 outlines the characteristics of the informal sector in Jamaica; section 3 highlights the main policies and programmes that are in place in Jamaica to enhance skills in the informal sector; section 4 discusses the main non formal training providers and programmes in Jamaica, paying particular attention to the ILO-supported HEART Trust/NTA programme, while section 5 reviews selected issues involved in skills acquisition in the informal sector in Jamaica. Sections 6, 7 and 8 consider, respectively, obstacles to replicating successful experiences, good elements of the Jamaican models, and present the conclusions and recommendations.

## **2. Characteristics of the Jamaican informal sector**

Despite widespread debate in the literature, there is no consensus regarding the meaning of the term "informal sector". The term is credited to the ILO, which defined the sector as consisting of very small scale producers and distributors of goods and services, and self employed persons in urban and rural areas of developing countries. Some of these units employ family labour and/or a few hired workers or apprentices. They operate with very little capital or none at all, and utilize a low level of technology and skill. These characteristics therefore imbue them with a low level of productivity, which in turn provides very low and irregular income, and highly unstable employment. Informal sector activities also include activities that are carried out without formal approval from the authorities, and escape the administrative machinery responsible for enforcing legislation and similar instruments (ILO

1998). More narrowly, informal sector activities in Jamaica can be defined by the extent to which businesses do not conform to statutory regulations governing work and earnings, for example the payment of income taxes.

The ILO World Labour Report (1998/1999) identifies three distinct categories in the informal sector: the micro and small enterprise sub-sector, the household based sub-sector and the independent service sub-sector. According to the report, the small or micro enterprise sub-sector is relatively stronger and more dynamic. It may even be regarded as an extension of the formal sector and usually has linkages with the formal sector<sup>11</sup>. This sub-sector provides goods and services for consumption at the lower end of the income scale. In the household based sub-sector most activities are largely carried out by unpaid family labour. The independent service sub-sector, which usually constitutes the bulk of the informal sector, consists of, *inter alia*, domestic helpers, street vendors and cleaners, and is largely made up of women. The nature of occupations changes frequently, though they remain within the bounds of the sub-sector. For the purposes of this study the definition of the informal sector, which will be used is that of the micro and small enterprise sub-sector.

Since the 1980s, the Jamaican economy has experienced poor or negative economic growth and rising unemployment. In more recent times, in the context of a more open economy, the pressure of international standards and greater competition has provided the impetus for many enterprises in the formal economy to restructure. In many cases this has meant downsizing and displacement of workers. Additionally, the financial sector crisis, which affected the economy in the latter part of the 1990s, displaced a significant proportion of the workforce involved in the provision of financial and other services. Thus, the ability of the traditional formal sector to absorb workers has become limited. Under such conditions, it is difficult or impossible for low skill workers to secure good employment. One response to this has been the growth of the informal sector where many workers engage in underpaid self-employment.

Significant variations in estimates of the size of the informal sector in Jamaica exist, much of which is accounted for by differences in the definition of the sector. Some estimate that the sector accounts for half of recorded income. More conservative estimates have put the size of the sector in Jamaica at approximately 35 per cent of GDP in recent years, while the small business sector is estimated as contributing 27 per cent of GDP (McArdle, Atchoarena, 1999).

A significant proportion of the Jamaican labour force is involved in informal activities. Forty eight per cent of the labour force, much of it informal, is involved in agriculture or in community, social and personal services. The occupational category of self-employment, which is used to describe businesses with a single operator, accounted for nearly 42 per cent of total employment in Jamaica in 1998 (table 1). Buttrick (1999), states that by reconciling data from several sources, it can be estimated that approximately 177,000 workers, or 27 percent of the employed Jamaican labour force could have been classified as informal sector workers in 1997. Informal sector workers in Jamaica typically include a large number of subsistence farmers, street vendors, household helpers, informal commercial importers, hairdressers, gardeners, taxi operators and construction workers.

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<sup>1</sup> These linkages include sub-contracting arrangements, access to technology, skills, credit and marketing.

**Table 1**  
**Percentage Employment by Employment Status & Occupational Category (1998)**

<i>Major Occupational Group</i>	<i>% of total</i>			<i>Total (number)</i>	<i>% of labour Force</i>
	<i>Public Sector Employee</i>	<i>Private Sector Employee</i>	<i>Self or Family Worker</i>		
Professional, Senior Officials and Technicians	32.9	37.1	30.0	148,700	16
Clerical workers	22.4	75.2	2.4	83,000	8.8
Service workers	15.7	64.1	20.2	86,300	9.1
Sales workers	1.1	38.9	60.0	56,900	6.0
Skilled agricultural & Fishery Workers	0.1	5.8	94.1	184,300	19.5
Craftsmen & Operatives	2.9	61.1	36.1	225,400	23.8
Elementary Occupations	6.9	69.6	23.5	162,500	17.2
Labour Force (estimate)	N/A	N/A	N/A	947,100	100.0

Source: Anderson, P (2000), "Work in the nineties"

### **3. Policies to enhance the skills of informal sector workers**

For the last two decades the Government of Jamaica has sought to promote the development of micro and small businesses through the provision of training, financial and technical assistance. The development of the sector has been guided in recent times by the National Industrial Policy (NIP). The idea is to integrate the productive aspects of this sector into the process of national development, thereby enhancing its ability to contribute to the goals of social equity and the conservation of the environment. The NIP identifies a number of critical constraints faced by micro and small enterprises, some of which are limited capital, limited skills, and macroeconomic instability (which reflects itself in the high cost of credit, and a decreasing demand due to inflation and the subsequent erosion of purchasing power of the consumer).

The Government, through a number of initiatives, is seeking to stabilize the economy, which is expected to impact positively on the sector. The Government is also seeking to roaden the market for goods and services provided by the sector. In this regard, improvements in the access to credit, reducing the overall cost of credit, and providing information about markets are important elements of the policy package.

In terms of training, the National Industrial Policy points out that training institutions will have to place new emphasis in the areas of skills development and small business management. In this context, a new agency, the Business Development Services (BDS) was

established in 2000. The objective of this agency is to improve the rate of economic growth and employment through the creation of new micro and small enterprises and the expansion of existing ones. This is being achieved through the offering of business management training and counselling to improve productivity and product quality. More recently, the Government has been funding non-collateral loans up to a ceiling of J\$100,000 under what is referred to as the "Jump Start" programme.

#### **4. Skills acquisition in Jamaica**

The skill acquisition process is typically categorised as formal, informal and non-formal. In Jamaica, formal training takes place within the school system and is administered by the Ministry of Education and Culture. Informal and non-formal training occur outside the formal school system.

The method by which skills are informally acquired depends to a large extent on the nature of the activities being pursued. Generally, many workers in the informal sector do not undertake formal training nor attend vocational schools. Some master their skills through practice on their own without any assistance from any external source or reference to theory. Others learn their skills on the job through apprenticeship training. In fact, this type of skills acquisition process is regarded as a very valuable learning experience, and training through traditional apprenticeship (popularly referred to as "Trade") is prevalent in Jamaica. In this context, a lot of learning takes place within the family and the neighbourhood. Learning is characterized by a lack of structure, the absence of a curriculum and schedules. Learning mainly takes place through "doing" i.e. active acquisition rather than receptive learning. Some entrepreneurs learn skills in the formal sector and apply them in self-employment in the informal sector. Informal training is also conducted by non-governmental organisations (NGOs) or community groups, with the objective of developing knowledge, skills and attitudes to improve incomes and living standards. This training is delivered through small business management training and vocational skills development programmes. Age or educational levels are not a barrier. Some programmes offer certificates for attendance. This type of training is often referred to as Community-Based Training (CBT), where the training is taken to the community. In terms of entry requirements and duration, it is usually more flexible and less structured compared with the Technical Vocational Education and Training (TVET) system. However, some of the CBTs are structured in the same way as the HEART Trust/NTA programmes under the TVET system.

Non-formal training takes place in training institutions and enterprises, and is called "Institution-Based Training" or "Enterprise/Industry Based Training". These types of training are usually structured with specific entry requirements and duration. Some, not all, also conform to nationally approved standards for testing and certification. TVET institutions provide, under the HEART Trust/NTA, non-formal vocational training outside of the primary, secondary and tertiary school system.

Although there is a wide cross section of non formal training providers in Jamaica, this paper will only focus on the following, chosen for their prominence: the JAMPRO Productivity Centre, the National Development Foundation of Jamaica, the Entrepreneurial Centre at the University of Technology of Jamaica, the Workforce Development Consortium, and the HEART Trust/NTA.

#### **4.1 The JAMPRO Productivity Centre**

The objective of the JAMPRO Productivity Centre is to develop human resources for industry and to foster linkages between small and larger enterprises. It also pays attention to environmental issues such as waste and energy management as a means of increasing efficiency. The Centre assists small businesses to develop and offers a range of services from simple advice and counselling to technical and engineering support and design services. Clients are interviewed when they go to the Centre to access services, after which they go through a formal screening process aimed at assessing their needs. If it is determined that they need training, a programme of training is designed and implemented. In some cases, groups of persons are trained in their communities. They are typically trained in entrepreneurial skills such as product development, accounting, bookkeeping, marketing, negotiation techniques and are also assisted in the preparation of business plans. Following the training, they are referred to lending/financing institutions such as the Micro Development Agency (MIDA) and the Self-Start Fund (SSF). JAMPRO also cooperates with the HEART Trust/NTA under the SKILLS 2000 programme in projects for income enhancement, as well as with The Scientific Research Council and Bureau of Standards in product development.

Apart from training in small business management skills, JAMPRO operates a Business Development Clinic, which undertakes training and sensitization of persons in such areas as the handling of legal issues and statutory tax deductions. As post-training technical assistance, the Clinic provides services such as product design and development, product engineering and human resource development. Persons who participate in the training programmes offered by JAMPRO pay a minimal fee as the organisation is funded by the Government. Also, specific training programmes are sometimes funded by donor agencies.

In terms of the success rate of the JAMPRO Productivity Centre, projects are evaluated on various criteria. Some are measured by the strength of the economic linkages which they foster. For example, a food-processing firm which is supplied principally by small farmers is considered a success. Some projects are evaluated in terms of benefits to the community. For example, the business may develop an attraction thereby encouraging other business to be established, or tourists to be attracted to the community. Success is also assessed on the number of new projects which result from the training, as well as the revenue generated as new projects open up.

#### **4.2 The National Development Foundation of Jamaica (NDFJ)**

The NDFJ was set up as a private, not for profit organisation, to provide non-traditional credit facilities, business guidance and technical assistance to persons involved in manufacturing, service, commercial and agricultural activities. Training is accessible through all branches of the NDFJ and its training institute. The NDFJ has also administered training courses in secondary/high schools, which are conducted by business counsellors. Courses covered include pre-loan training, business counselling, entrepreneurship training, computer training, business advice and farmers' training. The programmes offered by the NDFJ are partially funded by bilateral and multilateral agencies. Trainees do pay some fees, but not the full cost of training.

A total of 2,567 persons were trained by the NDFJ during 1999, with 1,149 students and teachers taking part in entrepreneurship training. In that year, the Training Institute provided

training for 147 persons, representing a 34.4 per cent decline compared with 1998. The NDFJ also held a series of business management seminars on taxes and statutory deductions, cash flow management and how to start a successful business in Jamaica. A Memorandum of Understanding (MOU) was recently signed with the Work Force Development Consortium (WFDC) to provide training in business management. Fifty-six persons participated in this programme.

#### **4.3 University of Technology Entrepreneurial Centre**

The Entrepreneurial Centre at the University of Technology (UTech), Jamaica, promotes entrepreneurship through training, business and support services, coordination and delivery of courses in entrepreneurship and small business management. The Centre adopts a collaborative approach with institutions such as the HEART Trust/NTA, the German Development Agency, the WFDC, and the Management, Technology and Education Inc. of Quebec in formulating training programmes. Persons who participate in the training programmes offered by the centre bear the full cost of such training.

In 1999, 579 students participated in the courses offered by the Centre, representing an increase of 22 when compared with 1998. Fifty one per cent of the participants were males. In total, three workshops were held in collaboration with the HEART Trust/NTA and the German Development Agency in March, September and November 1999. Instructors were also trained in business start up processes. Under a MOU with the Trust, it is intended that more instructors will be trained in this skill. One hundred and thirty two persons received training in project management. Throughout the year, ten courses were held in collaboration with Management, Technology and Education Inc of Quebec. Courses on information technology and its business applications were offered. A 24 hour course "Managing A Successful Micro Business", was also held for inner city residents.

#### **4.4 The Workforce Development Consortium**

The WFDC is a not-for-profit company established in 1995 as an initiative of the now defunct Joint Trade Union Research Development Centre (JTURDC) and the Private Sector Organisation of Jamaica (PSOJ). The JTURDC's motivation for this type of initiative evolved out of the needs of workers who were made redundant. The work of the Consortium was initially funded by the Inter-American Development Bank (IDB). However, this is no longer the case and trainees or a sponsoring organisation now have to bear the cost of training.

The main objective of the Consortium is to place unemployed workers in new higher skilled jobs, or in self-employment. To achieve this objective, the WFDC conducts workshops in job-related skills and entrepreneurship. These services are accessed by many persons in the informal sector who are interested in upgrading their skills or learning a skill in order to enter into self-employment. Individuals are first assessed through an interview in which their educational levels are determined. Courses are conducted on a part-time basis two days per week. Much of the training for informal sector workers centres around the manufacture of craft items, catering etc. The Consortium conducts a 12-week home management course aimed at preparing participants to work in the field of hospitality or to start cottage industries. Courses include mathematics, English, communication, work ethics, baking, cooking, making soft furnishing, and work attitudes. In 1999 the WFDC offered 30 workshops on starting a business in Jamaica.

The WFDC is also involved in the promotion of community-based training. In partnership with the Ministry of Labour and Social Security, a pilot project helped 100 young women from the Ministry's Public Assistance Food Stamp Programme. This project targets mothers between the age of 18 and 30 years who are unskilled or have not completed secondary school education. It aims at equipping these young women with skills for employment or self employment. The WFDC in the past has provided on-site training for artisans in the informal sector. However, this has not been done in recent times.

#### **4.5 HEART Trust/NTA**

In Jamaica, what is referred to as a post-secondary (but not tertiary) segment of the education sector is organised under the HEART Trust/ NTA. The objective of this training programme is to facilitate access to gainful employment. This programme encourages no cost or low cost entry level occupational training and higher level training at moderate cost to the participants.

The HEART Trust/NTA offers training programmes that lead to the National Council on Technical and Vocational Education and Training (NCTVET) certificates at Levels 1, 2 and 3 (see appendix for a description of the various levels of certification). The programmes are based on standards established by employers, and are organised into modules that package competencies toward occupational certification by NCTVET.

The HEART Trust/NTA provides training through ten institutes and academies, sixteen vocational training centres (VTCs), on-the-job, and community based training programmes. In addition, the Trust is the only organisation surveyed which conducts training for instructors on an ongoing basis<sup>2</sup>. On average, about 30,000 students enrol with the Trust each year, with 16,000 graduating. Skills training took place in a number of areas in 1999 including apparel and sewn products (2,732 persons), hospitality (1,173 persons), and construction (645 persons).

##### ***On-the-Job Training***

The Heart Trust/NTA manages and organises on-the-job training through the School Leavers Training Opportunity Programme (SL-TOP) and the Apprenticeship Programme. The SL-TOP is shorter and more focussed on specific jobs or functions than ordinary apprenticeship. It is organised under a flexible framework and uses a skills development scheme which sets out the training content and minimum duration, while the Apprenticeship Programme is required to use the Board-approved Trade Order. Also, men predominate in the Apprenticeship Programme, while women predominate in the SL-TOP. These programmes are yet to benefit from NCTVET certification, but the Trust is currently submitting the technical framework which will facilitate this. Of all the organisations profiled in this paper, the HEART/Trust NTA is the only one that promotes apprenticeship training.

##### ***The School Leavers Training Opportunity Programme***

The SL-TOP started in 1982 after the Trust was founded, and is aimed at youths over 17 years of age who completed secondary school at grade 11 and passed two or more subjects in

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<sup>2</sup> Training of trainers is not geared specifically to instructors who work with informal sector artisans.

the tests administered by the Caribbean Examination Council (CXC), or various local equivalents. This programme started as a means of addressing unemployment among youth who had achieved a minimum secondary level education. The HEART Trust Act authorizes a tax credit, up to a ceiling, against amounts paid to trainees weekly as a modest training subsidy. However, studies in the 1980s indicated a reluctance on the part of employers to hire graduates of the programme who lacked working experience. For 1999, enrolment in the SL-TOP declined by 2.7 per cent to 4,121. However, a total of 1,126 persons completed training, representing an increase of 68.3 per cent when compared with the number of graduates in 1998.

### *The Apprenticeship Programme*

The traditional apprenticeship programme was formally transferred to the HEART Trust/NTA from the Ministry of Youth in 1994. It was structured with legal authority and trade orders that set the conditions of training. Apprenticeship training is regulated by the Apprenticeship Act of 1954, while the central organisation responsible for apprenticeship training is the Apprenticeship Board. The Board's function is to establish and recommend standards of training for apprentices and facilitate the provision of skilled craftsmen to satisfy the manpower requirements of industry. In accordance with the legislation, apprenticeship contracts last from three to five years and make provision for a combination of institution-based and on-the-job training.

The admission criteria stipulate a minimum age of 15 years and the educational requirements are dependent upon the field of training. Apprentices' wages are normally defined as a percentage of the grade II craftsman salary rate. In practice, apprentices often receive the legal minimum wage, but conditions vary widely from trade to trade and with the size of the enterprise. The legislation also makes provision for an optional saving to be placed in a special account and given back to the apprentice with 10 % interest at the end of training. However, it seems that this practice is no longer carried out. At the end of the contract apprentices are issued a certificate of completion on the basis of attendance and progress reports submitted by employers.

In recent times, the apprenticeship scheme has progressively declined, with the number of persons enrolled declining by 2.2 per cent to 1,353 in 1999. Also, the Board is inactive, institution-based training is not enforced, and the number of contracts has been declining. The lack of tax incentive is partly blamed for employers' low interest in the programme. Many employers prefer to employ youngsters under the SL-TOP programme, which offers a tax credit of \$150 per week per trainee and imposes fewer duties and responsibilities on them.

### *Issues relating to On-the-Job Training*

Both programmes (SL-TOP and Apprenticeship) are administered under one organisational umbrella and both are undergoing a process of transformation. On-the-job training in both is less than adequate and there is no structured contact with training institutions. It is uneven with regard to training standards, programme content, competency assessment and certification. The overall framework needs to be changed to reflect an approach which is regulated by means of a training code setting out the conditions of training and the division of training tasks between the employer and HEART Trust/NTA. Content should be regulated in relation to the defined occupations and level of employment developed

through both TVET resource centres and NCTVET. That is, on-the-job training should use the same content as the standard curricula of institution based training. Both employers and trainees should be required to pursue certification by successfully completing assessments at pre-identified milestones in the training. The ultimate certification objective is Level 2.

Since the automatic nature of the tax credit undermines the agencies' effort to enforce standards, a contractual approach is preferred for the placement of trainees in firms. An additional incentive in monetary terms or otherwise is proposed for employers if trainees become certified.

### *Upgrading and re-orienting the HEART Trust /NTA Traditional Apprenticeship Programme*

Changes to the legislation governing the HEART Trust/NTA are now being proposed, which will see apprenticeship training being fully incorporated under the HEART Act. At the same time, various provisions of the Act will be modified to stimulate more on-the-job training programmes with classroom components, as these are regarded as offering high "employer relevance" at moderate cost.

The HEART Trust/NTA has also embarked on an extensive reform of vocational education provision and financing with a view to establishing a comprehensive national training system. Among some of the reforms being pursued are an upgrading of HEART Trust/NTA training institutions, fostering a market for training, establishing a competency-based framework and curricula, and promoting employers' involvement in training delivery. One of the goals of this reform is to move away from traditional "time served" apprenticeship to a performance-based system within the framework of the new National Vocational Qualification of Jamaica (NVQ-J). It is within this framework that the Trust seeks to revitalize the apprenticeship programme, building on the strengths of existing arrangements.

### *Financing*

One key variable in the apprenticeship system is the degree to which the Government intervenes in regulating and financing the system. A new financing system will substitute direct subsidies for the current option of financing the trainees' allowance from the payroll tax, which now applies to the SL-TOP programme. The Trust feels that a reimbursement scheme will foster a spirit of commitment and partnership among employers. Public intervention through the provision of subsidies for apprentices' wages assumes that the net cost of training is a key factor in employers' decisions regarding training. It is expected that the reimbursement scheme will encourage employers to undertake training beyond their needs, creating a pool of qualified Level II workers, which in the medium term may foster growth in GDP and employment. In the short run, the new scheme could also be seen as a means of addressing skill shortages in certain areas. The Trust also implicitly assumes that the unit cost of the apprenticeship scheme will be less than the present institution-based training programmes in VTC and academies. While this new system will generate new administrative costs, the aim is to minimize these costs and establish a more user friendly and transparent system.

Under the new financing system, enough incentives should be in place to ensure an adequate number of training places while not exceeding the capacity of the Trust. The purpose is to reduce the net cost of recruiting an apprentice. The lack of transparency

regarding competencies has been held partly responsible for employers under-investing in training. It is hoped that with an open, highly competitive environment, enterprises will invest more in training. In the medium term, the NVQ should provide more encouragement to employers to invest in training along with the much needed improvement in the quality of basic education and the "trainability" of school graduates.

Under present economic conditions, where the demand for labour is low, the launching of the new apprenticeship system will require an incentive system attractive enough to encourage enterprises to hire apprentices and train them beyond their needs. However the expectation is that medium and long-term investment in apprenticeship will eventually anticipate economic trends, as employers recruit more apprentices when they expect an increase in demand. The enforcement of specific rules will ensure that "subsidized apprentices" are not used as cheap labour.

#### *Certification and curriculum development*

Under the new competency based apprenticeship scheme, apprentices are likely to be awarded Levels I and II NVQ by the NCTVET upon successful completion. The implementation of Level I and Level II modules for apprentices, however, might face some operational difficulties which will only become apparent during implementation in the different trades. The approach to the establishment of an on-the-job curricula and competency-based training for each trade should therefore be gradual and cautious.

#### *Accreditation*

An accreditation procedure should be put in place for firms wishing to take apprentices. This would ensure that certain conditions are met prior to the signing of apprenticeship contracts. Accreditation criteria would include, among others, the nature of the activity, working conditions, qualification of the workforce, equipment available and number of persons employed.

#### *Release and delivery options*

Under the present apprenticeship system, most apprentices do not have access to vocational educational institutions. Training is for the most part being acquired on-the-job. Within the framework of the new competency-based scheme, apprentices will also benefit from training that is not on site. Institution based training could be provided to apprentices in the HEART Trust/NTA academies and VTCs and possibly in the technical high schools. This would ensure a better spatial and occupational distribution of institution based training opportunities.

#### *Monitoring*

Monitoring is critical to the implementation of a competency based apprenticeship system. There is a need to define rules and standards for enterprise-based training to ensure that the competences acquired are general and can be used in various working environments. Monitoring will also help to ensure the quality of on-the-job training and control the working conditions of apprentices.

The integration of the "on-the-job" model of training into the larger TVET framework being developed in Jamaica poses a major challenge. Enabling legislation, organisational arrangements, and practices and programme development processes all need to be responsive to a system that integrates on-the-job training with institutional training in an overall framework of complementary training.

### ***Community Based Training (including SKILLS 2000)***

The Community-Based Training (CBT) approach emanated from ILO involvement with the HEART Trust/NTA. This approach centres around the development and use of several instruments, including "Rapid Community Appraisal" (RCA), "Consumer Demand Survey" (CDS), "Economic Project Concept" (EPC), "CBT Training Design" and "Trainees' Enterprise Vision and Business Action Plan" (TEV-BAP). The RCA serves to sensitize the community into having a better understanding of its potential, its resources, and its basic economy before deciding on economic projects through training. The objective of the CDS is to identify consumer needs for common goods and services which are not met for various reasons. The EPC describes the activities that trainees are to set up after completing a training programme. CBT Training Design describes the design and requirements of the training programme needed to implement the economic project. The TEV-BAP addresses concerns such as the type and nature of the business organisation, the location of the enterprise, plans for operating business and production, where to obtain production materials, how to market the products and make profits, how to get the initial capital, designing business evaluation plans, and follow-up after the first business cycle.

The CBT approach therefore combines training in vocational skills with entrepreneurial development, business management and community development. The methodology is based on the premise that income generation results not just from training, but from stimulating all the factors of production inside and outside a community. Creation of economic opportunities is focussed on communities and oriented towards members of the community.

Institutional training in community-based locations is operated in Jamaica by community-based organisations (CBOs), NGOs, and in specialised programmes aimed at particular industries, and operated by sectoral organisations, specialist institutions or by firms themselves. Such programmes are operational in all parishes. Typically, the sponsors of the programme establish the training venue and provide most of the equipment needed to conduct training, while the HEART Trust/NTA finances the recurrent costs of operation and provides technical support in terms of planning, monitoring, supervision and programme development and accreditation through NCTVET.

Community based training is divided into two components: the NCTVET/NVQ-J and the Non-NCTVET/NVQ-J. The first component caters to persons wishing to acquire a skill and to be certified by NCTVET. The second seeks to meet the needs of persons who wish to acquire a skill in order to establish their own business.

Trainees under the first component are placed in the Level 1 programme after they satisfy the grade nine entry requirements. The training here is biased towards the setting up of own-account businesses. Training in both programmes also includes the core skills of mathematics, English and entrepreneurship. The skills taught are usually identified as

marketable in the community. They are typically skills which do not need a large amount of start-up capital for income generation.

The Skills Training Centre is headed by a coordinator or instructor/coordinator who has responsibility for the day-to-day administration of the project. One main instructor and other part-time instructors are responsible for the imparting of skills and knowledge. The course coordinators/instructors are usually persons from the community who acquired their skills through other formal training or incidental learning on the job. They are answerable to project officers who are the HEART Trust/NTA's representatives.

The evaluation of the projects is an integral part of the monitoring function. Areas evaluated include trainees' overall performance, attendance and dropout rate, instructors' delivery methods and the overall absorption rate of the graduates into jobs. The Standards and Accreditation Department of the TVET Resource Centre has the principal responsibility for the evaluation of projects for purposes of standardization. The Community Based Training Department at the Trust works closely with TVET in this regard. The Planning and Project Development Division also evaluates the projects and makes recommendations for their continuance.

#### *Role and function of Community Management Committees*

Training projects are owned by the communities and as such each community has a participatory role in CBT. Through the formation of a Community Management Committee (CMC), the community facilitates the implementation and monitoring of the project. The CMC gives the project the necessary support and is useful as a liaison point for officers from various agencies. It is headed by a chairperson whose major responsibility is to conduct monthly meetings in order to take decisions and give advice and technical assistance to the project. On average, this committee usually comprises five persons who advise on and actively participate in the development of the training programmes according to prescribed guidelines. It consists of a deputy chairperson, a treasurer, a coordinator for the centre and the project officer who is the HEART Trust/NTA's representative. It acts as an on-the-spot supervisor, and has responsibility for the smooth and efficient operation of the project.

The broad functions of the committee include the identification and establishment of community groups through liaison with the community, the mobilization of resources to facilitate the implementation of the projects, the determination of CBTs, providing assistance in determining the nature of training activities to be undertaken, and providing assistance in determining training strategies and requirements. The CMC also functions as an accounting and human resource management unit. It prepares and submits project proposals for approval, identifies staff for the projects, facilitates the implementation and monitoring of projects, and assists in the establishment, where possible, of job placement/work experience and permanent employment. The CMC also ensures the safety and maintenance of equipment and plant, accounts for funds through monthly submission of financial statements, gives guidelines to instructors and the centre coordinator, hires staff, disciplines staff when necessary, deals with staff complaints, and reports to the HEART Trust/NTA on a monthly basis. Finally, the CMC approves expenditure and disbursement of funds to the Centre Coordinator within the HEART Trust/NTA's budget guidelines.

## *SKILLS 2000*

The training system utilized for SKILLS 2000 is based on the CBT methodology which is essentially a development strategy. The SKILLS 2000 programme targets the vulnerable or groups at risk in the lower social strata of society. These groups include food stamp beneficiaries and members of their households, street children, unemployed, unskilled mothers and school dropouts. The long-term objective of the programme is to reduce the incidence and severity of poverty on a sustainable basis by improving the ability of poor households to meet their own income, food security and other basic needs. Additionally, the programme seeks to promote and sustain growth through the training and employment of a qualified labour force, including the expansion of self-employment and micro-enterprise development.

As its short-term objectives, the SKILLS 2000 programme aims to improve the employment, income generating capacity and self reliance of poor households and individuals by providing institution based vocational training in productive sectors of the economy. It seeks to provide vocational training for those who can best be reached and assisted in developing their own skills as well as the economic resources of their communities. The programme also aims at providing remedial education for those who are most disadvantaged and least able to participate in, and benefit from more structured training programmes. Training, counselling and financial support for self-employment and micro-enterprise development is also provided.

The SKILLS 2000 programme is designed to proceed in three stages. The first stage involves pre-training activities following a specific methodology and approach to facilitate community involvement to identify and prepare economic projects. The second set of training activities focus on the development of vocational and entrepreneurial skills, while post training support is organized around a credit programme and referral service to get people involved in sustainable employment in micro business ventures (Table 2).

The main partners in the programme are the Planning Institute of Jamaica (PIOJ), HEART Trust/NTA and the Ministry of Labour and Social Security. Projects under SKILLS 2000 are joint partnerships between the HEART Trust/NTA and the community. The Trust's involvement is not indefinite however. The projects are supposed to be structured so that they are able to support themselves when the Trust withdraws its support. The Social Development Commission provides support in the implementation of pre- and post-training activities. Partnership arrangements also exist with NGOs involved in training activities and with quasi-government agencies such as the Rural and Agricultural Development Agency, JAMPRO and financial intermediaries such as MIDA.

**Table 2: Elements of Community-based training**

PRE-TRAINING	TRAINING	POST - TRAINING
<p style="text-align: center;"><i>Community Planning</i></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">1. Select the community</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">2. Sensitise the community</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">3. Conduct surveys</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">4. Generate economic project ideas</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">5. Select economic project</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">6. Identify training needs</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">7. Link training to project viability</div> <div style="border: 1px solid black; padding: 5px;">8. Submit the proposal for training and setting up an economic project</div>	<p style="text-align: center;"><i>Preparation for Income generation</i></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">1. Linking training to viable economic activity identified by the community</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">2. Develop skills and competencies in relation to the identified economic activity</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">3. Open opportunities for income-generation</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Incorporate Entrepreneurship and business management training in the training delivery</div> <div style="border: 1px solid black; padding: 5px;">Submit business plan</div>	<p style="text-align: center;"><i>Income generation</i></p> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">1. Enable trainees to organise the planned economic activity</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">2. Assist trainees with capital, technology, marketing, business counselling</div> <div style="border: 1px solid black; padding: 5px;">Monitor, document and evaluate economic activity</div>

Source: SKILLS 2000 Evaluation Report (1999)

When a project is submitted to the HEART Trust/NTA, an assessment is made to determine its economic viability and the feasibility of the idea in the specified location. If the proposal is found deficient, an officer works with the community to develop a proposal which is acceptable to the Trust. If the proposal is acceptable and certain training related needs are evident, the Trust may consider extending financial assistance to offset some or all of the costs including stipends to trainees, instructors'/ trainers' salaries, and the costs of training materials and utilities.

Throughout the training, each project benefits from technical assistance and supervision. On completion, each successful beneficiary receives a certificate either of achievement, which may be the NVQ-J certificate, or one awarded by the project.

Trainees are given a fixed stipend of J\$50 (approximately US\$1.00) per day based on their daily attendance, which assists with transportation costs and lunch. This is given to promote regular attendance and to reduce the number of dropouts in the programme, since some trainees would otherwise find it very difficult and in many cases impossible to attend training regularly. The length of the course depends on the specific occupation pursued. The skills are broken down into modules

The number of community-based projects sponsored by the Trust during 1999, including SKILLS 2000, totalled 98. Enrolment in community-based projects numbered 3,113, of which 2,413 were women. There were 1,413 graduates in 1999, of which 1,119 were women. There were 46 projects under the SKILLS 2000 programme, with total enrolment of 2,220, (69 per cent women) representing an increase of 48.5 per cent relative to 1998. The last three years have witnessed increases in total enrolment for SKILLS 2000 programmes. This increase is due to the more flexible admissions strategies. These strategies represent one method of improving the training opportunities for and employability of the target group. There was a 98 per cent increase in the number of graduates from SKILLS 2000 programmes to 966 in 1999, of which 77.6 per cent were women.

Women are more heavily represented in the training programmes as they tend to be more willing to find the time. The men generally seek more immediate gain and more assurance that skills training will result in significant income generation in a very short time. In addition, longer-term gains have to be balanced with the reality of short term needs. Many poor women who are heads of households can earn up to J\$1,000 per day for a day's work compared with the stipend they receive while training.

Those trainees who are unable to start their own business immediately after graduating are assisted by the HEART Trust/NTA's job placement unit in finding suitable employment. Trainees obtain assistance in finding jobs from the four regional offices by filling out a job request form. Whenever a request is made by an employer, a trainee will be sent to the employer for an interview. Employers are informed through the news media of the availability of graduates. Also, in pursuing further studies, trainees are able to transfer credits to other learning/training institutions. Graduates have easier access to funding from banks and other funding institutions.

Whereas an individual trainee may choose to do business on his/her own, graduates can also organise themselves into small groups and "pool" their resources and operate a small business.

There is a lack of quantitative and qualitative data on post-training establishment of micro-enterprises or the activities of self employed persons who have graduated. Data in table 3 show that the number of SKILLS 2000 projects increased from seven in 1996 to 1,036 in March 1998. According to the data, a total of seventy eight persons (sixty nine women and nine men) received rehabilitation grants to establish a business.

**Table 3: Skills 2000 Training & Projects (1996-1998)\***

Year (Calendar)	1996				1997				1998
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
No. of trainees enrolled	151	189	349	180			756		1036
No. of dropouts	11	30	0	0			61		57
No. of trainees referred to academies	261			1					
No. of persons completing training				180	85		94		82
No of ongoing projects	7	7		14	10	14	25	30	33
No. of businesses established							4		78
No. of men/women entrepreneurs							2m/ 2f		9m/ 69f
No. of rehabilitation grants disbursed						4			78
Amount of rehabilitation grants disbursed									94,000

Source: Skills 2000 Evaluation Report (1999)

\* The data are not reported on a consistent basis

### *Comparison of the CBT training method and TVET*

The curricula and instructional techniques employed under the SKILLS 2000 programme differ from those used within the TVET system. While similar instructional techniques are applied under both programmes, the CBT method includes trainee participation, interviews, discussions, and brainstorming sessions. Under the SKILLS 2000 programme, modules are specifically designed and the curriculum is tailored to the training needs of the community. The regular TVET curriculum is more comprehensive, tackles subjects in greater depth, and consists of more modules than the SKILLS 2000 curriculum. Under the CBT, where the training objective is usually self-employment, the curriculum and instructional techniques tend to be flexible, whereas the TVET curriculum is more standard and more workplace-based.

The SKILLS 2000 programme is aimed at community empowerment through skills development. Thus, it was designed to be more community oriented than the individual learner approach. The CBT methodology which is employed under the SKILLS 2000 programme is inherently community focussed. This is unique to the structure of the programme and sets it apart from other training programmes, some of which are also implemented at the level of the community.

### *Strengths & weaknesses of the SKILLS 2000 Programme*

An evaluation of the SKILLS 2000 programme, commissioned by the PIOJ in 1999, outlined a number of strengths and weaknesses of the programme. Among the strengths identified was the community based and market driven approach to training. Some of the weaknesses were cited as the long time it can take to get the community organised, coordination problems between agencies and the high attrition rate.

The evaluation notes with concern the number of women leaving the training programmes before completion. This is attributed to factors such as family pressure, training not meeting their needs, pressure on women as bread winners, responsibilities and obligations to family or children, no time to dedicate (particularly for some women who reportedly were placing their children's welfare above their own personal development), the need to earn for immediate survival, pregnancy, low stipends, remedial work delaying the skills training process, and outward migration. Table 4 below gives a list of the strengths and weaknesses of the programme.

**Table 4: Strengths & Weaknesses of the SKILLS 2000 programme**

<b>Strengths</b>	<b>Weaknesses</b>
Entrepreneurial approach to community training.	At times communities take a long time to get organized.
Emphasis on skills training with a view to establishing enterprises.	Lack of resources in poor communities. For example, a community may be unable to gather resources to repair a community centre to house training.
It is designed to take the participant beyond training.	Problems caused by practical difficulties in inter-agency collaboration.
Bottom-up approach to community building.	Agenda/systems of partner agencies are not geared to the needs of the SKILLS 2000 programme.
It seeks to strengthen communities by identifying ways in which the community could be improved.	At the end of training, trainees may not have mastered the skills to compete for jobs or meet the needs of the market in self-employment.
Training is market driven as it is based on what the market needs.	Some trainees felt that a wider range of skills should be provided.
Training is linked to income generation.	Many trainees were vague about what they were planning to do after training.
Trainees provided with support through a stipend to assist with lunch and transportation.	High rate of attrition among trainees.

The programme has not yielded the expected results, especially in terms of the proposals submitted, the range of projects selected, and the economic projects linked to the application of the SKILLS 2000 methodology. Up to June 2000, a total of 4,200 persons were trained, the majority of these being women. The majority of the projects undertaken were in sewing. The ratio of the number of proposals submitted to the number of communities mobilized is about 50 per cent. According to the evaluation, the time taken for project approval is too long, sometimes up to a year. Also, available evidence does not show that the community-based enterprises that have been set up have resulted from the SKILLS 2000 intervention. In addition, loans have not been available to set up businesses requiring significant capital outlay. Monitoring capabilities are also deficient. For example, a grant of J\$10,000 was disbursed to persons wanting to set up a business. However, it is not known to what extent the grants were actually used to do so.

While the involvement of the HEART Trust/NTA has helped to move the programme along in terms of the number of projects and the number of persons trained, the agency's presence has blurred some differences between the "trade approach" aimed at individual employability and the community based approach aimed at community empowerment. In some cases, the SKILLS 2000 field practices have not been consistent with CBT methodology and the link between skills training, establishment of economic projects and poverty eradication has not been sufficiently established. In addition, views have been expressed that the programme needs changes in its design, methodology, accountability, unified direction and management structure. It also needs to pay due attention to the specifics of the designated target groups.

According to the evaluation report, the community based training methodology needs to be reviewed and refined such that it forms the basis of all proposals, and enables field officers to retain links between pre-training, training and post training activities. The need to link immediate income generation with training was also highlighted. The report also points to the need for economic projects to be elected on the basis of analyses of local, national, regional and global data, and for training programmes to be structured with enough flexibility to allow those with minimal resources to participate. There is also a need for the strengthening of post-training support.

Budget management needs to be reviewed with a view to placing responsibility, authority and accountability at one and the same point, instead of the current state of inter-agency management of the resources of the programme. There is a need to facilitate loans and end stop-gap measures of disbursing grants. There is a need to seek to re-establish productive relationships between partners and establish SKILLS 2000 management systems that apply in partner agencies. Finally, there is a recommendation that SKILLS 2000 be designed as a separate entity with its distinct methodology for meeting its specific targets.

## **5. Some issues relating to skills acquisition in the informal sector**

### **5.1 Determination of training needs in the Jamaican informal sector**

All the major providers of training for persons operating in the informal sector require that individuals undertake some form of assessment before the training process begins. At the beginning of any training programme, a training needs assessment is usually conducted to determine the skills required by the workers, which typically depend on the type of task that

will be performed. For example, the owner of an enterprise may need entrepreneurship training as opposed to someone he/she employs. An interview is always conducted with the worker at the outset of the training needs assessment process. Through this, the worker's level of education is determined, and his/her initial training desires are ascertained. In some cases, persons are given aptitude tests which evaluate their ability to communicate in writing, and their ability to perform simple mathematical calculations.

When potential trainees register at the WFDC, they are given a test to determine the level of their academic achievement. After this they are referred to whatever training is deemed suitable. They may however need to do remedial work before going on to skills training. When persons are interviewed for loans at the NDFJ, an assessment of the person's capability is done, further to which a specific type of training is recommended. At JAMPRO, persons are given an interview and they sometimes undergo a skills audit through the completion of a questionnaire. The questionnaire is aimed at identifying the individual's needs in terms of business planning, product development, or financial assistance. The skills audit helps to channel the individuals, who are usually from different backgrounds, through the organisation. Upon registering for business management training at the Business Development Services, clients are required to say whether or not they wish to pursue basic remedial courses before they enrol in the business courses. Even basic literacy courses in reading and math are offered. Viability is an overriding concern at the outset of any SKILLS 2000 project, perhaps contributing to the long delay in the start up of some of the projects. Establishing viability involves determining the marketability of the product or services and the financial ability of the community to undertake such a project.

## **5.2 Market driven training**

All the training programmes being offered by the organisation described in this paper started with a recognition by the providers that a market exists for the end product of the training process and for certain goods and services. This same recognition drives the potential trainees to pursue programmes in these organisations. As such, programmes could be called "market driven".

*The Home Management Skills training programme* offered by the Workforce Development Consortium is a good example of market driven training. This programme is aimed at training persons in skills which will enable them to work in the hospitality industry either locally or overseas. These skills also have the potential to provide incomes for persons who become self-employed. The Ministry of Labour and Social Security is in partnership with the Consortium to provide some of this training targeted at females between 18 and 30 years of age because there is a demand for such workers in the hospitality industry in the United States. The Ministry, under its Overseas Employment Programmes, recruits these workers for overseas employers. Many of these women undertake training with the hope that they will be recruited to work overseas.

There are several good examples of market driven training under the Skills 2000 programme. Frequently, women who attend sewing courses make and supply certain types of garments which are in high demand even before the training courses are finished. For example, female trainees in one garment construction training course get to classes early and leave late in order to use the equipment to make garments on order, for which they are paid by members of their community. In this case the women already know that there is demand for

their services. In addition, the HEART Trust/NTA has adopted a policy of not funding SKILLS 2000 projects for which there is no market.

Many of the persons who pursue courses at the Entrepreneurial Centre at the University of Technology are already engaged in their own businesses. They, however, find it necessary to upgrade their skills to effectively manage their businesses. Presumably, the businesses which they operate are viable concerns supported by effective demand. The same is true of the NDFJ. JAMPRO assists clients by providing information of market prospects for proposed projects.

### **5.3 Gender issues in informal sector training**

In 1997, the Heart Trust/NTA identified women as one of three special target groups who are at a disadvantage in the labour market. The idea is that special provisions need to be made for them in order to assist them to overcome the disadvantages facing them. On average, women achieve higher educational qualifications than men but, despite this apparent advantage, they experience twice the rate of unemployment experienced by the opposite sex. They are also relegated to occupations that pay less than those available to men. The overall HEART Trust/NTA portfolio supports women entering both traditional areas and non-traditional areas of employment.

Programmes financed by the HEART Trust/NTA have consistently enrolled more women than men. Over the last few years the tendency has been towards 60 per cent women and 40 per cent men. Since female academic achievement is generally higher, they will more likely be accepted for training. Capacities for training also reflect gender patterns in the labour market. For example most apparel and commercial trainees are women, while auto mechanics and construction trainees are men. As a result some feel that the men are marginalized in Jamaica.

From a policy perspective, the Trust has concluded that it is appropriate to reduce the enrolment ratio for women to 55 percent. To achieve this, the Special Programmes and Project Development activity will work to attract more men into the training programmes, thus increasing their enrolment ratio. However, this assumes that there are programmes aimed at men and, since men do not pass the entrance test at the same rate as women, some remedial programmes should be specifically aimed at them.

In terms of a policy for women, the focus is on opportunities for them in non-traditional occupations. The Trust has embarked on a regional project with the Inter-American Development Bank to increase the number of training opportunities for women in non-traditional occupations. In addition, it is planned to enrol 4,512 women trainees in skills areas traditionally for men.

### **5.4 Micro-credit support institutions and programmes**

A number of Jamaican institutions, both government and non-government, provide credit to individuals and groups in the informal sector. Chief among the governmental agencies are the Self Start Fund (SSF) and the Micro Investment Development Agency (MIDA). Non-governmental organisations include the National Development Foundation of Jamaica (NDF/J), Commercial banks and Credit Unions.

**Table 5: Enrolment by Gender (1998)**

<i>Programme</i>	<i>Male enrolment %</i>	<i>Female enrolment %</i>	<i>Total 1998 planned enrolment</i>
Academies	36	64	10,081
Vocational training centres	58	42	5,358
Remedial programmes	54	46	1,960
On-the-job training	49	51	5,000
SL-TOP on-the-job	27	73	3,800
Apprenticeship	98	2	1,200
Special programmes	27	73	8,900
Community-based	21	79	3,042
Industry-based	44	56	650
Special needs	50	50	734
SKILLS 2000	31	69	1,899
Other	17	83	200
VTDI	55	45	1,024
<b>TOTAL</b>	<b>41.6</b>	<b>58.4</b>	<b>30,363</b>

Source: HEART Trust/NTA

### *The Self-Start Fund (SSF)*

The Self-Start Fund is designed for people who have ideas and initiative regardless of their background, and who want to support themselves through self employment. Loans are granted to applicants who satisfy the criteria of good character, capability of operating on their own, viability of proposed project, and the availability of collateral.

The types of projects which qualify for loans include service and trading activities, agro industry, arts and crafts, and manufacturing. The SSF also offers technical assistance and training to its clients.

### *The Micro Investment Development Agency (MIDA)*

MIDA was established to assist in the development of the micro-business sector through the provision of wholesale credit to approved lending agencies, and the delivery of technical services to those in the sector. A number of these approved lending agencies are community-

based organisations which are managed by community members. The funds approved for lending to CBOs are known as Community Development Funds.

The agency will lend to applicants who are at least 18 years old (in order to enter into a contractual agreement). The borrower should be the person executing the project being financed, and individual borrowers or groups should be Jamaicans. The types of projects which qualify for loans include productive activities utilizing indigenous materials, livestock enterprises, arts and crafts, cottage and agro-processing industries (e.g. making jams, jellies and preserves and fish products).

#### *The National Development Foundation of Jamaica (NDFJ)*

Loan financing is not the only type of financing that the NDFJ offers. There is also equity financing in the form of the Venture Capital Investment Programme (VCIP). Under the VCIP, the NDFJ buys shares in the business and, being a partner, takes risk with the client. To obtain a loan, the business project must be viable, the person must be of good character, he/she must be directly responsible for the management of, and have financial input in the business. Finally, the entrepreneur must be willing to accept technical services and training and meet the NDFJ's collateral requirements.

#### *Commercial banks*

These are privately owned banks, usually with branches all over the island. They are in business to make profits and therefore charge higher interest rates on their loans. Commercial Banks are also retailers of funds which are provided by Development Banks.

#### *Credit unions*

All parishes in the island are served by Credit Unions. The interest rate on loans at Credit Unions are much lower than those charged by commercial banks. To access loans from most Credit Unions, one usually has to be a member. However, there are a few which lend to non-members.

While there has been a scaling down of funding through grants for the small business sector, grants averaged J\$313.9 million per year between 1996 and 1999. Of this amount, the Micro Enterprise Development Agency (MIDA), Ex-Im Bank (a Development Bank), and funding from multilateral sources accounted for the largest proportion. The flow of credit to the sector on the other hand has increased in nominal terms, and amounted to approximately J\$355.0 million in 1999. Interestingly, credit unions and commercial banks have been prominent in the funding of small businesses in recent times. The NDFJ has also accounted for a significant proportion of credit to the small business sector.

In terms of access to micro-credit as a major component of self-employment, some training providers direct individuals to the lending agencies. In some cases, the training is a conditionality for access to credit. After conducting interviews with clients, it is sometimes felt by the lending agencies that some clients do not have the knowledge and experience to manage the businesses successfully and require that the clients undertake some form of business management training. Clients welcome this form of intervention because, in most cases, they appreciate the fact that such a facility is open to them.

## **6. Obstacles to replicating successful experiences**

In reviewing the issue of training in the informal sector in Jamaica, a number of factors which can impact negatively on the success of such training programmes have emerged. These obstacles do not necessarily relate to the delivery of training itself but involve the social and economic circumstances of the trainees themselves. Literacy is one such factor. About 90 per cent of the SKILLS 2000 target group fall below basic literacy level. Literacy and numeracy are essential in order for the trainees to benefit from training. It is therefore unlikely that training will be successful if trainees are not equipped with the necessary tools to take advantage of the training being offered.

Economic survival of the family constitutes another factor. This is because time spent away from income earning activities may mean that the family could be neglected in terms of the provision of food and other basic necessities, while the monetary gain from training may not seem immediate. Women with family responsibilities may also find it difficult or even impossible to attend training as they may regard the welfare of their family as being more important.

One common factor, which characterizes all the training activities discussed, is the lack of post-training support for persons who aspire to self-employment. The success of training therefore becomes inextricably linked to the economic and social circumstances of the trainee as well as the availability of the necessary support to assist them to undertake economic activities. The provision of loans is integral to the success of the SKILLS 2000 programme. The poor may not be able to access loans from lending institutions which require traditional forms of collateral. They are also highly unlikely to be able to finance businesses from equity. The lack of financial assistance therefore constitutes a major obstacle to experiences that could otherwise be successful.

Obstacles may also arise at the level of the community. Where people are regarded as poverty stricken, this may limit their ability to gain access to the SKILLS 2000 programme, especially where they are required to find training resources. The poorest of the poor are also generally seen as likely to be without a training centre, a cadre of local leaders or the capacity to raise their own funds to purchase equipment for training. Other factors relate to the peculiar problems which communities face from time to time. In communities which are prone to violence, persons may not be so ready to participate in training, particularly in those areas that have traditionally been organised along partisan lines. Problems of leadership may arise in such communities thereby slowing down the process of community organisation and mobilization. Political differences may also pose obstacles. When political representatives get involved in the funding of projects, this may compromise the SKILLS 2000 non-partisan principles.

Some people may also be reluctant to pursue training for other reasons. The first is that some individuals may find it difficult to maintain a certain level of cooperation with other members of the community. Others may lose interest when it appears that the results from training take too long to materialize. There may also be distrust of the motives of the training providers.

## **7. Lessons learnt from the Jamaican experience**

In all the organisations highlighted, a number of good elements are in place, which could be extrapolated to a general model of skills development and knowledge transfer outside the formal labour market. The following are some of the elements drawn from the Jamaican training experience which could contribute to this model:

### *Assessment of trainees*

To the extent that clients do not always know in advance the training options that they need, to offer an institution-assisted choice of training is important. In this context, the conduct of a skills audit at JAMPRO, which helps to determine clients' training needs in an efficient manner, is an area of skills assessment which merits highlighting. The evaluation of literacy and numeracy skills, as practised at the WFDC is also worthy of note.

### *Training orientation*

Trainees must get as much "hands on" training as is possible. One example of this is the training conducted by the WFDC in its Home Management Programme where, as part of the training programme, participants are given "work experience" in hospitality establishments. There are instances where persons involved in SKILLS 2000 projects are able to make and sell their products while training. It is important to highlight however that a practical orientation does not obviate the need for training in numeric and literacy skills.

### *Training time and location flexibility*

In order for training to yield maximum results, it must be flexible in terms of time and location. Many workers in the informal sector who wish to obtain training are not able to access the available training programmes because many such courses are not held at times or venues that are convenient to them. Training should take place when and where the maximum number of persons can attend. This means that classes may have to be taken to the individual or community, as is the case under the SKILLS 2000 programme. This is particularly helpful to female trainees whose family responsibilities may inhibit their ability to take full advantage of the programmes offered. The other element is time flexibility. All the training providers investigated in this study provide training on a part-time basis. For example, the WFDC holds training sessions for some of its courses in the evenings after work, and on Saturdays.

### *Post training support*

In order for training to make a difference it must come with post-training technical and/or financial support. This may take the form of product development, or assistance with business re-engineering aimed at improving productivity. It is also helpful if the training provider, or another agency, monitors the business in its initial stage of development. The Business Development Clinic operated by JAMPRO provides an interesting example of post-training support. The Clinic, as noted earlier, targets cottage industries such as agro-processing, leather craft and wooden products, among others, with a view to providing support in varying forms. Where organisations recognize that there is need for further support, but are not equipped to provide this, they refer clients to other agencies which can assist. For example, clients are referred to the Scientific Research Council and/or the Jamaica Bureau of

Standards if they require assistance with product development. In terms of financial support, a promising practice is the use of venture capital financing, as done by the NDFJ.

### *Market driven training*

Before training is undertaken, it is essential to explore if demand for a particular product exists, whether the demand will be sustained, and the potential for the expansion of the market. Whatever activity is being pursued during training must be linked to post-training income generation. JAMPRO assists clients by providing information of market prospects for proposed projects. In relation to the SKILLS 2000 programme, the HEART Trust/NTA has adopted a policy of not funding projects for which it is ascertained that no market exists. In general, projects must be perceived as being economically viable on a sustained basis, such that upon the completion of the training process, it translates into decent work and affords the person an acceptable standard of living.

### *An entrepreneurial approach to training*

For the purposes of ensuring that individuals are capable of operating their businesses successfully, an entrepreneurial approach to training is necessary. This is one basic tenet of the SKILLS 2000 programme. In fact, this approach to informal sector training characterizes the operations of all the organisations which form part of this study. Trainees are taught to recognize that the activities being pursued are a step towards their owning and operating their own enterprises. As such, necessary components of the programmes include training in such areas as accounts, record keeping and general business management skills.

### *Economic Assistance*

It is desirable for trainees to be given a stipend while they are undergoing training. This helps facilitate their continued attendance and therefore more successful results. The HEART Trust/NTA affords participants this stipend under the SKILLS 2000 programme. The WFDC does this to some extent through its partnership with the Ministry of Labour and Social Security. The government-operated Business Development Services also provides a stipend to participants during training. The adequacy of the stipend however, needs consideration.

## **8. Conclusions and recommendations**

Over the last two decades the Government of Jamaica has sought to implement policies and programmes aimed at promoting the viability of the informal sector. Increased training opportunities have become a major focus of these programmes along with other support services such as the provision of credit, technical assistance and business counselling. However, the evidence suggests that many of the programmes do not show the desired outcomes. This is partly attributable to the inadequacy of post-training institutional support and financial assistance. Frequently, trainees do not have access to the facilities required for self-employment. This points to the need for an integrated approach so that training is provided in conjunction with other necessary and complementary inputs.

Efforts to promote micro and small enterprises need to incorporate arrangements for the provision of adequate credit facilities and basic infrastructure such as market access. In

addition, access to services which assist with product development and promotion needs to be expanded.

A fragmented approach is presently taken towards the provision of training for informal sector workers. A number of institutions offer training in the same disciplines and skills, and there is little evidence that much coordination takes place between them. A more coordinated approach is needed in the provision of skills training for workers in the informal sector and for skills training to coalesce around national economic goals.

The HEART Trust/NTA is presently in the process of reforming its on-the-job training programmes to be integrated into the larger standards-driven, competency-based TVET framework being developed. While there are operational difficulties facing this objective, there is also need for the same effort to be undertaken in all institutions and programmes providing skills training for informal sector workers. A national instrument setting out the standards of competency achieved at varying levels of training - much like the NVQ-J certification system being utilized for many of the HEART Trust/NTA programmes - could be developed and utilized for all training providers. The government should take the initiative in developing and articulating policies and legislation toward this end.

A special and coordinated effort needs to be made to target and incorporate men into various programmes being offered by training providers.

The potential for the SKILLS 2000 programme to contribute to national development is significant. However, the programme suffers from design and implementation problems. In this regard, there is a need to address the problems of inadequate monitoring, the high attrition rate among participants and the long time it takes for projects to be approved. Ultimately, SKILLS 2000 should be designed as a separate entity with its own methodology and way of operating to meet its specific targets.

Finally, there is no substitute for a good primary education system, as this sets the foundation for potential trainees to be able to maximise the benefits from training. In this context, care should be taken to preserve and expand the quality and quantity of schooling at this level in Jamaica.

**APPENDIX**  
**Occupational Certification, National Vocational Qualifications of Jamaica (NVQ-J)**  
**Levels of Awards**

Level 1: Entry-level: Apprentice, supervised worker.

Including competence in a significant range of varied work activities performed in a variety of contexts. Work activities range from simple and routine to more complex and non-routine involving some individual responsibility and autonomy. Collaboration with others through work groups or teams may often be a requirement. Substantial supervision is required especially during the early months, evolving into more autonomy with time.

Level 2: Journeyman: Technician/Specialized independent worker (Licensed, etc.).

Recognized competence in a broad range of complex, technical or professional work activities performed in a wide variety of contents and with a substantial degree of personal responsibility and autonomy. Responsibility for the work of others and the allocation of resources is often a requirement. The individual is capable of self-directed application, exhibits problem solving, planning, designing and supervisory capabilities.

Level 3: Technician/Supervisor

Recognized competence in a broad range of complex, technical or professional work activities performed in a wide variety of contexts and with a substantial degree of personal responsibility and autonomy. Responsibility for the work of others and the allocation of resources are often a requirement. The Individual is capable of self-directed application, exhibits problem-solving, planning, designing and supervision capabilities.

Level 4: Master crafts/managerial/entrepreneur

Recognized competence which involves the application of a significant range of fundamental principles and complex techniques across a wide and unpredictable variety of contexts. Very substantial personal autonomy and often significant responsibility for the work of others and for the allocation of substantial resources, as well as personal accountabilities for analysis, diagnosis, design, planning, execution and evaluation.

Level 5: Graduate, professional and/or managerial

Recognized ability to exercise personal professional responsibility for the design, development or improvement of a product, process, system or service. The award recognizes technical and managerial competences at the highest level and may be confined to those who have occupied positions of the highest professional responsibility and made outstanding contribution to the promotion and practice of their profession.

*Source: Heart Trust/NTA*

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