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## **CAN SKILLS TRAINING HELP BREAK THE CYCLE OF DEPRIVATION FOR THE POOR? LESSONS FROM NORTHERN GHANA**

### **Keywords**

Skills training, Vocational training institutes, Poverty reduction, Ghana

### **Summary**

This article presents a summary of preliminary findings from a first round of fieldwork with vocational training institutes in Northern Ghana. The research seeks to better understand the pathways from skill to work among the poor.

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In line with the renewed interest in understanding the pathways from skill to work among poor youths, Associates for Change is collaborating with a group of UK researchers to undertake a three-year study in Ghana. This is part of the Research on Outcomes to Education (RECOUP) study, funded by DFID.

This paper presents a summary of preliminary findings from a first round of fieldwork with vocational training institutes (VTIs) in Northern Ghana.

### *Who are enrolling for skills training?*

The majority of those signing up for skills training are youth who have been unsuccessful in making the transition from junior to senior secondary school. Each year, large numbers of students fail to enter senior secondary, a situation engendered by a combination of household poverty and the very low quality of instruction in basic schools across the northern savannah.

### *Are training costs really anti-poor?*

While fees can deter poor people from enrolling for training, they do not appear to be the primary barrier to the acquisition of skills. Most training institutions do not prevent defaulting students from completing their training. In most cases, institutions only resort to withholding the examination results of those in arrears. Thus, many poor people manage to train at very low cost.

Our findings also suggest that requiring students to contribute to training costs can actually help to foster a commitment to learning. Participants in the government's fee-free Skills Training and Entrepreneurship Programme (STEP) were consistently adjudged as being the least committed, with dropout rates of the order of 60% at some institutions. However, cost-recovery/ cost-sharing policies can also exclude the poor from training if applied mechanically and insensitively, with no provision for assessing individual needs and supporting the poorest to overcome relevant financial barriers.

### *What are the main factors influencing attrition?*

Trainees are more likely to drop out where they perceive that they are not receiving meaningful training (e.g. if training materials are not available) or where the

opportunity costs are especially high. Retention rates are highest at institutions where the supply of training materials is regular and the relevance of training is clear and they are lowest where funding for recurrent costs is a huge challenge. In one institution where street children continually have to make the tough choice between earning an income and acquiring a productive skill, the dropout rate is a relatively high 27%. The quality of trainer-trainee relationships and the availability of responsive counselling were also found to impact on the chances of poor trainees completing the training programme.

*Does the post-training environment matter?*

Inadequate access to start-up capital is the most consistent barrier in the transition from training to work (typically self-employment). In one NGO programme which integrates start-up support (in the form of equipment credits), an impressive 88% of graduates are in work. Low purchasing power, associated with an economy dominated by subsistence agriculture, does little to stimulate business. In spite of the very real constraints in the wider enterprise environment, however, the evidence is that -- among those who eventually manage to set themselves up in self-employment -- prospects are better for those who are highly motivated and those resolutely implementing clearly-conceived business promotion strategies.

*What can we learn from NGOs?*

While acknowledging exceptions, NGO programmes generally invest more attention in 'soft' processes such as graduate monitoring. Such supportive monitoring is emerging as a crucial factor in realising and sustaining positive labour market outcomes for the poor. NGOs are also more likely to engage with communities in ways designed to enhance the prospects of poor youths staying the course. In some of the poorest communities, high-quality community animation has resulted in a preparedness of poor families to share in the cost of training their wards. Overall, therefore, NGO programmes are proving to be more successful in terms of delivering pro-poor outcomes -- notwithstanding the fact that their training costs are sometimes comparable to those of other training providers.

For more information see the RECOUP website:

<http://www.educ.cam.ac.uk/commonwealth/index.html>