



Formal and Informal Apprenticeships in Kenya Implementation Lessons

Apprenticeships - November 11th 2019

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World Bank – Social Protection and Jobs

[Jobs, Labor & Migration Course](#)

Kenya Context

- About 800,000 youth entering the labor market every year
- 80% both of stock and flow is informal
- Market failures:
 - Across formal and informal
 - Demand-side
 - From individuals: Credit constraints
 - Formal sector:
 - Demand for skills
 - Some evidence of skills as a constraint to firm operation in formal firms
 - Supply
 - Small market for short-term training
 - Absence of market for some skills such as socioemotional skills
 - Informal sector:
 - Information asymmetry on quality of providers

Kenya Youth Employment and Opportunities Project (KYEOP): US\$ 150 million to provide Jobs for 110,000 youth + information for 170,000 others

Two support options

1

Skills Building
(6 months)



MPYG



Build life skills

Get a KSh 6,000 stipend

Build technical skills

Become a Craftsman

or

2

Entrepreneurship
(3 months)



Get business development support

Become a Business owner

Choose:

Join a master craftsman for 5 months

or

Attend 2 months of skills training and 3 months attachment



Get a \$400 grant and 2-day mentoring

Job creation activities

- Business Plan Competition – 750 youth-led businesses
- Innovation challenge – hard to reach youth

Intermediation

- Kenya Labor Market Information System

Support to Policy

- National Youth Policy

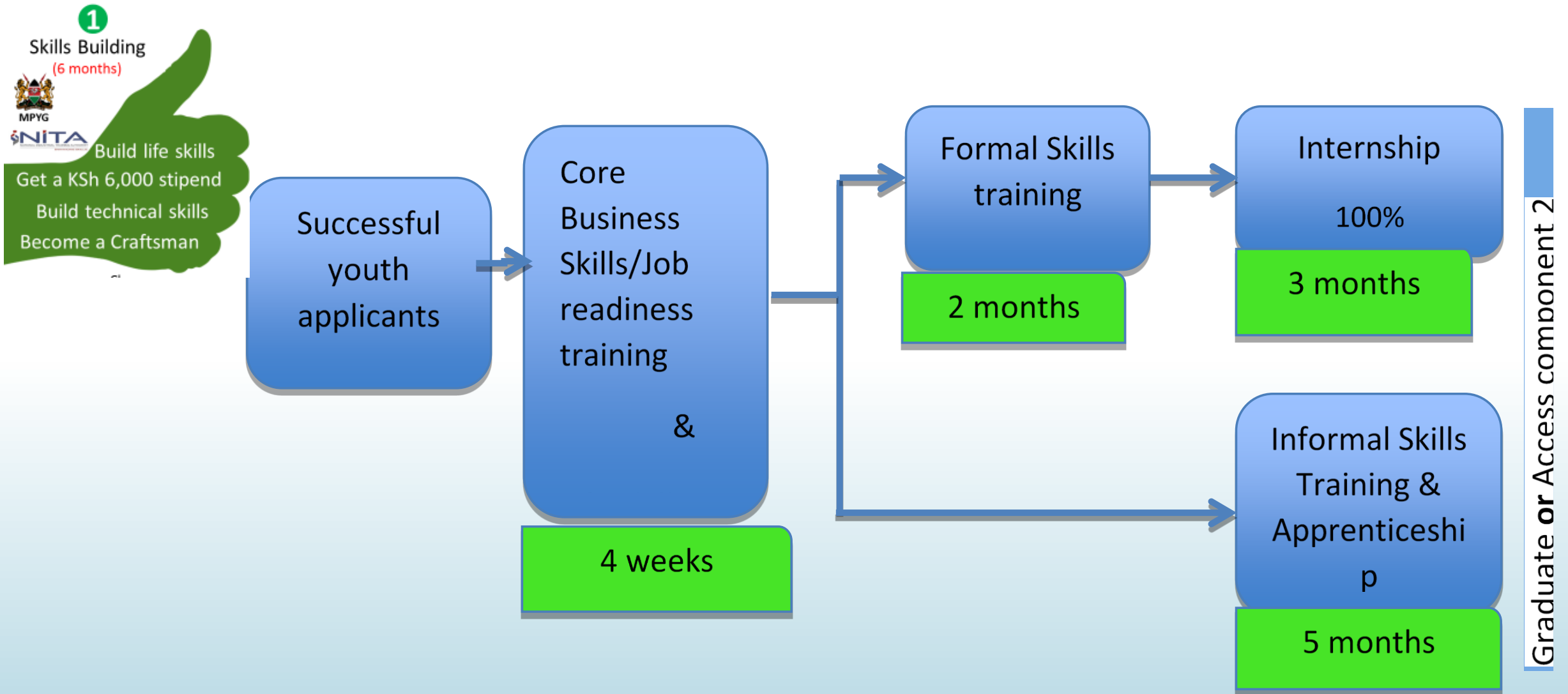
Generate knowledge with RCT for:

- Business support, including behavioral interventions
- Business plan competition

KYEOP – Basic Facts

- Target:
 - Youth aged 18-29
 - No more than Secondary Education
 - Gender quotas and support
 - PwD quota
- Location
 - 17 counties spread throughout Kenya for the main activities of employability and business support
 - Urban and rural areas
- Current phase: Implementation
 - Monitoring, evaluation about to start

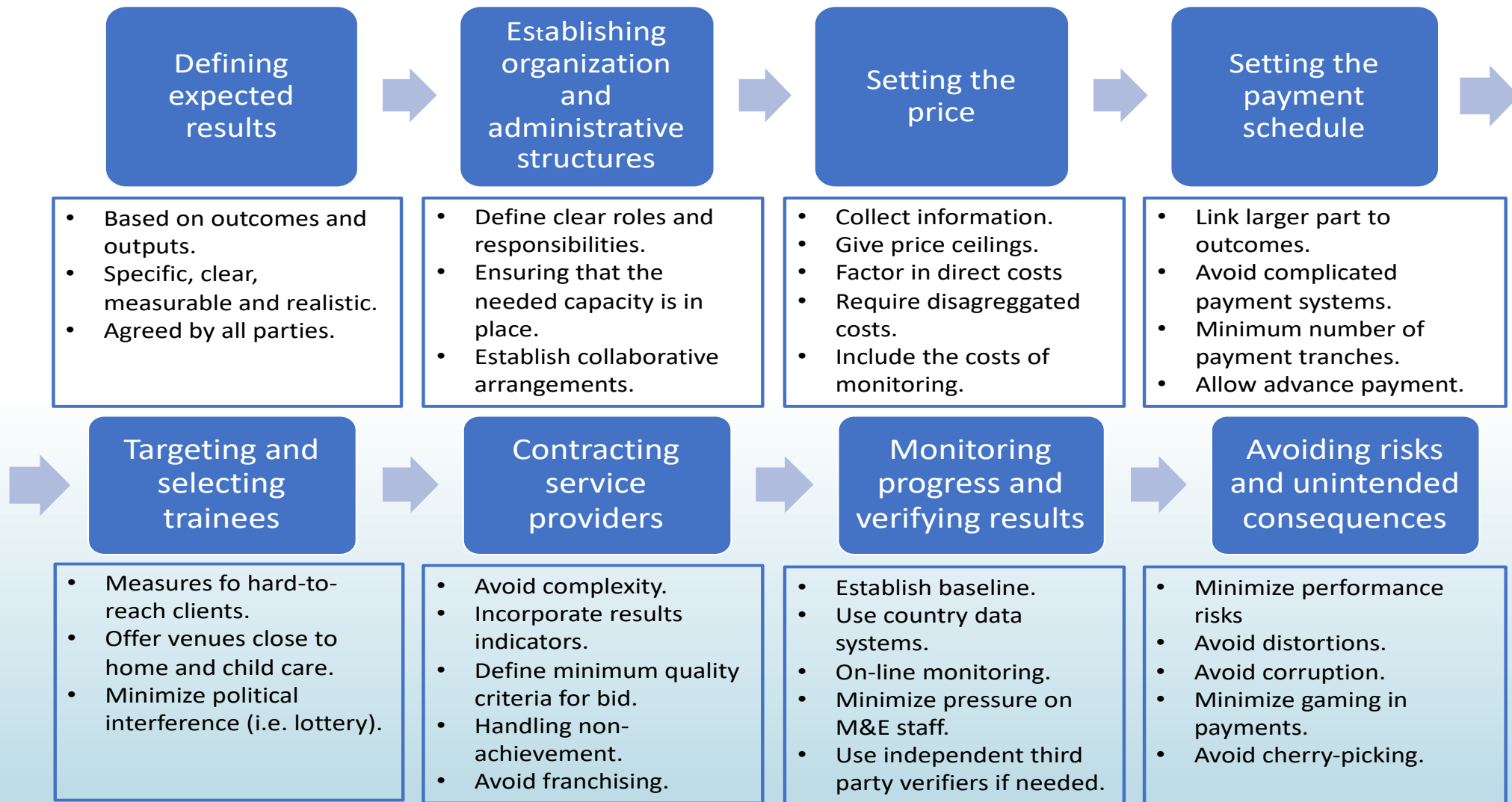
KYEOP Component 1 : Skills Training



Formal Training - Making technical training demand- driven (I)

- A little more context: Predecessor Kenya Youth Empowerment Project (KYEOP) led by private sector employer association
 - Successful: 75% of youth in employment 6 months after the program
- KYEOP until now:
 - How to make DDT without leadership by employers
 - Solution: Results-based contracts for formal training providers (FTP)
 - FTP Have to identify firms with internship and job opportunities
 - 40% of their payment conditional upon employment

Formal Training – Lessons on results-based contracting



Formal Training - Making technical training demand-driven (II) – How to attract employers

- A pool of interns – paid by KYEOP - who have gone through soft skills, job skills, and technical training:
 - Youth will come with 3 months training paid by KYEOP:
 - One month of broad “soft” and job-relevant skills, increasing their readiness for the technical training and for employment
 - Two months of technical skills training
 - Youth who stay in the training signal their motivation, reducing screening costs for employers
- Opportunity to select performing interns to join your business, cutting down on recruitment process
- Opportunity to partner with training institutions to shape the training curricula for specific skills you have been looking for

Did the solution found to make KYEOP DDT without leadership by the private sector work?

No it did not.

Why?

- FTP struggling to:
 - Establish partnerships with employers...
 - ...Especially at high scale
- Project Implementation Unit struggling to:
 - Produce/use labor market information to guide youth choices
 - Monitor FTP to weed out non-performers

Formal Training - Making technical training demand-driven (II) – Bringing back the private sector

- Modified KYEOP (hopefully): bring back private sector employers in leadership role
- How to make it work for Government and private sector:
 - Bring in the private sector in an organized manner
 - Ensure Government's oversight role is well supported with budget and human resources
 - Communication

Informal Training

- Also RBC: About 20% of payment conditional upon employment
- Why do informal trainers train under KYEOP
 - Appreciate the socioemotional skills training
 - See it as signaling of the quality of their training
- Quality:
 - Due diligence for selection
 - Pedagogical upskilling
- Certification
 - On-going revision of trade tests for the informal sector (but with delay compared to the training timeline)

Pervasive challenge: Drop-outs

- From a theoretical perspective, drop-outs can be fine...
 - Youth update their information and decide to drop
 - Drop-out point shows revealed preference on what is most useful in the program, e.g. socioemotional skills training
- ...Although never sure:
 - Do they need such a program but drop because they think it's low quality?
 - Or do they drop because of various delays?
- From a logistical perspective
 - Drop-outs waste resources for the program
 - Pose challenges to reach program targets and cannot be counted among program achievements

Conclusion

- Involve the private sector in a leadership role as much as possible
- Understand the context
 - Conduct a scoping analysis on training providers available and their linkages with employers
 - In the informal sector, understand traditional quality signaling methods for master craftsmen
- If using Results-Based Contracts:
 - Put careful M&E in place
 - Focus results on outcomes