

# SKILLS SYSTEM OVERVIEW

## THE PROBLEM

There are several industries in Addis Ababa with significant growth potential that is not being realised. Many firms are functioning with low productivity and below capacity due to the low skill level of workers. A skilled workforce can increase productivity, improve quality, and ultimately lead to increased profitability.

In the current context in Addis Ababa however, the ability for firms to find appropriately skilled employees is constrained by several factors. Current Technical and Vocational Education and Training (TVET) provision does not provide the type and quality of training employers need, and at the same time firms lack sufficient knowledge, time, and resources to invest in on-the-job training, as well as to provide recurring training due to employee turnover.

On the supply-side, TVET colleges use outdated curricula that are not aligned with market requirements and trainers lack the required competencies to deliver effective training, particularly to those with limited education and skills. They are also constrained by obsolete machinery and equipment, lack of raw materials, limited financial capacity, scant market outreach, and poor institutional capacities including inadequate leadership and governance capacities. Poor women and youth, who rely on public or low-cost private TVET colleges and workplace training for skills development, are therefore not able to gain the necessary skills to find employment opportunities or increase their incomes.

## LIWAY AIMS TO



Address critical constraints in the skills system

Improve skills delivery for poor women & youth to better meet market needs

Increase incomes through improved employment and self-employment opportunities

Following a comprehensive market analysis in Addis Ababa, LIWAY identified the following critical constraints that have high feasibility for change with potential to improve the system in a way that is sustainable and affects a large number of women and youth.



### INADEQUATE TRAINER COMPETENCY & TRAINING DELIVERY

The quality of trainers is highly variable and standards for trainers are low. Trainers often are not required to have education or experience in teaching or in the trade area they are teaching, and additional capacity building is often not provided. Trainers therefore lack the pedagogy skills essential for effective teaching, and especially for teaching those with limited education and skills. They also lack the experience to teach practical skills and are not familiar with what employers want. Students therefore do not receive adequate training with quality delivery, which impacts employability, as well as student satisfaction, retention, and interest in pursuing opportunities beyond training.



### OUTDATED & INAPPROPRIATE CURRICULA

Curricula are not updated regularly, and private sector engagement and updated labour market information are seldom used in curriculum development. TVET colleges lack the technical expertise to continuously standardise and develop curricula to address evolving market requirements. As such, most curricula are outdated, not fit for purpose, and do not meet employer standards. The mismatch between what is delivered and what is required in the market limits not only the employability of students, but also their ability to successfully start and grow businesses in response to market demand.



### UNDERINVESTMENT IN MARKETING BY TVET COLLEGES

TVET colleges engage in few marketing activities due to lack of appropriate skills, as well as limited incentive to invest in marketing because attendance and performance are often not monitored, and where they are, the monitoring systems tend to be weak. The result is limited student awareness about what training is available, how to access it, and which type of training is best for them. Similarly, employers are unfamiliar with the courses and the benefits of employing students who have completed the training. Lack of marketing also allows existing negative perceptions of TVET to perpetuate, which have developed through socio-cultural norms and negative experiences and limit student enrolment and employability.



### POOR INSTITUTIONAL CAPACITIES OF TVET COLLEGES

Many TVET colleges have very limited leadership and management capacity and experience, which results in weak coordination, day-to-day management, and external partnerships, as well as an inability to design and implement improved business models. At a higher level, there is lack of adequate national directives, rules, and functions and limited industry involvement in their design and revision. TVET colleges therefore lack the leadership, guidance, and mandates to ensure effective skills delivery.

## OUR SOLUTION & APPROACH

LIWAY aims to improve how the skills system works for poor women and youth to enable them to develop the skills required to access more and higher-paying employment opportunities and start and grow businesses. We will achieve this through a combination of interventions addressing different and interrelated aspects of the problem that fall under four strategic pillars.



### COORDINATION & ENGAGEMENT OF RELEVANT STAKEHOLDERS IN THE SKILLS SYSTEM

Across all our interventions, we improve linkages and relationships between market actors and build their capacity to ensure lasting change and ongoing investment and innovation. This includes coordination between TVET colleges, government agencies, and private sector companies for curriculum development, coordinated labour market assessments, development of career development centres and TVET graduate programmes, and improvement of coordination platforms and functions within the skills system.



### QUALITY IMPROVEMENT OF TRAINERS, CURRICULA, & CONTENT WITHIN THE SKILLS SYSTEM

#### Development of up-to-date curricula that align with market requirements

This includes addressing current gaps (e.g. soft skills, nanny training & certification), as well as improving knowledge on industry and technology trends to inform curriculum development. It also involves coordinating engagement with private sector companies to align curricula with their requirements, as well as upskilling of curriculum development specialists.

#### Extension and improvement of training delivery through new models and trainer capacity building

This includes new training delivery models (e.g. satellite training centres) and training and industrial attachments for trainers. It also includes improvements to trainer recruitment processes and requirements, as well cooperative training and other workplace programmes with employers.



### MARKETING AND IMPROVING PERCEPTIONS TOWARD TVET PROGRAMMING

This includes development of marketing capabilities of TVET colleges, establishment of marketing strategies that align with different business models and incentives (i.e. public vs private institutions), and improvements in measurement tracking and statistics to increase incentive to engage in marketing and demonstrate impact.



### INSTITUTIONAL STRENGTHENING OF TVET COLLEGES

This includes improvement of national directives, rules, and functions related to TVET colleges (e.g. leader selection and motivation directives, competency assessment and certification directives), as well as leadership development and improving knowledge of best practices (e.g. practices of ISO-certified institutions).

Our interventions in the skills system support and address the constraints related to skills in other market systems prioritised by the LIWAY programme, which are the labour, micro and small enterprise (MSE), and medium and large enterprise (MLE) systems. By improving how the skills system works for poor women and youth, they will develop the skills to start and grow businesses, access more employment opportunities, and become more effective workers, which will increase productivity, profitability, and competitiveness of firms and drive new and higher paying jobs for our target group. As the LIWAY programme progresses, we will continue to revisit critical constraints and may develop other intervention areas.

Across all our intervention areas, we work with various market actors to develop and deliver sustainable market-based solutions. Our role includes establishing linkages and dialogue between different actors, providing (co)-financing and pre-financing to pilot new models, developing and delivering market-oriented training services, introducing modern pedagogical skills and teaching capacities, providing technical assistance, and engaging in direct research and advocacy and policy related activities.



Our aim is to improve how the skills system works for poor women and youth, while demonstrating benefit to public and private actors who play a role in the system to ensure sustainability and continued improvement beyond the programme period. We share lessons learned and best practices to encourage involvement of other market actors to scale solutions and develop new innovations to maximise impact for the target group.

## OVERVIEW OF LIWAY'S SKILLS SYSTEM FOCUS & APPROACH

### CRITICAL CONSTRAINTS



Inadequate trainer competency & training delivery



Outdated & inappropriate curricula



Underinvestment in marketing by TVET colleges



Poor institutional capacity of TVET colleges

### INTERVENTION AREAS



Coordination and engagement of relevant stakeholders in the skills system



Quality improvement of trainers, curricula, and content within the skills system

- Development of up-to-date curricula that align with market requirements
- Extension and improvement of training delivery through new models and trainer capacity building



Marketing and improving perceptions toward TVET programming



Institutional strengthening of TVET colleges

### EXAMPLE INTERVENTIONS

#### Demand-Driven Skills Service Delivery

The business model is demand-driven skills service delivery through conducting coordinated labour market assessments (CLMA) by TVETs and using the findings of the CLMA to improve/develop curricula and delivery of market-oriented skills. Input of private companies was incorporated into the process to ensure alignment with market requirements. TVET trainers are trained on the new training materials and teaching methodologies to ensure effective training delivery. LIWAY provided initial consultants and IT support to set-up and deploy a CLMA, to build the capacity of the market players and set an example for the future.



#### Workforce Development by Setting Up Satellite Training Centres

The business model is workforce development through setting up and equipping satellite training centres. The pilot is focused on the leather sector, with one satellite training centre established in the compound of each targeted leather company. The training curriculum was designed in cooperation between the TVET college and experts within the companies, and is delivered by the company experts who have undergone Training of Trainers (ToT), with technical oversight by the TVET. LIWAY co-created the business model with the market actors and shared some technical costs to test the model and its benefits.



#### Improving the Platforms and Functions for Positively Impacting TVET Graduates

This intervention involves the establishment of a national skills sector council that includes relevant national and regional public and private stakeholders that meet regularly to improve national directives, rules, and functions to enable better and more effective skills delivery. It also involves development of a number of manuals to strengthen capacity of TVETs, such as leader selection and motivation directives, competency assessment and certification directives, and an institutional internal assessment manual, among others. LIWAY convened and engaged the public and private stakeholders and commissioned an external consultant to provide technical assistance.



For more information about the LIWAY programme and how we are improving the skills system for poor women and youth, please visit [www.liway.org](http://www.liway.org) or contact us at [info@liway.org](mailto:info@liway.org).