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InFocus Programme on Skills, Knowledge and Employability

Informal Economy

Training and Skill Formation for Decent Work
in the Informal Sector:
Case Studies from South India

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Acknowledgement

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 90th 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.

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List of acronyms

CAPART	Council for Advancement of People's Action and Rural Technology
CP	Community Polytechnics
CSMI	Cottage Small and Medium Scale Industries
CSTRI	Central Sericulture and Training Institute, Mysore
DCSSI	Development Commissioner for Small Scale Industries
DGET	Directorate General of Employment and Training
DGFASLI	Directorate General of Factory Advice Service and Labour Institutes
DHAN	Development for Humane Action Foundation
DOEACC	Department of Electronics Accreditation of Computer Courses
DWCD	Department of Women and Child Development
DWCRA	Programme for Development of Women and Children in Rural Areas
EACs	Employees Assistance Centres
GOI	Government of India
HDFC	Housing Development Finance Corporation
HRD	Human Resource Development
IAMR	Institute of Applied Manpower Research, New Delhi
IFCI	Industrial Finance Corporation of India
ILO	International Labour Organization
ITI	Industrial Training Institutes
JKP	Jeevana Kaushalya Pathshala -- MAYA's pre-vocational schooling programme for working and loitering children aged 12-14 years
KVIC	Khadi and Village Industries Commission
KVK	Krishi Vigyan Kendra
MAYA	Movement for Alternatives and Youth Awareness
MYRADA	Mysore Rehabilitation and Development Agency
MEADOW	Management of Enterprises and Development of Women
NCVT	National Council for Vocational Training
NGO	Non-governmental organisation
NRF	National Renewal Fund
NSS	National Sample Survey
NSTEDB	National Science and Technology Entrepreneurship Development Board
ORGANIC	Organisation of self-help collectives
PMRY	Prime Minister's Rozgar Yojana
Rs.	Rupees
SAP	Structural Adjustment Programmes
SIDA	Swedish International Development Agency
SIDBI	Small Industries Development Bank of India
SKIP	Skills For Progress
SPMS	Sri Padmavathy Mahila Abyudaya Sangam
STEP	Support to training and employment programmes
TREAD	Trade Related Entrepreneurship Assistance and Development Scheme for Women
TRYSEM	Training of Rural Youth for Self-employment (TRYSEM).
UNICEF	United Nations Children Fund

(1 Rs. = approximately US$ 0.02)

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1. Background

While various conceptualisations of the informal sector have been debated ever since it was formulated in the early 1970s (Bangasser, 2000; Hart, 1973), the fact remains that nearly 500 million people around the world are employed in the informal sector today (ILO, 1998). It is now being increasingly recognised that the phenomenon is here to stay and that government policies for economic and social development, including education and training policies, should target those who work in this sector. Despite the international attention on informal sector analyses over the past two decades, training, skill formation and education for workers in this sector have received much less attention than it deserves from researchers as well as policy makers.

Building knowledge and skills for the masses in this sector is one of the ways of promoting poverty alleviation. In recent years, several governments and non-governmental education and training providers have taken steps to develop and deliver training for decent work in the informal economy but such initiatives have been episodic and not well documented. There is limited information about the current quality of training for or in the informal sector. For effective policy formulation, there is a need to identify the factors of training and skill transfer which lead to an improvement of living and working conditions of the beneficiaries.

Against this background, the ILO is conducting studies in several countries around the world to develop an understanding of how training and skills development is provided to informal sector workers and to draw relevant lessons for the design and implementation of policies and programmes. More specifically, the work will document interesting cases of formal and non-formal training programmes provided by government agencies, NGOs and other private training institutions reaching out to informal sector workers, identifying emerging needs, weaknesses and new trends, if any, and their possible consequences.

The present study, based on case studies of South Indian NGOs, is a part of this effort. It seeks to understand the ways in which skills are developed in the informal sector and how the workers are trained, if at all. Attempts are made to map interesting cases of skill transfer, which combine social and technical learning processes and to draw relevant lessons for formulating and designing policies and programmes.

The study argues that renewed attention needs to be given to the informal sector. In particular, a central argument of the study, based on the case studies, is that the very notions of skill-building, capacity enhancing and training, might need to be reformulated, departing from the concept of vocational training and education, if the notion of decent work has to be brought in the framework. As shall be discussed, at least in the Indian case, some of the contemporary notions of skill-building and training seem to be incompatible with the notion of decent work, but at the same time, decent work, as a principle, can only be attained by including in it the notion of skill/capacity enhancement. Obviously, a lot depends on how the informal sector as well as training/skill-building are conceptualised.

This study is divided into the following sections:

- Section II: Conceptualising the Informal Sector in India
- Section III: Redefining training and skills development

2. Conceptualising the informal sector in India

2.1 The informal sector concept

The ILO World Employment Report (ILO 1998, p.167) characterises the informal sector thus: "Informal units comprise small enterprises with hired workers, household enterprises using mostly family labour, and the self-employed. Production processes involve relatively high levels of working capital as against fixed capital, which in turn reflects the relatively low level of technology and skills involved."

Typically, three categories are distinguished in the informal sector (ibid. p. 168)

1. The *small or micro-enterprise sub-sector* is considered the economically stronger and more dynamic element. Typically regarded as an extension of the formal sector, it is held that a significant part of it is usually connected with the formal sector through various types of sub-contracting arrangements. A majority of such enterprises, however, have an independent character and cater to markets at the lower end of the economic scale.
2. The *household-based sub-sector*, where most of the activities are carried out by members of the family (largely unpaid female labour). This sub-sector extends to many different markets, activities, seasons and locations. Most households cannot break out of low incomes and poverty but some households catering to strong markets may evolve into more specialised enterprises.
3. The *independent service sector,* comprising domestic helpers, street-vendors, cleaners, street barbers, shoe-shiners and so on, as well as those referred to as casual labour. Female labour is highly represented in many of these occupations. In terms of size, they constitute the bulk of the informal sector. The occupation is often seasonal, changing, though the change is normally within the boundaries of the sub-sector itself. The skills required by these occupations are the lowest in the informal skill hierarchy.

2.2 India's informal sector

In 1995, the unorganized or informal sector accounted for nearly 92.5 per cent of India's workforce (Subrahmanya and Jhabvala, 2000, p.2). In 1999, organised sector employment was only 28 million, roughly seven per cent of the total employment of over 397 million in the country. As much as 19 million or over two-thirds of the total organised sector employment was in the public sector (GOI, 2001, p.2.24). For the economy as a whole, that is taking rural and urban areas together, and including agriculture, 53 per cent of the workers were self-employed in 1999-2000. For the urban areas, the self-employed comprised 42 per cent, 40 per cent were regular salaried while 18 per cent were casual workers (GOI 2001, p.2.30).

The major component of the informal sector comprises what Breman (1994) calls the world of 'wage hunters and gatherers', usually but not always uneducated, with little or no chance of a living wage and no security. They look for what they can salvage on the margins of the industrial economy, this being literally the situation of the rag pickers and recyclers. These people lack assets completely and only a small number of them find employment, that too temporarily at times, the larger proportion having no choice but to "go out hunting and gathering a wage" (Breman 1996, p.225).

These workers are virtually open to anything, as long as they are able to survive. The returns from work are low; employment is not available round the year. Taken for granted in the formal sector, social security advantages, such as health care, old age benefits, maternity benefits, childcare and housing, are not even dreamt of here. The demands placed on them by day to day survival lead to a virtual hand to mouth existence, do not allow them to plan for the long-term; rather they display very limited planning horizons and very low rates of time-preference. Survival takes precedence over everything else (Pathy, 1993). In these groups, notions of human capital investment, or even savings and investments in the ordinary sense of the term, are largely unknown. The only investment is in building up communal relationships as caste, kinship, place of origin play an important role (Das, 1993). This is a complex social system which cannot be reduced to a uni-linear labour hierarchy.

Nearly 40 per cent of the Indian population is below the poverty line, and it can be reasonably assumed that a major part of the people below the poverty line are in the informal sector. Women, particularly, are confined to informal sector employment, with 96 per cent of all female workers being in this sector. (Subrahmanya and Jhabvala, op. cit.). These women constitute the 'ultimate army of reserve labour' (Omvedt 1990, p.70).

While the notion of caste does not enter the official discourse, and indeed many of the studies on the informal sector, some of the research does show that most of these informal workers belong to socially depressed groups, some of them also known as the Dalits, or the Scheduled Castes and Tribes (Das, 2001, p.186; Anand, 2001, p.278).

In 1999-2000 forty four per cent of India's labour force are illiterate and 23 per cent have schooling up to the primary level. (GOI 200, p.1.10). Their skill and technology base is therefore not conducive to moving up the economic and social ladder. These constraints are accentuated by lack of access to micro-finance, new technologies and information.

Creating a solid educational base for the majority of the workers in the Indian informal sector remains a distant dream. If the minimum level of education necessary to function in a modern economy were defined as schooling up to the middle level, then only 33 per cent of the labour force had schooling of that level and above. This was 57 per cent for the urban labour force but only 25 per cent for the rural areas (GOI 2000, p.6.1). Only five per cent of the labour force in the age group 20-24, had any vocational training obtained through formal institutions, as compared to developed countries where the figure ranges from 60 to 80 per cent. By way of comparison, in 1998, Columbia and Mexico had corresponding figures of 28 per cent (GOI 2000, p.6.7).

As India debates introducing a policy of compulsory education for all, such a policy, a desirable and necessary objective, will not solve the problem of the illiterate adults who are already in the workforce. Education for these people will not necessarily lead to employment

of higher quality even if they do find the time to acquire it. For them competitiveness, equity or growth have entirely different meanings. The sheer drive for survival dictates their every action. Skill formation for these people cannot await the attainment of education. Some of them may have indigenous skills, which often become obsolete due to migration, which uproots them from social and cultural skills. They lack access to skills upgrading facilities and to new skills since they do not have access to technologies and training. Irrespective of the indigenous skills or knowledge held by the majority of the workers, these are not marketable, in the sense that the workers cannot get regular employment or incomes from their skill base. If their needs are to be kept in mind, it may be necessary to reconsider the contemporary paradigms of training and skill formation itself.

Some basic questions need to be asked on the meaning of training and skill-building or upgrading as applied to this segment of the informal sector, but also for the sector as a whole. Included in this is the very fundamental issue of training for what and what kind of training for whom? What kind of training should be provided and how? This reiterates the need to look at the heterogeneity of the sector itself, which leads to a wide range of training needs.

Questions relating to training and skill-building become all the more important in the contemporary context of globalisation and structural adjustment policies. As changes due to globalisation accelerate, the risk of exclusion increases, among the low skilled informal sector entrepreneurs and workers. (Mamgain and Awasthi, 2001, p.264). Enhanced competitiveness in the informal sector labour market due to trade liberalisation requires a faster rate of adjustment to changes. In this lies a major contradiction. To modernise, India needs a highly skilled and qualified labour force. But in fact the formal sector is shrinking due to globalisation and retrenched people are being obliged to join the informal sector. In the informal sector, the vast majority of people with few skills and hardly any access to training will face the competition from the retrenched workers who have better skills. For the former this will mean that the struggle to survive will become more acute.

Conventional training in India today typically places a lot of emphasis on higher education, but of a general kind, which is not linked to jobs or employment. Formal vocational training and apprenticeship opportunities exist but these require some prior education and do not cater to the illiterate and the poorest of the poor. Access to formal training remains limited to a minority of educated people. For the vast majority of the workforce, training, if any, is often passed down from generation to generation by means of informal apprenticeship and learning on-the-job. A recent Government of India study notes that: "The actual number of persons expected to enter the labour force is about 12.3 million persons per year. Allowing for under-utilisation of seats in training institutions and some overlaps, the percentage of those entering the labour force with some degree of formal training is probably around 1.5 million. While *a significant number of the new entrants will be absorbed in various types of unskilled labour in agricultural and non-agricultural occupations, where skills are not needed,* the level of skill endowment of new entrants to the labour force revealed by these numbers is clearly not consistent with triggering a process of rapid economic growth and high quality employment generation." (GOI, 2001, p.6.11; emphasis added). Obviously, 'modernisation' is the major concern of the State, but this excerpt glosses over the fact that of the 10.8 million entrants entering the labour force every year without any formal skills not all will be absorbed in agriculture. Many will become a part of the informal sector's 'wage hunters and gatherers', very much in need of skills, even those basic skills needed to survive.

3.   Redefining training and skills development in the Indian context

3.1   The present paradigm and approach to training and skills development

Contemporary approaches to training, in India as well as in many developing countries, are geared to meet the needs of the manufacturing sector. There has been a strong resistance to introducing training for non-manufacturing sectors, including the services and trade sectors.

Vocational training is often equated with technical training/education, and that too is geared towards the formal sector. There is a strong rural-urban bias, and the training system is highly centralised. As Singh (1999) points out, one reason for this is the colonial legacy, which prevented vocational education from developing local approaches. Another reason is a carry-over of the basic approach to development of the 1950s and the 1960s (Bangasser, 2000).

Generally, the issues of diversification and "vocationalisation" of secondary education are dealt with purely in economic terms (earning opportunities, better jobs and higher technical fields). Public technical and vocational training in India do not have a good track record, particularly in terms of efficiency and flexibility; such training is sometimes also far removed from local, cultural, social and market realities. Many students pursuing technical/vocational training are unlikely to obtain the full-time wage employment they sought. Unemployment rates for educated youth were 14.7 per cent for those educated up to the secondary level and above and 23.7 per cent (24.5 per cent for urban areas) for those with any kind of technical education (GOI, 2001, p.2.18).

At the same time, the technically educated, as well as the 'general line' graduates are out of touch with working and technical conditions as well as possibilities in micro and small enterprises. There is little or no attempt to cater to the needs of those who wish to continue living and working in rural areas and this compels them to join the urban informal sector because of their shortage of skills (Singh, 1999, p.171). In most rural areas, facilities for elementary education are absent, let alone vocational facilities. Some efforts at developing such facilities are being made, but are unfortunately not meeting with any success, apart from a few isolated examples.

The informal sector generally comprises small entrepreneurs, paid and unpaid establishment workers, independent workers and casual workers. For the small entrepreneurs the need is for managerial and marketing skills besides the technical skills, as well as regular upgrading of skills and access to knowledge and information.

The majority of informal workers learn their skills on the job, something that is common to both the formal and informal sectors. However, as Singh (1992, p.126) points out, apprenticeship might provide basic skills but does not familiarise the workers with new technologies or managerial skills. Constraints of both time and money often prevent workers in the formal and informal sectors from acquiring further training, even when such facilities exist. In the manufacturing sector, indigenous forms of training may be sufficient for adapting technology to simple production and labour-intensive activity, but that does not necessarily mean more efficient production or market competitivity. Modern technical training probably needs to complement, rather than replace indigenous work techniques.

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Outside the manufacturing sector, the issue remains as to how independent workers, rickshaw pullers and hawkers and the like can be trained. They are often highly unorganised and may not be operating from fixed locations. Besides, these workers have irregular working hours. Coupled with all this, they have limited resources and little time to undergo training. Many are so poor that they may not be able to afford even minimal extra expenses. Finding the time to attend training programmes or courses is a major constraint, as their time needs to be spent earning a livelihood. Rampant illiteracy too restricts the potential of retraining and upgrading.

Casual workers, a most disadvantaged category, rely heavily on manual labour. These jobs need little training and earnings are usually low, although some may earn more than their counterparts in the formal sector. Work skills are usually learnt on the job.

Due to the high level of horizontal mobility amongst sectors and employment status, many individuals end up with multiple skills, having moved through different jobs in the course of their working life. Such occupational mobility complicates the formulation of approaches to training (Singh, 1992, p.126).

But if vocational training and education are to cater to both formal and informal sectors, it is essential to take into account the traditions and values of the system of vocational learning in working life. Such training needs to cater to the requirements of local development and be based on an understanding of the kinds of competencies people in the informal sector want, need and utilise; the socio-economic and cultural contexts within which they work and how they cope; and the skills, capabilities, attitudes and values that are required to sustain their livelihood strategies (Singh, 1999, p.171). The very concept of learning needs to address capabilities to change professions, learn and adapt quickly to changing environments. Indeed, the understanding of the livelihood strategies in specific social and cultural settings, disaggregated along caste, ethnic, class and gender lines, as well as the labour market conditions, is of paramount importance if a meaningful re-orientation of the approaches to training and skill-building has to be made.

It must be pointed out that in the literature on the informal sector, issues like education, skills development, modes of learning in apprenticeship, skill-building capabilities and training needs are treated rather sparsely (Raghunandan, 2000), and do not help us much in understanding the issue of training and skill formation. As such, training materials and documentation of vocational training and skill-building efforts in India are hard to come by. The little work that exists on training and skill-building in the informal sector assumes the existence of some kind of basic education. There is a clear emphasis on vocational training. The need for training or skill-building of other kinds, that is the bigger picture which would be relevant for the large section of the Indian informal sector work force, including that on rights, gender, accessing credit or markets and so on generally gets ignored. Caste and ethnicity, both very important issues in the Indian context, given that the majority of the illiterate or those below the poverty line belong to scheduled castes and scheduled tribes, hardly find mention.

Gender relations in the context of work in the informal sector or how the gender divide can be bridged in terms of training or skill-building rarely gets addressed in the literature on training in the informal sector. It is well known that men and women are treated differently in the informal labour market, and that the bulk of the burden of working for survival, formulating and actualising the livelihood strategies falls on the women.

The literature is rather silent too on the needs of children in the informal sector. While the debate of working children remains restricted on whether to ban or not to ban child labour, neither side seems to be concerned about what can be done for the millions of children who are presently in this sector, working and living under abominable conditions (Breman, 1996, p.171). While compulsory primary education (with its own debates) would to a large extent ensure prevention of future recruitment of children into the workforce, attention needs to be given to those who are already a part of it. Child labour, unquestionably needs to be abolished, but what happens to the children who are already a part of the labour force once they are withdrawn from it? It might be rather difficult to make them join mainstream educational institutional processes for a wide variety of reasons. Educational and vocational training packages would need to be worked out for them, to equip them with skills that will see them through a lifetime.

Conceptualisations, some of them quite useful and relevant, exist in the literature on training and skill-building but mostly these do not suggest how to actualise the theoretical formulations into concrete realities, especially for the Indian context. Thus Lenhart's (1997) typology of non-formal training programmes for the informal sector, while useful, does not answer some basic questions about who is going to impart the training, how the trainees are going to be selected, what the follow-up would be and so on[1]. The heterogeneity of the informal sector gets captured somewhat in the typology, but not the different training processes that would be needed to meet the diverse requirements.

Broadly the term training applies to any transfer of knowledge, skills or attitudes that is organized to prepare people for productive activities, or to change their working behaviour. It concerns the first time learners, and people who have worked all their lives and it covers efforts both in and out of school. It also encompasses vocational, technical, managerial, entrepreneurial, societal and other useful skills (Singh 1992, p.129, footnote 2). The question is of determining what is needed, for whom, at what point in time and the methodology not only of delivery but also of determining how these basic questions need to be answered.

3.2   Towards redefining training and skills development

In the light of the realities of the informal sector in India a paradigm shift in the basic approach to training and skills development is clearly needed. Most informal workers lack skills, or have skills that are outdated or of little relevance to present conditions. Furthermore they have little to depend on other than their own physical strength. Learning by doing is a common practice from an early age. As Breman (1996, p.113) points out, non-specialisation, avoiding concentrating on a single trade, is the most commendable strategy for those who exist on the broad "underside" of the labour hierarchy. The art of survival requires constant search for new sources of income and the will and ability to be as flexible as possible. The

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[1] Lenhart's typology comprises the following:
- Training directed at trade boosting programmes relevant more to those who are already actively engaged in different types of informal sector units.
- Survival training in an anonymous market (labour/goods/services).
- Improving the vocational training performance of 'masters' in the informal sector.
- Training measures within the framework of community development relating to various activities such as neighbourhood, slums, schools, counselling, recreation, health, welfare, housing, old people, etc.
- Training programmes within the framework of social work/special education projects such as at juvenile homes, prisons, etc.

family, the household, the neighbours and the community are of central importance for securing basic survival needs through diverse and often complex livelihood strategies. Indeed, the critical purpose of any training/skill-building effort has to be to convert the social capital that the informal sector workers possess into economic benefit.

It is important to reconceptualise training and move away from its narrow employment connotation. Training needs to be seen as an input for empowerment, and not just for employment only. For instance, in the context of self-help organisations and networks, such training would imply that learning is not only generated in the process of production, but also takes place through other external mechanisms such as `learning by negotiating' and `searching for openings'. Learning would imply a process of becoming aware of the potential of a network or cluster of enterprises to solve problems, and acquiring those competencies that are needed to implement solutions (Singh, 1999). Additionally, the training would need to build up capabilities to shift from one profession to another, to obtain the freedom to make choices without losing status. Essentially what is required is the freedom to grow, to chose a career and develop it. The paradigm shift from training for employment to training for empowerment is closely linked to the notion of decent work.

At different moments of their lives, people have broad and complex goals that they see in an integrated way, of which work and income security are almost always central elements (Rodgers, 2000). In 1999, Juan Somavia, Director-General of the ILO, summed up this set of goals, in the term "decent work", but the connotations encompass more than just an economistic notion of development. While the word decent seeks to capture the combination of sufficiency and desirability, the meaning of work goes beyond employment or a job. Work includes not only wage employment, but also self-employment and home-based work. It includes a wide range of activities in the informal economy. It also extends to domestic activities like cooking and cleaning. In other words, decent work does not refer only to wage employment but reflects a broader notion of participation in the economy and the community (ibid).

Decent work has four main dimensions: 1) work and employment itself; 2) rights at work; 3) social protection and 4) representation and dialogue (ibid). Indeed, decent work can in itself be considered as a development goal. Sen (1999) in *Development as Freedom* argues for a conception of development which essentially consists of the expanding of freedoms, which embraces political, social and economic goals. Development also involves the removal of poverty, lack of access to public infrastructure or the denial of civil rights. It consists essentially of the expansion of the capabilities of people to achieve the goals that they value. These freedoms, in Sen's vision, have a three-fold relationship with development: firstly as goals in their own right (constitutive); secondly, because they contribute to the achievement of other valued goals such as security or social integration (instrumental); and thirdly, in the definition and building of consensus around social needs, values and priorities (constructive). This interaction between "freedoms" and development is an important aspect of the rationale for decent work as a development goal. Decent work brings together different types of freedoms, using Sen's terminology: worker's rights, income security, employment opportunities. These are goals in their own right, but taken together, they are more than the sum of the parts. Both social and economic factors are involved and the decent work approach attempts to bring together and to set them within a coherent framework (Rodgers, 2000).

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Seen in the framework of decent work, training and skill-building takes on a totally new meaning. Such training would have to encompass the constitutive, instrumental and constructive aspects of work. Empowerment has to be an outcome of the training/skill-building, since the attainment of decent work entails empowerment.

What then are the requirements for the training methodologies for the informal sector, focusing on the majority? How should it be packaged and delivered? Should it be piecemeal or comprehensive or a mix, depending on the situation? Obviously, any such strategy would need to build up multiple skills in the workers in a broad manner, enabling them to take up multiple trades as well as negotiate a wide range of issues, which are not only trade specific but even relate to issues such as how to negotiate the oppression and racketeering of local strongmen and criminals[2]. Such strategies, both for the formal and the informal sector, need to be holistic.

The skill-building package would have to be different for producers, traders and service providers, and developed on the assumption of near total illiteracy. This would include issues like accessing credit, mobilising micro-finance through self-help groups, marketing, accessing information, knowledge of markets, gender and other forms of social inequity. The role of various change agents, including the government, is critical in all this. Training will have to be both formal and informal, but systematised. This paper will attempt to address how this might be done.

4.   Methodology of the study

The study began with a survey of the literature as well as discussions with important key individuals connected with the informal sector. This was followed by a quick survey of training institutions, non-governmental organisations, community-based organisations and individuals involved in training/skill/capacity building in the informal sector, especially in South India.

A matrix was developed (see Table 1 below) to analyse the nature of training/capacity building interventions. The matrix gives the criteria to compare different kinds of training inputs, keeping in mind the distinction between training for employment and training for empowerment. It must be pointed out here that such a matrix gives an ideal way of comparing the various, formal and informal, training delivery systems and learning mechanisms and interventions, whether by the government or by NGOs. While it can be used as a framework to analyse the interventions, many more details, sector-by-sector, according to each situational context need to be gathered to make effective comparisons. Such detailed attention was outside the scope of the present preliminary study. It has also to be kept in mind that the categories discussed in the matrix are not "pure" categories as there are many overlaps (e.g. petty producer cum trader). The interventions too often overlap. This is all the more true of interventions which aim to empower.

Five examples, all from the NGO sector in South India were selected for case studies. These were SKIP, GOODWILL, MYRADA-MEADOW, MAYA and the DHAN Foundation.

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[2] Needless to say, the formal sector too is in need of many of these skills.

It should be specified right at the outset that although a case study approach was followed, the objective was not to look for best practice, or to isolate "success" stories, or even profile individuals who have been successful. Rather, this study has sought to isolate the processes of learning and those that any training intervention should follow in creating a suitable learning environment that supports direct use and absorption of learning. The thrust was a concern to improve the status of workers in the informal sector, not necessarily as individuals. In this context, the study sought to look into how technologies, both physical and social, were used by the community and reproduced innovatively. To this end, interviews were held with key persons in the organisations, as well as with those who had/were benefiting from the intervention. In some cases, attempts were made to speak to those who had not been able to get into the 'system' or those who had dropped out of the 'system'. Hence, this is not a dossier of lessons learnt from best practice, but rather an attempt to understand existing processes.

Gender issues, especially as women are part of the poorest segments of the informal sector, as well as issues relating to children were a key concern. A general understanding of the informal sector and the needs of workers was gathered by speaking to many workers, men, women and children, who are still very much outside the realm of "interventions". These conversations occurred mostly in the slums and pavements of Bangalore, Chennai, Madurai and Tirupati. Time limitations and the scope of the study made it impossible to go into the required depth. But a general understanding of their struggle to survive was obtained through these interviews.

Also, it was decided not to analyse government interventions/institutions directly. Instead this was done through the secondary literature as well as speaking to some 'trainees' who had been beneficiaries of these schemes or in the Industrial Training Institutes (ITIs).

Table 1: Matrix to analyse the training/capacity building intervention in the informal sector

Sector	Traditional	Contemporary
Services	1	4
Production	2	5
Trade	3	6

In each of the six cells, the situation in terms of training was mapped. However, a watertight distinction between production, services and trade is often not possible, especially in the traditional sector because the producers often act as traders too, and sometimes they provide services as well. The category "traditional" encompasses both production techniques and markets. Training is generally within the household, passing from one generation to another. The category "contemporary" refers to production, marketing (sale of) as well as services relating to commodities, processes and forms of enterprise as well as business organisation that are "modern" and were not known in the traditional economy. Many services, be it repairs and maintenance to teaching the use of software to clients at home by assemblers of personal computers operating in the grey market in India can be considered contemporary. A certain level of education followed by training, both institutional and on the job, characterises this segment.

- *Traditional services* include untrained domestic helpers, street-vendors, cleaners, street barbers, shoe-shiners and so on as well as those referred to as casual labour. Female

labour is highly represented in many of these occupations. The workers in this category comprise the bulk of the informal sector. The exact nature of the occupation is often changing and is seasonal in nature, though the change is normally within the boundaries of the traditional services. The skills required by these occupations are the lowest in the informal skills hierarchy.

- *Contemporary services* range widely from electricians/plumbers, repairers of all kinds to, say, self-employed computer operators or those who for instance operate public telephone booths, work as bus or car drivers, as mechanics, etc. The workers get trained through a wide diversity of means: formal and informal, on the job and through apprenticeship. It is interesting to note that some traditional services have been given a contemporary outlook. Typical is the example of trained domestic help: by and large, domestic help in India are rarely adept of using equipment such as vacuum cleaners or micro-wave ovens. There are instances where such help are trained to use these equipment, thereby increasing their employability at a higher wage in a growing urban middle class market.

- *Traditional production* includes a wide variety of activities, ranging from the manufacture of handcarts to producing sweetmeats and simple baking using age-old techniques to produce biscuits and bread. Traditional carpenters, utensil makers, basket makers, weavers of saris and other fabrics would also fall in this category. The skills levels in the traditional techniques may be high. The skills acquisition often takes place through traditional apprenticeship or in the family, watching the others do it. Many of these producers are rural but they are present too in urban areas.

- *Contemporary production* corresponds closely to the *micro or small enterprises*. It can include those traditional production processes and techniques that have been modernised, for instance the use of a lathe machine by a carpenter or an ironsmith. The capital intensity per unit produced is often higher than that in the traditional production processes. Typical examples are the handloom vs. small power looms in the case of weaving and manufacture of cloth.

  - *Traditional trade* refers to retailing a whole range petty goods and commodities, with the producer acting as the trader too. Vendors, door-to-door peddlers of food items, fishmongers, vegetable sellers and hawkers of garments fall into this category. Not much training or education is usually required in this sector and very often these traders are seasonal and/or part-time. The volume of trade is low and so is the start-up capital: for instance, a basket load of vegetables can be bought for as low as Rs 100 and sold for Rs 120 in many parts of the country today by itinerant women. However, there may be some barriers to entry in the form of local strongmen, sometimes policemen too demanding a share of the profits as well as the demarcation of territories by other traders. A good example of this comes from the innumerable hawkers and vendors in the suburban trains in Mumbai and Calcutta.

  - *Contemporary trade* refers not only to trading in contemporary products (for instance assembled air-conditioners and computers) but even the processes are different. Usually, the trader/salesperson has some training (could be self-acquired) in selling the product concerned. The supply needs not be immediate: very often orders are booked in advance. Different levels of quality controls are assured through various means,

including warranties on the product sold. There is generally a distinction between the manufacturer of the commodity and the trader, but occasionally some manufacturers act as traders too.

The range of issues regarding training inputs that need to be analysed for each cell of the matrix are as follows:

- Rationale and motivation of training.
- Content of training programme - what training has been provided? Besides vocational training, is there any life skills training, including education? Are there any initiatives focussing on building up self-esteem/self-assurance?
- Process of delivery, including pedagogy - who trains and who owns the process of training? Is it interactive? Are the trainees/members themselves included in the training delivery?
- Trainers' knowledge base and openness to new ideas. Accountability of trainers.
- Employment effect of training.
- Quality of training: supply driven training, flexibility of training, need-based training, location.
- Sustainability of training process.
- Gender issues and perspectives.
- Caste issues.
- Decent work components and the issue of rights.
- Market and access to economic space, availability of markets, capacities to create markets and linkages, access to information and micro-finance, technologies.
- Outreach and coverage.

Having mapped the existing situation along the above lines to the extent possible, (this is because not all the components are applicable to a particular case study, or sometimes there are major gaps in the information available with the agency), the shortcomings were identified and appropriate suggestions have been made to remedy these shortcomings.

5.   Government efforts towards training and skill-building for the informal sector[3]

In India there is a plethora of schemes under various development programmes of different ministries. A detailed presentation of these programmes is given in Appendix 1. However, in spite of the large network of state-run vocational education and training programmes, the informal sector hardly seems to be benefiting from it. In this section, some of the opportunities for training and skills development in state-run programmes are examined. These opportunities are geared towards providing training for employment.

5.1   Formal vocational education and training system

There are three categories of vocational education prevalent in India today - at the lower school stage, at the class 10+2 stage and at the specialised level.

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[3] Based mostly on Mamgain and Awasthi, 2001 and GOI, 2001.

At the lower school stage, a Central Government scheme aims to impart simple marketable skills to class 9 and 10 students. Until 1998, 652 schools across the country were covered under this scheme, as well as 56 NGOs.

Vocational training courses at the 10+2 level covered some 6,486 schools till the end of 1998. The progress under the scheme lags behind target. Only about eight per cent of the students are estimated to be in the vocational stream as against the target of 10 per cent by 1985. Twenty five per cent of students were targeted to be in the vocational stream by the end of 2000, but this has obviously not happened. A total of 150 vocational courses were introduced at the 10+2 level, covering the broad areas of agriculture, business and commerce, engineering, technology, health and paramedical services, home sciences and services. These courses are selected on the basis of the assessment of manpower requirements through district vocational surveys. After the completion of a two-year course, the students can undergo a year's apprenticeship under the Apprenticeship Act.

Vocational skills can also be acquired through formal vocational training in specialised institutions. There are some 4,274 Industrial Training Institutes (ITIs) in the country, providing training in 43 engineering and 24 non-engineering trades. Of these, 1,654 are government run ITIs (State Governments) while 2,620 are private. The total capacity of trainees these ITIs can receive is 628,000. In addition to these ITIs, there are six Advanced Training Centres (ATCs) run by the Central Government which provide training for ITIs instructors and two ATCs for electronics and process instrumentation offering long and short courses for training of skilled personnel at the technician level in industrial, medical and consumer electronics and process instrumentation. Apart from ITIs, there are also private institutes organised as businesses providing various types of training in areas ranging from computer applications to catering. The training provided in these private institutions varies in quality, but there are many examples of success, especially in the computer industry.

5.2 Vocational training programme for women

The vocational training programme for women began in 1977, with the assistance of ILO/SIDA, and is being implemented through a network of one national and 10 regional vocational training institutes set up exclusively for women. The courses covered under the programme include nine basic and 16 advanced skills. In addition, these institutions also conduct a course on instructional skills. So far, 1,904 training places have been created and 17,462 women have been trained through the programmes. These institutes also offer need-based short-term/*ad-hoc* courses to meet the requirements of local industries, housewives and young women. In an attempt to promote the participation of women in training programmes, separate women's ITIs have been set up. Under the World Bank assisted Vocational Training Project, schemes for setting up 100 new ITIs/wings exclusively for women are being implemented.

5.3 Shramik Vidyapeeths

The Department of Education has initiated a scheme of non-formal, adult and continuing education for the urban community through the *Shramik Vidyapeeths*. During 1997-98, 58 such institutes were set up. The thrust of the scheme is to provide multi-dimensional or polyvalent training and education to the urban community through specially tailored programmes aiming at providing knowledge and skills in an integrated manner.

Under the scheme, courses of varying duration to develop vocational and technical skills for income generation activities are conducted. *Shramik Vidyapeeths* offer around 225 different vocational training programmes ranging from candle and *agarbatti*[4] making to computer courses.

5.4 Continuing education and distance learning

The Indira Gandhi National Open University (IGNOU) and the National Open School (NOS) have jointly launched programmes of distance vocational education for the benefit of young people. NGOs offer vocational courses in agriculture, industry, trade and commerce for persons above the age of 14, even if they do not have a formal school certificate.

5.5 Formal apprenticeship

In India, formal apprenticeship was introduced through the Apprenticeships Act of 1961 which requires employers in notified industries to engage apprentices in specified ratios in relation to the workforce. Apprentices obtain training for periods ranging from six months to four years at the end of which they are tested by the National Council for Vocational Training (NCVT). The successful candidates are awarded National Apprenticeship Certificates. Up until 30 June 2000, there were 227,000 places for apprenticeship training in central or state-enterprises and private sector enterprises, but only 165,000 or about 73 per cent places had been taken up.

5.6 Assessment

As the Government itself admits (GOI, 2001, p.6.11), the quality of vocational training institutions is not very good. Evaluations of the ITIs have shown that there is a great variability in the quality of different ITIs reflecting differences across states and also partly the characteristics of individual ITIs. Many states have encouraged the creation of new ITIs to cover new areas but without adequate preparatory work or resource input or effective follow-up action. The following deficiencies have been noted:

- Much of the training provided in the ITIs is for skills for which there is little demand. The curriculum has not been revised for many years and was therefore not attuned to current market requirements. Some revision has taken place recently but a lot remains to be done. One reason for the lack of attention to market requirements is the lack of involvement by the industry in the management of the ITIs.
- The transfer of skills too needs improvement and the testing process at the end needs to be made more reliable. All Government ITIs and private ITIs affiliated with the NCVT as well as the private training institutes running DOEACC accredited courses rely on formal certification by an independent authority. However, there is widespread perception amongst employers that students obtain certificates even though the actual skills acquired are very poor.
- The facilities and infrastructure in most ITIs are inadequate, with obsolete equipment in laboratories and workshops. Maintenance is also poor. These deficiencies reflect the scarcity of resources with State Governments in India. They have been exacerbated by

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[4]Incense sticks

the tendency to create new institutions in places where they do not exist, even though existing institutions are under-funded and under-utilised.

- There is a shortage of suitably trained faculty in most ITIs.
- There is hardly any follow-up of the trainees, and the courses remain rather obsolete and piecemeal. Placement of graduates is not a certainty.
- The apprenticeship scheme too has its own share of problems. The major problem relates to the quality of training, which varies according to the nature of the firm. The bulk of the apprenticeship places are in public sector firms. As to private sector firms, they generally do not comply with the requirements. One of the problems that have arisen is that apprentices view apprenticeship primarily as an avenue for subsequent employment rather than a mode of training. Although the law clearly does not entitle them to employment, the courts have interpreted the law to mean that apprentices must get preference in employment opportunities within the company where they were trained. This tends to discourage employers from fulfilling their obligations under the Act.

By and large, government training/skill-building efforts are not directed towards the informal sector, or at least not towards the most vulnerable informal workers. As noted in the World Employment Report (ILO, 1998-99, p.70), training systems in India are a typical example of central government driven, supply-led ones, with the Government taking on the prime responsibility for formal sector training in training institutions. There is little or no pressure on employers to train. The Government of India too accepts this position (GOI, 2001, p.6.23).

A predominant proportion of the educational and training resources - including the material and financial - of the formal institutional structure is somehow directed to the formal sector and the 'upper end' of medium and small-scale enterprises. There is a strong orientation towards the use of machines, a very marked gender division of training and curricula (an assumption that girls will go for beautician courses whereas boys will be fitters and motor mechanics). The upper castes and classes benefit mostly, as very often there are strong economic and extra-economic barriers to entry into some of the courses.

Issues of the kind delineated above make the operationalisation of the notion of decent work a distant dream. In most ITIs, the syllabi are very much outdated, structurally defined and centralised, the teachers bored and without much of an idea of market conditions. No wonder then that imparting multi-skills for lifelong learning process will not be given much attention. Not much of an interaction takes place, since questions are not encouraged, as 'courses have to be finished'. Marketing, accessing credit, or even simple labour or environmental laws, as applicable to a particular trade or profession are not part of what is taught.

6.   The case studies

6.1   Presentation of the cases

Five NGO interventions were chosen from the Southern States, to cover a broad spectrum of the kinds of training being provided in the informal sector. These NGOs are:

- **Skills For Progress (SKIP),** formed in 1968 as an association of member organisations providing technical training to economically and socially deprived youth. Headquartered in Bangalore, today it has 195 members all over the country. SKIP seeks to act as a resource support organisation in the field of vocational skills.

- **Goodwill International Association,** based in Bangalore, was established in 1971 and registered under the Societies Act in 1982. Started by some industrial workers from various workers' movements and trade unions, Goodwill International imparts earning skills to unemployed youth and school dropouts. The programmes range from functional literacy to vocational training in 16 slums of Bangalore.

- **MEADOW (Management of Enterprises and Development of Women)/The MYRADA/Plan International Dharampuri Project, Hosur.** This is essentially a collaboration between the watchmakers Titan and MYRADA. The collaboration began with various women's groups assembling watch straps for the company in 1995. By 1998, the women formed themselves into a private limited company, with a board of directors.

- **MAYA (Movement for Alternatives and Youth Awareness)** is a Bangalore based development and training organisation initiated in 1989, working to address children's rights with a specific focus on the eradication of child labour. Adopting a holistic approach to the issue of child labour eradication, of which vocational training forms an integral part, the organisation has initiated several community-based initiatives in the 52 slums that it works in. The activities differ from one area to another, depending on the socio-economic conditions of the families, the employment patterns, the availability of basic amenities and the organisation of the people in the area as a community.

- **DHAN (Development of Humane Action) Foundation,** with its headquarters in Madurai, is a non-profit organization, which spun off from PRADAN (Professional Assistance for Development Action). It was registered as a public trust in 1997 to cater to the needs of the Southern States. It has multi-faceted developmental activities, but believes in empowering the poor by forming community organisations and upgrading their skills through development professionals. Its community banking programme, *Kalanjiam*, set in the framework of gender and development, seeks to train for empowerment by promoting alternative banking efforts through locally formed self-help groups of poor women in the informal sector, both in rural and urban areas. The self-help groups are federated at the appropriate levels. A major part of the intervention comprises establishing linkages with local and apex banks as well as Government schemes to promote employment generation. Another thrust of the programme is to stabilise the income of the *Kalanjiam* members by strengthening the existing activity base and skills by providing appropriate training inputs when needed.

Details of these five NGOs are given in Appendix 2. The choice of the cases was guided by the diversity of the training/skill-building requirements of the informal sector. Out of the five case studies, two, that is SKIP and Goodwill, have some formalised courses, in the sense that these are ITI courses affiliated to the NCVT. Note that not all the courses are formalised, in the sense that they are not officially recognised by the Government. The two institutions run systematised courses, and give certificates that have some market value. SKIP

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focuses mainly on industrial vocational training, while Goodwill has some other concerns. Both programmes are examples of training for employment. The MEADOW example was chosen as an instance of collaboration between private sector industry and a development initiative that ultimately led to the creation of a community enterprise. MAYA represents an example in which vocational training, education, skill-building for employment are combined with training for empowerment.

The DHAN Foundation example was chosen to show how processes of skill formation are shaped when large numbers of informal women workers have to be empowered. The main instrument has been the formation of self-help groups and federating them. The skill-building is often on a person-to-person basis but it can be a formal training programme too when needed, including when basic foundations are laid to form the self-help groups or when community leaders have to be trained.

DHAN's initiative is primarily concerned with training for empowerment, which leads to better employment whether as in wage employment or in self-employment. At one level it might seem that all NGOs forming self-help groups do the same thing, but there is a difference. As a matter of policy and unlike many other NGOs, DHAN withdraws after some time from the people's organisations it forms. Indeed, many of the *Kalanjiam* federations are now totally independent. A lot of emphasis is laid on the importance of micro-credit for the informal sector. Successful micro-credit programmes require a lot of training inputs and DHAN's example highlights the way in which these can be provided. Another reason for choosing this example is that it consciously seeks to address the issue of scale, given the large size of the informal sector, and attempts to provide at least some solutions to the problems of training in the informal sector.

6.2   The basic approaches

The case studies are from different areas of South India. All the initiatives described seek to uplift the poorest of the poor and in that sense can be said to have a similar vision All deal with Dalits, Tribals and some of the other lower castes, who are very much discriminated against in all spheres of life. Caste, however, does not enter the discourse of any of the organisations.

There is a marked diversity in their approaches, which stems from their basic philosophies. SKIP and Goodwill are oriented toward individuals, and supply-driven efforts. Training is equated to providing skills in a particular vocation only, but there is no market sensitivity or any way of gauging the same. No efforts are made to identify individual capabilities, nor trying to link training with overall employability. Instruction in additional life supporting skills is rather weak. Some education programme statements are made from time to time, but that does not mean that every trainee is provided with basic education. The training is a one-time affair, and not a continuous process and the trainees have no choice in what they are taught. Consequently, given the high rate of obsolescence in most manufacturing skills, the trainees often fail to find a job or have to devise other means to learn appropriate skills. The intervention is essentially welfare-oriented, a mode in which the community does not play any role. Empowerment is certainly not an objective. Gender concerns get reduced to ensuring just a few numbers in the training programmes, but even in that there is a marked distinction in terms of the courses boys and girls are encouraged to take up.

MAYA's efforts at building vocational skills along with education is geared to developing the overall personality of the child, in addition to empowering the community to take its own informed decisions and make its own choices. The pedagogical approach is characterised by a constant monitoring of the trainees, which takes the form of formal instruction, master trainers, learning by doing, learning from peers and apprenticeship. The follow-up and employability is very strong. The word "training" takes on a new meaning in this context, and is not restricted to technical vocational skills only. The attempt is to impart an all-round education, including technical skills, so that the youth are prepared for life. For the women, the skills imparted include negotiation skills as well. Effectively, this can happen when the interventionist seeks to promote their rights in order to enable the community to make its own decisions, thereby building up its skills to improve the quality of its life and standard of living. Dependencies are not generated. Training becomes an enabling activity. Gender equity is a major concern. MAYA is more concerned with the processes, but not so much with the scale of its operations.

DHAN operates in an enabling and facilitating mode. Vocational or technical training is not an overt priority. The objective is empowering the community, especially women, and then upgrading their existing skill base to enable access to better economic opportunities. The intervention is certainly not in a welfare mode, but seeks to enable the lowest segment of the informal sector workers to attain their rights. Here again training takes on the meaning of building life-long skills as a continuous process in which women build up their self-image and confidence, develop their social skills, often learning from each other rather than from persons outside the community. DHAN employees create the necessary enabling environment and gradually withdraw. The community owns the process totally.

MEADOW is an example of a successful collaboration between private industry and the people mediated by an NGO. MEADOW today is determined to become self-sustaining and will soon reach this objective. But the training here is only for a particular objective. While empowerment is sought, the collective is not so important. It is like working in a large factory. Individuals are empowered as long as they are on the job and get a salary. The group is cohesive, disciplined and follows high standards. The women earn a fairly good salary in an occupationally safe workplace but there is no freedom to associate as unions cannot be formed. The dependency on Titan is high. If, in the future, the demand for Titan watch-straps falls, or if the firm decides to pull out of the contract, the women will be left high and dry. They do not have marketing skills, since Titan contractually buys their products. Some diversification, like assembling alarm clocks, is taking place, but that too is dependent on Titan. MEADOW seems to be aware of this problem, so is thinking of tying up with some other firms to assemble personal computers. The international personal computers market is currently going through a major slump so it is uncertain how successful this effort is going to be.

The scale of this training intervention too is limited and not geared to the informal sector. Also, the model needs questioning, in the face of globalisation and liberalisation, because this is an example of big industry acquiring cheap labour of high standards, in this case that of women, without giving them any of the workers' basic rights.

6.3   The sectoral interventions

The interventions of the NGOs according to the various sectors that were described in the matrix in Table 1, are analysed in this section. Table 2 indicates the organisations working in each cell. However it should be noted that some interventions may go beyond the boundaries of a single cell.

Table 2: The sectoral interventions

Sector	Traditional	Contemporary
Services	MAYA, DHAN	SKIP, Goodwill, MAYA
Production	MAYA, DHAN	SKIP, Goodwill, MEADOW, MAYA
Trade	MAYA, DHAN	MAYA

Traditional Services

SKIP, Goodwill and MEADOW do not deal with this sector at all. In MAYA's intervention, this sector is only indirectly covered through the establishment of women's associations. DHAN's interventions, in both rural and urban areas provide a lot of support, including building the skills of people in the lowest strata of the informal sector, many of them women. Although it is difficult to organise training and skill-building for a large number of casual labour, street vendors, construction workers and so on, DHAN's example shows that a lot depends on the way training and skill-building is conceived and delivered. In particular, DHAN is well aware that survival in the informal sector depends on multi-skilling and group solidarity so that group members learn from each other more than from external agents. DHAN Foundation has many examples of the formation of groups of women and the enhancement of their skills (see SPMS example in Appendix 2). Each new proposal and each new activity is hotly debated in weekly meetings and members review the present state of the "market". When necessary they seek expert advice, either from DHAN professionals or bank/government officials. The workers own the process of skill-building/training, they decide the curricula, and so the impact is much better in the sense that it is much more empowering and enabling.

Also, the early work of MYRADA, which gave birth to MEADOW, was geared to training/skill-building for this same target group. In the early 1990s, before the launch of the MEADOW/Titan collaboration, MYRADA, experimented with organising washerwomen into self-help groups, who then took up laundry contracts with Titan in their Hosur factory. While formal training sessions on laundering were not organised, the women, on the basis of day-to-day interactions with the Titan and MYRADA staff, as well as interaction with their peers, soon learnt the finer aspects of doing the laundry for an industrial company. There were some elements that had to be taught to the women, as for instance, the importance of timely deliveries, or how to keep money away from drunken husbands. When the women saved enough money, they took a loan to match their own contributions and bought a van to reduce the drudgery of carrying the laundry to and fro from their village to the factory. A driver had to be hired initially but the women soon learnt to drive themselves. Bidding for tenders was another thing that they had to learn. The effort is still ongoing, but no formal training sessions are held.

As for SKIP, it has often tried to upgrade the skills of domestic help, but the effort has not been very constructive. The major reason for this is that domestic help, conventionally considered a 'woman's job' is treated as though it does not require any training or skill - building, therefore the effort has not been in an enabling mode. The women were not taught how to better market their 'domestic services', for instance by forming an agency, hiring out services, in a similar way to the mushrooming of security agencies in the country.

The important principle, as evident from these examples, is that in this segment of the informal sector, the best way of training/skill-building is when a collective is formed and it owns the processes involved. The group might even seek expert help, but it will be on its own terms.

Traditional Production

Again, the SKIP, Goodwill and MEADOW interventions do not deal with this sector specifically.

DHAN works with this sector a great deal, along the same principle of building up groups and encouraging group solidarity so as to enable people to innovate and improve the efficiency of their operations. For instance, in Tirupati, it supports traditional artisans who make toys with papier-maché. These artisans, who migrated from Tamil Nadu decades ago, have formed groups and are today thriving because as groups they have introduced small innovations in the traditional way of toy-making. Regarding the informal apprenticeship that characterises this sector, skill-building is on the job, but innovations, including the use of new techniques of production and implements have been possible only because of group operation. Technologies and tools that would be very difficult for an individual to acquire have now become accessible to the group.

DHAN has focussed its activities on capacity building, especially in terms of obtaining market information, knowledge of sales techniques and so on. Certainly, there has been a tremendous boost in self-esteem, something that comes when one belongs to a group and knows that by doing so, basic social security is taken care of.

Within the framework of its programme to organise self-help collectives (ORGANIC), MAYA has made major interventions in the traditional craft of lacquer work by trying to improve production methods and enable the artisans to get a better deal, both in terms of marketing their products as well as producing them better. The idea is that if the quality of production improves, it will be easier to sell the products. MAYA's intervention has also been started by forming groups.

Traditional Trade

SKIP, Goodwill and MEADOW do not have any dealings with the traditional trade sector at all. Both MAYA and DHAN work with traditional vendors and petty traders, many of whom are petty producers too, by forming collectives. Skills to build up the capacity to collectively negotiate while dealing with large traders, or negotiating for loans are emphasized.

Contemporary Services, Production and Trade

SKIP, Goodwill and MAYA all provide training and skills in both contemporary services and production, but not in trade. SKIP, in many ways, replicates Government institutions. There is a strong emphasis on vocational training and entry into the formal courses is restricted to those who have prior qualifications. The curricula are based on ITIs and as the SKIP personnel themselves admit, they do not often match current demands in the industries. While individual courses, depending on the faculty, may be interactive, students do not have much of a say in what they are to be trained in. Although elementary exposure to worker's rights, as they exist in statutes is provided, strategies to operationalise them are not imparted. Business management, marketing or other skills are not taught. The training is oriented towards individual job seeking and not towards setting up self-owned enterprises. Individuals are not multi-skilled, and are not taught how to access information, credit or market knowledge. Gender and other societal concerns too need to be strengthened a lot. The main difference with state vocational institutions is that SKIP does make an effort to find jobs for students who conclude their training.

Goodwill models itself on SKIP but has been able to improve what it has to offer. Both NGOs have both formal and non-formal courses for fitters, turners, electricians, plumbers, welders, tailors and so on. The range is wide, a lot of emphasis is placed on individual attention to the students' needs. As the Goodwill faculty has earned a reputation in South India as technical trainers, there is not much emphasis on building up other necessary skills like marketing, accessing finance and so on. The institution does not promote group enterprises nor is there much of an emphasis on building up the educational capacities of the students. In terms of quality however, the technical skills imparted are better than in the ITIs, with many dropouts from ITIs joining Goodwill, doing well and finding jobs. This is perhaps due to the individual attention given to the students.

MAYA, on the other hand, has a rather holistic approach in terms of its vocational training and imparting skills. While the technical training imparted, be it in carpentry or motor maintenance and repairs, is pretty rigorous and comprises some of the latest knowledge in the respective fields, a lot of emphasis is placed on education, personality development, dealing with customers, team work and so on. On entrance, the youth trainees are mostly illiterate; even if they have been to school, they have often forgotten what they learnt. A baseline assessment is made in which the students' aptitudes are tested and there are special classes for slow learners. Those who have been trained for instance in motor repair find jobs in regular vehicle service centres. One can see some elements of decent work training being imparted to the trainees. The emphasis on quality management and control sometimes creates problems, as the market often does not demand high standards of quality. Stipends are provided to the trainees.

MAYA currently faces two major constraints: expanding its production and labelling its products, in addition to marketing some of its services. This is partly because it depends more on individual orders and supplies. The issue that this raises is how competitive it will remain. Marketing is rather difficult for the organisation at this stage. According to MAYA officials, although the organisation gives an introductory course in marketing to its trainees, it does not believe that it is possible to impart marketing skills along with vocational skills to such an extent that the trainees can do their own marketing in a highly competitive environment. This is why MAYA established the ORGANIC programme. This programme

provides marketing support to production groups in the local area. It has had some success in marketing some carpentry products, but not in a "big-way".

MEADOW produces watchstraps and is aware of the problems associated with its dependency on the nature of the demand. A multi-skilling process, in which the watchstrap makers are also being taught skills ranging from assembling computers to managing accounts, is in place. Titan initially trained some of the women in office management and accounts. Now that the women have registered their own firm, they are competently doing this job. The idea of assembling computers for some branded manufacturer is being contemplated and is seen as one of the solutions to becoming too dependent on Titan.

DHAN does not focus so much on the contemporary services, production or trade sector. But there is nothing to prevent the women from venturing into such areas. The choice is theirs. The overt emphasis of the organisation has hitherto been the absolutely marginalized women, and it might take quite some time before it gets into contemporary services, production or trade. It has made a small beginning, however, in Madurai district with a group of women trying to manage computerised information centres.

The approaches to training and skill formation differ for each of the sectors and each of the organisations. These are summarised in Table 3 below:

Table 3: Approaches to Training and Skill Formation

Issues	SKIP	Goodwill	MEADOW	MAYA	DHAN
Qualifications of trainees	Minimum basic education (10+2)	Minimum basic education (at least 8th 10 class)	Minimum basic education (at least 10th class)	Education not a must	Majority illiterate/few with some primary education
Age group	Youth	Youth	Youth	Children/Youth	Adults
Sex	Mostly men, not yet part of the workforce	Men and Women, not yet part of the workforce	Women, part of the workforce	Both sexes, not yet part of the workforce	Women, most part of the workforce.
Orientation of programme	Vocational, trainees choose a course according to their perceptions. Does not include education, thrust on technical aspects only, ITI modelled.	Vocational, trainees choose a course according to their perceptions. Does not include education, thrust on technical aspects only, ITI modelled.	Various aspects of manufacturing watch straps, no scope of exercising choice. Education is not included. On the job learning component high.	Multi-faceted, basic vocational training followed by specialisation according to aptitude and choice, includes education. Thrust on building life skills, including social skills.	Multi-faceted training for livelihoods, includes self-image/confidence building skills, social skills especially those related to negotiation, like dealing with banks and other officials, on building linkages and so on; bare technical skills imparted on demand by groups. Self-decided and chosen skill upgrading, individuals given a lot of space by the collective.
Training programme thrust/base and meaning of training	Individual, training implies a one time acquisition of some skills	Individual, training implies a one time acquisition of some skills	Individual, training implies a one time acquisition of some skills	Some individual, but focus on community. Training defined as enabling, a continuous process	Community, individual training only if group so wants/needs. Training is seen as enabling, for empowerment. Training is a continuous process, virtually a life-long affair.
Pedagogy	Individualistic, piecemeal, process owned by the teacher/instructor, not very interactive.	Individualistic, piecemeal, process owned by the teacher/instructor, not very interactive	Learning from instructor, followed by learning from peers and by doing.	Combination of teaching by instructor, learning from peers, by doing and from community. Interactive	Learning from peers, resource persons, processes owned by community, highly interactive.
Quality of training	Supply driven, high obsolescence level, classroom oriented. No flexibility	Supply driven, high obsolescence level, classroom oriented. No flexibility	Narrow demand based, classroom and workshop oriented. No flexibility	Need-based, with some supply driven aspects included. Classroom, workshop as well as community spaces. Need and situation based flexibility. Continuous upgrading	Need-based, Community spaces, with need-based. Very flexible, caused by situational, contextual diversities as well as different group necessities.

Follow-up	Practically non-existent, some find placement in industry as apprentices.	Minimal follow-up, but attempt made to find placements in industry as apprentices.	Not applicable	Continuous follow-up, placements and post apprenticeship follow-up too.	Continuous follow-up, interaction on a day-to-day basis.
Trainers knowledge base/openness	Fixed syllabi orientation, Government modelled.	Fixed syllabi orientation, Government modelled.	Specific task oriented	Knowledge base high, trainers re-oriented frequently, high degree of openness. Trainers flexible in terms of changing syllabus to meet market needs.	Knowledge base high, trainers re-oriented frequently, high degree of openness as well as practicality.
Trainers accountability	To organisation	To organisation	To Titan mostly	To the students and the community	To the community.
Sustainability of training process	Will continue to last as long as funds are there	Will continue to last as long as funds are there	Depends on the market demand as well as industrial partner.	External funding dependent.	DHAN itself depends on external funding but many of the community organisations have become self-sustainable over time. The intervention seeks to make them self-reliant. Many of the community organisations provide employment to professionals.
Gender sensitivity	Needs strengthening	Needs strengthening	Though involves women only, virtually non-existent insofar as gender in wider society is concerned	Gender equity an implicit concern	Intervention oriented to attain gender equity in society.
Decent Work components/rights issues	Trainees given exposure to worker's rights	Trainees given some exposure to worker's rights	Some decent work components, like occupational safety and so on. Basic principle, empowerment or freedom to choose missing	Orientation to practice decent work, empowerment, freedom to choose, multi-skilling a future goal.	Orientation to practice decent work, empowerment, freedom to choose, multi-skilling. Rights based intervention.

Employment effect of training/intervention	Attempts to place trainees as apprentices, but net employment effect of intervention difficult to ascertain in the absence of adequate data	Attempts to place trainees as apprentices but net employment effect of intervention difficult to ascertain in the absence of adequate data	All employees	Attempt to place vocational trainees in jobs. For others, creation of enabling environment to build livelihood security	Creation of livelihood security by creating enabling environment and empowerment.
Creation of economic spaces	Nil	Nil	Niche due to linkage	High potential	Intervention seeks to create spaces.
Capacities to create markets and linkages	Doubtful	Doubtful	Doubtful	High	High
Access to information	Low	Low	Low	High	High
Access to micro-credit/micro-finance	Nil	Nil	Nil	High potential for some	Based on micro-finance
Potential for enterprise development /formation of cooperatives	Little	Little	Little	High	High

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To sum up, two of the case studies selected, SKIP and Goodwill, follow a traditional approach to training, concentrating more on vocational training or training for employment. These interventions have similar problems to Government or formal training systems, including that of obsolescence and considering training as a one-time affair. One of the interventions, MEADOW, consists of women collaborating with a private sector enterprise, in which training, once again, takes the form of training for employment. This intervention has its limitations, especially that of being over-dependent on one firm. Efforts though are underway to change this situation. MAYA combines training for employment that is vocational training, with training for empowerment. DHAN's training, on the other hand, concentrates on empowerment. The lessons from these case studies are discussed in the next section.

7.   Learning from the case studies

Given the complexities and heterogeneity of the informal sector concept, it is difficult to make very general arguments regarding training. There is a wide variability in the training needs of the informal sector, which need to be placed in context before formulating appropriate strategies. To do so would require a lot more research on the nature and character of the informal sector, the survival strategies, the mobility and the available choices in each sector as outlined in the matrix presented in Table 1. These studies need to be location specific too. However, some important lessons can be derived from the case studies in terms of basic processes. These become all the more important under the present conditions of globalisation and liberalisation and the sheer magnitude of the informal sector. It becomes imperative to think of issues of scale in considering any model of intervention.

The major lessons are:

a. If the size of the informal sector has to be addressed, it is necessary to redefine training as *training for empowerment* and not just for employment or a vocation. This is one way of addressing the problems of the most vulnerable workers in the informal sector. In this, a major challenge for researchers, policy makers, trainers and other change agents is to build up a more realistic picture of the informal sector, the diversity in it, and map the diverse survival strategies inherent to the various sub-sectors. Formulation of training packages and approaches will have to be based on such understanding and go beyond narrow definitions of technical training only and treated much more holistically than at present.

b. *Creating an enabling environment*
    Training for empowerment necessitates creating an enabling environment, which is a big challenge in itself. This has many facets, but begins with building up the self-image and confidence of trainees. As the experiences of DHAN and MAYA show, training for empowerment, building social and negotiating skills as well as skills to enhance productivity cannot be a one-time intervention.

c. *Pedagogy of training for empowerment*
    In training for empowerment and creating an enabling environment, external inputs, in the form of trainers are needed, but they have to play a facilitative role, to enable the community to learn on its own and from each other. Highly skilled resource persons, who constantly upgrade their own skills, are required, and they have to be accountable

to the community. The pedagogy of this training process stresses co-learning and sharing with peers, which brings about crucial linkages and contacts with markets and the supply chain. The process stresses creating "spaces", so that the workers can exercise all the necessary freedoms and choices that go with the notion of decent work. The upgrading of skills too takes place in this context through the collective giving the individual the space to grow. In fact, a major part of the capacity building, training and so on for these groups takes place on a day-to-day basis, where the members themselves set the agenda, according to their needs. Creating the necessary social spaces, enabling the workers to develop their own models of social security and support, have to be a part of the capacity building process.

d. *The role of the change agents*
The change agent has a critical role to play in this process. The success of the intervention crucially depends on his/her perception of both the problem and the solution, and what is required in a particular context. This in itself has to be based on a thorough understanding and respect of the culture of the workers, their belief systems, and their dignity.

e. *The intervention package*
The intervention package has to be worked out within a human rights framework, including gender and child rights, where the community/people's organisations are of paramount importance, as the implementers, monitors and evaluators of the skill-building packages. The human resource building aspects, especially basic human skills are of critical importance.

f. *The non-negotiables*
While the contents and the pedagogy of the intervention packages will need to be worked out according to the specifics of each situation, the non-negotiables of such packages will be in relation to decent work. The thrust, in a rights framework, has to be oriented towards empowerment, building up, among others, survival capacities in order to ensure:

- Basic security of incomes and other social securities;
- The ability to choose when not to work, especially if the conditions of work are degrading and dehumanising (*cf.* the thousands of manual scavengers in the country);
- Labour market mobility irrespective of caste, gender and ethnicity;
- Occupational safety and health, that is if the workers have to work in hazardous jobs, they get at least the basic minimum protection; and
- Adequate and appropriate, timely remuneration, on the basis of equal pay for work of equal value for men and women, and a fair wage for adults so that they are not forced to take their children out of school and put them to work.

Essentially, training/skill-building in the informal sector needs to be seen as an enabling device, where the components of decent work are integrated. The enabling environment, in terms of rights, which includes the right to economic and social justice, as well as the right to livelihoods, can best be created through forming community organisations supported, if necessary, by external professionals. The external support is there to facilitate the building of skills and survival techniques amongst group members. Techniques here include simple intermediate technologies as well as social and negotiating skills. Thus the women members of a savings and credit group need to know all about the opportunities and possibilities that are

available to them, including knowledge about sources of cheap credit or the labour laws applicable to them. Similarly, for a street vendor, creation of the necessary economic space and the skills to negotiate constitute the most important skills to have.

Such skills/training processes for empowerment need to be owned by the community, and, over time, the role of the external agent should become progressively marginal. Life skills, education, flexibility of the training and the decent work components all need to add up to one objective: meeting basic needs and enhancing the self-esteem and self-confidence of the workers.

The interactive process that we are discussing can be represented diagrammatically, as in Figure 1. (Note that this is a stylised representation and is not applicable to all situations and contexts without modifications).

Figure 1: The empowerment approach to training
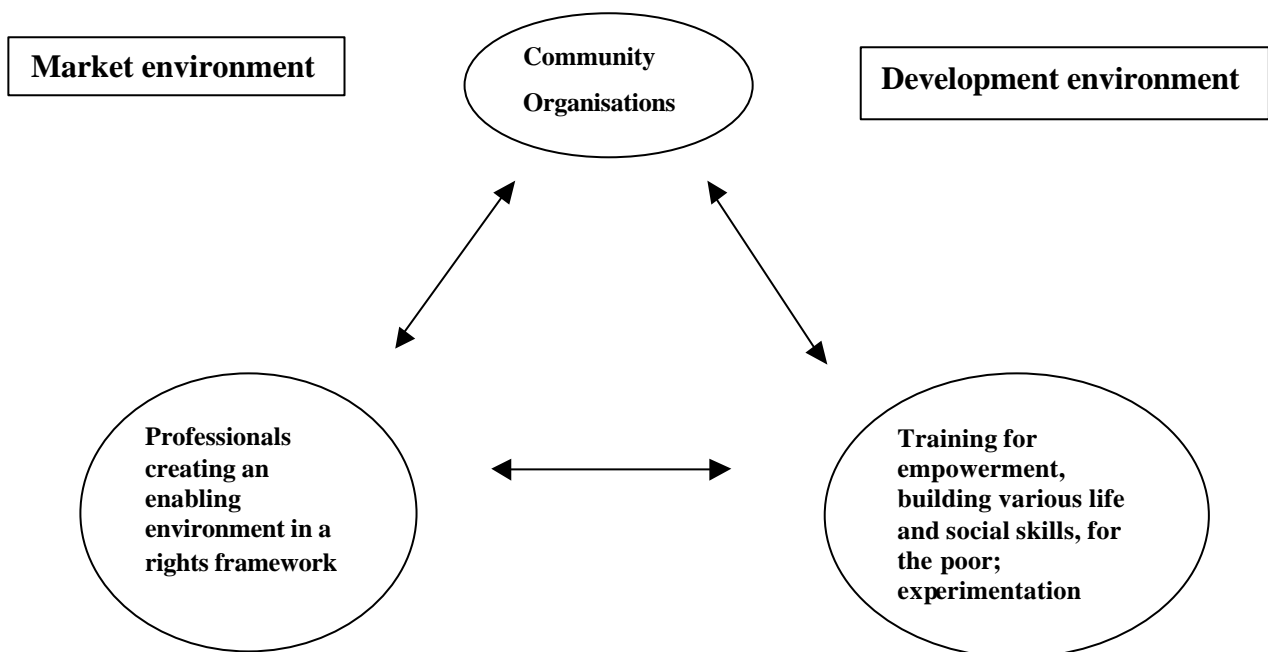
There is a three-way interaction between training for empowerment, people's organisations and the role of professionals who seek to create an enabling environment for the poor to be able to get out of poverty, in a particular development environment and market context. In this respect poverty alleviation might seem to be a simple matter of providing training in income augmenting activities to the poorer workers of the informal sector. But this would fail to recognize that the larger numbers of the poor, unemployed members of the informal sector do not often have the requisite basic skills or education to receive such training. On the other hand, if one accepts that development is a matter of right for the poor, and not just a concession that comes as the end-result of a "trickle-down" process, then the creation of an enabling environment in a rights framework is needed. Committed professionals, as in the case of DHAN and MAYA, can play a very important role in the creation of this enabling environment, because as trainers they do not restrict themselves to the techniques of production, services or trade. Rather, they create this environment by building up communities; provide training to build up the solidarity and identity of the group. The prime focus is on training for empowerment, which then leads to the community/group training itself with or without external help to augment incomes.

The various skill-building techniques used are not class or gender neutral, hence they have to be adapted so the poor can use them. Local organisations are needed to transmit these techniques. But incentives of the tangible benefits derived from such techniques are necessary to build viable and sustainable local organisations. The third factor, the enabling environment, is critical for the other two factors to perform. Note that the techniques here refer not only to the hard-core technologies of production and so on, but also the human skills, values and so on as well as the basic knowledge required to survive in an increasingly competitive world. The overall purpose of training is to create that enabling environment, in such ways that the community and hence the individuals get empowered and can exercise their rights, including the right to decent work. Gender and other forms of social equity (caste, ethnicity) is a part of this.

The success of the training/skill-building process depends on the best mix of these factors. Indeed, training and skill-building have to be seen as a process, more so if the magnitude of the numbers involved is high. Also, the basic approach to processes and deriving from that, institutions, knowledge systems and styles of functioning of the enabler, the external agent or the training provider has to be very different if the intervention is to be sustainable. This is the enveloping function or approach to the three-way link between training for empowerment, people's organisations and the market and development environment to promote successful income augmenting activities for the poor.

In this context, the formation of self-help groups and micro-finance cannot be emphasised enough. But again, it is necessary to be cautious. NGOs are forming such groups throughout India, but very often with limited success. The human investment in group formation is often not sufficient. The success of DHAN's endeavour has been because it has implemented what it has learnt from the people, and because it has been able to trigger off the potential of the rural poor to help each other. This has been possible by creating institutions and processes, which are owned by the participants, that is the poor women themselves in DHAN's case. They make and follow their own rules. This is an example of good governance and not of policing, which often becomes the case in such interventions.

g. *Training for employment*
For those with some education the orientation of training has to be that for empowerment. This means that along with technical/vocational skills (which need to be updated continuously) other important capacities have to be built up. The first of these relate to working in groups and teams. Success stories from the lowest end of the sector, as well as traditional production centres, show that this is often a means to upgrade skills. Building up ways of accessing information about the latest trends in the market, the demand for particular skills contribute to the empowerment of the workers. The MEADOW experience illustrates this process. Trainers need to be highly competent in this process, while the community, even that of the trainees can monitor the process.

Finally, for all the segments of the informal sector, training in marketing and establishing linkages is a must, because ultimately that is what determines the success of the effort. But even within the sector there are two critical constraints, which if not addressed from the outset, can derail the efforts. These are the barriers of gender and caste inequity. Even DHAN has had to face problems on both scores. This necessitates a deeper understanding of gender and caste equations of the informal sector, in a disaggregated way, but unfortunately there are no studies available on that. In the ultimate analysis, the

Government has the greatest role to play in promoting these concerns. This means it has to prioritise capacity building in the informal sector, and play the role of the prime enabler. The actualisation of decent work too can start through the enabling functions of the external agencies, so that the workers concerned get truly empowered to exercise choices.

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Appendix 1: Vocational training schemes in India

Schemes of the Ministry of Rural Areas and Employment

The Ministry of Rural Areas and Employment administers a number of schemes aimed at creating sustained employment opportunities to secure a certain minimum level of employment and income for the rural poor. These include the Jawahar Rozgar Yojana (JRY) Employment Assurance Scheme, the Integrated Rural Development Programme (IRDP), the Programme for Development of Women and Children in Rural Areas (DWCRA), and the Training of Rural Youth for Self-employment (TRYSEM). With the exception of DWCRA and TRYSEM which are described below, the other schemes do not have much of a training component.

- *DWCRA*: Introduced in 1982-83, as a sub-scheme of the Integrated Rural Development programme, DWCRA aims at developing income-generating skills and promoting activities among poor women in rural areas, subsequently improving their social and economic status. The basic unit under this scheme is a group of 10-15 poor women (though the size may be smaller in different areas). The programme is implemented by the District Rural Development Agencies. Any economic activity suited to groups of women in line with their skills, aptitudes and local conditions can be taken up under the scheme. NGOs are also involved in the implementation of the programme and are supported by the Council for Advancement of People's Action and Rural Technology (CAPART), an organisation set up under the Ministry of Rural Areas and Employment to coordinate the development work of voluntary agencies in India. According to official estimates, about 350,000 women have benefited from this scheme up to April 1998. However, due to poor backward and forward linkages, lack of spontaneous financial support and selection of non-viable activities, several groups of beneficiaries are no longer supported.

- *TRYSEM*: Established in 1979, the Training of Rural Youth for Self-Employment is aimed at developing technical and entrepreneurial skills among rural youth from families below the poverty line aged between 18 to 35, to enable them to take up income-generating activities. Training given under this scheme is based on the needs of the area, and is provided at such training centres as the ITIs, community polytechnics, extension training centres, Krishi Vigyan Kendras, khadi and village industry boards, state institutes of rural devebpment or institutions run by voluntary agencies. Training under this scheme is normally for six months, during which the trainees receive a stipend. Besides, financial assistance is also provided to the training institutions and master craftsmen. In all, over 4 million youths have been trained under the TRYSEM up to March 1998. However the TRYSEM has a weak link with the overall strategy of self-employment. The training is generally not related to the capacity or aptitudes of the trainees and unrelated to the demand for a particular skill.

Training under the Department of Women and Child Development

The key training activities of the Department are:
- Provision of Support to Training and Employment Programmes (STEP) for women: since the inception of the programme, 51 projects have been approved and over 250,000 women and youth have participated in them.
- NORAD-assisted programme on employment cum income-generation-production units: under this programme, training is imparted to women and school dropouts in selected non-traditional trades such as electronics, watch-manufacturing and assembly, printing and binding, handlooms, weaving and spinning, garment making, beauty culture, typing and shorthand. The programme provides financial assistance to the grantee organisation for renting sheds required for training-cum-production purposes, meeting training cost, payment of stipend to trainees, and the purchase of machinery and equipment required, dormitory facilities and day care centres.
- Scheme of condensed courses of education and vocational training programme for women: this scheme, started by the Central Social Welfare Board and revised in 1990-91, aims to provide educational opportunities to needy women to enable them to acquire

requisite qualification and develop appropriate skills so as to make them eligible for identifiable remunerative work. Moreover, voluntary organisations are given grants to impart training to needy women in the 15+ age group in different vocations, providing them opportunities for employment and self-employment.

Training provided under the Khadi and Village Industries Commission (KVIC)

The KVIC has 51 training centres comprising 12 multidisciplinary training centres, 12 *Khadi Gramodyog Vidyalayas*, 24 village industries training centres and three state board training centres. In addition, there are 10 training-cum-production centres, which are owned by private companies At present, training is provided in 120 courses of which about 100 courses relate to only about 25 industries and the remaining 20 courses relate to various sponsored and special programmes. Training is given in nine broad areas: artisan's courses; general management; salesmanship; marketing management; entrepreneurship development; supervisory courses; textile chemistry; accountancy; and refresher courses. In the period from 1990/91 to 1995/96, a total of 52,377 persons were trained in KVIC training centres.

Training provided under KVIC has not been much of a success. A study of 1997, undertaken by the Institute of Applied Manpower Research (IAMR), shows that apart from not being employment-oriented, the training does not appear to encourage self-employment among the rural youth. The study also observed that some of the courses are outdated and the quality of training is poor. The certificates awarded by the KVIC are not recognised by employers, other than the KVIC itself. The existing training capacity is not fully utilised and the infra-structural support available in training centres is inadequate as most of them are not equipped with modern equipment. Furthermore, only a quarter of the existing teaching staff are suitably qualified to teach. Another striking observation brought out by the study is the complete absence of linkages between KVIC and other institutions such as the Department of Rural Development, small-scale industries and community polytechnics, which offer similar courses to rural youth.

Prime Minister's Rozgar Yojana

Launched in October 1993, the Prime Minister's Rozgar Yojana (PMRY) aims at providing wage employment and self-employment to educated unemployed youths aged between 18 and 35. The scheme envisages compulsory training for entrepreneurs for a period of 15 to 20 working days for the industrial sector after a loan is approved. The scheme is targeted to provide assistance to 220,000 educated youths during the year 1999-2000.

An evaluation of this programme (IAMR, 2000) revealed that it generates employment for about 2.4 persons per unit. The employment generation potential is found to be more in the case of industrial units (3.5 persons) than in the service (2.2 persons) and trade (1.9 persons) sectors. Training has been useful for an overwhelming majority of the beneficiaries (81 per cent). Many more youth seek assistance under the PMRY. However, almost half of the total applications are rejected by the taskforce committees of the District Industry Centres (DICs). The most important reason behind these rejections is inadequate technical skills. Therefore, the need for more training facilities is being increasingly felt by the youth before setting out on their ventures. Also there is a lack of publicity campaigns on the various aspects of PMRY like eligibility, fund availability, skills required and markets. As a result, there is little awareness among the youth about the scheme.

Community Polytechnics

The Community Polytechnics (CPs) scheme was initiated by the Department of Education in 1978/79. It aims at promoting rural industrialisation through the application of science and technology without environmental degradation. More specifically, it seeks to bring about socio-economic development and improve quality of life by providing location and culture-specific, non-formal, need-based, short-term training in skill-oriented technical and vocational trades irrespective of age, sex or

educational qualifications. The target groups for training specifically include unemployed and under-employed youth, school and college dropouts and the underprivileged and disadvantaged groups including women, minorities and weaker sections of society.

Community Polytechnics are not separate institutes, rather, some of the existing polytechnics have simply been designated as CPs, and selected to receive central assistance under the scheme. There are 516 CPs, 83 of which were set up to cater to the needs of women. It has been found that 43 per cent of those trained in CPs are women, 18 per cent belonged to the Scheduled Caste category, four per cent to the Scheduled Tribe and 13 per cent to minority communities. In all, about 620,000 rural youth have been trained by CPs till March 1999.

Persons trained in civil construction, plumbing, manufacturing, welding, sheet metal, moulding and electricals, have better opportunities for wage employment. Some CPs have done good work in manpower development and training, but their impact in the rural sector, as a whole, has been limited as they work in a limited and isolated manner.

In most of the cases, the benefits of the scheme go to well-off groups and this entails a waste of scarce resources. Because of the multiplicity of Government and voluntary agencies involved in rural development, it is difficult for CPs to collaborate with all of them. This has resulted in considerable duplication of efforts. Training under the Community Polytechnics scheme is not recognised by employment exchanges for employment or for loan purposes (TTTI, 1999).

Bharatiya Yuva Shakti Trust

Bharatiya Yuva Shakti Trust set up in April 1990 with the support of the Confederation of Indian Industry, aims at helping unemployed or under-employed youths in the age group 18-35 to set up or develop their own business. Their support takes various forms such as donations, sponsorship of events, professional assistance and mentoring on a purely voluntary basis. The most remarkable feature of the trust is to provide each beneficiary with a mentor, on a one-to-one basis in the *guru-shishya* tradition, according to which the teacher not only teaches but also guides and helps develop the disciple. The mentor gives professional advice, maintains regular contact with the business, monitors progress, helps in addressing the problems of the assisted economic units and in developing them. Since its inception, this scheme has helped over 450 business units employing more than 1,540 people in Delhi, Haryana, Chennai, Hyderabad and Pune.

Entrepreneurship Development Centres/Institutes

There are a number of entrepreneurship development centres in the country, which have been providing training in different fields based on the resource endowment of the area. These centres have also prepared sector profiles for sectors where micro-enterprises are predominant such as textiles and garments, agro-based food processing, automobile, mechanical, electrical, chemical industries, paper and printing, forest and animal based service enterprises, and leather-based industries, etc.. Also, they provide small business management training and run training programmes for wage employment As a result a large base of training and R&D has been created in the public and private sectors.

Training under the National Renewal Fund (NRF)

In 1992, in the wake of the Structural Adjustment Programme (SAP), the Government launched the National Renewal Fund (NRF) as a social safety net to provide:
- Assistance to cover the cost of retraining and redeployment of employees arising from modernisation, technology upgrading and industrial restructuring;
- Funds, where necessary, for compensation of employees affected by restructuring or closure of public and private sector industrial units; and

- Funds for employment generation schemes in both the organised and unorganised sectors in order to provide a social safety net for those affected by the consequences of industrial restructuring.

The idea of the scheme was that the persons benefiting from it would set up small enterprises (especially be self-employed) with the capital that they obtained, thereby taking care of their own needs and, eventually, contributing to the growth of the economy.

For retraining and redeployment of redundant workers, the Employees Assistance Centres (EACs) were set up under the NRF. In order to assess the training needs of redundant workers, these centres make a quick survey with a view to obtaining broad information necessary for framing an annual action plan to retrain workers. The survey collects information on the size of the target group, training facilities available in the vicinity and costs, and possible avenues for self- and wage employment. It attempts to provide skill profiles of eligible workers and their preference for either wage or self-employment or counselling. The survey is also required to project possible vacancies in different categories of vocations. Surveys were conducted on the prescribed lines by almost all the EACs.

EACs undertake the identification of appropriate training institutions by collecting information through formal questionnaires and visits where necessary. Feedback is also collected from the trainees. EACs further help in the redeployment process by liaising with prospective employers. Also, they assist those who prefer to set up their own ventures. Despite variations in training methodologies, by and large, most of the training institutions follow a logical approach to information gathering, development of action plans, systematic surveys, counselling, identification of training resources of both the public and private system. They conduct follow-ups and consultations with beneficiaries as well as the employers' associations and trade unions.

The NRF experience in retraining redundant workers, however, has not been successful. As of the end of August 1998, an estimated 118,509 persons had retired under the voluntary retirement scheme from public sector undertakings. Only a quarter of those who chose the voluntary retirement scheme were retrained, and 7 per cent of those retrained were redeployed. It is quite surprising that out of the total expenditure of Rs.2.2 billions, only one per cent was spent on retraining and the remaining amount was used for the provision of assistance to voluntary retirement (Chandra, 1999).

Schemes under CAPART

The mandate of the Council for Advancement of Peoples Action and Rural Technology (CAPART) of the Ministry of Rural Development is to:

- Facilitate the implementation of sustainable rural development projects;
- Act as a national data bank on voluntary action;
- Act as a national nodal agency for development and dissemination of appropriate rural technologies;
- Promote people's participation and voluntary action; and
- Network with national and international institutions.

Some major initiatives of support available from CAPART directly relevant to the informal sector are as follows:

a. *Public Cooperation Scheme*

This scheme aims at promoting innovative and integrated projects and programmes not already covered under one of the existing Government schemes. Micro-finance, health and sanitation, education, rural energy, sustainable development, disaster management, housing and environment protection are some of the areas where innovative projects are offered to

voluntary organisations who can take up either a village(s) or Panchayat(s) for comprehensive development for a period of three years by holding Participatory Rural Appraisal sessions with the *gram sabha* (village council).

b. *Rural Technology Scheme*

This is a scheme implemented in consultation with Technology Resource Centres, mainly located in the rural areas operating in technology up-gradation and skills developments, to transfer technologies already developed by national laboratories and institutions. The technologies identified concern rural housing, water conservation, village industries, food processing, herbal medicines, biomass utilisation and handicrafts.

c. *Disability Action Scheme*

This scheme helps the disabled people to become self-supporting and become partners in the developmental processes. It works with voluntary agencies that have the capacity to work in the field and that are development-oriented.

d. *Young Professionals Scheme*

The Council makes campus recruitments for professionals to work in rural and micro enterprises. It offers Rs. 8,000 (approx. US$ 160) as a stipend for trainees, of which 25 per cent is to be borne by the voluntary organisation where the trainee works. After the training, the professionals can start their own voluntary organisation or NGO to implement CAPART's schemes.

There are formal institutions such as the Khadi and Village Industries Commission (KVIC) under the Ministry of Industries and other institutions in the Departments and Ministries of Rural Development, Child Welfare and Women's Development, which were created to assist the development of village, cottage and small scale industries including the informal sector. But as some studies and particularly the recent survey of Raghunandan (2000) shows, the relevance of such formal institutions for the development of the informal sector has been very minimal. They however organise workshops and sponsor training programmes mainly through NGOs.

There are also other formal institutions in higher education, Industrial Training Institutes, science and technology including Department of Science and Technology, national laboratories under the Council of Scientific and Industrial Research (CSIR) too. While much of their work and efforts are concerned with the industrial demands and other science and technology demands, only a small proportion of their effort may be said to be relevant to the needs and demands of the informal sector (Raghunandan 2000). For instance, the laboratories of the Council of Scientific and Industrial Research in leather, food processing, mechanics, electronics, drugs and pharmaceuticals, chemical and biological research hardly reach out to the informal sector. They offer very few training programmes directly. However, indirectly, some of their programmes are meaningful and find relevance through the intermediary action of NGOs. Training in skills development, vocational education and other support activities of CAPART and other Government agencies are also offered through NGOs.

Tables A1 and A2 give an idea of the vocational education and training system in India as well as the involvement of central Government ministries and departments in training for specific sectors.

Table A1: Vocational education and training system in India at a glance

Under government auspices					Other than government
Dept of Education	**DGET, Ministry of Labour**	**DWCD, Ministry of HRD**	**Ministry of Rural Area & Employment**	**Ministry of Industry**	**Industrial Enterprises** **IN-PLANT TRAINING**
• Vocational Education, Secondary School, Lower School, First Degree level • Apprenticeship (for graduate engineers, diploma holders, vocational school pass - outs) • Technical Education • Community Polytechnic Project • *Shramik Vidyapeeths*	• Craftsmen training scheme • Apprenticeship (trade apprentices) • Advanced vocational training scheme • Vocational Training Programme for Women • CSTRI • CSMI • CTIS • FTIs	• Step • Norad-assisted Programme • Condensed courses of education & vocational training	• TRYSEM (now replaced by other programmes)	• Training through DCSSI Institutes • Training under NRF • Training activities of KVK	Private training providers • PRIVATE PROPRIETARY TRAINING Non Government Organisations • INFORMAL SECTOR TRAINING Employers Organisations • SUPPORT TO INDUSTRY'S TRAINING ACTIVITIES
Other training activities administered by central and state government departments					

Source: Report of the Task Force on Training.

Table A2: Involvement of central Government ministries and departments in training for specific sectors

Rural Agricultural Sector	Non-farm Rural Sector	Training for Women	Worker Education and Labour Development Related training	Training for Industrial Sector	Training for Infrastructure Sector	Training for the Services Sector
Ministry of Agriculture Dept. of Biotechnology Dept. of Non-conventional energy sources Ministry of Rural area & Employment	Ministry of Rural area & Employment Dept. of Youth Affairs & Sports Dept. of Biotechnology Dept. of Non-conventional energy Sources Ministry of Water Resources Ministry of Health	DWCD (other than Step & NORAD assisted programmes) Women, Labour cell, Ministry of Labour TREAD programme of Ministry of Industry	Central Board of Worker Education (Ministry of Labour) National Labour Institute (Ministry of Labour) DGFASLI (Ministry of Labour) Institute of Labour Development (IFCI) NSTEDB (Ministry of Science & Technology)	Ministry of Industry Dept. of Electronics Ministry of Textiles Ministry of Environment & Forests Ministry of Petroleum Ministry of Coal Ministry of Commerce Ministry of Supply Ministry of Civil Supplies	Ministry of Power Ministry of Railways Ministry of Surface Transport Ministry of Civil Aviation Ministry of Urban Development	Ministry of Civil Supplies Ministry of Information & Broadcasting Dept. of Personnel & Training Dept. of Culture Ministry of Home Affairs Ministry of Parliamentary Affairs

Appendix 2:   The Case Studies

(This appendix is based on the NGOs annual reports and interviews with key officials).

1.   Skills for Progress (SKIP)

With a mission statement in support of the poor, SKIP envisages empowering socially and economically poor and marginalized communities to foster a just and humane society.

For decades, the churches in India have been running technical training institutes all over the country. Every year, batches of students - mainly orphans and those from the lowest stratum of the society - become qualified in various technical skills. However, after the completion of their courses, a number of students fail to get a suitable opening, despite the fact that industry is always on the lookout for qualified labour. Against this backdrop, SKIP was formed in 1968 as an association to primarily act as a liasing body between industry and technical schools and to build a link to bring the Government and private schools to work out the common goal of training skilled workers for the industries.

SKIP saw itself essentially as a coordinating body that attempted in various ways to draw private technical schools into a common organisation to work for their individual and common benefits. The common organisation, whose members were the various technical schools tried to act as a link between Government and private schools. It helped to work out a programme and steps for implementation to upgrade standards, revise textbooks or publish new ones. With aid from resource agencies abroad, SKIP would advise and assist schools in procuring adequate equipment and qualified and competent staff. Besides, it would also help in the training-cum-production schemes, with a view to make the schools self-sufficient.

Today, there are 195 member institutions spread over the length and breadth of India. Collectively, they train over 27,000 youths every year in their institutions and a couple of more thousands through their outreach programmes. In many places, the campuses of the ITIs are also used to run the programmes.

SKIP is not a funding agency, but rather a support organisation in the field of vocational skills. In the year 1999-2000, SKIP member institutions and other voluntary organisations supported by SKIP implemented several projects related to skill training and income-generation activities. The distribution of its resources among the main areas of work is:

1.   Skill Training (in the subsistence sector as well as the market sector): 41 per cent;
2.   Appropriate Technology, 13 per cent;
3.   Capacity Building, 11 per cent;
4.   Starting Aid for Enterprise, 14 per cent;
5.   Others, 9 per cent; and
6.   Project Management,12 per cent.

1.1   Skills Training

Several skill training programmes were conducted in the year 1999-2000. These programmes were characterised by the following approach:

- A clear shift towards need-based skills;
- More skill training for the subsistence sector has been taken up;
- A greater number of trainees are entering the service sector;
- With depleting job opportunities, more and more trainees are initiating micro-enterprises;
- A shift towards rural based skills.

Some of the skill training has been in the following activities:

Subsistence sector:
- Goat/sheep rearing
- Poultry
- Fish cultivation
- Vegetable gardening
- Vermi-compost

Market sector:
- Barefoot veterinary training
- Health workers training
- Herbal medicine preparation and production
- Leather and rexine work
- Weaving
- Auto (two-wheeler) repair
- Auto electric technician.

1.2   Appropriate Technology for rural women

The basic premises of Appropriate Technology are that it should:
- Meet local needs
- Be produced by the masses and not mass production
- Use local resources
- Generate little or no waste
- Enable local control
- Be environmentally friendly.

Table A3 shows the number of women trained in various technologies and the number of units installed, since the inception of the programme three years ago. The programme is only open to women and SKIP sees this as a way of empowering women to achieve gender equity. There was no information available on the outcomes of the training, or even the methodologies used to train women in different cultural and economic settings. SKIP's central office could not supply information, since it was not readily available, as to what the women were doing, or where they were located, whether they were being able to find a market for their products, what was the marketing technology used and so on.

Table A3: SKIP's Appropriate Technology for Women

Technologies	No. of women trained	No. of units produced
Smokeless *chulas* (stoves)	441	3,938
Low-cost water pumps	116	125
Low-cost housing	214	29
Improved weaving	44	16
Solar water Heater/cooker	122	48
Low-cost toilets	43	65

Source: SKIP Annual Report, 1999-2000.

1.3   Capacity Building

Capacity building has been taken up in a big way, since SKIP has made a shift from policy-centred programmes to people-centred programmes. Several workshops, seminars and exposure visits have been arranged to encourage people to face new challenges of adapting to a fast changing environment. The interventions have been at the following levels:

- Policy makers, including heads of churches
- Decision-makers, including Principals/Managers
- Trainers/Instructors
- Grassroot-level workers.

1.4   Starting Aid for Self-Employment

With opportunities for wage employment in decline, especially for the poor, micro-enterprise is considered as a suitable alternative. However, many of the poor find it extremely difficult, even impossible, to access capital, which is fundamental to start a business. Although there are many financial institutions offering credit, they are still beyond the reach of the very poor.

SKIP advances small amounts of money ranging from Rs. 250 to Rs. 10,000 (approx. US$ 5 to 200) for the start-up of micro-enterprises. The amount taken has to be returned in instalments within 18 months, along with a service charge of 6 per cent. In 1999-2000, 484 beneficiaries have been helped, of which around 65 per cent were women. The repayment rate has been 83 per cent.

It has to be noted that most of the above data relate to the combined activities of all the 195 members of the organisation, pooled at the central office in Bangalore. These members are spread all over the country, from the northeast to the south.

In 1999, SKIP entered into collaboration with the Functional Vocational Training Forum, (a national forum to promote vocational training for the poor). One outcome of the collaboration has been the acceptance of the need to develop a database relating to the follow-up of the trainees and tracking them, as well as job opportunities, which is apparently being done presently.

Sustainability, in the financial sense, of SKIP is not a major issue at present, thanks to the presence of a lot of international donors, many of them church-based.

2.   Goodwill International Association, Bangalore

Goodwill International Association was established in 1971 and was registered in 1982 under the Societies Act of 1961. The association was started by a handful of industrial workers, from worker movements and trade unions.

The primary aim of the organisation is to impart earning skills to the unemployed youths and school dropouts, to enable them to earn their livelihood. Industrial workers with a social concern for these groups provide time, knowledge and a portion of their salary as part of their interventions. The programmes of the association focus on functional literacy, health education, skill training, placement service, income generation and community services in the slums.

The association operates in 16 slums in Bangalore city. The beneficiaries are the youth, belonging to educationally and economically weaker sections, particularly those belonging to the scheduled castes and scheduled tribes and minority groups. Moreover, there are the youth from villages, youths obtaining low marks, particularly in the case of ITI candidates.

Skill trainings are offered in various disciplines. The formal courses are the ITI courses affiliated to the NCVT, which comprise the fitter trade for boys and cutting and tailoring for girls. The

non-formal courses include fitting, welding, turning (boys), electrical and plumbing. The non-engineering courses include literacy, health education, craft (girls), medical attendant, machine mechanism, income generation and electrical. The other programmes run by the association are slums upgrading, health education in the community, nutrition programme for trainees and motivation programmes.

Both the formal as well as the non-formal training imparted is considered as one of the best in the state of Karnataka. The course content of the non-formal interventions is similar to that of formal training.

The scope of the interventions, too, is many-fold. The ITI-passed trainees join as apprentices in heavy industries, in the private and public sectors, and are absorbed in various industries. The non-formally trained boys join the small-scale or medium-scale industry. Girls join garment industries or as instructors in Government-run schools or in NGOs. Hospitals absorb girls trained as medical attendants.

As regards networking, the association has contacts with a number of engineering and garment industries and hospitals, which helps in creating job opportunities for the trainees. The outreach has been in terms of offering technical services, providing resource persons, conducting skill training and guidance to start formal and non-formal courses at other NGOs in Bangalore or elsewhere in the state or in other states.

The organisation does not maintain a readily accessible database or perhaps there is a reluctance to share the information with outsiders. Such information might provide answers to a number of questions such as the impact of the programme or the financial sustainability of the organisation. The organisation is financed through membership fees, a contribution from members, staff (a percentage of their salaries) and workers, fees from the trainees, donations from friends, well-wishers and funding agencies, service charges from industrial sponsors and some income-generating activities of its own.

A glance at some of the activities mentioned in its Annual Report for 1999-2000 shows a rather high dropout rate from its non-formal courses, especially from its cutting and tailoring course which lasts six months. The dropout rate was nearly 50 per cent. For the embroidery course, a three-month course, the dropout rate was about 40 per cent while the rate for the wool-knitting course was 50 per cent as well. Most of these trainees were women and they seemed to have dropped out upon getting married.

3.   **MEADOW (Management of Enterprises and Development of Women) / The MYRADA/Plan International Dharampuri Project, Hosur**

The MYRADA/Plan Dharampuri Project, in partnership with a local industry, is ensuring jobs and decent incomes for young women, providing job skills to teenage boys and girls, and replacing despair with hope in a backward community mired in poverty.

Some 300 girls from poor families in one of Tamil Nadu's most backward districts, Dharampuri, have run their own company with a total earning of Rs. 20 million (approximately US$ 400,000) over the past four years. They assemble bracelet components for the Titan Industries, Hosur. Their work includes assembling watch bracelets, polishing them, hand-pressing bracelet components, making silver ropes, assembling and packaging table clocks - all for the Titan Industries, which began a partnership with MYRADA/Plan International in 1995.

In that year, Titan responded to MYRADA's call that the 400 or so industries in the Hosur area should try to help local poor communities. Titan decided to tap the work potential of the numerous self-help groups of women set up by MYRADA/Plan International. A group of women in Denkanikottai began laundering the uniforms of the Titan factory workers. Soon after, Titan suggested that women's groups could assemble bracelet straps for the company. Titan offered to provide skill training and pay

for the work. MYRADA/Plan International would have to organise the manpower, set up the infrastructure and take care of logistics, accounts and documentation.

The arrangement worked out very well. Titan got its bracelets, the women received cash, and MYRADA met its social goal of empowering the poor through a partnership with industry, thereby creating an attractive new model of development.

In 1998, the women formed themselves into a private limited company, MEADOW, with a board of Directors. MYRADA/Plan International seconded a chief executive to help the fledgling company, which hired accounts officers and technical supervisors. MYRADA expanded the areas of training for MEADOW's girls to include management of stores, finance and personnel.

MEADOW has grown fairly rapidly over the years. It owns a 20 by 40 feet bracelet strap assembly shed that is situated 40 kms from Hosur, where some 100 girls work. MEADOW also operates from a hired building, four kms from Hosur, which houses the hand press, polishing and table clock assembly units. Another 100 girls work there. A few more girls are based in the Titan company's premises in Hosur. Most of the girls earn a minimum of Rs. 2,500, (approx. US$50) a month after deductions towards a working capital.

The girls of MEADOW have built up a share capital of Rs. 2 million (approx. US$ 40,000)) by contributing a small percentage of their wages. The money has been used to buy the company's own premises, a jeep, a motorcycle, a computer, work related equipments and office furniture. The company plans to hire a full time general manager, start a canteen and provide training in spoken and written English, accounts-keeping, personality development and so on.

The 400-odd firms in and around Hosur need skilled workers. A non-formal technical training centre in Thally, south of Hosur, located in an old building that once housed MYRADA is a boon to these industries. Set up in 1996 by the MYRADA/Plan Dharampuri project, this training centre is a haven of hope to the youngsters of the area. The trainees are generally the children aged 17-20 of the members of MYRADA's self-help groups. The centre offers training facilities in fitting, welding, electrical wiring, plumbing and sanitation, varying in duration from four to six months. Girls are given training in computers and repairing home appliances.

4.   MAYA (Movement for Alternatives and Youth Awareness)

Since its inception in 1989, MAYA has been working in urban Bangalore. In the 52 slums that it works in, the organisation has initiated several community-based processes to address the issue of child labour. The activities differ from one area to another, depending on the socio-economic conditions of the families, the employment pattern, the availability of basic amenities and the organisation of the people in the area as a 'community'.

Jeevana Kaushalya Pathshala (JKP) -- MAYA's pre-vocational schooling programme for working and loitering children aged 12-14 years, was initiated in October 1998, with 30 children from all the working areas. Today it has about 1,000 children. The need for such an intervention arose while enrolling school dropouts of this age group back to school. It was then observed that these children had been out of school for too long or had not been to school at all. They were unwilling to return to school as they felt that the existing Government school curriculum does not prepare them for any kind of vocational or livelihood/employment-related skills. The daily classes in JKP consist of basic literacy (English, Kannada[5] and Environmental Studies) for 40 minutes each and communication and craft for an hour each. The children are grouped in three terms depending on their respective learning levels and their seniority. Activities at JKP are planned and facilitated with a conscious effort to enhance their life

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[5] A language spoken in Karnataka.

skills like critical thinking, problem solving and effective communication. People from various walks of life regularly visit the school to share their knowledge, experience and expertise with the children. Children who complete the pre-vocational programme either enter formal education or vocational training in some cases.

Besides teaching, the staff is simultaneously involved in a research and documentation process to develop stimulating participatory exercises and teaching materials for the children. Based on the experiences at this school, a pre-vocational curriculum is being developed, which would be available for the Government schools and other institutions and organisations.

In addition to their work in urban Bangalore, MAYA also works with children in rural Bangalore, setting up Child Development Centres. It also works with women and the youth, and sericulture.

ORGANIC (organisation of self-help collectives)

As a part of its integrated approach towards the eradication of child labour, MAYA has initiated ORGANIC, which is aimed at improving the status of the communities where the majority of child labourers come from. The initiative is based on the learning obtained from working in a cross-section of slums, villages and low-income urban and rural areas of Bangalore. This programme, still in its initial stages, aims at organising poor communities around certain sets of skills after identifying areas of training and income generation. It includes skills training for employment and offers support in terms of product development and marketing. MAYA initiates women's self-help groups (about 1,500 women have been reached out since 1998), which among other things, take up issues like accessing basic amenities for their area and ensuring the effective functioning of children's facilities. The ultimate objective is to ensure that the community assumes responsibility for the children. The women, for instance, are motivated to assume responsibility for managing playschools for the children and getting trained.

MAYATRAC

MAYATRAC refers to the training cum income generation units initiated to train youths aged between of 14 to 20 years from MAYA's working areas. There are five such vocational training-cum-income generation units, which now function together as MAYATRAC. These units train youths in printing, simple furniture-making, carpentry, the servicing of two-wheeler and sheet metal fabrication. There is a lacquerware unit in Chennapatna, close to Bangalore.

MAYATRAC is organised to train youths in both the theoretical and practical aspects of their chosen vocation. Youths are trained on-the-job, with orders obtained from individuals and companies. This prepares them to work in a business-like atmosphere. The youths are also provided with opportunities at the literacy unit to learn basic numeracy and literacy skills so as to supplement their training. The period of training ranges from 18 to 36 months.

The curricula have been developed for the units and are presently being reviewed against the feedback obtained from the trainees and staff. The curriculum is organized on a modular basis for a fixed number of hours. Evaluation of the trainees is conducted at periodic intervals after the completion of each module.

MAYATRAC has a centralised team to support the individual efforts of its units in stores, maintenance, monitoring and accounts so that the units are able to concentrate on production and training. The youths who have successfully completed the training have been supported either to start on their own or to be placed at other production units.

A total of 240 street youth have undergone skill training, and 195 of them were provided employment opportunities. The self-sustaining training unit provides vocational training, non-formal

education and employment opportunities to 85 street boys and girls annually. Reading and writing skills for all the trainees are built into their training programme. Monthly stipends are provided and at the end of the course placements are ensured. A minimum monthly income of Rs. 1,200 per head (approx. US$ 24) is ensured after the completion of training through job placements and promoting group and individual entrepreneurial activities. In the last six years, 193 youths have undergone skill training at the vocational training centre, and 81 of them have been supported with appropriate skills for securing a stable job. Presently, there are 53 youths in training at MAYATRAC. Literacy classes form a regular part of the training.

Literacy unit: The literacy unit of MAYATRAC has now acquired a professional structure. Earlier the programme was designed to enable youths to learn basic numeracy and literacy skills from volunteers for two hours a day. Now, the programme is established as a separate unit with professional and experienced full-time teachers and psychologists. The unit supplements the inputs of the vocational training. Computer literacy is provided.

International donors like NORAD, Action Aid (UK) and the UNICEF fund MAYA. Large corporations and other firms volunteer in various aspects of MAYA's work. There are nearly 600 volunteers and more than 100 staff working full-time in the organisation.

5.   DHAN FOUNDATION (Development of Humane Action)

DHAN Foundation, a non-profit developmental organisation, spun off from Professional Assistance for Development Action (PRADAN) in 1997, as a public trust to cater to the development needs of the southern states. DHAN is funded by international agencies like the Ford Foundation and the Dutch charity, Novib. Its Community Banking Programme, *Kalanjiam*, set in the framework of gender and development, promotes alternative banking efforts by locally formed self-help groups of poor women in the informal sector, both in rural and urban areas.

At the end of a decade's efforts, which began with a pilot project involving women in 20-30 hamlets of Madurai East Block in 1990, there were 80,263 women who had mobilized approximately Rs. 134 million (approx. US$ 2,7 million) as of 31 March, 2001. In all, 5,194 savings and credit groups were formed at the hamlet level, as well as 358 cluster associations and 15 autonomous federations at the block and district level. Spread across seven Tamil Nadu districts, four Andhra Pradesh districts and one Karnataka district, the programme activities are implemented in more than 1,900 villages. Most of the women belong to households of the poorest of the poor, mostly Dalits and Adivasis. The autonomous federations are totally independent from DHAN. Whenever they require DHAN's professional services, they pay for them.

The programme has unlocked the latent potential of poor women by organising them and nurturing local leadership talents. Today, illiterate women do not hesitate to enter into prolonged debates with senior bank officials, or even the district administration in public. The programme has generated high social spin-offs by restoring the self-confidence of the women, by telling them that they matter. Specific savings, credit and insurance (10,000 members in five federations benefit from the insurance packages offered by the federations) have all contributed to a greater sense of dignity and a positive self-image. Credit for health, education of the girl child, productive assets for income generation, housing in the name of women, electricity, cooking gas and water facilities have been instrumental in reducing the household drudgery and enhance the status of women. Consequently, women play a much greater role in household decision-making today.

In many places, the women have been able to obtain ration cards from the local Government and address the problem of liquor brewing (and smuggling), sometimes even by smashing the stills or detaining buses carrying 'hooch' (illicit liquor). Action around violence against women is now commonplace. Housing needs are being addressed. Given that health needs constitute a major source of indebtedness of the poor, some federations have articulated a need for better health facilities. In some places, communal tension and violence has been checked due to the presence of strong women's groups.

These examples reveal that the process has led to the formation of sisterhoods of women, which is the foremost condition for the sustainability of the effort.

All these required training and capacity building, but of a very different kind. There were no classrooms or formal lectures most of the time, yet today many women leaders, semi-literate at the best, do not hesitate to conduct training programmes on micro-credit, micro-business and gender for senior bureaucrats and bank managers.

To investigate this process more closely and understand the learning processes of the income generation activities we looked into the Sri Padmavathy Mahila Abudaya Sangam (SPMS), an urban federation based in the slums of the famous pilgrim town of Tirupati, in the State of Andhra Pradesh.

Sri Padmavathy Mahila Abyudaya Sangam (SPMS), Tirupati

The urban slums of Tirupati have no infrastructural facilities. The slum dwellers were daily wage earners, street vendors and petty traders. Liquor consumption was high, along with a large number of cases of domestic violence. Just 12 years back, the women were miserably off and were forced to beg dishwater from restaurants for drinking purposes, taking pittances in loans from local pawnbrokers for some petty business and being exploited by the local moneylenders whenever they approached them for credit support.

The whole story changed with the inception of the SPMS, whose main objective was promoting savings through inculcating principles of thrift and effective utilisation of their resources. SPMS encouraged poor women of the community to form groups and eventually motivated them to save, providing them with credit to capitalise their income generation activities.

The programme expanded to 42 slums in the urban area and in 25 villages of rural Tirupati and Renigunta Mandal by forming 18 branches. Until March 2001, there were about 576 groups with 7,272 members. The expansion is going on in a slow phase in adjacent areas.

Up until March 2001, the members' savings amounted to Rs. 20 million (US$ 400,000) while the loans amounted to Rs. 45 million (US$ 900,000). Apart from the regular members' savings, some external funds are provided through linkages with apex and commercial banks.

Many members availed of loans to strengthen their existing income generation activity. The activities are petty trading, fruit vending, flower selling, running street canteens, bakeries, toy making, dairy and so on. Most of these activities were areas in which the concerned member was already working or showed interest. The peer group or experts provide training as the need arises.

Moreover, the Small Industries Development Bank of India (SIDBI) has also helped many of the beneficiaries to improve their income by providing loan support to their micro-enterprises. For the various activities, SIDBI has given a loan of Rs. 2 million (approx. US$ 40,000) to 329 members in 194 groups.

There is an internal life insurance scheme which covers the member and her husband. Under this scheme, an annual premium of Rs. 100 (US$2) is paid by each member for an insured amount of Rs. 10,000 (approx. US$200).

The other programmes of the SPMS are:

· *Vidya Deepam* provides educational facility to the children of the members. Two schools were initiated in the Krishna Reddy Colony and the Rajiv Gandhi Colony. The schools have a total of 57 children in the lower and upper kindergarten and in Class 1.

•   *Gruha Deepam* is a housing programme, which was initiated in July 1999 with the purpose of providing adequate shelter to poor women by using cost-effective technology. Two apex institutions – Housing and Urban Development Corporation and Housing Development Finance Corporation (HDFC) provide credit support for this programme. Loans are provided for minor repairs of houses, such as providing electricity, drinking water and toilet facilities to individual members.

•   A cost-effective technology in house construction has been initiated, with the use of Cement Sand Bricks (solid blocks). Previously the solid blocks were purchased. Later on, thanks to a grant of Rs. 320,000 (US$ 6,400) from the HDFC, SPMS has constructed its own Housing Unit where it has started producing solid blocks.

•   *Aarogya Deepam* is a programme initiated to meet the health demands of poor women who lack medical facility. Referral services for specialised treatment and surgery have also been started.

Concrete changes have been noticed in many of the members' lives. The dependence on moneylenders and outsiders for their own livelihood is gradually decreasing, though the debt burden still remains. The senior group members have almost stabilised their existing activities, while new members are exploring various avenues and opportunities.

The strength of the organisations is reflected by the fact that they can mobilise the state agencies to provide them with need-based training as and when they want to. For instance, creativity enhancement training was given to artisans at Bommala Quarters by the Handicrafts Department; training classes were organised for the federation's officials to look into the existing problems of the self-help-groups. A slum study has been undertaken in a few areas to identify the needs of the members that could be addressed through a slum development project. A human resource development and training cell has also been initiated.