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A study on informal apprenticeship in Malawi

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Preface

The primary goal of the ILO is to contribute, with its member States, to achieve full and productive employment and decent work for all, including women and young people, a goal embedded in the ILO Declaration 2008 on *Social Justice for a Fair Globalization,*[1] and which has now been widely adopted by the international community.

In order to support member States and the social partners to reach the goal, the ILO pursues a Decent Work Agenda which comprises four interrelated areas: Respect for fundamental worker's rights and international labour standards, employment promotion, social protection and social dialogue. Explanations of this integrated approach and related challenges are contained in a number of key documents: in those explaining and elaborating the concept of decent work,[2] in the Employment Policy Convention, 1964 (No. 122) and in the Global Employment Agenda.

The Global Employment Agenda was developed by the ILO through tripartite consensus of its Governing Body's Employment and Social Policy Committee. Since its adoption in 2003 it has been further articulated and made more operational and today it constitutes the basic framework through which the ILO pursues the objective of placing employment at the centre of economic and social policies.[3]

The Employment Sector is fully engaged in the implementation of the Global Employment Agenda, and is doing so through a large range of technical support and capacity building activities, advisory services and policy research. As part of its research and publications programme, the Employment Sector promotes knowledge-generation around key policy issues and topics conforming to the core elements of the Global Employment Agenda and the Decent Work Agenda. The Sector's publications consist of books, monographs, working papers, employment reports and policy briefs.[4]

While the main findings of the research initiatives are disseminated through the Employment Working Papers, the *Employment Report* series is designed to consolidate the major evaluations of employment programmes, conclusions and resolutions of workshops and seminars, and other information details that are particularly, though not exclusively useful to the work of the ILO and its constituent partners.

José Manuel Salazar-Xirinachs
Executive Director
Employment Sector

[1] See http://www.ilo.org/public/english/bureau/dgo/download/dg_announce_en.pdf.

[2] See the successive Reports of the Director-General to the International Labour Conference: *Decent work* (1999); *Reducing the decent work deficit: A global challenge* (2001); *Working out of poverty* (2003).

[3] See http://www.ilo.org/gea. And in particular: *Implementing the Global Employment Agenda: Employment strategies in support of decent work. "Vision" document,* ILO, 2006.

[4] See http://www.ilo.org/employment.

Foreword

The ILO has initiated a work programme which recognizes informal apprenticeship as an important training system in the informal economy. In apprenticeship, young people acquire the skills of a trade while working with a master craftsperson in an enterprise for a significant period of time.

The ILO research agenda on informal apprenticeship aims at creating a relevant body of knowledge through conceptual work, empirical studies and pilot projects. In May 2007, the ILO Skills and Employability Department organized a workshop to review existing knowledge and evidence on informal apprenticeship in African countries. The workshop identified informal apprenticeship as the main source of skills development in most African countries and concluded that it provides incentives to many master craftspersons and young people to invest in training. Practices in apprenticeship however also raised concerns about deficits in relation to the quality and level of skills acquired, recognition of skills acquired and subsequent employment and decent work. The workshop concluded that further research was needed to explore the functioning of informal apprenticeship, in particular, to gain a better understanding of informal institutions such as traditions, social norms and networks in structuring incentives and in shaping employment outcomes and decent work. A subsequent study in Tanzania concluded that informal apprenticeship is embedded in local norms and traditions and that attempts to improve the system requires a profound understanding of these traditions. The study also identified a range of research areas that needs to be further explored.

In Malawi, at least 90 per cent of the population has their main activity in the informal sector. Most of the youth acquire skills through informal apprenticeship as the formal training system has very limited capacity to develop and train them. Furthermore, formal technical and vocational education and training (TVET) is not accessible to the majority of Malawian disadvantaged youths due to various financial and non-financial barriers including unaffordable fees, illiteracy, physical disability, stereotyping, etc. Considering the importance of informal apprenticeship, as well as its shortcomings, the Technical Entrepreneurial Vocational Education and Training Authority (TEVETA) wanted to develop initiatives for improving informal apprenticeship training. In this regard, a meeting was held between TEVETA and ILO officials in February 2009 and it was decided to conduct a study on the informal apprenticeship system in Malawi.

This report forms part of the ILO's work programme on informal apprenticeship. The findings help build the knowledge base to inform policy-making in leading to improving informal apprenticeship systems.

Ashwani Aggarwal, ILO Skills and Employability Specialist in the Decent Work Technical Support Team (DWT) for Southern and Eastern Africa, guided and supervised the research and the preparation of this report. The research methodology and tools used by the ILO in Tanzania were modified and adapted for use in Malawi. Alexander Phiri conducted the field research with the help of two research assistants (Mr. Frank Musa and Mr. Temwanani Phiri) and provided the data and a draft report. Christine Hofmann, Skills Development Officer, provided technical support at all stages of the research. TEVETA was closely associated in the study and helped organize a presentation of the report to the stakeholders in Lilongwe.

Many thanks to the Directors of the ILO country offices in Lusaka for supporting the study. Furthermore, the many comments and feedback received from colleagues in DWT Pretoria are much appreciated. Special thanks to the Ministry of Education, Ministry of Labour, TEVETA, the Employers' Consultative Association of Malawi (ECAM) and the Malawi Confederation of Trade Unions (MCTU) and other stakeholders for their support in conducting the study. Finally, our thanks to Jo-Ann Bakker for editing and preparing this manuscript.

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Acronyms and abbreviations

DEMAT	Development of Malawi Traders Trust
ECAM	Employers Consultative Association of Malawi
GDP	Gross Domestic Product
IHS2	Malawi Integrated Household Survey
ILO	International Labour Organization
MACOHA	Malawi Council for the Handicapped
MANEB	Malawi National Examinations Board
MC	Master Craftsperson
MCCI	Malawi Chamber of Commerce and Industry
MWK	Malawian Kwacha (currency of Malawi)
MRA	Malawi Revenue Authority
MUFIS	Malawi Union for the Informal Sector
NGO	Non-Governmental Organization
NSO	National Statistics Office
NTTS	National Trade Testing Services
QUAMIWU	Quarry Mining Informal Workers Union
SW	Skilled Worker
TEVET	Technical Entrepreneurial Vocational Education and Training
TEVETA	Technical Entrepreneurial Vocational Education and Training Authority
TVET	Technical and vocational education and training

Glossary of key definitions as used in the report

Apprentice	A person being trained by an MC under an apprenticeship agreement.
Formal training system	The structured organization and implementation of training at the national, sectoral or regional level. It includes policy-making bodies, training institutions and programmes as well as coordinating, financing and accrediting mechanisms.
Informal apprenticeship	The system of skills transmission for a trade from an MC to a young apprentice who learns the trade on the job by way of observation, imitation and repetition, thus by working and assisting their MC. The training is based on an apprenticeship agreement in line with local norms and practices that determine rights and obligations of both parties.
Master Craftsperson (MC)	Highly- skilled workers who can work independently without guidance and is usually the owner of the enterprise. Responsible for training of apprentices.
Skilled Worker (SW)	A competent worker in a particular trade usually employed under an MC, who can become an MC in future.
Trade	An occupation in which people gain skills.

1. Introduction

A majority of young people in Africa are trapped in a vicious circle of poverty, low skills, low productivity and low income. As the formal vocational training system provides few training places and has high entry barriers in terms of entry qualifications, cost and accessibility, the main provider of skills remains informal apprenticeship. Informal apprenticeship means the traditional system of skills transmission for a trade from a Master craftsperson (MC) to a young apprentice who learns the trade on the job by way of observation, imitation and repetition, thus by working and assisting their MC. The training is based on an apprenticeship agreement (mostly verbal) in line with local norms and practices that determines rights and obligations of both parties.

Vocational training in the informal economy by means of apprenticeship has several shortcomings. Some of the apprentices are below legal working age. Overly long periods of apprenticeship can be exploitative when young people are employed as cheap labour and do not learn the skills MCs have committed to train. Additionally, the training quality often does not follow any standards and remains at the usually low skill- and low technology- level the MC imparts. Finally, the recognition of skills acquired through apprenticeship is low and limited to the local community since certificates or credentials are not common.

The Skills and Employability Department initiated a work programme on informal apprenticeship in 2006. A workshop on "Upgrading informal apprenticeship in Africa" in 2007 brought together experts from research institutions, international development agencies and ILO departments to discuss challenges faced by informal apprenticeship systems, share knowledge on lessons learnt from projects and programmes to upgrade informal apprenticeship, and identify potentials for improving the training system of the informal economy.

A consensus emerged from the debate that informal apprenticeship needs to be recognized as a training system on its own right, that it has a high potential for upgrading and that reforms need to build bridges to the formal training system. Furthermore, the debate identified important knowledge gaps and suggested areas for further research, in particular to better understand the informal rules, such as social norms, customs and traditions regulating informal apprenticeship and practices, and the ways to enforce them. It is with this background that this study was carried out in Malawi.

1.1 Informal economy and informal apprenticeship in Malawi

Malawi is one of the least-developed countries in the world where the incidence of poverty is relatively high. Its economy is predominantly dependent on agriculture which contributes about 36 per cent to the Gross Domestic Product (GDP). Results from the Malawi Integrated Household Survey (IHS2) conducted in 2004/05 show that 52.4 per cent of the population is poor. According to the study results, these people earn less than MWK16,165[5] per year. In addition to this, 22 per cent of the population is ultra poor, earning less than MWK10,029 per year. That is, one in every five people lives in dire

[5] This is USD106 per year at March 2010 exchange rate (MWK150 = USD1).

poverty such that they cannot even afford to meet the minimum standard for daily-recommended food requirement. About 25 per cent of the population in urban areas is living in poverty, compared to 56 per cent of the rural population. The 2009 Millennium Development Goals Report for Malawi shows that 40 per cent of the population lives on less that USD1 per day.

The 2008 Housing and Population Census preliminary report for Malawi indicates that there are about 13,066,320 people in the country. Out of this, 6,365,771 (49 per cent) are male and 6,700,549 (51 per cent) are female. The report further indicates that 6,216,320 (47.6 per cent) people are aged 18 years and above. This means that 52.4 per cent of the population comprises people below the age of 18 – which entails a very youthful population. Yet the majority of people below the age of 18 do not attain higher education as they drop out in lower classes. The data in table 1 show that young people in secondary schools in 2005 represented only 42 per cent of those enrolled in Primary School. This means that about 58 per cent of young people dropped out at Primary School level. Low levels of general education usually constrain skills development, and lack of numeracy and literacy skills hinders integration into the mainstream economy.

Table 1: Enrolments in Primary and Secondary Schools for 2005

School level	Age group	Total numbers	Male	%	Female	%
Primary	6-13	2,543,076	1,256,456	49.4	1,286,620	50.6
Secondary	14-17	1,070,241	532,200	49.7	538,041	50.3

Source: MoEST (2005).

Furthermore, the numbers of young people who attain tertiary education is even smaller. This means that young people have to seek alternative training mechanisms in order to acquire skills and earn a decent livelihood.

One of the major problems of Malawi is the growing inability of the economy to generate employment opportunities commensurate with labour supplies. The capacity of the formal economy to provide employment and income opportunities is shrinking (TEVETA, undated). Therefore, more and more people are entering informal economy for employment.

The Government, in collaboration with its development partners, recognizes the need to support the informal economy with training as well as other types of support services such as access to credit facilities. A number of initiatives have been conceived and implemented in the country with the aim of ensuring that young people gain skills in various trades for self employment.[6] It is believed that this is the only way that short-term as well as long-term poverty reduction could be significantly achieved in the country.

[6] The ILO's position states that "to promote decent work, there needs to be a comprehensive and integrated strategy cutting across a range of policy areas that eliminates the negative aspects of informality, while preserving the significant job creation and income-generation potential of the informal economy, and that promotes the protection and incorporation of workers and economic units in the informal economy into the mainstream economy" (ILO, 2007).

1.2 Objectives of the study

The objectives of the study are to:

- conduct in-depth empirical research on the informal apprenticeship system in Malawi;
- analyze the data and write a report.

2. Research methodology

The research was conducted by a consultant and two research assistants who served as enumerators. The methodology adopted both quantitative and qualitative tools for collecting data.

2.1 Quantitative research

The main tool for collecting quantitative information was structured questionnaires which were provided by the ILO. However, these questionnaires were adapted and pre-tested in Lilongwe. The primary data collected using these tools was supplemented with secondary data.

To ensure that questions were properly understood by all concerned, the research assistants received a two-day training and all the questionnaires were translated from English to Chichewa, Malawi's national language.

2.2 Qualitative interviews

Qualitative interviews were used to collect data that was difficult to collect through questionnaires, and to provide background information and context for the interpretation of data collected in the quantitative study. The ILO provided guidelines to collect qualitative information.

Interviews were conducted with officials from Ministry of Education, Ministry of Youth, Ministry of Labour, National Youth Council of Malawi, Non-Governmental Organizations (NGOs), vocational training institutions and the Technical, Entrepreneurial, Vocational Education and Training Authority (TEVETA). The list of key informants interviewed is included in the Appendix. Besides these, ten MCs (five from each city and one from each trade) were selected for in-depth interview.

2.3 Sampling frame

The research covered the peri-urban areas of Blantyre and Lilongwe Cities. Blantyre is the Commercial Capital situated about 300 km south of the Administrative Capital, Lilongwe.

The actual number of enterprises that are involved in informal apprenticeship training is not known. Therefore, it was not possible to take a proportionate sample of the various trades. It was decided to cover 100 enterprises providing informal apprenticeship training from two locations in the survey. To choose enterprises in which to conduct interviews, business areas with a high number of informal activities were targeted. Within these locations, enterprises providing informal apprenticeship training as defined by the ILO were selected.

A snowball sampling approach was adopted, that is, after each interview, the interviewee was asked if they knew another enterprise which also provides informal apprenticeship training. Through such an approach, a total of 56 enterprises were sampled in Lilongwe and 50 enterprises in Blantyre. Within each enterprise, the MC was interviewed along with at least one skilled worker (SW) and one apprentice. The breakdown of all the people interviewed is shown in table 2.

The study covered six different types of trades in Blantyre and Lilongwe. The majority (24.5 per cent) of the MCs interviewed were Auto Mechanics followed by Carpentry and Joinery (23.6 per cent), Welding (19.8 per cent), Hair Dressing / Salon (17 per cent), Food Processing (9.4 per cent) and Panel Beating / Spray Painting (5.7 per cent). The sample distribution also reflects the prevalence of the various trades in the market.

Table 2: Summary of sample

Type of trade	City				Total	
	Blantyre	Sample	Lilongwe	Sample	Count	Per cent
Panel Beating / Spray Painting	MCs	5	MCs	1	**6**	**5.7**
	SWs	5	SWs	1	**6**	
	Apprentices	5	Apprentices	1	**6**	
Auto Mechanics	MCs	10	MCs	16	**26**	**24.5**
	SWs	10	SWs	16	**26**	
	Apprentices	10	Apprentices	16	**26**	
Food Processing[7]	MCs	4	MCs	6	**10**	**9.4**
	SWs	4	SWs	6	**10**	
	Apprentices	4	Apprentices	6	**10**	
Carpentry and Joinery	MCs	10	MCs	15	**25**	**23.6**
	SWs	10	SWs	15	**25**	
	Apprentices	10	Apprentices	15	**25**	
Hair Dressing / Salon[8]	MCs	9	MCs	9	**18**	**17.0**
	SWs	9	SWs	9	**18**	
	Apprentices	9	Apprentices	9	**18**	
Welding	MCs	12	MCs	9	**21**	**19.8**
	SWs	12	SWs	9	**21**	
	Apprentices	12	Apprentices	9	**21**	
Total sample					**318**	**100.00**

[7] All Food Processing enterprises were in the confectionery.

[8] No barber shop was among the enterprises interviewed using the structured questionnaire.

MCs- Master craftspersons

SWs- Skilled Workers

3. Social and economic context of informal apprenticeship

This section analyzes the social and economic context and environment relevant to informal apprenticeship.

3.1 Economic context: Opportunities and challenges of selected trades

Growing urbanization is increasing demand for products and services from all the trades covered under the study. However, these enterprises in the informal economy are facing challenges to growth in terms of difficulties to access finance; high interest rates; shortage of business space; high cost of renting space; upgrading skills and infrastructure, etc. Further, entry of large number of persons in the labour market coupled with low absorption rates in the formal economy is increasing competition in the informal economy. This is putting pressure on profit margins which leads to a vicious circle of reduced capacity to invest in upgrading skills and equipment, low technology, cheaper and inferior raw materials, low quality and productivity, low prices of products and services offered and low margins.

Despite the fact that there are many similarities among trades, they also present several differences. Thus it is important to discuss each trade separately by summarizing the main economic activities carried out, the challenges faced and the economic opportunities for each trade.

3.1.1 Auto Mechanics

Auto Mechanics covers the repair and maintenance of motor vehicles. It includes auto electrical works as well. Fast growth of the number of motor vehicles has increased demand for auto mechanics. The main challenges faced by people working in Auto Mechanics are upgrading their skills and facilities in their enterprise in line with rapid technological advancement; accessing credit facilities; limited space; and increased competition.

3.1.2 Panel Beating / Spray Painting

Panel Beating / Spray Painting covers repair of motor vehicle body and frames. Fast growth of the number of motor vehicles coupled with other factors like increasing traffic congestion, inadequate quality of roads, driving habits, etc. are increasing road accidents and resulting in increased demand for this trade. But similar to Auto Mechanics, people in this trade also face challenges like upgrading their skills and facilities in their enterprise in line with rapid technological advancement; accessing credit facilities; and limited space. In addition, they face difficulty in passing on the increasing cost of inputs to customers resulting in pressure on profit margins.

3.1.3 Food Processing (bakery)

Food Processing enterprises covered under the survey are bakeries making breads, cakes, croissants, etc. These were mainly operated by persons of Asian origin. The main opportunity for growth of this sector is the fast rate of urbanization of the two cities in which the study was carried out. The reported challenges to the trade are loss of market segments due to rising prices and fluctuating demand. Bread and other confectionery have gradually become luxury products because of the ever rising cost of flour. Hence they are slowly becoming special products for a niche market – the middle and upper class mostly in the urban areas. The majority of low-income households turn to alternative or close substitute products such as cassava and sweet potatoes.

3.1.4 Carpentry and Joinery

The Carpentry and Joinery trade covers manufacture of furniture and cabinets. It is one of the fastest growing trades due to the fast growth of the two cities. The opening of sub-regional furniture chain shops such as Supreme and Carnivore have increased opportunities for the local artisans. Nevertheless, they are facing competition with bigger players in terms of design and quality and also competition from imported products. Other challenges for artisans in informal economy include rising raw material prices; upgrading skills and tools; shortage of space; access to credit; and the risk of losing investment during the rainy season.

3.1.5 Hair Dressing / Salons

Hair Dressing / Salons are categorized as barbershops (mostly for men) and hair dressing salons (mainly for women). They provide a variety of services related to hair and skin care. The growing urban population is again the main factor that creates growth potential for this trade. The main challenge is competition among salons as the trade has a low entry barrier in terms of investment and the trade can be operated from home. A number of formal training, non formal training and informal apprenticeship training programmes have resulted in a supply of surplus labour force.

3.1.6 Welding

The Welding trade manufactures door and window frames, garage doors, burglar bars, fencing materials, etc., and other services to households and commercial organizations. The trade has good growth potential. Key challenges are high cost of raw materials; shortage of space; access to credit; and stiff competition.

3.2 Social context of informal apprenticeship

Malawi is one of the least-developed countries in the world where the incidence of poverty is relatively high (40 per cent in 2009). The population is largely young (about 52 per cent of the people are below the age of 18) resulting in large cohorts of youth entering the labour market every year. Formal training institutions do not have the capacity to absorb them nor is the majority of youth equipped to meet the minimum education requirements to enter these institutions. Venturing out to open a business of their own is also not an option since youth lacks technical skills and access to finance as they do not have the necessary collateral to support a loan acquisition.

Informal apprenticeship, therefore, is the main avenue to acquire skills and to access employment for school dropouts. This means that MCs are faced with high demand for

apprenticeship. Yet the businesses' capacity to train is limited because training is time-intensive and diverts some of the MCs' attention from their core business. Also, MCs are not interested in saturating their own market and thus need to balance the amount of newly-trained people in the trade with existing market opportunities. The social environment of informal apprenticeship in Malawi is discussed in this section.

3.2.1 Category of staff in enterprises

The study analyzed different categories of staff as well as their average numbers in various trades. Findings show on an average, there are 4.6 workers [MC and SW] and 2.5 apprentices per enterprise. The key difference between MC and SW is that usually the MC is the owner of the enterprise and also more competent. However, there is a huge variation in the average number of workers and apprentices depending upon the trade. Food Processing (bakery) had the highest average number of workers (18) per enterprise whereas the other five trades have two to four workers on an average. Similarly, Food Processing (bakery) had highest average number of apprentices (7) per enterprise whereas other five trades have one to three apprentices on an average. Details are given in table 3. Very few enterprise employ casual workers and family helpers. Out of 106 enterprises surveyed, only 13 of them have casual workers or family helpers. This indicates that apprentices are also employed to perform low skilled works or as helpers, especially in the initial phase of training. MCs and SWs also echoed this during qualitative interviews.

Table 3*:* Average number of workers and apprentices, by trade

Type of trade	n	Average numbers, by trade			Ratio of skilled persons (MC+SW) to apprentices
		MCs	SWs	Apprentices	
Auto Mechanics	26	1.0	3.0	3.0	1.3
Panel Beating / Spray Painting	6	1.0	3.0	2.0	2.0
Carpentry and Joinery	25	1.0	2.0	2.0	1.5
Hair Dressing / Salon	18	1.0	1.0	1.0	2.0
Food Processing	10	1.0	18.0	7.0	2.7
Welding	21	1.0	2.0	2.0	1.5
Total	**106**	**1.0**	**3.6**	**2.5**	**1.8**

An important criterion for judging effectiveness of apprenticeship training is the ratio of workers (MC and SW) to apprentices. It indicates if sufficient skilled persons are available to guide apprentices. The ratio varies depending on the trade, highest being for Food Processing (2.7) followed by Hair Dressing / Salon (2.0), Panel Beating/ Spray Painting (2.0), Welding (1.5), Carpentry and Joinery (1.5) and Auto Mechanics (1.3). The ratio in Auto Mechanics was also lowest in a similar study commissioned by the ILO in Tanzania (Nübler et al., 2009). It is important to note that all ratios are above one, which means that for each apprentice there is at least one experienced craftsperson in the enterprise to train.

3.2.2 Demographic profile of staff

This section discusses gender pattern, age, education and training level of the interviewed MCs, SWs and apprentices.

3.2.2.1 The gender pattern

The study reveals clear division of trades on gender lines. All trades except Hair Dressing / Salon are dominated by male (see table 4). Eighty-five per cent of the workers (MC + SW + apprentices) in Hair Dressing / Salon are female, but none in Welding and Panel Beating / Spray Painting. In the remaining three trades, the percentage of female workers is very low: Food Processing (6.9 per cent), Auto Mechanics (2.3 per cent) and Carpentry and Joinery (2.0 per cent). As far as apprentices are concerned, there are no female apprentices in three trades: Welding, Panel Beating / Spray Painting and Food Processing. Overall, 11.7 per cent of apprentices were female.

When MCs were asked why there were no female apprentices in their enterprise, 83 per cent of them reported that no female had asked them for any work or apprenticeship opportunities; 8 per cent said that by tradition the trade is male dominated; 6 per cent said that females cannot do this type of work; and 3 per cent reported that women were not interested in the trade. What these results entail is that a deliberate effort is required to raise the participation of young women in informal apprenticeship in currently male-dominated trades.

Table 4: Gender pattern of workers, by trade

Type of trade	Per cent of females			
	MCs	SWs	Apprentices	Total
Auto Mechanics	3.8	2.9	4.1	2.3
Panel Beating / Spray Painting	0	0	0	0
Carpentry and Joinery	0	0	5.6	2.0
Hair Dressing / Salon	83.3	89.5	81.8	84.7
Food Processing	0	18.2	0	6.9
Welding	0	0	0	0
Total	**14.0**	**10.7**	**11.8**	**11.7**

3.2.2.2 Persons with disabilities

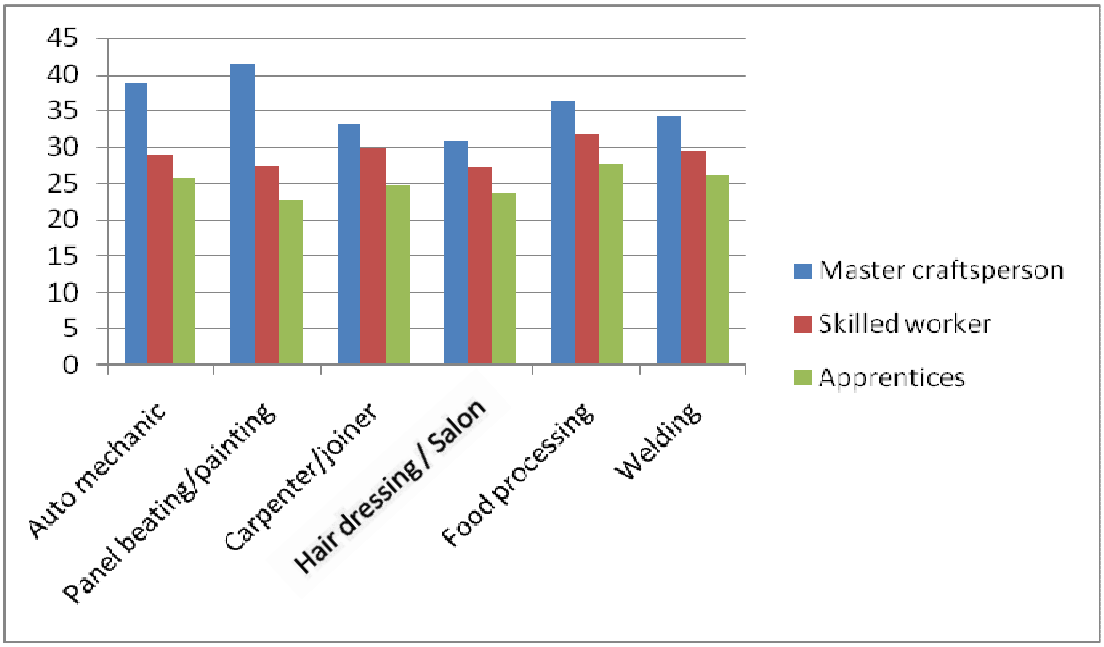
The survey found 5 per cent of apprentices with disabilities (in 9 per cent of the enterprises). There were no apprentices with disabilities in Panel Beating / Spray Paiing and Hair Dressing / Salon trades. When MCs were asked why they did not recruit any apprentices with disabilities, 93 per cent of them reported that they never had any requests from people with disabilities, while 5 per cent said that people with disabilities could not do this type of job.

3.2.2.3 Age structure

Figure 1 shows the average ages of MCs, SWs and apprentices. The average age for MCs is 35.1 years; for SWs 29.2 years and for apprentices 25.2 years. This - together with analysis of types of workers – shows career progression and skills development in enterprises in the informal economy. There is a difference of about 5 years in average age between MC and SW and between SW and apprentice.

The average age also varies by trade, the lowest average age for apprentices is in Panel Beating / Spray Painting' (22.7 years) and the highest is in Food Processing (27.6 years). Among the SWs, the youngest average age is recorded in Hair Dressing / Salon (27.3 years), while the highest is noted in Food Processing (31.8 years). Finally, among the MCs, the youngest average age is reported in Hair Dressing / Salon (30.9 years) and the highest is in Panel Beating / Spray Painting (41.5 years).

Figure 1: Average age by type of worker



The study results showed that the majority of the MCs started learning the skills of the trade during their twenties (see table 5). The youngest average age is reported in Carpentry and Joinery trade (20.9 years), and the highest average age is in Food Processing (27.0 years).

Table 5: Age at which MC started to learn current trade

Type of sector	Mean
Auto Mechanics	23.4 (8.397)
Panel Beating / Spray Painting	22.8 (3.371)
Carpentry and Joinery	20.9 (4.434)
Hair Dressing / Salon	22.9 (7.750)
Food Processing	27.0 (12.359)
Welding	25.2 (6.570)
Total	**23.4 (7.403)**

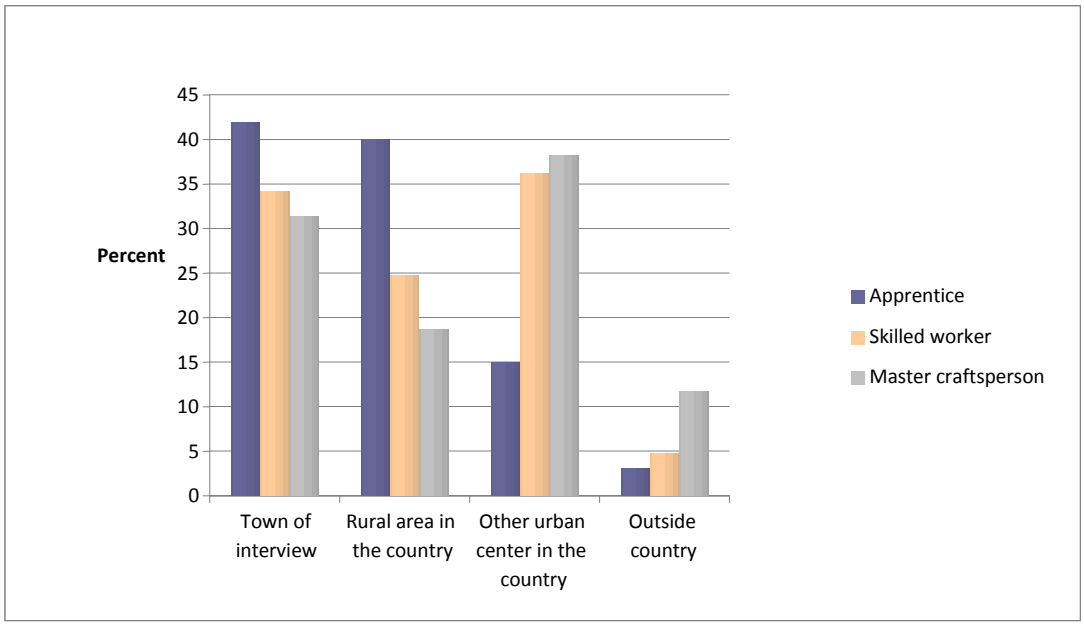
With regard to the mean age at which apprentices started their apprenticeship, the results are similar to those of MCs. The lowest average age is reported in Panel Beating / Spray Painting (20.83 years), and the highest average age is in Food Processing (25.9 years).

The ILO study on Informal Apprenticeship in Tanzania also mentions high average age (23.5 years) of apprentices compared to those in Western Africa and Europe (Nübler et al., 2009). However, the study did not give any plausible causes. In Malawi, the average age of apprentices is high (25.2 years). During interviews, MCs mentioned that youth do not perceive informal apprenticeship as a preferred path for a career. They generally join informal apprenticeship only when they do not succeed in other professions. Section 4.1 on transitions to informal apprenticeship will provide further insights.

3.2.2.4 Rural-urban provenance

Malawi is one of the countries that is experiencing the most rapid urbanization due to migration. Urbanization contributes to escalation of various socio-economic challenges such as land and housing shortage, congestion, poor sanitation, crime, HIV and AIDS infection and unemployment (NSO, MEPD and University of Malawi, 2006). The study confirms the growing migratory trend from rural to urban settings since apprentices, who are youngest among the three groups, have the highest per cent of those migrating from rural to urban areas. MCs, who are oldest of the three groups, have the lowest per cent from rural areas. Forty-two per cent of the apprentices were born in rural areas compared to 25 per cent of SWs and 18.6 per cent of MCs. The results are summarized in figure 2.

Figure 2: Place of birth



The results also show that the highest share of MCs and SWs come from other urban areas. Seventy-six per cent of MCs coming from other rural or urban areas also learnt their current trade in Lilongwe/Blantyre. This means that craftspeople have the tendency to stay where they were trained, probably in order to benefit from business and client networks they have already established.

The study suggests that access to training and livelihood opportunities is likely to be an important driving force behind migratory patterns.

3.2.2.5 Ethnic and religious background

The workers and apprentices belong to national ethnic groups except some MCs in Food Processing trade who are of foreign origin (mainly Asian). Among the ethnic groups,

highest are Ngoni (26 per cent) followed by the Lhomwe (21 per cent); Chewa (17 per cent) and the Yao (15 per cent).

With respect to religious background, the majority of the respondents in all categories of respondents are Christians.

3.2.2.6 Education

Minimum education level among the various categories of respondents is higher than the national average. All apprentices have undergone some education and in case of MCs and SWs, only 1 per cent have no education (see table 6). An equally significant aspect is that 96 per cent of MCs, 90 per cent of SWs and 93 per cent of apprentices have at least completed primary education (standard 8).

Education profile of SWs and apprentices is similar but they are less educated than MCs. About nine per cent of MCs have tertiary education compared to none in case of SWs and apprentices. Similarly, 34 per cent of MCs have completed O level compared to 25.7 per cent each in case of SWs and apprentices. Does this trend indicate that now youth with better education do not prefer to go for informal apprenticeship? Whether they have better opportunities for formal education and training as well as for employment in formal economy? The reasons need to be further explored.

Table 6: Education level of respondents (per cent)

Education level	MC	SW	Apprentices
No education	1	1	0
Primary or higher	96.1	90.4	93.3
Persons with O level and Higher Education levels			
O level	34	25.7	25.7
Tertiary	8.7	0	0

3.2.2.7 Training biography of MCs

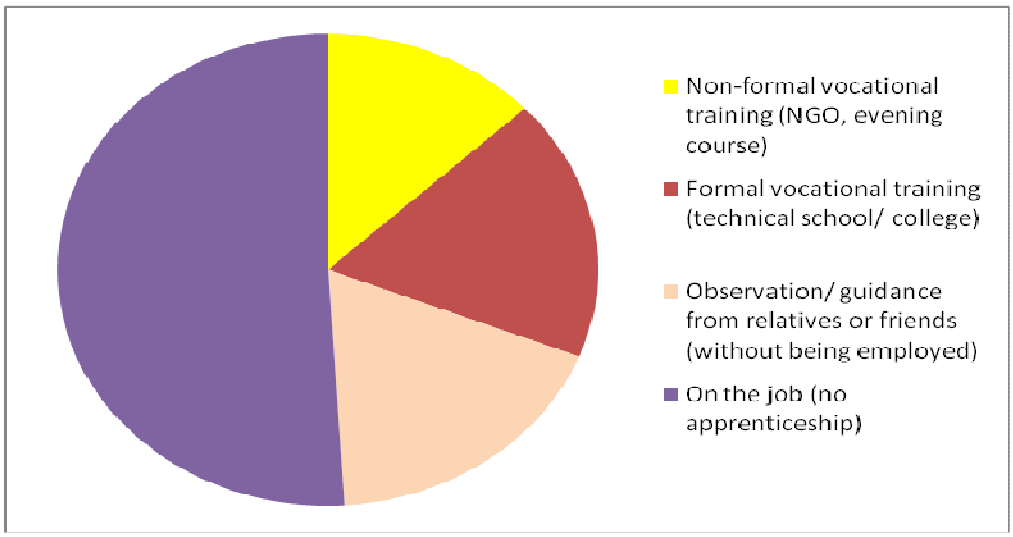
To understand the system of informal apprenticeship, it is crucial to understand the role of MCs as trainers. This section looks at the training biography of MCs to analyze how they became MCs.

Eighty-seven per cent of MCs learnt the trade by means of informal apprenticeship. When asked where they participated in informal apprenticeship, 19 per cent reported that they did it in the same enterprise where they were interviewed. This may mean that some of the MCs possibly inherited the businesses from their parents.

Moreover, only 21 per cent stated that they had prior experience in other trade areas. This means that once people acquire the skill in a particular area, they tend to remain within the occupation chosen.

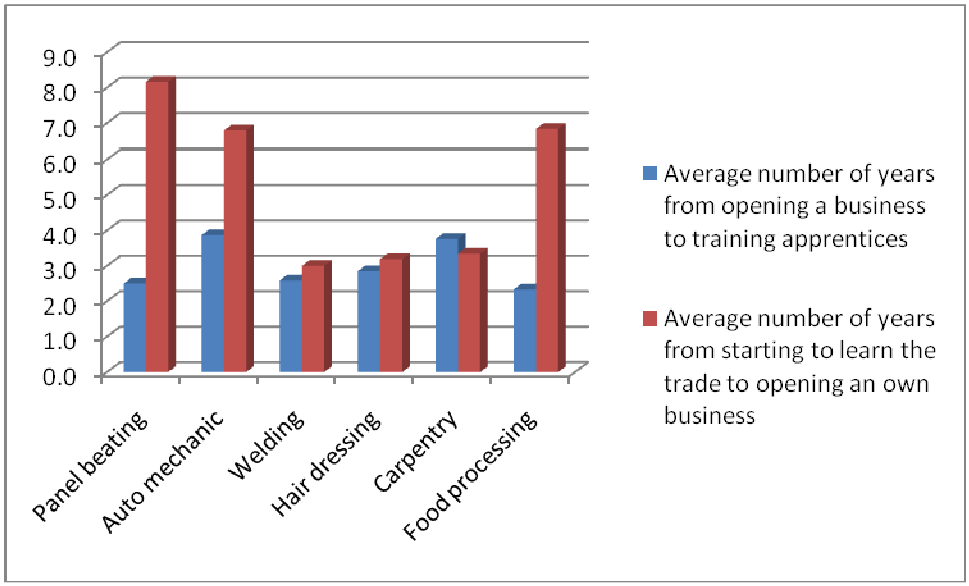
Apart from informal apprenticeship, MCs also acquired the skills for their trade through other means: around 35 per cent followed either formal or non-formal training.

Figure 3: Other means of acquiring skills for their trade



MCs' responses show that it took them on average 4.6 years (n=87) from the time they started to learn a trade until they opened their own businesses. It then took them another 3.2 years on average to start training apprentices. This suggests that MCs need to gain a considerable amount of experience in order to be accepted as a trainer within the community. Results differ between the trades: Panel Beating / Spray Painting, Auto Mechanics and Food Processing seem to require longest for opening up a business – probably due to higher financial investment in tools and machinery.

Figure 4: Average time for MCs to open a business and take on apprentices, by trade



3.2.3 Networks, associations and registration

The establishment of networks or associations is seen as a major challenge due to fragmentation of informal economy. Consultation with TEVETA revealed that most artisans prefer doing their businesses in isolation. Survey findings confirm this. Only nine businesses reported that they belonged to some association and one reported that it belonged to Malawi Chamber of Commerce and Industry (MCCI). The Ministry of Labour highlighted a few associations that are currently emerging in the informal economy, such

as the Malawi Union for the Informal Sector (MUFIS); the Quarry Mining Informal Workers Union (QUAMIWU); and on the employers side the Employers Consultative Association of Malawi (ECAM).

Nevertheless, 43 per cent of all MCs state that they cooperate in one way or another with other businesses. Out of these, 87 per cent share or borrow equipment from others, 41 per cent share knowledge or give advice, and 54 per cent say they refer work to other businesses in case they are not able to do it themselves. This shows that although formal cooperation mechanisms are scarce, businesses within one sector know each other and provide mutual support.

Registration of businesses permits various government bodies to monitor labour standards, quality of training and products, and tax collection. However, 40 per cent of interviewed enterprises are not registered with any State Agency (see table 7). Twenty-six per cent of these enterprises are registered with the local government authority; 45 per cent with the Registrar General; and 15 per cent with the Malawi Revenue Authority (MRA).

Table 7: Business registration with State agencies, by trade

Type of trade	n	With City Assembly/ Municipal Council/ Town Council	With Registrar General	With MRA	With none
Auto Mechanics	26	3 (11.5%)	16 (61.5%)	5 (19.2%)	9 (34.6%)
Panel Beating / Spray Painting	6	1 (16.7%)	5 (83.3%)	0 (0%)	0 (0%)
Carpentry and Joinery	23	3 (13.0%)	2 (8.7%)	0 (0%)	18 (72.3%)
Hair Dressing / Salon	18	8 (44.4%)	6 (33.3%)	1 (5.6%)	6 (33.3%)
Food Processing	10	6 (60.0%)	10 (100%)	9 (90.0%)	0 (0%)
Welding	21	6 (28.6%)	8 (38.1%)	1 (4.8%)	9 (42.9%)
Total	**104**	**27 (26.0%)**	**47 (45.2%)**	**16 (15.4%)**	**42 (40.4%**

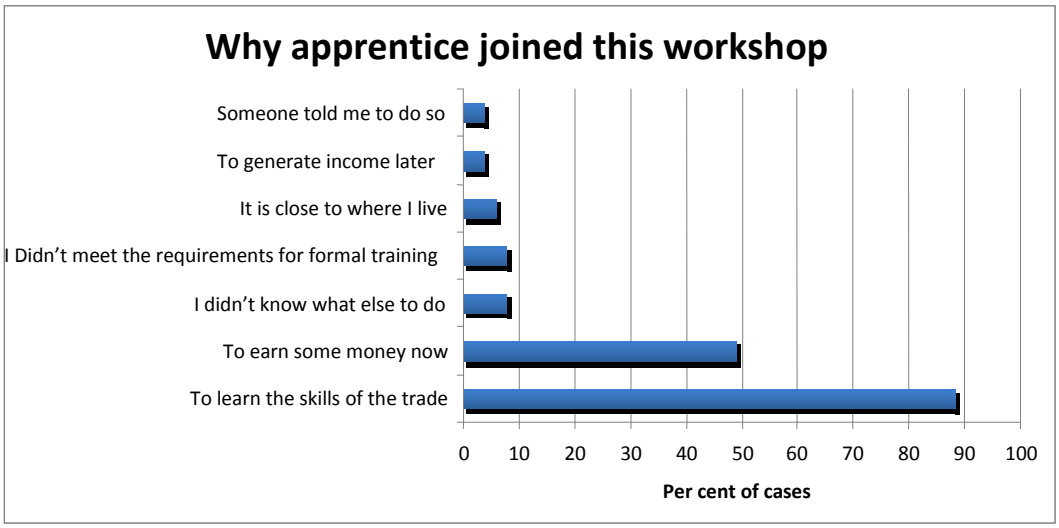
3.2.4 Perception of informal apprenticeship

The study finds that informal apprenticeship is not a recent development in Malawi. Rather, it is a common and ancient practice in the country of imparting skills in a variety of trades. A number of reasons motivate people to choose informal apprenticeship. The three sections below try to elucidate the factors that explain the choice or engagement in informal apprenticeship.

3.2.4.1 Apprentices

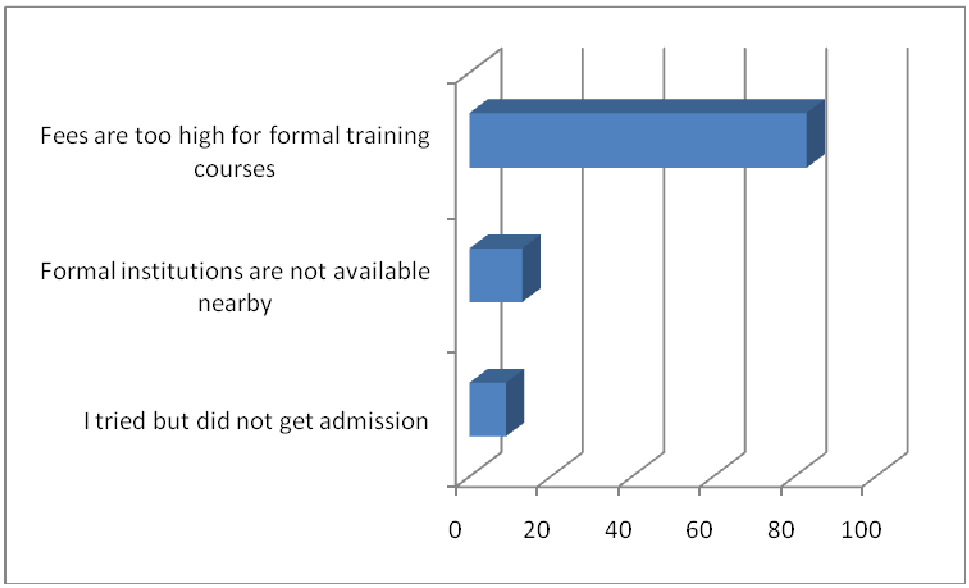
The apprentices' main reason for choosing the particular trade is to learn the skills of the trade (89 per cent), followed by the wish to earn income (48 per cent) (see figure 5).

Figure 5: Reasons for choosing informal apprenticeship



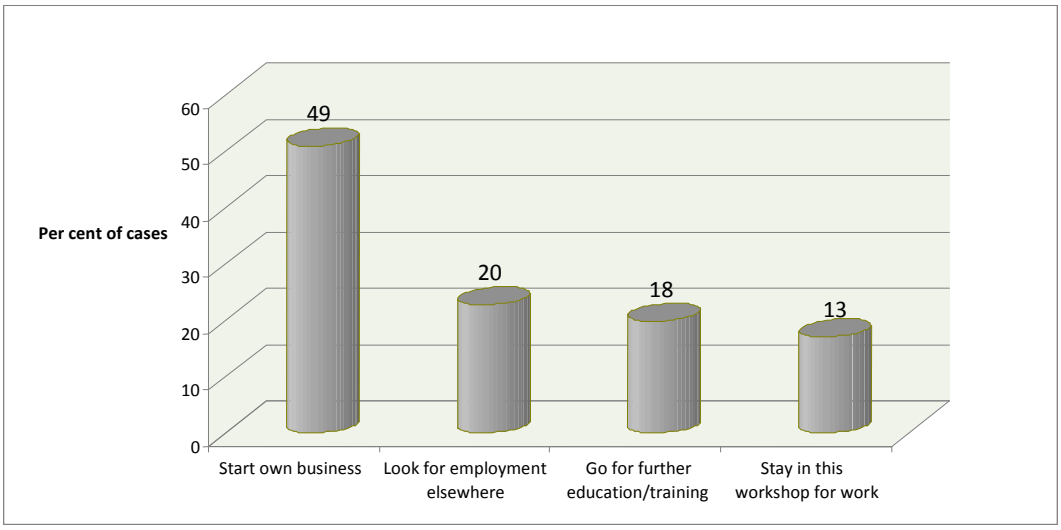
When apprentices were asked the reasons for opting for informal apprenticeship mode of training, they mentioned high cost of formal training (84 per cent) as the main cause. Other reasons are non-availability of formal training institutes nearby (13 per cent) and did not get admission in formal training (9 per cent).

Figure 6: Reasons for not choosing formal training (multiple responses)



Apprentices were also asked about their aspirations after completing training (see figure 7). Every second one wants to start one's own business (49 per cent) followed by those who plan to look for employment elsewhere (20 per cent); go for further training (18 per cent); and stay in the same enterprise (13 per cent).

Figure 7: Apprentices' plans after apprenticeship



The main reason cited by those planning to look for employment elsewhere, is to have better working conditions (68 per cent); to have a change (25 per cent); need for more money (12 per cent); and looking to acquire additional skills (5 per cent)

3.2.4.2 MCs

The majority (87 per cent) of MCs interviewed in this study acquired the skills for the trade through informal apprenticeship. They found the training very important for the trade they are engaged in (82 per cent). Hence this constitutes a key motivation to offer informal apprenticeship in their own enterprise.

Furthermore, MCs stated that they train apprentices to assist the poor and vulnerable to acquire skills (74 per cent) and to pass on skills to the young generation (70 per cent). At the same time, the number of apprentices recruited by MCs depends upon the volume of work they have. This was echoed in all the qualitative interviews with MCs and shows that while informal apprenticeship arrangements need to make economic sense to MCs, social concerns play a very important role, too. This finding is echoed in previous studies on informal and formal apprenticeship.[9]

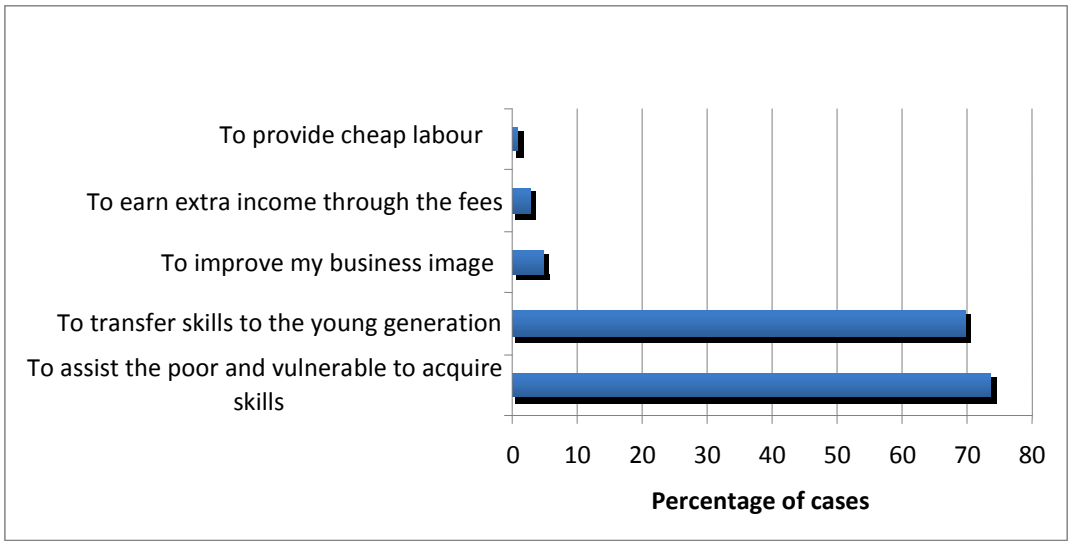
Box 1: MC's opinion at Mchesi in Lilongwe on social responsibility

"We want to assist each other as Malawians. I was trained without paying anything for several years. I know that I am what I am today because of someone who was not even my relative but a mere friend who assisted me. Because of that, I am also willing to assist others who come seeking assistance from me".[10]

[9] See e.g. Nübler et al., 2009.

[10] As we report below, informal apprenticeship is greatly appreciated.

Figure 8: MCs' reasons for training apprentices

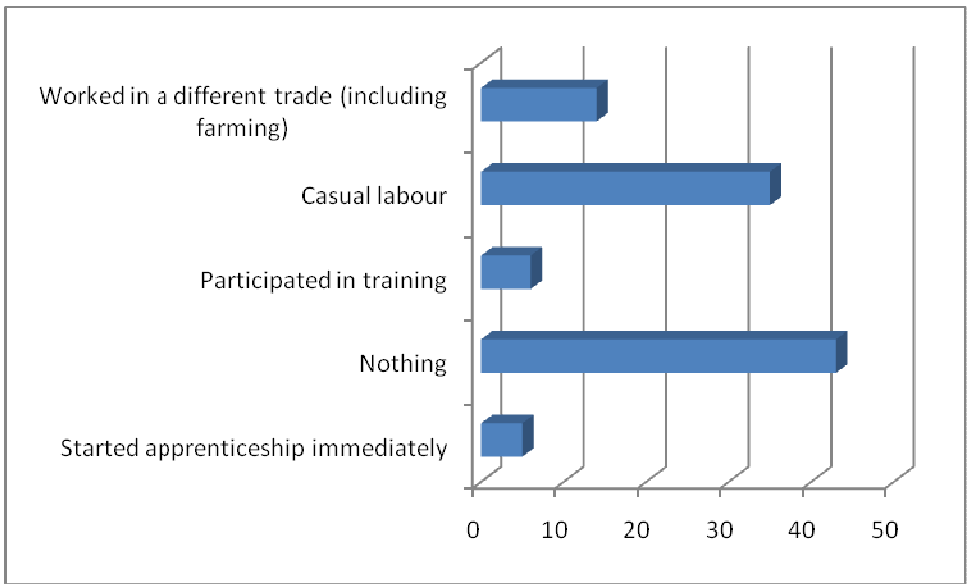


3.3 Transitions to informal apprenticeship

Apprenticeships are usually known for providing an effective transition from school to working life. This section analyzes transitions from school to informal apprenticeship.

Section 3.2.2.3 highlighted that apprentices in Malawi are relatively old. Apprentices were asked how they spent the time between finishing (or dropping out of) school and starting their informal apprenticeship. The largest group stated they were idle (42 per cent), followed by apprentices involved in casual (low-skilled) labour (34 per cent). Only 5 per cent started informal apprenticeship immediately, which implies that transitions from school to training for a skilled profession is not smooth. This issue deserves attention since it implies an enormous loss of productive potential for a society. If youth receive skills training at an early age of 15 or 16 years, they are much more likely to earn better wages during their working life (see figure 9).

Figure 9: Apprentices' activities between school and informal apprenticeship



3.4 Conclusions

The economic context of informal apprenticeship is characterized by common constraints of the informal economy: business space; upgrading technology and skills; access to business development services and microfinance; and stiff competition. Yet, most trades covered in the study show positive growth potential.

Regarding staff composition in enterprises, the study finds that for each apprentice there is at least one experienced craftsperson in the enterprise to train. Gender segregation is very pronounced in apprenticeship trades, the only trade that reported considerable numbers of females is Hair Dressing / Salon. Nine per cent of enterprises have hired people with disabilities which show that access of disadvantaged groups to informal apprenticeship is possible. Migratory patterns of people involved in informal apprenticeship are pronounced, which also shows that apprentices stemming from other regions within Malawi seem to have access to informal apprenticeship training.

Apprentices join informal apprenticeship primarily to learn the skills of a trade and about 50 per cent of them want to start their own business after completing apprenticeship. Informal apprenticeship is a good means to promote entrepreneurship as most MCs learnt the trade by this method (87 per cent). However, the study suggests that youth do not perceive informal apprenticeship as a preferred path for career even though it is a main avenue to acquire skills and employment, particularly for school dropouts and for persons from poor families. A large majority of apprentices did not opt for formal training for reasons of cost. Apprentices are relatively old when starting apprenticeship (25.2 years on average) as they try various options before joining informal apprentices. None of the apprentices have a tertiary education qualification. MCs had better education levels than apprentices.

MCs stress that – besides economic reasons for offering apprenticeship – they train out of social responsibility. Once people have acquired skills in a particular trade, the tendency to change to other trades is rather small. This means that informal apprenticeship serves as initial training and prepares youth for a working life and career within the chosen trade.

While surveyed enterprises report low levels of formal membership in associations, 46 per cent engage in informal networks and cooperate with other businesses in the sector to share knowledge, equipment and tools. The level of formal registration with a State Agency differs strongly among trades: while businesses without formal registration are most prevalent in Carpentry and Joinery and Welding, two-thirds of businesses in Auto Mechanics and Hair Dressing / Salon have at least one formal affiliation and all businesses in Panel Beating/ Spray Painting and Food Processing are registered with at least one State Agency.

4. Practices in informal apprenticeship and decent work dimensions

Practices in informal apprenticeship and decent work dimensions relate to a number of issues with regard to access to apprenticeship, transitions to apprenticeship, recruitment practices, contractual agreements, decent work in informal apprenticeship, financial arrangement and issues related to skills recognition. The following sections examine these issues and also how the costs and benefits of training are shared between MC and apprentices?

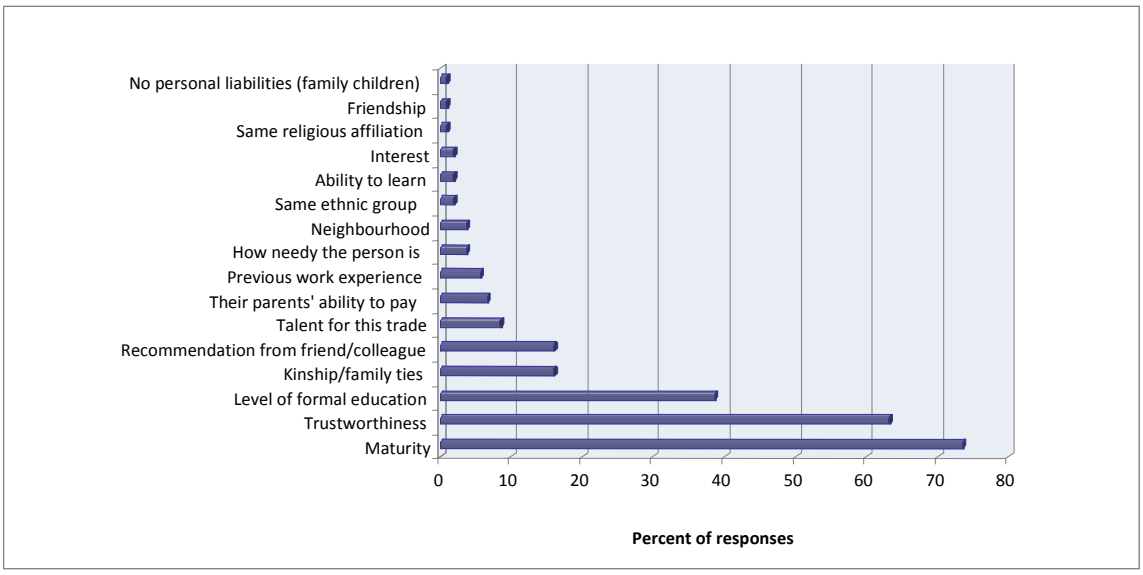
4.1 Recruitment

Practices regarding recruitment elucidate selection processes and criteria. They shed light on apprentices' access to informal apprenticeship, in particular, whether it is determined by family or kinship relations or not.

Selection by MCs

The main criteria for selecting apprentices by the MC are maturity, trustworthiness and the level of education (see figure 10).

Figure 10: Criteria for choosing apprentices by MC



Education levels of apprentices are important for admission for 37 per cent of MCs. The majority (64 per cent) of them consider Junior Secondary School as the minimum requirement (10 years of schooling) while 18 per cent consider Form 4 (12 years of schooling) and 13 per cent Senior Primary School (8 years of schooling) as the minimum requirement.

The majority (42 per cent) of the MCs indicate that the best age to start apprenticeship is between 17 and 19. Twenty-three per cent prefer youth between 14–16 years, and 18 per

cent between 20–22 years, and 5.6 per cent think that apprentices should be below 14 years, which contradicts legal minimum working age.[11]

MCs explained that the main factor determining the number of apprentices in an enterprise is the availability of work (37 per cent); followed by the number of applications received (24 per cent); and the availability of tools (16 per cent, see Table 8). The importance of these different factors depends largely on the type and characteristics of the trade: while in Carpentry and Joinery, the availability of tools seems to be of major importance, hair dressing enterprises are more inclined to rely on the mere number of applicants. Auto Mechanics and Food Processing emphasize the availability of work, which also points to the enterprises' responsibility to take on apprentices only if the businesses' workload allows for sufficient training opportunities.

Table 8: Factors determining the number of apprentices recruited, by trade (per cent)

	Main factors				
Type of trade	**Availability of tools**	**Availability of work**	**Number of applicants**	**Teaching capacity of MC**	**Availability of funds to pay them**
Auto Mechanics	7.7	61.5	19.2	7.7	3.8
Panel Beating / Spray Painting	33.3	50.0	0	16.7	0
Carpentry and Joinery	32.0	12.0	20.0	16.0	20.0
Hair Dressing / Salon	0	16.7	55.6	22.2	5.6
Food Processing	20.0	70.0	0	10.0	0
Welding	14.3	38.1	23.8	19.0	4.8
Total	**16.0**	**37.7**	**23.6**	**15.1**	**7.5**

Note: Percentages are calculated by trade type (row totals)

Eighty per cent of MCs reported that they are directly approached by potential apprentices. Sixteen per cent indicate that someone introduced the apprentices to them and 4 per cent said that they are the ones who approached potential apprentices.[12] Apprentices' responses confirm this picture.

Selection by apprentices

Study findings suggest that kinship plays a considerable role for access to informal apprenticeship. Thirty-nine per cent of apprentices state that the MC is a family member (26 per cent) or friend (13 per cent). Interestingly, only in one case the relation between MC and apprentice is father/mother - son/daughter; other family relations such as brother or sister, uncle or in-law are more frequent. Twenty-one per cent opted for an MC due to

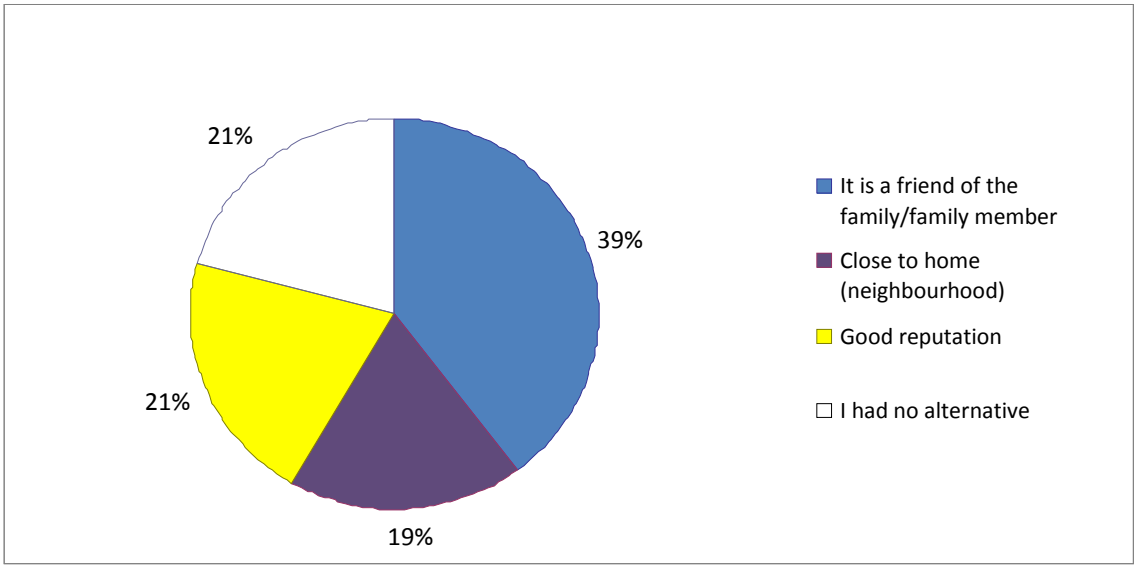
[11] See ILO Convention No. 138 on the Minimum Age for Admission to Employment and Work, and ILO Convention No. 182 on the Worst Forms of Child Labour – both ratified by Malawi.

[12] Multiple responses.

their good reputation and 19 per cent due to geographical vicinity. Twenty-one per cent stated they had no other alternative (see figure 11).

Regarding choice of apprenticeship trade, the majority (89 per cent) of apprentices chose their own trade; 11 per cent had to accept the selection of their parents.

Figure 11: Reasons for choosing the current MC



4.2 Training contract

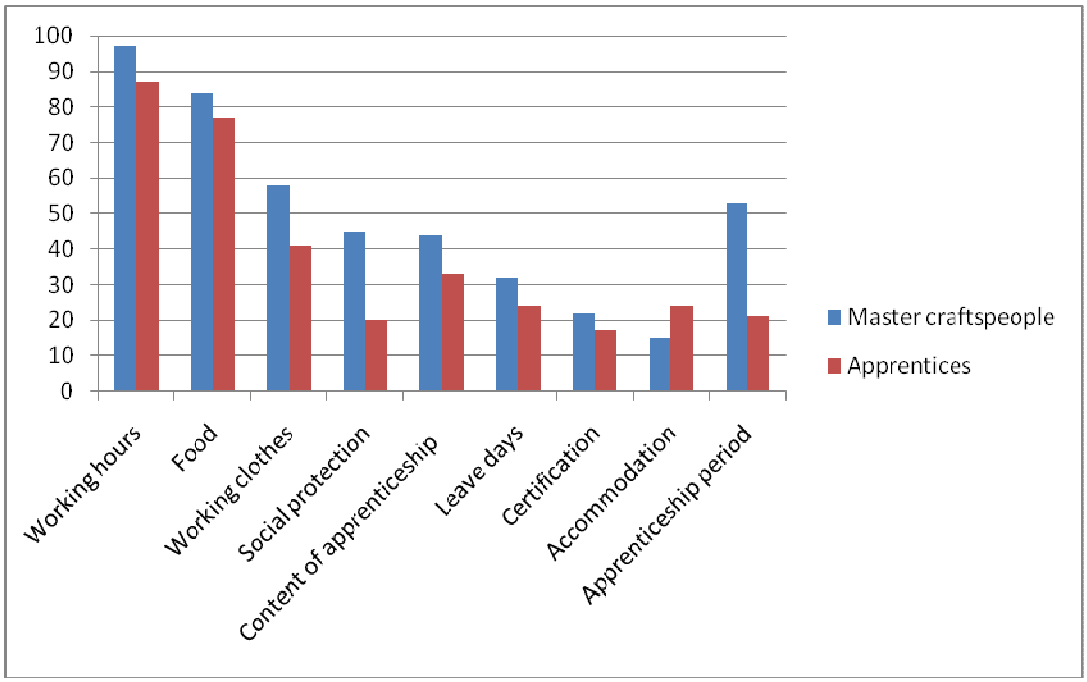
The majority of apprentices undergo training based on an oral agreement with their MCs. Only 30.5 per cent of the MCs conclude written agreements with their apprentices (see table 9). The highest percentage of written contracts was reported by MCs in Food Processing (90 per cent) and the lowest in Hair Dressing / Salon (5.6 per cent).

The training agreements include information about working hours (97 and 87 per cent, for MCs and apprentices, respectively); food (84 and 77 per cent, for MCs and apprentices, respectively); working clothes (58 and 41 per cent, for MCs and apprentices, respectively); training content (44 and 33 per cent of the responses, respectively); and apprenticeship period (53 and 21 per cent). See figure 12 for contents of the agreements. The significant difference between responses of MCs and apprentices, in particular lower share in apprentices' responses, implies that contract conditions are not fully clear which risks contract-related conflicts.

Table 9: Type of agreement between MC and apprentice (per cent)

Type of trade	Written contract	Oral agreement
Auto Mechanics	43.3	57.7
Panel Beating / Spray Painting	16.7	83.3
Carpentry and Joinery	20.0	80.0
Hair Dressing / Salon	5.6	94.4
Food Processing	90.0	10.0
Welding	25.0	75.0
Total	**30.5**	**69.5**

Figure 12: Content of the agreement between MCs and apprentices (multiple responses)



4.3 Duration and termination of apprenticeship

The study also aimed at establishing the duration of apprenticeship across various trades. Among other things, it was important to find out how the termination of the apprenticeship was decided and what guided this.

4.3.1 Length of apprenticeship period

MCs were asked how long an apprenticeship usually took in their enterprise. Results show (see table 10) that practices in enterprises vary quite widely. Qualitative analysis through interviews with MCs and key informants support quantitative analysis that there are no standard or commonly-practiced apprenticeship durations. According to them, the duration depends largely on the speed at which the apprentices acquired the skill.

There is wide variation in apprenticeship period across trades. On an average, Auto Mechanics is reported to take longest (19.5 months) and hair dressing can be learnt in a couple of months. The study also reveals that 53 per cent of the MCs agree on a fixed period of apprenticeship with their apprentices but conclusion of apprenticeship depends on a number of factors which are discussed in the next section.

Table 10: Apprenticeship period according to MCs

	Usual apprenticeship period (months)		Duration of apprenticeship agreed at the beginning of apprenticeship	
Type of trade	**n**	**Mean**	**n**	**Mean**
Auto Mechanics	22	19.5 (6-72)	15	18 (6-48)
Panel Beating / Spray Painting	6	9.5 (6-18)	3	8 (6-12)
Carpentry and Joinery	20	9.9 (3-18)	18	12.2(6-36)
Hair Dressing / Salon	16	4.6 (1-24)	10	2.9 (1-6)
Food Processing	4	10.0 (1-36)	1	6 (6)
Welding	19	10.6 (3-24)	9	8.7 (6-24)
Total	**87**	**11.5 (11.271)**	**56**	**11.2 (1-48)**

The reasons for the huge variation in apprenticeship period within a trade and how some MCs are providing apprenticeship training in a short period of time need to be further researched. A possible interpretation could be that MCs and apprentices agree on certain skills set (more like modular apprenticeship training) rather than full range of skills set for the trade. For instance, an apprentice may be interested in learning auto air-conditioning or engine overhaul or wheel alignment and balancing instead of becoming an auto mechanic. Similarly, in Welding, one may be interested to learn manufacturing doors, windows, and grills using arc welding process only. Even with these part skills set, one can be gainfully employed. Another possibility could be that some apprentices may drop out from one enterprise and join another one.

Table 11 shows the time it takes an apprentice – according to MCs – to work independently in the trade they are learning. This can usually be considered the time when apprentices have acquired the skills of the trade. When comparing these figures with the apprenticeship duration in table 10, it becomes apparent that not all apprenticeship training programmes will lead to fully-competent craftspersons. The durations match only in Hair Dressing / Salon and in Food Processing trades suggesting that apprentices finish apprenticeship as competent tradespersons in these trades. Yet, when comparing to the apprenticeship periods mentioned by apprentices, all trades but Auto Mechanics offer sufficiently long training periods. This finding supports the view that some "apprenticeships" are rather short-term trainings on specific skills sets in the trade that do not lead to complete mastery of a trade at the end of the training period unless an apprentice already has some skills when joining the programme.

Table 11: Time taken (months) by apprentices before they start working independently, by trade

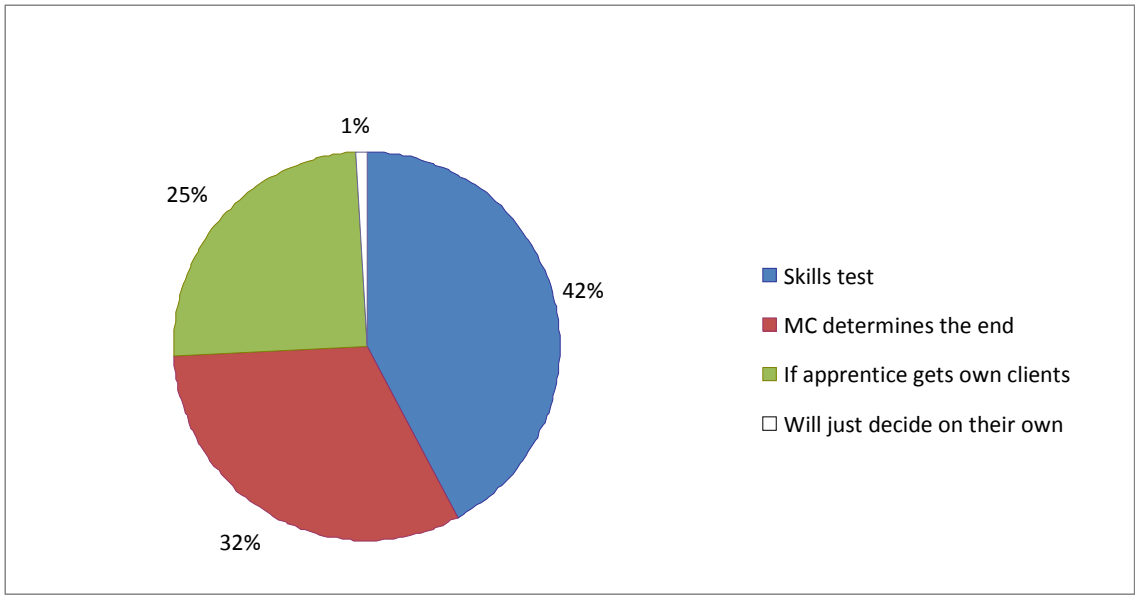
Type of trade	**n**	**Mean**
Auto Mechanics	26	27.0 (19.117)
Panel Beating / Spray Painting	6	28.3 (20.954)
Carpentry and Joinery	25	12.1 (9.752)
Hair Dressing / Salon	18	4.0 (3.254)
Food Processing	8	3.4 (3.623)
Welding	21	13.2 (10.516)
Total	**104**	**14.9 (15.410)**

4.3.2 Termination of apprenticeship

Apprentices are asked how they will know that their apprenticeship training is over. Forty-two per cent of them reported that it will be determined by a skills test and 32 per cent said it will be the MC's decision.

Seventy-six per cent of the MCs interviewed reported that apprenticeship ends when an apprentice adequately acquired the skills, while 25 per cent said when the apprentice is fit enough to get their own clients. This matches the apprentice's view (see figure 13).

Figure 13: How apprentices know that their apprenticeship is over (n=104)



4.4 Trial periods

Trial periods are an important means to test if apprentices are fit for the trade chosen and possess the appropriate personal traits. Seventy-nine per cent of MCs stated that there is a trial period for the apprentice (see table 12). The overall mean trial period is 2.8 months ranging from 1.3 months in Hair Dressing / Salon to 3.4 months in Welding.

Table 12: Trial period for apprenticeship (months), by trade

Type of trade	n	Mean (months)
Auto Mechanics	21	3.1
Panel Beating / Spray Painting	3	3.0
Carpentry and Joinery	22	2.2
Hair Dressing / Salon	13	1.3
Food Processing	7	2.9
Welding	17	3.4
Total	**83**	**2.8**

4.5 Decent Work dimension

Apprentices are trainees and at the same time workers in enterprises. Therefore decent work criteria also need to be applicable. This section discusses working hours, leave, social security and liability.

4.5.1 Working hours and working days per week of apprentices

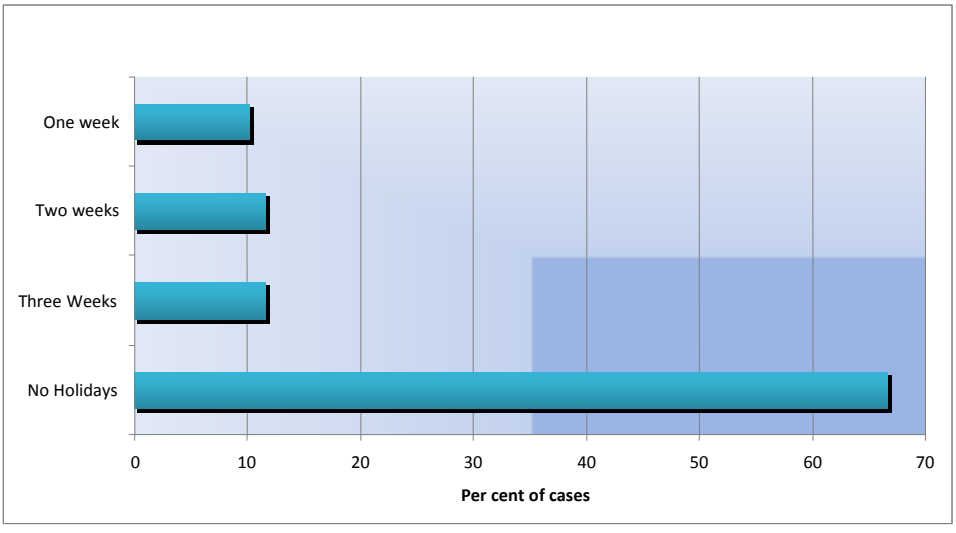
The number of working days per week is relatively similar (around 6 days) across trades. The average number of working hours as reported by apprentices varied significantly among trades. Some apprentices stated that they worked effectively between 1 and 4 hours, which implies that they are either part-time apprentices and follow another type of activity in parallel. Among apprentices that stated they worked effectively 5 hours or more, the highest number (8.9 hours) of working hours is reported in Food Processing (bakeries), while the lowest (6.2 hours) is recorded in Panel Beating / Spray Painting (see table 13).

Table 13: Number of hours effectively worked per day by apprentices

Auto Mechanics	Carpentry and Joinery	Food Processing	Hair dressing / Salon	Panel Beating / Spray Painting	Welding
7.1	7.9	8.9	7.4	6.2	7.8

Regarding leave days, 67 per cent of apprentices reported that they do not get leave throughout the year. 12 per cent each get three weeks and two weeks leave and remaining 10 per cent get only one week leave (see figure 14).

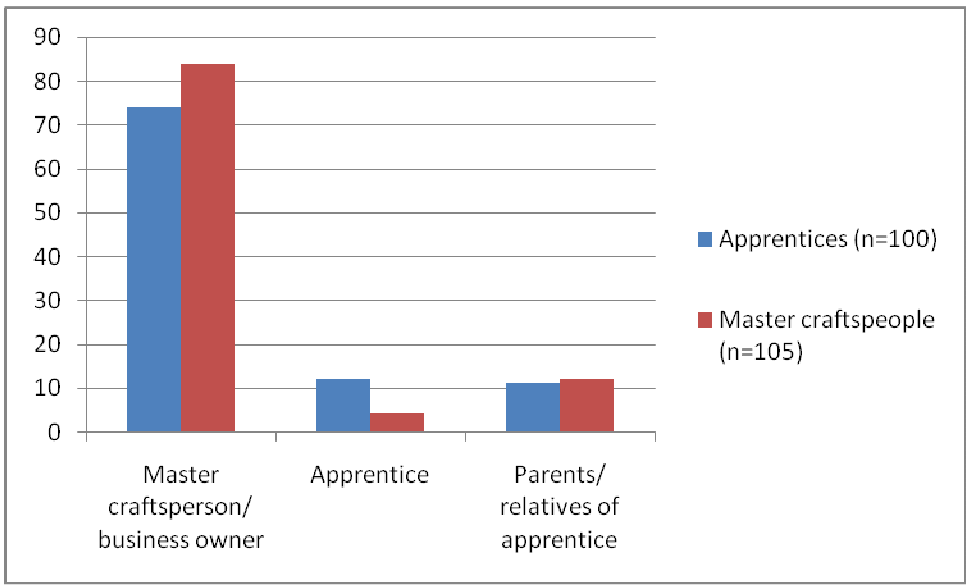
Figure 14: Number of weeks of holidays per year



4.5.2 Social security and liability

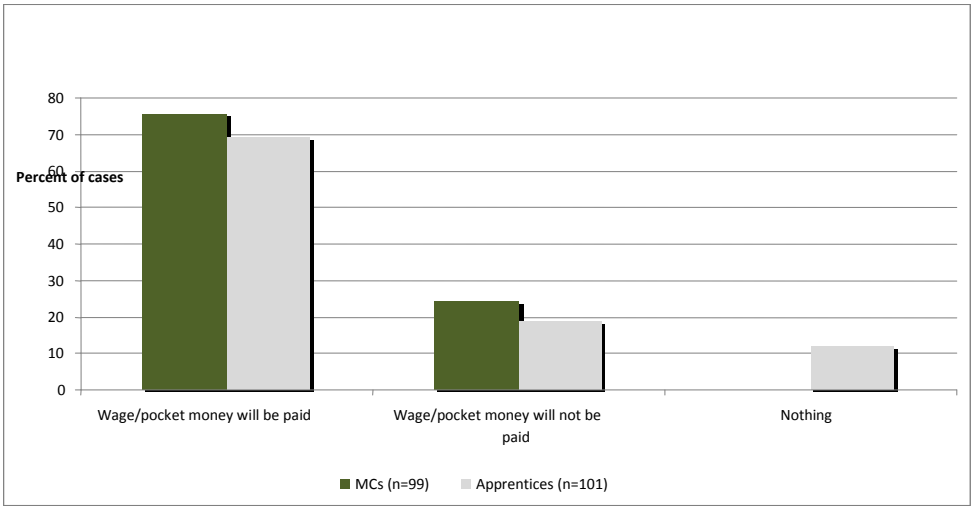
The study findings reveal that the majority of MCs provide medical and other types of support.

Figure 15: Covering medical costs in case of sickness or occupational injury (per cent)



If apprentices stay home due to illness or occupational injury, 68 per cent continue to receive their wage or pocket money. In both cases (covering medical costs and continuing pay) apprentices report slightly lower numbers than MCs. However, findings from qualitative interviews indicate that whether MC pays for medical costs or not, largely depends on capacity of MC to pay at the time of the apprentice's illness as well as cost of treatment. It can be concluded that most MCs feel the social obligation to support apprentices in times of illness.

Figure 16: What happens in case apprentices stay home because of illness or occupational injury?



The study further found that apprentices are not penalized if they damage tools or materials belonging to the enterprise. Only 3 per cent of MCs said that the apprentice or parents of the apprentice pays for the damage.

4.6 Skills recognition

The recognition of skills acquired by apprentices by potential employers is a key for employability of graduated apprentices. Traditionally, information about competence of a graduated apprentice is spread in the business network of the MCs and depends on the reputation of the MC. The tradition to hold graduation ceremonies for public recognition of a graduated apprentice is not widespread in Malawi (practiced by only 2 per cent of MCs in the sample).

Handing out certificates or reference letters helps graduated apprentices prove that they have been trained in a enterprise. Yet it will only enhance their employability if the future employer believes that the source of information is reliable. This is likely to be restricted to the locality where MCs know each other. The research found that 44 per cent of MCs provide certificates or reference letters: ranging from 90 per cent in Food Processing to 11 per cent in Hair Dressing / Salon (see table 14).

Table 14: Apprentices receiving a certificate at the end of apprenticeship (per cent)

Type of trade	Yes	No
Auto Mechanics	73.1	26.9
Panel Beating / Spray Painting	66.7	33.3
Carpentry and Joinery	12.0	88.0
Hair Dressing / Salon	11.1	88.9
Food Processing	90.0	10.0
Welding	47.6	52.4
Total	44.3	55.7

4.6.1 Skills recognition at national level

Three awarding bodies award qualifications in Malawi. These are National Trade Testing Services (NTTS) under the Ministry of Labour, TEVETA and Malawi National Examinations Board (MANEB). Out of the three, only NTTS assesses and awards candidates from the informal sector. Its trade testing grading system is in three levels. The foundation level is called Grade 3 certificate. The intermediate level is called Grade 2 certificate and the advanced level is called Grade 1 certificate. After passing level 3 tests, a person is required to have one year of active practice before attempting the higher grade 2 tests and similarly for the next level. Trade tests are conducted in 40 trades, out of which only half of them are in demand. Out of the six trades covered under the study, trade tests are not conducted for Hair Dressing and Food Processing.

There is no minimum qualification requirement set for trade tests. Candidates are tested for both practical competencies and related theory. The apprentices from informal apprenticeship are eligible to apply for trade test at level 3. However, only three apprentices from the sampled enterprises appeared in national trade tests. Further, only 5 per cent of current apprentices claimed that they would like to sit for examinations after finishing their apprenticeship.

4.7 Sharing direct costs and benefits

In apprenticeship arrangements, costs and benefits of training are shared between MCs and apprentices (or their parents). This section analyzes the different contributions of both sides and thus attempts to clarify incentives for both sides to invest time and money into skills provision and acquisition.

4.7.1 Direct costs borne by apprentices

Training fees and tool kits are the direct costs for apprentices. The study finds that the majority of apprentices do not bear any direct cost related to fees or tools. These are discussed in this section.

4.7.1.1 Training fees

The study suggests that 33 per cent of MCs charge fees. Surprisingly, only 11 per cent of apprentices reported that they paid fees. This might be explained by the fact that some of the apprentices interviewed are related to the MC and the fact that MCs give consideration to paying capacity of apprentices. Since only one apprentice per enterprise was interviewed, some of those who paid fees could have been left out in the sample.

The reasons given by the MCs not charging training fees are given in table 15. During qualitative interviews, MCs mentioned that the main reason is that apprentices belong to poorer families and many come from other towns and rural areas and so they cannot afford high fees. Further, training fees (average amount charged by some MCs) are not significant and therefore cannot be a prime motivating factor for MCs to take on apprentices. In addition, apprentices provide labour and contribute to the productivity of the enterprise, which increases with time.

Table 15: MCs' reasons for not demanding fees from apprentices

Reasons	Frequency	Percentage
Most apprentices don't stay long	3	6.3
They bring money to my business through their work	7	14.6
Cannot afford to pay	17	35.4
MC just helps them	21	43.7
Total	**48**	**100.0**

Payment arrangements varied: some paid the fees at the beginning of the apprenticeship, and others paid in instalments. Fees range from MWK 1.000 to MWK 30.000, the averages being displayed below (based on MC's information). Thirty-six per cent of the MCs reported that each apprentice paid the same fee, while 64 per cent said that it depended on the parents'/guardians' ability to pay the fees (see table 16).

Table 16: Average amount of fees paid, by trade (MWK)

Type of trade	n	Mean	Fees in USD[13]
Auto Mechanics	13	15076.9 (7598.920)	107.69
Panel Beating / Spray Painting	4	18750.0 (11086.780)	133.93
Carpentry and Joinery	9	8166.7 (7770.135)	58.33
Hair Dressing / Salon	2	3500.0 (2121.320)	25.00
Welding	6	7250.0 (4557.960)	51.79
Overall total fee	**34**	**11,617.6 (8466.564)**	**82.98**

4.7.1.2 Tools

A vast majority of MCs (96 per cent) do not ask apprentices to bring their own tools.

4.7.2 Direct costs borne by MCs

Ninety-seven per cent of MCs pay allowances to apprentices in the form of wage, pocket money or in-kind contributions and make up for damage caused by apprentices.

4.7.2.1 Wages / stipend to apprentices

Sixty-five per cent of MCs pay a weekly wage to their apprentices. The wages increase over the apprenticeship period as productive contributions by apprentices increase. Trade-wise average weekly wages to apprentices at the beginning, towards end and after graduating apprenticeship training are given in table 17. On average, the weekly wage at the end of apprenticeship is one third of the wage of an SW after finalizing apprenticeship. This confirms that wages are compressed in order to allow MCs to recover their training investment.

[13] Exchange rate at MWK140 to USD1.

Table 17: Weekly wage of apprentices

	Weekly wage (MWK)					
	At beginning of apprenticeship		Towards end of apprenticeship		Graduate apprentice / SW	
Type of trade	**n**	**Mean**	**n**	**Mean**	**n**	**Mean**
Auto Mechanics	16	1262.5	11	2109.1	21	7690.5
Panel Beating / Spray Painting	4	1500.0	2	4000.0	6	6833.3
Carpentry and Joinery	20	710.0	19	1894.7	21	8250.0
Hair Dressing / Salon	6	829.2	6	1675.0	14	5500.0
Food Processing	7	2330.0	7	5250.0	10	8845.0
Welding	13	1269.2	12	2458.3	15	7016.7
Total	**66**	**1184.6**	**57**	**2517.5**	**87**	**7430.5**

4.7.2.2 Other allowances

Seventy-seven per cent of MCs pay pocket money to apprentices. MCs also provide in kind support to the apprentices mainly in form of money for lunch locally known as *m'memo*[14] *(*94 per cent); working clothes (59 per cent); and accommodation (17 per cent).

4.7.3 Duration, fees and compensation – A direct relationship

Theory suggests that MCs recoup their training investment by benefiting from the apprentice's labour service and contribution to the enterprise's products and services during apprenticeship. This would imply that MCs who charge fees could offer shorter apprenticeship periods, since some of their training investment is covered through fees. Equally, shorter durations are possible if MCs pay smaller wages/pocket money.

The findings of the study show that for all trades, MCs who charge fees offer apprenticeships that are slightly shorter than the mean. In addition, among those MCs that pay weekly wages, the amount paid is lower than what other MCs pay (except for hair dressing, where the sample is very small) – see table 18. This means that shorter periods, meaning less time to recover training investment, are possible due to charging fees and compensating apprentices less.

[14] This usually refers to lunch that is prepared by the workers at the workplace. The common practice is that the workers themselves contribute some money towards the purchase of materials to prepare the meal. If they cannot raise the funds, the employer supports them with some money.

Table 18: Apprenticeship period and compensation by MCs charging fees

	Mean apprenticeship period	Apprenticeship period of MCs who charge fees	n	Weekly wage (MWK)	
				At beginning of apprenticeship	Towards end of apprenticeship
Auto Mechanics	19.5 (n=22)	17.9	13	1471.4	1900.0
Carpentry and Joinery	9.9 (n=20)	9.1	9	600.0	1637.5
Hair Dressing / Salon	4.6 (n=16)	3.0	2	0.0	3000.0
Panel Beating / Spray Painting	9.5 (n=6)	8.3	4	750.0	1250.0
Welding	10.6 (n=10)	9.7	6	625.0	1500.0
Total	**11.5 (n=87)**	**9.6**	**34**	**689.3**	**1857.5**

4.8 Mechanisms enforcing the informal rules

Formal rules such as laws and acts are enforced by the legal system. Informal rules that shape informal apprenticeship systems are enforced by reciprocity, social sanctions, and economic compulsions. While it may seem that rules in informal apprenticeship are only enforced by the MC itself and restricted to the enterprise, a closer look reveals that societal mechanisms play an important role.

Since a considerable amount of apprenticeship agreements are concluded within the MCs' kinship group, both MC and apprentice will feel bound to the contract for reasons of reciprocity. Apprentices from the neighbourhood might be known to several of the clients so that the fear of losing good reputation and consequently clients creates an incentive for MCs to abide by the contract commitments. Apprentices may want to count on support from their MC after finishing apprenticeship in running of their own business. These might all be incentives for apprentices to stick to the training agreement. Yet, as my be seen in the next chapter, dropout rates are high, which implies that some of these mechanisms need to be strengthened and incentives enhanced to keep apprentices in the enterprises until the end of their apprenticeship.

On top of these social mechanisms, MCs establish sanctions within their enterprises in case of misbehaviour by the apprentices. If an apprentice misbehaved it was reported that they were either disciplined (47 per cent); or expelled (43 per cent) or suspended (10 per cent). In all the qualitative interviews, it was reported that one of the most serious offenses is stealing from the enterprise or from clients, which automatically called for the expulsion of the apprentice.

4.9 Conclusions

MCs state that maturity, trustworthiness and level of formal education are the most important criteria for them to select apprentices. Kinship still plays a considerable role for access to informal apprenticeship – around 40 per cent of MCs are family members or friends. Apprentices consider reputation and geographical vicinity of the enterprise when approaching an MC for apprenticeship.

The majority of MCs stated that apprentices should be between 17 and 19 years old, but in actual fact, the average age for starting an apprenticeship is 23.7 years.

Apprenticeship contracts (70 per cent are concluded orally) usually cover arrangements about working hours, food, working clothes and duration (over 50 per cent) and some also cover social protection issues, leave days, accommodation and certification (less than 50 per cent).

The duration of the apprenticeship depends on the speed at which the apprentice acquires the skills of a given trade, but also depends on the complexity of the skills taught. Yet, apprenticeship periods vary widely in length, also within a trade. The average length of apprenticeship is shortest in Hair Dressing / Salons, while it is longest in Auto Mechanics. It appears that several of the "apprenticeships" are rather short-term trainings for specific skills sets.

High dropout rates (43 per cent) indicate that contract or agreement between MC and an apprentice is not sacrosanct. Most apprentices work six days per week and work between 6 and 9 hours per day. Contrary to findings from a study in Tanzania, most apprentices remain within the stipulations of the ILO Weekly Rest (Industry) Convention (No. 14) stating that working time in industrial undertakings should be limited to eight hours per day and 48 hours per week. However, two-thirds of the apprentices do not have the right to annual leave.

With respect to social security, nearly all apprentices (97 per cent) are covered in case they break tools or equipment in the enterprise. In addition, most apprentices (70 per cent) are taken care of by their MCs in case of illness or occupational injury and receive sick pay.

The study findings suggest that both MCs and apprentices show little interest in participating in formal skills recognition mechanisms. This might be due to lack of information on existing procedures, complex procedures, non-availability of trade test in the trade, cost factor, and low value attributed to formal certificates. The relatively high prevalence of informal certificates or reference letters, however, proves that MCs acknowledge the need to provide credentials to graduated apprentices for improved recognition of their skills. Further research is needed to elucidate this issue.

Financing arrangements and the sharing of benefits and costs are key components of the institutional framework in which informal apprenticeship is embedded. Both parties invest - MCs invest time to train and the majority of MCs provide wages or pocket money, food and working clothes, and apprentices provide their labour service and some (33 per cent) pay fees. Financial arrangements are flexible, meaning that MCs adapt the amount of fees to the financial capacity of the apprentice (or their family). Fees are not seen as sufficiently high to provide an incentive for taking on apprentices.

Findings confirm that apprenticeship duration is directly related to the financing arrangement: If the period is longer, apprentices increasingly contribute to the enterprises productivity and thus pay for their training through their labour service. MCs who offer shorter apprenticeship periods, charge fees or pay wages less than average.

5. Effectiveness and relevance of informal apprenticeship

This section discusses the effectiveness and relevance of informal apprenticeship training. This covers issues around the training process, contents, training and development of MCs, dropout rate, output and outcome of training.

5.1 Training process

Training of apprentices is largely guided by the MC, though SWs also train them. Apprentices mentioned that they learn from MCs (57 per cent), SWs (25 per cent) or both of them (18 per cent).

In qualitative interviews, MCs described different steps they follow when training apprentices: First, they would introduce tools and let apprentices observe others. Then they would start performing simple tasks under supervision and receive feedback. Later on, they would move to more difficult and complex tasks, also under supervision, until they can finally work independently. Box 2 provides an example in carpentry.

Box 2: Example of informal training plan in carpentry

The introduction to the trade during the early stages of the apprenticeship usually involves asking the apprentices to smoothen pieces of timber with sand paper. As they are doing this, they also observe how the MC carries out various activities. Once the apprentices start getting adequate knowledge of the various tasks that are carried out in the enterprise, they are then introduced to working on some of them. For example, the trainer-MC or SW may ask the apprentices to work on a piece of timber. As the apprentices are carrying out the task, they observe and give comments on how they are handling the tool being used etc. Once the final product is produced, the apprentices are asked some questions on the output. Such a task may be repeatedly given to the trainees until the trainer is satisfied that the apprentices have mastered it. Then they can be asked to carry out other related tasks until they are exposed to all the key activities that take place in the enterprise. At the end of it all, the apprentice may be asked to make a chair of a certain design on his/her own.

All the trades covered under the study adopt similar forms of training process. During training, many MCs explain underpinning knowledge (see section 5.2.1), usually by calling all the apprentices together. As shown in table 19, such theoretical instruction generally takes place during idle hours of the day. It was also pointed out that some MCs may give books to their apprentices to read, particularly when they prepare for a Trade Test.

Table 19: Time of instructing apprentices

Time of instruction	Frequency	Per cent
In idle hours	47	44.3
At given times per day/week	22	20.8
In the evening	13	12.3
In the morning	11	10.4
As they are working	4	3.8
Any time	4	3.8
Never	2	1.9
Upon request	2	1.9
On weekends	1	0.9
Total	**106**	**100.0**

The survey indicated that eight out of 106 MCs allowed apprentices to go to other businesses for complementary training elsewhere. Four send them to experts in their specific area, two to neighbouring enterprises and two leave it to the apprentice's choice.

5.1.1 Contents of training

Contents of training mainly focus on technical skills (100 per cent response). As may be seen from table 20, 27 per cent of enterprises also provide underpinning knowledge about the trade, 16 per cent provide training on safe handling of tools and material, 12 per cent cover enterprise organization and about 9 per cent provide training on maintenance of machines. Although most of the MCs do not teach entrepreneurial skills, apprentices acquire these skills by observation and practice.

Table 20: Type of skills provided (multiple responses)

Type of skills provided	N	Per cent of cases
Technical skills	106	100.0
Theoretical background information	29	27.4
Workshop organization, workflow of production	13	12.3
Maintenance of machines	9	8.5
Accounting and cost calculations	2	1.9
Purchasing of materials	1	0.9
Negotiating with customers	2	1.9
Marketing and advertising	1	0.9
Safe handling of tools and material	17	16.0
Total	**180**	**169.8**

Enterprises had sufficient workload to provide practical on-the-job training to apprentices. During the survey, 76 per cent of the MCs reported that the amount of workload was very high, only 5.8 per cent stated it was low.

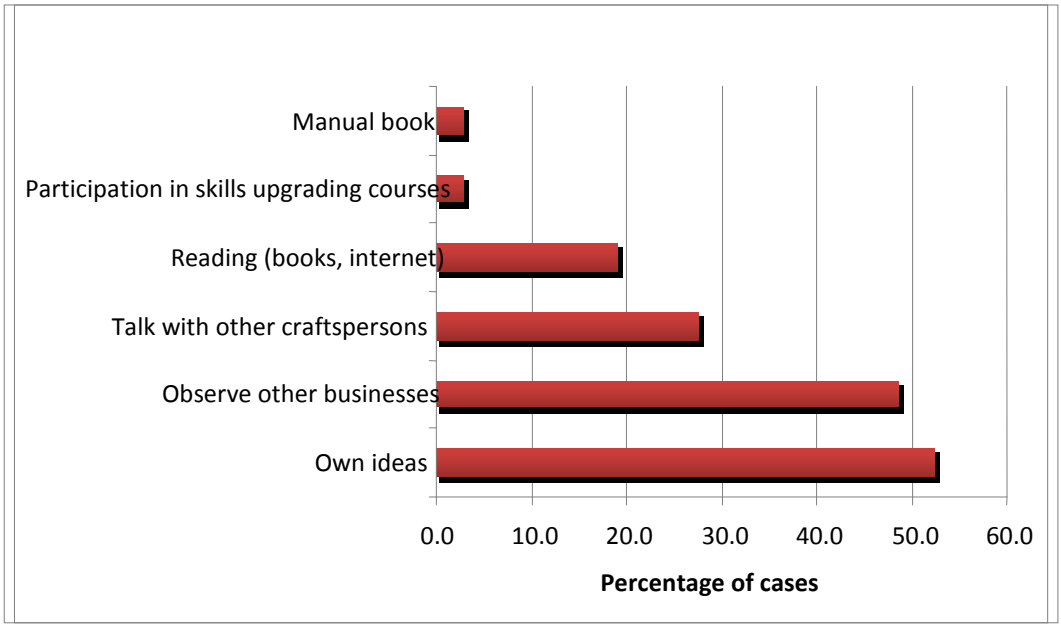
5.2 Training and development

This section discusses skills upgrading practices of MCs and apprentices.

5.2.1 MCs

MCs need to upgrade their skills and knowledge to maintain or improve competitiveness of their enterprises and to provide relevant and up-to-date training to apprentices. MCs indicated different methods used for skills upgrading include (see figure 17): own ideas (52 per cent); observing others (48 per cent); talking to other MCs (28 per cent); or reading (19 per cent).

Figure 17: MC's ways of acquiring new skills (multiple responses)



Only 4 per cent of MCs have participated in skills upgrading courses. Direct cost of the training (38 per cent) and opportunity cost (32 per cent) are the main factors that limit most MCs to attend skills upgrading courses. Thirty-five per cent of MCs do not feel the need to attend further training courses, and according to 7 per cent, appropriate courses are not available.

Since cost is a key issue, support from government and other agencies is desirable. TEVETA runs skills upgrading courses for MCs and also provides training fees for apprentices. However, awareness about TEVETA and its programmes needs to be improved. Twenty-seven per cent of MCs do not know TEVETA. Only 6 per cent of MCs mentioned that they have benefited from TEVETA programmes. Box 3 mentions support by TEVETA for skills upgrading of MCs.

Box 3: Skills upgrading in carpentry

Mr. Laston Marichi, a carpenter from Mchesi in Lilongwe City, attended a skills upgrading course at Don Bosco Youth Technical Institute, which was organized through TEVETA. TEVETA staff introduced the plan for the course to MCs through their association. Mr. Marichi said that most of the artisans attended this meeting and showed a lot of interest. However, only ten MCs turned up for training as they have to bear cost and remain away from their workplace for a week. He found the training useful and learnt many new things. However, many persons lamented the loss of business while attending training.

The above case indicates need for flexible delivery of training programmes as per convenience of MCs. This will help minimize opportunity cost and lead to favourable cost-benefit. In addition, training should be focused and meet specific needs of MCs.

5.2.2 Apprentices

Apprentices can also complement training provided by MCs to acquire broad-based skills and knowledge for the trade. However, only five apprentices in Auto Mechanics in Lilongwe and one apprentice in Carpentry and Joinery in Blantyre participate in formal skills upgrading courses. Apprentices or their parents bear the cost of training in all but one case. The training period for all of them was a month or less.

5.3 Training output

The average number of apprentices that each type of trade had produced in the last two years varied quite greatly (see table 21). The lowest average number of graduates was reported in Hair Dressing / Salon (1.8 graduates per enterprise) and the highest was recorded in Food Processing (11.6 graduates per enterprise).

Table 21: Average number of apprentices finalizing apprenticeship at MC's enterprise within the past two years

Type of trade	n	Mean
Auto Mechanics	26	3.8 (3.290)
Panel Beating / Spray Painting	6	6.2 (5.037)
Carpentry and Joinery	25	3.0 (2.111)
Hair Dressing / Salon	18	1.8 (1.478)
Food Processing	10	11.6 (9.192)
Welding	21	2.2 (2.272)
Total	**106**	**3.8 (4.567)**

5.3.1 Dropouts

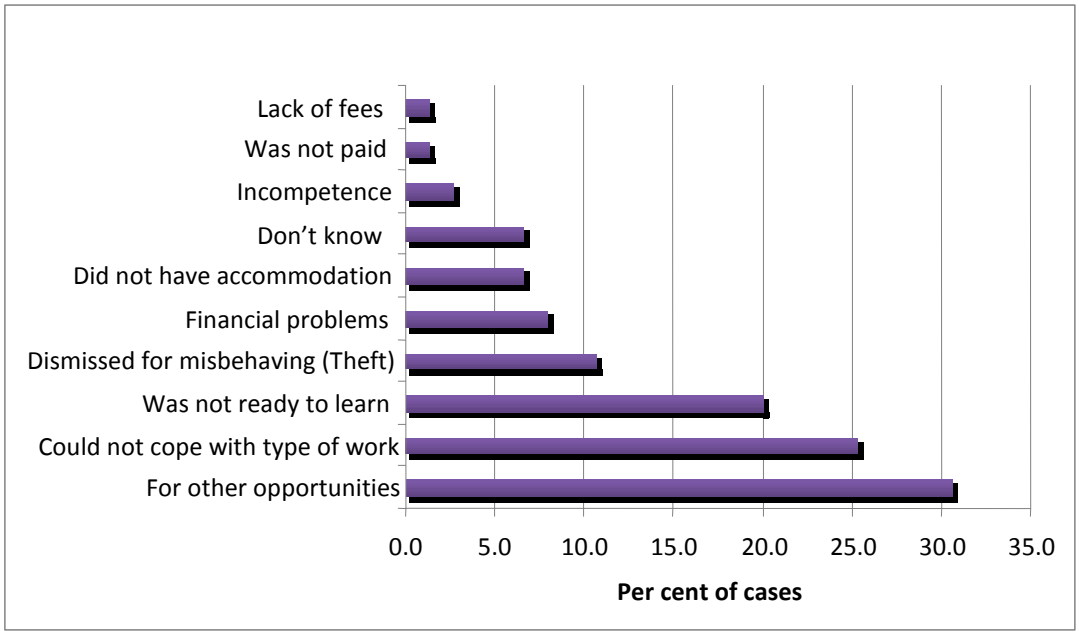
Some of the apprentices leave before completing the training programme. Table 22 shows that almost all the MCs, during the last two years, had some apprentices who left before completing the training.

Table 22: Number of apprentices who left without finishing the programme

Type of trade	Mean
Auto Mechanics	3.7 (9.793)
Panel Beating / Spray Painting	3.2 (2.563)
Carpentry and Joinery	2.0 (1.645)
Hair Dressing / Salon	0.7 (0.840)
Food Processing	9.9 (12.965)
Welding	1.9 (1.389)
Total	**3.0 (6.653)**

Several reasons are given by MCs for apprentices dropping out of training (see figure 18): Apprentices left for other opportunities (31 per cent); failed to cope with the training (25 per cent); are not ready to learn (20 per cent); are dismissed because of misbehaviour (mainly theft) (11 per cent); and financial problems (8 per cent). Besides 405 apprentices who finalized apprenticeship during the past two years, 301 apprentices left the enterprise. This means dropout rate is 43 per cent which is very high.

Figure 18: Reasons for apprentices leaving before end of programme



5.4 Outcome of informal apprenticeship

Informal apprenticeship provides skills relevant to the labour market as it reflected from the good outcome of the training in terms of employment rates and opinion of employers. This section discusses these issues.

5.4.1 Opinion of employers

Employers (usually MCs in the informal economy) opine that graduates of informal apprenticeship systems have a higher level of skills than those trained in formal institutions. The main reason for this is the fact that the informal apprenticeship is strong in

"*learning by doing*", yet with a weaker theoretical background. One MC in Blantyre explained (see Box 4).

Box 4: MC's opinion on quality of training through informal apprenticeship

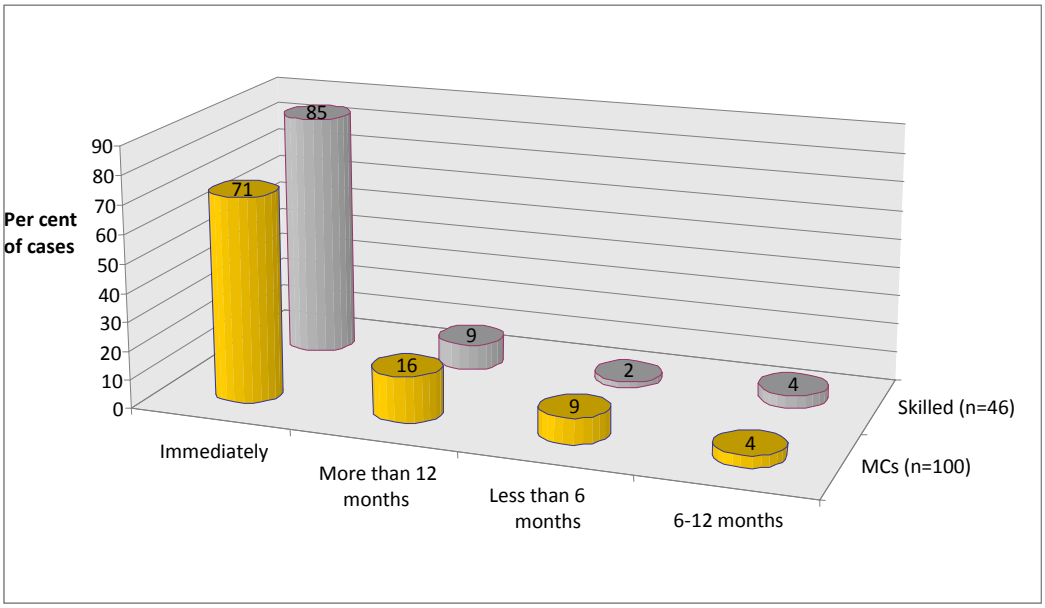
My experience with informal apprenticeship is that this form of training is the best as compared to formal training in Technical schools. I have noted that most professionals who become very good in their trades are those who have been trained informally. Most students who come for their practicals from technical schools really struggle when they join us. As a result, if someone from a Technical College comes here to look for employment, I do not take them. This is because I know that I have to train them again before they become good in what they are doing. Let me give you an example: if I ask someone who is informally trained to make a sofa chair, they can do everything up to sewing alone. However, most people from Technical Schools could only be specialized in one part of the chair and not others. As a result, you need to employ a lot of people for very few tasks which most informally-trained people can do alone.

Most of the MCs and SWs covered under the sample have themselves learnt skills of the trade through informal apprenticeship. The majority of them (80 per cent MCs and 77 per cent SWs) reported that the informal apprenticeship training undergone by them is very important and relevant to their current job, while 21 per cent of the SWs and 20 per cent of the MCs reported that the training was important

5.4.2 Employability of former apprentices

Graduates from informal apprenticeship easily find jobs as data from SWs and MCs demonstrates. Eighty-five per cent of the SWs who opted to look for a job after apprenticeship found a job immediately, compared with 71 per cent of the MCs, while 9 per cent of the SWs took more than 12 months to find a job and the percentage was slightly higher (16 per cent) for MCs (see figure 19).

Figure 19: Time between finishing apprenticeship and getting a job



Further, 47 per cent of SWs did the apprenticeship in the same enterprise where they are working. This shows that apprenticeship is used to select the best apprentices for future

employment in the business – a very strong incentive for businesses to engage in apprenticeship in order to save search costs.

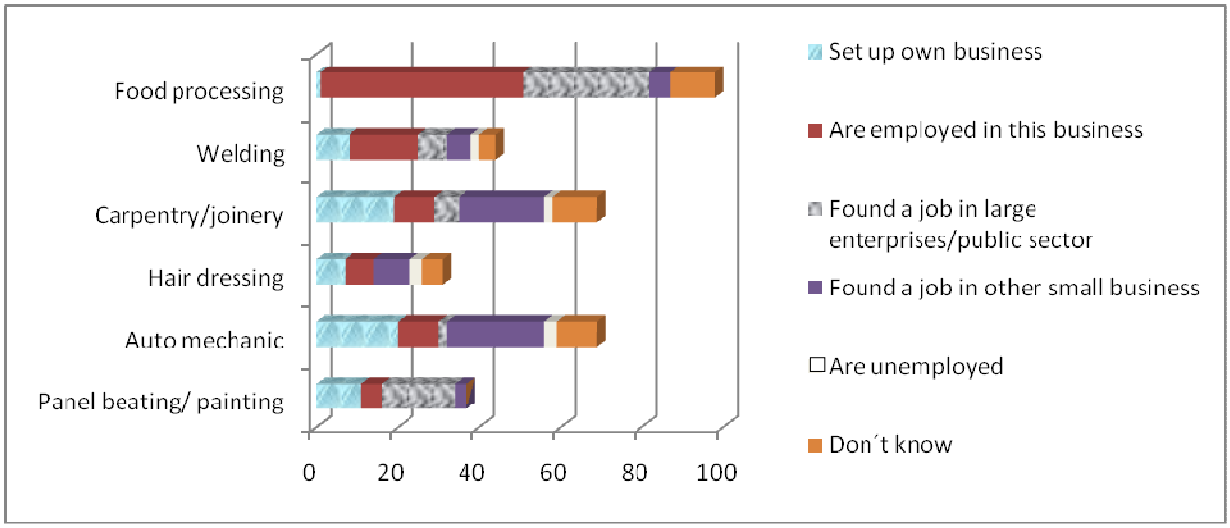
5.4.3 Employability of apprentices graduated from sampled enterprises

The information about employment outcomes of apprentices trained by the MCs covered in the survey is given in table 23. Trade-wise information about employment is given in figure 20. The findings show that only 3 per cent of graduated apprentices are unemployed. The largest group of apprentices (28 per cent) is still employed in the business where they are trained (43 per cent of apprentices in Food Processing and 36 per cent in Welding), others either set up their own businesses (most in Carpentry and Joinery and Auto Mechanics), or found a job in other small businesses. Eighteen per cent of apprentices found employment in the formal sector with Panel Beating / Spray Painting (50 per cent of apprentices) and Food Processing (27 per cent) providing the most promising pathways to formal employment.

Table 23: Employment outcome of apprentices finalizing apprenticeship at MC's enterprise within the past two years

Employment outcome	Number of apprentices	Per cent
Employed within the same business	99	28
Employed in other small business	68	20
Set up their own business	66	19
Found a job in large enterprise/public sector	64	18
Don't know	41	12
Unemployed	10	3
Total	**348**	**100**

Figure 20: Employment of apprentices, by trade



5.5 Suggestions for improving informal apprenticeship training

Informal apprenticeship provides training relevant to market needs but it has many deficiencies. MCs and apprentices are asked to suggest areas for improving informal apprenticeship training.

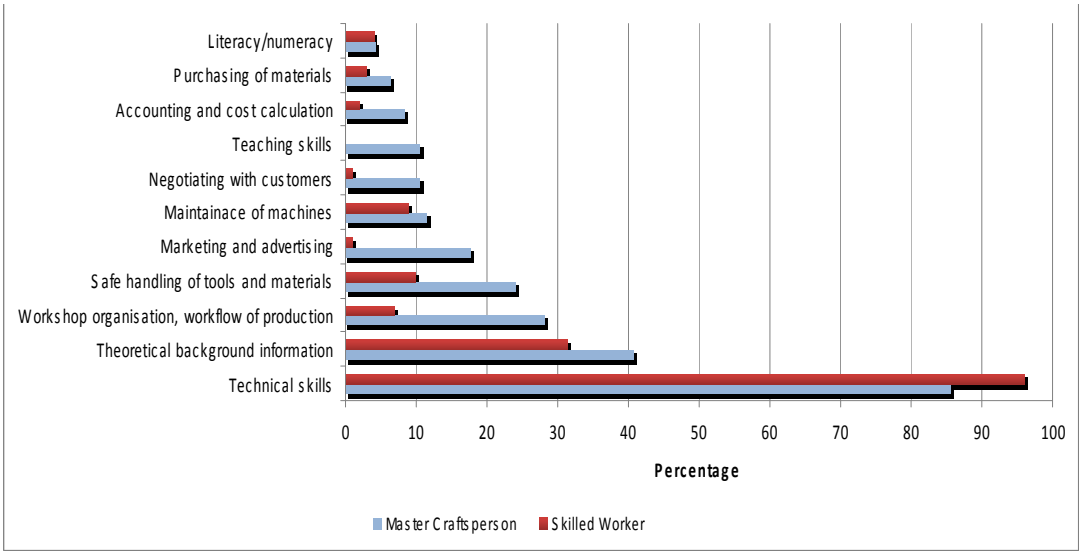
Table 24: MCs' suggestions for improving informal apprenticeship

Suggestions	Per cent of response
Enough tools, equipment and space	57
More skills for MC	13
Capital to expand	12
More work needed in workshops	5
Support from Government through TEVETA	4
Motivate apprentices (e.g. pay allowance)	3
Training institutions should support garages	2
Good relation between apprentices and enterprise owners	2
Nothing	2
Register the business	1
More training time	1

Three main recommendations of the MCs are: 'sufficient tools, equipment and space (57 per cent)', 'more skills for MCs (13 per cent)', and 'capital to expand (12 per cent)'. These three suggestions account for 82 per cent of responses. Table 24 shows suggestions of MCs for improving training.

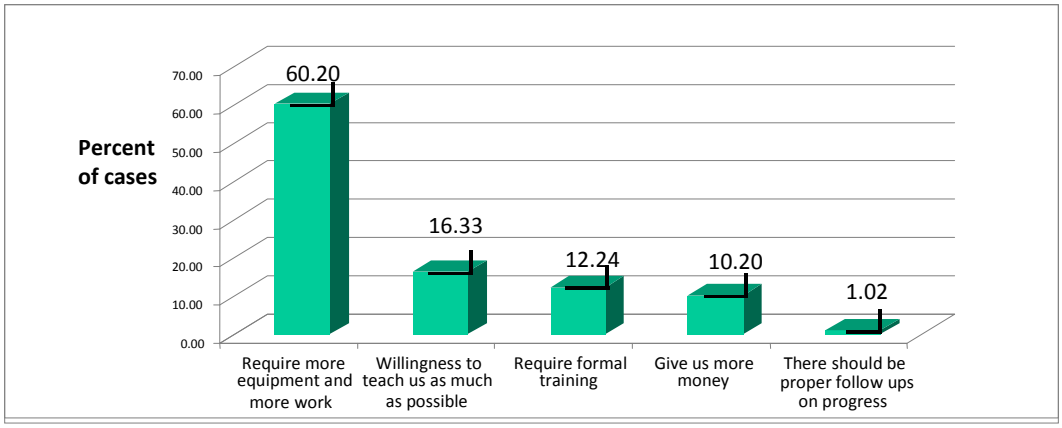
MCs and SWs also indicated type of skills that should be upgraded (see figure 21). Technical skills is the main area both SWs (97 per cent) and MCs (86 per cent) are interested in, followed by theoretical knowledge relating to their trades. Workshop organization and safe handling of tools are also important areas.

Figure 21: Type of skills to be upgraded



Apprentices also highlight a number of areas for improvement. The most important area is the need for more tools and work in the enterprises (60.2 per cent), followed by need to raise willingness of MCs to teach them and provide supplementary formal training. Responses of the apprentices are shown in figure 22.

Figure 22: Apprentices' suggestions for improving informal apprenticeship



MCs said they will let apprentices attend suitable complementary training if provided as per timing convenient to them. The best time suggested for additional training courses is highlighted in Table 25.

Table 25: Time suggested by MCs for additional training courses for apprentices

Suggested time	Frequency	Percentage
In the evening	52	49.5
In the morning	35	33.3
Any time	10	9.5
In the afternoon	4	3.8
On weekends	3	2.9
One day per week	1	1.0
Total	**105**	**100.0**

5.6 Conclusions

The majority of SWs and MCs who opted to seek employment after finishing their own informal apprenticeship easily found jobs. This means that the skills they acquire are relevant to the trades they have chosen.

Employment outcomes of apprentices who graduated from the sampled businesses within the past two years are very positive: only 2 per cent are unemployed, one out of four apprentices remained in the same enterprise, and around one out of six each found employment in the formal economy, in another small business or opened a business of their own. Unlike findings in Tanzania where MCs are well informed about current employment situations of their past apprentices, MCs had lost contact to around 10 per cent of graduated apprentices. This implies that social networks in Malawi are likely to be less pronounced and that apprentices seek less support from MCs after graduating. While in Tanzania, around 80 per cent of all graduated apprentices opened their own business,

labour markets in Malawi seem to offer more attractive wage employment opportunities – or higher barriers to setting up new businesses.

Apprentices learn mostly technical skills, coupled with theoretical background knowledge of the trade, and knowledge about safe handling of tools in some enterprises. MCs follow informal training plans, and upgrade their own skills through own ideas, observing or talking with other craftspeople in the trade, or reading books or the internet. A very small number of MCs and apprentices participate in skills upgrading courses outside their own enterprise.

In order to improve informal apprenticeship, both MCs and apprentices mention improved access and availability of quality tools and equipment, and enhanced skills for MCs, among others.

6. Conclusions and recommendations

This study was carried out with the main objective of conducting an in-depth research on the informal apprenticeship system in Malawi. The knowledge gained from this study is meant to guide policy makers and researchers in developing suitable interventions for strengthening informal apprenticeship.

Several lessons have been learned from the study results.

1. The study findings have established that informal apprenticeship in Malawi is an ancient system. Most artisans in urban areas as well as in rural areas informally pass on their skills in various trades to young persons. It is a main avenue to acquire skills and employment, particularly for school dropouts and for persons from poor families. However, the study found that youth do not perceive informal apprenticeship as a preferred path for career. Apprentices are relatively old when starting apprenticeship (23.4 years on average) as they try various options before joining informal apprenticeships. A large majority of apprentices did not opt for formal training for reasons of cost and also because of ineligibility to meet minimum entry qualification requirements. Further research would be needed to better understand the obstacles to access informal apprenticeship at a younger age, and to identify ways to smoothen transitions from school to workplace learning by means of informal apprenticeship.

2. Effectiveness and relevance of informal apprenticeship training is good, as 85 per cent of apprentices who graduated during the last two years got employment. In addition, informal apprenticeship is a good means to promote entrepreneurship as most MCs learnt the trade by this method (87 per cent).

As Nell (2010) says, the advantages of informal training, as seen in traditional or informal apprenticeship, are: that it does not have to conform to set times; the workplace, which is also the training venue, is accessible; it is usually relevant to the market in which the MC operates; there are few entry qualifications required; and it is affordable for the rural and urban poor. However, informal apprenticeship system is facing a number of challenges, which are discussed below.

3. There is very high demand for apprenticeship training within urban areas. Gender segregation is very pronounced in apprenticeship trades; most of the trades are male dominated. The study shows that access to people with disabilities to informal apprenticeship is possible.

MCs stress that – besides economic reasons for offering apprenticeship – they train out of social responsibility. Most of the MCs provide an allowance, a wage to apprentices which increases as the apprentice gains more skills. However, some MCs charge fees which are not substantial. The study also finds relation between wages, fees and training duration. If the period is longer, apprentices increasingly contribute to the enterprises productivity and thus pay for their training through their labour service. MCs who offer shorter apprenticeship periods, charge fees or pay wages less than average. Financial arrangements are flexible, meaning that MCs adapt the amount of fees to the financial capacity of the apprentice (or their family). Fees are not seen as sufficiently high to provide an incentive for taking on apprentices.

4. It can be concluded that apprentices acquire their skills largely based on trust of the MCs as most of them do not sign a written contract. This is a major risk to the apprentices.

The duration of the apprenticeship depends on the speed at which the apprentice acquires the skills of a given trade, but also depends on the complexity of the skills taught. Yet, apprenticeship periods vary widely in length, also within a trade. The average length of apprenticeship is shortest in Hair Dressing / Salons while it is longest in Auto Mechanics. It appears that several of the "apprenticeships" are rather short-term trainings for specific skills sets. This issue also deserves further research since it implies that the informal apprenticeship system – learning the skills for a trade in an MC's business – coexists with short-term training for specific skills sets. Questions as to the motivation and prior knowledge of trainees opting for shorter trainings, the employability of graduated trainees compared to graduated apprentices and the incentives of MCs to offer these short trainings (partly without charging fees) need to be addressed.

5. MCs state that maturity, trustworthiness and level of formal education are the most important criteria for them to select apprentices. Kinship still plays a considerable role for access to informal apprenticeship. Apprentices, too, consider reputation and geographical vicinity of the enterprise when approaching an MC for apprenticeship.

6. Apprentices mainly acquire technical skills, with some MCs providing inputs on underpinning knowledge. MCs follow informal training plans, and upgrade their own skills through own ideas and by observing or talking with other craftspeople in the trade. A very small number of MCs and apprentices participate in skills upgrading courses outside their own enterprise. This puts a serious constraint on providing training on new technology and business skills.

7. The informal economy in Malawi is very large, heterogeneous, disorganized and unregulated. One of the elements that shows that the sector is unregulated is the fact that most enterprises are not registered, whether with the city assemblies or with the Malawi Revenue Authority. Most trades covered in the study show positive growth potential but their growth is constrained by difficulties in access to business space; upgrading technology and skills; to business development services and microfinance; and stiff competition.

8. It can be concluded from the study that the majority of apprentices are provided with some basic social security (support for medical costs and wages during illness) during the training. Apprentices are also generally not penalized for damage to tools and equipment. High dropout rates (43 per cent) indicate that contract or agreement between an MC and an apprentice is not sacrosanct. There is a need to devise suitable incentives and mechanisms so that apprentices complete the apprenticeship training. Working hours per week are found to be within acceptable limits. However, two-thirds of the apprentices do not have the right to annual leave.

9. Lastly, the study suggests that very few MCs and apprentices participate in formal skills recognition mechanisms. This might be due to lack of information on existing procedures, complex procedures, non-availability of trade tests in the trade, cost factor, low value attributed to formal certificates. Recognition of skills and mobility is a challenge for informal apprenticeship. Further research is needed to elucidate this issue.

To improve informal apprenticeship, both MCs and apprentices suggest, among others, improved access and availability of quality tools and equipment and space, and enhanced skills (technical, pedagogic and entrepreneurial) for MCs. MCs also suggest access to capital and markets is important.

The research findings lead to the following recommendations to improve informal apprenticeship:

- Informal apprenticeship practices are embedded in social and economic context and these have evolved without government support. However, government needs to intervene to improve informal apprenticeship system but its interventions need to be designed carefully without distorting basic principles. For example, the system has an in-built mechanism to balance demand and supply of artisans. Initiatives aiming at turning microenterprises into training institutes by influencing MCs to recruit more apprentices or by encouraging training providers to select apprentices may distort the system.
- Government and community should recognize the important role being played by the informal apprenticeship system for skills development and employment promotion. Government could introduce awards for best MCs and trade associations to promote good practices. Local bodies should help in resolving challenges regarding space for workplace and marketing their products. Government should strengthen microfinance and business development services (BDS) providers.
- Government should earmark a portion of national budget and training levy for improving informal apprenticeship.
- Effectiveness and relevance of training can be improved by building capability and capacity of MCs, apprentices and trade associations for improving learning environment, production processes and work practices at the workplace.
- MCs need better technical, pedagogic and entrepreneurial skills, as well as knowledge about markets, new technology and processes, BDS and microfinance institutions and benefits of formalizing businesses. MCs also need support and training to improve Occupational Health and Safety standards and work practices at the workplace.
- Apprentices may be provided with underpinning knowledge and skills (numeracy, literacy, life, entrepreneurial and supplementary technical skills). Apprentices completing training could be provided post training support including mentoring, BDS and microfinance support. Apprentices may undergo short-term institutional training before, during and at the end of apprenticeship.
- MCs should be encouraged to form trade associations and to agree to let associations and local community perform a watchdog role of the apprenticeship process which includes defining terms and conditions of training, registering contracts, monitoring training and mediating. As some of the trade associations mature, build their capacity to perform the role of a facilitator of training and other services needed by MCs and apprentices including trade testing and certification.
- National trade testing mechanism should be adapted to the needs of graduated apprentices to facilitate recognition of skills acquired through informal apprenticeship.
- Linkage and mobility between trade testing certificate and TEVETA qualifications should be established for facilitating graduates of informal apprenticeship to acquire higher qualifications. In this regard, bridge courses to acquire additional knowledge and skills will be helpful.

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Appendices

List of interviewees

Name	Title	Organization
1. Mr. Ellard Paliyani	Motor Vehicle Mechanic	Paliyani Garage, Lilongwe
2. Mr. Jordan Banda	Informal Sector Officer	TEVETA – Lilongwe
3. Mr. Christopher Yohane	Informal Sector Officer	TEVETA – Lilongwe
4. Mr. Albert Wasiri	Curriculum Development Coordinator	TEVETA – Blantyre
5. Mr. George Mindano	Public Relations Officer	MACOHA – Blantyre
6. Mrs. Juliana Madangwe	Senior Computer Operator	MACOHA – Blantyre
7. Mrs. E. Nanthulu	Secretary	MACOHA – Blantyre
8. Mr. Mwalija	Rehabilitation Manager	MACOHA – Blantyre
9. Mr. Yusufu Alide	Executive Director	TEVETA – Lilongwe
10. Mr. K. Nkhonjera	Principal	SOS Vocational Training Centre
11. Mr. M. Mwasikakata	Deputy Labour Commissioner	Ministry of Labour
12. Mr. Mchawa	Instructor	Don Bosco Youth Technical Institute
13. Mr. Ishmael Ali	Informal Sector Specialist	TEVETA – Lilongwe
14. Mr. C. Gondwe	Head of Training Programmes	TEVETA – Lilongwe

List of people who attended the draft report presentation

Name	Title/Organization
1. Edwin Mguwata	MEDI, Head of Entrepreneurship
2. C.C. Gondwe	TEVETA
3. R.D. Chandidya	TEVETA
4. Bahat Nyirenda	CAYO
5. Wilson Makuluwiza	TEVETA
6. Elliot Mulanje	TEVETA
7. Phanud Hamsini	TEVETA
8. Anthony Mwamukonda	Hypher AID Research
9. Yusuf Alide	TEVETA
10. David Mulera	UNESCO Commission
11. Malitso Gomani	TEVETA
12.Fanny Nkunika	TEVETA
13. Steven Mulenga	MUTIS
14. Frank Binauli	Training Consultant/Madson Business Advisory
15. Ishmael Ali	TEVETA
16. Jordan Banda	TEVETA
17. Denis Kalekeni	MCTU
18. Wales Chakukuma	IGOA
19. Ali Kundaje	IGOA
20. Oliva Chawinga	Marketing Specialist – DEMAT Centre
21. Miriam Gachago	CTA – ILO
22. Fr Mkandawire	UNESCO Commission
23. J.W. Chafa	UNESCO
24. A.A. Chirambo	TUST-OVAY Coordinator – TEVETA
25. Archangel Bakolo	Education Advisor – Out of School Youth
26. Bright Gonani	NPL
27. Fanny Mthunzi	ILO – LUSTECH

Additional tables based on survey findings

Table A1: SW weekly income (MWK)

Type of trade	n	Mean
Auto Mechanics	25	4450.00 (4119.314)
Panel Beating / Spray Painting	6	3000.00 (2196.588)
Carpentry and Joinery	25	6646.00 (4778.989)
Hair Dressing / Salon	15	3910.00 (3594.848)
Food Processing	10	2976.00 (1534.791)
Welding	21	5209.52 (6014.163)
All	102	4835.39 (4517.589)

Table A2: MC trade by highest level of education (actual counts)

Type of trade	None	Primary (Sdt1-5)	Primary (Std 6-8)	Junior secondary not completed (Form 1-2)	Junior secondary completed (Form 2)	Senior secondary not completed (Form 3-4)	Complete O-Level (Form IV)	Terti-ary	Total
Auto Mechanics	0 (0%)	1 (4.0%)	9 (36.0%)	2 (8.0%)	1 (4.0%)	2 (8.0%)	8 (32.0%)	2 (8.0%)	25 (100%)
Panel Beating / Spray Painting	0 (0%)	0 (0%)	1 (20.0%)	0 (0%)	1 (20.0%)	1 (20.0%)	2 (40.0%)	0 (0%)	5 (100%)
Carpentry and Joinery	1 (4%)	2 (8.0%)	9 (36.0%)	2 (8.0%)	5 (20.0%)	3 (12.0%)	3 (12.0%)	0 (0%)	25 (100%)
Hair Dressing / Salon	0 (0%)	0 (0%)	1 (5.9%)	1 (5.9%)	1 (5.9%)	3 (17.6%)	10 (58.8%)	1 (5.9%)	17 (100%)
Food Processing	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	5 (50.0%)	5 (50%)	10 (100%)
Welding	0 (0%)	0 (0%)	6 (28.6%	1 (4.8%)	3 (14.3%)	3 (14.3%)	7 (33.3%)	1 (4.8%)	21 (100%)
Total	**1 (1%)**	**3 (2.9%)**	**26 (25.2%)**	**6 (5.8%)**	**11 (10.7%)**	**12 (11.7%)**	**35 (34.0%)**	**9 (8.7%)**	**103 (100%)**

Table A3: SW trade by highest level of education

Sector	None	Primary (Sdt1-5)	Primary (Std 6-8)	Junior secondary not completed (Form 1-2)	Junior secondary completed (Form 2)	Senior secondary not completed (Form 3-4)	Complete O-Level (Form IV)	Tertiary	Total
Auto Mechanics	0 (0%)	2 (8.0%)	1 (4.0%)	7 (28.0%)	3 (12.0%)	4 (16.0%)	8 (32.0%)	0 (0%)	25 (100%)
Panel Beating / Spray Painting	0 (0%)	1 (16.7%)	1 (16.7%)	2 (33.3%)	1 (16.7%)	1 (16.7%)	0 (0%)	0 (0%)	6 (100%)
Carpentry and Joinery	0 (0%)	2 (8.0%)	10 (40.0%)	1 (4.0%)	4 (16.0%)	3 (12.0%)	5 (20.0%)	0 (0%)	25 (100%)
Hair Dressing / Salon	0 (0%)	1 (5.6%)	3 (16.7%)	3 (16.7%)	2 (11.1%)	2 (11.1%)	7 (38.9%)	0 (0%)	18 (100%)
Food Processing	0 (0%)	0 (0%)	3 (30.0%)	1 (10.0%)	1 (10.0%)	0 (0%)	5 (50.0%)	0 (0%)	10 (100%)
Welding	1 (4.8%)	3 (14.3%)	8 (38.1%)	4 (19.0%)	2 (9.5%)	1 (4.8%)	2 (9.5%)	0 (0%)	21 (100%)
Total	**1 (1.0%)**	**9 (8.6%)**	**26 (24.8%)**	**18 (17.1%)**	**13 (12.4%)**	**11 (10.5%)**	**27 (25.7%)**	**0 (0%)**	**105 (100%)**

Table A4: Apprentices' trade by highest level of education

Type of trade	None	Primary (Sdt1-5)	Primary (Std 6-8)	Junior secondary not completed (Form 1-2)	Junior secondary completed (Form 2)	Senior secondary not completed (Form 3-4)	Complete O-Level (Form IV)	Tertiary	Total
Auto Mechanics	0 (0%)	1 (3.8%)	2 (7.7%)	4 (15.4%)	2 (7.7%)	4 (15.4%)	13 (50.0%)	0 (0%)	26 (100%)
Panel Beating / Spray Painting	0 (0%)	0 (0%)	1 (16.7%)	1 (16.7%)	1 (16.7%)	3 (50.0%)	0 (0%)	0 (0%)	6 (100%)
Carpentry and Joinery	0 (0%)	0 (0%)	16 (64.0%)	2 (8.0%)	2 (8.0%)	4 (16.0%)	1 (4.0%)	0 (0%)	25 (100%)
Hair Dressing / Salon	0 (0%)	0 (0%)	3 (16.7%)	3 (16.7%)	2 (11.1%)	2 (11.1%)	8 (44.4%)	0 (0%)	18 (100%)
Food Processing	0 (0%)	2 (22.2%)	4 (44.4%)	0 (0%)	0 (0%)	1 (11.1%)	2 (22.2%)	0 (0%)	9 (100%)
Welding	0 (0%)	4 (19.0%)	6 (28.6%)	5 (23.8%)	1 (4.8%)	2 (9.5%)	3 (14.3%)	0 (0%)	21 (100%)
Total	**0 (0%)**	**7 (6.7%)**	**32 (30.5%)**	**15 (14.3%)**	**8 (7.6%)**	**16 (15.2%)**	**27 (25.7%)**	**0 (0%)**	**105 (100%)**

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