

## **Rationale for Project: Employment and Vocational Education and Training (EVET) Phase II (July 2000 – June 2003)**

### **Unemployment in Tanzania**

Many countries presently face a high rate of unemployment. While industrialised nations reduce the burden of the affected people by a tight social network, unemployed people in less developed countries belong to the poorest groups of the society. Also in Tanzania the unemployment rate is very high. However, as demographic data are outdated all estimates seem to be quite unreliable. Most critical is the drastic increase of unemployment by a growing number of youngsters (between 500,000 and 800,000 annually) who seek employment.

Creating and sustaining a high employment level is one of the most important factors in poverty eradication. This is why employment promotion is of a strategic political concern. Employment and promotion of employment is not only a matter of one economic sector or one ministry alone. It has to evolve from many sectors of the economy and can only become a success if all stakeholders consider it as a national responsibility and pull on the same string.

The private sector has the greatest potential of creating employment. The increase and growth of labour intensive private enterprises including small farm holdings and of self-employment should therefore be the principal aim of an economic development and employment promotion strategy. It is the Government's role as a policy maker to create a conducive economic and labour environment and foster the linkages between the stakeholders of the private and the public sector.

The Ministry of Labour and Youth Development (MoLYD) is realising the unemployment challenge and in response to the serious problem, new initiatives in employment promotion are being launched. The revision of the Employment Policy Paper can be considered as a first step. Further steps are necessary: developing short and medium term strategies, liberalising labour regulations and implementing active employment programmes. All these, however, need to be accompanied or guided by a wider strategy for economic and social development.<sup>1</sup> The MoLYD can take the lead, give guidance and ease the labour regulations; however, it is not in a position to create employment. It also can prepare strategies and concepts, acquire funds and delegate programmes and activities to qualified agencies.

### **GTZ Assistance to Vocational Training and Employment Promotion**

GTZ has been assisting the Vocational Education and Training Authority (VETA) from 1997 in developing a new modularised VET System. One part of the System is standardising training units according to demand of employers. A second part is putting special emphasis on a training concept for selected target groups. This approach enables unemployed people to learn skills and attitudes to gain self-employment. Especially the second part has gained a particular prominence by the GTZ/VETA-Project. The objective of the programme is to create and stabilise employment of the target groups. It is expected that many of the participants will start their own business after the training and possibly create additional work places.

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<sup>1</sup> (see graph 1)

In October 1999 GTZ was requested to support the MoLYD in its efforts to address the unemployment problem in Tanzania. The Government of Germany approved the request during the recent government consultations and the planning process of the project is presently being conducted.

It is the responsibility of the MoLYD to influence the employment chances of Tanzanians through creation of conducive labour regulations, active labour market interventions, occupational information and promotion of self-employment. The responsibilities of VETA are delivering skills demanded by the employers as well as skills and attitudes necessary for self-employment, thus increasing the chances of the trainees for gainful employment. Both institutions have employment as one major objective in common, yet they work on different levels and with distinct instruments. Joining efforts and coordinating strategies and activities is the logic link for better results.<sup>2</sup> The shared objective of fostering employment is the GTZ rationale for the assistance to both VETA and MoLYD in one common project.

## Planning Process and Provisional Project Design

In December 1999 **VETA and GTZ have agreed on the fields of cooperation** for the next project phase (July 2000 – June 2003)<sup>3</sup>. One of the principles of GTZ-assistance is the close collaboration with VETA staff in order to qualify them to continue the work independently. The GTZ-assistance continues on activities (No 1. + 2.) which have been prepared and partly implemented during the first phase of the project:

1. Concept, methods and instruments for initiating, supporting and coordinating non-formal training programmes are designed and applied
2. Concept and methods for the promotion of entrepreneurial competencies in vocational training programmes are developed and applied
3. VETA Marketing concept and strategy developed and initiated

The **assistance to the MoLYD** was planned in a participatory method. The project component is designed to help increasing competencies in the three functions of the MoLYD in the aim of fostering employment as well as to clarifying the fields of cooperation:

1. **Policy Maker**
2. **Provider of Services** (e.g. in labour market information on regional or district level)
3. **Catalyst of Labour Market Processes** in designing, launching, monitoring and evaluating employment promotion schemes in collaboration with other agencies and stakeholders on the regional or district level.

For the purpose of sharing information and for coordinating programmes the project organisation will make good use of existing national working groups (such as the Expert Group on Employment Promotion). The results of its work will be made available to national policy making bodies (Ministries and the National Employment Council) and will be used to improve employment programmes and activities.

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<sup>2</sup> see graph 2

<sup>3</sup> Joint Debriefing Note, prepared by VETA, Danida, GTZ, and VSO (British Voluntary Service) as a joint exercise at a workshop on 7. December 1999 primarily on the basis of VETA's Strategic Action Plan II.

The project plans to support the employment promotion staff in the Employment Division under the Labour Commissioner of the MoLYD. The Division has started clarifying its role, priorities, and methods of implementing its tasks. This process will continue and the first phase of the cooperation will to some extent be dedicated to the clarification of the common basis for cooperation.<sup>4</sup> Yet some initial tendencies and fields of cooperation have been identified in previous planning discussions with the MoLYD:<sup>5</sup>

1. Active labour market and employment strategies initiated;
2. Strengthened institutional framework in MoLYD for designing, monitoring and following-up employment promotion programs; and
3. Improved capacity for designing and implementing special employment creation schemes in cooperation with other stakeholders

The project component was discussed to be coordinated on the national level and to closely work together on the regional level and in districts with private industry, different government agencies and others on implementing employment schemes. It is obvious that MoLYD cannot perform the employment promotion services alone. Therefore strategic alliances and cooperation are being investigated, among others with the private sector and the social partners, with other government ministries such as industry and agriculture, with ongoing programmes by other donors in employment promotion such as ILO's Jobs for Africa and More and Better Jobs for Women, and with other German initiatives in Tanzania such as the GTZ-cooperation with SIDO.

Priorities for interventions provisionally identified include: strengthening linkages between traditional and modern sectors, enhancing employment and incomes for disadvantaged groups, promoting self-employment in the informal sector, and improving productivity, especially in rural areas.

New roles are being discussed for the major actors in the organisational framework: the Employment Division of the MoLYD, VETA including its regional structure (as one of the most important qualified implementing agencies for employment programmes), a Project on Employment Promotion Management Team, the Expert Group on Employment linking the stake holders, and selected regional VETA and labour offices.<sup>6</sup>

The planning workshop on 27<sup>th</sup> and 28<sup>th</sup> April 2000 in Dar es Salaam has the objective of presenting and discussing this proposal and agree on a concept and activities acceptable to the partners for the Project Phase from July 2000 to June 2003.

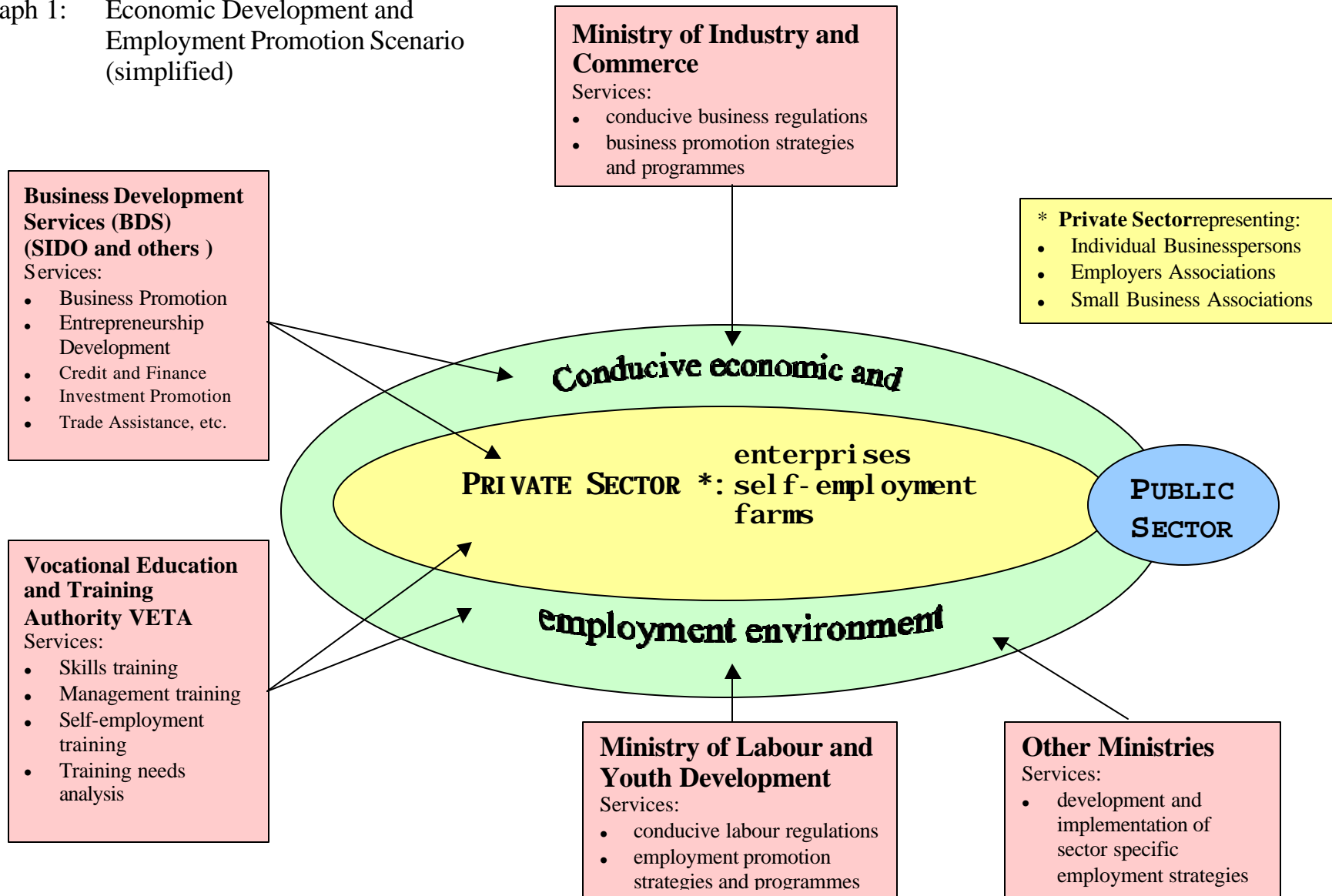
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<sup>4</sup> As the project component is in its initial planning stage, many questions concerning the objectives, the focus and the design of the assistance are still provisional.

<sup>5</sup> See Report: Project in Employment Promotion (PEP) by Michael Axmann, Kürten, Germany, April 2000

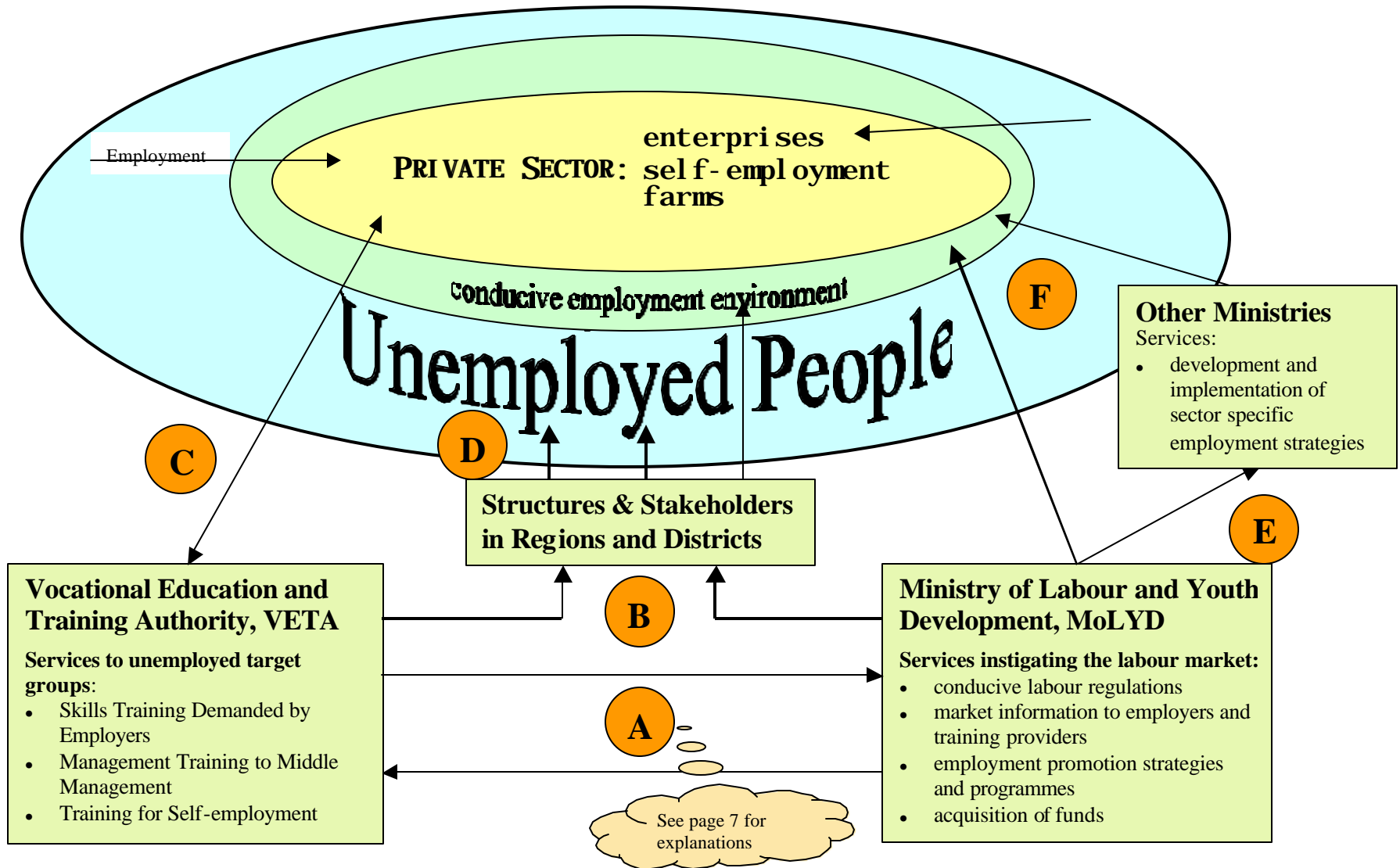
<sup>6</sup> See graph 3

Graph 1: Economic Development and Employment Promotion Scenario (simplified)

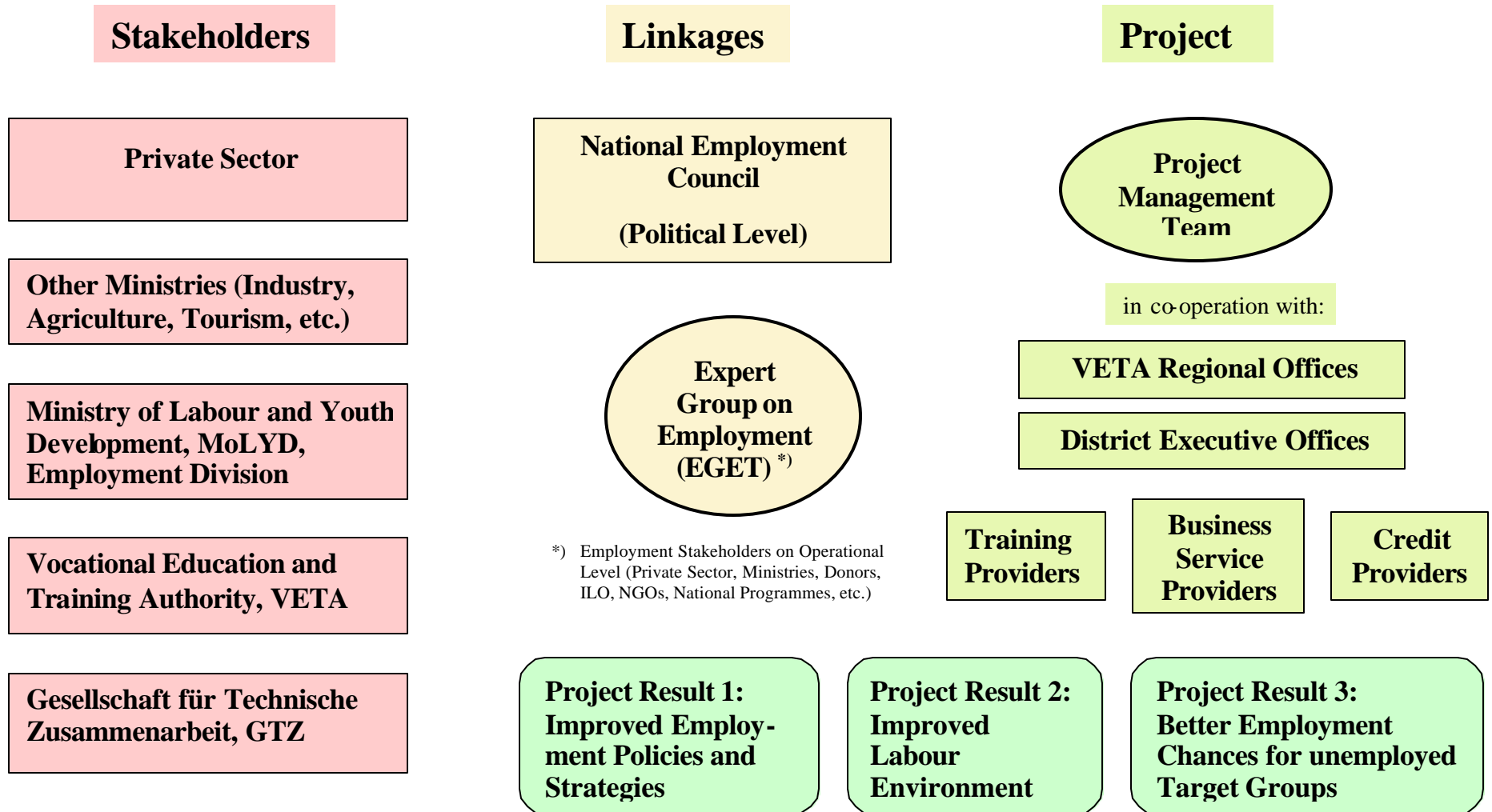




Graph 2: Employment Promotion Scenario



Graph 3: Training and Employment Promotion Project



**Points of Intervention and Cooperation (indicated in Graph 2)****A****MoLYD to VETA**

- Political Support
- Funds for Employment Programmes
- Labour Market Information
- Guidance on Labour Market Policies

**VETA to MoLYD**

- Implementation of Government Policies
- Implementation of Employment Promotion Programmes

**B****MoLYD to Regional and District Offices**

- Support and Funds
- Advice and Guidance on Policy Matters

**VETA to Regional and District Offices**

- Support, Funds, Qualification
- Advice and Guidance on Implementation of Employment Promotion Programmes

**C****VETA and Private Sector**

- Exchange of information on demand of training
- Cooperation on launching training programmes

**D****Regional Representatives of VETA to Unemployed Target Groups**

- Demand oriented training (new vet concept) via local training providers
- Target group oriented training for self-employment via local service providers
- Career guidance

**District Executive Director and Regional/District Representative of MoLYD**

- Support and guidance for private sector
- Cooperation with and support of other regional/district employment stakeholders

**E****MoLYD to other Ministries**

- Encouragement and assistance in the development and implementation of sector specific employment strategies
- Establishment of a Employment Promotion Network

**F****MoLYD and other Ministries to Private Sector**

- Establishing and implementing conducive labour regulations
- Market information to employers and training providers
- Employment promotion strategies and programmes
- Acquisition of funds