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#### 5. Chile

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# **Acronyms and abbreviations**

CEPAL	Economic Commission for Latin America and the Caribbean (Comisión Económica pare America Latina y El Caribe (see ECLAC))
CIDE	Centre for Educational Research and Development (Centro de investigación y desarrollo de la educación) (NGO)
CINTERFOR	Inter-American Centre for Investigation and Documentation on Vocational Training (Centro Interamericano de investigación y documentación sobre formación profesional)
DUOC	Peasant and Workers Department, Catholic University of Chile (Departamento Obrero Campesino de la Pontificia Universidad Católica de Chile)

ECLAC Economic Commission for Latin America and the Carribbean (CEPAL)

FLACSO Latin American Faculty of Social Sciences (Facultad Latinoamericana de

Ciencias Sociales)

FOSIS Solidarity and Social Investment Fund (rondo de Solidaridad e Inversión

Social)

INIACAD National Training Institute (Institute Nacional de Canacitación)

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1 rational training motitue (motitue tracional de Capacitacion) 

INK National Statistics Institute (Instituto Nacional de Estadísticas)

**INFOCAP** Institute of Education and Training for the Popular Sectors (Instituto de

Formación y Capacitación Popular) (NGO)

INJ National Youth Institute (Instituto Nacional de la Juventud)

MECE Project for the Improvement of Quality and Equity in Education (Proyecto

de mejoramiento de la equidad y calidad de la educación)

MINEDUC Ministry of Education (Ministerio de Educación)

MINEPLAN Ministry of Planning (Ministerio de Planificación)

OFP Popular economic organizations (Organizaciones economical populares)

OIT International Labour Organization (ILO) (Organización Internacional del

Trabaio)

OREALC Regional Office for Education in Latin America and the Caribbean (Oficina

Regional de Educación pare America Latina y el Caribe)

OTE Technical executive organization (organismo técnico de ejecución)

OTIR Technical intermediate organization (organismo técnico intermedio)

PEA Economically active population (población económicamente active)

PET Economy and Work Programme (Programa de Economía del Trabajo)

PIIE Inter-Disciplinary Programme for Research in Education (Programa

Interdisciplinario de Investigaciones en Educación)

PROJOVEN Youth Programme (PROGRAMA Joven)

SENCE National Employment Service (Servicio Nacional del Empleo)

National Service for Women (Servicio Nacional de la Mujer) SERNAM

SOFOFA Association for the Development of Trade and Industry (Sociedad de

Fomento Fabril)

SUINTRAL Investment for Work Company Limited (Sociedad de Inversiones pare el

trabajo limitada)

TAC Cultural Action Workshops (Talleres de Acción Cultural) (NGO)

#### 1. Introduction

This study presents a series of reflections on the role that training for the informal sector can play, within the framework of 'the adjustment and modernizing productive transformation' process which is currently taking place in Latin America. The two case studies of Chilean training programmes for unemployed youth provide a basis for further research into training for the informal sector.

Rapid modernization has reinforced rather than weakened the structural characteristics of the so-called 'informal sector'. Moreover, the political democratization which has taken place in the majority of the countries of the region has not led to redistribution within the informal sector, which continues to be made up primarily of subsistence-oriented activities.

The study starts from the central question: Is the Latin American state willing and able to take on the responsibility for training deprived sectors of the economy? Other questions to address 'are: Is it feasible to confront this task at the local level or will it require large-scale programmes or perhaps the creation of specialized training institutions or flexible non-formal training systems which focus on specific groups (youth, women, female-headed households, disadvantaged adults)? Is the design of training models for the informal sector of the economy crucial or are we facing a much more complex and broader process characterized by the informalization of capital-labour relationships? There is a need for research in this field. Furthermore, are nation-states concerned with comprehensive education and training as a means to self-employment or income-earning

occupations under regulated and fair conditions, or they encouraging training programmes which promote precarious labour insertion in modern sector enterprises? These programmes would result in graduates going from unemployment and/or underemployment to legitimized forms of under-employment or employment under conditions of labour deregulation, instability, and low remuneration.

This study begins by providing the general background to training for the informal sector in Chile. It then goes on to examine two Chilean training programmes for unemployed youth in an attempt to provide answers to the above questions. Next, the experiences of these programmes and the social and economic conditions which influence them are compared. Finally, a set of reflections on training for the informal sector is developed. The programmes selected for scrutiny allow comparison of two proposals: comprehensive training versus 'social or labour insertion'.

# 2. General background

- 2.1 Training for the informal sector: A necessary condition for modernization
- 2.2 Nature of the study
- 2.3 Approach to the study
- 2.4 Information sources

# 2.1 Training for the informal sector: A necessary condition for modernization

In the Latin America of the 1990's, the creation of dignified, stable, satisfactory and well remunerated job opportunities as part of economic and social development is still an unfinished task.

For its part, education is perceived by many as the axis of development models which constitute an alternative to the dominant neo-liberal scheme; both education and knowledge play a pivotal role in ECLAC's 'productive transformation with social equity' model (ECLAC, 1992) as well as in the proposals of 'human resource development' and 'ecodevelopment'. However, the concept of education as an instrument for increased productivity and international competitiveness, marked by a total disregard for those involved, is being widely disseminated.

The region is living through a period of rapid modernization characterized by: nationstates withdrawing from many of their functions; increasingly more segmented and discriminatory labour markets; persistent inequality; and expansion of a type of education that does not appear to yield social benefits for its participants. Proposals advanced within the framework of these challenges demand thinking of development in terms of integrating education into the world of work.

The informal sector finds itself at the hub of these tensions. First, it is an inherent part of Latin American modernization and, judging by the last two decades, it is here to stay. Second, the informalization of production and work relationships impinges in particular on young generations, endangering the region's future. The informal sector is becoming the most likely source of employment even for those individuals with relatively high educational levels but very limited means. Third, while the informal sector does make use of labour intensive technology, fast worldwide technological and scientific progress makes incorporation into international markets more difficult, unless value is added to products through the addition of knowledge. Finally, a growing informalization and deregulation process is being witnessed in terms of the capital-work relationship (or private sector regulation) which involves productive activity as a whole, and argues for reformulating the definition of the informal sector as understood in the eighties. The most important meaning of 'informal' now relates to this informalization process which is affecting a large

part of society (the future of which is difficult to gauge). As a counterpart, according to available projections, over the next few years the modern sector will not develop fast enough to ensure the incorporation of future generations of labour.

In the light of the above, the question involving training for the informal sector becomes a focal point of debate concerning Latin American society and its fate within a framework of modernization. The answer to this question will remain contingent upon self-employment training, intersectoral programmes aimed at improving the quality of life of citizens, and promoting their ethical and cultural development.

### 2.2 Nature of the study

This study focuses on a single country (Chile) and examines two training programmes for youth of limited means, the unemployed, and those under-employed or seeking work for the very first time. These are a) 'Chile Joven', a work training programme sponsored by the Ministry of Labour and Social Work; and b) a training programme for unemployed youth run by CIDE, an NGO in the field of popular education.

Although both programmes are involved in the training of marginal urban youth as well as those who are not permanently or successfully inserted in the world of work - for whom consequently the informal sector represents the most likely source of employment - one programme focuses primarily on the informal sector, the other on the modern sector.

Although it was decided to limit the scope of this study to two programmes, reference is made to other Chilean training programmes for women of limited means who are heads of household.

# 2.3 Approach to the study

Case studies constitute a means for evaluating general trends. Consequently, the two Chilean training programmes examined in this paper and references to other Chilean programmes provide a basis for reflecting on education and training for the informal sector in the Latin American context. Questions concerning the integration of education and the world of work and the role played by the state in educational provision are present throughout this essay.

Recent political democratization, implementation of social investment policies, rapid economic and social modernization (all of which coexist with neo-liberal economic policies), the emphasis on market schemes, alongside the persistence of inequalities and the emergence of new forms of marginality, are some of the features that justify the selection of Chile for this study. These contradictions surface in the field of training, in the options open to the informal sector, and particularly in training in this area.

Within Chile, the selection of programmes for this study was not an easy task. **Currently there are no programmes under the heading 'training for the informal sector.'**However, some training opportunities for individuals of limited means whose most likely source of employment is the informal sector (CIDE, INFOCAP, and other programmes) exist in the field of popular education.

The programme developed by CIDE was selected for the following reasons: high continuity (1980-1993); its targeting of youth whose main source of employment is the informal sector, and for their continued endorsement of this option; a training approach from and with the community, which maximises the use of local resources (as opposed to traditional approaches that offer services); a broad training plan; the creation of productive workshops; and successive institutionalization and follow-up programmes. Furthermore, this local programme has been rated by its coordinators as being successful and exemplifying 'sound practice.'

On the other hand, the government has set up a large-scale programme for a period of four years (1991 -1994), aimed at curbing youth unemployment. Under the Chile Joven programme 100,000 young people are expected to be reached, with 50,000 already receiving training between 1991 - 1992. This programme constitutes the most important state strategy for solving the problem posed by marginal youth, with the aim of incorporating its beneficiaries into the modern sector through market mechanisms. Training, as conceived by this programme, is a means of market insertion through business enterprises; employment training does not provide comprehensive training; training is largely provided by the private sector where the content of training and work opportunities is determined by the executing training organizations, most of which are in the private sector.

In selecting this programme, consideration was given to the central role it is playing within social investment policies, its wide coverage, its approach favouring 'opportunity' over training, the use of explicit market mechanisms, and omission of the informal sector as a referent in its formulation. Once again, the programme has been rated by its coordinators as both successful and an example of sound practice.

The contrasting nature of these programmes provides the opportunity to compare two different approaches to the same problem, as well as to observe change and permanency in training policies and strategies over a decade and two different political regimes. Lastly, the programmes selected are defined from the start by the population they intend to cover, bringing about a sort of convergence between youth and labour insertion problems. In this respect, they also allow an analysis of the association between youth and labour market marginality and the various solutions designed from the standpoint of training, depending on whether the referent is the informal or the modern sector.

Two aspects of the study deserve further comment. Firstly, CIDE evaluated its impact on working conditions at the outset of the programme (1981-1983), but no measurements were made in subsequent years; Chile Joven conducted an evaluation for the period 1990-1992, but its results remain confidential pending official announcement. Secondly, the young people catered for by both programmes have high levels of education, averaging eight and ten years for the CIDE and Chile Joven programmes respectively.

#### 2.4 Information sources

Secondary data were basically used: work reports, internal and external evaluations, publications on selected Chilean programmes and bibliographies on training for the informal sector of the economy, and evolution of the informal sector and youth in the broad Latin American context. Primary data, obtained through personal interviews with those responsible for the selected programmes, were also utilized. No field visits were carried out.

It is important to point out that the study is based on the information furnished by those responsible for the programmes, and no attempt was made to compare their perceptions with those of students, teachers, or craft instructors, members of community development organizations, municipal offices, and other liaison entities.

# 3. The comparative study

- 3.1 Social and educational context
- 3.2 What is the informal sector?
- 3.3 Programmes

#### 3.1 Social and educational context

# 3.1.1 Modernization and Equity

a) The Chilean context at the present time is characterized by political democratization and rapid modernization co-existing with social inequality and the non-clarification of institutional responsibilities regarding the violations of human rights which had occurred during the previous two decades.

With regard to the persistence of social inequalities, the number of persons living in conditions of poverty continues to be significant, fluctuating between 3 and 5 million, according to various sources. Similarly, a polarized distribution of income is observed: while 80% of the population earns around US\$200 p.m. or less (minimum salary amounts to: US\$ 150 p.m.), only 3% have incomes higher than US\$ 900 p.m. and annual income per capita amounts to US\$2500 (MINEPLAN, 1993; INK, 1993; specialists individually consulted, 1993).

- b) The Chilean economy is undergoing rapid modernization, with a configuration typical of developing countries, since it relies heavily on service activities and the extraction of natural resources. Evident indicators of the above are increasing urbanization and 'third party activities' (almost 60% of the population works in services of one type or another), with the most dynamic sectors being construction and financial services which have grown around 20% during the last year. Similarly, almost 25% of the working population is self-employed, while employers account for barely 4% (National Employment Survey, INK, 1993).
- c) According to official statistics, Chile appears to have left unemployment behind and its economy seems to be undergoing full expansion. According to

INK (1993) the unemployment rate in the population comprising 15 years of age and over was 4% in 1992 and 5% in 1993, while in the 15 - 24 year old population it was 16% in 1992.

The Economically Active Population (PEA) in 1993 amounted to 54% of the working age population, which is defined as the population aged 15 years or more (National Employment Survey, INK, 1993). This figure shows a significant increase from that of 43.5% for 1980 (representing a rise from 3,800,000 to 5,100,000 persons), which would constitute evidence of the dynamism of the economy. However, it is necessary to point out that the definition of the employed population assumed by INK (every employed person working more than 2 hours a week during the week preceding the survey) allows the inclusion as employed persons of those who are subject to the most diverse forms of under-employment. Consequently, if we associate growth of the PEA - as measured above - with participation of the informal sector in the overall amount of productive activity during this period (40%), expansion of the PEA between 1980 1993 would be associated to a great extent with temporary or irregular jobs (underemployment). This situation affects women particularly.

If the more reliable surveys of the capital city are consulted, such as the 'Employment Survey for Greater Santiago' carried out by the Economy and Work Programme (PET) -a non-governmental organization which discriminates between formal and informal employment and uses a stricter definition of employment - then a greater rate of unemployment becomes apparent, particularly among youth and low income groups. Effectively, in 1991, in Greater Santiago, 14% of the labour force was unemployed and employment amounted to 25% among young people and 30% among the persons belonging to the first income quintile; additionally, 60% of unemployed persons fall in the two lower

income quintiles. Consequently 'the unemployment rate continues to hit poor people particularly hard'. (PET, 1992: 29)

#### 3.1.2 Women and Youth

- a) Discrimination by gender in a country like Chile, undergoing rapid modernization, assumes a subtler form than in traditional contexts. Chilean law acknowledges equal rights for women in most fields of activity and in the private domain women have considerable external freedom. However, a patriarchal type of culture prevails and a significant proportion of women subscribe to machotype values and are psychologically dependent on masculine figures. The above explains, for example, the fear women have of becoming autonomous, of developing their potential and particularly of assuming the role of workers. This culture permeates all aspects of social life, but with regard to training and the labour market, specific discriminations pertain, as summarized below.
- b) Female participation within the labour force is low (33%, or 1,600,000 women in 1992; INK, 1993). Additionally, the female labour force represents only 30% of women aged 15 and over. In this sense, unemployment, and to a greater extent what is termed 'inactivity' in the National Employment Surveys (a combination of unemployment and sporadic non-registered jobs), affects women more than men. The significant localization of tertiary activities, unstable, poorly remunerated work involving long hours, as well as the over-representation of women in the informal sector, are some of the indicators of gender discrimination. It is interesting to note that, even in the capital city (Santiago), participation of women in the PEA, although slightly increasing, continues to be low at 38% (PET, 1992). A similar process is observed in the Greater Santiago area in relation to the level of inactivity: 57.5% of the female population is

inactive, while the percentage of inactive men is 25%. In the population as a whole 42% of men are inactive, while women are over-represented at 77% (PET, 1992).

It is important to stress that in Chile women's participation in the economy is typically in under-employment, subsistence self-employment or in transit from one job to the other, with occasional periods of employment, inactivity and unemployment. As Galilea says the greater rates of unemployment among women are explained because women 'pass quickly from active to inactive [sic] activities, although they may engage in sporadic and short-term jobs.' (1993: 2)

- c) Gender discrimination in education is subtle and becomes more visible under extreme circumstances. Firstly, women are illiterate to a greater extent than men, particularly in native Indian areas (the Region of the Araucania) and in marginal sectors of Greater Santiago. Recent research indicates levels of absolute and functional urban and rural illiteracy significantly higher than those registered by the population census (TAC/OREALC/UNESCO, 1993). Secondly, women have greater difficulty in gaining access to and graduating from higher education, particularly with respect to professional careers socially sanctioned as non-feminine', as well as obtaining work under equal conditions with masculine counterparts who have similar levels of schooling (OREALC, 1992, Messina, 1990).
- d) As part of its social policy the democratic government has created a special institution for promoting women, the SERNAM (Servicio Nacional de la Mujer 'National Service for Women'). This is an organization which promotes rather than executes policy, and has focused its activities on women coming from lower income backgrounds and particularly on women who are household heads. The

social and economic vulnerability of female heads of household is a proven fact worldwide; they have, inter alia, lower incomes and more persons under their care than their masculine counterparts (McGrath et al, 1994: 71). This condition does not only affect women, it also has a multiplying effect on their children.

- e) With regard to young people, they continue to be more affected by unemployment and by the difficulty of becoming permanently incorporated in the world of modern production. It is also more difficult for them to generate income that permits anything beyond survival. Disenchantment appears to be the feeling that best sums up young people's reaction to the situation. The expression used by young people themselves is 'I'm not even half interested'. The high incidence of deviant behaviour and electoral abstention are indicators of their attitude towards a world that excludes them. Their employment situation can be summarised as follows.
- f) In 1990, young people, who make up nearly 37% of the overall population, only represented 20% of the labour force. Unemployment affects them significantly: they are over represented among the unemployed (50% of the unemployed are young people) and youth unemployment continues to be treble that of the adult population (according to INK and Chile Joven estimates, the rate of unemployment among youth amounted to 16% in 1990, 12% in 1992 and 10% in 1993; according to the 1991 PET Survey it is 25% for Greater Santiago).

Despite the fact that unemployment among young people is not as dramatic as in the years immediately after the 1982 crisis (it fluctuated between 35% and 40% at that time, according to PET data), during 1982-86 200,000 - 300,000 young people had been left out of the market (Chile Joven estimates and

MINEPLAN, 1993).

At the same time, the highest incidence of unemployment is among the youngest (15 to 19 years old), but in absolute terms the most critical group is the 20 to 24 year old segment, where there are 82,000 unemployed (INJ/Projoven, 1993).

- g) If the trend observed for the whole of Latin America is applied to the Chilean case, it turns out that labour marginalization is increasingly affecting young people; the most serious consequence of this, according to ECLAC, has not been in the economic-employment sphere, but that stemming from the educational system (ECLAC, I 991).
- h) For this reason, starting from the election of the democratic government in March, 1990, young people, particularly those from low income sectors, became one of the priorities of public policies on social investment, with a view to compensating for the marginalization that occurred in the decade of the eighties.

The government has begun the promotion of multi-sectoral strategies for young people, creating in 1990-1991 the National Youth Institute (INJ), originally as a 'commission'. This organization is in charge of coordinating policies for young people which originate in the different areas of state administration (culture, education, work, health, sports, recreation, and others). The INJ has operated as a link between the state and young people, with a promotional focus on education and culture. Among the main programmes carried out, the following can be stressed: the Young Card, the Youth Information Center and the House of Youth. Similarly, there is Projoven, a government Opportunity Programme for young people, consisting of 44 projects in 7 areas coordinated by INJ, of which almost 70% have an educational or labour nature. Chile Joven has become a

central Projoven programme.

### 3.1.3 Educational Situation: General Characteristics

a) The Chilean educational system is indicative of the level of modernization achieved by the country. It is characterized by its high coverage in basic and secondary education (92% and 76% respectively, MINEDUC, 1992) as well as by a low illiteracy rate (around 6%). However, some of the problems associated with the type of education offered are: poor quality, limited social validity, segmentation along socio-economic lines, and inadequate resourcing (with both social and pedagogical consequences). 'A significant failure rate in the first levels of basic education (particularly in marginal urban and rural areas) is observed, which represents an additional expense of approximately US\$33 million per year in basic education alone, in relation to an optimum yield of the system' (OREALC, 1992).

In the system as a whole factors relating to the decentralization process, privatization and education segmentation according to social class, locality (both urban and rural), cultural and ethnical conditions as well as gender are interrelated.

b) There is a high level of participation of the private school sector at all levels, which in the case of basic education amounts to 38%, one of the highest levels in Latin America (OREALC, 1992). Higher education is a symbol of automatization and privatization of the system. There are 174 institutions, most of them private, of which 50 are universities (MINEDUC, 1992). However, there is limited coverage at the pre-school level (14%).

In summary, the education system is highly heterogeneous but because it fails to deal adequately with diversity it reproduces inequality. This is not immediately apparent if the focus is placed on conventional indicators of internal efficiency.

c) Adult education does not constitute a priority for the government. Registration in formal state adult education has been significantly reduced during the last ten years, particularly basic adult education (decreasing from 100,000 to 16,000 students). Additionally, low quality education provision for young people coming from low income sectors, who have recently withdrawn from regular basic or secondary education, is now well established. Both trends, the decline in registration and the limited social validity of the state adult education on offer, have continued during the democratic government. However, during the past two years some comprehensive and innovative state experiences have been encouraged which could provide a framework for the design of massive adult education policies.

Non-formal education for adults offered by some NGOs within the field of popular education is made up of a large number of different micro experiences which provide alternatives for solving problems and for organizing and safeguarding the poorer sections of the population, as well as being potential models for state programmes and policies. The government is coordinating its efforts with those of the NGOs, but, despite the fact that this is a fundamental task for the decade of the nineties, it is still to be concluded.

d) The recent laws regarding Shared Financing' and 'Donations' (1993) provide a support system for education through contributions made by families as well as through donations given by enterprises which are tax-deductable. The beneficiaries of the above are municipal and subsidized private educational

establishments providing basic, secondary and pre-school education, as well as associates of the National Service for Minors. Despite the fact that the objective is to increase resources for the educational sector by retrieving existing funds, these laws have been very controversial, given that they can increase segmentation of the system and can operate as a privatization mechanism. These measures constitute a new articulation between the public and the private sectors, promoted by the state.

e) The coordination of formal and non-formal education is still a pending task in Chile, as it is in the rest of Latin America.

# 3.1.4 <u>Technical education and general education at the secondary level</u>

- a) Basic and secondary education constitute the educational priorities of the government. In 1990 a programme called 'The 900 Schools', focusing on deprived schools, was started to improve the quality of basic education. Similarly, the Project for Improvement of Quality and Equity in Education (MECE), coordinated by the Ministry of Education, began in 1992. The latter operated as a 'project system' for basic and secondary education. At the basic level action projects were designed from and by the institutions and selected through bids, and at the secondary level research programmes. also selected through bids, were to be financed with loans from the World Bank.
- b) The crisis in secondary education is basically one of 'anomie' regarding its objectives: there is consensus that it does not prepare young people either for the world of work or for the university (ECLAC, 1992). It is very expensive and operates with obsolete technologies.

- c) Secondary education is characterized by high internal segmentation both in terms of its administration (municipal-run secondary education, private subsidized, private non-subsidized, and secondary education financed by production corporations and others) and the type of education offered (academic secondary education versus technical secondary education with specialisms such as commercial, industrial, vocational, agricultural).
- d) In this context, secondary education is currently the object of intense debate and questioning. Within the framework of an educational policy aiming at consensus, an 'educational conversation' was initiated in 1992 regarding secondary education, consisting of a national-level consultation of parents, professors and students (MINEDUC/MECE, 1993). This was for the purpose of determining the structure of secondary education, the appropriateness of different models, its duration, the degree of specialization for technical/vocational education as well as topics relating to secondary education and values, quality, equity, the function of secondary education for young people, their participation in the process etc. One of the central topics was whether it was justifiable to continue with a technical/vocational education different from general secondary education or if it was more appropriate to design a unified secondary education, the purpose of which would be general broad formation.
- e) Technical/vocational education at secondary level (lasting four years) which follows compulsory basic education (lasting eight years) represents 39% of overall registration in mid level education (264,000 students out of 675,000 MINEDUC, 1992) and is divided into unequal courses in terms of quality of education, continuity of studies and labour insertion. The most popular specialisms are business (110,000 students) and industrial (95,000 students).

Specialization, within the framework of a flexible syllabus, could begin between the first and third years.

Municipalities control 42% of secondary education registration, production corporations and others 17%, and private subsidized establishments 39%. The private non-subsidized sector controls only 3% (MINEDUC, 1992). The above structure, which shows little coordination, is the result of the decentralization of the eighties, which had produced further segmentation of an already divided system of technical secondary education of widely varying quality.

- f) The continuing debate is centred on the validity of an early technical specialization with immediate job placements versus general basic education. At the same time, discussion continues as to whether general education should be followed by professional education at the tertiary level or by on-the-job training within the company. The most frequent answer, derived from the 'educational conversation of 1992', has been support for the continuation of technical education at the middle level as separate from the rest of secondary education and at the same time a proposal for late specialization to strengthen general education inside the diversified technical education stream. Similarly, the parties responsible for the improvement programmes of technical secondary education under MINEDUC give account of a persistent demand' by communities and parents of limited means for the expansion of technical secondary education, favouring an arts and science based secondary education with technical specialization (MINEDUC/MECE 1993).
- g) According to a diagnosis made by an organizational improvement programme in 1990 (Fundación Andes MINEDUC) based on a sample of technical secondary education institutions specialising in the construction, electricity and

electronic sectors, run by two production corporations (The Chamber of Commerce and SOFOFA) and by municipalities, this level is characterized by its heterogeneity and its emphasis on 'education for the poorest'. No relative advantages were observed in the institutions run by the corporations in comparison to the municipal offices. On the contrary, schools administered by these organizations presented the typical problems of technical secondary education i.e., a weakness of general education, failure to link theory and practice, traditional teaching methods and isolation from the world of work and its demands. Consequently, the change to corporations does not appear to have met the original objective, namely to tie in education with the world of enterprises and their technologies (Fundación Andes, Corvalan et al, 1990). Moreover, the technical secondary education sector which depends on production corporations has generated study plans providing immediate job opportunities, that demand flexibility and multiple proficiencies.

h) In 1990, a joint programme of quality improvement and equity in technical secondary education began, which included inter alia: i) 'the improvement programme of the Fundación Andes (1990) at local level, already mentioned above; and (ii) the so-called 'Facilitation of Humanistic-Scientific Institutions with Technical Education Specializations at Secondary Level' (MINEDUC) developed during 1992-1993. Both were targeted at vulnerable populations, with the participation of 87 schools from all over the country. Their main objective was to diversify the educational activities of the arts and science streams of municipal secondary education. These schools competed in projects generated by the educational community relating to the implementation of specializations of technical secondary education relevant to local development. The selected institutions were supplied with equipment and given teaching training activities (MINEDUC/MECE, 1993). In 1994, the MECE media and the Fundación Los

Andes will continue with improvement programmes coordinated by the institutions themselves, with self-initiated methodologies.

#### 3.2 What is the informal sector?

- a) Modern society, characterized by a process of instrumental rationality, generates at the same time chaotic spaces which are functional to the needs of the system. One such space is the so-called 'informal sector'.
- b) The category 'informal sector' was created in the early 1970's to give meaning to the emergence of an invisible or informal area of non-institutionalized activities or opportunities that were not susceptible to inclusion in a single job description and as a result were difficult to quantify and record in statistics.
- c) King's question (1977) as to whether it was the same population which was involved in the informal sector of the economy as in non-formal education continues to be valid almost 20 years after it was first asked. The answer cannot but be affirmative: the most deprived groups, whose most probable sources of employment are marginal and discontinuous, are also those participating in second-rate education, designed for persons who were unable to join or remain in the educational system during their school age. The circle of poverty is an unbroken circle.
- d) Despite the long time that has elapsed since the 'discovery' and conceptualization of the informal sector, this continues to be an area which is difficult for researchers to characterize internationally, of limited social and political visibility and subject to a severe lack of information. Similar to the case of non-formal education, the informal sector implies theoretical controversies,

diversity of empirical configurations and casuistic approximations.

e) The informal sector is presented as a permanent phenomenon, the nature of which is structural. According to Palma (1992a), it is a typical and inherent dimension of peripheral capitalism and not one of its delayed residues. Furthermore, Palma proposes the incorporation of the concept of 'informality' in opposition to the informal sector. Informality is defined by denial: 'these are different forms of participating in the world of work, all of them characterized by the fact that they do not follow the typical pattern of contractual labour market relations where labour is bought and sold.' (Palma, 1992a: 16).

According to King (1992, 1993), the informal sector is a reality that is not limited to the 'second economies' of Africa or to black markets. Rather it is present both in developed countries as well as in those undergoing development. Furthermore, King (1993: 1) warns about the non-correspondence between the evolution of the concept of informal sector and the nature of self-employment.

These reflections lead to a re-definition of the informal sector as the 'other' sector running parallel to the one characterized by permanent, regular employment. The informal sector can be described as: i) a process of informalization involving a group of limited means as well as a group of middle-class origin who, at vulnerable stages, often fall into subsistence levels characteristic of the informal sector; ii) a group characterized by constant changes from one working situation to another, by unemployment, sub-employment and jobs exceeding normal working hours. Consequently, the most distinctive aspect of the informal sector is 'discontinuity' and not its legal status or the type of labour insertion as suggested by Palma (1992a). The above highlights the difficulty involved in clarifying the boundaries between the formal

and informal sectors.

- f) Data available about the Chilean informal sector are contradictory and insufficient, as INK does not use this category and the reclassification of occupations that has been used in censuses and surveys differs from one to the other and tends to under-estimate the informal. Furthermore, the PET Employment Survey, which does classify the entries according to formal-informal, only makes reference to Greater Santiago.
- g) According to statistics obtained in 1990 by re-grouping categories, 31% of the population belonged to the informal sector, a figure that increased to 44% in the case of women and decreased to 24% in the case of men (FLACSO, 1992). These figures include domestic service. If domestic service is excluded, the differences due to sex are not significant, in opposition to the world trend which shows an over-representation of women in the informal sector.

According to the PET Employment Survey (1991) which explicitly measures the informal sector, participation in the informal sector in Greater Santiago is around 29%, and in the case of women, it increases to 37%, including domestic service (PET, 1992). However, if one takes into consideration that, although the informal sector is predominantly urban, the proportion of the population joining the informal sector in rural areas (particularly in the case of rural women) is significantly higher than in the cities, one can safely assume that, at national level, the informal sector is at least 10% larger than that estimated by the PET for Greater Santiago (39% rather than 29%).

Within this framework, therefore, it can be asserted that for more than a decade the informal sector in Chile has engaged around 40% of the economically active

population (2 million persons in 19933 despite the fact that the registers present a more formalised picture (PET Survey, 1992; Palma, 1992b; FLACSO, 1992; PREALC, 1991; specialists consulted individually).

This situation runs parallel to a generalization of modern contractual relations and an expansion of social security coverage, particularly in urban areas (for I 991, 83% of the population earning salaries in Greater Santiago had a work contract and 72% were covered by some social security system, PET, 1992). According to some information sources, this regularization process was tied up in the past with tax pressures, while at present the trend is being reversed and formalization is due to a concern by the state for local development because of its capacity to generate employment.

h) The informal sector is mainly made up of self-employed persons. In Greater Santiago, 55% are self-employed, 24% are in domestic service, 18% are persons working in enterprises having 5 workers or less and 3% are in family non-remunerated manual labour (PET, 1992). In national employment surveys, the presence of a significant number of categories relating to self-employment and personal services allows one to infer a similar trend.

This composition of the informal sector implies that subsistence self-employment prevails over any other type of informal economic organization (from productive workshops and labour workshops to cooperative micro-enterprises and 'sustainable' micro-enterprises). Additionally, while most self-employed workers are men (75%), almost all service staff are female (98%).

On the other hand, it is observed that in Greater Santiago the groups with the greatest participation in the informal sector are the most deprived (36% of those

in the first income quintile but only 10% of those in the fifth income quintile). These are persons employed in the service sector with low or no qualifications, 35 years of age or over, and women, if domestic service is included (PET, 1992).

- i) Given the high number of self-employed in the informal sector, it cannot but be concluded that the number of micro-enterprises in this sector is small. However, a set of simultaneous and contradictory phenomena can be observed:
  - i) There is a state policy of promoting this type of productive unit, that does not differentiate between informal or modern sector microenterprises.
  - ii) The greater part of economic activity in Chile is carried out by micro-enterprises but these only account for a small percentage of sales in a highly polarized productive system undergoing growth. According to the Ministry of the Economy the dynamic growth of the economy is expressed in terms of expansion in the number of enterprises, which between 1991 and 1993 had increased by around 10% (from 426,000 to 465,000). Of the total number of enterprises, 83% are micro-enterprises (387,000), 14% are small enterprises (66,000), 1.2% are mid-size (5800) and only 1.5% are of considerable size. (6800). Additionally, while micro-enterprises account for 75% of sales, mid size enterprises 6%, and small ones 14%, micro-enterprises contribute only 5% of the total national income from sales.
  - iii) There is no accurate information about the proportion of the labour force working in micro-enterprises, nor of the percentage of micro-

enterprises that can be classified as belonging to the informal sector versus those that are located in the modern sector. Some estimates make reference to the fact that approximately 40% to 50% of microenterprises are informal (some 154,000 to 183,000 micro-enterprises employing some 500,000 persons).

- iv) A small proportion of informal micro-enterprises belong to the category of 'popular productive organizations', which, at the same time form part of the larger category of the so-called 'popular economic organizations' (OEPs). This phenomenon of the 'popular economy' has constituted during the last two decades a resistance culture to the military regime. The democratic government has continued its expansion; it is however undergoing a complicated process of change.
- v) A brief description of the OEP is necessary in order to understand the nature of micro-enterprises.

According to the 1991 Census of OEPs (PET, 1992), OEPs are groups focused on resolving economic problems through solidarity, assisted by aid networks and support institutions (public or NGOs) dedicated to the promotion of this type of unit. At a national level there are around 4400 OEPs, concentrating some 100,000 persons (5% of the PEA of the informal sector). The OEPs are associations of different types (from organizations for consumers and self-help, common meals, 'let's buy together', self-construction organizations, to technical training workshops, trade unions, and family micro-enterprises, productive workshops and others). Their common characteristics are: group action (they are opposed to individual autonomy), internal and external

solidarity (networks) aimed at satisfying basic economic needs; strategies involving comprehensive solutions closely related to the poor sectors; a high concentration in the major urban areas (74% in the Metropolitan Region).

Popular economic organizations have had sustainable growth since 1982 (500 in 1982, 2200 in 1989 and 3300 in 1991 in the Metropolitan region; PET, 1992). Although a typically urban phenomenon, their presence - however minor throughout the country shows that other areas associated with poor sectors can be developed as an expression of greater local development. They provide an organized solution to social marginalization.

vi) One type of OEP is the popular productive organization, of which there are 2800 throughout the country. These are made up of groups focusing on the production of goods and services. They include solidarity labour workshops and different types of micro-enterprises.

Popular productive organizations have grown rapidly during the last four years and now group around 20,000 workers. They average 7 persons per organization, work with minimal resources, and have a weak insertion in the market and limited access to circles holding power (PET, 1992). Solidarity labour workshops, which function sporadically and are mainly formed by women, account for 50% of people working in popular productive organizations. 60% of the productive organizations of the Metropolitan Region (no data is available for other regions) are concentrated in clothing and dressmaking activities, diverse crafts, shoes and leather work in general, bakeries and food

products, service workshops and furniture. They are linked to government support agencies (particularly the FOSIS, the Social Solidarity Fund), non-governmental agencies (the PET, CIDE and the municipal offices, among others), coordinating institutes, training agencies, commercialization and credit agencies (SOINTRAL, Liberación Cooperative, Fundación Solidaridad, others), microenterprise community associations, etc. and even have their own broadcasting organizations as well as annual exhibition, and fairs to sell their produce.

Despite their dynamic economic appearance, the popular productive organizations make up a very small percentage, both of informal microenterprises (an estimated 1.5%) and of the PEA that participates in the informal sector (1%, or 20,000 out of 2 million persons). They are concentrated to an even higher extent than the OEP group in the Metropolitan Region and are almost completely urban. They are dedicated to traditional activities and have difficulties in inserting permanently into the market. Many of them appear and disappear in a trend which is very characteristic of general employment behaviour in the informal sector.

j) What is the forecast for this situation? According to the PET (1992: 28-29) the possibility is open for productive organizations, given existing government and non-government support, to establish themselves as a broad mechanism of labour insertion. The risk, however, is that the gap between solidarity workshops and micro-enterprises will widen, given that government policies have favoured efficiency over solidarity, an intrinsic component of the former type of organization.

On the other hand, according to PREALC (1991), Chile is one of the countries in the region (together with Costa Rica and Colombia) that have a good economic forecast. The growth of the urban economically active population (PEA) is less than the regional average and there is considerable advancement in productive transformation. The informal sector is stable and shows a decreasing trend towards the end of the nineties (PREALC, quoted by Palma, 1 992a).

These two forecasts are derived from two different sets of belief. One centres on social integration and the emergence of new forms of economic-social association. The other centres on the modern sector enterprise. A conflict now faces the institutional activity of this country.

### 3.3 Programmes

A description of the two programmes selected as case studies allows one to observe changes in public training policies for the informal sector, the role of the state and NGOs, as well as that of entrepreneurs.

In the case of Chile, public training policies over the past decade are notable for their absence of reference to the informal sector. The CIDE programme makes its appearance in the eighties as the sole testimony of a 'value oriented' training concept involving a comprehensive educational project concerned with promoting self-employment.

On the other hand, Chile Joven represents the spiralling neo-liberal ideology: functional training designed to incorporate young people into the labour market. This is **an employment policy** rather than **a training policy**, which plays the same leading role in policy formulation as in other Latin American and Caribbean economies, that of the strong' regional model in the process of rapid modernization.

# 3.3.1 <u>Training Policies and Strategies in the Context of the Nineties</u>

Changes in the social and political context - understood as a power struggle and not merely as a set of external factors - affect the reorientation of policies, strategies and public training policies.

1. The Chilean state has tried to coordinate its actions with the private sector, both with regard to education as well as to occupational training. This type of coordination was begun by the military government and has continued as part of the neo-liberal policies of the democratic government.

Despite the fact that participation of the private sector in education continues to be very significant as well as unequal, in that it has altered the very principle of public education, it is also true that the state is currently interested in reversing such a trend, promoting at least a basic and secondary education 'for all'.

However, as far as training is concerned, the state has currently developed the neoliberal model, which limits itself to promoting, administering and supervising training, leaving the definition and execution of a great part of the training programmes to the arbitration of the market.

2. The National Employment Service (SENCE), created in 1976, is the organization that centralises the training process and administers different types of programmes, the execution of which is delegated to independent and recognised institutions. SENCE training programmes include training scholarships (state subsidies) for unemployed people in general, enterprise-based training programmes and special training programmes (also through scholarships), as for example Chile Joven, and programmes for women under an agreement with the SERNAM (National Service for Women). In this

way, SENCE has a network of technical execution organizations that are in charge of direct training activities (OTEs) - most of them private - and intermediate technical organizations (OTIRs) that administer and coordinate training activities particularly for small enterprises, but which are not authorized to carry out training activities. This system is completed with business firms demanding training. They buy training for their workers or employees through the OTE and/or receive students in need of work practice belonging to other training programmes managed by SENCE.

- 3. The state finances part of occupational training, that related to the employed population, through tax exemption and the rest is paid for out of the regular budget of the Republic. Tax exemption allows the company to deduct the training expenses of its workers from its income tax, up to a top limit of 1% of annual salaries. This idea implies new relationships between the public and the private as well as the possibility of transforming public resources into private ones by promoting the training of employed workers. However, tax exemption has not been fully used by companies, having only used to date a third of their tax allowance (SENCE, 1993).
- 4. According to SENCE data for 1992, while in 1977 61% of the public contribution for training was invested in training scholarship programmes for the unemployed, this declined to 30% or less during the 1980's so that by 1986 it amounted to only 10%. This increased again during the first two years of democratic government but in 1992 it was still only 30%. Similarly, despite the fact that in 1992 the persons undergoing training were some 285,000, and the number of participants in the training programme has doubled in the last decade, most (261,000) are concentrated in company programmes which only benefit the employed population. In 1992 Chile Joven participated with some 21,000 young persons in 1992 (a total of 72,000 having received training over the three years since its start in 1991), at a cost of 5 billion pesos, while training scholarships only benefited some 2000 persons in 1992 and 2800 in 1993, at a cost of 200 million pesos

(SENCE, 1993).

Consequently, in this system where the public and the private sectors are interrelated, the state assumes, in partnership with business firms, the role of demanding training, without providing it directly. Instead it delegates this function. Furthermore, as already mentioned, most of the training is requested by the business firm, which means that this training is destined for the employed population, according to enterprise needs and within the framework of the modern sector of the economy.

- 5. The participation of women is marginal in the SENCE set of programmes. 5% in training programmes paid for by companies, 5% in teaching programmes. 32% in the scholarship programme for the population in general and 43% in Chile Joven (having increased from 35%).
- 6. At the beginning of the eighties the decline in the number of long-term training institutions (INACAP, DUOC) accelerated. The National Training Institute (INACAP) began to be regulated according to the self-financing principle and was incorporated into the non-university higher education sector. This transformation was made at the expense of training activities, which were transformed into transaction-type services in the market. Programmes for the unemployed or free election programmes for independent or dependent workers were discontinued and courses for managers or middle-technical employees were favoured, as were activities organized and financed by enterprises through tax exemption or courses financed by the SENCE scholarship programme.

When the democratic government took power in 1990, DUOC and INACAP had already ceased to exist. INACAP had been given over in 1989 to the private sector and its structure had been decentralized and broken up into independent 'business units'. This situation was not changed by the democratic government. It meant the loss of know-how

accumulated over more than three decades. Consequently, the efficiency focus has been favoured in this institution, along with the focalization of the non university higher education provision and the employment of market mechanisms. In the held of training it operates as one of the OTEs in the network coordinated by SENCE.

7. Technical secondary education and occupational training operate in Chile like separate compartments. Furthermore, the whole structure of the education system (both formal and informal) as well as occupational training is uncoordinated. This trend is common to all countries in Latin America. Coordinated experiences apply only to specific programmes and not to the educational system as a whole.

In the case of Chile, while the Ministry of Education is responsible for formal education at all levels and for extra curricular activities, the Ministry of Labour and other organizations of the state body, such as SENCE and FOSIS (Social Solidarity Fund), control occupational training while delegating its execution to private training agencies.

This division between education and occupational training, which ultimately separates everyday life, work, training and knowledge, constitutes without doubt the first obstacle to the promotion of self-employment, as well as to any form of autonomous learning.

8. The political democratization process started in 1990 brought about: a) the end of state relief employment and conflict-avoidance programmes (such as minimum employment) and b) the adoption by the state of a training strategy for groups of limited means, mainly associated with the modern sector. During the military regime, training activities designed for marginal groups had been limited to micro-experiences undertaken by civil society, as part of a political resistance and economic and social subsistence process (spearheaded by NGOs associated with popular education and/or church groups).

- 9. The social debt inherited from the previous government, particularly in terms of poverty and mass unemployment heavily affecting young people, forced the government to adopt emergency measures in 1990, giving rise to a massive and costly state training policy focusing on youth of limited means who had been excluded from both the productive process and the educational system. In this way, Chile Joven got underway without the benefit of prior studies on training needs, potential demand or access mechanisms which would have facilitated its organization and implementation. Indeed, Chile Joven was launched even before its design had been completed.
- 10. The persistence and consolidation of neo-liberal schemes during the period of democratic government gave the public training strategies for deprived and unemployed groups (youth and women) a new and 'private' physiognomy. A 'training network' for deprived people, coordinated by the state, was created which consists of many performing organizations, mainly private, and two state managing organizations (SENCE and FOSIS) which oversee the training. Following the principle of 'subsidiarity', under which the State restricts itself to supervising economic activity, it promotes (or demands) rather than supplies training, delegating to civilian organizations, mainly in the modern sector, the execution of the training. These training organizations (including the OTEs), largely private in nature, are accredited by the state. They include the institutions known as OTEs, training organizations accredited by SENCE and others, for example organizations that manage technical education at secondary level. Within this framework, training for deprived people became restricted to semi-skilled trades and offered for one time only. Training became subordinated to temporary and subsidized labour insertion in modern sector enterprises. The phasing out of the last and most important public training institution (INACAP) saw the concurrent emergence of new training organizations (the OTEs) representing the supply of training in a freely competitive market. A floating training 'system' was established - which was reviewed at each bid - involving a large number of organizations which defined training priorities, models and content at their own

discretion.

11. Within this setting, the state did not support the growth of training experiences developed by NGOs in the field of popular education, nor did it use them as a model for new action guidelines (as in the case of CIDE's programme for unemployed youth). Similar situations have been observed in other educational areas, eg in basic adult education.

On the contrary, implementation of the programme was delegated to a countless number of state-accredited training organizations which, in turn, defined programmes based on business sector needs. Hence, young people were now confronted with a predetermined and alien supply of training, reminiscent of traditional school models. Furthermore, marginalized youth remain excluded from training.

In short, the state assumes the training of deprived sectors in acceptance of its social responsibility, only to later pass it on to training organizations of a private nature. They, in turn, set up courses prompted by the needs of entrepreneurs rather than by those of young people.

12. The contradictory social and political setting - particularly the coexistence of political democratization with social and economic inequality and neo-liberal schemes - has paved the way for the state to become responsible for the training of lower income sectors and the creation of a training service network made up of diverse organizations (public and private, goods and services concerns, training institutions, non-profit foundations, universities, etc.).

However, the presence of divergent institutions has not been coordinated by the state with a view to focusing training on the needs of the socially vulnerable (a redistribution

approach). This task of coordination is still pending; the market logic that guides public training policies continues to condone inequality.

- 13. State training policy for those of limited means is sustained by an organized belief system, based on two central ideas; a) the best combination for the social integration of the disadvantaged sectors is basic education followed by labour training in or for the enterprise. This model, sustained by the World Bank and CEPAL, is extremely vulnerable (McGrath et al, 1994). In the case of Chile, the high segmentation of basic education is the main obstacle, in addition to the implications of leaving training priorities in the hands of the private sector and the creation of education-training circuits differentiated by socioeconomic level; b) training is a means to increase labour insertion or reinsertion in the modern enterprise, moving persons who are engaged in the informal sector or who are unemployed or inactive.
- 14. Among popular economic organizations, there are technical or craft training workshops (110 listed workshops in the Metropolitan Region and the VIII Region with 3400 participating persons) that supply services to 16% of the persons forming part of the popular productive organizations (PET, 1992). Once again we are dealing with microexperiences. These reach only a few persons, and furthermore, only those already incorporated into those circuits.
- 15. It is important to stress that occupational or management training for informal micro-enterprises is directed at already established micro-enterprises. However, it is not possible to determine the number or magnitude of programmes and institutions due to a lack of available data. Additionally, while the majority of occupational training activities coordinated by SENCE (for the employed, unemployed, and inactive population) is associated directly or indirectly with the modern sector of the economy, occupational or management training for promoting the creation of micro-enterprises or other forms of

self-employment is limited to government programmes or to non- government programmes of limited coverage. Government policy has consisted of sub-programmes for the micro-enterprise within a broader programme of labour insertion or re-insertion rather than occupational training. These limited programmes are aimed at critical groups as, for example, youth outside the educational or productive system (the case of the Chile Joven programmes), or women who are unemployed, inactive or heads of household (such as courses oriented towards the micro-enterprise in some of the pilot or national programmes of SERNAM).

16. The main factor contributing to the dynamism of informal micro-enterprises is without a doubt the state's interest in the micro-enterprise in general. Furthermore, official policy is focused on the promotion of modern micro-enterprises as well as of informal micro-enterprises in the process of transition towards the modern sector, by encouraging the transfer of resources from the informal sector to the modern. At the same time, the informal sector is not included in the government's political and economic agenda (nor is training for this sector).

The pending question is whether it is possible to have a public promotion policy of the micro-enterprise separate. from politics and training programmes for self-employment or whether priority should be given to the creation of a context where training activities promote the formation of productive associations for self-employment and vice versa. This is a challenge the government has to face.

17. Two labour factors increase the distance between the public training policies and the demands of social reality: a) the labour market is the main reproducer of social differences by reinforcing basic discriminations: social class, gender, age, ethnic origin. The educational system also reproduces social differences but plays a secondary role (Tedesco, 1983). This axiom, valid at a regional level including Chile, implies the

acceptance of the divorce between education and employment, in such a way that education can less and less guarantee incorporation into the labour world; b) labour insertion depends to a large extent on casual jobs and/or self-employment (40% of the PEA are engaged in the informal sector).

Additionally, the division between education and occupational training has been perpetuated, as well as the orientation of training towards the modern sector, in a sort of paradox which consists in training for a sector of the economy over which trainees have no control.

18. In this context, the programme of CIDE stands alone. For more than a decade this programme has been training young unemployed persons with a view to self-employment and establishing a basis for the creation of productive workshops. Furthermore, it has provided technical training in the communities while safeguarding personal and political autonomy. This programme has tried to close the gap between the already established micro-enterprise and the different types of self-employment.

## 3.3.2 Training: Who does the Training to What end, for Whose Benefit?

19. While the CIDE programme, developed from a NGO in the popular education field, focuses on training for employment for marginalized youth (ie overall preparation) and encourages the creation of youth organizations and micro-enterprises (7200 participants at local level), the Chile Joven programme emphasizes the social insertion of youth into the labour market through market mechanisms and the increased productivity of the system. The latter programme enlists the participation of the state, training institutions, and entrepreneurs: the state demands training, accredited training institutions which have been selected through a bidding system define and implement the courses on offer, and entrepreneurs provide placements for work experience of young people (50,000).

participated in the programme between 1990-1992, a figure that should increase to 70,000 when national bids for 1993 in 219 training institutions, 82% of them in private hands, are taken into account). The occupational training offered by sub-programme 1 (In-House Work Experience and Training), which accounts for 80% of the activities, consists of 200 training hours in a trade (semi-skilled manual labour) followed by on-the-job experience. Training is subordinated to insertion in the world of work through a wage-earning relationship.

- 20. CIDE may be defined basically as a training programme, whereas the Chile Joven programme stresses labour experience as its main component.
- 21. Occupational training is seen by the CIDE programme as a mechanism to develop personal and social growth in young people, a strengthening factor of self-esteem and organization, and a promotional approach to training/preparation. For its part, Chile Joven designs and evaluates its activities in terms of immediate efficiency and effectiveness (short term insertion in the labour market).
- 22. The ability to design a flexible training space, which involves the community (meeting of the community's instructor-artisan with his/her students), is participative, and able to promote confidence and reflection on daily living and the working world, is considered the main virtue of the CIDE programme.
- 23. Its explicit concern with the training of women and the high female component of its beneficiaries (60%) is another significant achievement of the CIDE programme. Conversely, Chile Joven shows a greater male presence (between 60-65%). Those responsible for the programme ascribe low efficiency to training activities involving women, since once trained they do not often join the world of work.

24. The maximization of community resources as implemented by CIDE is opposed to the use of business firms as learning spaces, a strategy favoured by Chile Joven. Furthermore, while one encourages self-employment and the creation of productive workshops, the other emphasizes labour insertion through wage-earning jobs.

Finally, while the one programme is concerned with designing an alternative training methodology which underscores the pedagogical dimension, the other focuses on its impact on the labour market rather than on training.

CIDE is a long term programme (1980-1993), with pilot and experimental stages, successive institutionalization, adjustments and differentiations (training programmes for instructor-artisans, training programmes for co-ordinators, etc.) whereas Chile Joven is an emergency programme, lacking preliminary research and pilot/experimental stages, which started implementation even before its design had been completed.

- 25. In CIDE's case, the grassroots and community development organizations act as the link between young people and the central level; in Chile Joven, this role is played by municipal offices, in other words, a decentralized level of the state apparatus.
- 26. The participants are not the same in these two programmes. While CIDE works in collaboration with organized communities and in a door to door' fashion, Chile Joven recruits young people on an individual basis through a self-focusing' strategy (participants turn up', but only those the programme offers relative advantages to). Besides, state programmes concentrate on the more redeemable' marginalized youth, those regarded by entrepreneurs as having social credibility, while CIDE works with young people of very limited means who are drawn to the programme through liaison organizations.

Despite these differences, participants do share some characteristics: they are

fundamentally urban youth, mostly 15 to 24 years old, outside the educational and productive systems, and with high levels of education (an average of 8 years for CIDE and 10 years for Chile Joven).

27. The motives and time frame of these programmes differ. CIDE, created in 1980, focused on the informal sector because of its fast growth and vulnerability, and aimed to assist young people who lacked the necessary tools for joining the labour force (formal or informal). The assumption was also made that most young people would be seeking employment in the informal sector, due to the scarcity of jobs in the modern sector.

Chile Joven, created in 1990, concentrated on the critical contingent of unemployed youth produced in the eighties, who have been unable to find employment in an unregulated market (200,000 to 300,000 persons). Its main purpose is to insert these young people into the modern sector, while the task of transferring manpower from the informal to the modern sector is somehow assumed.

28. Both programmes acknowledge the structural nature of the informal sector and the labour marginalized' condition of those individuals who can only access the lower productivity jobs of the informal sector.

The CIDE programme is explicitly targeted at the informal sector while the Chile Joven programme claims responsibility (through the programmes Freelance Work' and Education and Training') for young people's requirements associated with the informal sector, self-employment or other forms of freelance work (Ministry of Labour and Social Security, Bulletin 121, CINTERFOR-OIT, 1992: 97).

In actual practice, however, most of the activities of the Chile Joven programme are geared towards the modern sector, while only some 3,000 young people, accounting for

5% of the total number of beneficiaries, have participated in the 'Freelance Work' subprogramme.

### 3.3.3 Results

29. In terms of results, both programmes have met their formulated objectives. In CIDE's case, this was achieved through the training of marginalized youth (at a micro-experience level) using an alternative training methodology. Furthermore, unanticipated results have been observed, such as securing employment within the community and creating productive workshops.

Additionally, in the field of popular education, this was the first experience conducted in Chile that involved young people in reflecting critically on their work and its organization.

Other important accomplishments of the CIDE programme should be noted, such as the undertaking of on-going institutionalization of similar experiences and their evaluation, the readiness to accept and incorporate criticism, the growing differentiation of training functions and subsystems within the programme, and the links with other CIDE research projects.

For its part, the Chile Joven programme, when taken as a whole has proven efficient, since results for the first three years (72,000 graduated students) have approached the proposed target in terms of numbers (an expected 100,000 graduates over the four year period).

When comparing the results with the original objectives for each of Chile Joven's subprogrammes, certain differences may be seen: subprogramme 1 has been effective, insofar as over a period of three years (75% of the duration of the programme) it has provided a service to 80% of its target population (56,000 out of 70,000). However,

measured by the same standards, subprogramme 2 is still at the design stages, and subprogrammes 3 and 4 are a long way from meeting their objectives. Over a period of three years (75% of the programme's duration) the latter two subprogrammes have reached 30% and 55% of their target populations respectively (programme 3 has catered to 3,000 out of 10,000 expected participants, and programme 4 to 11,000 out of 20,000 expected participants). In short, training associated with business firms has been most effective in terms of consistency of results - the number of graduated youth. This is the only large-scale programme of its kind and the most visible feature of Chile Joven.

30. Considering the short and medium term qualitative impact sought by Chile Joven: insertion of young people in the labour market, transfer of long-lasting benefits to beneficiaries and to the system, positive effects on productivity, and the creation of a new training system, it is questionable whether in fact these effects have been achieved.

Available data show that the programme strays from anticipated results. The only evidence is that of a 'temporary labour experience' undergone by a significant number of young people. This experience legitimizes the presence of in-house semi-skilled and subsidized manpower, and as a result a rise in production, if any, might be attributed to the use (and eventually the over-exploitation) of unskilled manpower rather than to the incorporation of trained personnel. Lack of accurate data on the programme's occupational impact precludes assessing the nature of the labour insertion that follows work experience (we just know that half of the programme's graduates remain employed). Neither can it assess the extent to which labour insertion is explained by training or 'other' factors e.g. the characteristics of applicants (previous work experience or educational level) or dynamic market factors. The question is still unresolved as to whether incorporation is achieved through unstable and poorly paid jobs.

# 3.3.4 Critical Issues in Institutionalized Programmes

- 31. With regard to Chile Joven, if the principles, strategies, and results of this programme are analyzed from a comprehensive training perspective where occupational training, overall education, and work experience converge and taking as an operational model the subprogramme which has catered to the largest number of young people (In-house Work Experience and Training programme), it may be concluded that: a) the occupational training delivered is semi-skilled, does not include personal formation components, and fails to provide the necessary skills that new technologies demand (200 hours means training for only four hours a day over ten weeks); b) because training is not part of an ongoing training and employment system, young people cannot re-register; c) training, restricted to semi-skilled trade formation, has been subordinated to work experience which, in turn, has provided young people with the means for temporary access to business enterprises (mainly large and medium sized firms) in semi-skilled positions, with scholarships amounting to 50% of the minimum wage.
- 32. The principle of state subsidiarity is reflected in several dimensions of Chile Joven. First, state training is almost completely implemented (and its funds administered) by the private sector. Second, training entails a benefit for the private sector (business firms profit from free and temporary manpower). Third, state resources for training are allocated to the private sector through market mechanisms (the periodic award of public contracts). Fourth, the supply and demand for training is co-ordinated by the private sector which, additionally, defines training priorities (through OTEs in consultation with entrepreneurs). Fifth, the creation of new jobs, as a response to marginalization, becomes the responsibility of the market which implements it through its own mechanisms, although the programme itself acknowledges that this regulation is insufficient and bears a high social cost. Sixth, young people are subjected to market mechanisms in several ways: a) they become acquainted with the programme through market mechanisms (large scale publicity) which depends on their degree of insertion in the market (those most affected by marginality and/or social damage' are the least likely

to find out about the programmes. b) young people are selected according to their market credibility' (since the state pays OTEs per trained youth, the latter will obviously choose students who are not likely to drop out and stand a good chance of being accepted by potential employers); c) at the semi-skilled level the programme is devised so as not to vie with middle level technical secondary education or with more skilled adult workers; young people are classified according to skills and placed at a level where competition or mobility beyond a transitory semi-skilled position is barred; d) young people do not receive accreditation for experience gained, only for attendance; young people are granted a scholarship equivalent to 50% of the minimum wage which sanctions their subordinate status.

In this way, for young people market mechanisms constitute reality and semi-skilled under-paid jobs and discouragement become customary, ultimately giving rise to a naive vision of the world. Hence, market regulation' turns into the natural regulation of economic and social activity.

33. The Chile Joven programme advances two lines of action that ought to be examined: a) young people's precarious insertion in the working world derives from their scant experience and lack of skills; b) training is a social investment policy, its impact being felt in human resource development and the productivity of the economic system.

These hypotheses are opposed by a set of substantiated facts. First, in Latin America the expansion of the educational system has not gone hand in hand with a concomitant increase in the quality of education. We are witnessing a process of segmentation of the educational supply which breeds social gaps. Second, increased education has not resulted in greater opportunities for labour insertion, since the labour market is the major propagator of social inequity through the use of social discrimination criteria: ethnicity, gender, age, and social status (Cfr. Tedesco, 1983). Third, training does not in itself

increase productivity or act as social investment, unless it implies a comprehensive education-work project and is accompanied by a state policy of social redistribution. Fourth, young people's marginality does not result from their lack of experience as individuals or groups, but from the way Latin American societies confront the integration of young generations, the essence of Latin American modernity being characterized by a permanent flow of shifting exclusion-integration boundaries.

- 34. With regard to CIDE, the organization-mediated training structure assumed by this programme only reaches young people living in communities where base groups or community development institutions operate. Hence, the question arises: how about know-how, does it reside in CIDE or in liaison organizations, and what are the available mechanisms that would allow the generalization of findings and the facilitation of exchange among participating entities?
- 35. The level of training offered by the CIDE programme (semi-skilled manual labour), the preponderance of courses associated with services, particularly traditional female occupations (3,000 students, out of a total of 7,000, have enrolled in hairdressing, dressmaking, and knitting courses and some 1,000 have taken up electricity; CIDE 1993), and the lack of certification (only attendance is certified), are aspects that must be examined. These skills should be compared with the economic demands of a society undergoing modernization at an extremely fast pace.
- 36. The expansion of productive workshops among their own graduates and the continuity of workshops (only 50% remain operational), given their possibility of providing productive economic spaces which constitute an alternative to the modern sector, is another aspect as yet unresolved by the CIDE programme.
- 37. The isolation of the CIDE programme relative to state actions, less severe now than

during the military regime, its reliance on international funding, and the difficulties attending the promotion of youth organizations are limitations acknowledged by those responsible for the programme and corroborated by this study.

## 3.3.5 The State's Role in Training

38. The state today, in assuming the role of training claimant' and placing young people in the market through market mechanisms, continues to operate using the neo-liberal economic policies that regulated the country for over a decade, in a complex process wherein formal political democratization, a neo-liberal approach in social and economic matters, progress and setbacks in the solution of basic issues such as justice and equity in all dimensions of society, are intertwined' without apparent coordination. In the specific area of the education-work relationship, this modality implies leaving in the hands of private individuals not just training activities, but also the creation of employment policies.

The structure of subprogramme 1, which epitomises the Chile Joven approach, has resulted to the following:

- a) The most destitute young people, and or those most exposed to 'social damage' or already suffering from it, are not part of the target population.
- b) The informal sector is not an action referent, except for two minor subprogrammes (despite the fact that the informal sector is an important reality in Chile).
- c) The programme has failed to create new training practices or produce a structure of its own to manage its actions; it delegates most of its initiatives to SENCE, despite the fact that the latter institution has not undergone significant changes in orientation. Currently, as was true in the early eighties, SENCE's

referents are modern sector business firms, and it requires that training organizations place students in business enterprises for work experience.

- d) The programme has neither developed nor adapted an alternative training methodology, following CIDE's lead, aimed at retrieving the community's know how and resources, and encouraging the organization and self-esteem of young people; rather it continues to promote the development of a fixed training supply, external to the interests of young people, and limited to occupational training.
- e) The programme is characterized by a short term economy-oriented approach, the main goal of which is immediate job placement; additionally, it constitutes an emergency programme designed to handle a poverty belt', and not so much an education-work programme (paradoxically, an emergency programme featuring high overall and individual cost).
- f) The programme has not brought other actors into the training debate: educators, union workers, organizations supportive of highly vulnerable and discriminated groups such as the National Youth Institute (INJ), and SERNAM, young people and adults marginalized by the modernization process; neither is the programme coordinated with the objectives and strategies of the formal educational system, particularly regarding solutions to the lack of quality and equity observed in basic and secondary education.
- g) The programme lacks the mechanisms to channel the demands of young people by young people themselves or by their organizations, but restricts itself to self-focusing strategies which effectively exclude the more severely marginalized groups from the programme; or it offers them courses, which perceived as services, are felt to be external.

- h) Municipal offices, the programme's gateways, are not seen as young people's private spaces (in addition to having negative political connotations, for they were part of the state bureaucracy of the military regime).
- i) The pedagogical and technical quality of the training supply is one of the dark areas accessible to the programme only through voluntary technical assistance.
- j) Females participate in the programme in smaller numbers than males (female participation has risen to 43% from 35%).
- 39. Organizing a training system based on Chile Joven could only be accomplished through fundamental changes in training methods and in the role assigned to the state and the various social agents.

To date, Chile Joven is a set of training activities developed by 'offering institutions participating in public bids' (out of a universe of accredited organizations, some of which participate in public bids in a random fashion) which have yet to comprise a stable system in terms of effort exchange and harmonization.

## 3.3.6 Balance of Institutionalized Programmes

- 40. The main achievements of the CIDE programme clearly lie in its comprehensive approach to education, supplemented by research activities consistent with the nature of the institution which sired it.
  - a) The programme offers relative advantages with respect to other modes of national training supply; first, no other programme in the country provides 300 hours of training for young people (including general education), organized by the community and with the collaboration of community development organizations.

This training is continued through productive workshops and education activities for the various participants (organizers, community co-ordinators and artisan-instructors); second, the programme relies on a comprehensive educational approach, not restricted to the teaching of a trade; third, it is cost-efficient.

b) This is still the only training programme for the informal sector which uses the methodology described.

41 In the political, social, and economic context of the Chile of the eighties, CIDE was regarded as an 'innovation' and an effrontery, since it entailed a change in the customary view of training and employed popular educational practices. Today, it continues to be an education-work programme, for it aspires to comprehensively train young people, thus granting them labour autonomy, a proposal which differs markedly from the 'training-social insertion' offer advanced by Chile Joven.

42. In contrast, Chile Joven highlights the difficulty of adapting state redistribution policies on training to neo-liberal development schemes. Within this setting, developing a precarious labour insertion strategy rather than one for training, and limiting the function of the state to managing and promoting the programme while delegating to the private sector the design of training and employment policies, have been perceived as major constraints. Likewise, it has failed to provide a pertinent supply capable of harmonizing the relevance of each of the actors involved (youth, community, social organizations, entrepreneurs, training organizations, state agencies). However, a mixed network of services has evolved, which could be the precursor of a formalised training system.

## 4. By way of conclusion

### 4.1 Comments on the two programmes

- 4.2 Occupational training programmes for women
- 4.3 General recommendations

## **4.1 Comments on the two programmes**

- 1. In the scenario under study (Chile), public training policies are geared towards **socially critical and short and medium term conflict-carrying groups** (low income urban sectors, particularly youth and female heads of household) rather than towards the informal sector. This training is carried out in a setting characterized by rapid modernization, urbanization and a service-based economy.
- 2. Public training policies are primarily directed at **young people**, who continue to be the hardest hit by unemployment (16% in 1990), by obstacles to permanent access to the world of modern production, and by the inability to generate incomes that go beyond survival. The selection of young people as a priority group for state co-ordinated training is a global phenomenon.
- 3. **Women** represent the second target group for training activities, given their weak participation in the labour force (33%), their service-based occupations, inequalities and unsatisfactory working conditions, their reduced negotiating capability, and the diverging demands made on them from their various roles as workers, mothers, and organizers of family life.

Both groups - youth and women - comprise a reserve army of labour which only becomes active in times of expansion, and tends to be chronically excluded the rest of the time.

4. Focusing public training policies on low income female heads of household conforms

with the governmental decision to make women of limited means - and particularly female heads of household and young women - a priority population in every dimension of social interaction. Within this framework, SERNAM has been created, as a promoting rather than implementing organization. Women have participated in Chile Joven as well as in three small state training programmes coordinated by SERNAM, which have been specifically designed to take women's needs into consideration, at the micro-experience level. However, while 72,000 young people (both male and female) have participated in Chile Joven, only some 3000 have been trained through state programmes specifically designed for women.

5. Young men have participated in Chile Joven in greater numbers than young women (60% for the four bids of 1991-1992, and 65% if only the first bid of subprogramme 1, In-House Work Experience and Training, is taken into account). Its policies have followed a social insertion' rather than a comprehensive occupational-preparation training approach; in these programmes occupational insertion is primarily accomplished through modern sector business firms. This strategy exists alongside the phasing out of the last public training institution (INACAP), which had a leading role in the field of training of the Ministry of Labour and Social Work, entrepreneurs, and private training organizations.

However, young women in general, who have been less involved in Chile Joven, are not the main beneficiaries of small scale state programmes designed specifically for women, since these are directed at low income women who are heads of household, mostly aged over twenty-five.

6. When comparing male and female participation in Chile Joven subprogrammes, a marked predominance of males over females can be observed in the Freelance Work' and In-House Work Experience and Training' programmes (males account for 70% and

60% respectively); conversely, female participation in the subprogramme Education and Training' which is destined for the more severely marginalized youth, increases to 45%. This situation reveals the double discrimination affecting women, that of social class as well as gender.

- 7. Training activities for the informal sector are limited to micro-experiences developed by non-governmental organizations (such as CIDE and INFOCAP) and by Chile Joven state programmes or subprogrammes of limited coverage, aimed at the more vulnerable groups: young people hardest hit by marginality and women of limited means who are heads of household. The absence of a large scale and explicit official training policy for the informal sector, particularly for self-employment and micro- enterprises, is at odds with contemporary informal sector persistence: the high participation of the economically active population in this sector (about 40%), significant unemployment among youth, and a contingent of unemployed and underemployed youth or those seeking employment for the very first time, approaching 300,000 (290,000 in 1990 and 250,000 in 1992, MINEPLAN, 1993).
- 8. One of the most significant pieces of evidence emerging from the study is the following: the silence surrounding the informal sector runs parallel to a concentration of public training initiatives around a massive short-term emergency state plan for unemployed youth (Chile Joven), which is directed mostly at the modern sector and is defined by those responsible for its creation as an opportunity' rasher than as a training programme, the pre-eminent purpose of which is youth insertion in the market through market mechanisms'.
- 9. In this setting the approach and methodology of a training/preparation programme for young people (such as CIDE) whose referent is the informal sector becomes relevant. The merit of CIDE's micro-structural programme is its alternative methodology, aimed at

enhancing educational and cultural community resources rather than offering services, and the creation of a flexible educational space through training workshops, mediated by community development organizations. Additional virtues are its continuity, its capability to systematize its experience and change it accordingly, its association with research networks and the creation of increasingly more differentiated education systems and procedures. Its weaknesses are tightly linked to its origins: a proposal stemming from civil society with all the concomitant discontinuities that this brings.

- 10. In Chile, the economic crisis of 1982 and the political democratization process beginning in 1989 have brought about agreements between the state and entrepreneurs for implementing policies of co-ordination between education and the world of work. These policies, however, entail immediate returns and have been conceived from the system's standpoint: reduction of social conflict implies unemployment for youth and female heads of household, and for business firms keeping production costs low through the expedient of cheap or free state subsidized labour.
- 11. The state has assumed the social task of training groups of limited means. This marks a difference with respect to the previous period where training-education-self-employment-microenterprise programmes were part of a civilian resistance movement. However, the state undertakes this task in a setting characterized by the neo-liberal model, where the main referent for training continues to be modern sector business firms.

The informal sector has not become a policy referent. State co-ordinated self-employment programmes are confined to the more critical groups: female heads of household, youth susceptible to 'social damage' and high marginalization. For their part, micro-enterprises constitute a possibility for a very limited percentage of the population benefiting from state as well as non-governmental programmes.

12. The state has yet to create a training system or even flexible, participative, and medium term educational institutions.

Additionally, comprehensive training programmes versus social insertion' programmes share three characteristics that ought to be reviewed: high retention which does not ensure medium term education, at a semi-skilled level, and a preponderance of service-oriented courses.

However, some of the limited coverage programmes of Chile Joven (Freelance Work' and Education and Training'), SERNAM sponsored programmes for female heads of household, and CIDE already feature the elements to launch this task: work education modules (containing self-esteem components, child care, labour regulation, etc.) and actions designed for improving participants' quality of life promoted by the programme with the collaboration of community organizations (child care centres, special business hours in public institutions, self-employment assistance networks, credit backing); benefits for graduates and an opportunity to join a stable local organization providing work and education.

13. If the informal sector accounts for 40% of the working population and if young people represent a substantial percentage of the said group (50%), would this not argue for a state training strategy focused on the informal sector? Is assigning priority to the programme of insertion into the world of modern enterprises (temporary and semi skilled incorporation) not contributing to widening the gap between the informal and modern sectors? Is it not catalyzing the latter with a contingent of inexpensive and floating manpower, which will move from one sector to another, giving rise to that labour marginalized' group the Chile Joven programme alludes to? Furthermore, is associating self-employment with the more severely marginalized groups not another way of endorsing exclusion and stratifying low-income groups?

- 14. In short, a valid educational strategy for populations marginalized from development, most of whom are found in the informal sector, remains to be defined in Chile. In both programmes surveyed, representing a massive and publicly acknowledged effort, training is delivered for one time only', and at a level that prepares for working in low skilled jobs, regardless of whether these stem from the informal or modern sectors.
- 15. However, on an optimistic note one can say that the Chilean state has shown itself capable of generating a network of training institutions and services which, although unfinished, sets us on a path leading to a coordinated system.
- 16. The creation of a continuous education-work circuit in Chile, with multiple placements and returns, co-ordinated by the state and steered by principles of equity and reciprocity, with the purpose of promoting autonomous communal and individual organization, continues to pose a challenge for action and research.
- 17. The absence of accurate data on informal sector training, the evolution of this sector, and the undifferentiated public training policies directed simultaneously at the informal or modern sectors (with critical populations being always the target), comprise the context within which this study was conducted.

## 4.2 Occupational training programmes for women

a) Occupational training programmes for women continue to be marginal in the political agenda of the nineties in Chile. The programmes in which only women participate are understood to be as such, designed to consider the condition of gender and to act upon the obstacles to the access and permanence of women in the training process.

Occupational government training programmes for women coordinated or associated with SERNAM (National Service for Women) constitute a significant effort to break the silence

and space between the government and non-government sector and create scope for possible coordination in the future. The presence of SERNAM in the political arena constitutes in itself a significant innovation.

b) Two different institutional conglomerates are observed in relation to occupational training programmes for women. On the one hand, there are SERNAM government programmes, which are incorporated in comprehensive development plans (training is accompanied by health activities, attention to children, legal assistance, personal development etc), focus on female heads of household, have insertion and reinsertion labour objectives, and are undergoing an experimental phase, in order to find valid models for this area. These programmes, however, are only micro-experiences (the total number of graduates amounted to only 3000 between 1991 and 1993).

On the other hand, there exists an indeterminate set of non-governmental programmes, integrated into the so-called popular or solidarity economy, which are accompanied by management, leadership formation and support, business training, credit, organizational promotion, personal development courses, and others. These are micro-experiences targeted at low-income women in general, female heads of household, young women, temporary workers, micro-enterprises, and are focused in general on self-employment.

While government programmes have been able to create their own background information, the non-government programmes resort to traditional forms of popular economy as well as to popular organizations, that have grown during the last two decades. The foci are radically different in basic respects: in the former case, insertion in the modern sector is mainly sought and in the latter self-employment, under the more general framework of reactivation of the informal sector. However, in both cases, these micro-experiences are not coordinated.

- c) There is a lack of state-sponsored occupational training programmes for women except for those carried out by or with SERNAM. This absence is manifest even in institutions like SENCE, an organization that coordinates training in Chile, and FOSIS, an organization created for the promotion of the poorest (and low-income women and in particular female heads of household are among the poorest). It is equally noticeable that institutions like the PIIE or CIDE, with a long educational and training background, do not have training programmes specially for women. This fact coincides with the low feminine participation rate in occupational training programmes for the population in general: 5% in company programmes, 32% in SENCE scholarship programmes and 43% in Chile Joven (SENCE estimates, 1993).
- d) While the informalization of the economy is an obvious fact and the informal sector exists as a structural phenomenon, government occupational training programmes, all concentrated around the SERNAM, seldom focus on self-employment and the microenterprise.
- e) Integrity and autonomy are essential conditions of the programmes for women; however, these are not easy to concretize. Despite the fact that government programmes propose the institutionalization of a 'promotional environment' (supplementary services) in municipal offices and the promotion of women's organizations, there is little participation in the services offered by the programme. A set of factors contributes to this, such as: the lack of continuity in the lives of the women who participate, which affects both their access and continued participation in the programmes as well as any attempt at follow-up; lack of knowledge regarding services stemming from their limited use; the traditional isolation of women, which separates them from the supplementary services, even if they exist; problems in the functioning of the services, in particular their weak institutionalization at the operational level; rupture made by the participating women, who finish the course and tend to leave it behind; lack of precision in the programme data base, which makes

follow-up activities difficult.

f) The greatest achievement of the occupational training programmes for women is the sense of trust in themselves developed by the participants, which without a doubt facilitates the search for work and their capacity to adapt to new situations. In a certain way, the sense of threat experienced by persons having no opportunity appears to be reduced.

In relation to the labour impact, achievements are not observed in the short-term. According to a recent evaluation of the SERNAM programmes (Messina, 1993), labour insertion had increased by 25% among those finishing the course.

g) However, occupational training produces other changes. According to the same evaluation, women participating in the programmes pass from being inactive to being unemployed and show an interest in organising themselves into workshops or microenterprises, which demonstrates that their conscience as workers has been awakened. Additionally, they present educational and occupational expectations which largely exceed their current condition.

#### 4.3 General recommendations

Finally, two recommendations dominate. Firstly, it is essential that there should be coordination of realistic state policies regarding formal education and the role of NGOs in popular education and solidarity economies. In particular, it is essential to standardize the different types of occupational training. Secondly, it is necessary to develop research projects with a view to duplicating and promoting innovative experiences. Part of this research should be directed at reviewing the conceptual framework pertaining to training and employment, particularly those aspects relating to insertion in the labour market.

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