**Thematic Brief:**

**Vocational Education and Training (TVET) and the Informal economy:**

**A review of their status in the Sustainable Development Goals (SDGs)**

**Kenneth King**

**Introduction**

The global Technical Vocational Education and Training (TVET) community is likely content that technical or vocational training are referred to no less than four times in the final text of the Sustainable Development Goals (SDGs) (UN, 2015a). There is also a brief reference to micro- and small enterprises in the SDGs. However, policy makers may be disappointed that the role and potential of TVET in the informal economy are not acknowledged. Likewise, there is a tension between:

1) skills for economic growth and ever-increasing productivity and

2) a transformative vision of TVET for sustainable human development.

**TVET and the informal economy in the SDGs**

TVET has made it into the final text of the Sustainable Development Goals (SDGs) as part of SDG4 on Education. Its presence there is much more evident than in the Education for All (EFA) Dakar Goals (World Education Forum,2000), where only the vague term ‘life skills’ was used – not to mention the Millennium Development Goals (MDGs) (UN, 2000) where TVET was not mentioned at all.

The informal economy has also made it into the SDGs as part of SDG8 on Economic Growth and Decent Work. Though the precise term ‘informal economy’ is not used, the subject of ‘micro-enterprises’ is acknowledged as part of the diversity of the private sector. More significantly, the ‘formalization and growth’ of micro-, small- and medium-sized enterprises are mentioned.

The relationship between TVET and the informal economy is not adequately covered in the SDGs. Thus, there is no reference to training and the informal economy in the SDG4 on Education, or in the wider text, *Transforming our world: The 2030 agenda for sustainable development* (UN, 2015a).[[1]](#footnote-1) There is also no reference to skills development in SDG8 targets on growth, full and productive employment and decent work.

Arguably, the treatment of TVET in the SDGs text is almost contradictory as we shall note below.

As part of SDG4 on Education, Target 4.3 seeks ‘By 2030 to ensure equal access for all men and women to affordable and quality technical, vocational and tertiary education’. It is not clear what this pledge actually means for member states. Why should there be a promise of universal access to TVET when even the countries most oriented to post-secondary TVET, such as Germany, Switzerland and Austria, do not have more than 50% of their young people choosing this option? Furthermore, the majority of countries in Sub-Saharan Africa only have some 5% accessing TVET, whether during or after secondary education.

Surprisingly, in view of this pledge of universal access to TVET in Target 4.3, Target 4.5 is significantly different; it is no longer about access for all, but just aims for a large increase. Specifically it states, ‘By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship’ (UN, 2015a). Again, there is no reference to the informal economy, though of course it could be included under ‘entrepreneurship’. In addition, it is certainly a good thing that ‘skills…for employment, decent jobs and entrepreneurship’ are mentioned here rather than the vague use of the term ‘life skills’ back in 2000.

**Is formalization now going to submerge all issues related to informal economy?**

In terms of the promise of SDG8s’ to promote ‘full and productive employment and decent work for all’, how can the circle be squared? We must interrogate this promise of skills for employment, decent jobs and entrepreneurship. What can this really mean for countries in Sub-Saharan Africa and South Asia which have very large informal economies and only some 7-10% of employment in the formal sector?

The only answer in the text of SDG8, which we have already referred to, is the formalization and growth of micro and small enterprises. However, there is no mention of TVET training or of skills development in SDG8. It is, however, surely reasonable to assume that training and skills development are absolutely central components of any formalization strategy.

Indeed, it is highly likely that behind the SDG8’s mention of formalization lies the ILO’s 2014 *Report V (1): Transitioning from the informal to the formal economy*. This document has a section on ‘skills development’[[2]](#footnote-2) along with access to finance, an enabling environment and working conditions. In Chapter 3, it is argued that “in many developing countries, the low level of education and of vocational skills in the informal economy results in a vicious circle of low productivity, low income and low investment in skills”[[3]](#footnote-3). Intriguingly, it is also argued that “in many developing countries, and particularly in Africa, informal apprenticeship schemes have shown the potential to provide skills in the informal economy”[[4]](#footnote-4).

The reality is that skill acquisition in the informal economy happens even in the absence of cultural traditions of informal apprenticeship. This is the case, for example, in Kenya where there was no such apprenticeship tradition (King, 1977). Equally, in many other parts of the world, including South Asia and the Middle East, there are other rich examples of informal skills training. The (male or female) master, and the learner or follower cooperate to achieve learning in many different domains from music and dancing to weaving, engineering and construction.

**Informal training within the formal sector**

Frequently it is not acknowledged that these powerful, informal training traditions exist **inside** the so-called formal sector of the economy. Thus in India, for example, tens or hundreds of thousands of young people can move within the formal sector away from being casual, daily workers. If such young workers show promise, they can be linked to the ‘mistri’ or master, and then access good quality on the job training. Despite these types of informal training, one of the arguments for ‘formalizing the informal economy’ is that whole sections of the so-called ‘formal’ economy are in fact composed of informal workers who function within formal businesses. As such they have little or no access to holidays, sick pay, or trade unions. As a result it is not only a question of recognizing the needs of those acquiring skills informally outside the informal economy. It is also a question of recognizing that the formal sector itself is responsible for training their informal workers.

**Technical and vocational training for what kind of world?**

We have already noted that the vast domain of work in the informal economies of the world are little recognized in the SDGs or in *Transforming our world* (UN, 2015a) except as a sphere that needs to be ‘formalized’. But for what kind of world are technical and vocational skills being developed at all? Arguably, it is a world where economic growth remains supreme. SDG 8 is about maintaining high levels of economic productivity and GDP growth, including in the least developed countries:

“Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries” (Target 8:1, UN, 2015a: 16).

In essence, there is little in the SDGs that really engages with the need to change TVET systems for a changing world. It does not appear to have considered the challenges captured in UNESCO’s *Unleashing the potential: Transforming technical and vocational education and training* (Marope and al. 2015). Nor has it reviewed the section of this UNESCO volume on ‘Meeting the skills requirements of the informal economy’ (ibid. 74-77).

Rather, the SDG message about technical and vocational training is about access for all, and ‘affordable quality’ – whatever that means…. There are also some more general claims about learners acquiring the ‘knowledge and skills’ for a whole series of very challenging areas such as education for sustainable development, global citizenship, human rights. But this use of the term ‘skills’ is very general and is not explicitly related to TVET, and certainly not related to informal economy skills development.

**In conclusion**

What can be concluded from the positioning of TVET, skills development and the informal economy in the SDGs? The good news of course is that TVET is clearly included, and is mentioned as technical and vocational training in no less than 4 of the 10 targets of the SDG4. The bad news is that it appears submerged under many other goals from early childhood development and pre-primary education right up to tertiary and university education. By far the most crucial mention is that in 4.5 (above-mentioned) where relevant skills, including TVET, are clearly linked to employment, work and enterprise development.

What is disappointing is that more could have been said about the role of the informal economy and its current training of so many millions of young men and women. The only mention of the informal economy is about the importance of progressively formalizing it. However, it should be noted that this was also the only mention of the informal economy in the *Outcome document of the Third International Conference on* *Financing for Development*: ‘continuing efforts to integrate the informal economy into the formal economy in line with country circumstances’ (UN, 2015b).

This means that, in a word, there is very little guidance from the SDG process for policy makers or researchers in Ministries of Education and Labour concerned with the planning of skills development and of training in the informal economy.

**References**

ILO. 2014. *Report V (1): Transitioning from the informal to the formal economy,* 103rd Session, International Labour Conference, Geneva.

<http://www.ilo.org/ilc/ILCSessions/103/reports/reports-to-the-conference/WCMS_218128/lang--en/index.htm>

King, K. 1977. *The African artisan*, *education and the informal economy,* Heinemann Educational Books, London.

Marope, M., Chakroun, B. and Holmes, K. 2015, *Unleashing the potential: Transforming technical and vocational education and training*, UNESCO Publishing, UNESCO, Paris.

<http://unesdoc.unesco.org/images/0023/002330/233030e.pdf>

United Nations (UN), 2000. *United Nations Millennium Declaration*, General Assembly, 55th session, Agenda item 60(b), New York.

<http://www.un.org/millennium/declaration/ares552e.pdf>

UN, 2015a. *Transforming our world: The 2030 agenda for sustainable development*, 2nd August 2015, United Nations, New York.

<https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf>

UN, 2015b. *Outcome document of the Third International Conference on* *Financing for Development.* Addis Ababa, 13-16 July 2015, United Nations, New York.

<http://www.un.org/africarenewal/outcome-document-third-international-conference-financing-development-addis-ababa-action-agenda>

World Education Forum. 2000. *The Dakar Framework for Action: Education for All: Meeting our Collective Commitments*, UNESCO, Paris.

<http://unesdoc.unesco.org/images/0012/001211/121147e.pdf>

1. This is the document which contains the final version of the 17 SDGs. [↑](#footnote-ref-1)
2. ILO, 2014. Transitions to the formal economy’ 35-48. Geneva: ILO. (paragraphs 133-137) [↑](#footnote-ref-2)
3. Ibid paragraph 42. [↑](#footnote-ref-3)
4. Ibid paragraph 43 [↑](#footnote-ref-4)