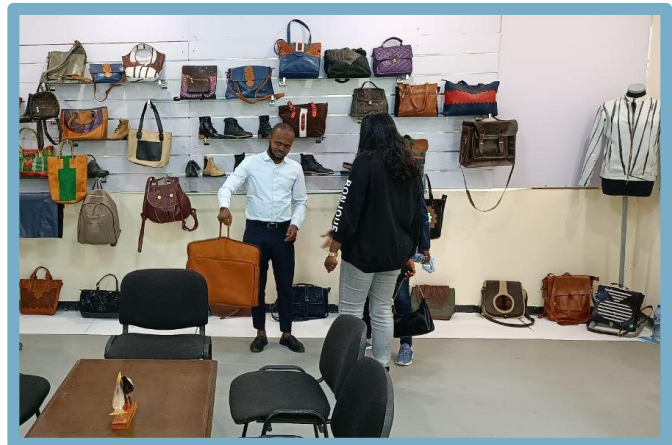


INTERVENTION CASE STORY | SKILLS SYSTEM

PUBLIC PRIVATE PARTNERSHIP TO ADDRESS SKILLS GAPS AND IMPROVE THE INCOME OF MICRO AND SMALL ENTERPRISES

Unemployment and low income are significant challenges in urban parts of Ethiopia. The government has formulated a policy to mitigate the overwhelming problem by fostering micro and small enterprises (MSEs). In relation to this, a National MSE Strategy has been designed and implemented to facilitate MSE growth, and technical and vocational education and training institutes (TVETs) have begun an industry extension program to provide technical support to existing MSEs and potential college graduates who would like to start a business. However, the TVET industry extension program is not functioning as needed to provide the intended support to enterprises and youth due to skills gaps of trainers and a lack of relevant/updated facilities. As a result, MSEs continue to be constrained by challenges such as a lack of adequate technical and business skills.

To address the challenges and gaps, LIWAY facilitated a public-private partnership between a private company called Skyline Leather Fashion Training PLC and two public colleges, Misrak Polytechnic College and Entoto Polytechnic College, to pilot an intervention aimed at strengthening the existing TVET system and reaching more MSEs. Skyline provided capacity-building training and technical support to the target colleges to address leather product design and development skills gaps of TVET trainers. LIWAY also provided financial support to enable the TVETs to establish and equip product development centres that include a manual design and computer-aided design (CAD) room, prototype-making room, and showroom to display sample products.



Abdu Hasson, Head of the Leather Department at Misrak Polytechnic College explains how the intervention has increased the value of TVET trainers:

“ Before the intervention, the MSEs believed that we (TVET trainers) lacked the capacity to provide technical support and were wasting their time by visiting them two days per week. However, with the newly acquired skills, they now recognise our skills and are continuously demanding our on-the-job technical support, grading service, and prototype transfers. ”

Although the pilot phase ended in February 2022, the established product development centres and skilled trainers have continued offering different types of services to MSEs such as technical support, shoe grading services, and transfer of readymade and tailored product designs, patterns, and prototypes. As a result, the MSEs have been able to minimise costs and production time. For example, prior to the intervention MSEs were using a manual shoe grading service from Merkato (the largest market centre in Africa) at a price of more than 2,000 ETB and a delivery time of eight hours. Now, with the CAD machines at the product development centres, the MSEs pay less than 300 ETB for the shoe grading service, with a delivery time of 30 minutes.

The product development centres have also enabled 86 MSEs to produce quality products that meet customer demand. For example, Mebtu Adugna leather products enterprise used two readymade prototypes (including design and patterns) from the product development centre at Misrak Polytechnic College and completed its mass production with technical support from TVET trainers. As a result, the enterprise earned 51,000 ETB within a month from sales of the two product types and has improved its reputation with customers regarding the delivery of quality products.



Yared Adugna, owner of Mebtu Adugna leather products enterprise explained:

“ Since selling using physical outlets is costly, I usually prefer supplying my products to Merkato retailers. The retailers accept the products and make payment after the sale of the products. Previously it took ages to get my money back because my products were not meeting customer demand. Fortunately, with the two product types from Misrak Polytechnic College, I was able to produce products that meet customer demand and was able to generate 51,000 ETB within a month. ”

Mebtu Adugna leather products enterprise currently has eight employees and envisions improving its production capacity and opening its own physical outlet.

To date, 1,291 youth and women from 86 MSEs have benefitted from the intervention and have been able to increase incomes through improved skills and delivery of quality products that meet customer demand. The intervention has also increased the visibility of Skyline Leather Fashion Training PLC. For example, during the pilot period, Skyline managed to develop a partnership with a development organisation named Norwegian Refugee Council to provide leather product capacity building to refugees in the Gambella Region in western Ethiopia.

1,291
TARGET GROUPS MEMBERS
BENEFITTED TO DATE

The intervention has also empowered the partner colleges to deliver level four and five courses. Prior to the intervention, the TVETs were mandated to deliver level four and five courses; however, they had only been providing level one and two leather courses due to the lack of skilled trainers and CAD facilities.

Observing the achievements of the intervention, Addis Ababa TVET Bureau designated the leather departments at the two partner TVETs as skills incubation centres and organised various events to share the learnings and experiences with other colleges. Addis Ababa TVET Bureau is working to replicate the TVET trainer capacity strengthening activities and establishment of product development centres in other TVETs with the aim of benefitting more MSEs and TVET trainees.

Skyline is also committed to continuing to provide fee-based capacity-building training to additional TVETs on product design and development skills, as well as provide technical support during the establishment of product development centres.

LESSONS LEARNED

The following are some of the key lessons learned to date:

- A greater number of MSEs can be reached and benefitted by strengthening established TVET industry extension programmes than through direct provision of technical and financial assistance.
- Unlocking the bottlenecks within the TVET system can benefit both TVET trainees and MSEs.
- Medium and large enterprises (MLEs) can also benefit. For example, larger manufacturers that need shoe grading services are also starting to benefit from the services of TVETs through their product development centres and CAD machines.
- TVETs have machinery and equipment that are mostly idle, which MSEs and MLEs lack. These could be offered as a fee-based service to generate income to sustain the product development centres and motivate trainers engaged in delivery of the services.
- There is interest from other TVETs to replicate the business model; however, financial requirements to establish product development centres and purchase CAD machines need to be addressed.