

Experiences with Vocational and Business Skills Development in Inhambane's Tourism Industry

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Sector: Pro Poor Tourism

CHALLENGE

Education is a long term and structural problem in Mozambique. In the first years after independence (1975), more than 9 out of 10 Mozambicans could not read or write. Although considerable progress has been made since then, the rate of illiteracy in the country remains very high: according to data in the 2007 Human Development Report 53.6% of the population was illiterate in 2006 (64.5% women, 32.1% men), 6.9% had secondary education (8.2% men, 5.6% women), and only 0.3% of the population possessed higher education (0.5% men, 0.2% women)¹. Eighty percent of the labor force has no training². There is a great deal of work that will need to be done to prepare the Mozambican population and economy for quality employment.

In 2001 Mozambique started to give serious attention to professional skills training with the National Strategy for Technical Professional Education 2002-2011. This effort received a boost in 2006 with the National Strategy for Employment and Professional Training 2006-2015, and the creation of new coordinating institutions: COREP (Executive Commission for the Restructuring of Professional Training) and PIREP (Integrated Program to Restructure Professional Education) – jointly coordinated by the government (Ministries of Education and Labor –INEFP, the National Institute for Professional Education and Training-), the private sector, labor unions, civil society and development partners.

Although it is rather early to judge the results of the implementation of these policies and strategies, the first signs are not very positive. There are not enough schools and training centers; the few existing ones are badly equipped; the curricula do not respond to what is required by the private sector; and the teachers often lack proper preparation and the correct attitude and skills to lead the necessary change process.

In the tourism sector the situation is not much different. This is especially worrisome, as tourism is one of the fastest growing economic sectors in Mozambique and is increasingly in need of more properly trained and qualified personnel.

The education sector had tried to respond to the needs of the tourism sector by introducing tourism studies at higher (superior) level in the country's three major tourism destinations of Maputo, Inhambane and Pemba. These studies focused on public and business management of the tourism sector as a whole, while neglecting to respond to the needs for training in technical and business skills that are required in the daily operations of the hospitality industry and in its supply chains. It was only in 2007 that the Tourism Faculty of the Eduardo Mondlane University in Inhambane (ESHTI) started offering studies in Hotel and Restaurant Management, from which the first graduates are expected in 2011. In 2007, a value chain analysis (VCA) of the sector carried out by SNV found that 98% of national staff working in the tourism industry in Inhambane had not received any specific training in their field of work.

An important part of the tourism attraction is the quality and variation of products supplied by the informal sector, such as arts and crafts, gastronomy, tours and events, and food supplies. Equally important for a good functioning of the tourism industry is a sufficient supply of business development services such as bookkeeping, personnel management, security, etc. The strong growth in tourism

¹ In: *Mozambique, Democracy and Participation. A review by AfriMAP and the Open Society Initiative for Southern Africa. 2009. Open Society Network, New York*

² INE (National Institute of Statistics), *Census of 1997*

offers therefore enormous opportunities for employment and new businesses to local people. The challenge is to develop the sufficient and right capacities.

What did we do? The Inhambane experience

The tourism industry in Inhambane is dominated by foreign investors who have been struggling to comply with the local legal framework for business licensing and daily operations, opening ground for corruption and mistrust in both public and private sectors. As a consequence, state led initiatives like the INEFP mobile training unit, although fully equipped and with experienced trainers, did not get private sector support.

Against this background and other findings of the SNV lead VCA, SNV facilitated the functioning of an MSP (Multi Stakeholder Platform) that would try to identify priorities for intervention and work out the means to pursue. The MSP comprised the Provincial Tourism Directorate (DPTURI), Hotel and Tourism Association (AHTPI), INEFP, ESHTI and SNV.

Improving the communication between public sector and tourism private sector, vocational and business skills development were identified as the top priorities. SNV explored a funding opportunity from UNWTO/ST-EP and DPTURI was appointed the implementing agency.

Improvement of Communication public/private sectors

A common problem identified by public sector and the private sector was the lack of compliance of issues dealing with human resource management (wages, disciplinary measures, recruitment and social security).

It was then agreed that the Labour Department should organize capacity building to all human resource officers of the different tourism businesses. The 10 day training was successful in terms of demand (87% turnout) and one of the reactions registered in the closing ceremony day remarks was "all the tricks that resulted in fines have been unveiled and fortunately there is no way the inspector can fine me again because he was the facilitator of the training".

Employability

Members of the MSP that included the tourism private sector association (AHTPI), were informed of the mobile training unit initiative and most of them even being critical about it did not even know much about it. In the discussions, the main concern voiced was that the courses offered were not aligned with industry needs. Also among the industry's concerns was the fact that they couldn't let go off their staff for 3 month courses (followed by a 2 month internship); they found that the courses on offer targeted mainly start-up businesses (also admitting that they actually did not know much about the contents of the courses); and they were afraid that their staff, upon completion of the training, would move to a (better paying) competitor.

The time factor was a critical element in the organization of the courses. The curricula of the training modules were prepared for a period of 15 working days, but in half-day sessions, so that staff could work the other part of the day. The courses were also organized based on groupings of hotels located in the same area. This interaction between the Ministry of Labor and the private sector also facilitated understanding of existing laws on working conditions and benefits in the hospitality sector.

The training was conducted partly in the mobile unit and partly in the kitchen of participating hotel. The costs of the training program were shared by the government (through contributions of the UNWTO/STEP fund managed by the Provincial Directorate of Tourism), and by the private sector (US\$ 40 per participating staff, about 25% of total costs). The success of this project has

prompted the Provincial Hotel and Tourism Association to plan for the continuation of these activities.

Entrepreneurship. The promotion of local entrepreneurship started with the organization of InhambARTE, a monthly municipal cultural fair, where local producers and vendors could sell cultural products produced in Inhambane province. The initial enthusiasm, however, could not be maintained and after one year the fairs were discontinued. The 20 to 40 small businessmen and businesswomen that took part in this project found that their transportation costs were too high in relation to the income from their sales. In addition, the market fees for the cost of organizing the fair were too low to make it a sustainable operation. One of the failures of the cultural fair was the absence of proper business planning and **coaching support to the vendors.**

With these experiences in mind, a second and so far more successful effort was initiated, which is the Small Matching Grant Fund for small local businesses. SNV and DPTUR organized a series of information meetings for 95 (25% women) micro and small scale entrepreneurs from the informal sector. Of these, 64 presented project ideas, 35 of which qualified for and received training from GAPI (a national provider of business development services) in making a business plan. In the end, 15 were approved and awarded with a small grant that matched their own contribution of 30% of the investment.

OUTCOME

The vocational and business skills development programs have led to the following outcomes:

Two leading organizations in the tourism sector have strengthened their capabilities (acting, commitment, relating to other organizations, delivering services). AHTI was a rather dormant organization; it now has increased (paying) memberships; has become an active player that organizes and mobilizes the private sector and engages successfully with governmental organizations, notably DPTUR and INEFP. **Currently AHTPI is developing a joint approach for the marketing of Inhambane as a tourist destination.** DPTUR has become an organization that has expanded its role from primarily managing administrative matters to being directly involved and actively engaged in strategy development and content issues. Following the successful business development program (STEP), DPTUR has indicated a desire to promote this model to other districts in the province, utilizing the District Development Funds for productive investments.

A promising development is the new Tourism Network, consisting of the 15 small and medium entrepreneurs, that meets regularly (at least once a month), to discuss progress and challenges in their business. They give mutual peer-to-peer feedback and support. DPTUR and SNV are present in these meetings for monitoring and coaching support.

Employability. To date, 10 courses were organized in which 106 men and 105 women have upgraded their current skills, with another 139 to be trained before the end of 2011. The courses that are in the most demand are those for cooking and kitchen skills, followed by housekeeping, serving in restaurants and personnel management. Both the industry hotel participants and the individuals who were beneficiaries of the training are satisfied with the results: the courses cater for locally identified demands, they are organized in local settings and the service level in the hotels has been directly improved.

“After the training the beds are made up to perfection. I hardly dare to sleep in them, I am afraid that I will mess up the sheets and blankets”. Hotel owner

Two courses were organized for 60 people, who were unemployed and who aspired to have jobs in newly built hotels and restaurants. 15

qualified for and were offered internships followed by job contracts and 20 received temporary seasonal employment.

It was also found that training and improved performance does not necessarily lead to commensurate increase in salaries. However, many participants in the training program now feel more secure in their jobs and acknowledge that they are entrusted with greater responsibility. In many cases, self-esteem and motivation of the participants has improved, as for most of them this was the first educational or training experience in their lives. There also are examples of trainees that worked to transfer their newly obtained skills to other members in their communities. One trainee has set up his housekeeping training center in the town of Maxixe on the other side of Inhambane Bay.

Entrepreneurship.

Of the 15 business plans that qualified for and received matching grants (approximately \$1000USD each), 9 were able to upgrade an existing business and 6 were able to initiate new business ventures. Employment in the existing businesses went up from a cumulative total of 26 to 55, and monthly incomes doubled and in some cases even tripled.

Some of the testimonies:

"Before we only used local (white) wood; now we can buy the harder and black wood for our sculptures; the tourists prefer to buy the black wood; our business is much better. We are very, very happy. The grant made it possible to set up our own market stall along the main road. Many wholesalers and tourists stop here to buy from us. Before the wholesalers couldn't find us, as we all were making sculptures from our homes" – Narciso, president of the Association of Young Wood Carvers

"Before I used to sell handicrafts in the market. Through the grant I have set up my own shop. I also have gotten a tax number and I pay my monthly dues to the municipality. I have become a recognized business man in the city" – Luis Feliciano Jorge

"My first business was making clothes for tourists, using "kapulana's" (typical textiles). Then I changed to selling T-shirts, which was more profitable. Now, with the grant I could buy a printing (serigraphy) press and I started designing and making my own line of T-shirts, which sell really well. I only need to sell 600 T-shirts to recover my investment" – Luis Sanchez

"I am really good in sailing the "dhow" (typical fishing boat). With the grant I could buy 2 dhows, repair them, and soon I will take tourists out to the islands in the Inhambane Bay" – Helio Helioterio

"Hotels like to buy chicken from me. The grant made it possible to expand the chicken pen and triple my production" – Eduardo Lichucha

"Hotels need good quality vegetables. With the grant I can buy more seeds, plant a bigger area, pay more workers, and sell more to the market, where the hotels come to buy" – Joana Vicente

**LESSONS
LEARNED**

The described approach in VOSD for tourism training has demonstrated some critical factors, such as:

- Vocational skills development has to be practical and based on local context
 - o Private sector indicates preferences for structuring the course (length and curriculum content of the training modules, timing

- preferably in the low season, location preferably near to the work place) for own staff
 - Participants learn more when working with the equipment they are familiar with; this makes more sense than training them in sophisticated school laboratories
 - The own local environment, working with colleagues and with instructors from the area, facilitates learning
 - Short, modular courses prove to be efficient and effective
- Vocational skills development is the result of joint action between government, private sector and service (training) provider
 - Government coordinates, and provides information on sector trends (growth in tourism arrivals)
 - Government as service provider (training institute)
 - Private sector indicates job profiles and curriculum contents
 - Government and private sector jointly contribute to paying for VOSD program development and implementation
- Vocational skills development is often the first education experience for many of the employed lower level staff. It increases self-esteem and motivates personal development, and has a positive spin-off in the immediate environment (family, community) of the trainees
- The impact of Vocational skills development is a long term process. Trained staff does not immediately get higher salaries
- Costs of Vocational skills development need to be shared between government and private sector. **International development programs can support reach threshold of critical mass.**
- Entrepreneurial development needs good guidance and mentoring in preparation of business plans; **and** needs to be accompanied with a small fund to stimulate investments.

This training approach towards vocational skills development was in direct response to an immediately identifiable need for improved quality of the service (identified through the Value Chain analysis) in the hospitality industry, **as well as for strengthening staff's capacities so that they eventually are in a better position to negotiate better labor conditions and salaries.**

The approach does not yet touch on the difficulties related to providing direct access to the tourism job market for unemployed persons and for those working in the informal sector. The recently approved and EU funded HITT (High Impact Tourism Training) program will help to fill this void. We will join forces with INEFP in the implementation in this program for the training of staff for the tourism sector or for developing capacity for those looking to start their own business in the formal economy. We also will join forces with DPTUR in the promotion of small and medium businesses related to the tourism industry, in the context of the District Development Funds of the national decentralization programme.

Annex: SME development through small matching grants:

Type of business	# of grants	Business plan Budget US\$	Matching grant US\$	Job creation Baseline → current	Income US\$ (month)
Arts and crafts (upgrading)	3	4500	3000	16 → 25 (5 women)	Low season: from 300 to 400 High season: from 750 to 1500
Bike hire (new business)	1	1500	1000	0 → 2 (1)	Not yet started
Beach tents and beds (new business)	1	1500	1000	0 → 2	Not started yet
Boat tours (new business)	2	3000	2000	0 → 3	No regular income yet
Clothes (upgrading)	2	5500	2000	3 → 5 (2)	From 50 to 150
Local gastronomy (new business)	1	1500	1000		Not started yet
Vegetables (upgrading)	2	10500	2000	5 → 12 (3)	From 500 to 1000
Poultry (upgrading)	2	3000	2000	2 → 4	From 300 to 900
Gardening (new)	1	1500	1000	0 → 2	Not started yet
All	15	32500	15000	26 → 55 (11)	