

EEA Case Study

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**PUNJAB VOCATIONAL
TRAINING COUNCIL:**

Using Muslim Philanthropy
for Youth Employability

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ABOUT THE AUTHORS

Savera Hayat has been working in the development sector in Pakistan since 1991. She has considerable experience working with several international development organizations, including USAID, World Bank, and the Aga Khan University. Ms. Hayat's work has spanned from institutional capacity building, governance, community development and managing programs for major donor agencies. Her areas of interest include poverty alleviation through workforce development, youth issues, and early childhood development.

Iqbal M. Khan, President, SURE Institute, has played an active role in Pakistan's small enterprise sector since the 1960s. As President of a small enterprise bank he introduced innovative financing schemes and venture creations to support small business. Since then he has written, consulted, and trained extensively on the subject in accordance with his goal to "integrate individual learning and personal development with business acumen and entrepreneurship." Mr. Khan has worked with the World Bank and with several local universities and set up the Small and Medium Enterprise Development Authority (SMEDA) in Pakistan. He has served as Deputy Secretary General of an affiliate of the Islamic Development Bank. Currently he is working on the education sector in Pakistan.

FOREWORD

Young people under the age of 24 represent more than half the population in the Asia and Near East region. They embody the next generation of employees, entrepreneurs, policy makers, and community leaders, yet face formidable social and economic obstacles to success. Inadequate education, job training, and weak linkages between schools and businesses are leaving the region's young people unprepared and uninspired to make the transition from school to work.

The Education and Employment Alliance is an initiative spearheaded by the U.S. Agency for International Development's Asia Near East Bureau and the International Youth Foundation to respond to this situation. It was designed to foster innovative thinking and programming by combining the efforts of leading NGOs, governments and the private sector in six countries — Morocco, Egypt, Pakistan, India, Indonesia and the Philippines — and to share good ideas.

This case study, the first in a series generated by the Education and Employment Alliance, analyzes the groundbreaking use of Muslim philanthropy to promote the training and employment of disadvantaged young Muslim men and women. The study is based in Pakistan, where the Punjab Vocational Training Council (PVTC) has pioneered a way to channel *Zakat* funds, or obligatory Muslim philanthropy, to support an effective model of vocational technical training developed with the substantial involvement of the private sector. The study presents the lessons and the challenges of youth employment in Pakistan and demonstrates how a locally initiated method of using *Zakat* to support employability has responded to the demands of thousands of Pakistani young people.

This case study was the creation of many talented people. The primary authors, Savera Hayat and Iqbal M. Khanw, have done a commendable job presenting the context of employability in the Pakistani Punjab and the details and impact of the PVTC approach. They have been assisted by others who contributed their insights and time to the effort, including Awais Sufi and Mark Nilles, who were vital to the cohesion and presentation of this report.

We hope that as you read the story of PVTC and its efforts, you will enjoy and learn as much I did.

Andrea Bosch

Vice President for Education
International Youth Foundation

Shamraiz Khan, an impoverished young man with eight siblings, grew up in Taxila, a small town in one of the northernmost regions of Punjab province in Pakistan. Taxila has historically been a major tourist attraction with ancient Buddhist ruins that date back to 5000 BC. A visitor to Taxila will observe that its inhabitants work their farms and carve stone in much the same way as their ancestors did centuries ago. The Taxila museum also confirms that the tools being used today are almost the same as those being displayed as ancient artifacts.

Shamraiz's father, a farmworker, worked the fields on the main road that passes through Taxila. He was barely able to feed his many children, and Shamraiz, like his siblings, received little education. Despite being poor and illiterate, Shamraiz's father hoped that his son could move beyond farm labor into a skilled profession that could help move the family out of poverty. So, like many young boys in Pakistan, Shamraiz was sent to a local auto-mechanic workshop to work as an apprentice — locally called a “chhota” — and learn a trade. Every day for a year, Shamraiz worked with a senior mechanic. Unfortunately, however, the senior mechanic, like many other mechanics in the country, was minimally trained himself and could not provide Shamraiz with the knowledge and skills needed to build a sustainable livelihood.

As time went by, Shamraiz started looking for ways to enhance his knowledge and skills and secure his future. As a poor young man with no family resources to support him, he could not afford to go to a private technical training college and was obligated to continue working as an apprentice. Then Punjab Vocational Training Council (PVTC) announced that disadvantaged young people in the Punjab would have access to advanced vocational training at no cost to themselves or their families. With support from the Government of Punjab and the private sector, PVTC had organized a successful method to access *Zakat* funds, or charitable funds from fellow Muslims reserved for the most disadvantaged members of society, to provide needed vocational training. Shamraiz found that he qualified as a “*Mustahiq*,” or a *Zakat* recipient and was soon enrolled in a motorcycle maintenance course.

Shamraiz had never dreamed of owning a motorbike, much less working in a workshop for motorbike repair. His teachers at the vocational training institute (VTI) taught him the technical skills he needed to repair motorcycles. They also went one step further — by equipping him with important professional skills on how to find a job, how to start and manage a small business, how to communicate and interact professionally, and how to be a confident young man. Shamraiz, who badly wanted to improve his family's life and to support his parents, worked hard. When he graduated from the VTI program, he began a job at a motorbike repair workshop in Taxila. When the owner announced he was leaving the area, Shamraiz used his savings from his VTI stipend to buy the workshop from him. Today, Shamraiz runs his own motorcycle repair workshop in Taxila and employs two mechanics to help him.

Punjab is the largest province in Pakistan, with a population of over 79 million. Even though Punjab is considered to be Pakistan's most prosperous province, the number of people who are considered vulnerable is quite high. Vulnerability is measured by one's proximity to the poverty line, and according to a joint report, published in 2005 by international donors and the Government of Punjab, more than three-fourths of Punjab's population lives on less than 150% of the poverty line.

Within the Punjab, PVTC oversees and manages over 130 VTIs working with young people like Shamraiz. Its ability to link employability training to *Zakat* funds in the Punjab has broken new ground. For Shamraiz, this PVTC model of linking vocational and professional training to *Zakat* funds opened a door that enabled him to change his life. The PVTC program also connects graduates to real jobs by incorporating the needs and perspectives of businesses in its training programs. Estimates indicate that approximately 80% of PVTC graduates find jobs.

The successful integration of education and employment programs and the link to *Zakat* funds defines the PVTC program. Estimates suggest that from \$250 billion to \$1 trillion annually are contributed in *Zakat* by Muslims worldwide for charitable causes.¹ While these funds are most often spent on basic, short-term humanitarian needs, they can provide an enormous long-term benefit to disadvantaged young people when channeled towards the goal of improving opportunities in education and employment. This case study explores the success and the challenges PVTC has faced in this endeavor, by describing its uniquely local and sustainable approach to a problem plaguing much of the Islamic world — and to introducing an equally locally sustainable solution.

The case study has been prepared through a sample survey of individuals affiliated with eight VTIs, a literature review, interviews with PVTC staff, and interviews with employers of VTI graduates. It incorporates the experience of program staff working with PVTC in the implementation of Education for Employment Alliance (EEA) programs, particularly through a partnership with Microsoft designed to improve the IT training provided to approximately 7,000 PVTC students annually.

Zakat: A Tradition of Islamic Charitable Giving

Z*akat* is an annual contribution of wealth required of all Muslim adults with sufficient means toward the poor, needy or otherwise in the way of God. Occupying a central role in the life of the Muslim as one of the five basic tenets of Islam, *Zakat* is elevated to the same level as the other Muslim tenets, including the belief in one, supreme monotheistic God, the offering of daily prayers, fasting during the Islamic month of Ramadan, and performing the pilgrimage to Mecca. In its

¹ United States Agency for International Development (USAID, 2005). *The Idea and Practice of Philanthropy in the Muslim World, The Muslim World Series.*



Meeting Local Job Needs

Taxila is an ancient Gandharan city with a history of archeology, but that has now developed into an industrial city. The ancient name of Taxila was ‘Takshasila’, which means the “city of cut stones.” It is near the industrial towns of Wah, Hattar and Haripur district of NWFP. The predominant industries in this region have changed, and now include cement, marble, power generation, heavy electrical engineering, chemical, ghee and cooking oils, food and stone crushing clusters. Currently, 97 students are enrolled in three vocational training institutes in Taxila — in the areas of computer operations, repair and maintenance of home appliances and motorcycles, and plumbing and welding.

most basic terms, *Zakat* literally means “to grow or to make pure”, reflecting the Muslim belief that one’s wealth should be regularly sanctified through charitable giving.

Zakat is typically calculated as 2.5% of savings and wealth held for more than one year, and includes cash savings, securities, and gold and silver, among other items. It is usually given voluntarily and without much display by the giver. Beneficiaries of *Zakat* contributions, including a broad array of the poor, are defined by the Quran, the Muslim sacred text, as follows:

“Alms are for the poor and the needy, and those employed to administer the funds; for those whose hearts have recently been reconciled to the truth; for those in bondage and in debt; in the cause of Allah [God] and the wayfarer; thus it is ordained by Allah; and Allah is full of knowledge and wisdom” [Quran 9:60].

Zakat contributions are considered mandatory for those with means, while other forms of charity by Muslims, called *Sadaqa*, are voluntary. While comprehensive studies of the beneficiaries and use of *Zakat* are limited, research suggests that a substantial percentage of contributions are applied toward meeting basic humanitarian needs of the poorest and neediest within the community and to Islamic religious institutions such as mosques and *madrasahs* or religious schools. Research also suggests that Muslims tend to distribute direct charity to individuals if possible, particularly widows, orphans, the sick and homeless, and that institutional contributions are largely directed toward Islamic institutions rather than Western NGOs.²

Throughout the Islamic world, there are varying degrees of government oversight and nationalization of the process of *Zakat*. In Pakistan, the collection and distribution of *Zakat* has

been institutionalized by the Government since 1980, when it passed the “*Zakat and Ushr Ordinance*.” The Ordinance created a Central *Zakat* Committee at the federal level, organized by the Ministry of Religious Affairs (MORA). This Committee functions as the main policy-making body for *Zakat* in Pakistan and, with MORA, is responsible for auditing the use of *Zakat* funds by institutions like PVTC. Through the direction of the MORA and the Central *Zakat* Committee, the Government directs national banks to deduct 2.5 percent of savings from any savings account held in a bank by a Sunni Muslim once a year. It is estimated that the banks levy between 4-5 billion rupees (about \$66-\$83 million) annually in *Zakat* contributions.³

The Central *Zakat* Committee approves allocation of *Zakat* funds to the provinces on an annual basis, with each province to receive funds according to the size of its population.

The Central *Zakat* Committee is then supported by provincial, district, and Local *Zakat* Committees (LZCs) (there are 25,000 in Punjab) in determining the eligibility of *Zakat* recipients and overseeing its distribution. The Provincial *Zakat* Committee is responsible for managing and allocating *Zakat* funds to its districts and LZCs. Being closely connected to the community, LZCs then play the most crucial role in this system by verifying if a person is eligible for *Zakat*. On verification by the LZC, the District *Zakat* Committee issues certificates to those who are eligible to receive *Zakat*. Each *Zakat* recipient can then visit a prescribed commercial bank (designated by the federal government as a distributor of *Zakat*) and receive monthly payments from *Zakat* funds.

Through the *Zakat and Ushr Ordinance* of 1980, the Government of Pakistan has used Quranic guidelines to form eight broad categories of *Zakat* recipients: the poor, the needy, those employed to administer the *Zakat* funds, converts to Islam, those in bondage, those in debt, in the cause of Allah and wayfarers. These categories set forth broad parameters for eligibility for *Zakat*. Within one category, related to the use of *Zakat* for educational stipends for orphans, eligible recipients of *Zakat* have been categorized as unemployed adult Muslims between the ages of 15 and 35 who are below the poverty line, possess minimum qualifications, and are capable of self-employment.

PVTC’s Formation: Making the Case for Zakat Funding

PVTC’s formation in 1998 came as the Punjab faced a myriad of problems related to population growth and struggled to move toward an industrial-based economy. While the great bulk of its population had been employed in the agriculture, forestry and hunting sectors, urban migration — which has resulted in the growth of big cities — has created much higher demand for laborers skilled in trades that are critical in large population centers. Unfortunately, however,

2 *Id.* At vii; 7-8.

3 http://www.statpak.gov.pk/depts/fbs/publications/pocket_book2005/pocket_book.html



Pakistan's formal educational system has been ill-equipped to respond to this change. That is due in large part because the country has had no history of craftsmen guilds or other vocational training systems that enable young workers to master particular skills through formal apprenticeships.

In this context, PVTC's founders, a group of prominent men from the private, public and nonprofit sectors, approached the Government of Punjab with a proposal to develop a new, state-sponsored training program that would assist the most disadvantaged youth to secure productive and stable livelihoods. Financing this ambitious program was a major concern, and *Zakat* contributions seemed to be a substantial resource that had currently been underutilized. At that time, *Zakat* had been only available for use by individuals rather than institutions, and while it was possible that these funds could be used for educational stipends, no specific mechanism had been created to do so.

In presenting their proposal to the Government of Punjab, PVTC's founding members were fortunate, as some of them were also members of the Government. This meant that they were already aware that *Zakat* was not being utilized effectively to reduce poverty — a critical long-term need for Pakistan's development. In particular, there was widespread concern that *Zakat* had been predominantly used for widows, orphans and other disadvantaged youth to pay for immediate living expenses, not for any long-term approach to providing sustainable livelihoods. In addition, the founders of PVTC, made up of respected individuals from the public and private sectors, were able to navigate the local bureaucracy and present their ideas to Punjab's political leadership. Their presentations to the Chief Minister of Punjab were well-received, and ultimately they were supported by the Government of Punjab for overall approval to use *Zakat*.

Further approvals under the decentralized system of *Zakat* in Pakistan would be necessary from an already supportive Chief Minister of Punjab. He was in turn instrumental in gaining final approvals for the Ordinance in 1998 that established PVTC.

Despite initial approvals, time was required to pass the legislation and obtain further approvals to establish PVTC and access *Zakat* funds. By definition, *Zakat* can only be given to an individual, and PVTC was an organization. Working this out required some additional creative thinking to allow PVTC to directly request *Zakat* contributions from the governing authorities.

More specifically, unlike any other institution in Pakistan, PVTC's enacting legislation enabled prospective students to bring their *Zakat* certificates to the VTI that serves their community. The VTI would then approach the District *Zakat* Committee for confirmation and withdraw the *Zakat* funds on behalf of the student, depositing these funds into PVTC's accounts to manage the process. For each student, PVTC receives the equivalent of \$36 per month from *Zakat* funds, out of which \$28 goes towards the course fee and the remaining \$8 per month is given to the student as a personal stipend. In addition, a sum of \$85 is given to the trainee at the end of the course. Typically, graduates use these funds to buy tools, equipment, supplies, or start a small business.⁴

PVTC Operations: Creating a Locally-Grounded, Demand-Driven Model of Training

Like the link to the local *Zakat* funding source, PVTC's operational model is designed to be locally relevant and demand driven. The founders of PVTC organized their institution and its activities around the values they believe promote personal growth and help alleviate poverty. PVTC Chairman, Sikandar Mustafa Khan, one of PVTC's founders and his co-founders stressed the need for an organization that values people, responsible action and shared leadership. They were also conscious that the challenge of reducing poverty through education and training reached far beyond their immediate society in and around Lahore.

⁴ It should be noted that PVTC receives only part of the provincial funds of *Zakat*, as according to the definition of *Zakat*, it is also given individually to widows, orphans, etc.

Percentage Distribution of Employed Persons by Major Industry Division — 2003-2004	
Agriculture, forestry, hunting and fishing	43.05 %
Mining and quarrying	0.07
Manufacturing	13.73
Construction	5.83
Electricity, gas, water and sanitary services	0.67
Commerce	14.80
Transport, storage and communication	5.73
Financing, insurance, real estate and business services	1.06
Services	15.01
Other	0.05
Source: Pakistan Statistical Year Book 2005, Federal Bureau of Statistics	



From these origins, the success of PVTC over the last eight years has been impressive. The institution now oversees more than 130 VTIs under its umbrella, has an annual budget of approximately US\$9.35 million, and serves 25,000 students. Its approach has been remarkably successful in achieving its overall goal of alleviating poverty by promoting livelihoods for the most disadvantaged of youth in Pakistan, and its records show that approximately 80 percent of its graduates are able to find work within four months of completing their training courses. The table below demonstrates that in the eight VTIs reviewed for this case study, while there was some variation in employment rates across VTIs, results were consistently good, with young people finding jobs at a high rate after graduation. The table below indicates an average of 78% of participants found employment.

Elements for Success

While vocational technical education in Pakistan has been an area of great need with disappointing results, how has PVTC been able to achieve such success, given the challenges other organizations have faced attempting to deliver similar programs? In the past, the government of Pakistan has initiated training centers and then struggled to keep programs relevant to labor market demands. Similar programs introduced by the non-profit sector have lacked sufficient resources to procure equipment, raw materials and trained teachers.

Several factors related to PVTC's operational structure and management approach provide some insights into this innovative strategy. The following sections provide additional detail on PVTC's efforts to harness broad public and private sector participation, devolve authority to the local VTI and Boards of Management, and develop curricula and teacher training methods that are responsive to industry needs.

Private and Public Sector Participation

PVTC was established through the Punjab Vocational Training Council Act of 1998, which defines PVTC as an autonomous corporate body consisting of up to 15 members from various sectors. PVTC's Chairman is required to be from the private

sector, and substantial representation is allocated to respected private sector representatives within the fields of agriculture, industry, and education. Council positions are also reserved for ex-officio members of Government, including the Secretaries of the Government of Punjab, the Department of Finance, the Department of *Zakat* and the Department of Education. All members of the Council work on an honorary basis.

PVTC's central offices in Lahore serve as an overarching management unit, providing specific services related to the operations of its constituent Boards of Management (BoM) and VTI. These services include, among others, curriculum development, teacher training, monitoring and evaluation, human resources, teacher recruitment and examination and certification. PVTC's extensive network of Boards of Management each oversee approximately six of the 130 PVTC-sponsored VTI's across Punjab. Similar to their parent body, PVTC, these BoMs are comprised of representatives from the local community and businesses, which helps to secure local support and to ground each VTI in the labor needs of its local surroundings. The president and members of the BoM are local entrepreneurs working on a voluntary basis for a term of three years. They require close contact and participation of local government and *Zakat* structures, as the Chairman of the District *Zakat* Committee and the District Coordinating Officer are members of BoM. Finally, each VTIs President also serves as a member of the local BoM.

As can be seen from the structures described above, PVTC, its BoM, and VTIs have each placed particular emphasis on engaging critical partners from both the private sector and officials charged with overseeing the use of *Zakat* contributions. This has become even more important given PVTC's strong emphasis on decentralized decision making to the BoM and VTI, as described in the next section. A participatory approach has in turn helped to ensure that critical stakeholders from both sectors are represented in VTI planning and has strengthened the mechanisms used to distribute *Zakat* for vocational training. It has also helped to ensure VTIs are closely connected to the economic and social needs of local communities, increasing

Employability Statistics from the Sample Survey

Name of VTI	Employed/ Self-Employed	Unemployed	Untraceable	Total Number of Graduates	% Employed	% Unemployed*
Rawalpindi	704	64	0	768	91.6%	8.33%
Jhang	165	89	0	254	64.9%	35.03%
Vehari	249	60	39	348	71.5%	17.24%
Gujrat *	414	119	13	546	75.83%	24.17%
Shujabad	67	115	0	182	36.8%	63.18%
Haveli Bahadur Shah	262	59	0	321	81.6%	18.38%
Multan	200	49	5	254	78.7%	19.29%
Faisalabad	845	102	86	1033	81.8%	9.87%

* Unemployed also include untraceable



demand for their services and improving job placement prospects with local industry.

Devolution of Responsibility and Empowerment

PVTC originally intended to create 46 VTIs across Punjab, a number that has increased dramatically to 130 since its inception in 1998. To ensure responsiveness to local needs, PVTC has empowered BoMs with substantial decision-making responsibilities related to the VTIs under their jurisdiction. In particular, BoMs are empowered to select and shift vocations and trades in light of the needs of their localities and emerging trends, to monitor programs and to institute quality controls. They are also charged with determining budgets, recruiting, hiring and firing personnel, and approving the appointment of principals. The performance of VTIs is the direct responsibility of the BoMs that govern their operations, and performance is measured in simple but significant terms — the number of graduates being placed in jobs.

While the principals of the VTIs report to PVTC's Chief Operating Officer, performance evaluations are conducted by the Board of Management. Within the guidelines set forth by their BoM, they are encouraged to run the vocational training institutes as they deem fit to ensure responsiveness to employer demands in their localities. This is also the central factor for use in monitoring the quality of teaching and in appraisals of staff and teachers. Finally, the VTIs are responsible for finding jobs for students. This has introduced an element of competition among the VTIs to see which institutions are proving most successful in creating demand for their graduates. Each VTI has a Job Placement Officer, who is responsible for fostering relationships with local companies that can absorb students during their mandatory internship — generally a 2-month period immediately following successful completion of 6 to 12 months of hands-on classroom training. Often, interns are offered permanent employment where they served their internship. This devolution allows training to occur at the students' "doorstep" and reduces the flow of urban migration by opening opportunities to youth for local employment.

Curricula and Teacher Development

While overseeing a decentralized network of vocational training institutes that are locally empowered to work with prospective employers, PVTC serves a critical role in assisting VTIs by training teachers, developing curricula, and maintaining quality control. Such functions fall within PVTC's "Quality Oriented Training System," which PVTC CEO Saeed Khan notes touches every aspect of operations, including "performance appraisal of trainers and principals, training cycles, curriculum designing, and selection and acquisition of equipment and computers." He continues, however, that in the beginning, this system was nowhere near its current form. "We did not know any of this, so we had to develop our own curriculum or syllabus for our training programs, including searches for information on the internet." Moreover, there were only a few teachers or trainers and one principal available at the time. According to COO Sajid Naseer Khan, "At that time,

we had a few engineers whom we had hired for teaching our programs, so we asked them to prepare the curriculum."

It was unanimous among top management that teachers are central to the institutional success of the program. "All teachers are assets," they say, "and the selection is on merit." VTI teachers are highly qualified individuals who are trained to take on their responsibilities when they enter PVTC. Most of them are also young leaders and prove to be important role models for the VTI students. Many teachers and teacher aids are also PVTC graduates.

Teacher training at PVTC begins with an orientation of PVTC/VTI to acquaint the teacher to the work culture. The teachers are also required to go through regular training programs for Trainers and for Principals. Eventually each teacher is required to develop daily lesson plans for each subject, which promotes effective and purposeful teaching. PVTC and its vocational training institutes also ensure that class size is small and the average number of students per class is near 20. This ensures equipment and the teacher-student ratio remain at a level comparable to conditions in the developed world.

A staff training institute is also being set up for the purpose of training the teachers, the Principal, and the staff of PVTC and its institutions. This institute is considered to be critical to the long term success of PVTC, given the constant growth of the institution, the addition of newly identified courses, and the evolution of training needs within rapidly changing industries. Unfortunately, identifying the resources to support a dedicated and well-equipped staff training institute has proved challenging. *Zakat* funds, by definition, are allocated solely to student training; the capital funds required to establish such institutes fall outside of *Zakat* strictures.

Graduates Employing Graduates

The Principal of VTI Faisalabad reports that soon after his new appointment, someone by the name of Zeeshan came to meet him. This gentleman introduced himself as Assistant to the manager in Mobilink, one of the largest telecom service providers in Pakistan. This confident and neatly dressed gentleman asked whether the Principal could provide him with two skilled students from the field of computer operator/office assistant or database management to be employed in the Mobilink office.

The mesmerized Principal inquired how he learned about the VTI and its program. Mr. Zeeshan told him that he was also an alumni of VTI Faisalabad and that he wanted to employ two fellow graduates.



However, in view of the critical need for such a training institution, the planning and development department of the Government of Punjab has provided a sum of \$650,000 for setting up a teachers training facility at Lahore.

Curriculum development is undertaken through PVTC's network of public, private and community representatives. The following diagram illustrates the curriculum development and training process undertaken by PVTC, which is described in greater detail on page 8.

PVTC's training cycle begins by identifying the training needs of the industrial, agricultural and service sectors. This needs assessment informs the selection of need-based trades appropriate for a VTI to provide. As noted by PVTC CEO Saeed Khan, training objectives are then set in terms of what the trainee will be doing on the job/work place, and the skills to perform such tasks are then identified. Finally, explains Khan, there is an assessment about "what knowledge must be imparted to learners to develop these skills".

Saeed Khan further explains that they had to determine the entrance criteria of students for each particular trade. "What job requirements are to be met? What computer specs need to be adopted? What skills should we develop, what knowledge is to be included? For example, what does the plumber need to know? And what should be the level of his education so that he can read the drawings [that represent the knowledge element in this trade]?"

After determining knowledge and skill requirements for different trades, training materials are developed to achieve the desired training goal, and each student is provided a curriculum manual. Training programs are executed at each VTI, where the goal is to provide a quality learning environment with adequate facilities, learning resources and positive reinforcement from the teachers. A system of internal academic audits seeks to ensure quality control and implementation of all training processes.

Objective evaluation of trainees is done at the end of the training program and certificates are issued to those who successfully pass. Students who do not pass evaluation are eligible to retake the course. Finally, to complete the training cycle, feedback is received from the end users; i.e., employers, to rectify any deficiencies and suggest improvements in the training program. PVTC's curriculum section is then designated to revise the curriculum as needed. PVTC has also proven willing to drop certain training programs based on feedback from employers and students regarding the lack of employment opportunities in such areas. Currently, 38 curricula of different trades have been developed and are in use at various training institutes.

This process helps ensure that each VTI is offering courses relevant to the local economy. A job placement officer with the VTI helps graduates find internships and job opportunities. Similarly, VTIs provide a one-time grant — calculated at

A Commitment to Zakat

Ahmed Imran, Principal of VTI Civil Lines Faisalabad, considers it *sadqae-e-jariha* (continuous charity) if his services can provide placement and jobs to deserving students. Answering the question "What made you join PVTC?" Imran says, "I responded when I read the advertisement in the newspaper about the openings for principals in VTIs, I thought I must apply and I succeeded".

He said that he wanted to be a part of the noble cause "Akharat bhee ban jayee" (Benefits will be received in heaven), and he quoted Wasif Ali Wasif, an intellectual who said if you work with zest and passion, it becomes *Ebaadat* or worship.

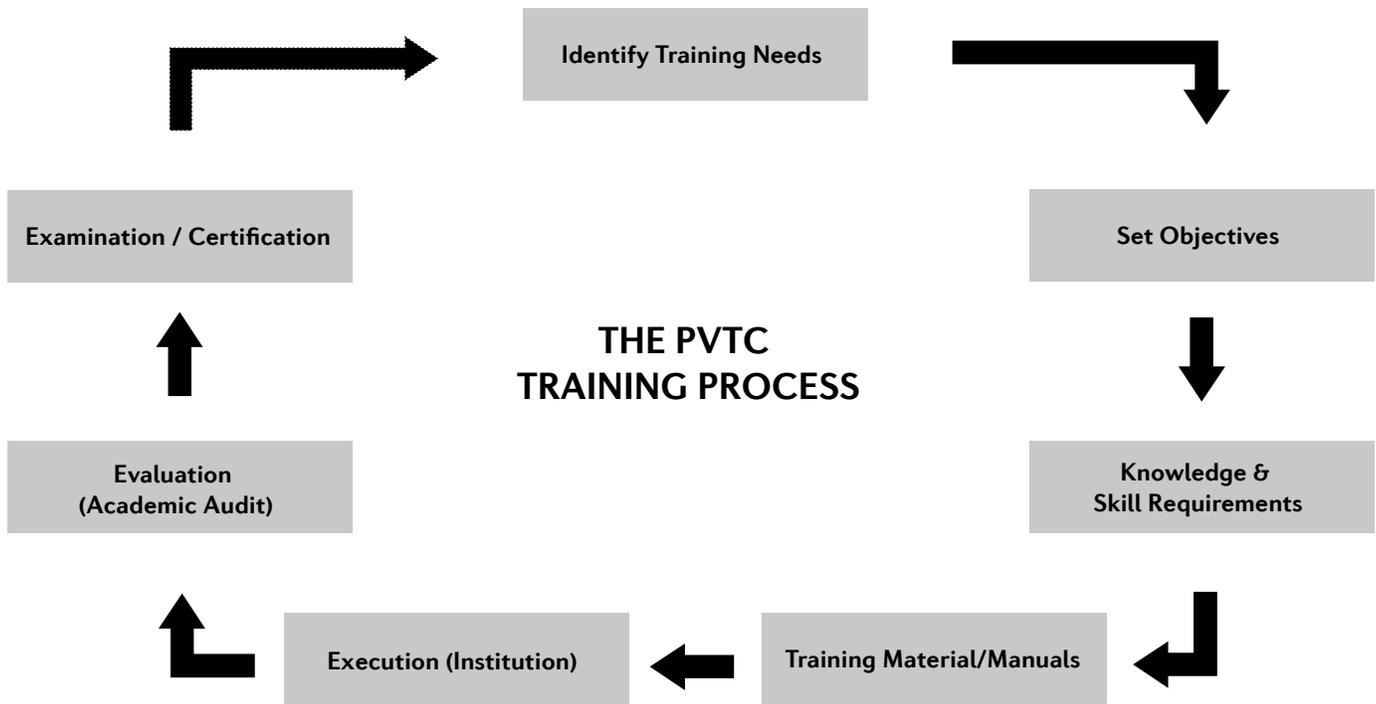
the equivalent of approximately US\$85 — at the end of the training. Self-employment has proven to be an essential avenue to promote employment of graduates for numerous reasons. For example, within the south zone of Punjab — which is comprised of Multan, Muzaffargarh, Vehari, Bahawalnagr, Bahawalpur and Rahim Yar Khan — self employment is often the most viable option, as industry is scattered throughout the region. Additionally, this region is considered to be the home of local industries such as handicrafts, traditional embroidery and dress making, providing female graduates with opportunities for prosperous, home-based, socially-acceptable income-generating activities.

Similarly, small tenant farmers eligible for *Zakat* may feel that it is risky to lose valuable labor by sending their sons and daughters to a VTI. Recognizing this perceived obstacle, PVTC has used and integrated its vocational training into courses that can help parents increase the agricultural yield of their farms. For example, they can train them in such areas as better artificial insemination of farm animals, the use of tractors in seeding and plowing crops, and the application of green house farming techniques. Similarly, parents are able to see the value in courses that would help provide needed services to the people of their localities for a fee (i.e. the repair of electrical and home appliances, motorcycles, autos and other items.) While this training represents an investment of time, there could be a great potential payoff.

Innovative Use of Resources

Zakat funds make it possible for young people to be trained. However, PVTC has limited resources beyond *Zakat* funding, which by law cannot be used for equipment and other material requirements. As vocational training programs typically require heavy investments in terms of equipment and space, PVTC has found it necessary to engage in substantial outreach to corporate partners, local governments, and NGOs to ensure facilities are available and adequately equipped.





To offset some of these costs and equipment requirements, PVTC mobilizes support from the private sector. At their VTI in Greentown, Lahore, for example, Millat Tractors, Inc. has provided tractor parts for a course that helps teach agricultural equipment repair, and Toyota has provided equipment and training facility for a car repair course. In the same facility, Honda and Suzuki have provided equipment for the motorbike repair course. A VTI in Burj Attari offers a course in artificial insemination of dairy animals, with Nestle providing the course curriculum and teacher training. As the industry develops a new technique, private sector partners are also encouraged to come back to the VTI and help PVTC upgrade the training and equipment.

In other contexts, the lack of equipment has proven to be useful in drawing even closer connections between the workforce and training. For example, PVTC offers garment stitching and knitting courses that require training on industrial machines. Such equipment is expensive and requires a lot of space to install. Over the last few years, therefore, PVTC has sent trainees to private textile units and has placed them in on-the-job apprenticeship programs. This approach has not only helped students learn within a real life situation but has also helped them find long-term jobs in the same factories.

Finding adequate space has proven to be a separate challenge, particularly given PVTC's rapid growth and increasing number of VTIs. PVTC has two main offices in the provincial capital, Lahore. However, when PVTC is ready to offer programs in a new community, it must look for public buildings that are underutilized or vacant. Upon identification, PVTC approaches

the Government and requests that the building be used as a VTI. The building will then be repaired and maintained by PVTC, rather than continue to be neglected. This requires several visits and meetings with relevant departments and officials to navigate the bureaucracy and to secure sufficient space for the VTI.

Using Zakat for Demand-Driven Technical Training: Lessons Learned and Challenges

In examining PVTC's model of training, particularly in light of the overall objectives of the USAID-funded Education and Employment Alliance to provide new knowledge about the process of forming new and effective public-private alliances, a number of important lessons can be drawn from the PVTC experience. Similarly, an analysis of challenges that PVTC is facing, or may begin to face as this model matures, can provide important insights to development practitioners and others who seek innovative solutions to critical education and employability problems in the Islamic world.

Alliance Building — Lessons Learned

PVTC has demonstrated that alliances are useful at virtually all levels, as they can promote a mutual commitment to priority areas, joint decision making and increased responsiveness to stakeholder needs. From the private sector's vantage point, Alliances can be built at the community level, involving local businesses, or at a much larger level, involving large corporations. In PVTC's experience, these alliances are in the form of the PVTC Council and Boards of Management, through which members meet regularly and actively participate in the management of vocational training programs. Reasons



for the high level of interest and mutual cooperation among participants in these structures include:

- *Shared Goals and Objectives:* Members of the alliance share mutual objectives. The public and non-profit sector members are interested in providing new livelihoods to the most disadvantaged members of society, a commitment founded in a shared religious belief. Similarly, the private sector is looking for a better trained workforce. Both groups agree that reaching their objectives can best be realized through providing disadvantaged youth with access to quality and relevant training. Sharing this goal helps alliance members come together and participate in an initiative that is of universal interest.
- *Belief in Alliance as a Strategy and Proof of Process:* Working together in Boards of Management and through PVTC's main council, public and private sector members agree that working in an alliance helps build synergies that would otherwise not be possible. While skepticism is natural prior to demonstrable proof that an alliance-based approach bears real success, participants can now see that they are capable of achieving more through alliances than when they act independently. This tested belief in benefits of the alliance in turn helps to strengthen the alliance and creates new opportunities for additional, complementary objectives to also be pursued and realized.
- *Structure and Facilitation:* Alliance building cannot occur in a vacuum. They must be constantly brokered, nurtured and facilitated. PVTC has proven successful in part because it has developed a useful process for alliance partners to come together, agree on roles and responsibilities, and execute mutually shared tasks and objectives. As time goes on, the process becomes routine and an alliance structure becomes more concrete, helping to ensure long-term viability and proving the utility of these partnerships.

Alliance Building — Challenges

Effective alliance building presents numerous challenges for any organization, particularly as Alliance stakeholders and

Family Benefits

Bushra Khalid, a younger sister of two graduates of Governor House VTI, tells the following story. "The life of our family changed because of this VTI. My brother first took a course in computers and then urged the rest of us, his sisters, to enroll in vocational training from here. My sister Zainab took the beautician training course, and has got a reasonably good job in Depilex (an elite beauty parlor). Now I am also going to seek admission in the computer course after my F.A. exams, so that I can also get an equally good job like my brother and sister, and be a proud daughter of my widowed mother."

those that convene alliances must adapt to constantly changing circumstances. More specifically, in the case of PVTC:

- *Developing New Partnerships:* PVTC's Alliances must be flexible enough to respond to changes in local and global economies and to ensure responsiveness to the needs of businesses and their students. PVTC must therefore consistently seek new partners, reaching out to new groups as new trades and industries emerge in Pakistan and beyond. This may prove challenging, as PVTC primarily focuses upon ensuring quality of education during rapid expansion. To stay on target, to be demand-driven, and to maintain flexibility and identify resources to support expansion, a greater emphasis should be placed on PVTC's capacity to continually involve new partners and show-case its work to a wider audience.
- *Managing Growth:* PVTC's success has furthered demands that it substantially expand its efforts throughout Pakistan. Initially planning to oversee 46 VTIs, PVTC now manages more than 130 institutions and plans have been introduced to create 500 VTIs by 2008. This goal has necessitated changes in the management structure, and plans have been slowed due to challenges in meeting quality standards. Alliance building is often a

Securing Access to Facilities

Gaining access to abandoned premises is not an easy task. A long list of such buildings was identified by PVTC, but as soon as it moved to place a VTI in the concerned ministry or Government Department, they would face obstacles. For example, the government would refuse to allow possession, despite the fact that, at times, buildings had not been used for a decade, there were no plans for use in the future, and the buildings were dilapidated.

Some departments responded by planting a skeleton office overnight in the premises to claim that they were in use. The matter was ultimately resolved by the Chief Minister of Punjab, claiming that this mission must go on and every department must cooperate.



painstaking process, as decisions frequently require the input of multiple stakeholders whose numbers grow as alliance membership grows. Continued readjustments of operational parameters and structures to manage growth and quality appear to be necessary as ambitious plans to grow make quality control increasingly difficult.

Access to Training and Employment — Lessons Learned

PVTC has done a remarkable job of improving access to training and employment for young men and women who lacked the financial resources to receive vocational technical training. PVTC succeeded in improving access by looking at some of the fundamental issues that hinder access and seeking simple solutions to these problems. In particular, PVTC's ability to utilize *Zakat* for its operations provides a culturally relevant and sustainable way to provide training to poor people. This works in Punjab and is certainly worth exploring more broadly as a means to promote youth development in the Islamic world. In this light, additional lessons that can be learned from PVTC's example are:

- **Understand the Problem:** PVTC deals with a very disadvantaged group of young people. Their access to training is not only limited because they cannot afford the fees, but also because of family and social constraints. To enter a training program, they need to be convinced that it makes economic sense to them and can adapt to their particular contexts. Very early on, PVTC understood this problem, devolving authority to local institutions to directly identify and address needs, and presenting accessible programs that overcame local obstacles. As such, trades have often focused on improving the viability of family enterprises, and the promotion of entrepreneurship has also enabled graduates to adapt their training to meet a variety of local needs.
- **Find solutions that are practical and realistic:** PVTC's understanding of the problem of disadvantaged youth in Pakistan led it to find solutions that could address the problem practically and realistically. By persevering with local government and inviting its participation in its programs, PVTC has found a way to unlock *Zakat* funds to support training and institutionalize this process through law. It has also focused heavily on securing the broad participation of the private sector, which has ensured that training is responsive to the needs of the market and graduates can more easily find jobs upon completing their coursework.

Access to Training and Employment — Challenges

Despite PVTC's success in finding solutions that provide greater access to training and employment, challenges in this area persist, including:

- **Availability of *Zakat*:** While PVTC has been extremely successful in making *Zakat* available for its training efforts in the province of Punjab, this has proven to be the only

province with the political will to pass legislation that channels *Zakat* funds to an organization like PVTC. The other three provinces seem to appreciate the PVTC model, but are hesitant to make a potentially unpopular decision by diverting resources from current *Zakat* recipients. One could expect similar challenges in other Muslim countries with nationalized systems of *Zakat* collection, and even greater difficulty in countries where no central repository of *Zakat* is available. Finally, religious interpretations differ about the availability of *Zakat* to non-Muslims. In Pakistan, it is reserved exclusively for Muslim populations, not minorities.

- **Non-traditional fields:** Another challenge that PVTC has faced is how to best serve girls, who are primarily participating in domestic tailoring courses. This course has the highest enrollment of all PVTC courses, and girls enroll because it gives them an opportunity to interact with people outside their immediate family. Most of them, however, end up stitching clothes for their family and only a few become tailors for their neighbors. PVTC's challenge is in helping girls go beyond their traditional roles and enter areas where they can earn higher salaries. The recent introduction of courses like mobile repair, beautician, clinical assistant and IT based courses are a step in the right direction.
- **Access to training by non-*Mustahiq*:** PVTC training is recognized for its quality, and despite well-established rules and good intentions to follow these rules, a small percentage of trainees entering programs are technically not eligible to benefit from *Zakat* and the training offered by PVTC. While PVTC might like to offer its training to all Pakistani youth, limited resources prevent unlimited access to training. While currently this demand is an indicator of the value of PVTC training, long-term development in Pakistan requires creative thinking about how this funding and training model can be extended to non-*Zakat* recipients.

Building Relationships

In 1999 when Mr. Jaffar's VTI was established he said there was no market response. He taught textile design and said employers were reluctant to hire these graduates as they thought that they were inexperienced and lacked practical training. But today employers are satisfied with these young skilled professionals. Now, graduates are not only working in the local industry but also within different VTIs (Sialkot, Sahiwal, Mandibahudin, Toba Tek Singh and Faisalabad). One of the most important results gained by these graduates is higher productivity.



Education Quality and Relevance — Lessons Learned

PVTC's ability to employ a substantial percentage of its trainees definitively illustrates the value of its training approaches. Particularly important lessons include:

- *Private Sector Collaboration:*The private sector can be constructively engaged in training programs through many avenues. Particularly useful avenues include management of institutes, curriculum development, job placement and the donation of free equipment. In PVTC's experience, private sector actors with access to expensive equipment have also been able to create relationships with local VTI's, allowing trainees to serve as apprentices and ultimately increasing their likelihood of employment with the same employer.
- *Quality Control and Benchmarking:*PVTC has employed a rigorous iterative process of testing the quality of curricula and its delivery with the private sector at its initial creation, after trainees have completed their exams, and after graduates have commenced employment in their trades. Curricula are regularly revised to reflect changes in market dynamics, technology and new learnings. Along similar lines, PVTC has emphasized the same benchmark for evaluating the success of its VTI, teachers, curricula and students — employment of graduates. This strategy, coupled with the devolution of authority and flexibility to adapt to local circumstances, has encouraged the institution to adapt as needed to meet this primary need.

Education Quality and Relevance — Challenges

Despite its successes, an institution like PVTC must invest heavily in its capacity to train teachers, develop curriculum and assess performance so that it continues providing training that is high quality and relevant to market demands. As PVTC continues to grow, it will need to:

- *Stay Demand Driven:*This means that the organization should continually study market needs and changing industrial standards. Incorporating new demands and standards would help the training stay relevant. PVTC has been able to remain linked with the market through the BoM. However, there are additional activities that PVTC can do — including regular surveys and outreach to new private sector partners. As PVTC further improves its ability to learn about private sector needs, it will need to balance a nearly continuous demand for adaptation and modification with the fundamental need to deliver standardized and quality curricula in an effective manner.
- *Invest in teacher training:*PVTC has been training its teachers through a combination of workshops and follow-up in the field. Most of its teachers are recruited without appropriate pedagogic training. In fact, Pakistan lacks adequate teacher training institutions for vocational training teachers. Without certification and accreditation, a country cannot develop a cadre of teachers who are

VTI Teachers as Career Counselors

Naila, a former student, brings pride to VTI Gujarat. "I remember distinctly when she came for the interview after qualifying her written test," recalls Mr. Faiz, the Principal. "She wanted to take admission in dress making, and I asked her why she wanted to do dress making when she has done matriculation in science with average marks. She told me her reason for entering this vocation is that her mother believes that she is incompetent and can only do dress making."

Mr. Faiz didn't believe her mother, and he instead passed Naila through a psychological aptitude test during her interview. Naila proved that Mr. Faiz was correct in thinking of sending her to a Clinical Assistant course rather than dress making – which would underutilize her capabilities. As a result, she was admitted in that vocation.

The career change for Naila proved an excellent one. The earthquake of October 8, 2005 brought misery and sadness, but it also brought opportunity for others. Naila was sent as the clinical assistant in the paramedical team to the affected earth quake victims where she proved to be a great asset. The VTI Principal subsequently received a letter from an English Nurse who was also involved in relief work, asking to take Naila to England for higher nurse training if they could arrange for her traveling expense. Her travel is pending the location of this funding.

qualified to deliver quality training. PVTC has been able to train its teachers, but improvement in this area is important for long term viability.

- *Build curriculum development capacity:*PVTC has been developing courses by identifying and reviewing outside resource materials and putting together manuals based on those materials. However, when a curriculum has to be upgraded or a new text book written, PVTC is one of the many other institutions in Pakistan that lack this capacity. A cadre of more capable curriculum development master trainers would be an enormous asset to Pakistan, and PVTC would benefit from input from international donors to meet this need.
- *Invest in Equipment:*In order to impart high-quality training in demand-driven and emerging technologies, PVTC is required to constantly upgrade and modernize its equipment and tools. However, through Zakat funding, it can only meet its operating expenditures and capital



expenditures (equipment, tools etc.) through other sources. PVTC would benefit from inputs from sources such as non-Government agencies, multinationals and contributions from international donors.

Conclusion

PVTC is an organization managed and led by people with a passion to develop creative solutions and provide training for youth in the most difficult of circumstances. Utilizing an untapped resource within Islamic philanthropy that promotes sustainable livelihoods for extremely disadvantaged youth has proven to be remarkably successful in this challenging context. PVTC has also placed great emphasis on engaging the private sector in the training process, an essential ingredient to promote employability. Of course, challenges remain, particularly as PVTC attempts to adapt to constantly shifting economic and employability needs and to maintain quality during rapidly expansion. In the end, however, both PVTC's successes and challenges present important lessons that are of interest and use to others seeking to unleash the potential of public-private alliances, and to provide innovative and sustainable solutions to address critical education and employability needs.





EDUCATION AND EMPLOYMENT ALLIANCE

The Education and Employment Alliance (EEA) works in six countries with high youth unemployment rates — Egypt, India, Indonesia, Morocco, Pakistan, and the Philippines — to develop and expand quality education, job training and placement programs. The program is funded through a four-year US\$13 million grant from the U.S. Agency for International Development (USAID) and US\$9 million to be leveraged from the International Youth Foundation (IYF) and its partners. IYF hosts the Alliance’s Global Secretariat and coordinates all Alliance activities.



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INTERNATIONAL YOUTH FOUNDATION

IYF believes young people possess the power to shape the future. To learn, work, thrive, and lead, they need access to programs and resources that inspire and challenge them. IYF is a global nonprofit organization that makes this possible. Today in 70 countries, IYF collaborates with businesses, governments, and civil society organizations that share a common desire to improve the life conditions and prospects of young people. Together, IYF and its partners build effective, sustainable, and scalable programs that positively impact the lives of young people worldwide.



PUNJAB VOCATIONAL TRAINING COUNCIL

The Punjab Vocational Training Council (PVTC) is an autonomous corporate body established by the Punjab Government through the PVTC Act of 1998. Its mission is to alleviate poverty through Muslim charity (Zakat) and private sector participation by imparting demand-driven skill training and enhancing employability for disadvantaged youth in their communities.



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