

The Impact of Vocational Training on Poverty Alleviation through Moderation Role of Foreign Funds: Evidence from Southern Punjab

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ABSTRACT:

Vocational Training is one of the crucial elements for generation that is going to be a part of skilled workforce of this world of work and to reduce the level of poverty. It quickly enables a person to be a part of competitive workforce by enhancing their skills so that he may cope with the rapidly changing technological job and environment. The core objective of this study is to examine the relationship between Vocational Training and Poverty Alleviation through moderating role of Foreign Funds. Billions of rupees are being utilized by international donors in technical and vocational education to enhance the skills of individuals and to increase the level of income. The method used in this research is simple random sampling technique and 7 big cities of southern Punjab were included. Significance result has been extracted from Southern Punjab where these funds are being utilized and moderation has been proved that there is significant role of foreign funds to boost up the vocational training which alleviate the poverty. To this end the study it proves that there is a significance impact of Vocational Training on Poverty Alleviation and also generated competitive human capital for economic development.

Keywords: Vocational training, Poverty alleviation, Foreign funds

INTRODUCTION

Education is what by which skills hand habits of one generation transferred to other generation by which new generation reshapes their lives and future. The responsibility of high quality skilled and education lies on public and private sectors to generate skilled and educated human capital, so that economic development takes it place. The latest survey of Pakistan Social and Living Standards Measurement (PSLM) 2012-13 showed 10-years and above literacy rate is 60% as compared to 58% in 2011-12 and ratio of male is high with respect to females. In the eleventh Five-Year development plan 2013-18 greater emphasis has on technical and vocational education, during these five years

the enrolments will be increase by fifty percent and at secondary level by 2025. According to the needs and requirements of businesses technical and vocation education curriculums will be developed and need base technical education will be provided.

One of the developing countries, Pakistan with high growth rate in population and where youth is big part of total population, the technical and vocational training for youth (15-24 years old), it is stated the capacity of TEVT institutes for delivering demand-driven vocational training skills, so that this youth becomes the skilled and professional workforce, is not sufficient according to the requirements of

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labor market. Only 44% trained workers are participating in work force and majority of population is dependent and unemployed. That's why the quality of life, health and education are suffering (Janjua and Irfan, 2008).

So, Pakistan needs to change its Vocational Education and Training system and that's why TVET reform strategy has been adopted by Technical Educational and Vocational Training Authority (TEVTA) and significant change has been. (Kazmi, 2007; GoP, 2013). The National Vocational Technical Education Commission (NVTEC) was established in 2005 to reform the TVET programs and National Skills Strategy (NSS) was established in the name of "Skilling Pakistan" (Janju and Irfan, 2008).

The background for this thesis is found with reference to establishment of Punjab Vocational Training Council (PVTC) under the PVTC Act 1998. The core purpose of this organization is to provide vocational training by establishing vocational training institutes in different sectors according to the needs of industry in Punjab and to reduce *mustaheqeen Zakat* (Charity Funds) youth which was getting Zakat since 1980.

After the establishment of PVTC (Punjab Vocational Training Council) in 1998 under Act and TEVTA (Technical Educational and Vocational Training Authority) in 1999 under Act, to encourage the significance of VET, the number of vocational graduates are now increasing day by day. The importance of knowledge and need of skilled workforce is now demanded and it becomes the competitive need (World Bank, 2005).

So there is need of time to upgrade the Vocational Education and Training (VET) to increase the productivity and employment opportunities. The Govt. of Pakistan at federal level allocated Rs. 350 million for (NAVTTTC) which is expressing the interest of govt. in technical and vocational training and education in 2013-14. From this 350 million rupees Rs. 200 million which is about 57% of total has been released till 3rd month of 2014 (Mar-14) and further will be released during the whole year 2014 to work on 32 projects throughout the country on Vocational Education and Training in 107 trades/courses of 28 TVET institutes. Later 42 TVET institutes were established to enhance the vocational and technical training with NAVTTTC. Pakistan with 59.74% labor force of

its total population, out of which 33% labor participation force and 6% unemployment rate has been indicated by NAVTCC.

Keeping in view the significance of Vocational Education and Training, it is fact that Vocational Education and Training is more expensive than formal education. To train a person according to the requirement of industry not only takes time but also takes massive amount and its benefits are proven. In order to boost up these vocational education and training the investment of govt. sectors and international donors like World Bank there are considerable efforts have been made (TVET World Bank 1991).

The growing demand of skilled workforce is response of labor market and to complete these requirements the international policies regarding TVET are identified (Johansson and Adams, 2004). According to Finch and Crunkilton, the VET means some sort of education and training that enables the individual for employment and economically productive in every field of life (Finch and Crunkilton, 1999).

There is youthful population in Pakistan because about fifty percent population is less than 20 years old. 68% of Youth (15-24) is unskilled and this is a big asset to be trained as skilled workforce or human capital for the development of Pakistan. Therefore, the major focus of PSDF and PVTC is to train the youth age group from 15-35 year. These trainees are being trained as school as well as after college level studies to make them skilled workers. In population of Pakistan, youth is increasing day by day and it is a big advantage for Pakistan to prepare them for industries. Yes it is true that education, technical skills and vocational training is playing vital role in the employment of youth. According to the Labor Force survey (2005-6) literacy level in young employees was low. In Punjab the literacy level is 62% and no of trainees enrolled in technical Education and vocational training institutes were 426,533 and rate of unemployment is 6% (Ahmed Shaikh, 2012).

To engage maximum youth in Technical education and Vocational Training the number of vocational institutes has been increased. In 2013-14

✓ PVTC with 175 Vocational Training Institutes (VTIs) is working, and in 2014-15

more 10 mega VTIs will be established with capacity of 33,533 trainees per year.

- ✓ TEVTA with Technical Training Institutes (TTIs) is working with the capacity of 78,000 trainees in a year.
- ✓ NAVTTC with capacity of 132,487 is working.
- ✓ PSDF in collaboration with UK govt., Department of International Development DFID, and USAIDs have invest Rs. 442 million in private and public institutes and 20,000 youth is getting training with these institutes.

From the last 39 years The Govt. of Pakistan in collaboration with Asian Development Bank has development partners and the support of ADB is about \$1 billion a year since 2004 in different projects to decrease poverty and produce employment. (Gazdar, 2007). In March 2004 ADB has approved the technical assistant in the field of VET and to reduce poverty. This was named as “Determinants and Drivers of Poverty Reduction and ADB’s Contribution in Rural Pakistan”. The core purpose of this is to reduce the poverty from the rural area of Pakistan and for this govt. of Pakistan will be executing agency in coordination with PRSP secretariat of Ministry of Finance. During 2005 and 2006 a research was made on the rural areas of Pakistan to improve the VET (Stockmann and Meyer, 2002).

In 1984 Punjab Skills Development Fund (PSDF) in collaboration with Department of International Development United Kingdom (UK) was established in arrangement of technical and vocational education to poor and needy youth of Punjab. The basic purpose of this organization is to provide technical skills and vocational training in four poorest districts of Punjab (Muzaffargarh Bahawalpur, Bahawalnugr and Lodhran). PSDF plan to create a market of skilled workforce which is demanded by national and international standards.

The role of PRSP is also vital in VET and Poverty Alleviation. The first Poverty Reduction Strategy Paper was adopted by Govt. of Pakistan in 2001 which was implemented in 2004 and second PRSP paper was implemented in 2010. The core purpose of these papers is to provide stability to economy, governance, human capital and reduction in poverty levels.

Later with the help of UNDP a paper of “Strengthening Poverty Reduction Strategy Monitoring Project (SPRSMP)” was launched with the help of Ministry of Finance at federal levels at Punjab, Pakhtunkhwa and Balochistan. One of the key objectives of PRSP in respect of IMF and World Bank is to enhance the VET and reduction in poverty and for this govt. of Pakistan will be leading and executing agency which is difficult for donors to stay back and let to govt. to do its own. (Schröder, 2002).

Since 2008 the international development donors are continuously increasing their funding the field of VET to enhance the level of education and some of these funding are like

- ✓ DFID in gender education policy support project (GEPSP) has invested has invested £3.5 million and technical assistance provided by UNICEF to enhance the equality at level of education by (2015).
- ✓ A project of 2.14 million with the assistance of USAIDs “Strengthening Teacher Education in Pakistan” (STEP), was carried out to improve the teacher’s strength.
- ✓ A Project of USAID US\$ 90 million was started to focus on teachers and their professional growth in Islamabad, Balochistan and Sindh.
- ✓ A project of US\$ 75 million was launched in the name of “Pre-Service Teachers Education Program (Pre-STEP)”.
- ✓ A project was launched for basic education in 2009 under (SOGA) Strategic Objective Grant Agreement of US \$121 million.
- ✓ In collaboration with Department For International Development, UK in an agreement of £ 250 million with govt. of Pakistan to create a joint education task force to check in inputs, outputs, activities and other matters of education in the rural areas of Pakistan in association with UN agencies.

With reference to foreign investment in technical and vocational training sectors in Pakistan Germany in collaboration with Pakistan has launched a special program known as GPATI (Germany Pakistan Training Initiative). Initially it was started in Karachi and later in Lahore, to train the youth of Pakistan in demand driven skill training for employability by its dual training system. GPATI funded by Federal

Ministry for Economic Cooperation and Development (BMZ) of Germany and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. About 56 national and international companies are getting their employees trained from GPATI program and 500 trainees are enrolled in TEVTA institutes for vocational Training. (TEVTA reform Support Program, 2014)

The contribution of World Bank in vocational and technical sector is not only playing its vital role but also have improved the quality of vocational and technical training programs and it has expanded the capacity of the National Vocational Training System (NVTS) in order to meet the required demand of skilled workforce for industries. The core purpose of World Bank investment in technical and vocational education is

Pakistan Poverty Alleviation Funds (PPAF) has also contributed in skill training in collaboration with World Bank since 2000 and about 232,000 people have been trained so far. In collaboration with International Fund for Agricultural Development (IFAD) and German Development Bank (KfW) in three years projects, PPAF has provided employment and income opportunities by increasing access to and sustainable utilization of economic and social infrastructure of target regions.

According to the Human Development Index, 60.3% population of Pakistan is living below 2 dollars per day (HDI, 2011). According to FAO, 2005 the 20% population of Pakistan which is about 29.3 million people, are undernourished and 32.6% population of Pakistan, which is about 38.02 million people are living below poverty line. With reference to poverty head count ratio analysis in "Pakistan Millennium Development Goals Report 2013 it is 12.4% in 2010-11 (Mazhar, 2014).

Much has been written so far on poverty and its alleviation in Pakistan from the last 35 years and the core purpose of these studies is to estimate the actual magnitude and trend in poverty to develop policies in order to make better decisions and these decisions should improve the alleviation policies. But these literatures may be the dearth on the judgment of poverty and its breakdown in a range of areas and division of the economy of Pakistan but it is also an unsuccessful information the poverty

approximation fail to provide results which are conflicting with one another. (Cheema, 2005; Arif, 2006).

Poverty has also been defined as a mark of unstable conditions with lack of social and economical capital and because of these both factors vulnerability characteristic of poverty generated. Poverty Alleviation does not mean to completely reduce or eliminate the poverty but to decrease the level of poverty by means of providing skills to them so that they should be skilled workers and can increase their incomes. Decrease in poverty does not mean that living standards of people who are living below poverty level shifted up to the level of living standards, it is just that reduction in poverty may lift up the people from poverty.

Different countries have adopted strategies in order to reduce the level of poverty and to give a better standard of living to its people. In collaboration with different organizations govt. of Pakistan is also playing its vital role to strengthen the people. In order to reduce poverty, in collaboration with World Bank, Poverty Reduction Strategy Paper (PRSP) were adopted by govt. of Pakistan.

In addition, the government is putting in place a stringent results-based system to monitor and evaluate the progress of the Poverty Reduction Strategy (PRSP, 2010). The contribution of World Bank and other countries in poverty reduction strategies is not only for the purpose of aids, but also for moral humanitarian motives and economic stability. Investment of World Bank, ADB, IMF, GPATI and PSDF in vocational and technical training is for economic stability by creating skilled workforce and generation of human capital so that there is little recognition of the important trade-offs within the objective of poverty reduction. The growing society have the same opinions for poverty reduction and these can be followed (Barder, 2009).

According to implementation of PRSP papers I and II, which were implemented in 2004 and 2010 respectively, rapid change and growth in economic sectors, stability, human capital, public services and targeting poor for reduction in poverty level has been made by USD \$ 1,474,000 till 2012 (IMF, 2012). The PRSP-II not only addresses the growth but also focus on the life of the common man. It emphasizes goods

and service sectors for high employment with greater attention in skill development.

Like these donors small Community Boards formed by different Non-Govt. Organizations (NGOs) like Farmer Development Organization FDO, Azad Foundation AF, International Organization for Migration IOM and JICA to sustain and develop human resources by providing them vocational training in the rural areas of Punjab to make them skilled workers and by this they can reduce their level of poverty.

Problem Statement

To what extent Vocational Training is alleviating poverty in southern Punjab, where millions of funds are being utilized by Punjab Skill Development Funds (PSDF), Pakistan Poverty Alleviation Funds PPAF, Poverty Reduction Strategy Papers (PRSP), International Monetary Funds (IMF), Asian Development Bank (ADB), World Bank (WB) and United State AIDs. The views of youth of southern Punjab who is getting the vocational training and also their families are more likely to approve that there is the impact of Vocational Training on Poverty Alleviation?

Significance of Study

This paper presents a comprehensive and analytical framework on the basis of simple descriptive study, that vocational training with moderating factor foreign funds not only reducing poverty but also creating. The rapid technological developments have led to radical changes in the world of work. The new technologies are rapidly replacing the old one. As the new technologies are knowledge intensive, the countries all over the world are obliged to upgrade and enhance the skill level of the human resource of their countries. The paradigm shift from semi-skilled economies to the knowledge-based economies has put greater premium on Technical and Vocational Education and Training (TVET) since this education directly relates to the world of work human capital in shape of skilled workforce. It is hoped that this would not only make the technical education and training being pursued in the institutes of technologies meaningful and relevant, but merged with the school education would enhance the status of technical education

in the society, as well. For the purpose it is imperative to embed TVET into a mainstream education for the youth development and human capacity building.

Literature Review

There are assumptions regarding Vocational training and technical education is that by which human skills and human capital convert into logic for the development in economy and that is technological driven. The need of vocational training gets more value as it links in preparation of people for specific trades and ultimately results in occupation or employment. Not only in Europe but also in Pakistan, the research on the benefits of vocational education and training (VET) has emerged and measures are supported by sound research evidence. With investments and strategies, there are many countries which have now big trained workforce and these are become the leading countries. But unfortunately, Pakistan is not meeting the international standards of Vocational Education and Training (GOP, 2009). In 2014, the total no of enrolments in vocational training and technical education is 426,533 which show the capacity of TEVT institutes in Pakistan and this is quite enough if we see in 2009 when only 315,000 students enrolled across 1,522 technical and vocational education and training (TVET) institutes (National Vocational and Technical Education Commission [NAVTEC], 2009).

Today technology is very fast, with the passage of time it is changing face of the world and new technologies are now replacing human efforts into mechanical technologies. To cope with this new era of work only skilled workers or semi skilled workers can do what an industry is demanding. To create skilled workforce Technical Education and Vocational Training (TEVT) directly relates to what an individual needs and what he has to become. (Khwaja, 2009).

The competent and skilled workforce of any country results in growth of economy and it depends upon the quality of training of technical and vocational institutes who are making them skillful human capital of the country. Vocational education has been perceived as a crucial element in increasing and strengthens the economic productivity (Min, 1995). Vocational Training pertain more strength in respect to

formal education, because there are some perceived values of vocational training which ultimately links with earnings and complete the needs of the world of work (Ziderman and Adams, 1993).

According to social efficiency theory, these are the schools which prepare and supply the workforce according to the needs of future and these workers with appropriate knowledge and skills are enhancing productivity and promoting economic growth of nation. (Finch, 1993; Labaree, 1997).

A policy measure targeted at economically disadvantaged youths in Latin America has been the introduction of youth job-training programs (YJTP). The objective of these programs is to improve the labor market prospects of economically disadvantaged youths by providing them with basic job readiness skills as well as some trade-specific abilities. Since the early 1990s, such training programs have been carried out throughout Latin America. YJTPs were implemented in countries including Venezuela (1993), Argentina (1994), Paraguay (1994), Peru (1996), the Dominican Republic (1999), Colombia (2000), Panama (2002) and Haiti (2005).

Technical Education and Vocational Training is a big tool for solving the economic, political, and social crises of any country which are threatening the economic stability and political environment. The increasing unemployment, the shortage of skilled labor and workforce and the continuous change in the demographic nature of the labor, raise high education for workforce on the educational reform agenda (Giroux, 1991). Traditionally, purpose of vocational training and technical education is to prepare the students for specific skills and technicalities. However, according to environment, today, workers are expected to perform extra duties and their jobs are now more broadly-defined jobs (Hirsch and Wagner, 1995). Employers are now expecting more rather than what is defined in job descriptions of an employee. Today in this global village and dynamic environment VET is projected for skilled and motivated workforce for the economic development (Mustapha, 1999).

With reference to traditional prospective, it is fact that in the long run, with the change in economy the future is unpredictable and

precautionary measures for good future is broader education with complete knowledge and skills workforce is mandatory. So, I think the school are not fit for vocational education and training, there is an alternate for vocational training and education, and it is the best way to provide on the job training (Becker, 1995)

However, at present TVET is moving back on the program of more than a few governments and contributor organization particularly in sub-Saharan Africa (King and Palmer, 2007). Among other things, these projects focus on the expansion and quality improvement of TVET relevant to the requirements of the labor market (World Bank, 2009). The government of Ghana argues “economic growth led to increased demand for skilled professionals which the existing technical and vocational education institutions cannot fully supply because of management efficiency short comings and dissociation from market requirements” (Ibid, 2009).

With the passage of time the increase in low income, low skilled labor was the major concern, there people are unemployed and working informally in different sectors like agriculture. These are unpaid workforce and it is a potential loss and generation instability. With an increasing emphasis on skilled workforce for economic development give a new shape to technical and vocational education (TEVT) to expend the opportunities for youth to be employed in identifies areas for which labor market has demand. (Campbell Systematic Reviews, 2013).

VET is not only important in providing employment opportunities to individuals but also helps in enhancing the productivity of firms: “Vocational education and training are indispensable instruments for improving labor mobility, adaptability and productivity, thus contributing to enhancing firms’ competitiveness and redressing labor market imbalances” (Caillods, 1994).

There is vital role of International Labor Organization (ILO) and UNESCO in progress of VET and it is face that market led system to provide required workforce, vocational schools for effective trainings and apprenticeship systems with dual models are three ideal models which should be merged in vocational system (Nilsson, 2010). Matching with general

education to Vocational Education, it is fact that general education is more flexible than vocational training. A person with general education can change his job anytime. But a person with technical education can do for what he is trained. That's why vocationally trained worker can handle its work more efficiently. Technological changes over time force vocationally trained person to get regular training and education to acquire to latest technologies (Krueger and Kumar, 2002).

Technical Education and Vocational Training TEVT is alleviating accumulated unemployment, granting exact skills for self employment and removing the preventing measures from rural and urban areas so that attitudes of students re-oriented toward schools (Lillis and Hogan, 1983; Tilak, 2002). This was experienced in the Asian countries, that vital role of govt. in VET has significantly contributed in economic development (ADB, 2004; Cantor, 1985). Vocational and technical education is a passport to better employment opportunities (Ul-Haq and Haq, 1998). The countries which are being called as Asian industrialized Tigers have developed a high VET system to provide employable technical skills, instead of high rates of population have no strong system (Tilak, 2002).

The industrial revolution in 18 century presents the evidences that progress and growth of any country depends of its skills workforce and prosperity is also closely identified with it (Jomo, 1993). The skilled workforce of a country is showing its economic competitiveness which is result of its batter formal and technical education system. The perception of vocational training is as compulsory element of productivity in economies. These are the schools which are preparing and supplying workers for future requirements and these workers should possess and relevant skills and knowledge to enhance economic development (Finch, 1993; Labaree, 1997).

It was investigated by Giroux in 1999 that vocational training has power to address the political, economical and social crises that threatening the economic and political environment. Vocational Training and Education is a treatment for economic, political, and social crises. The rise in unemployment has changed nature of the work and rise a great issue of

educated and skilled workforce (Giroux, 1991). In the past VET was treated as for specific skills, but in changing environment now workers were expected to do whatever is the need of organization and job (Hirsch and Wagner, 1995). So VET is expected to provide motivated, educated and talented human capital (Mustapha, 1999).

There are some logics for VET, that it is producing what the world of work needs (Neuman and Ziderman, 1989; Middleton et al., 1993). It is comprised that vocationally trained students are now replacing the old workers with respect to changing environment (Distler, 1992; Brown and Keep, 1999). Australian employers, however, seem satisfied with their vocational education system (Fairweather, 1999). Research on educators' perceptions regarding vocational education generally reveals positive findings (Barnett, 1984; Pryor, 1984; Matthews, 1987; Matulis, 1989).

Some time it is seemed that people are living up to standard life, but only for a short period and this is because of lift in income. But this definition covers only one element of poverty that is income, the basic food, health, education and many other things needs to be covered in this definition and in Pakistan poverty is increasing day by day and it lies between 25% to 30% (Khadija, HDC). Reduction in poverty means to lift up the people from level of poverty and promotion in their economic conditions. (Barder, 2009)

"Poverty has many factors including ill health, low income, hunger, limited education and other basic needs. Poverty not limited to these basic things but it is also characterized by voting power for decision making in social and cultural life. (Marburg, 1996). Not even the economist's interpretation and reasoning of the problem as "a natural resource curse" in the case of Nigeria can fully explain the country's mass poverty (Adedeji, 2010).

Poverty is gifted to humans not only by birth but is has several reason which arises from different logics of natural disadvantages, wars, environmental degradation, negative changes, inflations, low wages and economic power which leads to unemployment. (Obadan, 1996: 2001; Ogwumike, 2001).

In a society where we are living poor are treated as marginalized, and this is not only in economic situations but also in information. Continuous ignorance leads poor lack of knowledge about basic rights, so that they cannot spoke on their rights and nobody is here to listen their voices. They are unable to communicate what they want and cannot express their feelings in decision making process. (Burke, 1999; Hills, 2000).

In order to reduce level of poverty where govt. is playing its role and community Board Organizations with their different ways are also contributing in shapes of development programs. (Thake, 2004). Same like CBOs, there are many other forms of organizations dealing with poverty reduction like, Social Action Centers, Community Associations, Development Trusts and Multi-Purpose Community Centers. (Cairns et al., 2006; Middlemiss, 2009).

When we are define poverty, It cannot be felt, it can be describe by those who are living in poverty, we need to cover three major sectors, basic needs (food, shelter, education, health) poverty of opportunity (due to low income and education that person is considered as poor) and head count ratio (that person should be counted as poor, a person who is unable to take 2350 calories in a day is poor) (Akhtar, 2006). There is growing appreciation in the academic and policy literature that poverty is a multifaceted phenomenon encompassing more than income

and consumption deprivation (Dreze and Sen, 1996, and Gazdar, 2005).

The primary school enrollment, access to physical infrastructure and health are the indicators that are showing the real picture of Pakistan with comparison to those countries which have same rate of growth and population, that poverty has created a big social gaps. (United Nations Development Program [UNDP] 2004 and World Bank 2002). Instead of high rate of growth this social gaps persists in Pakistan and to control this gap govt. is spending on social services. (Easterly, 2003). The poverty literature also suggests that levels of deprivation tend to be higher among socially excluded kinship groups, women, and the marginalized (Gazdar, 2002; World Bank, 2002).

Conceptual Model

The conceptual model is narrated in figure 1.

Hypotheses

H1: There is significant relationship between Vocational Training and Poverty Alleviation.

H0 (Null): There is no relationship between Vocational Training and Poverty Alleviation.

H2: There is significance impact of Foreign Funds to strengthen the Vocational Training in Poverty Alleviation.

H0 (Null): There is no impact of Foreign Funds to strengthen the Vocational Training in Poverty Alleviation.

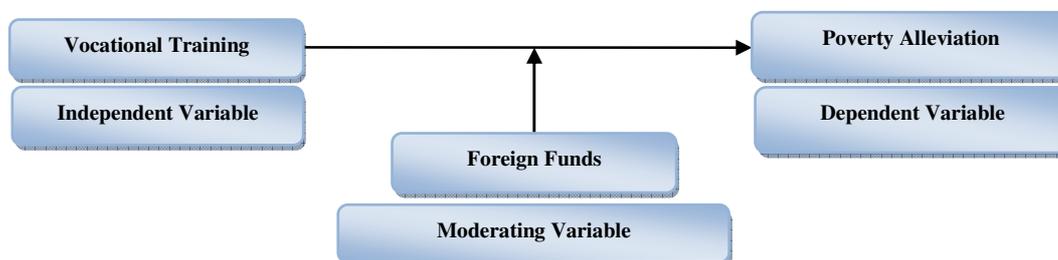


Figure 1: Conceptual model

Research Objectives

The objectives of this study are

- ✓ To investigate the relationship between Vocational Training and Poverty Alleviation.
- ✓ To investigate the contribution of foreign funds which strengthen the vocational training and its impact on Poverty Alleviation.

Research Questions

- ✓ How Vocational Training is contributing in poverty alleviation?
- ✓ How the moderating role of foreign funding strengthen vocational training and its impact on poverty alleviation?

RESEARCH METHOD

Population and Sample

The population with respect to this study is vocational graduates of the southern Punjab for whom vocational training is a big source of poverty alleviation. The reduction in poverty level is because of skills they got by technical and vocational training and their family’s view are strengthen this prove the importance of Vocational Education and Training (VET). Simple convenience sampling technique was used and before starting this study about 50 questionnaires distributed and pilot testing has been made. Later about 350 questionnaires have been distributed in southern Punjab (DG Khan, Muzaffargarh, Layyah, Rajanpur, Bahawalpur, Bahawalnugr and Lodhran) and 264 were received back, from which 12 were incomplete, so rejected and not considered for the study. The response rate was 72% from which 17.5% were female and 82.5% were male respondent.

Gender (N=252)		Frequency	Percentage%
	Male	208	82.5%
Female	44	17.5%	

To estimate the relationship between Vocational Training as independent Variable and Poverty Alleviation as dependent variable correlation and regression analysis has been used to estimate the impact of independent variable vocational Training on dependent variable poverty alleviation. For this purpose Vocational Training and Foreign funds are controlled as independent and poverty alleviation is considered as depended variable. A self-

administered questionnaire was designed to increase accurate response of alleviatory regarding vocational training, Poverty alleviation and foreign funds contribution of 40 items and modified for this purpose of study.

The core purpose of this study is to investigate the impact of Vocational Education and Training on poverty Alleviation in southern Punjab especially in Districts Layyah, Rajanpur, DG Khan, Muzzfargarh, Bahawalpur, Bahawalnugr and Lodhran in which millions of funds are being utilized by USAIDs, World Bank, Asian Development Bank, UK Aids and GIZ to create human capital in shape of skilled workers specially in the southern Punjab where Punjab Vocational Training Council (PVTC) and Technical Education Vocational Training Authority (TEVTA) are working to provide vocational training to the youth.

Gender and Age are the two main indicators to present the characteristics of respondents (sample) from whom the data was collected. N=58,000. The questionnaire was divided into four sections. The first section is to collect demographic information like gender and age. Gender Male=1 and female=0 has been codified and for age 15-25=1, 25-35=2, 35-45=3 and greater than 45=4 were codified and a serial number has been assigned to each questionnaire to maintain uniqueness of questionnaire and secrecy of respondents. Out of 252 vocational graduates 82.5% were male and 17.55% were female and these graduates were 30% respondent from Bahawalpur, 23% from Muzaffargarh, 25% from DG Khan, 5% from Layyah, 7% from Rajanpur and 10% from Lodhran. The five points 40 Likert-scale items were designed according to research requirements. The majority of respondents are from the age group of 15-25 years old and these were 150, 82 from 25-35, 19 from 35-45, 1 is above 45 year old.

The second section of the questionnaire contains 20 five-point Likert-scale questions of independent variable (Vocational Training) and 10 five-point likert-scale questions of dependent variable (Poverty Alleviation) and 10 five points likert scale questions of Foreign Funds. For these questions scale ranges were constructed: 1=Strongly Disagree; 2=Disagree; 3=Neutral; 4=Agree; and 5=Strongly Agree. The first 20 (VT) questions consisted of statements about the

importance to Vocational Training, its impact on individual's life and its contribution in his life and next 10 questions about the poverty, it's impact on individual's life before and after VT and last 10 questions are about the contribution of foreign funds in this sector of Vocational Training to reduce the level of poverty and its impact on the quality training of VT institutes and individuals life style.

All questions measured on a five-point scale with a higher number indicating a more favorable attitude toward the construct (1= strongly disagree to 5 = strongly agree). Vocational Training and Foreign Funds will be measured by asking respondents to rate adapted thirty statements developed from the (Neuman and Ziderman, 1989; Middleton, et al., 1993), (Giroux, 1991) and of Ramlee B. Mustapha (The National University of Malaysia) and James P. Greenan Purdue University) questionnaire. Poverty Alleviation is measured by asking respondents to rate fourteen statements adapted by Henry George in his economics classic Progress and Poverty and final questionnaire has been designed which possess an adequate degree of content and face validity and internal consistency reliability. The means and standard deviation are extracted by IBM SPSS as follows.

The overall mean of vocational training and

foreign funds are good and shows the positive attitude of vocational graduates toward vocational training as it is necessary in this global village where technologies are changing rapidly and without vocational and technical skills nobody maintain and cope himself with these upcoming challenges (table 1) . The overall mean of poverty alleviation is high because vocational graduates with their experience in generation of income with the help of exact technical education and vocational education is giving them true results as they are expecting and foreign funds not only strengthen these technical institutes but also enhancing the quality of vocational and technical skills of teachers and learner (table 1).

Reliability Analysis

The internal consistency and reliability analysis was, "according to Nunnally and Bernstein 1994", interpreted for getting coefficient alpha worth need to go beyond the minimum standard of .7 points to offer good estimations and keep the items analyzed by using SPSS and the results of Cronbach's Alpha for internal consistency and reliability was estimated to be $\alpha = 0.873$ but after deleting item no. 19 it is more strong $\alpha = 0.878$ (table 2).

Table 1: Data analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
MVT	252	4.00	4.90	4.3766	0.20298
MPA	252	4.00	5.00	4.5206	0.26878
MFF	252	3.80	5.00	4.3421	0.26849
Valid N (listwise)	252				

Table 2: Reliability statistics (Cronbach's Alpha)

Reliability Statistics		
Variable wise	Cronbach's Alpha	N of Items
Vocational Training (Independent Variable)	0.774	20
Poverty Alleviation (Dependent Variable)	0.799	10
Foreign Funds (Moderating Variable)	0.783	10

RESULTS AND DISCUSSION

Correlation Analysis

Correlation coefficient is also known as a product-moment correlation or linear correlation and by using Pearson correlation a positive & significance relationship between Vocational Training and Poverty Alleviation was extracted as shown in the below mentioned table 3 which covers means, standard deviation and correlation.

Regression Analysis

To analyze the relationship between dependent and independent variables and the contribution of moderation variable between these, regression analysis has been applied on data by controlling other demographic variables like Gender and Age, regression has been applied in stepwise and moderation analysis has also been applied according to recommendations of Barren and Kenny (1986). The interpretation and results has been summarized in table 4.

The analysis of variance is showing significance regression of predictor variable (Vocational Training) on Dependent variable (Poverty Alleviation) at .032^b.

This regression analysis has proved that vocational training has significance contribution in alleviation of poverty in southern Punjab and youth of southern Punjab is proving these facts. The values of ($\beta = .179$, $R^2 = .018$, $\Delta R^2 = .014$, $F=4.656$, $T=2.158$ & $Sign=.032$) shows positive and significance impact.

Moderation Analysis

There is significance impact of vocational training through moderation factors of foreign funds on poverty alleviation. The interaction term has been generated by extraction of Z-Score values of both Independent Variable and Moderating Variable and multiplying the Z-Score values vocational training with foreign funds, than by applying regression analysis (Linear-Regression) and following results has been extracted (table 5).

Table 3: Correlation analysis

(Mean, Standard deviations, Correlations)					
Variables	Mean	Standard Deviation	VT	PA	N
1. Vocational Training	4.3766	0.20298	1		252
2. Poverty Alleviation	4.5206	0.26878	0.135**	1	252

** Correlation is significant at the 0.01 level (2-tailed).

Vocational Training has positive and significance relationship with Poverty Alleviation at 0.135.

Table 4: Interpretation of data (Regression analysis)

Predictors	Poverty Alleviation (Criterion)					
	B	R ²	ΔR^2	F	T	Sign.
Vocational Training	0.179	0.018	0.014	4.656	2.158	0.032

Vocational Training = Independent Variable & Poverty Alleviation = Dependent Variable

Table 5: Interpretation of data (Moderation analysis)

Predictors	B	R ²	ΔR^2	F	T	Sign
Vocational Training	0.205	0.042	0.034	5.437	2.566	0.011
Foreign Funds	0.190	0.102	0.091	9.390	3.118	0.002
Vocational Training x Foreign Funds	0.071				4.076	0.000

(Predictor/Independent Variable Vocational Training (MVT) & Criterion/Dependent Variable Poverty Alleviation (MPA))

Moderation/Interaction Term: Z-Vocational Training x Z-Foreign Funds INT ZMVT * ZMFF

This moderation analysis shows the significance of foreign funds in vocational training and its impact on poverty alleviation. The positive change in the values of R^2 .042→.102 and F-Test values are 5.437→9.390 showing the moderation has impact on vocational training by controlling demographic variables (Gender & Age) in step 1, regression has been applied and values of interaction terms of Vocational Training and Foreign Funds and shows that there is significant and positively relationship of between Vocational Training and Poverty Alleviation and moderation exists.

Thus hypothesis H1 and H2 both accepted by interpretation and results that there is significance contribution of Vocational Training as Independent Variable on Poverty Alleviation as dependent variable and contribution of foreign funds has positively moderating this relationship and hypothesis H1(Null) and H2 (Null) both are rejected.

Summary

H1 and H2 both hypothesis accepted. H1 There is significant positive relationship between Vocational Training and Poverty Alleviation and H2 There is significance impact of Foreign Funds to strengthen the Vocational Training in Poverty Alleviation Accepted

CONCLUSION

The results are proving that there is significance contribution of vocational education and training in poverty alleviation. These are the vocational graduates who believe that there are better employment opportunities available for them who are completers of vocational training with respect to formal graduates as they have adequate skills and technical training and they are completing the requirement of labor market. Being a human capital of the country they become asset of the nation and their technical and vocational training is getting strengthen day by day and they are enhancing their skills according to the changing environment. Beside that if we see the personal life and attitude of these vocational graduates, their problem solving, interpersonal, communication and critical thinking abilities are higher than formal graduates.

The investment of public and private sectors in Vocational Education and Training to enhance

the skills for skilled workforce and generation of human capital is also appreciable. The investment by govt. (Public Sectors) in collaboration with international donors and funding agencies like UK Aids, US Aids, World Bank, IMF, ADB, PPAF and PSDF, is also playing a leading role in this sector and this attitude is showing the positive approach of govt. There is need of vocational cum formal institutes where an individual can get both types of education at the same time. The merger of vocational and technical education with formal education at primary and secondary level is need of time. Technical education with these formal education certificates not only gives a big edge to those who possess this but also enhance the level of skilled force contribution in development of their own life standards and economic development of country.

There is need of efficiency and effectiveness at intermediate level of technical education and vocational training. The govt. and private sectors should create maximum opportunities for fresh matriculate students and ensure their enrollment in technical and vocational institutions so that this youth becomes integral part of labor workforce and complete the upcoming demand of market.

Furthermore, vocational graduates are expecting quick employment after getting skill trainings, there is need of strategies to be made by govt. and private sectors to create maximum employment opportunities. In collaboration with industries and their demands should be forecasted and pre-planning trainings should be launched at local levels so that youth of local community should be accommodated.

Talking about the communication of these technical education and vocational training initiatives of public and private sectors, it was observed that employers are often not aware about the training initiatives and their demand for business and industry were mismatched. So, here govt. needs to adopt pro-active approaches. With limited financial resources, government in collaboration with international donors expands these technical and vocational training programs according to the needs of industry and maintains quality and standards as indicators of quality training. Third Part Monitoring teams should be engaged in accreditation, standardization and in maintenance of quality because today for

Pakistan it is crucial to maximize its human capital workforce.

Limitations

There are some limitations on this study

1. This study based on primary data collected from southern Punjab and its implementation and evidence are totally based on this area because there is difference of data in different areas.

2. This study covers the aspect of poverty alleviation with respect to skilled workforce and increments of employment.

3. The impact of vocational training strengthens by foreign funds has been considered in this study and moderating variable is foreign funds.

RECOMMENDATIONS

1. International donors should be welcomed for technical and vocational training and for this provision to achieve maximum should be granted to private and public sector boards and institutions & enrollment in VET institutions should be maximized and without any charges at primary and secondary level it should be provided to all.

2. At higher level of VET, like post graduate and graduate level, the stipend in shape of scholarship should be provided and without gender discrimination, students should be entitled to choose the technical skills what they want and a good range for maximum trades be provided.

3. Business organizations and industries should be communicated and training programs should be launched according to the needs of labor market and part-time programs should be launched for workers working at low levels in organizations so that at time of promotion or change they should be able to do for what they are trained.

4. Planning and monitoring cells should be formatted and planning for future needs should be forecasted and balance has to be maintained in supply and demand of workforce.

5. ON-Job-Trainings in the premises of the organizations should be arranged and high quality trainers should be engaged in these training programs and different other manuals like, life skill courses, know about business and social entrepreneurship should be aided in all

technical and vocational training programs so that these technical courses not only provide technical skills but also social and interpersonal skills to all who possess this. Apprenticeship training should be compulsory for all vocational and technical graduates and organizations with requirements of technical workforces should be bounded to provide facilities to local graduates at 100% requirements.

6. The training programs should be complete in all aspects and cover whole information and skills demanded or required by respective organizations. These programs should be checked and monitors by third party monitoring teams.

7. Innovations and up gradation in quality of technical trainer's qualification is necessary and Initiatives in which trainers work part-time in VET providers and part-time in industry should be encouraged and to sustain the quality of technical trainers and vocational graduates, new technologies should be introduced and better valuation purposes.

Directions for Future Research

Some suggestions for future research are given below.

1. It will be useful to investigate the attitude to public and private sector with respect to Vocational Education and Training to create skilled workforce for prosperity and development of country.

2. The investigation as it is necessary that Vocational Training should be part of formal education so that any person can deal himself according to his nature of interest.

3. It is worthwhile to explore the contribution of skilled and unskilled workforce in the development of community.

4. Poverty alleviation strategies of public and private sectors and its results can be investigated.

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