

Requirements for decent employment within IA

Cairo, Egypt

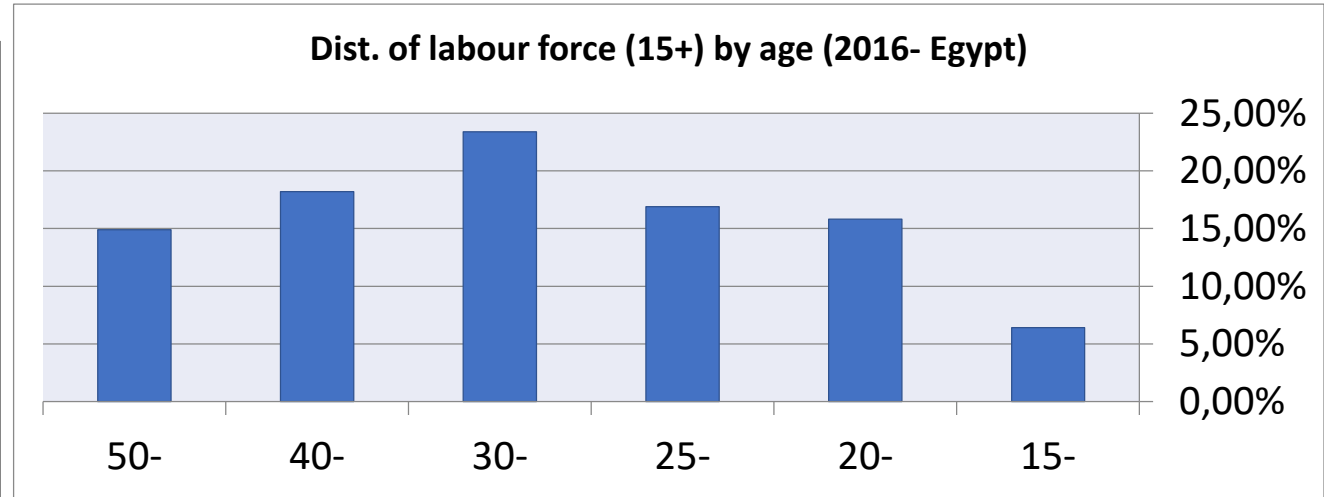
Dr. Heba Nassar

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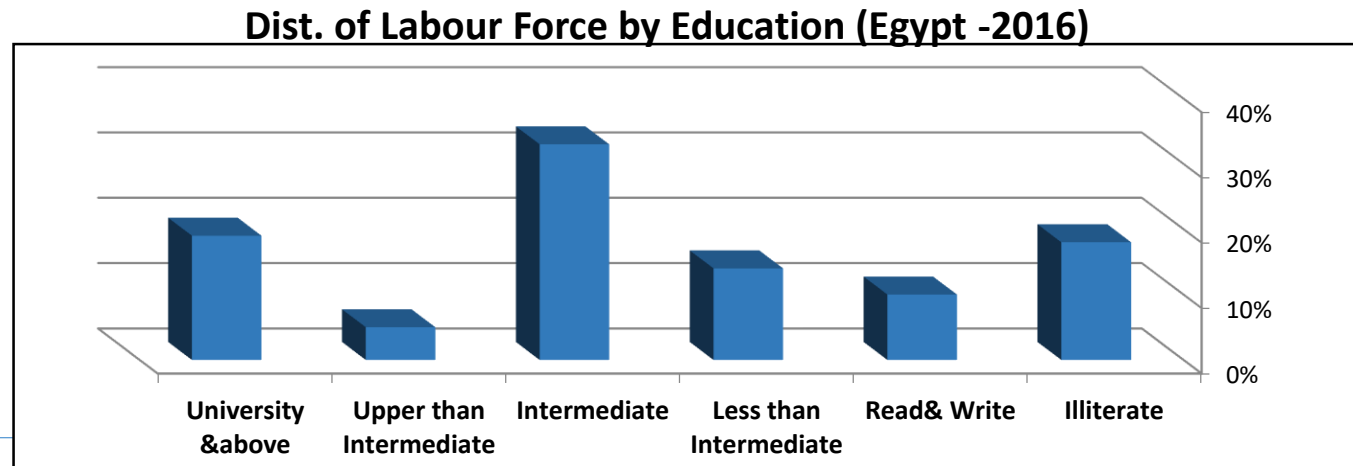
1-a- Availability of young and relatively educated labour force:

- More than half of Egypt labour force are in the age 20-39 (56% in 2016)

Source: CAPMAS, LFSS 2016



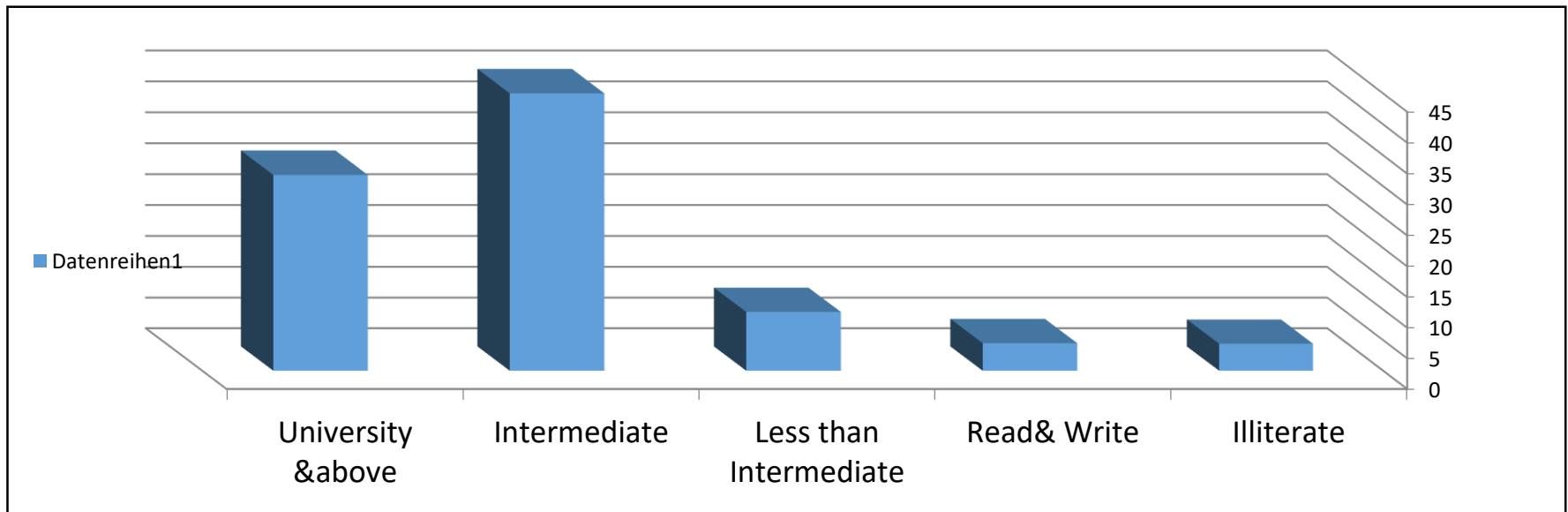
- More than one third of Egypt labour force are intermediate graduates while about one fifth are university graduates
- Source: CAPMAS, LFSS 2016



1-b- High level of unemployment among the more educated

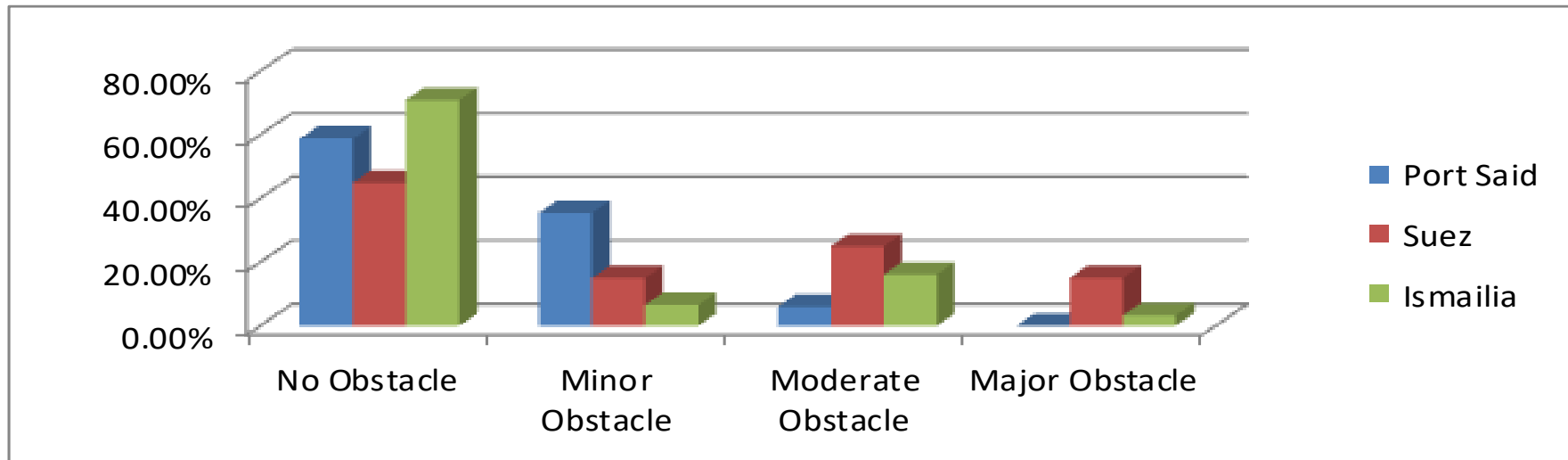
The mismatch between the labour market and the skills available is evident. In 2016, more than 45% and 32% of total unemployed in Egypt are intermediate and university graduates consecutively

Dist. of unemployed by Education 2016



1-c- Inadequately educated workforce as indicated in previous surveys.

FOR EX. nearly 55% and 40% of establishments interviewed in Suez and Port-Said mentioned that finding the needed skills presents an obstacle. The percentage declines in Ismailia to 26%

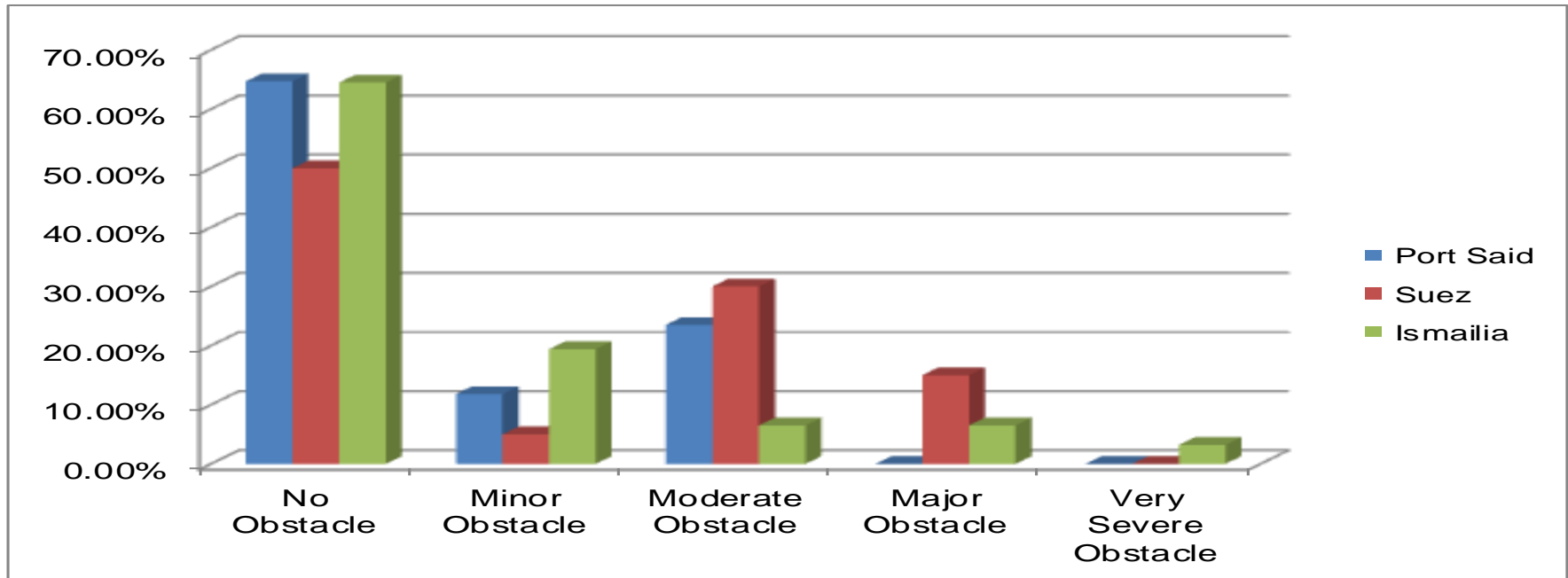


Source: “Productive Capacity and the Investment Environment in Egypt”, ICA, SRC and World Bank

1-d- Labor laws as an impediment to business

Data demonstrate that 60.3% of the enterprises find labor laws forming no obstacle whatsoever when it comes to their business, 13.2% see them as a minor obstacle, 17.6% see them as a moderate obstacle; however only 7.4% see them as a major obstacle and 1.5% as a very severe obstacle.

Labor regulations as an obstacle to current operations

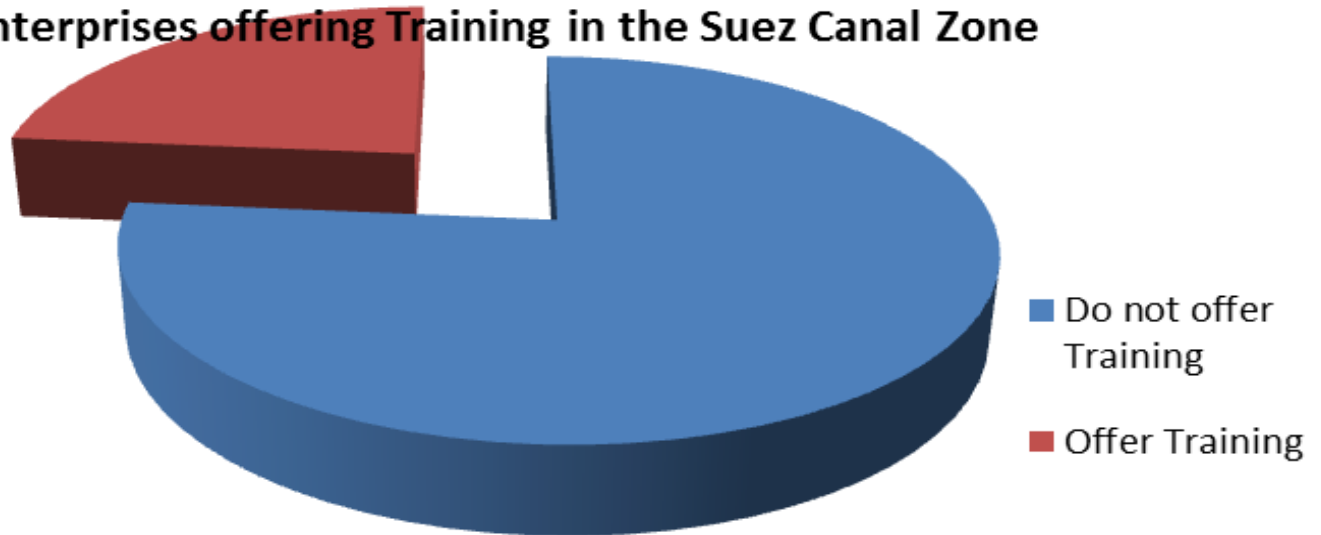


1-e Limited Training opportunities for workers that can raise and enhance their skills

Only less than one quarter of the enterprises (23.5%) within the Suez Canal Zone offer formal training programs for their full-time employees; while 76.5% of the enterprises don't.

Ismailia comes first in offering training programs for its employees,(32.3%), while Suez seems to be the least with 10%.

Enterprises offering Training in the Suez Canal Zone



2. What type of training do workers need to be attractive for SMEs in these parks?

2-a-Main sectors expected to lead growth:

**According to the assessment of Egyptian business leaders and experts:
Major sectors that will contribute to economic growth over the intermediate future include: Tourism, Manufacturing (four sub-sectors – Food Processing, Textiles & Apparel, Engineered Products, and Building Materials), Oil refining, Suez Canal operations, Agriculture, Transportation, Construction, Communication and Electricity.**

Source: USAID, EGYPT LABOR MARKET ASSESSMENT - Final Report , September 2015

2-b-Main academic fields most needed in sectors expected to lead growth:

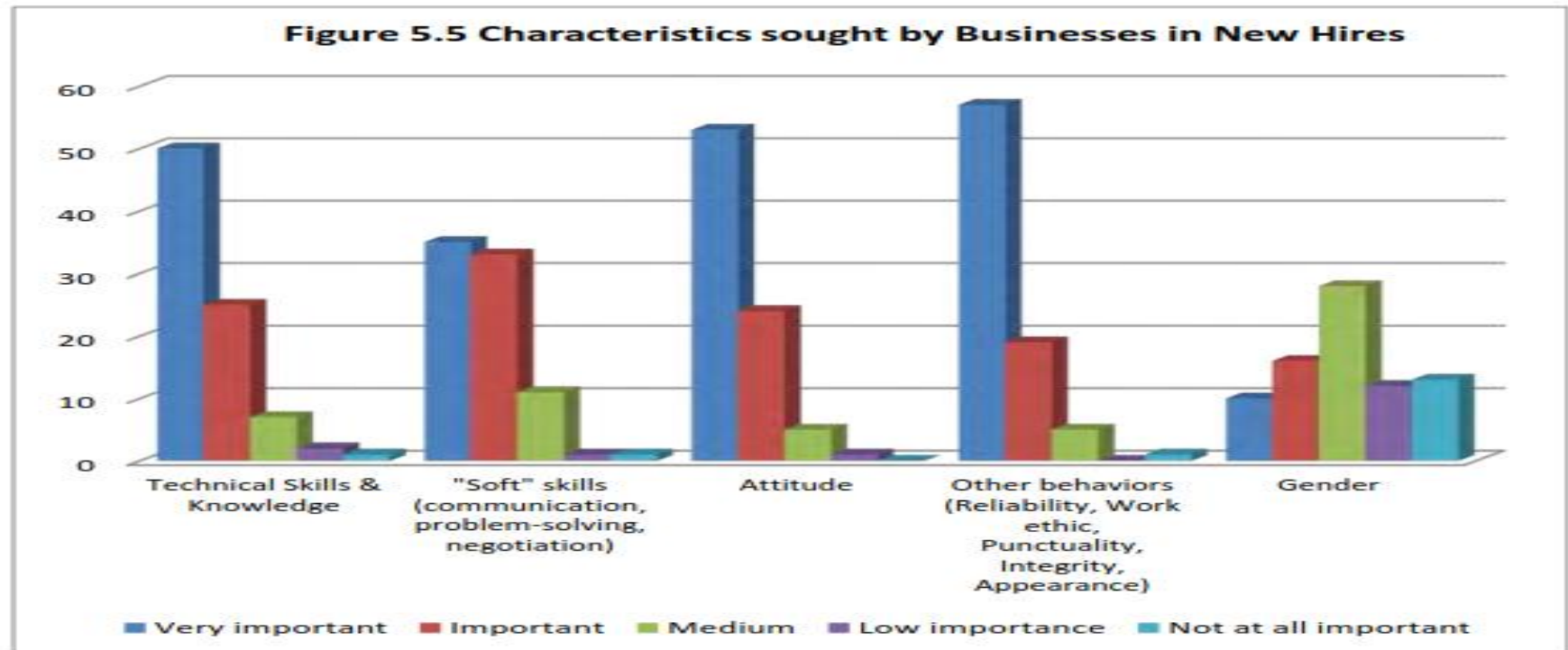
Source: USAID, EGYPT LABOR MARKET ASSESSMENT - Final Report , September 2015

Academic backgrounds desired by firms hiring or recruiting new employees in 2015

Academic field	Response Percent
Engineering	52.5%
Business	63.6%
Computer science	36.4%
Natural science	18.2%
Arts, letters, languages	10.1%
Law	14.1%
Mathematics, statistics, or actuarial science	10.1%
Medicine, public health, health sciences	6.1%
Teaching or education	4.0%
History, Egyptology, archaeology	3.0%
Religion, theology, religious studies	1.0%
Social science	5.1%
Other (please specify)	31.3%
Unknown	18.2%

2-C-Main skills and characteristics most needed

Businesses were also asked to rate the importance of the skills they look for when hiring new employees.



3-How can industrial park management assist in providing trained labourers to the companies in the park?

3-A- Stimulating employer involvement in TVET provision: private stakeholders should be effectively involved in shaping the conditions for skills development and technical vocational education and training. The government is highly encouraged to create favorable environment for private sector engagement in TVET delivery, specifically looking at opportunities to institutionalize the cooperation between private and public stakeholders in the integration of learning and working at the workplace

3-B- Increased commitment and awareness

of the positive impact on training and skills development on total productivity and profitability of the firm

3-C - Frequent Labour market research to be able to pinpoint the needs of the labour market and the available skills.

3-D- Building good employee- employer relationships , of setting clear targets and goals of training as well as continuous monitoring and evaluation to make sure training plans are responding to the firm's as well as employees 'needs.

3-D- Ensuring a flexible training system with a focus on quality , providing meaningful incentives and creating clear pathways for continued learning .

3-E- Governments should incentivize, recognize good practices and communicate effectively with media about good practices of private sector engagement in providing training and skills development.

4-How can industrial park management assist in improving other elements of Decent Work in the park?

4-a- What do we mean by decent work:

- ***Productive and sustainable jobs*** that preserve workers dignity at work
- ***Generate adequate (rather than Low) value added***, and generate adequate (rather than low) income.
- Provides adequate ***social protection***,
- Allows for an ***appropriate balance bet. work & family*** responsibilities;
- Creates prospects for ***personal development and social integration***.
- ***Protects health and safety of workers at work***,
- ***Equality of opportunity*** and treatment for all men and women
- Provides an adequate level of ***dialogue and consultation*** bet. government, employers and workers to ensure that workers voice is well heard.

4-b Results of the interviews with private sector firms in the first industrial zone- North west Suez Gulf. Seven firms operating in Concrete products, Iron and Metal industries, Ceramic, Vehicles' making and Fertilizers

- Average weekly working hours ranged from 40-42 to 48 hours
- None of the interviewed firms employed children below 14 years.
- Most of interviewed firms offer their workers contractual protection
- Most interviewed firms have shown attention to provide training opportunities to their employees.
- All of the interviewed firms offer their workers: Medical Insurance, meals, transportation facilities, ordinary as well as sick leaves
- Most interviewed firm have the needed regulations and equipment to ensure the safety of the workplace (Masks, gloves, protective shoes, protective eyeglasses, fire extinguisher, Filters).

Main points of weaknesses:

- *minimal share of women representation in the firm.*
- *Limited membership in collective bargaining and negotiating frameworks*

Section Three: Labour Force: Other elements of Decent Work in the Industrial Park?



<i>Better Health Care</i>	<i>Support for the disabled</i>	<i>Livelihoods approach</i>
<ul style="list-style-type: none"> • Extend the unified national health insurance scheme to all residents where private sector makes contributions (for ex. co-payments). • Upgrade Emergency services to help improve the response to industrial and other accidents; • Routine check-ups at employment; • Recruitment of service providers locally to create relationships at community level. 	<ul style="list-style-type: none"> • Ensure that disabled persons are able to obtain work in the new industries in the area • Offer ‘care in the community’ services for disabled people through training of health visitors that can provide care and train family members in how to care for disabled people. 	<p>Upgrading local communities to ensure sustainability.</p> <p>Integration of the unplanned areas through the provision of adequate housing alternatives that cater to the diverse social groups, while tackling issues of social exclusion and marginalization.</p> <p>In the case of relocating local communities, a scope of integration needs to be adopted to ensure effective participation of civil society, as well as minimize the possibility of resistance.</p>

4-D-Decent work initiatives by the private sector: what lessons to be learnt??

- By 1992 Nike formulated a code of conduct for its suppliers.
- Capacity building and training for suppliers Safety, Health, Attitudes of Management, People Investment and Environment program
- Introducing more cooperative auditing approaches focusing on integrating labor compliance initiatives with core business processes, building mutual trust between Nike and the individual suppliers, spreading best practices in management and organization and providing technical assistance for suppliers