

# Working on Egyptians' Skills



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## Outline

- The Egyptian Context
- Private Sector, Public Sector & Civil Society Organizations (CSO's)
- Is there a need for TVET?
- Is there a need for Certification?
- Current efforts
- Challenges & Potential

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## Immediate Returns vs. Growth

CFO asks CEO: “What if we invest in developing our people & then they leave us?”

CEO replies: “What if we don’t & then they stay?”

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## The Egyptian Context

- 33% of Egyptian population 15 – 29
- Unemployment 12%
- 80% of unemployed 15 – 24
- 57% rural
- Growth in working age population 2.1%
- 790,000 entrants/yr
- High adult illiteracy

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## The Egyptian Context

- 600,000 univ graduates per year competing over 200,000 new jobs created annually
- 27% of new entrants obtain formal employment on first job (40% in 1980)
- Number of informal wage workers doubled between 1998 & 2006

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## The Egyptian Construction Sector

- Highly fragmented
- Approx. 8% of workforce, 4.6%\* of GDP
- 957,000 (1996)  1.65 M (2006)
- Skills shortages
- Informality
- Low productivity

\*Erratum: Was erroneously typed as 8% during talk on 17/9<sup>6</sup>



## TVET in Egypt

- Supply-driven & highly centralized
- Apprenticeship highly informal (Capitalize on strengths & improve)
- Limited involvement of Private Sector
- Almost completely school-based with little space for practical application
- Trust issues (lack of)
- No attention to environmental issues
- Poor safety standards

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## SME's (70% of Employment)

- Prefer to invest in equipment, **not training**
- Carry out informal & limited skills training (focused on SME's operation)
- Don't participate in technical development
- Mainly contribute to the micro economy
- Unable to provide internationally-required quality & reliability
- ... Consequently many fail to be part of the supply chain of larger &/or exporting industry

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## Problems Facing Private Sector

What does Private Sector have problems with (skilled workers):

- Carpenters (57.3%);
- Plasterers (50.7%);
- Bricklayers & blocklayers (48.6%)

ETF, 2011, "Skills Matching for Legal Migration", Italian Cooperation Agency – European Training Foundation

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## So it's a Social Issue?

*"Problem with labour market is social. Students go to vocational school having in mind that they want to **do something else** after graduation & don't want to join the blue collar work force"*

*Mohammed Hanno*

*Board Member, Alexandria Businessmen Association*

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## Agreements vs. Implementation

In 2005 Italy & Egypt signed an agreement establishing standards & regulations with the intent to manage the flow of Egyptian labour to Italy, allowing an annual quota of approximately 8,000 Egyptians to work in Italy

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## Why PPP for TVET?

- **Private Sector** knowledge of skills needed & problems with exiting workforce, \$\$
- **Public Sector** Create environment conducive to PPP's; linking development activities on a strategic level; standardization accreditation
- **CSO's** deep understanding of local community & its needs; ability to gather community support & commitment

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## Requirements of Success for PPP

- Political support
- Clear vision & transparent governance
- Voluntarily selected alliances
- Equal footing among partners
- Specific theme(s)
- Willingly working together with other sectors in harmony
- Common & achievable objectives
- Joint responsibilities & risks

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## MKI: Strengths\*

- Innovative model for true voluntarily-selected partnerships
- Clear & identified objectives
- Enhanced TVET quality
- Investors' trust
- Contribution to human resource development & mitigation of unemployment

\* MKI: Mubarak – Kohl Initiative<sup>14</sup>

## MKI: Weaknesses\*

- Limited number of students admitted
- Subject to ad-hoc agreements (no specific legal framework)
- SME's not included
- No clear career paths for graduates
- Informal apprenticeship system not integrated
- Strategic dimension not clear
- CSO's not included

\* MKI: Mubarak – Kohl Initiative<sup>15</sup>

## Politically Sensitive Issue

*“I would argue that there is no reason to continue with free public education at the university level; or at least it should be more selective. Beyond that we need to shift the resources towards vocational education & organize employment schemes to help align graduates with jobs in the private sector”*

Dr. Magda Kandil, Dir of the Egyptian Centre for Economic Studies (ECES)

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## Summary & Conclusions

- Urgent need for accredited & universally-accepted certification
- Build capacity of SME's & encourage on-job training
- Integrating TVET methods with traditional training methods
- Prv & Pub Sectors & CSO's have roles to play
- Address social dimension (awareness raising)
- Big part of solving problems with unemployment..... Sustainably!

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## Want to Know More?

- Central Agency for Public Mobilization & Statistics website (Egyptian official source of annual statistics) - English:  
<http://capmas.gov.eg/?lang=2>
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