



International
Labour
Organization



رَوَابِط
RAWABET



NORWEGIAN MINISTRY
OF FOREIGN AFFAIRS



► Ready Made Garments Sector

Egypt Youth Employment: Jobs and Private Sector
Development in Rural Egypt (RAWABET)

June 2023

► ILO EYE RAWABET:

**Contributing to rural development
in Egypt through addressing
decent work deficit along
the RMG value chain**

**The International Labour
Organization's (ILO) project Egypt
Youth Employment (EYE):**

Jobs and Private Sector Development in rural Egypt (RAWABET) is a 5-year Norway funded project running from 2017 to March 2023 and implemented in partnership with the Egyptian Ministry of International Cooperation, with the aim to promote decent jobs through the development of private sector serving rural areas.

IDENTIFICATION, RESEARCH, AND INTERVENTION DESIGN

1- Selection of Sector/ Value Chain

The project has identified in its early year of operation the dairy value chain to support. During the period of 2020-2021, following COVID-19, building on technical consultation meetings with the project stakeholders and development partners, three manufacturing sectors were prioritized for support for their potential of growth, to serve rural communities and have a relatively clear supply chain to develop: Furniture, Ready Made Garments (RMG), and White Goods. It was, however, necessary to verify and

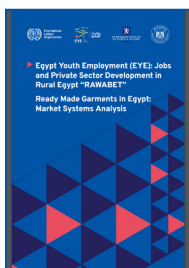


confirm the eligibility and relevance of the subsector to the project's scope, timeframe, and design by running a sector selection exercise. Hence, a rapid market (RMA) assessment was conducted for sector selection, and the RMG sector was the second potential sector to address in terms of relevance to the project's target groups.



The RMA study showed the feasibility and potential of the ready-made garments as the 2nd selected sector within EYE RAWABET Value chain. The project intervention was implemented during 2022, as the growth opportunity was clear after resuming the contracting orders within the global supply chain after the lock down of COVID-19.

[Click here for the Sector Selection Study](#)

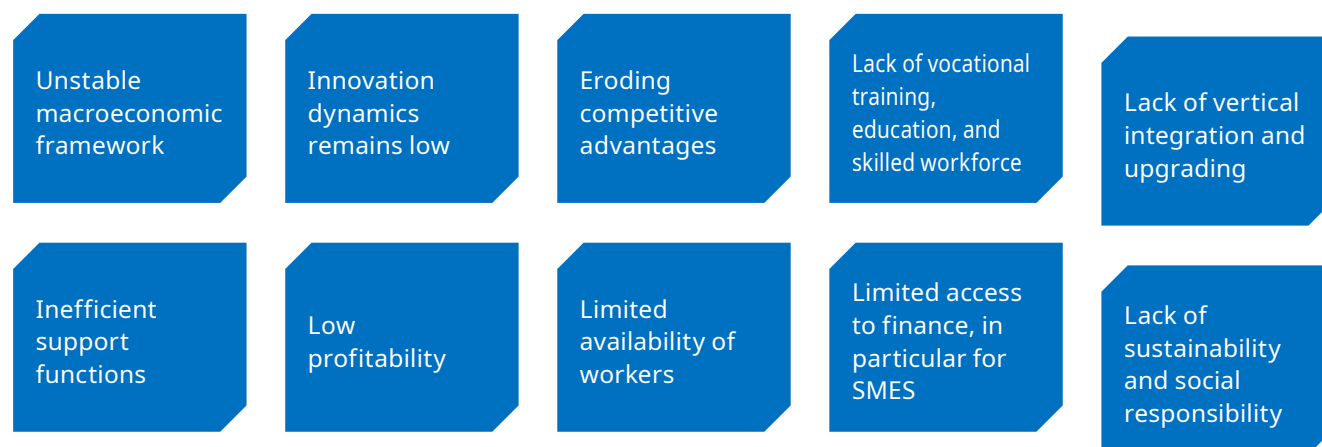


2. Market System Research and Analysis

Later, the project conducted a Market System Analysis (MSA) with the objective of generating a deeper understanding of the RMG value chain to identify the nature and magnitude of decent work deficits based on gender, the root causes of constraints hindering the sector's performance, and to assess the stakeholders' willingness and capacity to address such constraints and identify the opportunities for interventions by the projects.

[Click here for the Market System Analysis Study \(RMG MSA\)](#)

► SYSTEMIC CONSTRAINTS



The MSA included the below findings:

To enhance the performance of the companies working in the RMG factories, the MSA study recommended working on three main pillars:

- Raising awareness of the workers with Labour skills and rights through providing trainings on some skills such as soft skills, occupational safety, and Health (OSH), right and duties at work, work ethics, labour law skills, quality assurance and productivity, in addition to supervisory skills trainings that decreases the turnover rates.
- Enhancing access to knowledge about market information, including preferential free trade agreements, finding suppliers (sourcing), market trends and untapped opportunities, and marketing. This includes information for vertical and horizontal integration between the RMG industry and other relevant industries.
- Sustainability and social compliance: Cooperating with partner institutions to improve SMEs social compliance to enhance their linkages with the global Supply chains as well as providing management training to middle management as well as sharing best HR practices

3- Intervention Model Design

EYE RAWABET project designed the interventions with an integrated approach, in cooperation with BWEG programme, targeting 16 RMG factories serving rural communities. Since improving the business performance through Better Work Egypt (BWEG) programme that supports enhancing their social compliance which increases linkages with global buyers, EYE RAWABET provided more support this year through improving business practices, which make them a better workplace capable to grow, employ new people, and retain workers.

4- Implementation of Intervention

To address the problems highlighted and the recommendations raised in the MSA Study, the project designed an integrated approaches as follows:

Support SMEs and enhance their business performance through providing capacity building trainings using ILO's training tools that support the needed results:

a. IYB: Improve Your Business programme

Improve Your Business (IYB) is a management training programme for owners and managers of small enterprises who want to sustain their businesses,

increase sales, and reduce costs. It addresses the core question of how to improve the performance of your business. IYB is a part of Start and Improve Your Business (SIYB) training package addressing local small and medium entrepreneurs in developing countries that is supported by a set of six manuals (marketing, costing, buying and stock control, record keeping, planning for your business, and people and productivity).

To build the capacities of the SMEs' management, EYE RAWABET project offered ILO's "Improve your Business" programme to 16 SMEs operating in the Ready-made Garments sector, 3 of them showed interest to benefit from this support from EYE RAWABET project. A needs

assessment was conducted with each enterprise separately, the interviewed companies varied for their need for improvement from weak to needs improvement for (Marketing (M), Costing (C), Buying & Stock control (B&S), People & Productivity (P&P) and Planning for your Business (PB)). They were all good in record keeping (RK), which was excluded from the workshops.

During the training, each company suggested the main areas of improvement per each module and drafted improvement plans. Afterwards, the IYB trainer conducted 2 – 3 counselling follow-up visits for each enterprise. The improvement plans amounted to 23 plans and their implementation status is as follows:

► **Figure 1: IYB Training for RMG SMEs' results (as of February 2023):**

	IYB Module	No. of completed Improvement plans	On-going improvement plans
1	Marketing	-	1
2	Costing	3	2
3	People & Productivity	6	-
4	Buy & Stock Control	4	-
5	Planning For Your Business	3	4
	Total	16	7

Social compliance is a key pillar in the partnership with BWEG. Accordingly, BWEG conducted social compliance assessments for the targeted 16 enterprises that serve more than 15,000 female and male workers across 8 rural governorates in Egypt, including: Behira, Sharqia, Fayoum, Ismailia, Beni Suef, Giza, Minya, Menofia.

Along with the BWEG programme to improve social compliance at the RMG factories, the IYB programme supported some enterprises to improve its performance, and planning for their business which allowed the SMEs to increase their capacity to retain workers, and paved the way to implement the 3rd programme: the training for Employment, which is a job placement scheme that aims to allow job seekers in rural areas an access decent work opportunity by providing them with necessary training to help them acquire required skills (soft skills) to assume relevant jobs in line with the specifications of employers in selected sectors.



b- Improve business performance (social compliance and linkages with global buyers (BWEG):

Social compliance is a key pillar in the partnership with BWEG. Accordingly, BWEG conducted social compliance assessments for the targeted 16 enterprises that serve more than 15,000 female and male workers across 8 rural governorates in Egypt, including: Behira, Sharqia, Fayoum, Ismailia, Beni Suef, Giza, Minya, Menofia. The main results are:

- ▲ **420** workers received OSH training, as a result, chemicals and hazardous substances assessment findings declined by **71%**, emergency preparedness assessment findings declined by **60%**. Accordingly, workers protection and safety in the workplace increased to be **67%**.

▲ 420 WORKERS RECEIVED OSH TRAINING

- ▼ **239** OSH system finding reduced to be **128** finding (**54%**).
- ▲ Workers' awareness of how to safely store, handle, and use chemicals increased by **71%**.
- ▲ Workers' awareness of emergency preparedness to implement fire safety plans, as well as their ability to do so, increased by **60%**.
- ▼ 99 HR system findings reduced to be 70 finding (71%).
- ▲ Factories improved in the area of overtime calculation and compensation, as evidenced by **72%**.

c- “Training for Employment” programme that support the needed results

The “ Training for Employment” programme is a job placement scheme that aims to allow job seekers in rural areas an access decent work opportunity by providing them with necessary training to help them acquire required skills (soft skills) to assume relevant jobs in line with the specifications of employers in selected sectors.

 **380** **JOB SEEKERS WERE TRAINED AND PLACED IN TWO OF THE RMG FACTORIES**

In that sense, EYE RAWABET project succeeded to train and hire **380** job seekers in **2** of the RMG factories through the following support:

On the level of HR management:

The project worked closely with the 2 enterprises to determine the right profiles for candidates and agreed upon the necessary actions to be taken to fulfil their needs of demanded labour, the results are as follows:

1. The employers were committed to issue a contract of one year to successful candidates, along with required social and medical insurance coverage.
2. EYE RAWABET Project persuaded some of the enterprises to maintain the minimum wage, beside adding some bonuses and incentives based on performance, beside the medical and social insurance.
3. The programme resulted in supporting the employment process in the various enterprises to raise their efficiency and improve their HR practices so that they can follow this methodology afterwards while implementing the new work procedures. As at the beginning there was a proper planning for:
 - a. Defining the number of vacant jobs.
 - b. List of required training topics and outcomes produced by a comprehensive Training Needs Assessment (TNA).
 - c. A matchmaking process cycle conceded to by the HR Manager.

On the level of labour:

The training for employment modules included:

1. Communication skills
2. Occupational safety and health
3. Workers' duties rights.
4. Loyalty, vision.

On the level of Supervisors:

Training of line productions' supervisors, within the enterprise, was also part of the training package to enable and enhance the competence of a group of supervisors of personal and professional skills that support the working environment and productivity, as well as to address all the issues that may be the reason to the high levels of workers turnover. Throughout the project, a total of 396 supervisors were trained.

Supervisor Training Topics

- a. personnel, behavioural and workplace attitude.
- b. Effective Communication
- c. Leadership and Supervision
- d. Maintaining Dialogue and Enabling Problem Solving
- e. Support and Motivation

 **161** **TRAINING OF SUPERVISORS**

A total of **161** supervisors and potential supervisors were trained in **16** of BWEG factories, with **55%** of them being women, reflecting on the factories' female supervisors. As a result, female employment increased to **79%** of total factory workforce in one target factory responding to the supervisory skills training (SST).



Through the implementation of the EYE RAWBET Project, RMG intervention, the National Stakeholders were deeply engaged to follow up on the implementation, seek their recommendations. Entities such as Egyptian ready-made garments and textiles Chamber (ECAHT), followed up on the implementation and cooperation with BWEG programme. It was consulted to recommend some RMG firms that might be interested to benefit from the Training for Employment programme.

The overall results of implementing “Training for Employment” programme in the RMG sector can be summarised as follows:

► Figure 2: “Training for Employment” programme results

Data	Figures
Training of supervisors in BWEG 16 enterprises	161
No. of workers trained and placed in decent jobs in 2 enterprises	380

Cooperation with ILO constituents and national stakeholders:

ENGAGEMENT WITH NATIONAL STAKEHOLDERS

Seeking recommendation and follow up on implementation.

INFORMATIVE SEMINARS

Held an industrial seminar on freedom of association and collective bargaining attended by 17 participants from RMG companies and the TU committee member in Ministry of Manpower, aiming to familiarize employers and workers with their right to associate according to the international labour standards and national law.

