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Impact of skills training on Nepali workers going to the GCC

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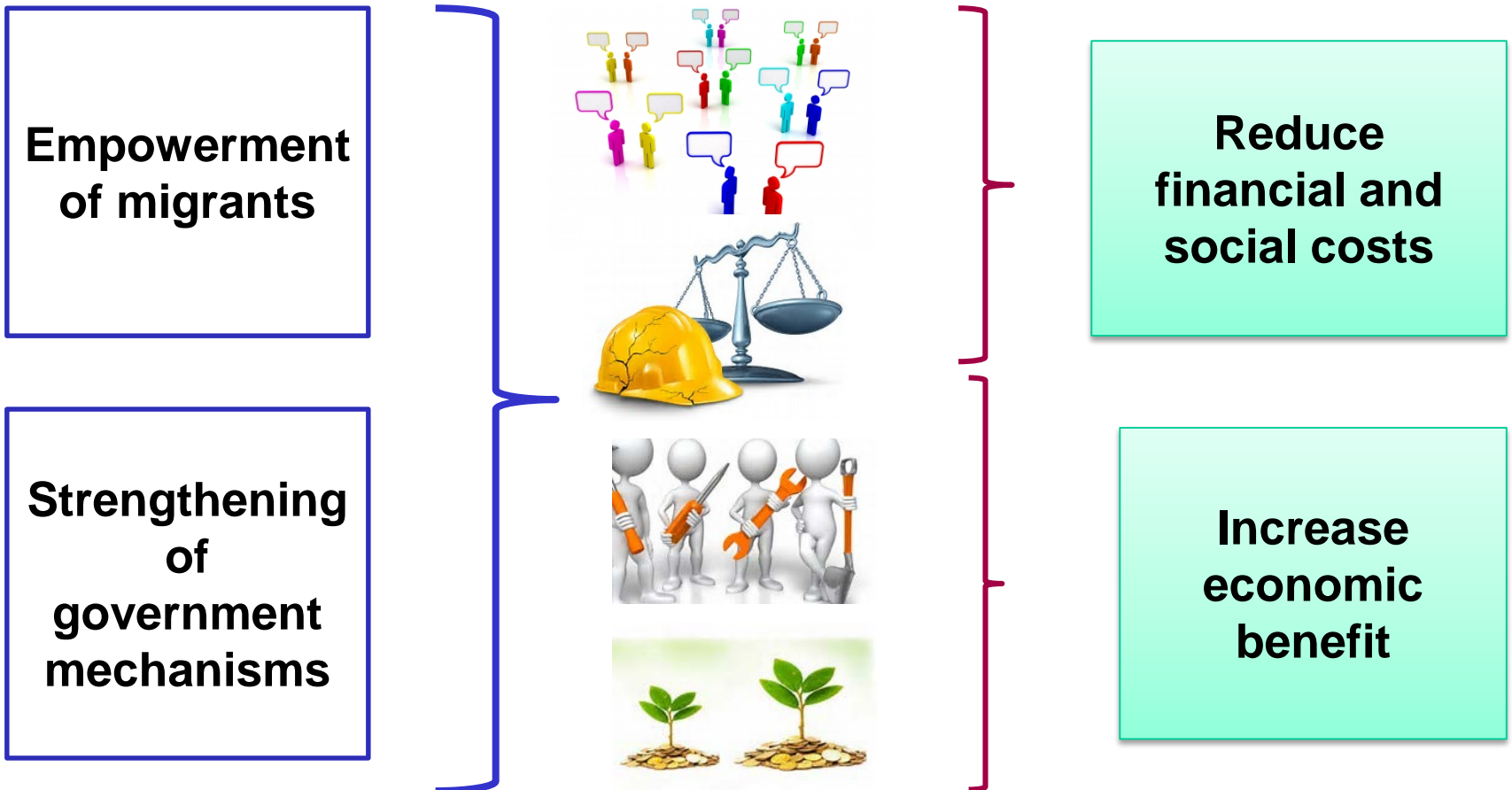


Outline

- Safer Migration: Project set-up and vocational training objectives and modalities
- Results of tracer study to assess effectiveness of training for migrant workers
- Training set-up and its implications on effect of training
- Conclusions



SaMI – Safer Migration Project 2013 - 2018





Objective of skilling migrants

- Better employability (access to job, retaining of job)
- Better salaries than general labour

- Better prepared for migration
- Reduction of pre-departure costs



SaMI - Skilling migrants

- **Based on Swiss experience:** SaMI connects to Swiss experience in skills sector in Nepal (short courses, results based financing)
- **Occupations:** mason, shuttering carpentry, scaffolding, plumbing, electrician
- **Curricula:** developed in collaboration with a consultant who developed occupational profiles for KOSAC
- **Duration:** 1 month
- **Certification:** by project
- **Number of trainees:** 4'145 between 2013 and mid-2016



Result-based financing

- **Training providers:** private companies selected through tender process
- **Result –based financing:** Full payment for TP only if trainee obtained employment contract in trained occupation. **Employment rate: 75%**
- **Modality tested in domestic market:** TP is forced to train relevant, marketable skills. Employment rate after 6 months: over 80%; after 3 years: 70%



Result-based financing of trainings for foreign labour market

- **Linking trainees to employment:** TPs collaborate with recruitment agencies to place the training graduate
- **TP becomes sub-agent:** Recruitment Agency sends employer representatives to TP for testing trainees; TP ensures contact between RA and worker until departure
- **SaMI's conditions:** Upper limit of pre-departure costs; minimum salary; same occupation; TP involved by SaMI in case of problems.
- **SaMI's risk:** to become associated with unfair practices of recruitment agencies



Tracer Study 2016 – Purpose and Methods

■ Purpose

- ✓ Understand effects of training

■ Methods

- ✓ **Focus on electrician helper, plumber helper and scaffolders.** 1'636 scaffolders, electrician helpers and plumbers were employed in this period and 1'318 of those in UAE/Qatar
- ✓ **Questionnaire to 100 workers in UAE and Qatar** (phone interviews);
- ✓ **Interviews with stakeholders in UAE** (employers, training centers, authorities)



Value of training from workers perspective

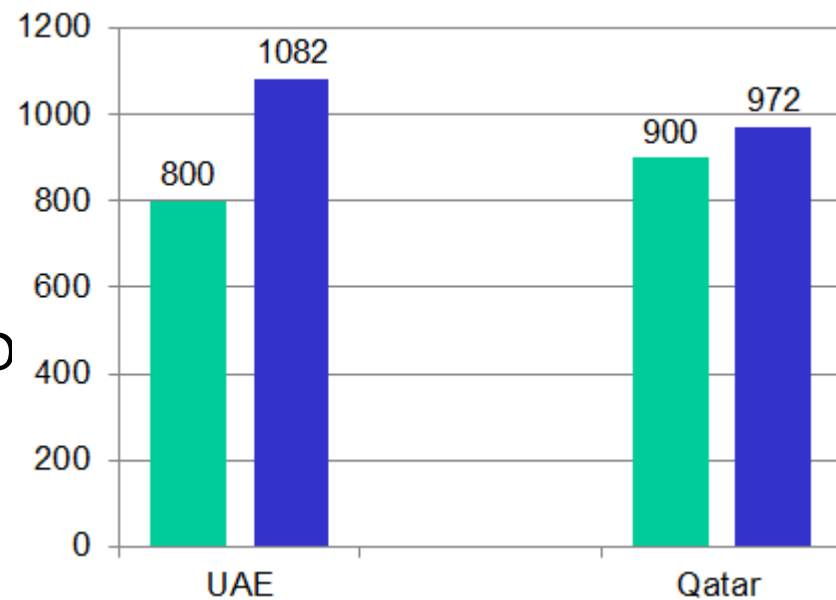
■ Feed-back from workers

- **Relevance of training content:** 86% scaffolders found all content relevant while 50% electricians found all content relevant and 33% found some of it relevant.
- **Tests in destination countries:** 20% had to pass a test after arrival. 100% scaffolders passed; 80% electricians passed
- **Qualitative feed-back:** 90% rated trainings as useful; increased confidence; provided basis for picking up additional knowledge faster; passing tests, moving up etc.



Effect on salaries

- **Official minimum salary** set by GoN for UAE is AED 800 (USD 218) and for QAR 900 for Qatar (USD 245)
- **Average salaries:** AED 1'082 (USD 295) in UAE and QAR 972 (USD 266) in Qatar
- Salaries highest for electrician helpers (AED 1'107) and lowest for scaffolders(AED 977)





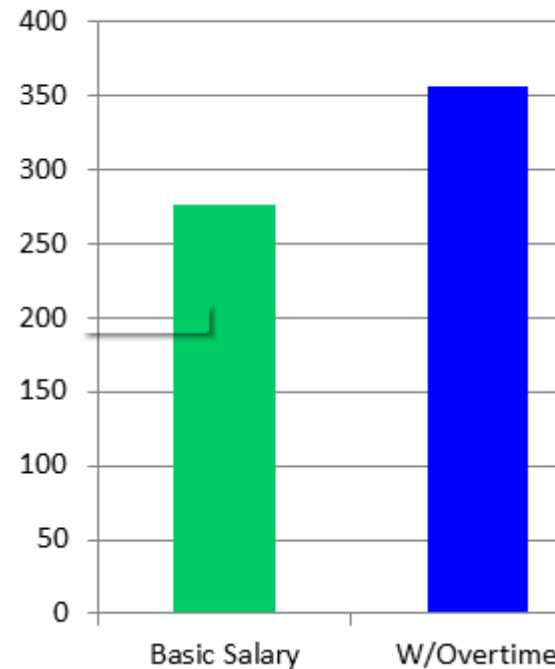
Overtime

- How often did you work overtime?
 - ✓ Always – 65%
 - ✓ Sometimes – 31%
 - ✓ Never – 9%

Basic salary: USD 276

Salary w/overtime: USD 352

Overtime increases salaries
by 28%





Return on investment

- **Pre-departure costs paid to recruitment agents:**
Average NPR 58'000 (USD 580) – (GoN: USD 700)
- **Return on investment:**
 - Cost of training: USD 350
 - Additional salary for 24 months: USD 1'084

Training resulted in employability, higher income, lower pre-departure costs and better preparation



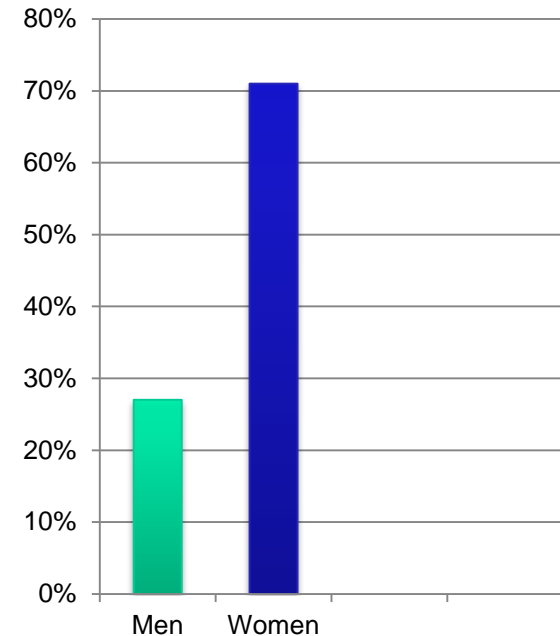
Effects of abolishing result-based financing

- **Delinking training and placement** in 2016 after change of policy in Nepal
- Tracking in 2017 to compare with linked graduates :
 - **Labour permits** issued for 36% of graduates only (vs. 75% before)
 - **Salaries:** QAR 800 (USD 245) if not in occupation that was trained; QAR 950 (USD 260) if in trained occupation
 - **Pre-departure costs** paid to recruitment agencies considerably higher; additional costs (several times travel to KTM, additional medical test)
- 45% found to be working in Nepal, often not in trained occupation; average salary USD 150



Foreign employment rate

- Women are only trained on demand
- Reasons for low departure rate of men:
 - Recruitment agents give preference to candidates that come through sub-agents
 - Salary offered was below QAR/AED 900
 - Recruitment costs were too high





Conclusions

- Training alone does not lead to higher salaries and better employability
- Reintroduce results-based financing in the interest of the training graduates and in spite of concerns regarding practices of TPs/recruitment agencies
- Work towards training on demand
- Testing and certification to ensure training quality and to provide a more objective basis for salary discussions
- Systematic tracing and Randomized Controlled Trials