

A case study of labor-based contractor training in Egypt

The Egyptian Social Fund For Development, The Public Works Program

The Economic Reforms and Structural Adjustment Program (ERSAP) adopted by the Egyptian government and sponsored by the World Bank, in the early nineties, necessitated the establishment of a social safety net to mitigate the effects of its implementation. The Social Fund for Development (SFD) with its five diverse programs: (i) The Small Enterprise Development Organization, (ii) The Community Development Program, (iii) The Public Works Program, (iv) The Human Resources Development Program and (v) The Institutional Development Program, functions as one.

The SFD was established by a presidential decree in 1990, it started its actual operation, however, by late 1992. It enjoyed the contribution of eighteen different donors committing a total of US\$737 million during its First Phase 1992-1996. During that period SFD functioned primarily, according to its mandate, as a safety net. After its successful accomplishments during its First Phase, the SFD was extended for a Second Phase 1997-2000 with a contribution of US\$692 million from fourteen donors. About half of all funds committed during Phases I and II are grants and the other half are loans. During its Second Phase the SFD shifted its role from a safety net to more of a local development institution responsible for the well being of the Egyptian rural poor and unemployed.

The Public Works Program (PWP), as one of SFD's core programs, aims at generating employment opportunities for the increasing numbers of Egyptian youths by investing in labor based public works projects. Thus creating, on the one hand, temporary jobs for skilled and unskilled labor during implementation and, on the other hand, long term employment through operation and maintenance activities. The byproduct of such capital investments, which are all funded through grants, is the improvement of basic services in rural areas and low-income urban sectors where deprived and vulnerable target groups are concentrated.

The SFD's mandate shift, required its programs, including PWP, to capitalize on its service delivery system rather than its role as the primary financier of infrastructure projects in rural Egypt. The aim of the PWP, during SFD's Second Phase, has been to institutionalize its services and make them more sustainable and responsive to the needs of the communities it serves.

In an attempt to recognize the labor-based concept as the infrastructure project implementation method of choice, PWP

sought funds from The Danish International Development Assistance (Danida) to train local youths to be labor-based contractors. This is envisioned by relying on the ripple effect of those contractors spreading the word, after their graduation, and adopting the concept in implementing other infrastructure projects, perhaps funded by other sources. Also by replicating the training module several times to cover all geographical areas within Egypt, and perhaps in the Middle East region and African continent to help introduce the concept to countries suffering from unemployment and poverty.

The following is a brief account of the labor based contractor training in Egypt:

INTRODUCTION

Since the PWP is aiming at institutionalizing the concept of labor based construction in rural Egypt, it agreed with Danida to commit funds to launch a nationwide program to train small contractors to implement and maintain public works projects using labor based methods. Utilizing Danida's funds in cooperation with a Danish technical assistance Consulting Team, the PWP commissioned the services of a local Training Firm to train 150 candidates in nineteen governorates, geographically divided to serve all regions, to become labor based contractors. The training module is divided into three batches, using theoretical and practical methods, during a two-year time frame, each batch for a term of ten months. When completed, small labor based contractors will be available in rural Egypt to efficiently maintain and implement social infrastructure projects, and to also employ and train other workers on the utilization of labor based methods. In addition to the small contractors, selected local public officials, along with local Civil Society Organization (CSO) leaders are also being trained. To help indoctrinate this concept even more, the PWP is also training 30 established contractors to enhance their capabilities in utilizing labor based methods and to forge an apprenticeship with the small scale contractors.

CONSULTING TEAM

In cooperation with the SFD, Danida is funding several projects with the Community Development Program and the PWP including the contractor training module. Since 1998 Danida commissioned the services of a Danish consulting firm to supervise its SFD-funded projects, and provide the necessary technical assistance. The PWP selected a labor based technical consultant to be on the consultants' team, in order to draw on his experience and background during the formulation, design and implementation of the project. The PWP also insisted on including a qualified local engineer as a member of the team, to work closely with the expatriate consultant to transfer the technology and know-how of labor-based means and methods. Both individuals have since formed a Technical Assistance for the SFD (TASFD) that is

instrumental to the success of the project. They both work in synchronicity, where the expatriate member provides the knowledge and the local member offers the necessary adaptation and cultural emphasis. The both manage the day to day progress of the project under the guidance and supervision of the PWP management.

TRAINING FIRM AND SUSTAINABILITY

The PWP is considered the lead local institution that pioneered the concept of labor based construction in Egypt. It has done this initially through the enforcement of its guidelines and subsequently through beneficiaries believing in the benefits reaped by such enforcement. Because the PWP has the intention to institutionalize the labor based concept within Egypt and the region, it strives to replicate its experience by creating and supporting local expertise in that field. This is why it opted for commissioning the services of labor based contractor training to a local Training Firm. Albeit that local firms might not have the sufficient technical expertise and know-how to carry out a training of that magnitude as desired, the PWP took the decision to do so in order to indoctrinate the labor based concept within its local parameters. The local Training Firm along with PWP often commission the expertise of international labor based consultants, on an as needed basis, to work on the project for short term consultancies in order to provide objective criticism to its direction and buttress the experience of the local Training Firm. A workshop was recently held under the supervision of one of those consultants to group all the project's stakeholders in a twoday session. This was scheduled at the final stage of training and prior to the start of the trial contracts of Batch I. The goal was to assess the accomplishments so far and the direction adopted to attain such accomplishments, furthermore, the reformulation of the training immediate objectives based on what has been accomplished so far. This workshop also helped in redefining the developmental objective of the project. Similar interventions are planned to take place during the course of the project to continuously realign its position. By the end of the project, the PWP expects to have graduated 150 contractors well versed in the field of labor based construction. It also hopes to have a local institution that is ready to replicate the training with other candidates on a sustainable basis.

NUMBER OF TRAINEES

According to the funds available from Danida the PWP decided to train 150 candidates to be small labor based contractors in addition to 30 established contractors. The small contractors were selected randomly, based on predetermined criteria and the results of written tests and oral interviews, from candidates who applied for the program, some are university graduates others are graduates of technical schools. The established contractors are

ones that have been previously awarded PWP funded projects and performed them satisfactorily. The 150 small contractors were divided into three batches to be trained over a 24-month period, each batch is of a duration of ten months each. The three batches serve three geographical areas, the first has one venue and serves two governorates, the second hosts two venues and serves eight governorates while the third will work with three venues to serve nine governorates. The fact that the training is divided into three batches allows the opportunity to take corrective actions during the course of its delivery. Two additional reasons dictated this number: (i) the coverage. The project aims at training sample candidates in 19 governorates all over Egypt, and; (ii) the variety. The project intends to train candidates in the types of infrastructure projects that the PWP implements.

TYPES OF TRAINING

The PWP is funding the implementation of several types of social infrastructure projects. During each ten months' training module, trainees will first be exposed to the theoretical aspects of labor based construction followed by the practical ones. Each batch will go through both parts on a general basis; then subgroups will be formed to cater to the various infrastructure types. Based on their particular interest, candidates will form subgroups that are then trained on a particular type of infrastructure: potable water, wastewater, the environment and roads. This organization of the training module avails opportunities for the trainees to specialize in the type of infrastructure labor based construction that they prefer, and which is prevalent in their respective geographical area, in addition to having the overall theoretical and practical aspects of labor based construction in general. This scope covers all of the necessary technical aspects of the training. Other aspects such as administrative, financial, managerial and entrepreneurial are also covered in each training module. The core basis of the theoretical syllabus are the IYCB (Improve Your Construction Business) books of the ILO that have been completely translated into Arabic.

ESTABLISHED CONTRACTORS

In order not to miss on the opportunity of training all contractors currently implementing PWP projects, the PWP chose to include a selected group of established contractors to be taught the same syllabus, but under different conditions. A group of 30 contractors chosen from the 19 selected governorates, are attending similar condensed sessions tailored to their needs, which include encapsulated dose of what is being taught to the small contractors group. This is done to bring established contractors up to par with the newly trained candidates and to cross the gap between the knowledge of both parties. Such condensed sessions are also attended by selected small contractors to benefit from the established contractors' questions and insights. After attending

the introductory part of their training, the projects of the established contractors act as venues for the practical on site training of the small contractors. This method creates a partnership of apprenticeship between the established contractors and the new ones. Furthermore, prior to their graduation, the small contractors are allowed to bid on a project under the guidance and supervision of one of the established contractors.

MODULE DESIGN

It has been clear that the adaptive design of the training module lends itself to its progressive structure. To emphasize the mixture between theoretical and practical aspects and the variety of technical specialization, candidates attend improvised on-site classrooms to reinforce the theoretical/practical aspects of their training. This allows them to learn in the field and practice simultaneously what they are being taught. Trainees are also given the opportunity to be coached to bid for an actual job, under the apprenticeship of one of the established contractors, within their respective line of interest. During this trial contract, mistakes are picked up and corrected under the supervision of the local Training Firm and the designated established contractor. This allows a hands-on experience for the trainees that is, in most instances, their first encounter with the world of contracting. Furthermore, prior to their graduation, trainees are allowed the opportunity to bid for another job in an open bidding process - also for PWP-funded projects - to practice what they have learned and the mistakes they have previously made and corrected. Profits are expected to be made by each trainee on these latter contracts. Trainees may obviously keep their earned profits to help them bid, on their own, on future jobs.

The PWP is currently negotiating plans to help register the successful graduates in the National Contractors' Union and hopefully assign them as subcontractors to some of the large local contracting firms, thus, paving the road to their future success as entrepreneurs specialized in the labor based construction field.

As previously mentioned, PWP adopted the contractor training idea in order to help institutionalize the labor based concept in Egypt and hopefully in the region. It is apparent that such a decision was taken in favor of a sustainable developmental effort to combat poverty and unemployment. PWP sees that training is the proper vehicle to set a solid basis for a labor based culture and simultaneously building up local capacity to support it. It also sees the diversification of its training in various infrastructure project types, to match its fields of funding, as a distinctive criterion that singles this project out as a unique effort to indoctrinate the labor based concept. PWP wishes, after the proven success of its contractor training efforts, and its efforts in adapting and authoring original material in that field, to act as a beacon in the region for further and similar training that aim to serve the same developmental objectives