



BetterWork
Egypt

Annual Report



International
Labour
Organization



IFC

International
Finance Corporation
WORLD BANK GROUP

2020 DATA

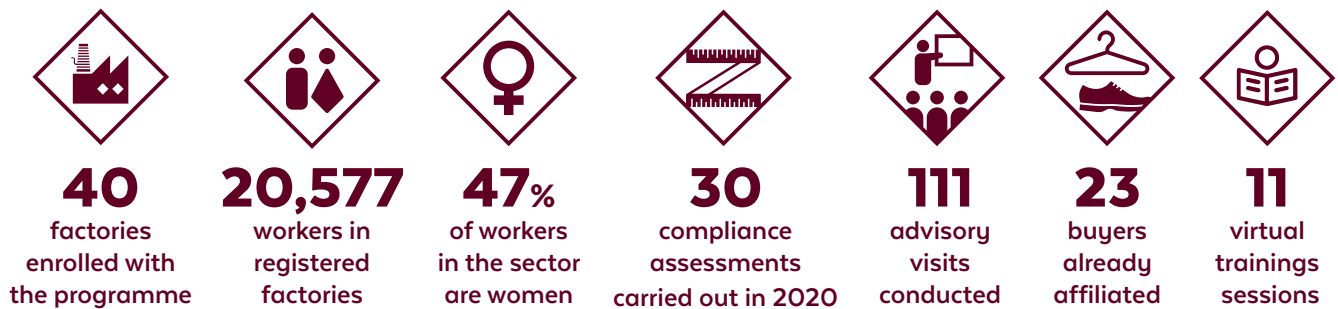
FOREWORD



Egypt

Better Work launched a new country programme in Egypt in March 2020 as part of a broader ILO programme called *Strengthening Labour Relations and their Institutions in Egypt* (SLARIE). Besides the Better Work Egypt component, the SLARIE programme in Egypt has two additional pillars: enhancing mechanisms for inclusive social dialogue and providing technical assistance to Egypt's tripartite constituents – government, employers and workers – to put the new trade union law into practice. The pace of operational set up of Better Work Egypt in 2020 was impacted by the COVID-19 pandemic and the lack of a donor for the programme. Despite these challenges, Better Work Egypt has 40 enrolled factories and is providing services to them.

COUNTRY CONTEXT



Impact of COVID-19 on the garment sector

COVID-19 has had a major impact on Egypt, and repercussions were felt throughout the Egyptian garment sector. A survey conducted by Better Work Egypt among its enrolled factories in 2020 indicated that order cancellations linked to the COVID-19 reached millions of dollars and were forcing companies to reduce their workforce. These losses also impacted several factories' ability to pay workers adequately, including those who have been laid off due to reductions in production.

Partnerships

As a newly established programme, Better Work Egypt's priority was on developing relationships with tripartite partners in Egypt. Employers have shown a commitment to the Better Work model since the country pilot, from 2017 to 2019. The Egyptian government has identified the garment sector as a key priority for the country's economic growth. The wider ILO programme, of which Better Work Egypt is a component, is heavily focused on applying the new trade union law and building stronger and more inclusive mechanisms for social dialogue. Better Work Egypt also partners with a range of other ILO projects.

ILO Approach

As mentioned, the SLARIE programme has three objectives:

1. To promote freedom of association and collective bargaining rights, and implement them in both revised laws and practices;
2. To put in place an enabling environment for sound labour relations;
3. To enable enterprises in the textile and garment sector to make better use of business opportunities due to greater compliance with International Labour Standards (ILS) and national labour laws, higher productivity levels and a more conducive policy environment.

GARMENT SECTOR PROFILE

◆ Egypt's textile industry is vertically integrated, as it includes the cultivation of cotton, production of yarns and fabrics and the manufacturing of a range of garments. Textile and apparel is Egypt's second-largest sector after agriculture.

◆ While the public sector dominates the textile production industry (owning 50 per cent of spinning and 60 per cent of hemming and weaving operations), the private sector owns approximately 90 per cent of garment manufacturing firms.

We are excited by the potential of the ILO's programme to support the development of industrial relations in Egypt and the role Better Work plays. There is now a new opportunity for our tripartite constituents to improve the environment for freedom of association and the ILO is well-positioned to support them to do so. Better Work's contribution is to bring its unique collaborative approach to improving social dialogue, working conditions and competitiveness in the garment and textile sector."

Dan Rees, Better Work Branch Chief

ACHIEVEMENTS



A promising start with 40 factories

Despite the logistical challenges caused by COVID-19, and the lack of donor funding to put a full team in place, Better Work Egypt was able to enrol 40 factories and conduct assessment visits in 75 per cent of these in 2020 with the remaining 25 per cent scheduled for early 2021. Better Work Egypt also performed virtual advisory visits in these factories and trained workers and managers on a range of issues, including COVID-19 preventative measures and various Occupational Safety and Health (OSH) topics, such as general risk management, accident investigation, roles and responsibilities of OSH committees, and fire safety. The ILO's larger SLARIE project also brought significant achievements, in particular to work on developing Standard Operating Procedures (SOPs) for the process of registering trade unions, as well as an analysis of the High Council for Social Dialogue. They aim to revive this national platform for dialogue between its tripartite constituents: government, employers' and workers' associations.



COVID-19 prevention for factory workers

The Better Work Egypt programme was launched on 8 March 2020, just a few days before the airports in Egypt closed due to COVID-19. From the start, the programme had to adapt to the restrictions the pandemic brought about by shifting to virtual delivery of services and broadening its advice and interaction with tripartite partners to help them manage the ongoing crisis. Many factories were allowed to remain open even as most of the country shut down. Better Work Egypt resumed in-person factory visits in August 2020 – with proper health protection – focusing on OSH and COVID-19 safety measures.

ACHIEVEMENTS



PROMOTING GENDER EQUALITY

A gender focus since the beginning

Better Work Egypt is focused on promoting gender equality in the garment sector and will continue to make this a priority in 2021. One key issue that the programme aims to address is sexual harassment, which is a pervasive problem in Egypt's garment industry, as was confirmed through Better Work's direct enterprise-level work. To tackle this and other gender-related issues, Better Work Egypt plans to build on the Better Work Global gender strategy and its four pillars addressing discrimination, increasing women's voices and representation, improving paid work and care, and supporting leadership and skills development. Better Work Egypt has started to adapt this strategy to the Egyptian context, in collaboration with other gender initiatives and partnering with ILO gender projects.



Since 2005, PVH has progressively joined Better Work country programmes as they developed. We encourage our suppliers in enrolling to Better Work as we believe that the programme's services support factories in improving working conditions and fostering better worker-management communication and cooperation."

Yusra El Esir, Corporate Responsibility Manager at PVH, an American clothing company



WORKING WITH GOVERNMENT

Efforts to implement the new trade union law

The Egyptian government, and particularly the Ministry of Manpower (MOM), has been an important partner for Better Work Egypt and the ILO. Starting with the pilot project, and continuing on through the new multi-faceted ILO project in Egypt, much has been achieved in implementing the new trade union law, including the creation of a trade union grievance committee, set up in November 2020 by ministerial decree.

This MOM committee is looking at resolving pending trade union registration cases. The ILO is also providing technical support to develop Standard Operating Procedures for the trade union registration process. Additionally, the programme will implement capacity building on these new procedures and international standards under relevant ILO Conventions to all tripartite constituents over the coming years.

ACHIEVEMENTS



WORKING WITH BRANDS

Brands motivated factories to join the programme

There are currently 23 buyers affiliated with factories in the Better Work Egypt programme. Some of these buyers have been very active in the country. For instance, The Walt Disney Company, the world's largest consumer products licensor, was a major driver in the establishment of the Better Work programme Egypt. In fact, the company only allowed production in the country if Better Work was to be established. An additional brand partner also participated in factory orientation workshops for enterprises. At these workshops, a brand representative spoke about the partnership with the programme to support factories in improving compliance with labour standards.



WORKING WITH TRADE UNION

A streamlined process resulted in 16 registered unions

Thanks to the trade union grievance committee established by MOM, a number of meetings were held to discuss obstacles faced by unions. This dialogue was a key success in 2020, resulting in 16 new trade unions officially finalizing their registrations while three more were able to finalize their pending enrollment. MOM also collaborated to review unresolved trade union registration cases and streamline the process within the Ministry, making it more transparent. Better Work Egypt will also offer capacity building to MOM officials in the various governorates of Egypt as well as capacity building of employers and workers about the new trade union law and its application in line with the ILO conventions.



WORKING WITH EMPLOYERS

Addressing recurring OSH non-compliance issues

As mentioned, Better Work Egypt provided its services to 40 registered factories in 2020. In individual advisory services, the team focused on OSH, and specifically, in helping to make better use of OSH committees (which are required by law for enterprises with more than 50 employees) in order to address recurring non-compliance issues in this area, such as chemical management and emergency preparedness. These bipartite committees are also useful mechanisms for facilitating social dialogue and bringing management and worker representatives together. All enrolled factories also underwent a compliance assessment based on national labour laws and international labour standards. A total of 11 online workshops were delivered to factories on the following topics:

- ◆ Induction to Better Work
- ◆ Roles and Responsibilities of the OSH Committee facilitation
- ◆ OSH Risk Assessment
- ◆ Accident Investigation
- ◆ Fire Safety

ACHIEVEMENTS

ON THE GROUND BENEFITS



Setting up a new country programme during a global pandemic

Better Work Egypt was born under adverse circumstances. The programme was launched in an official ceremony chaired by the Prime Minister of Egypt on 8 March 2020. Around that time, the first wave of the COVID-19 pandemic hit the region and resulted in border closures of countries in Europe, the Middle East and North Africa.

“When we set up a new Better Work country programme, we recruit factories and a national team. Also, several experienced Better Work staff members from the global team travel into the country to help set up the operations according to our standards”, says Janika Simon, Programme & Operations Specialist at Better

Work. “For Egypt, all of this had to be adapted to virtual support due to the pandemic.”

The lack of donor funding for the programme limited the number of factories and Better Work Egypt team members recruited in 2020. By mid-2020, the team delivered its first virtual advisory services and training sessions in Egypt online, supported by Better Work Jordan’s expertise. These joint efforts produced concrete results. By the end of 2020, 40 factories were enrolled in Better Work Egypt, with a waiting list of almost 50 more factories eager to join the programme. “We are excited about these numbers,” states Simon. “Seeing what we were able to achieve during the operational setup with the backdrop of a global pandemic in 2020 makes us even more enthusiastic about what we will be able to accomplish together with our partners in Egypt in years to come.”

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Janika Simon, Programme & Operations Specialist at Better Work

TACKLING CHALLENGES

Starting the Better Work engine despite the pandemic

A new country operation always takes time to gain momentum, even without a global pandemic to contend with. Building trust with national constituents and finding constructive and practical mechanisms for collaboration is crucial.



OCCUPATIONAL
SAFETY & HEALTH

Establishing social dialogue in factories through OSH committees

Bipartite committees are an essential component of Better Work's methodology to strengthen worker-management dialogue in the workplace to find sustainable solutions to many challenges defined by workers and management. Due to resource constraints, Better Work Egypt has been unable yet to set up bipartite committees in enrolled factories. To address this challenge, the team has started to engage with already-existing bipartite OSH committees. Although their focus is limited to OSH issues, they are an effective and engaging platform to practice social dialogue. Some of these committee members were already involved in a series of OSH training and individual advisory services.



FUNDRAISING

Better Work Egypt is still looking for donors

The lack of adequate donor funding makes it challenging to recruit the staff required to run operations, to plan longer-term and to expand the Better Work factory base. Several potential donors have been approached, but no funding has been pledged so far. Revenue collected from Better Work factories and buyers will help sustain operations in 2021, but without adequate donor funding, it remains challenging to grow the programme in Egypt.

ISSUES AND ACTIONS

ISSUES

CORRECTIVE ACTIONS TAKEN

COVID-19 posed a safety risk in the workplace for both workers and managers. For factories to continue operating, workplaces had to make adjustments.

Better Work Egypt-supported factories and workers to help both parties understand and follow the recommended COVID-19 safety precautions. During advisory visits, enterprise advisors focused on measures that enterprises should take to control the spread of the virus. Furthermore, the programme supported government initiatives to control the spread of the virus, such as the creation and dissemination of informative COVID-19 posters aimed at workers.



Occupational Safety and Health is a common issue in Egyptian factories. Robust systems are needed to ensure factories are assessed for OSH risks on a regular basis.

OSH was identified early on as a key area for improvement in participating factories. Better Work Egypt took a multi-pronged approach that has been successful in other countries. Advisors prioritized OSH during their visits and focused in particular on addressing root cause issues for non-compliance. To tackle the problems, enterprise advisors support the building and strengthening of OSH management systems to support the development of OSH committees so that workers could have a forum to meet with management and address persistent problems. Better Work Egypt also conducted virtual training for OSH committee members.



A recent series of factory fires in Egypt have cost workers' lives and left many injured. Fire Safety is an issue of considerable concern in the industrial sector in Egypt.

The root causes of factory fires range from improper handling of chemicals to poor electric wiring, lack of fire-fighting equipment, training of workers, or even locked emergency exits. Better Work has started to offer training on fire prevention management to participating factories. Attendees included OSH and compliance safety managers and OSH committee worker representatives. Non-compliance findings related to fire safety can also trigger Better Work's Zero Tolerance Protocol (ZTP). Through this protocol, the government authorities are informed of any critical issues and can immediately address them. This is the case for circumstances that pose an imminent and significant threat to worker health and safety, and the ZTP ensues. Tackling fire safety in Egypt's garment industry will remain a priority for Better Work.



OPPORTUNITIES AND LESSONS LEARNED

ILO synergies

In Egypt, an integrated ILO approach has been developed to enhance mechanisms for social dialogue and to provide technical assistance for implementing the new trade union law under the umbrella of the larger ILO project. Building an integrated programme from the beginning, similar to the approach in Ethiopia, can be an effective formula for achieving maximum results.



Learning from Better Work Jordan

The Better Work Jordan team has over ten years of experience in providing factory-level services. Their support to set up operations in Egypt and coach team members on key Better Work tools and methodologies has been highly valuable. Taking advantage of existing Better Work materials in Arabic has facilitated the operational set-up in Egypt, even with the need for some country adaptations. Jordan's support for Better Work Egypt will continue to provide useful opportunities for exchange in the future.

Eliminating child labour in Africa

Egypt is a major cotton-producing country that provides opportunities to reach other garment supply chains. Collaboration between Better Work Egypt and the ILO's ACCEL project (Accelerating action for eliminating child labour in supply chains in Africa) has already resulted in productive joint activities. Better Work facilitated access to factories for ACCEL staff to conduct focus group discussions about the underlying reasons for the employment of workers that are under 18. The ACCEL project uses these discussions' results to inform their activities to further address child labour in the cotton supply chain. Also, joint workshops were held with the ACCEL team on child labour regulations in Egypt and relevant ILO conventions for factory managers.

PILOTING WORK IN OTHER SECTORS IN EGYPT

A few factories from sectors other than the garment industry have either enrolled or expressed interest in registering with the Better Work programme in Egypt. These enterprises are in the printing, chemical, or food processing industries. This could be a promising opportunity for Better Work to test its approach in a broader context, work with alternative enterprise-level intervention models, and explore new partnerships.

Cooperation with Better Work increased our interest in and knowledge of corporate social responsibility, workplace compliance, safety rules, occupational health and the environment. We participate in training programmes and seminars to support the understanding and effective application of national labour laws and international labor standards"

Mohamed Said, Quality Assurance Manager at Nahdet Misr Publishing Group, a leading printing company



A waiting list of 50 factories for 2021

A main priority for the programme is to secure donor funding for the coming years in order to build a stronger programme. About 50 factories are currently on a waiting list having expressed interest in enrolling with Better Work. Expanding this base will require a bigger team and more resources. It would enable the programme to collect more industry data and identify the broader challenges. This, in turn, would help shape the engagement with constituents and strengthen their ability to govern the labour market more effectively.



GOVERNMENT

Applying the new trade union law and regularizing the trade union registration process will be priorities of the wider ILO programme in Egypt. A draft of the Standard Operating Procedures for trade union registration now has to be endorsed by all parties. Once these SOPs are in place, training will be needed for MOM staff to ensure that the procedures are applied consistently across all governorates. Furthermore, Better Work Egypt will support the High Council for Social Dialogue (a national platform for dialogue between tripartite constituents), strengthen labour dispute resolution mechanisms and support the government's OSH and labor inspectors.



WORKERS

In order for trade union registration procedures to be effective, it is essential that trade unions and their workers understand their rights and responsibilities under Egyptian law and international conventions. Building their capacity is part of the work plan for 2021 and beyond, and involves close coordination with the ILO's Bureau for Workers' Activities (ACTRAV). It will include work at both the enterprise level through Better Work enrolled factories and the national level. Better Work has several training modules that can be applied. While it is not Better Work's role to set up trade unions, the programme helps to build an environment in which workers are free to exert their rights under relevant international conventions and to equip management and workers to build constructive dialogue.



EMPLOYERS

Better Work's core offering of advisory services, training, and the assessment of compliance with national labour laws, international labour standards, and employers' association rules, will continue at the enterprise level in 2021. This work will be closely coordinated with the ILO's Bureau for Employers' Activities (ACTEMP). Better Work Egypt will place a particular emphasis on priority areas such as issues related to Occupational Safety and Health (OSH), compensation and working hours.



BRANDS

For Better Work, buyers are crucial stakeholders to bring about stable and sustainable improvement within the garment industry. As Better Work expands its factory base, it will also enlarge its network of buyers that engage in the programme.



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