



صندوق
شركاء في النهضة
Labour Fund Partners in Prosperity

The Labour Fund

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AGENDA

1. The National
Economy & the Labour
Market

4. Human Capital
Development Initiatives

2. The Labour market
Reform Project

5. Private Sector Support
Initiatives

3. The Labour Fund



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2005

Nominal GDP (US\$ Millions)	13,317
GDP Per Capita (US\$)	18,377
Average Real GDP Growth (5 years)	6.1%
Inflation (CPI - 2006)	2.1%

Contributing Sectors to GDP 2005

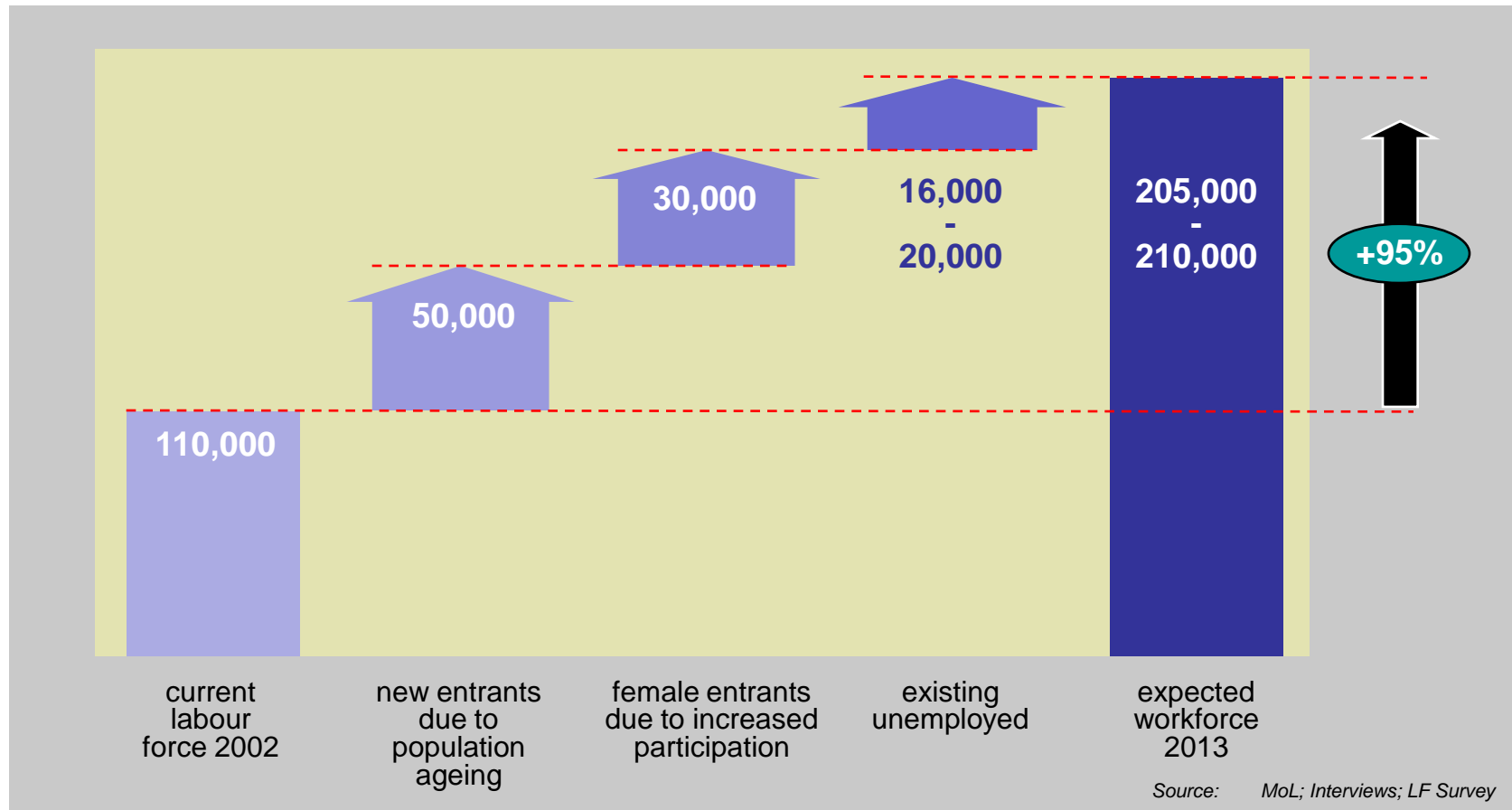
Financial Sector	24.6%
Oil	25.2%
Manufacturing	13.0%
Trade	10.0%
Government Services	12.5%

Total Population (2005)	724,645
➤ Bahraini	448, 491
➤ Non Bahraini	276,154
➤ Population Density	1026 per sq Km

Active Labour Force (2005)	336,508
Public Sector	37,428
➤ Bahraini	90% (33,685)
➤ Non-Bahraini	10% (3745)
Private Sector	299,080
➤ Bahraini	24% (105,591)
➤ Non-Bahraini	76% (230,917)

Demands on the Labour Market

Bahrain needs to find employment for nearly 100,000 employees over the next decade



1. Bahrainis' expectations are not met

- **Public sector limits**

With depleting oil reserves, government organisations will not be able to absorb large numbers of labour market entrants

- **Private sector offers**

Not enough rewarding jobs are created. Economy on trajectory to create 35% unemployment and 60% underemployment by 2013

Employers unable to provide enough career path development opportunities

2. Bahrainis are not the preferred employees

- **Cost competitiveness**

Bahrainis cannot compete with expatriates on cost (in the low skill segment)

- **Quality competitiveness**

Education system, inadequate training and inexperience do not provide the desired skills-set

- **Attitude and work ethic**

Employers do not perceive Bahraini employees as generally possessing the desired attitudes and work ethics in the low skill segment while expatriates are perceived as more productive and flexible



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1

Increase the size of the middle class

The performance of any developed economy is driven by the size and wealth of its middle class.

Bahrain aspires to increase the size and wealth of its middle class to that of other developed economies

- ***Increase families with middle income from 45% to 60% of society***
- ***Double GDP per capita by 2015***

2

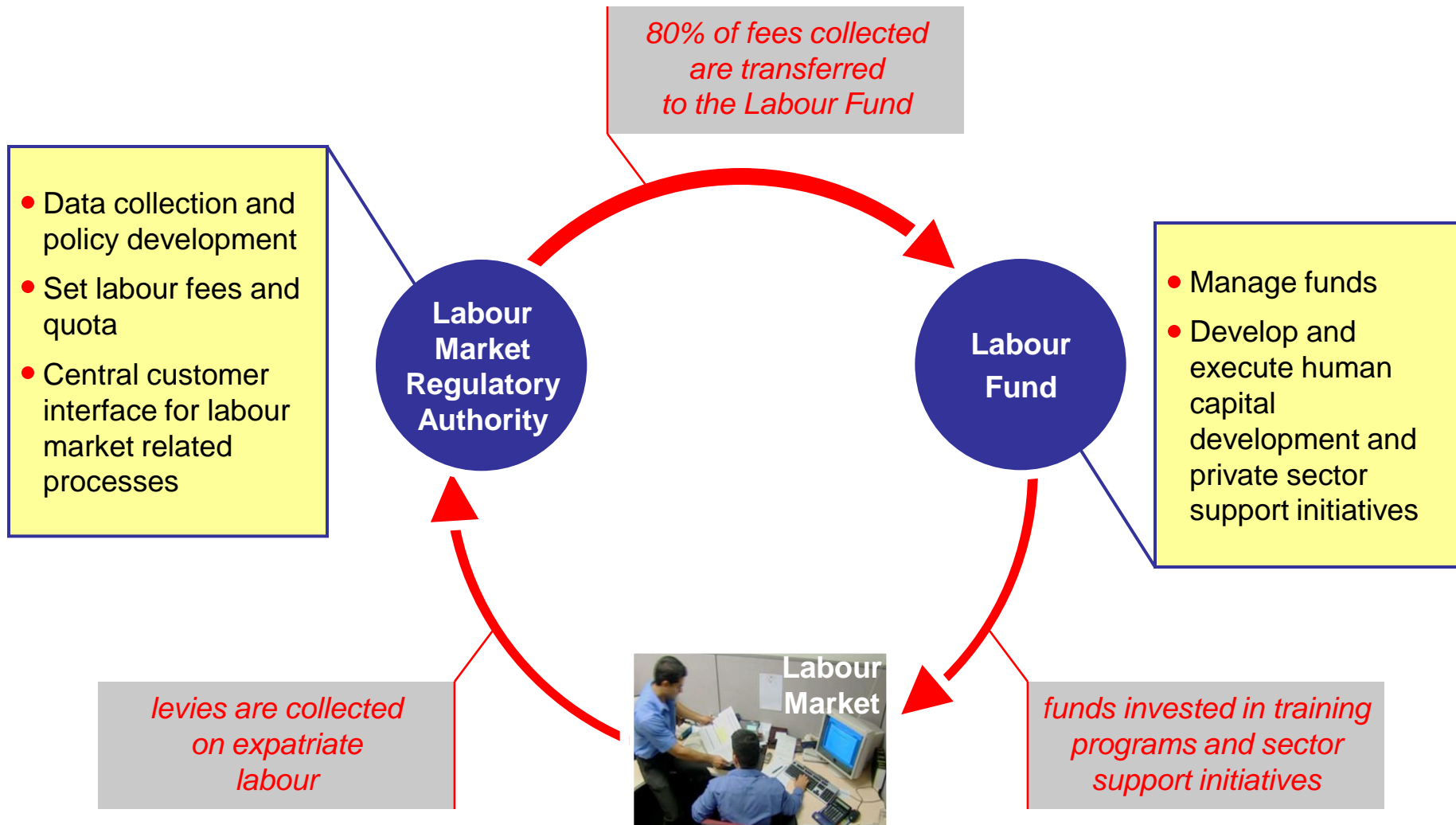
Increase competitiveness

Improved productivity is the long-term driver of increased wealth in all advanced economies.

Bahrain aspires to set its rate of productivity improvement at among the best in the world

- ***Triple current rate of productivity improvement from 1.5% to 5% a year***
- ***Increase GDP growth to 9% a year***

The Labour Market Reform Project





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The Objectives of the Labour Fund

1

Help Bahrainis become the employees of choice of the private sector and vice versa

2

Help a vibrantly growing, sustainable and competitive private sector survive, develop and grow

Labour Fund Ethos

The Labour Fund aspires to improve the living standards of Bahrainis through optimising talent, enabling enterprise growth, and improving labour market policies

Problem Definition

Low skill development, low business performance, and poor policy standardisation and enforcement are stagnating wages. This is resulting in limiting the growth of the middle class and diminishing standards of living

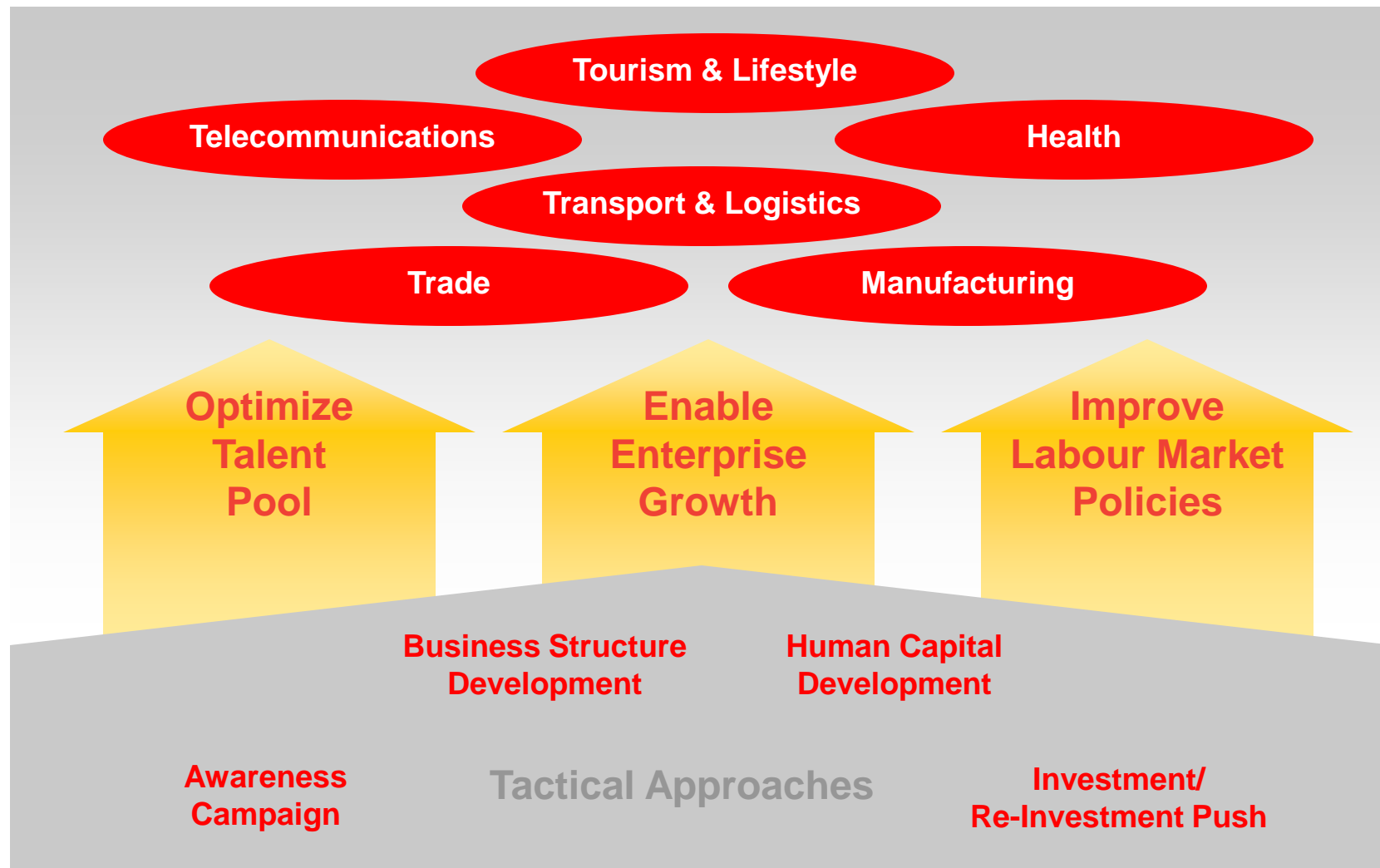
Optimize
Talent
Pool

Enable
Enterprise
Growth

Improve
Labour Market
Policies

The Labour Fund has identified three strategic thrusts that aim at improving the living standards of Bahrainis.

Targeted Economic Sectors





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Specialised Training for Skills Gaps

Challenges

- Evident skills shortage in defined professions/career streams
- Inadequate training capacities to build and develop local talent
- The unattractiveness of certain sectors leading to low labour penetration

Objectives

- To build competencies for defined professions
- To bridge the gap between the education/vocational system and market demands

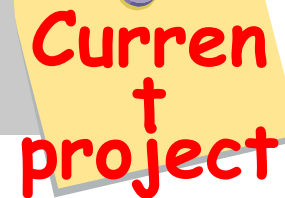
Specialised Training for Skills Gaps

Aeronautics Maintenance Engineering

Transport & Logistics

In addition to 256 job opportunities currently occupied by foreign employees, the increase in the number and operations of airline companies and support services will ensure continued supply of rewarding career opportunities for certified local aeronautics maintenance engineers

- *Beneficiaries:* 63
- *Targeted profession:* Aeronautics Maintenance Engineers certified by the European Aviation Safety Agency (EASA)
- *Length of project:* 5 years
- *Length of programme:* 4 years



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Specialised Training for Skills Gaps

Nursing & Allied Health Technicians

Health Care

The health care sector will need more than 5,400 qualified nursing and allied health care personnel in the coming ten years. Structural changes in the sector is having a positive impact on reward levels and attracting more locals to pursue a professional health care career

- *Beneficiaries:* 674
- *Targeted professions:* Specialty Nursing, General Nursing, Allied Health Technicians and Health Care Assistants
- *Length of project:* 5 years
- *Length of programmes:* 6 months to 4 years



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Specialised Training for Skills Gaps

Hospitality

Tourism & Life Style

Booming demand levels on high quality hospitality and catering facilities is guaranteeing job opportunities for talented local manpower with the attraction of major international events and cultural activities to the Kingdom. More than 6,000 jobs are currently occupied by expatriate employees.

- *Beneficiaries:* 1,870
- *Targeted professions:* Managerial, supervisory and entry-level jobs
- *Length of project:* 5 years
- *Length of programmes:* 6 months to 4 years



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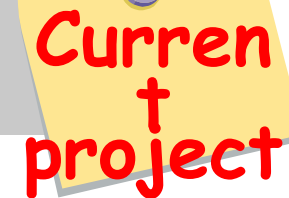
Specialised Training for Skills Gaps

Retail

Trade

The Kingdom of Bahrain is witnessing considerable developments in certain sub retail sectors which calls for a large volume of skilled and semi-skilled labour force. The growth and development of multi-purpose shopping facilities and the emergence of new consumer trends is offering new career opportunities and professional lines

- *Beneficiaries:* 650 (estimate)
- *Targeted professions:* Managerial, supervisory and entry-level jobs
- *Length of project:* 3 years
- *Length of programmes:* 6 months to 2 years



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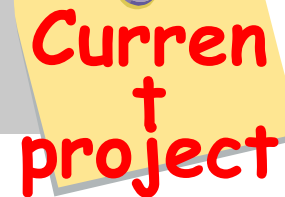
Specialised Training for Skills Gaps

Accounting & Finance

Cross-Sectoral

Studies conducted to determine the requirements for professionally certified accounting and finance professionals at different levels conclude that demand levels are continuously increasing. Successful candidates are promised prosperous careers in the field within all economic sectors

- *Beneficiaries:* 700
- *Targeted professions:* Professionally certified accountants and finance practitioners:
 - Association of Certified Chartered Accountants (ACCA)*
 - Certified Management Accountant (CMA)*
 - Professional Risk Manager (PRM)*
 - Certified Accounting Technicians (CAT)*
- *Length of project:* 4 years
- *Length of programmes:* 1 to 2 years



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Specialised Training for Skills Gaps

Network Engineering Professionals

Telecommunications

According to a survey conducted by the Ministry of Labour, Bahrainisation levels in the Network and System administration profession fell well below the employment opportunities that the market offers. On average, nearly 150 employment opportunities in the field are produced annually. Moreover, as we witness a backward migration of expatriate network professionals, demand for local talents will not cease to increase.

- *Beneficiaries:* 100
- *Targeted professions:* Industry recognised network engineering practitioners
Cisco Certified Computer Network Associate (CCNA)
Cisco Certified Computer Network Professional (CCNP)
Cisco Certified Design Associate (CCDA)
- *Length of project:* 3 years
- *Length of programmes:* 1 to 2 years



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Talent Management Programme

Challenge

- The majority of SME owners and management do not implement effective people and business management practices due to lack of appreciation or previous training. This is having an adverse impact on productivity and job satisfaction levels.
- HR function does not exist in the majority of private sector entities
80% of employees in HR functions do not possess proper qualifications

Objectives

- To develop certified Human Resource Management practitioners
- To enhance leadership and management capabilities of SME owners and senior management team

Talent Management Programme

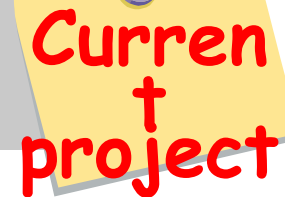
SME Leadership Development Programme

Cross-Sectoral

Through a blend of class and assignment based work, senior personnel will benefit from an opportunity to attend a recognised management and leadership development programme that will focus on promoting and embedding the following competencies:

Managing Organisations	Finance for Non-Financial Managers
Strategic Planning	Managing Change
Leadership and Managing People	Marketing Management
Decision-Making and Problem-Solving	Managing Information Technology
Business Process Management	Managing Customer Services

- *Beneficiaries:* 200
- *Targeted professions:* Operating owners and senior management personnel of SME's
- *Length of project:* 2.5 years
- *Length of programme:* 1 year



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Talent Management Programme

HR Certification Programme

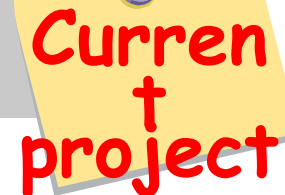
Cross-Sectoral

The programme aims to provide SME's with key human resources management competencies to enhance their ability to implement effective recruitment, training and performance management systems and practices. Successful candidates will gain an accredited professional certification with focus on these competencies:

Performance Management
Recruitment & Selection
National Labour Law

Training & Development
Compensation & Benefits

- *Beneficiaries:* 200
- *Targeted professions:* Existing employees of Human Resources Department in SME's
- *Length of project:* 2.5 years
- *Length of programmes:* 1 year



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project

Training for Career Progression

Challenges

- High rates and increasing levels of Bahraini underemployment in the private sector
- Negative turnover and retention trends fueled by underemployment
- Low competency levels of Bahraini employees are limiting career progression opportunities

Objectives

- To support the career progression of Bahrainis in the private sector
- To enhance the productivity and skills of local talent through career progression training

Training for Career Progression

Career Progression for Middle Income Earners

Cross-Sectoral

This project aims to enhance the career progression opportunities of middle-income earners while equipping them with the skills that are required in higher positions than they currently occupy. The LF also aims to offer employers more productive individuals and engage them in an experience of good career development planning practices.

- *Beneficiaries:* 6,500
- *Targeted Profession:* BD 200-400 wage earners in the private sector
- *Length of project:* 3.5 years
- *Length of Programme:* Up to 9 months (to achieve requirements for a minimum wage increase of BD 50)



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Enterprise Development Scheme (Productivity Improvement)

Objectives

- To support the productivity, growth and expansion of SME's
- Guide firms to enhance their market activities and yield more beneficial employment opportunities

- *Beneficiaries:* 1,000 SME's
- *Length of project:* 2 years
- *Project streams:*
 - Business Information Program (BIS)*
 - Business Development Scheme BDS (Full)*
 - Technical Assistance Program (TAP)*
 - Growth Assistance Program (GAP)*

Accredited
service
providers

- Individual consulting services
- Group consulting services
- Topic/sector workshops

Bahraini
Small
& Medium
Enterprises

EDS: Business Information Scheme (BIS)

Objectives

- The purpose of this scheme is to co-finance the Beneficiary Companies (BC) to establish reliable, easy to follow and transparent accounting system

Mechanism

- The LF will support the BC to establish an accounting system by outsourcing the accounting services to an approved accounting firm (Service Provider (SP)).
- LF will co-finance 70% of the cost of the accounting firm fee up to a maximum of BD3,000 for a total period of two years



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EDS: Business Development Scheme (BDS) - Full

Objectives

- BDS provides a co-financed consultancy services dealing with diagnostics, setting up an implementation plan all the way through implementation and a flow-up plan

Mechanism

- BDS will address company issues on all levels by providing:
 - a) *Individual consultancy services*
 - b) *Financially support to acquire crucial tools*
- 60% of the cost is covered by LF up to a maximum of BD10,000 for small size beneficiary Company (BC) and BD15,000 for medium size BC



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EDS: Technical Assistance Programme (TAP)

Objectives

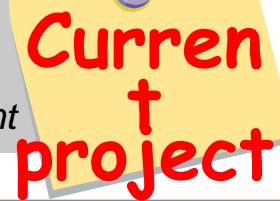
- To help businesses make the transition from reliance on cheap labour to utilization of machinery and technology, therefore, reducing cost, increasing production capacity and enriching the low-level jobs which make them appealing to Bahrainis

Mechanism

- Cost of installation
- Cost of maintenance for 1st year of acquisition of capital goods or technology
- Cost of training the 1st batch of Bahraini operators of the capital goods or technology
- Cost-benefit analysis must be provided

small businesses: Maximum of BD10,000 subject to <50% of the costs of Investment

medium businesses: Maximum of BD15,000 subject to < 50% of the costs of Investment



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EDS: Growth Assistance Programme (GAP)

Objectives

- To enhance SMEs sustainability and extending the reach of Bahraini products and services

Mechanism

- The programme covers the following areas:
 - Product development
 - Marketing development
 - Export development

small businesses: Maximum of BD10,000 subject to <50% of the costs of Investment.

medium businesses: Maximum of BD15,000 subject to < 50% of the costs of Investment.



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Guaranteed Finance Scheme

Challenge

- Too limited access to capital is a major problem for Bahrain's SMEs, constituting 96% of all enterprises and employing 30% of Bahraini employees (48% of all employees)

Objectives

- To facilitate access to low interest financing aimed at developing the operations of the enterprise
- *Beneficiaries:* 300 SME's (estimate)
- *Length of project:* 1 year (ongoing thereafter)
- *Subsidised interest rate:* 4%



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project

Corporate Performance Excellence (QualityCorp)

Challenge

- Growing emphasis on the importance of performance excellence and building leadership competencies

Objectives

- Establish a Bahraini holding company that standardises and promotes quality and productivity benchmarks in Bahrain and regionally
- Promote best practice in management and corporate practice
- Instil focus on productivity and quality in the management of private sector entities
- To enhance corporate competitiveness, improve working environment and corporate culture across the nation



future
project

Thank You !

Backup Slides

Work Ethics Scheme

Challenge

- Employers report a considerably low work ethics awareness / standards amongst Bahraini labour force

Objectives

- To develop more effective workplace environments through the adoption of work ethics by equipping the new entrants with the requisite attitudes
- To enhance desirability of local entry-level recruits



future
project

International Apprenticeship Programme

Challenge

- Limited exposure to international best-practices

Objectives

- To establish international practices amongst Bahrainis and transfer knowledge



future
project

Career Market Acceptance Campaign

Challenge

- Low appeal and/or minimal awareness of certain career streams

Objectives

- To increase penetration of Bahraini workforce in low appeal career streams
To increase awareness and thus penetration of Bahraini workforce in careers not known by general public



future
project

National Occupational Standards Advocacy

Challenges

- Absence of national occupational skills standards (NOSS) as a basis for vocational education and training frameworks
- Current discrepancies in the basic skill sets of similar occupations in different sectors and establishments

Objectives

- To steer the initiative of creating the NOSS's and assist in its overall management and funding



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project