



EGYPT

CLUSTER — Bridging the formal–informal divide in Egypt’s creative economy



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Cairo, Egypt, has a huge informal sector – 50% of GDP – that employs and shelters millions of people. But lack of formal protections makes affected groups highly vulnerable.

The Julius Baer Foundation supports the Cairo Lab for Urban Studies, Training and Environmental Research (CLUSTER) in successfully forging connections between low-income artisans in Cairo’s booming informal sector and high-end designers and manufacturers in the formal economy.

The resulting collaborations include three modules in various stages of development: In ‘Carpentry and Metal Work’, design houses and local craftspeople have produced ten prototypes slated for production. In the second module, craftspeople skilled in traditional Arabic gilded-glass signage techniques have been partnered with upscale producers and introduced to retailers in downtown Cairo and Port Said. In the third module on ‘Palm Reeds Furniture’, market research has been launched on the most-desired items among target consumers.

Quick facts

- Egypt, Cairo, Ard al-Liwa
- Project support: 2023–2026
- Grant amount: CHF 100,000 per year
- Linking craftspeople in informal sector and manufacturers in formal sector.
- Goal: Fostering economic collaboration and knowledge-sharing between disadvantaged local artisans in Cairo, on the one hand, and high-end designers and producers, on the other.

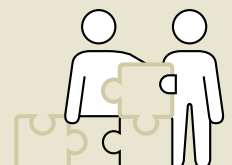
From vulnerable craftspeople ...

Egypt’s informal sector is bursting with talented carpenters, metalworkers and other craftspeople who ply their trade without the recognition afforded to their counterparts in the professionalised creative industries.



... to valued collaborators.

By bringing them together with formally trained designers, industrial houses and marketing experts, new synergistic ventures are born that foster colearning and coproduction while raising the profile and income of informal workers.





“Since I have started working on this design, I already received four requests to reproduce it and I increased my profit with each piece.”

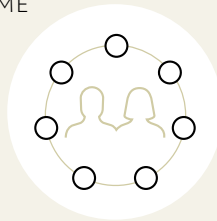
Hossam Hassan
Age 43, owner of metalworking workshop

OUTPUT



Since the beginning of the project support, **12 artisans** were trained, **12 designers** enrolled, **5 capacity building workshops** conducted and **8 prototypes** exhibited.

OUTCOME



The project allowed artisans and designers to **acquire new skills**, which helped to make 24 products that are **more marketable**.

HIGHLIGHT



Production of 12 manuals for distribution to the artisans, which allow them **to replicate the design** in the future.

Creative responses to human need

- Egypt's informal economic sector has thrived for decades, despite harsh economic circumstances.
- In Cairo, informal economic activity provides lower-income residents with affordable products, services and shelter.
- The off-the-book economy is also a major employer, accounting for 68% of all new jobs. Overall, Egypt's informal economy is growing by 1% every year relative to its formal economy.
- Official attempts to incorporate these activities into the formal economy have failed. Cairo remains characterised by a formal–informal divide, accentuated by social and geographical segregation.
- CLUSTER views this informality as a creative response to human need.
- CLUSTER reinforces the ingenuity of informal workers, enabling them to increase their incomes and job network. This gradually helps to close the informal–formal divide, establishing mutually beneficial ventures between industry professionals and disadvantaged craftspeople.

About CLUSTER

Cairo Lab for Urban Studies, Training and Environmental Research (CLUSTER) was founded in 2011 as a platform for urban research, architecture, art and design initiatives. It promotes urban sustainability, diverse and accessible public spaces, and new approaches to learn from informal practices and explore alternative modes of urban development.



More information about CLUSTER and their project in Egypt: clustercairo.org

Do you feel inspired by the CLUSTER project and would like to support it?

Please do not hesitate to get in touch with us! We would love an exchange.



Find out more about us and our projects online or write us at foundation@juliusbaer.com

Julius Baer Foundation

Established in 1965 by Walter J. Bär (1895–1970), the grant Foundation of Bank Julius Baer is focused on reducing wealth inequality. It convenes leading thinkers and actors on the topic and supports projects around the globe where the privileged and disadvantaged work together towards a world of equal opportunities.

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