Who moved my building-site?

Instalment 1: Where has it gone to?

As it turns out not only is the economic cycle not broken it's fighting fit, has a good memory and a mean streak. Call it Newtonian Economics or something else but, whatever goes up like a house of cards tends to come down the same way. In short "action, reaction.". In this series we will tell you how, as construction technicians find opportunities again without having to wait for them to fix the country.

Firstly, those who have not read "Who Moved My Cheese?" by Spencer Johnson are invited to read the version translated into Castilian free of charge at http://www.villadiego.com/Biblioteca/Quien_se_ha_llevado_QUESO.htm . This is perhaps the best known business motivation book of our time and is highly relevant to our sector at this moment. It is also very short & easily read in a couple of hours.

In this first instalment will begin by looking for the building work that is no longer here, which is not the same as searching for job opportunities for our technicians.

Emerging World Powers
BRICS, if you're not familiar with the term do not worry you soon will be. Brazil, Russia, India, China & South Africa. In all these countries the sun is shining economically speaking. Not only are they emerging countries but also emerging world powers. Actually they represent spheres of influence, there are many building project in countries close to them and not so close also being financed by these states. Mainly because they have learned that the sun never sets on those empires that moves with the sun. Wherever I the sun goes the empire follows behind. This is a Copernican moment for our sector, i.e. we have discovered that building work does not revolve around but it is indeed us that have to go after it.

Opportunities for Companies

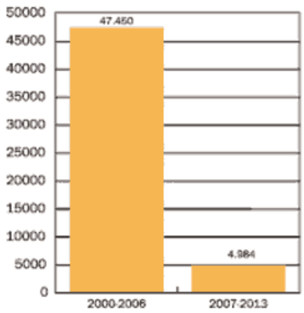
Germany & Poland

There are much closer areas where, if the sun isn't exactly at full beam it has definitely stopped raining and the forecast is for sunny weather. The smartest Spanish companies such as Acciona have long exploited these areas in particular Poland and Germany. The Germans are still paying the "Reunification Tax" which is dedicated to these projects, in what was East Germany, which give so much work to civil engineering companies. Imagine that, a tax in addition to the normal taxes dedicated only to infrastructure improvements and without the conditions applied to the use of Cohesion Funds, many jobs would be created here as they have been there. Nor can we forget about Romania as rough diamond, having enormous potential because of its size, composition and for the Spanish its language which is derived from Latin. However, from personal experience and what I have been told, it is a very complicated country to do business in and there have been as many failures as successes. An example: A civil engineer project, a road and a Spanish company with a great deal of experience trying to negotiate the terms of a joint venture with a local company to compete for a tender. The local company insists that they build from Km 1 to Km X and then the Spanish company the remaining section. That's twice the machinery, double the teams, costs skyrocketing and no chance of winning the tender. Economic immaturity is what creates business opportunities and attract businesses but, can also bog it down and now we cannot afford to fail as easily as before.

Here is some data from a study I prepared in 2006 on Poland that clearly show why there is so much interest in this country. The amount of cohesion funds allocated to Poland in 2006 for the period 2007-2013, amounts to € 56.7 Bn, the total budget of € 862.4 Bn. Which makes Poland the largest recipient and yes they took that position from us directly.

SALDO NETO PARA ESPAÑA

2000-2006	47.450 millones de euros
2007-2013	4.984 millones de euros
Diferencia:	-42.466 millones de euros
Pérdida para España (%):	**-89,5%**



The expected impact on growth rates: "The EU budget could make Poland the sixth largest economy in Europe." (From A. M. Poland). Income levels will rise in the country so that they will be no more than 40% behind Germany in eight years. The European Commission envisages a net increase of 3.79% of Poland's GDP each year. According to the Institute of Economic Studies in Vienna, in 2013 Poland 's GDP would increase by one third to EUR 299 million. This means that Poland could become the sixth largest economic power in the EU. To see this in context, between the all the new Member States of all the funds allocated in the period 2004-2006, Poland received about half, the rest being divided among the other nine countries € 12.8 Bn from € 24.4 Bn in total. To view the full report go to www.tgi.com.es

From a more on the ground perspective, I have been doing business in Poland for 6 years and am surely be one of the few economists / engineers / investors who has experienced first-hand both Spain's transition from an underdeveloped country to being one of the more developed ones on the back of the growth seen in the construction sector and the beginnings of the transition of the Polish economy. I have just returned from spending the summer there and what I saw impressed me as much as the amount of ghost developments to be seen here. I am sure that on the way between Gdansk and Bydgoszcz, a trip of 3 hours, there were more than 20 metres on which they were not doing work, but I did not see them. After landing in Gdansk and catching the bus downtown and I hear a conversation between two engineers, one Italian and one English, who have spent a year working on the roads of Gdansk and their families have moved to Poland because they do not know when they will return.

Many economists believe that Poland lacks the thrust of the foreign sector investment seen by Spain, but I refer to it as “the Spain of the east”. For Russians and Germans is but a short drive, the car parks of the hotels are full with as many Russian cars as German ones. For Germans it is very affordable and the Russians are attracted by the quality: the price is the same as their country but, the medium-sized cities by the sea, such as Gdansk, Sopot and Gdynia, are far more developed and better maintained.

What we have not seen in Poland is the skyline being a sea of cranes dedicated to house building that we saw here. It is going to happen and depends very little on the speed of recovery of the global economy in fact the crisis is laying the groundwork for it. Poland has had and still has a lot of young talent abroad for a long time and now, because of the crisis in other areas and how well their own country is doing they are returning and many can buy their own home. It’s not that the same thing is going to happen in Spain because it’s already happening, the Brain Drain is underway.

Germany and Poland should serve as a benchmark for companies looking for a booming market in terms of building work, as will shortly the countries of the Arab spring, but not for the technician looking for work as an individual. Germany and Poland present great difficulties for technicians who do not speak their language, and from experience I know these two languages are impossible to learn quickly. Furthermore, unless you work for a non-Polish company which destines you there you will earn the same as a waiter in Spain, but of course you will gain experience. As the economic cycle is at a high point in these countries one could even argue that it would be a bad investment of your time to learn your those languages. It would be like buying in the stock market when prices are high and when finally you can speak the language those countries may not offer so many opportunities.

Romania

We can’t forget about Romania as a rough diamond, it has enormous potential because of its size, composition and for the similarity of its language to Spanish as it is derived from Latin. Howver, from personal experience and what I hear other technicians who have worked there, it is a very complicated and there have been as many failures as successes. An example: A contract for civil works, a road and a Spanish company with a lot of experience trying to negotiate the terms of a joint venture with a local company to compete for a tender. The local company insists that they make from km 0 to km X and then the Spanish company the other leg. That means twice the machinery, double the staff, costs skyrocketing and no chance of winning. Economic immaturity is what creates business opportunities and attracts businesses but also bogs them down and today we cannot afford as many failures as before.

Opportunities for Technicians

If we were Spanish companies focused on our sector no doubt the countries already mentioned are those to which we would devote our efforts. That is not our case, we are technicians and the situation for us is both more reassuring and more complex. We have to be hired and there are a number of requirements that must be accomplished before that can happen. First of all we have to learn the language of the country of destination, we need to be able to prove our capabilities and in some countries we have to join a professional association. We're not looking for economic development in the broader sense; we are seeking job opportunities for our collective which do not always coincide in the same place.

Recognition of Professional Capacity

The issue of recognition of our expertise is key to the study of our ability to compete in new markets for our technicians at both the global and pan-European level as well as in each country in particular. We begin by dispelling an urban myth, Bologna attempts to equate degree studies. That does not mean that once the process finishes we can go to work in these other countries with our qualification as if it had been issued there. We cannot. We shall see in detail later but at EU level there has been, since 2002 for some professions and since 2004 for all, a policy that means to unify the recognition of professional skills in all areas but in most cases, this involves agreements between professional colleges with the power to grant recognition and not between academic institutions. In the third instalment we will talk about efforts and progress being made in the development of a pan-European system by the AEEBC, which is an association created for this purpose and of which CGATE is a member. However, to whet your appetite the project is in a test phase of a European Construction Expert's card EurBE. It is now that we see the usefulness of the Bologna process, it paves the way when it comes to comparisons between colleges and agencies responsible for the recognition of competencies. We will discuss the full range of equivalents provided by the EurBE to assign skill levels 1 to 10 in the third instalment, but the existence of ECTS and its application clarifies many doubts. Example: the new Building Engineer degree of 240 ECTS is level 8 of 10, the Master is Level 9. So it seems that at European level despite the fact that our mobility is still restricted it is improving and there is a viable plan that seems to be able to take us there.

On a world-wide scale we can find nothing similar but, if we return to the spheres of influence of certain countries in particular, the problem does not seem so bad. As we mentioned the professional colleges in Great Britain are in a direct competition and many of them seek international bilateral agreements to expand their usefulness to its members. Furthermore in the next instalment will discuss the agreement signed between CGAT and CIOB, a British college with a great deal of influence. In fact the current President of CIOB is a Chinese national. As well as the previously mentioned British sphere there are of course others, Scandinavia is an area where not only do they share the recognition of qualifications between them they also share a common technical language, English. Knowledge of local language is a clear advantage but as the use of English in business is so prevalent is not a prerequisite as it is in Germany. It is also an area that has barely been affected by the crisis and consequently there is a lack of technicians.

An area of great interest, in my opinion the area of greatest interest at this time, is the "sphere of influence of Great Britain." In August the British Finance Minister announced that there were 37,000 job offers for engineers unfilled but, what makes the United Kingdom of great interest to us is the recognition of the system of training for schools and the fact that these schools are accepted across a wide range of Commonwealth countries, former colonies and the wider sphere of influence.

Conclusion

In only two articles we are not going to be able to comment on what is happening globally but we hope to lay the groundwork for you to see the clear trends that exist. To leave no stone unturned we have formed a team of experts who will help answer doubts that you may have. The group consists of construction engineers working abroad (Eduardo Carrasco (Norway), Carlos Rodriguez (Germany), Markus Tuuri (Finland), Maarten Tromp (The Netherlands), Alejandro Sampedro (Vietnam), Mayka Martin (UK), professional associations (CIOB, ABE) and professional institutions (AEEBC) as well as academic ones ETSI academic UPV. All the technicians are working abroad, some are native Spanish and others from the destination countries:

We end today with a sample survey of the state of the market in the country where our team of technicians are working, specifically Finland. We can and must learn from the results which are objective and clear, we provide a summary of all the surveys in the next installment.

Name: Markus Tuuri, Nationality: Finnish, Country of work: Finland, Degree qualification (e.g. Building Engineer...): Construction Engineer, Current job title: Work supervisor.
On a scale of 1-10

How is the economy in the country where you work?	8
What are the prospects for the economy in the next five years?	7
How is the construction sector where you are?	7
How are Spanish technicians viewed by potential employers?	3
How important is knowing a foreign language in your country?	6
How important is English amongst the foreign languages in your country?	9

Yes/ No

Do most graduates in technical disciplines expect to get a job in that discipline when they graduate?	Yes
Are employment agencies effective in the country where you are based?	Yes
Are there any obstacles for European technicians entering the job market?	Yes
(if yes, please list: Language barrier, level of the education)	
Is continued training expected of technicians?	No

In conclusion the economy is doing well, there is work for technicians but they have very little regard for Spanish technicians and the main technical barrier to entry in this market is our lack of command of technical English. As the purpose here is not only to inform but also encourage taking concrete steps to improve the situation in the next issue will mark the way to overcome most of these obstacles.