Innovation in Public Administration: The Case of Egypt

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Introduction:

Reforming civil service, innovating public administration and increasing the effectiveness and efficiency of the Egyptian state institutions are major preconditions to promote social justice, economic growth, and create an enabling environment for a sustainable people-centered development. Yet, before discussing the issue of reform and innovation, we need to answer a few questions related to the functions of the state, and look at the issues of why, what and how to innovate as well as who is expected to pilot and implement such innovations.

The role of the state in a given society is linked to the stage of development, the main economic, political and social issues facing the state and is guided by the ideological orientation of the political system. The collapse of the socialist model proposed by the Eastern block at the beginning of the 1990s and the failure of market-led globalization to bring about prosperity, equity and social and political stability in many angles of the world, raise the need to re-examine the role of the state. In fact, redefining the role of the state has been subject of several academic works during the 1990s and is central to innovation in public administration.

Ever since the 1952 revolution, the Egyptian state took upon itself the responsibility for national development, social equity, and economic growth. However, the designated functions of the Egyptian state varied according to the ideological trends stirring its political leadership. Nasser’s interventionist state had the task to control all the means of production and assume the main responsibility for national development in the name of people. The state was responsible for production, provision of services, redistribution of wealth and power and guaranteeing national security. Even though, Sadat attempted to give more space to market economy through the open door policy, he did not alter the interventionist functions of the state. This remained the case until the end of the 1980s, when the Egyptian state was pressured by its large deficits in budget balances and international trade in addition to its massive foreign debts to give up its role as the main producer. The Bretton Woods institutions (the World Bank and the International Monetary
Fund) provided debt-relief programs and soft loans to Egypt conditioned by structural and economic reforms entailing privatization, removing protectionist trade barriers and labor laws, cutting down on untargeted consumer subsidies and encouraging export-oriented industries, as well as downsizing state bureaucracies. Still, the Egyptian state assumed the responsibility for national security, regulatory functions, provision of basic services (health and education), the preservation of natural environmental resources and cultural heritage and most of important of all planning and implementing national development programs.

National development represents a challenge to the Egyptian state, especially that the UNDP Human Development Index ranked Egypt 105 out of 162 countries in 2001, indicated illiteracy rates to be 45% and estimated that 23 percent of the population live below the national poverty line with more than 12 percent of children under the age of 5 suffering from malnutrition. (UNDP: 2003) Throughout the 1990s, the state had managed to improve its macroeconomic performance, reduce inflation and attract more foreign investment. Nonetheless, lower foreign exchange earnings at the end of the 1990s, accentuated by the drop of Suez canal and tourism yields after September the 11th events of 2001, stalled economic growth in Egypt. In this framework, the task of state institutions is not limited to regulate well functioning markets (which is not the case of Egypt), provide basic services and preserve environment, it is far more comprehensive and complex. It is responsible for engaging all domestic actors and the whole society in a developmental process that targets human capability and welfare and that reflects the normative references of society.

Any form of economic growth and equitable distribution of resources and socio-political empowerment is unachievable without a comprehensive reform of state institutions and public administration practices. Therefore, it is necessary to assess state institutions in order to identify the factors that hinder them from conducting their crucial role in national development.
A. An overview of the components of public administration in Egypt:

Egypt is a presidential state with a unicameral legislative authority represented by the Peoples’ Assembly, Maglis Al-Shaab, composed of 444 directly elected members and 10 members appointed by the president of the republic. The other advisory council, Maglis Al-Shura, is composed of 264 members (176 directly elected by popular vote and 88 appointed by the president) and has only a consultative and not a legislative authority. It is in fact the Peoples’ Assembly that nominates the president of the republic whose appointment is then confirmed or rejected according to the results of a national referendum. The executive and bureaucracy have significant sway over the parliament, especially that over one-third of the members of the People’s Assembly are civil service or public sector employees. (Springborg; 1989) The ascendancy of the executive over the legislature explains the limited criticism, participation, or opposition parliament can mobilize in relation to state-proposed policies and operation.

Egypt’s legal system is based on the 1971 constitution and is driven from English common law, Islamic law and Napoleonic codes and its judicial branch is represented by the Supreme Constitutional Court. The government, headed by the president of the republic, is the supreme executive authority and administrative organ of the state and consists of the prime minister, who supervises the work of the government, deputies to the prime minister, ministers and their deputies. The Council of Ministers, presently headed by premier Atef Ebeid, is composed of 28 ministers and 5 ministers of state. The Council of Ministers is responsible for the following tasks:

1. Formulating, implementing and monitoring the general policy and overall plan of the state in compliance with presidential laws and decrees.

2. Supervising, coordinating and following up on the functioning of state institutions.
3. Issuing administrative and executive decisions and supervising their implementation.

4. Drafting laws and decrees.

5. Drafting the general state budget.

6. Supervising the implementation of laws, maintaining state security and protecting citizens’ individual rights and the interests of the state.

(State information Service: 1995)

Faithful to its legacy as a hydraulic society,¹ the Egyptian state is centralized and hierarchical in structure and culture. Egypt is geographically and administratively divided into 26 governorates headed by governors directly appointed by the president of the republic. The organizational structure of the state is composed of the administrative organ, local administrations, the service sector, and the production sector. Both the administrative organ and local administrations represent 80 percent of the state apparatus.

The organizational chart of the Egyptian executive authority demonstrates the mechanistic organizational structure² and indicates a centralized decision authority, a high horizontal differentiation among levels of authority, rigid hierarchical relationships and a high degree of formalization of communication channels typical of public institutions and enterprises. The organizational structure revolves around the Prime Minister, and the various administrative organs, committees, supreme

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¹ The 'hydraulic society' describes the agricultural society that has historically relied on river irrigation and depended on a central authority that manages to control the river resources by constructing water ducts, dams and irrigation channels, and is able to distribute water resources among the farmers. Such central authorities usually have the power to allocate resources, extract taxes and use a sophisticated bureaucracy in the management of such resources.

² Mechanistic organizational structures (as opposed to organic structures) are rigid and rely on authority and a well defined hierarchy to facilitate their coordination. On the other hand, organic structures are flexible, adaptive and achieve coordination through participatory communication. (Robbins; 1994)
councils, governorates and others are not organizationally linked among themselves, reflecting a poor level of horizontal communication and coordination. All organizational communication is originated centrally from the prime minister’s office and flows vertically downwards. The same mechanistic and hierarchical structure applies to the organizational charts of all state institutions.
It is worth noting that the Supreme Council for Motherhood and Childhood (headed by Suzanne Mubarak), the Social Development Fund and the Information and Decision Support Center were established as independent units that report directly to the prime minister in order to facilitate their operation and spare them the malfunctioning and red-tape of the larger inefficient and ineffective administrative body of the state. They are instituted by special presidential decrees and the professional and academic preparation as well as the pay-scale of their staff is higher than their counterparts in other state institutions, reflecting the interest of the political leadership in these agencies.

The executive authority in Egypt is massive and intricate in structure and disproportionate in volume as compared to other countries. It has 28 ministries and 5 ministers of state, in addition to more than 100 general authorities (out of which 44 percent operate in the economic sector and 56 percent in the services’ sector). (Hassan: 2001) Many ministries and state authorities overlap in their functions and redundantly conduct similar tasks and operate in the same fields. Examples for structural overlap can be found in the cases of the Ministry of Irrigation and Water Resources crisscrossing with the Ministry of Agriculture and Land Reclamation, the Ministry of Petroleum overlapping with the General Authority of Petroleum, the Ministry of Manpower and Immigration and the Ministry of Administrative Development and many other cases. (Farrag: 2001) The presence of several supervisory agencies and supreme authorities that lower levels of administration have to respond to reinforces the hierarchical nature of state institutions based on top-down communication lines, and weakens coordination and inter-organizational horizontal communication. (Palmer et. al.: 1989) In fact many of those general agencies have only supervisory roles and are not directly involved in implementation, which is carried out by other lower level agencies that often respond to more than one higher authority.

This structural overlapping often leads to procedural stalling, red-tape, institutionalized bottle necks and the blurring of administrative accountability. The 52,000 civil service laws that stipulate hierarchical control of one level of bureaucracy over the other were
devised over time to systemize procedures, prevent corruption and favoritism. (Valsan; 1997) The fear of accusations of corruption and reprimand leads state officials to push back responsibility and delay the course of work, until they receive clear orders from their superiors. Besides restricting corruption, those ministerial decrees, statutes and regulations, that often contradicting each other, result into an institutionalized rigidity. This is likely to hinder any initiative towards innovation in public administration.

Another important aspect of organizational structure, is the physical environment and office facilities conditioning the operation of civil servants and the flow of citizens in public offices. Touring in many government offices in Cairo, particularly those delivering public services, one can observe how employees are squeezed into dim, poorly ventilated and run-down offices. In most cases office equipment is outdated, has no regular maintenance and staff have limited access to information technology, except for senior officers, who hardly use it. This is not to mention the condition of some state offices in provinces and remote areas in upper Egypt where 16 percent of office buildings are considered hazardous, 18 percent do not have telephone connections, and 6 percent do not have access to water, sanitation or electrical energy. (Farouk: 2002) The limited resources of government are a major obstacle facing the state’s attempts to improve physical working conditions and acquire, diffuse, maintain and upgrade the use of information technology in state institutions.

Governmental expenditures in the fiscal year 1999/2000 amounted to LE 99,453.5 million per year, equivalent to USD 27,625 million according to the exchange rate of the time. The largest percentage (77 percent) of governmental expenditures on public administration covers salaries, retributions, bonuses as well as recurrent costs. Whereas investment expenditures that cover government buildings, maintenance, furnishing, vehicles and others are allocated 22 percent of government expenditures. A senior state official maintained that government investment expenditures need to reach up to LE one billion per year for at least 10 years in order to maintain and renovate government office buildings and facilities. (Farouk; 2002)
After this brief review of the main issues of organization, legislation and funding of Egyptian public administration, we need to examine human resources, the most important and determining factor of management. Having around one-third of the Egyptian labor force on board in addition to military and police workforce, the Egyptian government is the largest employer in Egypt and its expenditures on salaries and retributions sustain around 35 percent of the Egyptian population.

The Egyptian bureaucracy has expanded from 250’000 employees in 1952 to 5.5 millions in 2001. (Palmer et. al.: 1989 and Abu-Amer: Al-Ahram Weekly: 2001) The 1961 ‘graduate policy’ of the interventionist socialist state took upon itself to employ all university graduates to match the enlarged role of the state. This was especially true after the expulsion of expatriates from key positions conducting economic activities, thus raising the need for the expansion of national bureaucracy to fill those posts. University graduates were registered in the records of the ‘Ministry of Labor Force’ which assigned them to the various state ministries and agencies randomly on quantitative and not qualitative criteria. Average state employees are the product of a poor educational system, assigned haphazardly to their posts, promoted by seniority rather than merit and receiving salaries that place them among the poorer categories of Egyptian society. The suspension of the ‘graduate policy’ in 1984 did not curb the massive employment in the civil service which overshot the actual work requirements. In absence of an active and strong industrial and investment sector, the state assumes direct responsibility for reducing unemployment among young people, which reached up to 12% in 2003. (Economist Intelligence Unit: 2003) 

### Governmental Expenditure in LE Million from 1995 until 2000 by Category

<table>
<thead>
<tr>
<th>Year</th>
<th>Salaries and Retributions</th>
<th>Recurrent Expenditures</th>
<th>Investment Expenditures</th>
<th>Total in LE million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995/1996</td>
<td>15’721</td>
<td>40’569.8</td>
<td>15’201.5</td>
<td>71’492.3</td>
</tr>
<tr>
<td>1998/1999</td>
<td>22’594</td>
<td>48’093.6</td>
<td>20’838.7</td>
<td>91’526.3</td>
</tr>
<tr>
<td>1999/2000</td>
<td>25’309</td>
<td>51’801.1</td>
<td>22’343.4</td>
<td>99’453.5</td>
</tr>
</tbody>
</table>

(Farouk; 2002)
into consideration that 500 thousand young man and woman enter the labor market every year, in addition to the 200 thousand pending from past years, the government offers 170 thousand jobs per year, while the private sector provides 150 thousand employment opportunities annually. (Al-Ahram; February 16, 2004) The low salaries of public employment became a form of disguised unemployment allowance that drove public sector employees almost under the poverty line, knowing that an average salary ranges between LE 200 and 350 (USD 35 and USD 70) per month. Meager salaries were justified by the state’s provision of public employment for university graduates and subsidizing of basic goods.

Notwithstanding the government’s commitment to increase state salaries and retributions from LE 25’309 million (equivalent to USD 7’030 million at the exchange rate of the time) in 1999/2000 up to LE 39’000 million in 2004/2005, the high inflation and continuous devaluation of the Egyptian currency flatten such efforts. (Al-Ahram; February 14, 2004) Market prices are linked to the US Dollar which value in Egypt has doubled during the past three years decreasing the purchasing power of the Egyptian Pound. For instance, the LE 39’000 million are equivalent to USD 6’093 million in 2004, which is 14 percent less than the allocations for state salaries in the year 1999/2000 when compared in US Dollar value. (Economist Intelligence Unit: 2003) Limited salary raises could never catch up with the increasing costs of living, especially after the structural adjustment and privatization waves of the 1990s that lifted subsidies from basic consumer goods.

Poor remuneration scales obliged many civil servants to seek other informal jobs in order to make ends meet, thus undermining the levels of motivation and productivity in their public sector positions. A study conducted by Al-Ahram Center for Political and Strategic Studies illustrated that around 54 percent of civil servants’ choice of public sector employment was motivated by: low working hours (17 percent); permanence (25 percent) and low obligations (12.9 percent). Others pointed out motivations such as; minimal responsibility, easy work, steady income, and low competition. (Palmer et. al.: 1989) This indicates that poor working conditions and low pay scales are more likely to reduce
the opportunity of recruiting qualified and self motivated individuals who tend to seek employment in the private sector or Arab gulf countries.

**The organizational Culture of State Institutions**

Other than being institutionalized in the organizational structure of state apparatus, authoritarianism and centralization are reinforced by the organizational culture of public administration and reflect the general culture of the Egyptian society as a whole. Authoritarian patterns of behavior are bred, sustained and perpetuated by paternalistic family structures, religious and educational institutions, and the political system in general. (Tuma: 1989)

In a large bureaucracy with a promotion system based on seniority rather than performance, basic monthly salaries ranging from USD 35 to USD 70, and supplementary payments controlled by senior management, employees are encouraged to be in the good books of their superiors. Submission to one’s superiors becomes necessary to secure the supplementary payments and tolerance for employees’ eventual absenteeism when they take other part-time jobs. Having reached their position thanks to their long years of service or contacts and not professional merit, senior officials derive their prestige solely from their bureaucratic rank which gives them the authority to punish or reward junior staff. Senior officials are keen to maintain their authority and refuse to delegate any of their responsibilities to junior staff. In the absence of significant financial compensation for reaching a senior position after long years of service and an unfulfilling professional career, authority over fellow colleagues probably serves as a self-actualizing psychological reward to the civil servant. This can explain the high degree of resistance to any decentralization or delegation of authority.

All the previously mentioned institutions portray a pattern of significant power distance where society accepts that the unequal distribution of political and economic power is also reflected in an unequal distribution of power and authority in state institutions and organizations. (Hofstede: 1980 and Robbins: 1994) However, the prevalent
attitude becomes one of the veiled resistance to such authority. That is, they nominally accept authoritarianism, but in practice incapacitate it. For instance, employees would fake compliance with decrees, but minimize their input and try to maximize their benefits, either by increasing absenteeism and procrastination, or by engaging in corruption and favoritism. In this context public officials are accountable only to higher layers of administration and citizens become a superfluous detail. Needless to say that the general public or private investors resorting to public offices are handled with indifference, procrastination and inefficiency at best. In many cases citizens resort to favoritism trying to establish internal contacts inside public offices to facilitate their attainment of simple certification or find a way around lax procedures.

II. Challenges and opportunities of civil service reform in Egypt:

Initiatives of Reform of the Civil Service in Egypt

Civil service reform is not a novel initiative in Egypt, it has been proclaimed to be on the agenda of the government for the past twenty years. The Information and Decision Support Center was established in 1985 as part of the Council of Ministers in order to provide information, know how and expertise for reform initiatives in government. By the beginning of the 1990s, the Ministry of Administrative Development (then headed by minister Atef Ebeid) formed an inter-ministerial committee for administrative reform, supported by the UNDP and the Canadian International Development Agency (CIDA) embarked on a national civil service reform program. The program aimed at improving the efficiency of the state administrative machinery in order to enhance the delivery of services to the public and support ongoing economic and social reforms. Reviewing the statements of senior officials throughout the past decade we come across formulas for administrative reform such as; sliming state structures, downsizing bureaucracy, improving service delivery, simplifying procedures, improve working conditions and status of civil servants, spreading and upgrading use of information technology in state machinery and specifying clear standards for service performance with
clear lines of accountability. (Hamed Mobarek: 2004) Those reforms required the cancellation of redundant and overlapping institutional structures conducting supervisory functions, dismissal of unnecessary labor in the state machinery, and the devolution of authority and competence to lower layers of administration. This would threaten the institutionalized privileges of a large percentage of the state supporting elite and reducing the capacity of the state in the distribution of patronage among its allies and disproportionately increase unemployment. If carried out, such reforms would require economic and political costs that may be behind the means of the state. Therefore it is important to examine state initiatives in administrative reform, identify the potential agents of change (internal and/or external to the civil service) and look at the causes and effects of political and organizational resistance to reform.

The government re-launched its administrative reform program in 1997 with the objective to increase the state capacity to plan and implement social and economic development plans as well as ameliorating government services offered to citizens, according to Mohamed Zaki Abu-Amer minister of state for administrative reform since 1993. (Abu-Amer: Al-Ahram; February 12, 2004) A professor of criminal law in Alexandria University, Abu-Amer was also a member of the ‘Maglis Al-Shura’ Advisory Council and secretary general of the ruling National Democratic Party in Alexandria governorate. (State Information Service; 2004) The reform program is to achieve the following targets:

1. Rationalize the size of civil service employment.
2. Absorb a new and productive labor force.
3. Attain equality and fair opportunities.
4. Improve status of civil servants.
5. Improve public service.
6. Simplify administrative procedures.
7. Improve administrative training.
8. Prepare and select top management.

Dr. Hamed Mobarek was the advisor to the of Minister of Administrative Development in the early 1990s and is currently a policy advisor in UNDP Cairo.
(Ministry of Administrative Reform; 2004)

In order to achieve the first four objectives, the ministry maintains that it revised all existing positions and job descriptions on the national scale to assess actual needs of each administrative area and region. The ministry stated that it aimed to; a) fill present vacant positions according to objective assessment of needs with top graduates of Egyptian universities; b) redistribute labor on the various regions according to concrete needs and size of local administrations; c) ensure transparency and equal opportunities (with a special attention to workers with special needs) in the selection and recruitment process; d) recover vacant positions to revaluate others and guarantee an annual increase of 10 percent of basic salaries of civil servants in order to improve their status. As well as facilitating job mobility, promotions and possibilities of part time jobs for women. (Ministry of Administrative Reform; 2004)

As for simplifying administrative procedures and improving public services, the ministry reviewed all public services (728) and modified the most frequently requested ones (450). Reform initiatives stipulated the following; a) unify the decrees governing service delivery and invalidate obsolete ones, b) minimize required procedures and documents, c) specify time limits for service delivery, d) clarify conditions, procedures, costs and time limits of services’ delivery to citizens, e) improve physical work environment. (Ministry of Administrative Reform; 2004) Some government agencies have already implemented the two-shifts system in offices delivering public services, such as notary public offices ‘Shahr Akari’ and traffic points issuing driving licenses and others. Actually, citizens dealing with public offices that follow the two-shifts system reported an improvement in the system and a faster flow of work. (Personal observation; 2003-2004) The other major innovation approached by the government in public service is the on-line provision of services via internet, telephone-service centers and one-stop-shops. This will be discussed in details in a later part of this study dedicated to the role of e-government in civil service reform and innovation in public administration.
The last three objectives related to the selection and preparation of top management as well as providing them with adequate skills and means of communication and information technology to support their decision-making capacity, are also addressed by the administrative reform program launched in 1997. This intention is reinforced by the considerable increase in the training budget allocation amounting to LE 9.08 million in 2001/2001. The Ministry is also working on the compilation of several databases to support its planning and decision making capacity in addition to facilitating the eventual implementation of e-government in inter-ministerial cooperation. Among the ten different databases created by the Ministry are: the database of administrative units of the state, organizational charts of state apparatus, civil service jobs, experts, training consultants, public services, and others. (Ministry of Administrative Reform: 2004 and Al-Ahram: February 12, 2004)

Despite of all these announced efforts, senior political figures, international development agency reports, foreign and local investors, press campaigns and individual citizens continue to criticize the Egyptian civil service for being inefficient and ineffective. Bureaucracy is still pointed at as the main obstacle facing economic growth and social development. (Delawer: Al-Ahram; February 21, 2004) It is worth mentioning that the Ministry of Administrative Reform is keen to announce on its internet site the following statement;

“The Ministry of Administrative Reform and the Central Agency for Organization and Management are only responsible for suggesting reforms of public services in cooperation with individual ministries and administrative units responsible for implementation. That is the actual responsibility for the realization of reforms lies on implementing agencies, upon which the Ministry of Administrative Reform has no executive power. Therefore, implementation and monitoring of administrative reform is not the responsibility of the Ministry and its units.”

(Ministry of Administrative Reform: 2004)
Agents of change versus the political and institutional resistance to change

After conducting several in-depth interviews with national experts in administrative reform and organizational development cooperating with the government on various reform projects at different points of time, and after conducting a thorough analysis of both the documents of the Ministry of Administrative Reform and consulting their well designed internet site (www.edara.gov.eg), one could make the following two conclusions. First, national experts and consultants both inside and outside the state apparatus do not lack in know-how and technical experience in administrative reform. Most of them have a clear vision of the situation, a methodological assessment of the main issues, concrete ideas about how to deal with the technical and organizational aspects of reform and an open attitude towards innovation. Second, administrative reform entails high economic, social and political costs that may be behind the means of the political system.

Several researchers point out that top management (despite their opposition to delegate authority) express more positive attitudes towards innovation and change in public administration. Analysts link this to their higher levels of education, motivation and job satisfaction. (Palmer et. al.: 1989, Valsan: 1997, and Farouk: 2002) On the other hand, mid-level administrators and junior staff are often blamed by their superiors for their direct or indirect resistance to reforms. “for the most part public sector employees do not have a professional preparation, and a high consideration of work value and deadlines. The large size of bureaucracy, incompetence and apathy of a large part of junior staff is a main obstacle facing innovation in public administration,” maintained a senior government official. (Personal interview; 2004) On the other hand, several national training consultants collaborating with the public sector on several training programs maintain that they came across several hard working and qualified individuals in the civil service whose potentials were undermined by the poor working environment and negative organizational culture. (Personal interviews; 2004) Low-pay-scales, that undermine the social status of civil servants and force them to seek second employment, is indicated as a major cause of the demoralization.
and un-productivity in civil service. As previously mentioned, the state committed itself to annual raises of 10 percent of basic salaries that are swallowed by the escalating inflation rates and fast devaluation of the Egyptian currency. Moreover, the large size of bureaucracy, around 5.5 millions accentuates the problem. “To increase their salaries by only one pound a month would cost the government almost LE 5.5 million monthly,” commented minister Abu-Amer. (Abu-Amer: Al-Ahram Weekly: August 1, 2001) Evidently, The problem of low salaries cannot be resolved unless a general reform in the salary structure of the civil service is carried out. Such an overall administrative reform and modification of the salary structure on the national level is far beyond the limited capacities of the Egyptian government’s present fiscal resources.

Another cause of administrative resistance to change and reform can be attributed to lack of civil servants’ ownership towards reform decisions. A large number of mid-level and junior bureaucracy are either unresponsive to innovation or resist it on the basis that most of the reform policies laid down by top management are cosmetic changes and not genuine intentions. Long years of authoritarian rule have resulted into a climate of suspicion and skepticism towards senior management and politicians among mid-level and junior staff. Their general feeling is that top layers of bureaucracy allied with the political system would willingly use them as scapegoats to blame on them political failures or justify some arbitrary decision to the masses. (Personal Interview: 2004) Alienating lower levels of bureaucracy from the decision making process prevents consensus over the main issues of reform thus failing to attain support for the values and administrative cultures advanced by reforms.

III. Governance and Decentralization:

The concept of good governance has broad definitions that involve an evenhanded, efficient, effective and strong state that guarantees participation, partnership and is accountable to its constituents. Governance is described to be “the way in which the underlying values of a nation (usually articulated in some way in its Constitution) are
Many technocrats identify governance as the efficient functioning of current political and administrative systems and relate it to civil service reform (downsizing bureaucracy, increasing transparency and accountability). (Rosenbaum; 1999) Whereas some maintain that “good governance is produced by the public sector and its employees.” (Haque; 2003)

Decentralization of political power and administrative system together with increasing ownership of reforms among constituents are prescribed by recent development literature and international development agency reports as major conditions for achieving human and economic development. Decentralization is not to exonerate the state from its important role in national development planning, equitable redistribution of resources, and planning and implementation major national development projects that lie beyond the means of local capacities. Ever since the 1952 revolution, the Egyptian state has identified democratization and decentralization as a means of national development; yet, centralization remains a dominant aspect of the state apparatus. Decentralization does not necessarily bring about democratization, especially when central authorities transfer competence and functions but not authority and resources. Local administrations are often impaired by poor administrative capacities, scarce social capital, and the unwillingness of the central state to transfer authority to them.

Decentralization has several characteristics, phases and definitions, starting from de-concentration, to delegation and finally devolution. De-concentration involves the transfer of competence and facilities to local administrations that are delegated the competence to deliver services at the local levels and that may not be authorized to make decisions. This is the case of Egypt’s local administration distributed among 26 governorates. (Egypt Human Development Report; 2003) The Egyptian state has the following five layers of local administration; governorates, cities, centers ‘markaz’, districts ‘hai’, and villages ‘shieakha’. Local public councils, directly elected by popular votes are to determine the competence and have supervisory roles over local administrations.

4 Local administration is an administrative means of delivering central government’s services on the local levels and does not indicate local government which implies political decentralization.
However, due to internal contradictions in their legislation and practices as well as the control exercised by the executive authorities over the memberships and elections of such local councils, they are considered an other ineffective and non-representative arm of the state. (Egypt Human Development Report: 2003)

Consequently the two main issues to deal with for empowering localities are the revision of legislative and organizational basis of local administration along with the transfer of resources and local fund-raising capacity. Delegation involves the transfer of responsibilities and institutional authorities. The need is to delegate local councils the authority to issue local regulations in competence of local administration, empowering them to collect locally-stipulated service charges, local taxes and manage independent local budgets.

Another solution towards decentralization forwarded by many national experts is the streamlining of the centralized state apparatus, canceling redundant supervisory agencies and obsolete ministries (e.g. the Ministry of Supply) or merge ministries that operate in crisscrossing fields (e.g. the Ministry of Economics with the Ministry of Finance; and the Ministry of Agriculture with the Ministry of Irrigation). (Hassan: Al-Wafd; 2001, Farrag: 2001, Delawer: Al-Ahram; February 21, 2004) The idea is to devolute the functions, authorities and resources of the top layers of the state apparatus to implementing agencies. This would cut long and overlapping vertical lines of command, increase ability of administrative units to improvise contingency plans and adjust to innovations, empower local administrations, and solicit their participation. (Delawer: Al-Ahram; February 28, 2004)

These suggestions are not encountered with great enthusiasm form the bureaucracy, which tends to preserve and enlarge its acquired status in terms of size, share of power and resources, and maintain the status quo. Sliming down the organizational structure of state apparatus, the delegation of authorities and resources to local levels would threaten the delicate balances of the overall political system.
VI. Challenges and Opportunities of E-Government in Egypt:

Current state initiatives in e-government

“Public administration and governments are central to extending information society into the fields of democratic decision-making, accountability, community building, economic development and support for civil society;” stated the final report of the EU Government on-line strategic review board in 1997. (Ashby et.al.: 1997) In this direction the Egyptian government established the Ministry of Communication and Information Technology in October 1999 with the objective of fostering local competitiveness and converting Egypt into an information society. The three main routes of work are Government to Government, Government to Citizen and Government to Business. The objective is to provide government services to individual citizens and enterprises on-line through secure government networks, one-stop-shop portals and service delivery centers located in postal offices and IT clubs. (Ministry of Communications and Information Technology: 2004) The e-government project in Egypt has the execution time period of 7 years (from 2000 to 2007) and has the following targets: a) improve citizen services, b) create an investors’ friendly environment, c) provide accurate and updated information to decision makers, d) reduce government expenditure, and e) foster local competitiveness in global economy. Paying a visit to the e-government sites: www.alhokoma.org.eg, www.egypt.gov.eg, and www.edara.gov.eg (more site are listed in annex no. 1); one can see that the government has launched some pilot projects for public service delivery on-line such as the issuance of official copies of birth certificates, paying telephone bills on line, tracing lost and found items (in cooperation with the Egyptian post services) and others. Nevertheless, the actual delivery of such services is often complicated by technical problems (incompatibility of e-payment conditions with some banking systems), and/or legal and technological obstacles.

With a high illiteracy rate (45% of population), low penetration of information technology and limited use of credit cards, the possibility of the majority of the population to interact with e-government portals is limited. Therefore, we need to examine the feasibility of e-
government in Egypt, and investigate the issue of digital divide which refers to the ‘gap between those who have access to and can effectively use new information and communication tools, such as internet and those who can not.’ (Digital Divide Network: 2004) Digital divide is important to look at in order to estimate the potentialities of the e-government project in Egypt and assess the financial and technical needs of the state to accomplish such project.

Looking at the telecommunication infrastructure indicators (Annex no. 2) we can see that the government accomplished several achievements in terms of telephone density, PC density, percentage of internet users, and volume of e-commerce.\(^5\) In three years the Ministry of Communication and Information Technology succeeded to; increase the number of fixed telephone subscribers by 53%, raise the number of internet users by 433% and managed to provide internet services free of additional charges other than the costs of local telephone calls. Besides, the government launched the ‘PC for every home’ initiative with local industries that facilitates the purchase of reasonably priced personal computers with the possibility to pay through easy installment terms. Other achievements are related to the legal framework, as the Peoples’ Assembly passed the laws regulating E-signatures and internet security measures in February 2004. (Al-Gomhoureya: February 9, 2004) Yet there is still to be done, knowing that in 2002 the fixed-line telephone density was limited to 9%, mobile telephone lines to 5.6%, PC density to 1.3% and internet users did not exceed 1.1 million. (Ministry of Communications and Information Technology; 2003) Besides, e-commerce is limited to commercial communications and no business transactions are conducted on line.

On the course of e-readiness the government embarked on several projects such as Information Technology clubs, the National Olympiad in Informatics contest to encourage the participation of youth, and the development of technological infrastructure. Parallel efforts are exerted on the direction of back office automation in government agencies and launching a secure communication network to implement electronic

\(^5\) Telephone density identifies the number of people having access to telephone lines in a specific region, PC density measures access and use of PCs in a specific region, and volume of e-commerce is estimated by calculating the number of commercial transactions conducted on line.
archiving systems, facilitate workflow between government ministries, and establishing an updated national database. (Sherif Battisha: Ministry of Communications and Information Technology: 2004) The state is also working on a project of automation of local administration aiming at simplifying procedures and establishing systems in support of on-line service delivery in individual governorates, thus sparing residents of rural areas costly and time consuming trips to the capital. (Ministry of Communications and Information Technology: 2003) Several state agencies, national universities and ministries introduce information technology to their systems and launch their internet sites in order to interact with their publics. Still the Ministry of Communication and Information Technology reports the following obstacles in face of successful accomplishment and penetration of e-government project:

1. E-payment is largely dependent on credit cards which use is limited for a developing country suffering from economic distress like Egypt, especially that many users are cautious about using credit cards for paying on-line.

2. Automation of work flow in government offices is hindered by the absence of standards and specifications for the process of automation as well as the general reluctance to use automated systems resulting from unfamiliarity with information technology and uncertainty about security measures.

3. Process workflows need to be re-engineered to correspond to the e-government model. This however is faced with the general inflexibility of governmental structures and rigid organizational cultures, and are worsened by the overlapping authorities of the various supervisory upper layers of government.

4. Networking between the various state bodies is non-existent, therefore they can not interact, exchange information nor documents necessary for the flow of work.

5. Access to e-government among the Egyptian population is still hindered by low penetration of personal computers, low penetration
of internet and computer illiteracy. (Ministry of Communications and Information Technology: 2003)

In an initiative towards regional networking in innovation in public administration, the Egyptian government presented a proposal to the Italian government on 2003 to propose a cooperation in the field of offering consulting and implementing e-government projects to other NEPAD African countries. (Ministry of Communications and Information Technology; 2003) In this framework Egypt offered to provide technical assistance in drafting strategic objectives and proposing program frameworks, professional experience in implementation of back office automation, technical networking, government gateways and portals, on-line services’ delivery, in addition to providing consultation on legal and regulatory issues.

The Ministry of Communication and Information Technology was established with an innovative vision, according to Dr. Sheirf Battisha, trade and industry project manager at the Ministry. He maintains that the MCIT staff enjoys higher preparation and has a client oriented attitude. According to Battisha, despite the relatively low pay scale compared to their market value, the MCIT staff is self motivated by the challenging mission of converting Egypt to an information society. (Personal Interview: February 2004) Whereas, Ahmed Darwish, e-government program director at the MCIT, maintains that the secret of success of the MCIT is the leadership of minister Ahmed Nazif who “has clear visions, is open to innovations and has a strong and dynamic leadership style.” In a hierarchical and personalized organizational culture such as the Egyptian one, the leadership style is determinant in the success or failure in the achievement of organizational objectives, according to Darwish. (personal interview: February 2004) The personalized character of the political and administrative apparatus is a general feature of the Egyptian political culture, where administrative changes and reforms are tied to the person at the top of the organization and their continuity is linked to the presence of that particular person in power and not to its institutionalization in the organizational mission and procedures. On the other hand, failures and malfunctioning of systems are usually blamed
on the ‘rigid and negative’ attitudes of lower strata of bureaucracy that is accused of standing in face of innovations.

Achievement in e-government is not to be measured only against technical and numerical criteria because the ultimate purpose of e-government is to advance horizontal lines of inter-active communication, integrate the participation of communities and lower strata of bureaucracy in addition to securing efficient allocation of resources. That is, information technology is not an end of its own but a means to achieve better governance and stimulate participation in the decision making process. This can not be achieved in the context of the existing hierarchical, paternalistic and authoritarian culture of state institutions that not only alienates local actors from the decision making process, but also expects them to bear the economic and social costs of a reform that they did not chose and towards which they don’t feel committed. In other words, the use of information technology in state institutions is not necessarily a sign of democratic and organic communication if the general pattern of organization is based on top-down communication and where compliance and obedience to superiors is the most important value.

The role of e-government in promoting direct investments

Egypt’s national income is driven mainly from its oil exports, revenues of the Suez canal and tourism. Direct citizens’ contribution to the state budget through taxation is undermined by the low income levels, and an ailing production sector. In light of lack of national capital to vitalize a needed export oriented production, foreign direct investments are aspired to for economic growth and job creation. Yet, Egypt was cut out of the list of the 30 countries most attractive to foreign direct investments, which flow to the country decreased by 58.7% in the year 2000/2001 and continue to go down. (Al-Ahram Ektesady: January 13, 2002) The economic advisor to the prime minister, Hatem Al-Karanshawy, mentions rigid customs’ system, unclear tax regulations, inefficient and lax bureaucracy, and the slow procedures of the legal system, to be the major problems holding back the flow of foreign investments to Egypt. (Al-Karanshawy: Al-Ahram; February 4, 2004) These facts have driven the
Egyptian government to review its policies and institutions and initiate a process of reforms in favor of investments. For example a presidential decree stipulated that lands would be given for free to investors against guarantees of immediate initiation of production activities, the decrees also promise additional incentives to multinationals operating in Egypt. (Al-Ahram; February 16, 2004)

Other reform initiatives involve the establishment of single service points (physical one-stop-shops) that investors and small and medium size enterprises can turn to for the issuance of the different permissions and licenses to practice their activities. Thus sparing foreign investors and local entrepreneurs the time and cost of resorting to the several (central and local) state agencies for the issuance of such documents. Those physical ‘one-stop-shops’ will be service points established in the various sites of local administrations and will be composed of representatives of the various agencies dealing with investors and local entrepreneurs and delegated to issue immediate temporary permissions and licenses to investors until their head offices issue permanent ones. (Al-Akhbar; February 17, 2004) Another ‘one-stop-shop’ pilot project is the Small and Medium Business Support Project SMBSP established in Mansoura and Damietta (lower Egypt) by the Canadian International Aid Agency in cooperation with the Egyptian Ministry of Foreign Trade. The service center contacts all concerned agencies on behalf of investors to obtain the necessary operating licenses against fees.(Sheikh: Business Today; May 2003) Many national consultants and government officials do not see in these satellite one-stop-shops the ultimate solution to the problems of bureaucracy and maintain that they replicate the job of the General Authority for Investment and Free Zones (GAFI). GAFI defines itself as “Egypt's One Stop Shop for investment” and the primary governmental authority concerned with regulating and facilitating investment. (GAFI: 2004) “It won’t help to gather some employees in one place to do the job when the complex rules and regulations remain the same and the organizational culture remains rigid and centralized,” commented Ahmed Shalaby, project manager of organization development in Telecom Egypt. (Personal interview: 2004)
This leads us to the ‘virtual’ one-stop-shop proposed by the e-government project launched by the Egyptian Information Society Initiative for government services delivery. In addition to the information network provided by Egypt’s governmental services portal (www.egypt.gov.eg) targeting both citizens and the business sector, the e-government program has three main projects under construction. The projects directed to local companies, foreign investors and exporters are:

1. The Tax Authority Information System; which links users to resources of financial information in order to provide accurate examination of tax returns and streamline the process of presenting tax statements.

2. The Industrial Product Information Network; which provides information and statistical data for all industrial products manufactured in Egypt.

3. The Customs Information System Program; which is a database of existing legislations and regulations on customs.


It is undeniable that these portals provide easy access to information on legislations and regulations related to customs and taxes. Yet, they do not touch upon the original problems of investors and local entrepreneurs in their daily interaction with authorities and state bureaucracies. They do not offer interactive on-line services and do not touch upon the existing complicated legislative and bureaucratic system. In fact, paying a visit to these internet sites we see that in many cases information are incomplete or offered either in Arabic or English language but not in both. It is worth noting though that these portals are in the experimental phase and many databases are still under construction.
In brief, we can see that the impact of information technology on the promotion of local productive sectors and foreign direct investments is conditioned by the general rigid institutional structures and inflexible organizational culture of state agencies. That is to say, e-government can not function in a vacuum unconditioned by the overall institutional and administrative environment. Technology is a means to utilize in order to efficiently and effectively implement comprehensive development plans and not an final objective.

V. Civil Servants as the Main Agent and Target of Reform:

People are the target and agent of administrative reform and good governance; yet, it is people (in this case civil servants) who are blamed for resistance to administrative reforms. The largest source of resistance to change are the civil servants themselves, either because they have a poor professional preparation impeding them from adjusting to change, are demoralized by low pay intrinsic and extrinsic rewards, or mistrust change and fear the unknown. “The negative attitude of civil servants is the main problem facing reforms,” was the conclusion of most research work on administrative reforms in Egypt and the comment of almost all senior government officials and national experts on the subject. The popular work-related Egyptian proverbs such as ‘the more you work the more you make mistakes’ and ‘tie the mule where his owner wants’ illustrate the apathetic and submissive attitudes dominating the bureaucratic culture. This informal culture reinforces attitudes such; a) an extreme deference to authority that conveys a façade of compliance to superiors and a lower value to productivity, b) fear of losing one’s acquired status due to change, c) high degree of formalism conveying rigid application of rules and regulations to protect organizational and group inertia, d) superior and indifferent attitude with regard to the masses (general public) towards which bureaucrats are not held

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6 Intrinsic rewards are related to workers’ satisfaction with the job and personal self-esteem such as participation in decision making, opportunities for personal growth, greater job freedom and others. Extrinsic rewards include direct and indirect monetary or in-kind compensations such as salaries, overtime holidays premiums, assigned parking spaces and others. (Robbins; 1994)
accountable. (Palmer; 1988, Haque: 2003, and Farouk; 2002) Such attitude problems are to be taken into consideration when innovation in public administration and civil service reforms are approached.

In absence of sufficient national financial resources to adequately and satisfactorily match extrinsic rewards to market values, the Egyptian state apparatus needs to expansively revise its human resource development policies, top-down organizational patterns of communication, performance appraisal systems and leadership styles. In any case these efforts need to be comprehensive, consistent with each other and constant. Working only on one direction frequently proves to be ineffective and inadequate. For instance, training consultants collaborating with various state agencies state that when professional training reinforces values of participation, productivity and creativity that are inconsistent with the organizational structures, cultures and actual daily job duties, employees experience higher levels of professional frustration and demoralization. (personal interviews: February 2004) The same applies to reward structures and promotion systems that are perceived by employees as inequitable and inconsistent. Wages and reward structures in the Egyptian government are based on non-market considerations with fixed initial salaries for each educational certificates and a system of periodic increase according to seniority. Promotions are linked to seniority and an ‘excellent’ grade in performance appraisal, which was given to the majority in absence of substantial financial rewards and no special bonuses or merit are awarded to exceptional achievements and creative initiatives. On the contrary, innovators tend to threaten present expertise and established power relations, thus they are usually marginalized by coworkers and superiors. (Palmer) This disjuncture between expertise and productivity with professional promotion and reward structures drives employees to minimize their efforts as they compare their job inputs and outcomes relative to others and their perceptions of eventual inequities. (Valsan, 1997) This state of affairs is consistent with the assumptions of the equity theory devised by Robert Vecchio in 1984.

In his statements to the national newspapers and the internet site of the Ministry of Administrative development, minister Abu-Amer dedicates
substantial attention to the issue of capacity building of human resources in the state apparatus. The Ministry’s training program is carried out by both the Central Agency for Organization and Administration, and the Sadat Academy for Management Sciences which are affiliated to the Ministry of Administrative Reform. A presidential decree in 2004 delegated to minister Abu-Amer the authorities of the minister of Higher Education with regard to reforming the academy. (Al-Ahram; February 11, 2004) The Ministry’s training programs have a scope that covers a large span of state employees, top management, senior officials, along with middle management and executives. The Ministry develops annual broad-spectrum training plans to be implemented on the national scale, manages a database of training centers, sets the criteria for the recruitment of trainers and implements training programs and seminars. (Ministry of Administrative Reforms: 2004)

Senior management, is given a special attention in the ministry’s training plans, which aim to develop leadership skills and acquainting trainees with the latest developments in information technology, management skills, and administrative reforms. These training programs have a duration of 4 to 6 weeks and are set as a prerequisite for professional promotion to superior managerial posts. As for top management, the Ministry has recently organized a professional training program with the Harvard Business School and organized by the ‘Future Generation Foundation,’ an NGO headed by Gamal Mubarak. The program targets top leaderships among younger generations of executives and prepares them for the most vital sectors of government and ensures that they are placed in the decision making circles of government. (Abu-Amer: Al-Ahram; February 12, 2004)

State training programs, however, still attracts a lot of criticism from management experts and trainers both inside and outside the state apparatus. The common critique is that training programs are not based on accurate needs’ assessment and are not linked to a comprehensive civil service reform program. (Valsan: 1997) Training sessions, for the most part, are based on seminar and lecturing style and are designed to convey information and knowledge but not skills and attitudes, commented Nabil Tawfik, former deputy minister of the Central Agency for
Organization and Administration. (Personal interview; 2004) Training programs are usually ready-made packages based on imported formats and are never linked to actual job requirements. Their results are hardly evaluated against objective criteria. Moreover, in many cases the managers nominate for training (especially if it was not associated with any specific advantage) negligent and lax employees to drive them out of offices without any objective criteria. (Farrag; 2001 and Tawfik; 2004) Abdul Meguid Farrag, former dean of the Institute for Statistical Studies in Cairo University, describes the state training centers as ‘Kuttab’ (traditional religious schools established to teach young children to memorize Koran). (Farrag; 2001) He criticizes traditional training styles conducted by university professors and based on lectures, seminars and not utilizing interactive workshop style aiming at transferring skills and attitudes. Present training programs are formalistic instruments of promotion in civil service careers and not connected with comprehensive administrative reform efforts.

The general conclusions driven from the various in-depth interviews conducted with senior officials, training consultants and representative of international aid agencies in Egypt with regard to training and capacity building of civil servants are as follows:

1. It is a necessity to conduct case by case needs assessments before designing and implementing any capacity building program in various state agencies. Training should be based on the nature of work, actual preparation and attitude of the targeted staff and linked to their job responsibilities and work environment.

2. The various forms and tools of training (seminars, filed visits abroad, interactive workshops, in-service training, foreign consultants, role playing, provocative interactive group therapies, field work and others) are all complimentary of each other and contribute differently to the formation, motivation and development of human resources. The use of one type ore combination of various types needs to be based on a careful assessment of needs of trainees and a clear understanding of the effectiveness of each type in various situations. For example, trainers agree that field
visits abroad are important to give more exposure to trainees, thus helping them to see innovations in practice and raise their acceptability to changes, but not to transfer a specific skill. Another point is about the utilization of foreign experts/consultants which proved to be most useful when they are given specific objectives and they team up with national counterparts to whom they transfer technical knowledge and skills.

3. Independent training consultants and public officials interviewed on the issue of capacity building maintained that the needs for capacity building for state institutions extend to almost all fields of management including strategic planning, quantitative analysis, performance appraisals, fund raising, leadership skills, budgeting, orientation towards public service, interpersonal communication skills, team work, information technology and many others.

4. The selection of trainees (especially to participate in foreign training programs) needs to be based on their performance and attitude towards innovation in order to capitalize on their capacities. It is wasteful to use foreign training as a reward to senior staff (many approaching the retirement age) or as a method to authorize promotion to higher levels.

In brief, the most agreed upon point in capacity building is the necessity to link professional development programs to an overall reform process that reinforces the use of skills, knowledge, values and most important of all attitudes conveyed by the training programs. Capacity building is to be associated with empowering civil servants and integrating them as agents and beneficiaries from reform and not only subjects of reform.
Conclusion:

Having reviewed the organizational structure and culture of the state apparatus in Egypt, we can see that the potential agents of change and innovation are primarily top management and that civil servants are considered uncooperative subjects of reform and not partners in change. A comprehensive change, however, involves economic and political costs that the political and executive elite may not be willing to pay. Consequently the most important questions to ask are who are the potential agents of innovation in public administration and What motivates them?

Previous analysis lead us to conclude that top leaderships in the public sector are those who are most empowered to initiate and steer change, but are the least interested to implement it on the overall system. Innovators are, to a large extent, either intimidated by economic and political costs or are marginalized in non-decision making positions. Recent trends in public sector reform approach the issue of leadership in civil service with enthusiasm, dedicating a considerable attention to developing leadership skills and facilitating the promotion of promising individuals to decision making position. The idea is that reform needs visionary leaders that are committed to change, willing to take risks and whose expertise and personal integrity guide and invigorate reforms. However, in the context of the personalized and authoritarian culture of the state apparatus, we ought to be careful not to mix between visionary and charismatic leaderships. Charismatic leadership is based on the personal traits of individual leaders and their capacity to drive others to achieve specific goals. Charismatic leaders tend to be autocratic and hardly institutionalize change, which is directly linked to their person. Visionary and directive leaders, on the other hand, are more oriented towards involving their staff in goal-setting, internalizing reforms in daily operational procedures of institutions and empowering their staff thus inspiring enthusiasm, commitment and leadership skills at the various levels of the organization. Visionary and directive leaderships are more likely to bring about an institutional development that is sustainable.
It is important that reforms target all elements of state institutions and give major importance to the human factor of administrative development dedicating more attention to transferring knowledge, skills, and positive attitudes. These changes are likely to be more effective when they are backed up by a less centralized and hierarchical structure, flexible culture and incentives that reward innovators and high performers.

Knowing that the bureaucratic elite is more keen to maintain stability than promote change and civil servants can only express themselves controlling their input, we have reason to believe that change is more likely to be stimulated by external actors outside the bureaucratic apparatus. Here comes the importance of establishing professional networks sharing relevant experiences, knowledge and expertise in the various fields of public administration. These networks can contribute to the dissemination of knowledge and transfer of models of success to the local administrative culture and form various pressure and advocacy groups inside the state apparatus (among middle bureaucracy and future generations of leaders), in the legislative system (among parliamentarians) and influential intellectuals who are close to the circles of power. Creating a positive culture supportive of change all over the state apparatus and among constituents can encourage innovators to emerge, reduce cultural resistance to reforms, and unfreeze the status quo.
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People’s Assembly: www.assembly.gov.eg
Consultative Assembly: www.shoura.gov.eg
The Ministry of Defense and Military Production: www.mmc.gov.eg
The Ministry of Agriculture and Land Reform: www.agri.gov.eg
The Ministry of Foreign Affairs: www.mfa.gov.eg
The Ministry of Economy: www.economy.gov.eg
The Ministry of Education: www.emoe.org
The Ministry of Tourism: www.touregypt.net
The Ministry of Administrative Reform: www.edara.gov.eg
The Ministry of Labor force and Emigration: www.emigration.gov.eg
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The Ministry of Finance: www.salestax.gov.eg
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Mubarak’s Public Library: [www.mpl.org.eg](http://www.mpl.org.eg)
Alexandria Library: [www.bibalex.org](http://www.bibalex.org)
The Central Bank of Egypt: [www.sce.org.eg](http://www.sce.org.eg)
Misr Bank: [www.banquemisr.com.eg](http://www.banquemisr.com.eg)
The Bank of Cairo: [www.bdc.com.eg](http://www.bdc.com.eg)
Alexandria Bank: [www.alexbank.com](http://www.alexbank.com)
Complete the following table based on the text provided:

### Egypt’s Information and Communication Technology Readiness

<table>
<thead>
<tr>
<th>Details</th>
<th>October 1999</th>
<th>December 2002</th>
<th>Percentage increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Telecommunication Infrastructure Indicators</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centrals’ capacity</td>
<td>6.4 million line</td>
<td>10.1 million line</td>
<td>57.5%</td>
</tr>
<tr>
<td>Number of fixed telephone lines’ subscribers</td>
<td>4.9 million subscriber</td>
<td>7.6 million subscriber</td>
<td>53.5%</td>
</tr>
<tr>
<td>Waiting list for fixed telephone lines</td>
<td>1265 million</td>
<td>302 thousand</td>
<td>-76%</td>
</tr>
<tr>
<td>Number of Centrals in rural areas</td>
<td>775 central</td>
<td>1008 central</td>
<td>30%</td>
</tr>
<tr>
<td>Number of public phone cabinet</td>
<td>13300 cabinet</td>
<td>47064 cabinet</td>
<td>571%</td>
</tr>
<tr>
<td><strong>Mobile Lines</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of mobile phones’ subscribers</td>
<td>654 thousand</td>
<td>4.390 million</td>
<td>57.1%</td>
</tr>
<tr>
<td>Number of mobile phones/100 individual</td>
<td>0.98</td>
<td>6.45</td>
<td></td>
</tr>
<tr>
<td>Mobile service companies</td>
<td>2 companies</td>
<td>2 companies</td>
<td>3 companies</td>
</tr>
<tr>
<td><strong>Internet Penetration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet Capacity</td>
<td>20 Mbps</td>
<td>850 Mbps</td>
<td>41.5 multiple</td>
</tr>
<tr>
<td>Number of Internet users</td>
<td>300’000 user</td>
<td>1.6 million user</td>
<td>433%</td>
</tr>
<tr>
<td>Monthly Internet subscription</td>
<td>100 EGP (29USD)</td>
<td>Local call cost with now extra fees</td>
<td></td>
</tr>
<tr>
<td><strong>PC Penetration</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of PCs</td>
<td>85’000</td>
<td>1.5 million</td>
<td>16.64%</td>
</tr>
<tr>
<td>Number PC/100 individual</td>
<td>1.25</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td><strong>Human Development Indicators</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of trainees for the basic skills development programs</td>
<td>1200 trainee</td>
<td>48339 trainee</td>
<td>39.3 multiple</td>
</tr>
<tr>
<td>Number of IT clubs</td>
<td>30 clubs</td>
<td>401 clubs</td>
<td>12.4 multiple</td>
</tr>
<tr>
<td>Number of trainees for the specialized training programs</td>
<td>500 trainee</td>
<td>10990 trainee</td>
<td>21 multiple</td>
</tr>
<tr>
<td><strong>CIT Business Status</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of CIT companies operating in Egypt</td>
<td>266 Company</td>
<td>807 Company</td>
<td>203%</td>
</tr>
<tr>
<td>Number of employees in the CIT sector</td>
<td>10256 employee</td>
<td>25624 employee</td>
<td>149.8%</td>
</tr>
</tbody>
</table>