

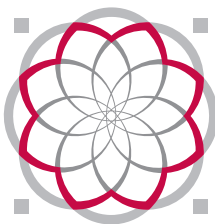
Implementation of the

2030 AGENDA:

opportunities and challenges

in EGYPT

Egyptian center for
economic and social rights



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THE LACK OF VISION AND EXECUTION MECHANISMS FOR THE 2030 STRATEGY EGYPTIAN CENTER FOR ECONOMIC AND SOCIAL RIGHTS

Within the national report about the Egyptian government 2030 development strategy, the most important recurrent patterns consist of the lack of a detailed plan for the method of achieving the very ambitious proposed goals, such as decreasing poverty and unemployment rates, merging the non-public sector and rationing work in it, which was not included in the 2030 strategy not even the simplest indicators to measure its volume. Despite the fact that the strategy's goals are ambitious, the lack of clarity of the execution mechanisms and the mismatch between the goals raise several question marks as to the seriousness of the government in the execution of these indicators, and the state's capability to benefit from the international frame of sustainable development in order to put Egypt on a strategic development path guaranteeing the rights and supporting the modest citizen.

The indicators used in the 2030 strategy to measure the goals, reflect the continuity of the neoliberal approach adopted by the Egyptian government based on the development of the private sector and depending on it in order to finance the development goals without referring to more sustainable methods such as increasing the National income through increasing direct taxes. Instead, the government tends to impose taxes borne by the consumer such as the value added tax, which increased the taxation burden average on consumption from 10% sales taxes to 13-14% with the application of the VAT, which will increase as per the law to 14% in the fiscal year 2017-2018.

In general, and at the level of transparency and participation, the strategy offered plans for radical amendments, that were not discussed at the Parliament or community debates of any kind whatsoever. It is as if the government is binding Egypt on purpose by international commitments so the parliament is obliged to approve laws, it was supposed to discuss and amend or refuse. This issue was reflected in the parliament's approval on the civil service laws and the VAT law in an attempt to meet Egypt's commitments towards the World Bank and International Monetary Fund.

This report tackled an analysis of the Egyptian government's strategy for sustainable development for the year 2030, and offers through this analysis a monetary vision for the macro economy and social fields taking education as an example.

THE ECONOMIC STRATEGIC

The economic strategic dimension of the sustainable development is divided into three pillars, the first one is economic development, the second is energy and the third is transparency and governmental institutions efficiency. Before tackling these pillars in details and after monitoring that this proposal defined numeral goals for the indicators that should be achieved only without linking them to strategies or execution methods or feasibility studies for the realizability of these goals in reality. The proposition of these number related goals without mechanisms and methods to implement them might express the nonseriousness of the government as to realizing them. This is not new for the consecutive governments in Egypt since Mubarak's term, whose promises were not associated with tangible policies and changes, but expressed ambitions dominated by the indicators of the United Nations and International financial institutions which the Egyptian government was always longing to satisfy in order to promote its economic, political and international position, mainly its various indicators.

For example, the goals include fighting or "merging" the non-public sector and decreasing poverty rates to 15% (from around 27,8% in 2015) as well as decreasing unemployment rates. Here we should ask about the methods of achieving this goal with the decrease of expenditures on the social sector in the light of not mentioning any motives encouraging the "merging" operation of the non-public sector or how to decrease unemployment rates.

Decreasing unemployment rates is considered one of the most important goals of sustainable development which is expressed by putting it on the top of the goals list in the strategy. One of its main indicators according to the United Nations is decreasing poverty to half of its rates at least at the time of adoption. This fact was not adopted by the Egyptian government which decided to decrease poverty rate to 15% which results in 27,8%¹ in 2015 according to the Central agency for public mobilization and statistics despite that poverty was supposed to be decreased to less than 13,9%. In the highest levels of its ambitions, the government did not reach the minimum required level of the development goals.

¹ It should be taken into account that until the date of writing the present report, no updated statistics about the level of poverty in Egypt after the floatation of exchange rate and high rise of the official inflation rates, which caused an increase in the food chain prices by 40% according to the reports of the Ministry of Finance. The fact that surely participated in highly increasing poverty rates above the mentioned rates.

In the same time, Egypt suffers currently from a major economic crisis that destroyed everything after the collapse of the touristic sector and the exchange rate liberation crisis which toppled the buying capacity of the Egyptian pound and destroyed more than half of the Egyptian currency value leading to overthrowing half of the Egyptians' savings and salaries value from all sections. These crises came to clarify the structural defect in the Egyptian economy that was neglected by the development strategy. The neglect on purpose of these real challenges is only a continuity of the governmental vision intentionally neglecting the realities in order to blame other parties and avoiding bearing responsibility. This philosophy is becoming clearer in the report "Egypt's development towards achieving the millennium goals" issued by the Egyptian Ministry of planning in 2015 in which the last part of the sustainable development strategies and challenges was detailed. Instead of bearing its responsibilities or seriously discussing the difficulties, the government did not bear any responsibility or criticize itself even in form and chose to criticize the donor states for the lack of development official aids and blame the deceleration of the Chinese economy and the Egyptian people's culture and customs, to conclude this part with an implicit admission of the lack of seriousness as to achieving the development goals because of their wide span "going from the health of the mother and the baby to the clean seas and oceans"²

FIRST: THE ECONOMIC DEVELOPMENT PILLAR

The argument puts several general goals including the macro economy stability, sustainable containable development and the increase of the average per capita income to reach the level of the high mid income states. These are important and achievable goals. For example, transforming Egypt into a high middle-income state requires raising the individual's share of the GDP from 3436\$ to 4126\$³ which is equal to 20% addition that should be achieved along 15 years, a goal was considered to be realistic and easy to meet before the explosion of the current economic crisis since it only required the increase of the individual's share by 1,3% per year. However, after the aggravation of the crisis, the goal became impossible to meet as a result of the Egyptian pound exchange rate with the US Dollar where the individual's share

decreased by more than 33% to reach 1910\$ per year in December 2016. This means that the required increase is more than 120% during 13 years i.e. an annual growth of 6,1% if we consider the population stable. However, if we consider that the population increase in Egypt by around 2% per year and that it is expected to surpass 120 Million by 2030, the required increase becomes 178,7% i.e. an annual growth of 8,21% minimum which is a rate that cannot be achieved on the short or medium run. Thus, this goal is in fact impossible to achieve. Before concluding our questioning concerning the seriousness of the government as to achieving this goal, we find that the program expects reaching an average of 4000\$ in 2020 and 10000\$ in 2030 which is an unrealistic goal before the crisis and ironic after it. This goal requires an annual growth of more than 15,83% which is impossible to achieve. Therefore, we should ask here: what is the government's strategy to increase the growth rate by 5 times in one year. If we compare numbers between the previously mentioned income rate goals and the economic growth rate goals, we find that they can never be matched. Then, when we add to it the lack of any execution strategy or road map to meet these goals, we realize the randomness of the goals and the impossibility of practically or theoretically meeting them.

As to the remaining indicators of the eighth goal related to the economic growth and decent work, they either come as numbers without a strategy or verbose speech without any realization in the Egyptian reality. For example, the eighth goal aims at achieving full labor which was translated by the government's target of decreasing unemployment to less than 5% without explaining how to do it. Whereas, decreasing unemployment rates required focusing on the heavy employment sectors, which is one of the goals, this focus was supposed to be done especially in the light of the crisis resulting from the structural default of the Egyptian economy, however it was not tackled by the government neither orally nor practically. Worse than the government's neglect of some of these goals, is working completely against them: Whereas the eighth goal requires consecrating the workers' rights and preserving their freedoms, the Egyptian government works every day to dissolve demonstrations and strikes, arresting labor leaderships and sentencing the organizers to imprisonment clearly indicating that these goals are mere words. The Egyptian government was supposed to cancel the penalty laws related to strikes and demonstrations if it was really interested in achieving the strategy goals in reality.

² Egypt progress towards achieving the Millennium goals – The Ministry of Planning, follow up and administrative reform in Egypt – 2015 <https://is.gd/uWlpQT>

³ World Bank divisions <https://is.gd/x3Jh2H>

SECOND: THE ENERGY PILLAR

If we paid attention to the energy pillar, we find the shakiest strategy, where it tackles cancelling the support given to energy in order to lower the budget deficiency without taking into consideration the effect of such action on the citizens especially the most vulnerable sections. In the light of the lack of sufficient protective measures by the state which is considered a clear abandoning from the government as to its social and economic role. The government in fact started executing this issue by increasing the fuel price last year, with other speculations of a new proximate increase. On the other side, we find that the vision considers the energy security and depending on local resources one of its priorities, the fact that should be praised, especially in the light of the government's quest to realize the sustainable development strategy. However, we should ask ourselves, how can we reach this goal while the government is expanding its use of imported coal and exporting gas and locally produced fuels and in the light of the government's ignoring of the renewable substitutes such as the solar energy greatly available in whole of Egypt. The main missing pillar in this strategy is the total disregarding of the clean and renewable energy whereas no goals or indicators related to the decrease of dependence on fossil fuel or encouragement of renewable energy use were set. This leads to an incomplete energy strategy as a whole and an insufficient one at most levels.

THIRD: THE PILLAR OF GOVERNMENTAL INSTITUTIONS TRANSPARENCY AND EFFICIENCY

The transparency pillar comes as the briefest and most summarized as to details despite that it includes important steps such as issuing a law for the organization of information disclosure and deliberation as well as the implementation of the citizens' participation mechanisms in setting the budget and other mechanisms for their participation in the supervision of projects implementation. However, the total absence of community participation and the government's campaign against people and non-governmental organizations⁴ mean that these laws won't realize the participation and integration they are claiming, but most probably, will ration the already existing lack of transparency, defining participation as well as the number and quality of participants, without any real or meaningful

presence of the opposition. The continuity of these practices hinders creating any opportunities such as setting responsive budgets for the social gender that are seriously and realistically implemented in order to guarantee specifying financial resources aiming at improving women's situation and truly responding to their demands in a way to create positive changes or meet any of the tenth goal requirements related to decreasing differences. Without the effective social participation and the absence of the people's voice in the decision-making areas, old fashioned policies would be made, confirming the differences instead of abolishing them, through abandoning protective policies without caring about the poor and marginalized people's suffering. Moreover, we highlight that stipulating new laws is meaningless if the government does not abide by the law in force in the first place. The government's violation of the judiciary's provisions that don't suit it and the neglectation of the dedication of a budget unified and harmonized system does not bode well. What is then the value of legislations and laws, if they were implemented selectively?

It is worth noting that corruption indicators in general and governmental corruption specifically in Egypt remain one of the major obstacles of development which can be seen by following up Egypt's international ranking as to the corruption perceptions indicator, where Egypt moved up in 2015 from number 95 to number 88. In fact, this improvement in ranking came as a result of other states suffering from internal problems. While in the same time, Egypt's evaluation in the same indicator decreased from 37 to 36 points, before taking into consideration the report of the Central Accountability State Authority for corruption which estimated Egypt's losses because of corruption by more than 200 Billion Egyptian pounds per year. The Egyptian government's reaction came quick and decisive in calling into trial upon Mr. Hicham Gnenia, the responsible for the report instead of prosecuting the corruptors themselves.

- Implementing effective mechanisms for the citizens' participation in setting the budget just like the best practices of the budgets international partnerships as well as expanding the implementation of gender sensitive budgets.
- Setting a detailed strategy to solve the energy crisis taking into consideration caring for the poorest sections by depending on clean and renewable resources naturally available in Egypt and limiting the use of fossil fuel by 2030.

⁴ Humans Rights Monitor Report <https://is.gd/HQdv2p>

- Improving the situation in Egypt in general and Sinai Peninsula specifically to promote touristic activity and encourage investment.
- Preparing a unified taxes system based on the real direct and progressive taxes while decreasing the dependence on indirect taxes to encourage merging the non-public sector as to expanding and deepening the taxation platform in order to decrease the budget deficit.
- Setting a realistic plan to raise Egypt to the level of upper middle income states depending on growth rates while controlling inflation rates and limiting the public debt crisis disastrous aggravation.
- Setting a detailed strategy to restructure the state administrative body without damaging the workers' rights and activating the people council, administrative control and Central Accountability State Authority role.
- Focusing on heavy employment sectors as a motivation for development through taming capitals in order to invest in the industrial sector especially manufacturing industries instead of service sectors.

SOCIAL DIMENSION:

Education for example

The International report for education issued by the UNESCO clarified that quality education is the base of sustainable development and should be considered as the "most important entrance to any of the sustainable development dimensions".⁵ Through it, societies are able to achieve food, industrial and environmental stability and form a wider social capital by raising their individuals on scientific and intellectual bases linking them together along with the environment surrounding them.

In order to achieve this point, the general director of the UNESCO Irina Bokova, declared that it is necessary to adopt new strategies and methods to guarantee the accessibility of primary education for the highest number of children after the lagging of the majority of states in their current policies making the rate of 70% enrollment a goal to be achieved in 2030 instead of 2015 as it was previously decided. Jeffrey

D. Sachs, the UN Secretary General's consultant about Sustainable development goals, added that financing is considered one of the main ways to quicken the achievement of goals, after the report had warned about gaps and obstacles hindering the realization of objectives in reality. One more time, not giving financing the right importance or putting it within the main requirements for the realization of the goals, is considered the major cause of failure or more smoothly, the incapability to reach an effective progress as to the "Education for all" goals in the period between 2000 and 2015⁶

From here, concerning the Egyptian frame for the year 2017, the Egyptian government lead by the Ministry of education and technical education started drawing its educational policy based on the realization of the fourth goal of sustainable development. The Ministry of planning declared on its official website concerning its vision for Egypt in 2030, the following: The education and training vision consists of making education and training available for everyone with good quality and without discrimination in the frame of a flexible, sustainable, fair and competent establishment system, based on the trainee and student capable of thinking and benefiting from technological, technical and vocational competences. This system shall participate also in building an integrated personality and launching its capacities to the highest levels, creating a proud, enlightened, creative, responsible and open diversity citizen, respecting differences, proud in its country's history and passionate about building its future, capable of competitively dealing with international and regional bodies⁷

In order to realize this, the government had to achieve two things. First, plans and strategies aiming at developing the current educational system. Second, financing aiming at supporting these theses and achieving them in reality. The way these strategies are included is the real key as to activating the integration principle, parity and promoting education for all set by the fourth goal. However, the pattern adopted decades ago for policies drawing and execution by the Egyptian government does not preach any new trends. Decisions are made in a presidential way from Ministerial offices, very far from tangible reality. This was one of the main points tackled at the national dialogue concluded in Egypt with representatives from the government and

⁶ Same as previous reference

⁵ Global Education Monitoring Report "Education for the people and the Planet" Building sustainable future for all, The United Nations Educational, Scientific and Cultural Organization 2016

⁷ The Ministry of planning and administrative reform "Sustainable development strategy: Egypt vision 2030" The social dimension, education and training Pillar. <https://goo.gl/dOiDcz>



parties from the Egyptian community. They focused on the difficulty of implementing integration and accessibility for all as long as decisions and policies are made solely by the government, and imposed on the various communities in Egypt who should implement them. Thus, they would be very far from the real problems the most vulnerable sections are suffering from.

Concerning the strategies, The Ministry of education and technical education effectively started proposing new ideas in order to change the traditional pattern inside scholar classes and follow innovations, such as teaching through inverted classes and qualifying teachers. It started with the teachers' qualification project first financed by "Live Egypt" fund under the supervision of the President Abdel Fattah Al Sissi. The project official website clarified that "we no longer are in the era of knowledge but in the era of education where education became a good. In the era of real education, the way we create and use knowledge to economically and scientifically develop the country, is very important"⁸. While the definition clarifies that education became a good, the government implements a project for the public and languages public schools⁹, which are governmental non- free schools, where the student should pay financial expenses.¹⁰ This means, excluding the low classes students enrolled at public schools from these policies in the first stages of the project. There is a certain logic in the selection of these schools. Public schools suffer from an overcrowded number of students and a short scholar day due to the adoption of the periods system in more than 18% of the schools¹¹. The teacher of the public school should manage the class and control more than 45 students while explaining the curriculum in a short time. How can we implement new educational methods and curriculum in the light of these circumstances coming along the decrease of teachers' salaries which is considered a main demand of the teachers for so many years. Therefore, the logic of integrating and promoting education for all was not implemented in this project till now. On the contrary, the economically less fortunate students were excluded because of their scholar difficult situations which the government

should have dealt with in the first place, instead of ignoring them.

Even in the range of changes and policies at the longer run, the ministry's concern and focus currently is on the development of the secondary system and examination style as well as grades count qualifying students to enroll for higher education. This is considered one of the most important arguments presented to the public. Development should start once again from down upwards meaning that the ministry and the government should care and give the priority of policies drawing to primary education in the first stage. Not because primary education is obligatory and necessary and the government should provide it, and not because the number of enrolled students is higher than other educational levels, but because it is the base and the first educational level in the progressive educational journey leading to secondary education.

We can say that one of the main reasons forbidding the real development of the educational operation is the inability of financing. Concerning the local financing, the Egyptian constitution stipulated specifying 4% of the annual GDP for education before university and 2% for university education. However, during the implementation of the constitutional obligations, many cheating and non-transparency ways appeared as to the accounting of the financial provisions assigned to the competent parties, relevant to the educational process.

For the second year in a row , the effective amount for the educational sector in the 2017/2018 budget came as 106,575 Billion pound for both university and before university stages¹². While the financial report clarified that some constitutional obligations were realized in a percentage of 6.1% amounting to 209,212 billion pounds,¹³ the dilemma here is whether to join provisions from other sectors to the educational sector in order to reach the constitutional percentages: the cultural affairs sector in AlAzhar, supporting students' subscriptions and study grants by the Ministry of social solidarity, the provisions of the regional authority for quality education and the sector share from debt service interests¹⁴. The government justified this step by stating that the constitutional obligations mentioned in the

⁸ The Ministry of education and technical education, Teachers first <http://www.teachersfirstegypt.com/ar/about-ar/what-is-tf-ar/>

⁹ Shawky announces the first stage results of the teachers first project, The Ministry of education and technical education, the official website of the ministry, 30 April 2017 <https://goo.gl/IIMKAe>.

¹⁰ Mahmoud Taha Hussein, Introduction to the languages public schools expenses, seventh day, 23 September 2016 <https://goo.gl/0CIf0>

¹¹ Wafa' Yehya, severe offence against "Al Hilali" during the community dialogue for educational reform" Al Masri El Yawn, <https://goo.gl/6cBVsr>

¹² The financial report of the state general budget project for the fiscal year 2017/2018, The ministry of finance p. 97

¹³ The financial report of the state general budget project for the fiscal year 2017/2018, The ministry of finance p. 45

¹⁴ Bayssan Kassab "Egypt to the space without education or scientific research... governmental expenditure on all research centers do not exceed 7,76 billion pounds" Mada Masr, 7 August 2016 <https://goo.gl/3hYxYW>

constitution mean: The governmental expenditure concept is “the amounts spent by the public government authorities according to the definition mentioned in the public government fiscal statistics guide 2001 issued by the International Monetary Fund including the expenditures of the Ministries and their services as well as public authorities whether service related, economic, or any governmental research and scientific centers.” Second, the financial credits spent for the sectors encompass the authorities included in the state general budget or the economic authorities budgets, and could be specified in an official way for the relevant sectors – like education and health – or could include other sectors but spend on subsidiary activities serving in a way or another the sectors related to the constitutional obligations.¹⁵ The most important point is the one justifying the reality of the government constitutional paper commitment to the governmental percentages without specifying these amounts in a realistic way, for the necessity of improving education is considered burdening the educational sector provisions with the general debt interests until a balance in the interests burden distribution is reached.¹⁶ In reality, those bearing these interests and the awful financial deficit are the low salaries governmental schools teachers and the Egyptian students suffering from the educational curriculum petrification and bad infrastructure, especially the poor sections who don’t have any other option but to be enrolled in public schools. As it was mentioned in the “guide for ensuring inclusion and equity in education” issued by the UNESCO, in comparison with the richest kids of the world, it is probable that the poor kids are 4 times more likely to drop out school and 5 times more likely to leave before completing their primary education.¹⁷

Even in the substitute solutions that the state adopted in order to increase the educational sector financing, the policies were outweighing having recourse to beneficial sectors for help. In another meaning, the government activated in the educational sector the (Precise point positioning) PPP system in the infrastructure in order to build schools based on law 67 for the year 2010 and its implementing regulations. The Ministry of education and technical education decided proposing 200 lots in the first stage¹⁸ and one thousand schools by the beginning of

2018¹⁹ as a usufruct right for 40 years for the private sector in order to build and manage schools as well as imposing fees on the enrolling students up to thousands of Egyptian pounds²⁰. The official website of the partnership clarified that both parties, public and private sectors, have commitments to meet as conditions for the partnership. The first party is committed to provide lots, architectural designs for the schools, facilitate the permits procedures and providing engineering consultancies for the investor by the governmental authority concerned with schools construction. Whereas the private sector should build the schools within the specified period without raising the mentioned expenses in the contract except after referring to the Ministry of education and technical education. Finally, and most importantly, providing the best standards of quality education at schools²¹. The problem in the last condition imposed on the private sector is the lack of clarification as to what are exactly the standards guaranteeing the quality education. In addition, the government ignored mentioning several conditions that were supposed to change the shape of the agreement and guarantee the private sector performance improvement and its commitment to the contract. Some of these conditions are the financial situation of the teachers working at those schools, the type of contracts that will be signed, guaranteeing fair salaries for them as well as social security for their jobs. Neglecting these standards, guarantees and rights while setting the contracting conditions weakens the principle of justice in the fourth goal. It is worth noting that all substitutes aiming at developing an educational system that might be special, may succeed in providing quality education but will surely transform the education right into a good, and deprive the biggest part of the people who won’t be able to enroll their children in the private education system.

While the seventeenth goal of the sustainable development goals related to the participation as to other social sectors, which were not implemented by the government with the private sector as to the educational sector, the government neglected and refrained from achieving a partnership with the civil

15 The financial report of the state general budget project for the fiscal year 2017/2018, The ministry of finance p. 38

16 The financial report of the state general budget project for the fiscal year 2017/2018, The ministry of finance p. 39

17 A guide for ensuring inclusion and equity in education, UNESCO, page 12.

18 Mahmoud Taha Hussein, The Minister of education, 200 lots for the first stage of the education investment project, day 7, 28 August 2016 <https://goo.gl/nnyQOX>

19 The National project for constructing and managing outstanding partnership language schools in the private sector partnership system, Memo of information, August 2016, The Ministry of Education and technical education, page 8 <https://goo.gl/wkcH23>

20 The Egyptian center for social and economic rights, questions about the future of education in the light of Al Hilali’s declarations, 12 February 2016 <https://goo.gl/GBvfUz>

21 The Ministry of Education and Technical Education “The regional project for buildingschools” <http://www.moe.gov.eg/npbs/mob.html>

society as to the social issues and problems²². The civil society and civic associations marginalization was realized through imposing legal restrictions by issuing the new civic associations law in May 2017. In addition to the sudden issuing method of the law, and without social discussions or even a serious debate in the Parliament, putting vague bureaucratic and control obstacles by the government on the civil society and civic associations, as well as adding penal sanctions through this law up to imprisonment for five years and unseen fines, clarifies the negative image drawn in the state's mind about the civil society role which was marginalized and restricted by this law. The importance of civil society and civic associations is their work with the marginalized communities and sections from public services and the socially and economically poorest ones. While the state is working to facilitate the investment and benefit procedures for the private sector, it binds the civic communities to complicated steps making it impossible for them to continue their work. What partnership is that which destroys the social community partners?

performance evaluation in the defined time frame becomes more accurate and transparent, especially after starting the work on executing the private public sector participation project which requires clarifying all the participation steps at the financial and administrative levels.

- The necessity to respect and execute the constitutional commitments related to the educational budget percentage from the state general budget expenditures and working on redistributing them in order to pump them in affairs related to the education quality improvement such as educational buildings, educational curriculum, teachers' training and scholar and students related activities.

RECOMMENDATIONS:

- Working on setting a real -financial and technical- political vision based on the general principles of justice and equity achievement as to providing educational services.
- Committing to executive steps reflecting the current situation of the educational operation and producing effective and realistic solutions aiming at removing the present obstacles, and putting poor, marginalized and limited income people within their priority in order to empower them to achieve their rights especially their right to education.
- The necessity of the civil society's participation in setting the vision and decision making as well as giving it the necessary tools as to data and information to supervise and constructively evaluate the work of the executive government.
- Presenting realistic and true data and indicators to build upon, through which the strategy

²² The freedom of thought and expression, "political parties and civil society organizations refusing the new civic communities law, 15 November 2016 <https://goo.gl/r8vxav>