

Economic Governance

The Way to Developmental Reforms in Egypt



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There is growing interest in governance frameworks in general, including multi-level economic governance in particular and the related international standards, indicators and classifications associated with it, particularly in 2023. In fact, the global and regional scene is characterized by ambiguity due to political events (including the conflict between great powers over the areas of influence and global resources), which resulted in complicated effects, particularly in the aftermath of health crises and global pandemics, which produced the current socio-economic challenges. These are represented in the occurrence of enormous inflationary waves, increase in the prices of raw materials, commodities, products, fuel and energy, as well as increase in the freight and transport prices, the lending cost, debts together with the surges in foreign exchange rates, accompanied by the fear of entering into an economic recession and low growth and employment rates. There are also the severe climatic-environmental fluctuations, which have caused economic and societal losses and other factors that affect economic stability and social cohesion globally and locally.

All these factors increased the degrees of uncertainty, and cast a shadow over the Egyptian economy. However, the haste of the Egyptian government's move to adopt developmental and incentive programs and apply fiscal and monetary policies has reflected the Egyptian economy response through partial recovery, as compared to some other economies, which indicates the strength, diversity and resilience of Egyptian economic activities in the face of successive global crises.

The following are the most significant multi-level institutional economic governance frameworks in addition to some international classifications, future challenges and the most important relevant Egyptian efforts.

First: Multi-level Economic Governance (MLG) Frameworks
In light of some successful experiences of some European Union and world countries, topped by Finland, Japan, Vietnam and New Zealand, the new idea of multi-level economic governance came in line with what was launched by the Organization for Economic Cooperation and Development (OECD) and the Egyptian Program

was concluded accordingly. 2 It was also important to connect the implementation of sustainable development goals with Multi-level Governance (MLG) for speedy implementation of the Egyptian development strategies, programs and action plans in accordance with international standards.

As shown in Figure, the most important multi-level institutional economic governance frameworks in Egypt are represented in

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the main levels within the state, namely the constitution and the presidential, judicial, parliamentary, supervisory and executive authorities, which supervise the following levels, represented in:

(A) Local governance: Connecting both the central and subsidiary authorities to follow up on the production and service activities in the local outlets and units and the Egyptian governorates.

(B) Joint governance: It is based on the participatory responsibility between government agencies and private sector institutions regarding the quality and governance of market mechanisms, seen as one of the most important levels of economic governance, because it provides support for increasing the Egyptian competitiveness on the map of investment and global trade.

(C) Societal governance: It covers the social groups and NGOs operating in Egypt.

The aforementioned levels are connected to the levels of regional and global governance that include the United Nations bodies, international development institutions, global and regional federations and Egypt's strategic and commercial partners.



The objectives of the new version of Egypt's Vision 2030

Ministry of Planning and Economic Development



A- Local governance: The service and production sites and outlets in the governorates and localities.

B- Joint governance: With the private sector: the Federation of Egyptian Industries, Federation of the Chambers of Commerce and the Businessmen Associations.

C- Community governance: With NGOs

2- Regional/international governance: With international partners and global organizations.

Second: The Most Important Efforts of Economic Governance to Promote Development Reforms in Egypt

In light of the Egyptian government's interest in implementing Egypt's Vision 2030, and given that most of the Egyptian economy indicators have shown signs of steadfastness during the successive global crises, the government has already completed many strategies and programs within the framework of the New Republic, whose foundations are based on strengthening multi-level economic governance and combating corruption.

The most important strategies and programs are the following:

The national program for structural reforms until 2024, which focuses on the competitiveness of three main sectors, namely manufacturing industries, agriculture and the communications and information technology. There are also the National Project for Development of the Egyptian Countryside (Decent Life) since 2021, the National Human Rights Strategy 2021- 2026, the Human Development Report 2022, and the State Ownership Document 2022. Further reforms include the reformation of the Supreme Council for Investment and the Supreme Council for Export Development in 2023, Egypt's Digital Strategy 2022- 2026 and the National Climate Change Strategy 2050.

More programs include Sharm El-Sheikh Declaration for International Cooperation in the Field of Preventing and Combating Corruption in 2021, the Meeting for Enhancing International Cooperation 2022, the National Anti-Corruption Strategy 2023- 2030 based on the first and second phases, the launch of the National Dialogue in 2023 in addition to other efforts in line with the above-mentioned governance levels.

Despite many of the steps taken to-date, it is essential for such initiatives, programs and reform measures to work concurrently for stimulating the investment climate, attracting the private sector participation and improving the Egyptian citizens' living conditions, after showing steadfastness in the face of both regional and international economic, social and geopolitical fluctuations.

Third: The Most Important International Trends and Challenges Related to Economic Governance in Egypt

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Despite all Egyptian efforts, there are some international trends and challenges related to economic governance and the improvement of standard indicators and international classifications, which are based on three main axes: governance, human rights and green and digital transformation. Therefore, the role of the Egyptian Anti-Corruption Academy has grown significantly given the importance of measuring success of the mechanisms of institutional levels outputs interconnection, which support the Egyptian government's plans and programs based on Egypt's Vision 2030.

Some International Classifications and Indicators

There are many significant general and specialized international reports, indicators and classifications for measuring some of the economic governance aspects in Egypt, namely the Global Governance Index for the World Bank, the Corruption Perceptions Index for International Transparency, the International Country Risk Index, and the sovereign ratings reports by Fitch and Moody's.

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More indicators include the Standard and Poor's, the Global Innovation Index for the World Intellectual Property Organization, the Business Climate Indicators for the World Bank, the International Competitiveness Indicators, the human development indicators for the United Nations, the employment indicators/ social expectations for the International Labor Organization, the Nation Brands Index, and many other specialized ones.

Through a strategic view, we find some inconsistency in Egypt's positions in these international reports and classifications, as most of them score low ratings without reflecting all reforms due to dispersed national efforts resulting from unspecified follow-up responsibility among a number of Egyptian authorities.

It is essential to develop a national mechanism for paying more attention to their various dimensions, standards and preparation timings, as well as to coordinate with the publishing

institutions, while adhering to targeted reforms timetables. This can help in reflecting the standards in improving Egypt's image in international ratings, to enhance its position in the global investment, commercial and financial circles.

B - Modern International / European Standards

In the same context, the European Union is currently coordinating with a number of international powers to change some standards from voluntary to mandatory in cooperation with many international organizations, namely the International Standards Organization, the World Bank, the World Trade Organization, the United Nations Trade and Development Organization, and the Organization for Economic Cooperation and Development. More organizations include the international financing institutions, the European Bank for Reconstruction and Development, the European Investment Bank and many others, which inevitably affects investment, export, training, grants and loans related to many countries, including Egypt.

The two European laws for the year 2023: Carbon Border Adjustment Mechanism (CBAM) and Corporate Social Sustainability Due Diligence (CSDD) are among the most important aspects of phase implementation during the next two years. The first stage covers large companies, followed by medium and small companies in the labor-intensive productive sectors such as ready-made garments, agricultural crops and food processing as well as other carbon-intensive ones such as cement, aluminum, fertilizers, electric power, iron and steel. Performance is measured according to three dimensions, namely environmental, social and governance (ESG), which are significantly used by International ranking institutions currently.

On the other hand, it should be noted that the Egyptian Financial Supervisory Authority and the Central Bank have issued Egyptian standards, with accredited certificates in this field being issued in Egypt to support companies in accordance with international standards.

The importance of both the multi-level economic institutional governance in developmental reforms and the fair geographical distribution of services and production in Egypt has increased, with the significant interconnected reform initiatives, programs and time targets, as well as enhancing national mechanisms. This aims to pay more attention to the dimensions of economic indicators related to stimulating the investment climate, private sector participation and the citizens' welfare.

This will be reflected in improving Egypt's position in international rankings on the global investment, commercial and financial maps.



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In compliance with the directives of President Abdel Fattah El-Sisi
the training course for the (22nd) batch of
Administrative Control was completed at the
Egyptian Military Academy.



A Commemorative Photo of Batch 22 Administrative Control Students with Academic Leaders, Administrative Control Authority Officials, and Their Families

The graduation ceremony for the civilian members of the administrative control batch (22) was held at the headquarters of the Egyptian Military Academy in coordination between the Administrative Control Authority and the Egyptian Military Academy.

The ceremony began with a graduation research discussion with the participation of a number of male and female students, demonstrating the high level of education achieved by the graduates during their period of study at the Academy. Next, the training status of the graduates was also presented, and the end of the course was announced. This was followed by a film that demonstrated the success report of the course, which included the preparation and implementation stages, starting from receiving the students, specialized training, and employing the latest scientific methods in educational facilities in the armed forces.

In his speech, Minister Amr Adel, the head of the Administrative Control Authority, thanked the General Command of the Armed Forces for its sincere efforts in qualifying and training students, equipping them with knowledge and expertise to be the best role models in all the places they occupy; he also advised graduate students to maintain the values and ethics they acquired during their period of study at the Egyptian Military Academy.

Minister Amr Adel added that we are meeting to witness what the members of the basic batch number (22) have achieved in the honor of joining the Egyptian military, in compliance with the directives of President Abdel Fattah El-Sisi to join the qualifying course at the War College for a period of six months. These directives are in line with a pure national agenda that reflects the implementation of the long-term strategic plan of the state.

The ceremony concluded with the exchange of shields and the honoring of the top graduates, followed by taking some commemorative photos. The ceremony was attended by a number of faculty members of the Egyptian Military Academy, as well as a number of leaders of the Administrative Control Authority and the National Academy for Anti-Corruption.



A Part of Students' Visits to Various Institutions During the Training Course





The Impact of Data and Information and Their Reflection on Decision-Making Abilities

Focus Issue