



Civil Society Participation in the Law Making Process in Egypt

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1. CIVIL SOCIETY

Civil Society organizations have as a goal the representation of the interests in society. Civil society is based on a voluntary engagement in collective action for peaceful representation of interests. Through the peaceful and transparent interaction among civil society organizations, the divergent interests in society are guaranteed equal representation and non-violent reconciliation of conflictive interests. Another function of civil society organizations has become the restraining of government excesses. In order that civil society could act as a channel of accountability and control over government, organizations of civil society need to enjoy a considerable amount of financial and administrative autonomy from the State, a transparent access to parliament and to the media.

1.1 Types of Civil Society Organizations in Egypt

Civil Society in Egypt contains a big variety of religious, educational, cultural, political and charity organizations that are regulated by a variety of laws (Table 1). The legal framework of civil society in Egypt allows for four types of organizations:

- Non-governmental Non-profit Organizations: These focus on charity work and are funded by private donations from individuals, private sector entities or international donors. Law 84 of 2002 regulates the existence of this type.
- Professional Associations: These are organizations that represent the interests of a specific profession. They aim to uphold and upgrade the standards of the profession as well as take sides on issues of national concern. This type depends financially on membership fees; their membership base is normally huge. Examples of this type include the Bar Association, the Physicians' Association, the Journalists' Association, Association of Engineers. These professional associations are governed by law 100 of 1993.
- Labour Unions: This type of organization represents the interests of workers. Labour unions depend financially on membership fees of their huge base of members. They are hierarchical in structure and also governed by law 100 of 1993.
- Business Associations: This is a more recent type of civil society organization in Egypt. Nevertheless, it is an influential type because it represents the interests of well-organized, well-connected and financially well-off business communities. Since the beginning of economic liberalization in the 1970s, these organizations have been gaining importance with respect to representing the interests of private investors, especially as the government has shifted its economic strategy away from central

planning and public sector domination. This type of civil society organization is also governed by law 84 of 2002.

1.2 Characteristics of Civil Society Participation: Impeding and Encouraging Factors

A number of factors saddle the operations of civil society, among them:

- Laws regulating civil society organizations allow the government to interfere with the inner operations of such organizations (Table 1).
- Financial resources to support the operations of these organizations and increase their capacity are lacking or weak. Other than obligatory membership in professional associations, most civil society organizations in Egypt have weak skills at mobilizing membership financial support.
- Leadership inside each of the civil society organizations is, in most cases, top down. Thus the organizational culture is governed by activities and networks that depend on the Head of the organization with little resources devoted to institutionalizing activities or building the capacities and skills of middle management and the grass root members.
- The ability and willingness to build bridges of cooperation among civil society organizations is weak. Though when that happens, it is usually effective, building bridges to other civil society stakeholders happens very rarely.

Table 1: Civil Society and Laws Regulating It

Type of Civil Society	Law Regulating	Remarks
Non Profit Organizations	84 / 2002	A law of 76 articles in 5 chapters which regulate how these organizations are founded and dissolved, their functions, fields of operation, and their rights. The law regulates how these organizations are run and what happens if any of the above is violated. Though this law gave non profit organizations, among which are business associations a lot of room for movement, yet it allowed the government to interfere directly in organizations' affairs if the government claims any violation of the law.
Labor unions & professional associations	100 / 1993	A law of 11 articles regulating the functions of these organizations as well as how they register and dismiss members, how they run elections of boards, how they dismiss members and what happens if any of the above is violated..
Political Parties	40 / 1977	A law of 33 articles in 3 chapters regulating the establishment of a party, its internal administrative and financial affairs, and punishment in the case of violation of this law.

Nevertheless, there is a window of opportunity for civil society to improve its conditions, especially within the context of globalization. This is because globalization has encouraged a discourse that sees civil society as a crucial partner in development, both as an engine to deepen capitalism and a corrective mechanism for the negative excesses of capitalism as well as the excesses of government.

Civil Society has participated in the drafting of economic legislation in Egypt with varying degrees of success (Table 2 gives an overview of that process). On the whole, civil society has mobilized regularly to influence the deliberation process on law drafts. The following features of this involvement can be discerned:

- The process was *not well organized nor transparent*, several drafts floated around and civil society organizations ended up feeling betrayed when the final draft that entered parliament was quite different from those drafts they saw during the deliberation phase (e.g. investment law, export promotion, competition law). Tables 3 and 4 summarize positions on these two laws.
- Some cases of civil society mobilization have shown quite clearly how government avoids society by relegating many issues in laws to the *discretionary power of the Prime Minister* or to the stage of executive decrees. Civil society complains that this heavy intervention by the executive is often by design of the law, opening room for *rent seeking*. Indeed, there is a lot of lobbying at the stage of executive decree formulation in order to compensate for losses (i.e. regain benefits) which may have stayed in law drafts against the wishes of particular interest groups or individuals (investment law).
- In some other cases, civil society, particularly business associations, have strongly influenced members of parliament against the interest of dominant and politically powerful businessmen (competition law). However, civil society organizations argued that a lot hinges upon the development of experience, *competence and integrity of the implementing agencies* (again competition law). The competition law is a good case to the point, as the draft law and government statements insisted on anti competitive behaviour being the target, not dominant market positions per se. However, several business associations were not sure the authorities responsible for implementation would know how to handle that. It is here, that even civil society organizations would need capacity building to be able to *monitor* the implementation of such laws, which are new to the economic scene in Egypt. Table 5 summarizes positions on the competition law.

- In the case of the labour law, which took years to pass, civil society mobilized *using different mechanisms of influence* (coordinated action of various political parties, advocacy groups and newspapers; threatening to sue for non constitutionality; demonstrations in front of the Parliament). In most cases where the leftist opposition wanted to defend workers' rights they ultimately failed because of their weak position inside parliament (labour law). Table 6 summarizes positions on the labour law.
- In the case of the special economic zone law, there was an extensive engagement of several civil society organizations, mainly the Businessmen Association, the Association of Investors in October City, The Association of Borg al-Arab, besides political parties. The case of this law shows one important trend: there can be *fragmentation within the business community*. The law has provoked wide interest in the business community (individuals and associations alike). But that interest was quite diverse. The Business Association recommended this law based on the successful experiences of other countries such as China and Mexico, saying that these special zones reduce transaction cost, help create more jobs and trigger an increase in investment and exports. However, it stressed the need for a *comprehensive policy of marketing Egyptian products* as well as a comprehensive policy of upgrading customs and port services. However, other regional Business associations expressed their fear lest the new special zones reduce interest and weaken the reform drive in other existing industrial cities / zones. Some also expressed concern about the ability of the administration to prevent smuggling from the zones to the internal market, using the extra privileges in the zone which are actually meant to be for exporting enterprises.
- The second trend which appeared during deliberations on the special economic zones law was the acknowledged *need for market impact analysis*. This was clear in the communications and papers of the Policy Committee of the ruling NDP. These documents clearly called for more studies and surveys of industry in Egypt as well as of the anticipated bottlenecks in application of tax, customs and value added. Table 7 summarizes the main positions regarding the special economic zones law.
- The case of deliberations over the intellectual property rights (IPR) law manifested the concern of the business community with the *weak ability of implementing agencies*. This was also a concern among businessmen regarding the law of special economic zones, as mentioned above.
- The deliberations on the IPR law also showed that the business community was concerned about the *inability of the judicial system* to enforce such a law. Legal experts agreed with the business community on that, albeit the opinion regarding

solutions was mixed, with some legal experts suggesting special courts, while others suggested overall capacity building in the judicial system¹.

As much as the deliberations on the law on special economic zones helped raise the voices of those who feared *international pressure* on the government to pass the law, similar fears were aired (especially by the Nasserist Party) concerning the IPR law draft.

- Similarly as much as the deliberations on the law of special economic zones helped civil society air concerns about *partial reform* on the part of the government which, they argued, disregards comprehensive economic reform, the same was the case with the deliberations on the IPR law draft. Business associations and advocacy groups argued that the government did not consider recent developments in the information age and should be considering reform in the educational system, in the research and innovation promotion policies and in the customs policy regarding knowledge products.
- Finally, deliberations on the IPR law draft encouraged a number of advocacy groups (Society of Businesswomen for Development, Society of Future Dreamers, Society of Mother and Child, the Egyptian Society of Informatics) to get involved, mainly organizing seminars. Table 8 summarizes the discussion.

Over and above, one can observe the following trends:

- Civil society organizations are being more than providers of services; they are taking on comprehensive development functions that promote social justice and combat poverty. They are also becoming carriers of the message of human rights protection and democracy promotion in that they integrate previously marginalized groups, such as women.
- Civil society organizations are getting involved in economic law making, albeit with business associations having the lion's share of activity observed. But it is good to see smaller advocacy groups getting involved with all raising issues of governance (i.e. administrative reform, judicial reform, anti rent seeking measures), not just economic liberalization.
- Civil society organizations are building coalitions among themselves to increase their leverage against exploitative capitalist entities. Though that happens rarely in the systematic way, yet it is happening on ad hoc bases.

¹ Interviews with Professors Nur Shihata and Hossam Lotfi, Law School, Cairo University.

2. MECHANISMS OF INFLUENCE

We live in an age where the state alone cannot handle the heavy agenda of development. Other sectors are encouraged to work in partnership with the state for the achievement of developmental goals. Civil society is one of those new arrivals on the scene of partnership for development. The situation in Egypt is still in the early stages, where several factors impede the effectiveness of civil society participation.

There are a number of mechanisms by which civil society organizations in Egypt affect policy making or –at least- policy deliberations. One mechanism is to combine the leadership of an NGO and the membership in Parliament. Several civil society organizations of different sizes and geographical concentration resort to this mechanism. In some cases, leadership of an NGO is combined with leadership of a Parliamentary Committee. This is particularly present as a mechanism of influence for the big organizations, such as Labour unions and Business Associations.

How Business Associations and Labour Unions Participate

Business Associations usually get involved from the very early stages both in deliberating the status quo which creates a need for legal change as well as in deliberating the draft of the changes. They produce their understanding of market needs and their proposed changes. They also criticize whichever government orientation makes itself obvious at these early stages. They conduct meetings with the political elite, organize seminars to which they invite members of the political elite, participate in parliamentary hearing sessions.

Labour unions also get involved at early stages of legal change. They conduct studies and write reports. They communicate their position to the political elite and to international organizations concerned with workers' rights in the hope that the latter put pressure on the Egyptian government. When they perceive resistance or anticipate failure, they start mobilizing the opinion of regional and local unions, they may threaten with strikes, meanwhile they try to coordinate with other NGOs. Often, the leadership of labour unions is involved in the drafting and re-drafting of the legal changes and is also involved in parliamentary discussions of the suggested laws.

A second mechanism is to combine membership of NGOs and political parties, especially political party factions inside Parliament. In several cases leadership of an NGO is combined with a leading position inside the ruling party. These two mechanisms facilitate regular contact between civil society and the political elite. Such contact is reinforced by regular invitations to seminars and receptions organized by civil society organizations (table 2) in which leading members of Parliament, leading members of the ruling party NDP and the

specialized committees of both organizations are often present. The Investment law of 1997 was a case to the point.²

A third mechanism of influence is through the media. Civil society organizations often transmit their views on things to newspapers, those representing the government's views and those of the opposition. Moreover, there are some popular TV programs that discuss hot issues that concern the public. Civil society organizations do try to convey their views by getting invited to speak in those programs (e.g. "Barlaman wa Nuwwab", "Dairat al-Hiwar", "al-Khat al-Ahmar", etc.).

A fourth mechanism of influence is the accumulation and transmission of knowledge. There are occasions where persons combine the membership of NGOs and think tanks. This creates a natural receptive environment for knowledge inside the respective NGO. This also facilitates the collection of field data on the part of think tanks who can rely on the support and cooperation of NGO members who also happen to be on the executive or advisory boards of these think tanks. The Business Associations in Egypt are most experienced and most successful in using this mechanism, when compared to other Egyptian civil society organizations. Business Associations have been good at preparing position papers and sector-specific or issue-specific policy notes and handing them in to the office of the Prime Minister &/or President of the Republic, e.g. the case of reduction of taxes to touristic companies and several issues of concern to the 10th of Ramadan Investors' Association.

A fifth mechanism is to hold open seminars or closed ones by invitation only. In the latter case, the presence of leading members of the political elite is more guaranteed. Many civil society organizations use this mechanism of influence. However, the most successful ones are the Business Associations. They have used this mechanism in many cases, e.g. in the case of the investment law, BOT law, Decree 5 of 1998 concerning some amendments to taxes, etc.

A sixth, if rarely used, mechanism is concerted action and multiple channel campaigns. This has been used in the case of the unified labour law. Civil society, together with the opposition parties established an ad hoc Front against the Unified Labour Law. This front managed to organize peaceful demonstrations in front of the Parliament for two days. The result has been positive: the speaker of parliament decided to meet a delegation of the demonstrators to discuss their concerns.

² al-Alam al-Youm, 5th November 1997

Table 5 to 9 summarize the mechanisms of influence, focusing only on laws that affected - in a major way- the process of economic reform. These laws were covered in the Egyptian narrative of economic reform (annual report of 2002).

3. LIMITS OF CIVIL SOCIETY

As mentioned earlier, there are various types of civil society organizations. The mechanisms of influence mentioned above do appear more frequently among the business association types of civil society. Other types, especially those advocating the interests of smaller entrepreneurs and marginalized social groups, seem less able to mobilize most of these mechanisms. There are some serious limitations to be explored below.

3.1 Limitations inside Civil Society Organizations

3.1.1 Organizational Culture

Despite attempts to influence the process of policy and law making, there are some factors which weaken the effectiveness of such influence if not across the board of civil society then at least for specific civil society organizations. These factors are:

- Weak organizational structure of civil society organizations. This is a case of top down leadership, which reduces the ability of such NGOs to build new cadres of active members and secure smooth leadership transitions. Weakness is also attributed to thin financial resources based on small membership, particularly among those NGOs where membership is voluntary not enforced (the latter is true of professional unions whose membership is necessary in order to be able to practice the profession).

3.1.2 Weak Bridging Communication Skills

- Weak ability on the part of many NGOs to design and pull through a comprehensive campaign of influence. In some cases, civil society has tried to formulate a position and communicate it to other NGOs, send position papers to the President of the Republic, send delegations to lobby Members of Parliament, talk to members of the written and audio-visual Media, organize seminars and public gatherings and finally collect signatures on petitions. In most cases, such concerted effort, if it happens, remains limited. Leaders usually end up taking separate positions, profiling themselves separately and thus defeating the purpose for concerted action. This was the case with the Law on Rural Rents number 96 in 1992 and the Investment law

number 8 in 1997³. The same goes for the often weak concerted efforts among political parties⁴. The case of the labor law was an exception (table 10).

3.2 Limitations in the Macro Environment of Civil Society Organizations

3.2.1 Weak Political Parties

- Egypt has had a multi party system since 1976, after twenty years of one party rule during the Nasserist regime. Egypt's political parties still have a weak presence in society. Such parties are constrained by law (law governing political party organization and action) in their ability to mobilize the masses via demonstrations or public gatherings.
- Political parties in Egypt also have weaknesses of their own making, i.e. due to their leadership. As to leadership, political parties in Egypt have been led by overpowering personalities who have not institutionalized succession or internal democratic procedures. This has manifested itself in serious internal turbulences upon the death of party leaders (e.g. Wafd, Labour).
- Party weakness is also structural. Political parties in Egypt have no financial autonomy. None can survive on membership fees, not even the ruling NDP. NDP inherited from the ASU a structure of nationwide offices with a capacity to reach out to all levels of society. However, this structure is often confused with the state bureaucracy, that it is never clear if the party could exist without the government. Most political parties, except for the ruling NDP, do not have a nationwide office structure. Furthermore, most political parties, except NDP, have a problem attracting followers. The Tagammu Party had strong presence in industrial centers in Cairo, Alexandria, Qalyoubia and Daqahlia. It also had support among small agricultural land owners who benefited from Nasser's land reform. Finally it had some ideological backing among the lower echelon of the civil service. Yet, none of these actual and potential followers could support the party: workers and farmers are succumbing to religious ideology and the civil service cannot go on strike because they are dependent on supervisors reports besides their lack of organizational potential. The Wafd party support was originally among the old class of rural landowners. This class has died out; the new class of agro-business landowners tends to nurture closer ties to the ruling NDP. Wafd used to have potential support among entrepreneurs, especially in Port Said. Though still there, these tend to nurture their ties to the NDP.

³ Alam Alyoum, 5th November 1997 & al-Ahrar, 3rd August 1997.

⁴ N. El-Mikawy *Building Consensus in Egypt's Transition Process*, Cairo: American University in Cairo Press, 1999.

Wafd's third base of support was among the educated professionals. Yet this last potential base is fragmented among the NDP and religious ideology. Similar problems are to be found in other parties as well. Finally, all suffer from an overall mood of individualism and lack of interest in activism on the part of most members of the active elite⁵.

- Political Parties also have a very weak presence inside parliament (with the exception of the two parliamentary sessions in 1984 and 1987 during which proportional representation was applied)⁶. In the present parliamentary session, the opposition is represented by 6 Tagammu members, 5 Wafd and 7 al-Ghadd (less than 5 % of Parliamentary seats).
- They are also restrained in their ability to act as transmission belts of opinion on laws because the technical capacity to play that role is limited. The al-Ghadd party is the most recent of them all (5200 founding members). They have a research center of 20 researchers. They also have a party research unit of 3 young researchers. The party also relies on the help of a university Professor who has a university research center. If it was not for some businessmen who pledge support to the party, it would have no resources to speak of. The Wafd party's technical capabilities are concentrated in its newspaper *al-Wafd*, which includes around 44 specialists in economic, legal and political affairs. The Wafd party also has a unit of policy analysis inside the party with around 45 young researchers, mostly in political affairs. But the party is trying to increase their abilities and competences in analysis and opinion polling. As to the Ahrar Party, it has two newspapers with very weak circulation (*al-ahrar* and *Afaq Arabia*). Due to their weak circulation, both newspapers do not have the resources to spend on technical analysis (28 researcher and analyst). The Ahrar Party also has a small policy unit inside the party with only 7 young and inexperienced researchers. The Tagammu Party has veteran economic analysts who are economics professors, economic historians and journalists or actual active members of the labour movement. However, the Tagammu suffers from the general malaise of economic analysis and economic training in Egypt, namely a focus on conventional economics with thin analytical competences in new economic areas that characterize open, market economies⁷. To confront such weaknesses, the Nasserist Party has established in 1996 a unit of technical support for Parliamentarians to help formulate opinion on law bills being discussed in Parliament.

⁵ For a detailed study of these parties and their weaknesses see El-Mikawy *The Building of Consensus in Egypt's Transition Process*, 1999. Cairo: American University in Cairo Press, p. 41-68.

⁶ For a detailed view of that period see El-Mikawy 1999, p. 69-96.

⁷ This information was collected from 20 interviews conducted with members of these political parties during 2004.

3.2.2 *Economic Dominance of Small and Micro Enterprises*

- Micro, small and medium enterprises employ 34% of the entire labour force in Egypt (i.e. an estimate of 7 million workers of 19 million)⁸. Most of these workers, however, (around 80%) are in the small and micro enterprise category⁹. These workers may be affected by tax and labour laws as well as credit policies. Yet the ability of this economic segment of the private sector to represent itself is extremely limited. Indeed, there have been commendable efforts by international development agencies, including German ones, to improve the organizational and competitive skills of some small and micro enterprises. Thus, associations geographically based in certain industrial zones were created and promoted. Yet, the story was not replicated nor generalized. The Federation of Industries stood as a stumbling block in fear of losing those members to some other- more independent- body. The Federation of Industries created a unit for small and micro enterprises to pre-empt any independent body. The results of efforts to organize this important sector were several credit programs. Yet, the issues which truly concern this sector were not well voiced nor communicated to the policy circles. These issues include promotion of their marketing skills, reducing their transaction costs as a result of registration procedures, taxes and social coverage of workers (such high transaction costs make most of these micro and small enterprises opt to stay informal)¹⁰.
- This important segment of the business community is not only marginalized in the ways described above. Their weakness adds to the overall weakness of civil society, as the latter is deprived of the attention, support and information of such a critical segment of the Egyptian economy.

3.2.3 *Formal and Informal Rules of Individualism*

- A cultural tradition, perpetuated by political laws that constrain freedom of expression and organization, that does not support collective action or concerted behaviour, hence the inability of civil society to recruit people with pre-knowledge of the necessary skills for participation. It is a pervasive tendency to go for individualistic solutions, not for collective ones; this is of course perpetuated by the presence of political constraints which allow the government to interfere whenever it can claim that the operations of a civil society organization had hurt the national interest or had threatened national unity.

⁸ Dr. Alia El-Mahdi, Professor of Economics at the Faculty of Economics and Political Science, Cairo University and project coordinator of the SMEs project funded by the Economic Research Forum ERF.

⁹ This means enterprises with 1-10 workers.

¹⁰ Interview with Dr. El-Mahdi on 12.01.2005.

- Individualism is also further perpetuated by a disproportionate ability to access information on the market and on the policy process as well as a weak ability to create and disseminate knowledge, including to the economically specialized media. The issue of information supply and knowledge creation will be dealt with in a separate chapter.

CONCLUSION

The aforementioned analysis of the process of law making in Egypt and of the strengths and weaknesses of the various stakeholders involved points towards a number of issues.

The executive branch is a pivotal player in law making in Egypt. This is particularly so in economic laws, which require expertise and technical knowledge of international commitments. This is a prerogative of the economic team of the Egyptian government. Having said that, it becomes imperative to understand and assess the ability of the Executive branch to deal with the pressure for legal reform to improve the regulatory environment of trade and investment in Egypt. Chapter 3 does that by looking at the most frequently used means by which the Executive branch has managed to cope, namely the establishment of technical offices.

The legislative branch has been manifesting some involvement in the making of laws, especially for economic reform. Yet, the institution suffers from internal inertia and from a macro political relationship with the Head of State and with the ruling party which impedes its ability to use its constitutionally given legislative powers; chapter 2 has looked into these dynamics. Important in this regard is the question of what to do to improve the legislative powers of the Parliament. The immediate answer often said in Egypt is “political will.” Though true, there is another issue of great importance, namely the reputation of the parliamentary institution in society, which is very low. The more voters believe in this institution, the greater will be the pressure on it and on its behalf. But that is not the case in Egypt. Chapter 6 puts its hand on one means by which parliaments as legislative institutions get introduced to the people, namely via parliamentary press. An institution with a long tradition in Egypt, chapter 6 looks at the current status of parliamentary press coverage and how it helps or impedes the introduction of Parliament to the people.

The law making for economic reform is a highly complex exercise due to the technicality of the economic matters involved. It is also a process whose effectiveness depends on the law makers’ ability to study the impact of laws and regulations on the market, anticipate

blockages whether among the public or in bureaucracies and act accordingly. This points towards a need for good information provision and knowledge creation systems. We devote chapters 4 and 5 to the issue of information provision and knowledge creation inside parliament and outside it.

It remains to be said, that civil society itself will greatly benefit from capacity building measures in areas of building strong and sustainable networks of members, building strong and sustainable networks of different stakeholders (which combine private sector and advocacy groups), lobbying the government, as well as in areas of market analysis and technical policy analysis.

But most importantly, the connection of civil society and information providers, on the one hand, as well as civil society with knowledge creators and disseminators, on the other is highly critical. The role of the media is paramount here. More on that in chapter 8.

Table 2: Stakeholder Analysis Law-making process Egypt

Law	Executive	Parliament	Civil Society other Stakeholders
Investment Promotion Law 8/1997	Ministry of Public Enterprise Sector (key role), Ministry of Economy, Ministry of Justice, General Authority for Investment and Free Zones drafted the law bill	Law bill entered parliament in 1997, then further work on the bill in a specialized committee which consisted of the standing committees for Legal Affairs, Economic Affairs, Budget Affairs and Housing and Public Utilities – passed the parliament	Business Association, 10 th of Ramadan Association, Political Economy and Legislation Society made suggestions and contributed with their own drafts
Exports Promotion Law 151/2002	Ministry of Foreign Trade – mainly the Minister himself and his advisors (initiator and accelerator), Ministry of Finance (losing part of its authority), Ministry of Agriculture (was consulted – no opposition)	Law bill entered parliament – mixed committee of Legal Affairs, Budget and Economics – law passed	Business Association, Exporters Association and Think Tanks were involved in the consultation process, but their concerns were only partly included in the final draft
Intellectual Property Right Law 82/2002	Ministry of State for Scientific Research (1 st draft), Ministry of Justice (went on with the drafting through the High Legislative Committee) Ministry of Foreign Affairs (minor role)	Law bill was discussed over two terms in a mixed committee of Legal Affairs, Education, Economics, Industry, Agriculture, Culture and the Media and Tourism – passed???	Consultations of Business Associations and International Organizations like The World International Property Organization and the WTO.
Competition Law 87/2002	Several drafts by: Ministry of Supply and Trade, Ministry of Economy and Foreign Trade, bill was then referred to Ministry of Justice then to State Council then to The High Legislative Committee	Not gone to Parliament yet but draft discussed in the Economic Committee of the NDP	Business Associations and Chamber of Commerce agreed upon the need for a law that regulates competition, but they doubted that this single law would promote investment and exports, especially that the powerful position of some businessmen was expected to stay unchecked by incompetent and / or inexperienced competition bureaucracies.
Unified Labor Law 12/2003	Drafting by: Ministry of Social Affairs, Ministry of Public Enterprise, Ministry of Manpower	Discussed in a mixed committee of Legal Affairs, Industry and Labor – law passed	Federation of Egyptian Industries, General Federation of Labor Unions, National Committee in Defense of Workers' Rights and other smaller stakeholders were involved.
Duty Draw Back (Amendment of Customs Law)	Ex Ministry of Economy and Foreign Trade, Ministry of Finance, Customs Authority, Inter ministerial committees including Ministry of Industry, Ministry of Military, Ministry of Foreign Trade (major role)	---	Investors Association and Federation of Labor Unions
Law for Special Zones 83/2002	Ministry of Trade Ministry of Finance Ministry of Labor? Analysis in Progress	Discussed in a mixed committee of the standing committees for Legal Affairs, Economics, and Budget	Early and high involvement by Business Associations, Investors Associations, Chambers of Commerce

Table 2 (continued)

Law	Executive	Parliament	Civil Society other Stakeholders
EU Association Agreement	<p>Barcelona Declaration High National Committee headed by PM (comprised of more than 20 ministries + the Governor of the Central Bank of Egypt) Executive Committee for the Association Agreement (comprised of representatives of all ministers members of the High National Committee + 4 representatives of the private sector) Egyptian-EU Association Agreement Unit in the Ministry of Foreign Affairs acted as technical Secretariat for the High National Committee Executive Committee established 13 working groups on issues related to the Agreement Draft to High National Committee then to Cabinet for approval Shura Council</p>	<p>Standing Committee for Economic Affairs Communication with stakeholders mainly inside the Economic Council of NDP</p>	<p>Representatives of private sector during the drafting of the Agreement; High involvement of experts and representatives of various sectors through the working groups</p>

Table 3: Civil Society & Investment Promotion Law 8/1997

Type of Civil Society	Position	Mechanism of Influence
Business Association	<p>The law is needed. But some of the incentives present in the status quo (governed by law 230 of 1989) are missing in the draft of law 8.</p> <p>Many important issues are relegated to the executive decree of the law, which makes investors too dependent on bureaucratic implementation without that the law offers them guarantees against administrative faulty discretion.</p> <p>It criticized the government for submitting a draft for deliberation that was different from the initial thoughts discussed with the government in much earlier phases, especially with regard to tax exemptions for construction in new residential zones and for some of the financial ventures on the money market *.</p> <p>Executive Decree cannot be delayed for long.</p>	<p>Studies, Seminars, Personal Contacts with Political Elite, Parliamentary deliberations, Threatening to question the constitutionality of the law **.</p>
10 th of Ramadan Investors' Association	<p>Against the removal of exemptions given to investors under law 230 of 1989.</p>	<p>Position Paper to the Prime Minister, Meetings with other Business Associations, Meetings with legal experts.</p>
Society of Political Economy and Legislation	<p>Same as above</p> <p>Law was over and above not needed, as law 230 of 1989 proved its worth.</p>	<p>Public Seminar ***.</p>
Wafd Party	<p>Same as above</p>	<p>In parliamentary debates</p>
Labour Party	<p>Law should not reduce the privileges of workers, especially their right to 10% of annual profit distributed at no higher than the total annual salary of each worker.</p> <p>Law should not differentiate between local and foreign investor in housing sector.</p>	<p>In parliamentary debates</p>
Tagammu Party	<p>Same as Labour party</p> <p>Law does not give much care to industry</p> <p>Law does not differentiate between enterprises with low and high rates of return.</p>	<p>In parliamentary debates</p>
Nasserist Party	<p>Same as above</p>	<p>In parliamentary debates</p>

* al-Alam al-Youm, 5th November 1997; al-Alam al-Youm, 3rd August, 1997.

** al-Ahrar ??? August 1997.

*** Internet al-Akhbar, "Muhakamah Alaniya Liqanun al-Istithmar al-Jadid", 5th November 1997

Table 4: Civil Society and the Export Promotion Law (151/2002)

Type of Civil Society	Position	Mechanism of Influence
Business Association	Law is needed. Version discussed was more liberal than version that entered Parliament	Conference & Newspapers *
Arab Exporters Association	Law is needed but does not help reduce transaction costs of exporters Conflict of interest between too many authorities responsible for enforcing the law No punishment foreseen for those civil servants who obstruct the enforcement or raise transaction costs High cost of interest on exporters' loans, high sales taxes and customs fees.	Newspapers **
Exporters Chapter of the Federation of Chambers of Commerce	Fees, taxes and interests are too high	Report to the Federation of Chambers of Commerce ***
Egyptian Center for Economic Studies (Think Tank)	The law alone will not do. It needs an overall reform of the institutional environment that affects exports. Government needs to reform the import regime simultaneously with the export regime.	Seminar which the Minister of Foreign Trade attended****
NDP (ruling party)	Advocated continuous exemptions to exporters. Advocated defining the discretionary power of the Minister of Foreign Trade Advocated more specific punishment for civil servants who obstruct the enforcement of the law, thus increasing transaction costs of exporters	In parliament
Tagammu Party	Law has to be accompanied by an overall institutional reform of the environment of investment	In parliament *****
Al-Ahrar	Law needs to be accompanied by reform of taxes, interest rates, credit market, insurance rates, customs and administrative costs.	In parliament
Nasserist Party	Government has to exempt all export profits from taxes and fees as well as the reduction of interest rates for loans that support exporting activities.	In parliament
Wafd	Same as above	In parliament *****

* al-Ahram al-Iqtisadi, "Hal Dhahakat al-Hukumah ala Rijal al-Amaal?" 17th June 2002; al-Wafd "Rijal al-Amaal Yatahimun al-Hukumah" 22nd May 2002.

** al-Alam al-Youm 16th May 2002.

*** al-Ahram al-Iqtisadi "al-Musaderun wa Hulm al-I'faa al-Dharibi al-Kamel" 1st July 2002.

****al-Ahram "Ghali Younaqish ma'a al-Musadereen" 12th July 2002.

***** al-Ahram, "Lais bel Qanun Wahdahu Tazeed al-Sadirat", 19th June 2002.

***** al-Sharq al-Awsat, "al-Barlaman al-Masry Yousdir Qanunan lil Tasdeer", 16th June 2002.

Table 5: Civil Society and Competition Law 87 / 2002:

Type of Civil Society	Position	Mechanism of Influence
Association of 6 th of October Investors	The law is made to suit big international corporations, not Egyptian interests Critique of the punishments envisaged	Newspaper *
Association of 10 th of Ramadan Investors	Wanted to see the law pass quickly to circumvent contracts that bind one producer to one distributor.	
Importers chapter of the Chamber of Commerce	Though needed, the law is vaguely written.	
Federation of Chambers of Commerce	Law is needed but should be made to suit the Egyptian market. For example, the 30% benchmark for monopolistic positions is not suitable. Replace the sentencing by imprisonment with a financial fee.	
Businessmen Association	Law is needed and good for invigorating the market. Law should not restrain enterprises from growing. Definition of monopolistic behaviour by a benchmark of 30% should be reviewed. Competition should also be fair between private and public sector. Need to raise the competence of those who will enforce the law. Need to have a Media campaign to explain the law	Newspapers ** and position papers to Government

* al-Ahram, 24th June 2002.

** al-Alam al-Youm 24th July 2002 & 26th of August 2002.

Table 6: Civil Society and the Unified Labour Law (12/2003)

Type of Civil Society	Position	Mechanism of Influence	Bridging Contact
Tagammu Party	Wanted to fix the workers' annual share of profit at 10% of actual wages. Criticized the leeway given to the employer to fire and hire on temporary bases at a time when the unemployment rate is around 20%. Demanded that workers in case of closure / bankruptcy get paid before debtors and the tax authority.	Newspapers & TV 2 Demonstrations Seminars In parliament	Yes, with Human Rights Organizations
National Committee for Workers' Rights *	Criticized the amendment of Law 137 of 1981 which fixed wages to inflation. Criticized the reduction of women's rights for vacation.	Report given to ????	Yes, with Human Rights Organizations
All Opposition parties	Criticized the violation of the internal operating code of Parliament. For the law should not have been discussed over two sessions because the Plenum has to accept at the beginning of the second session what has been discussed in the first session. That was not the case with the labour law **.		Yes, with Human Rights Organizations
Nasserist Party	Criticized the declining power of the tripartite council which defends workers' rights inside the firm. Criticized the leeway allowed in the law for employers to fire or change the terms of contract with respect to job description and / or wages. Criticized the lack of strict prohibition of child labour	Newspapers & TV 2 Demonstrations Seminars In parliament	Yes, with Human Rights Organizations
Wafd	Criticized the lacking link between wages and inflation Criticized the weak protection of workers' rights		Yes, with Human Rights Organizations
Shumu' Center for the Handicapped	Criticized the amendment of law 137 in such a way that removes incentives to hire handicapped workers.	Newspaper ***	Yes, with Human Rights Organizations
Al-Ard Center for Human Rights	The law violates all international labour regulations to which Egypt is committed.	Report and Media campaign ****	Yes, with Human Rights Organizations
Federation of Labour Unions	Criticized the government for allowing for weak participation by Labour Unions in drafting the law. Ensured workers that the Federation will try to compensate workers through the National Emergency Fund	Press Conference	???

* Included representatives of the Moslem Brotherhood.

** al-Usbu' 16th December 2002, al-Ahrar, 9th December 2002.

*** Al-Ahram "Majlis al-Shaab Youwasil Munaqashatahu" 27th November 2002.

**** al-Wafd "Munazamat Huquq al-Insan Tua'kid..." 2nd December 2002

Table 5: Civil Society and Law of Special Economic Zones 83 / 2002

Type of Civil Society	Position	Mechanism of Influence
Ruling NDP	<p>The Law allows firms in the special zone to export up to 25% of their production to the Egyptian domestic market, which creates an unfair competition with Egyptian firms outside those zones and hence not eligible to the exemptions of these zones.</p> <p>Compensating the losing Egyptian firms that were established prior to the law.</p> <p>Covering the compensation costs from the special zone firms which export to the domestic Egyptian market.</p> <p>Compliance by 40% rules of origin</p> <p>Surveying Egyptian and foreign firms which export 100% of their production to give them special incentives.</p> <p>Assessing the cost benefit of the exemptions allowed by this law, to figure out whether the cost of exemptions is offset by the investment volume of the firms in the special zones.</p> <p>Studies to make sure that the special zone firms are producing products that do not crowd out the Egyptian firms producing for the domestic market.</p> <p>Studies to make sure the law is not used to smuggle products into the Egyptian market.</p>	Seminars *
Businessmen Association	<p>Supported the need for this law as a means of attracting investment and modernizing industry in Egypt.</p> <p>Recommended the quick issuance of the executive decree of the law.</p> <p>Recommended that the law be accompanied by reduction of transaction cost via improved services (especially in ports and customs) and via more competent bureaucracy.</p> <p>Agreed with others who were afraid lest these zones create unfair competition for Egyptian producers to the domestic market as well s Egyptian firms exporting from outside these zones, especially those in Sadat, October and 6th of October cities.</p>	In parliament and newspapers **
October City Investors	Convinced that the law creates unfair competition for other Egyptian producers	Newspapers **
Association of Borg al-Arab Investors	<p>Reducing the allowed exports to the Egyptian domestic market to 10% of firms output.</p> <p>Specifying the penalties against misusing the law.</p> <p>Reforming the entire investment environment to reduce transaction costs.</p>	Newspapers **
Tagammu Party	Not to consider the Agency of Special Economic Zone a private corporate entity.	In Parliament ***

* al-Alam al-Youm, 21st of September 2002, Alexandria Seminar.

** al-Ahram 12th of July 2002 and 28th May 2002.

** al-Ahram, 12th of July 2002.

Table 8: Civil Society and Intellectual Property Rights Law

Type of Civil Society	Position	Mechanism of Influence
Ahrar Party	Reduction of Registration fees Clear Registration Procedures Infrastructure of innovation, i.e. networks of universities, research centers and the market More effective financial and marketing support for inventors and innovations.	Seminar *
Tagammu Party	Progressive registration fee adjusted to the income of the registering inventor. Exempting registering inventors who cannot afford to pay the fee.	In parliament
Nasserist Party	Law must take account of the implications of WTO and Doha Round	In Parliament
Egyptian Society for Health and Environment	Law must be accompanied by basic research in pharmaceuticals in Egypt as well as by transparent and affordable registration procedures for new pharmaceutical Egyptian inventions.	Seminar **
Egyptian Society of Informatics	Transparent price market for computer programs New court with competences to handle electronic and digital crimes.	Seminar ***
Egyptian Society of Inventors	Law needs a lot more work and research than done by the Executive and the Legislature . Both have not taken enough account of the mix of policies that need to accompany that law in order to encourage innovation and invention. Law cannot be effective in the absence of international support for technology transfer.	Seminar ****
Businessmen Association	Increasing awareness of the importance of this law for Egypt's competitiveness, thus reducing the fears of international unfair pressure on Egypt Better judicial training of law enforcers	Seminar, coordination with other NGOs, such as Society of Better Future (al-Halemeen Belghadd) and Society of Mother and Newly Born (al-Um wa al-Waleed) *****
Society of Business Women for Development	Careful study of the issue before issuing the law, especially with respect to pharmaceuticals. Limiting the patent right to 20 years starting the registration day in the mother country. Limiting the imports of ready-made foreign pharmaceutical products. Protecting the existing contracts between Egyptian pharmaceutical companies and foreign customers.	Seminar *****
Society of Future Dreamers and Society of Mother and Child	Government was under extreme international pressure which makes the law suspect in their eyes.	Seminar jointly with Business Association

* Seminar at Saleh Kamel Center for Economics, Azhar University, in al-Ahram 3rd May 2002.

** Seminar on 28th April 2002 in which a big number of legal experts and concerned economists attended. Reported in al-Ahram 29th April 2002.

*** al-Ahram 5th January 2002.

**** al-Ahram 22nd September 2001.

***** al-Ahram 16th December 2001.

***** al-Akhbar 6th of December 2001.