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Institutional Reform of Economic Legislation in Egypt

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Abstract

The relationship between institutional and economic reform has dominated the field of development research since the 1990s. However, there is unclarity on the significance of reform of institutions of legislation and representation (whether in the form of interest groups or other civil society organizations). Similarly, there is unclarity regarding the sequence of reform of such institutions. There are, for example, four unresolved contentions about institutional reform. (1) If economic reform partly means economic legislation, is it necessary to reform parliament even when economic legislation is mainly done by the executive? (2) If economic reform requires efficient allocation of resources, is it necessary to strengthen special interest groups and increase societal representation/participation, running the risk of increasing clientelistic lobbying? (3) If one is to answer both questions positively, how should the reformation of the institution of parliament and that of interest representation happen and (4) in which sequence?

This study focuses on the institutional environment of economic law-making in Egypt in a decade of intensive economic reform. It highlights the phases that characterized the relationship between economic reform and economic legislation, uncovers the macro-political factors that influence the institution of legislation, and unravels the institutional weakness embedded in the informational base of legislation.

The argument is that economic legislation involves an intricate process of judgement. This process of judgement may require redundant channels of information processing and opinion-making that go beyond a linear and simple expert-executive relationship. Hence, the institutional reform of parliament and of interest representation become necessary even in politico-economic systems where the executive is dominant.

This study relies on analyses of parliamentary discussions of nine major economic laws between 1989 & 1997 as well as on opinion surveys and extensive interviews with parliamentarians and interest group representatives.

Kurzfassung

Seit den 90er Jahren ist das Verhältnis von institutionellen zu ökonomischen Reformen zentraler Untersuchungsgegenstand der Entwicklungsforschung. Doch noch immer ist die Bedeutung von institutionellen Reformen der Legislative und nicht-staatlichen Vertretungseinrichtungen – sei es in der Form von Interessensgruppen oder anderen Organisationen der Zivilgesellschaft – nicht eindeutig geklärt. Zugleich besteht Unklarheit hinsichtlich der zeitlichen Abfolge solcher institutionellen Reformen. Es existieren zum Beispiel vier Themen zur Debatte bezüglich der Reform von Institutionen. (1) Wenn ökonomische Reformen zumindest teilweise auch ökonomische Gesetzgebung bedeuten, ist es dann notwendig, das Parlament zu reformieren, selbst wenn die Gesetzgebung vornehmlich durch die Exekutive erfolgt? (2) Wenn ökonomische Reformen die effiziente Verteilung von Ressourcen erforderlich macht, ist es dann notwendig, bestimmte Interessensgruppen zu stärken und die gesellschaftliche Vertretung/Beteiligung zu fördern, auch wenn die Gefahr bestünde, dass wir dadurch klientelistische Lobbyisten fördern? (3) Wenn beide Fragen bejaht werden, wie sollte die Reform der Institution des Parlaments und die der Interessensvertretung geschehen und (4) in welcher Reihenfolge?

Diese Studie konzentriert sich auf die institutionellen Bedingungen der Wirtschaftsgesetzgebung in Ägypten in einem Jahrzehnt intensiver Wirtschaftsreform. Sie beleuchtet Phasen, die durch das Verhältnis zwischen wirtschaftlicher Reform und ökonomischer Gesetzgebung charakterisiert sind, erkundet die makro-politischen Faktoren, die die Institutionen der Legislativen beeinflussen und entlarvt die institutionelle Schwäche, die der Informationsbasis der Gesetzgebung zu Eigen ist.

Es wird argumentiert, dass die ökonomische Gesetzgebung einem komplizierten Urteilsprozess einhergeht. Dieser Urteilsprozess kann redundante Kanäle der Informationsverarbeitung und Meinungsführung erfordern, was über ein lineares und einfaches Experten-Exekutive-Verhältnis hinaus geht. Damit wird die institutionelle Reform des Parlaments und der Interessensvertretung sogar in polit-ökonomischen Systemen notwendig, in denen die Exekutive dominiert.

Diese Studie basiert auf Analysen der parlamentarischen Diskussionen über neun grundlegende Wirtschaftsgesetze zwischen 1989 und 1997, sowie auf Meinungsumfragen und umfangreichen Interviews mit Parlamentariern und Vertretern von Interessensgruppen.

1 Introduction [1]

The relationship between institutional and economic reform has dominated the field of development research since the 1990s. However, there is great unclarity on the impact and sequence of reform of some institutions. The legislature, special interest groups, and civil society organizations are among those unclear institutional arenas of reform. How significant is legislative reform for economic performance? What is the impact of such reform, in which direction, and in which sequence should it be reformed? Are strong civil society and special interest representation good or bad for economic reform? When are they needed?

There is an issue of contention between reforming the executive and the legislature in countries where the executive has been dominant. Mancur Olson and others insist that the best political conditions for economic performance are rule of law, secure property rights, well-enforced contracts, and predictable succession via elections or a secure autocrat. Though the first three conditions point towards the significance of the rule-making institution, Olson focuses on the chief executive officer, preferring a strong elected executive or a stable autocrat who has the general interest of all his tax payers in mind (Olson 1997, p. 50-63). Economists speak of executive insulation (World Development Report, 1997, p. 117). The reason for this preference is clear in the minds of several scholars:

> "*democracies...might be less well equipped than autocracies to implement policy reform because of the* blocking power of vested interests" (Clague et al, 1997, p. 95).

Furthermore, a strong executive cannot be avoided, argues Clague, Olson and others, for

> "*economic reform leads to an increase in the power of the executive branch of the government*" (Clague et al 1997, p. 95).

This speaks, therefore, for the priority of institutional reform of the executive. It appears that some scholars talk of rule of law and mean law made and executed by a strong executive. Olson and Clague constructed a hypothetical case to argue that even a strong autocrat will have a wise economic policy because he will rationally be enticed to guarantee himself a sound and healthy overall tax base (Olson, 1993, p. 567-576 & 1996, p. 72-96; Clague, 1997, p. 114). That leaves an open question: What if that tax base constitutes only a small fraction of state revenue? What will be the incentive of the autocrat to pursue a sound economic policy? If one ignores the legislature, where will the check on policy orientation of the executive come from?

[1] Author: Dr. Noha El-Mikawy, ZEF.

The other issue of contention is that of the strength of civil society organizations and of various interest groups. Olson and others proclaim that interest groups are by definition interested in their own particularistic interest and that leads to uneven distribution of public goods and eventually to in-efficient allocation of general resources. For economic performance, as well as for the implementation of economic reform, interest groups are bad news (Olson, 1997; Weede, 1986).

Here one could remind of three main points made by Stephen Haggard in opposition to this view. Firstly, aversion against special interest groups and civil society activists is understandable in systems where such groups have attained a level of strength that blocks economic reform. But what about most of the developing countries, in which civil society and special interest groups are still in the making or have inherited weak legacies of interest aggregation and articulation? Secondly, one might want to distinguish between the phase of economic reform initiation and that of consolidation. In the former, independence from interest group pressure may be a pre-requisite. In the latter, a wider support base among various strong and credible interest representations is needed.Thirdly, insulation of decision makers may not always lead to better or more efficient allocation of resources.It is more likely to lead to the atrophy of representative institutions and of the skills of interest aggregation and interest articulation, opening the way for more rent-seeking by particularistic interests (S. Haggard, 1997, p. 125-145).

A third issue of contention is that of the "how to" of institutional reform.How much executive insulation and how much societal participation are good for economic reform and consolidation thereof?What should / could be done to improve the performance of societal representatives, whether in parliament or among interest groups, so as to support economic development?In the case of the legislature, what should be done to increase the influence of societal voices in the following processes? (a) hammering out of law bills to make them clear, general, consistent and in harmony with the economic reform objectives and with the constitution; (b) supervising the execution of laws by various administrative departments; (c) approving of general budget allocations without endangering budgetary discipline. In the case of civil society and special interest groups, could institutional reform best serve economic development if it tackles the following? (a) the skill of organization (interest aggregation & articulation); (b) the amount & scope of information available for the formulation of positions; (c) the skill of information management and public policy formulation; (d) the system of communication with the executive and the legislature.

The sequencing of institutional reform is a fourth point of contention. Should one start with the institutional reform of the executive alone or also of the legislature? Should the strengthening of civil society and of special interest groups accompany or come later than other kinds of institutional reform?

All these issues of contention are highly relevant in the Egyptian context. Although Egypt was among the first in the region to experiment with economic and political liberalization in the mid 1970s, it took her until 1991 to embark on a serious structural adjustment program (SAP).Macroeconomic indicators in the 1990s tell a story of successful economic policy change towards a new role for the state and an empowerment of private enterprise. Reform consolidation, however, has been hampered by resilient institutional features that survived the last 30 years. In this study, we look closely at the law-making function of the state to analyze the given institutional conditions of legislation and to identify ways of improving its institutional environment. The macro criteria for an improved institutional environment of law-making have been conventionally defined as fair elections and democratic rules of representation. In this study we identify the macro political factors that affect the performance of parliament and identify the changes that occurred over time till the end of the 1990s, with special reference to economic legislation (chapters 2, 3 & 4).

Besides there are micro factors that affect the prospect of institutional reform of the legislative process. These are factors within parliament itself. As Robert Springborg observed, the process of enacting legislation into law is:

"narrow and hierarchical, thereby precluding adequate input by stakeholders..." (Springborg, 1999, p. 5)

Also Ibrahim Shihata observed that:

"(W)hat is needed ... are regulations that aim at clearly agreed upon economic and social objectives.... This obviously requires a large measure of participation in rulemaking" (Shihata, 1999, p. 39).

This is not easily done, for legislation based on wide input from stakeholders requires law-makers who know how to listen to various voices and how to live in transparent systems. That is a skill which is often lacking in systems with authoritarian legacies. Aside from the aversion of authoritarian rulers to transparency, transparency has inherent difficulties related to the propensity to share & process information (Florini, 1999, p. 6-8). Also the World Development Report of 1997 underlined some shortcomings in the process of institutionalizing transparency: Not only are participatory mechanisms in national law-making less frequent. Participation is not always representative of the entire population or of all relevant actors and groups, and it is often restricted to the areas of service provision and cooperative production on the local level (World Development Report, 1997, p. 110).

That does not mean one should forget about transparency of law-making. In the context of liberalizing authoritarian regimes, the governing elite undertaking liberalization and privatization confront their public with many new laws. Meanwhile, the participatory mechanisms of political parties and elections remain ill-suited to ensure participation in the law-making arena. That is complicated by the weakness of the parliamentary institution. As a result, single powerful individuals often lobby the executive, who designs law bills, making the process

of legislation too exclusive and arbitrary. Thus this study aims to discover the institutional environment in which law is made, in order to explore the possibility to increase participative transparency. We use an opinion survey conducted on 107 parliamentarians as well as analyze parliamentary discussions of nine economic laws, with an eye on the performance of businessmen parliamentarians as transmitters of economic information and expert opinion (chapter 5). To complete the picture of legislation, we look outside parliament to study the structure of information sharing and the influence of some major economic stakeholders: the Businessmen Association, the Federation of Labor Unions, and the Ministry of Manpower (chapter 6).

2 The Macro Political Context: Trends in the Past Two Decades [2]

2.1 State - Society Relations & Economic Performance

In 1952, the military wanted to graft cultural harmony onto the political structure and that desire intensified with the state´s domination of the economy. For the military rulers, a one-party structure was the solution. It offered a consensual notion of populist development based on a vague notion of a society in unison and harmony. This experiment lasted till 1976.

Between September 1976 & May 1977, President Sadat talked about the need to encourage private initiative and get rid of a state model that sacrificed individual interests (Sadat speeches published in al-Ahram September 17th, 1976 & May 2nd 1977). Sufi Abud Taleb, Director of Cairo University and later Speaker of Parliament, spoke of a state that would balance general and individual interests, without sacrificing the latter (Dessouki, 1994, p. 86). However, the polarization of society provoked Sadat to revert to a fatherly image, often sacrificing individual freedoms.

While the state elite invoked a fatherly image, society remained indifferent. In a study by the National Center for Sociological and Criminological Studies (NCSCS) in the early 1980s, the findings affirmed that the relationship between ruler and ruled was based on indifference or avoidance, not on contractual rights. The majority of the sample were not politically engaged, especially those living in urban areas. 60% of the sample, the majority of which were in urban areas, did not posses a voting card. Of those who possessed a voting card, 48.8% lived in rural areas. Egyptians recognize, so goes the study, that government has disproportionate power that is used by some for personal interest (Zayed, 1990, p. 81 & 161-162).

Between 1981 & 1990, some responsiveness was introduced in state-society relations:

- Controversial law 114 was changed to law 188 allowing independents to run for elections outside party tickets. However, the restrictive 8% limit, the 48 electoral districts, and the mathematical calculation of proportional seat distribution were retained till 1990.

[2] Author: Dr. Noha El-Mikawy, ZEF.

- Parliament was dissolved when the courts ruled that the electoral law was unconstitutional. New elections were held, bringing three opposition parties into parliament; in 1987 they obtained 20% of the seats.

- The highest judiciary was explicitly separated from the influence and supervision of the executive, and top judiciary offices were immune of the executive's hiring and firing prerogatives. Between 1984 and 1986, measures restricting political participation were offset by judiciary rulings (Zahran, no date, p. 284-85; Lesch, 1989, p. 87-104).
- Economically, the elite continued to promise socialist privileges for state employees and public sector workers until 1989.

Since 1991, there has been an open commitment to reduce the economic role of the state, allowing private investment in banking, insurance, utilities, air transportation, telecommunication, while keeping alive a debate on the state´s social role. However, people´s indifference and suspicion vis-a-vis the state has persisted. Two opinion polls conducted in the 1990s revealed such attitude.

El-Fergany conducted interviews with a sample of 1500, all above 15 years of age, in 1995. The sample was interviewed in major railway stations. The majority (58%) lived in urban Cairo and Alexandria, 16% in lower Egypt, 12% in upper Egypt; only 12% lived in rural areas, spread equally between lower and upper Egypt. The majority got high school & university education (34% & 37% respectively). By contrast, 11% got below high school education, 6% could only read and write and 11% were illiterate. The majority (70%) reported to be working (El-Fergany, 1995, p. 7). This study registered a drop in the number of respondents who had a voting card (22% as opposed to 40% in the NCSCS study). This could be attributed to the higher percentage of urban dwellers in El-Fergany's sample, rather than a change over time. El-Fergany's study demonstrated a considerable amount of disenchantment with pluralism in Egypt, with slightly more respondents disenchanted with the practice (36% of respondents) than with the principle (32% of respondents (p. 23). However, the difference between those who favored (53%) and those who disfavored (32%) pluralism was 21 percentage points. The regional distribution of opinion in this regard showed a disparity between rural and urban areas: those who were not in favor of pluralism (both in practice and in principle) were higher in urban areas (El-Fergany 1995, p.23 & 64).

The second study was conducted by the al-Ahram Center for Strategic & Political Studies (ACSPS). A representative sample of 1300 was drawn from three provinces representing Greater Cairo, Qena & Menufiya, where the latter two represented average development indicators for upper and lower Egypt according to the human development report of the National Institute for Planning. The majority of the sample was literate, with 30% high school graduates, 16% university graduates, 11% with medium education (below high school) and 36% illiterate. Of the

employed (50% of the overall sample), 23% worked in the civil service, 3% in the public sector, 20% in the private sector, and 4% probably in the informal sector. Consistent with previous studies, the ACSPS results manifested a high level of non-participation. More than 80% of respondents said they were neither members of political parties nor of any civil society organization; a similar figure said they never attended any political gathering. Only Qena in Upper Egypt showed a slight lead over Cairo and Menufiyya regarding attendance of political gatherings, where more than 10% said they did, compared to around 5% in Cairo and less in Monufiyya. Also a majority (60%) did not vote in the parliamentary elections of 1995. When asked why, 34% said because they did not possess a voting card, while 37% said because of the difficulties of registering and voting. Only 25.6% said they did not believe in the effectiveness of expressing their opinion via voting. More non-voters lived in Greater Cairo (70%) than in Monufiyya or Qena (a little less than 60% for each).

However, the ACSPS study registered a different attitude towards pluralism. When asked about the best type of rule, almost 70% said majority rule and freedom of expression, whereas second best type of rule (30% of respondents) was a benevolent Presidential system. There was a regional difference in that regard. Although most respondents in all three provinces preferred a democratic system to a benevolent presidential system, the highest responses for the former were in Cairo (76%), followed by Qena and Monufiyya (67% for each). Most of those who chose the latter were in Qena (31%), followed by Monufiyya (28%) and last by Greater Cairo (19.8%).

Focusing on the state - citizen relationship, the study asked if respondents felt any fear dealing with the police and the civil bureaucracy. The results manifested, like the study of the NCSCS in the early 1980s, that 60% of respondents did not fear the bureaucracy, whereas 25% said they did. In contrast, opinion on the police was more polarized; 42% feared the police and 48% did not. Measuring state citizen relationship with the indicator ''seeking help in case of problems inside a bureaucratic office'', showed no clear regional differences. In Qena 46% and in Greater Cairo 45.6% said they would seek help from the boss of the civil servant with whom they had trouble; in Monufiyya 38% said so. This was the most popular solution in all three provinces. Whereas in Cairo the second and third most popular solutions were seeking help from an important acquaintance and bribery, in Qena these were the police and a family member. In Monufiyya the second solution was an important acquaintance, like in Greater Cairo, and the third was the court. In all three provinces seeking help in a religious institution or political party came last, preceeded by parliament and media.

State society relations therefore have shifted over time from an imposed political harmony by a state that was sole producer to an acceptance of individual interests but not individual political liberties. The latter had to succumb to the political visions of the leader. Since the 1980s toleration of political freedoms has expanded with ups and downs. However, public cynicism has increased in the 1990s. People are not sure the state represents the general interest, nor are they sure how could their representatives in parliament or elsewhere make the state more accountable.

This provokes a sense of powerlessness and carelessness regarding lawful behavior. Each is out to maximize personal interest or find individualistic solutions also when these solutions border on corruption. Could this be good for economic performance? The guess is no. Dealing with incompetent bureaucrats increases transaction cost, and reduces the competitiveness of the private sector. The perpetuation of bad working ethics is particularly disheartening for the manufacturing sector which is already suffering from serious competitiveness shortfalls: (a) Deficit of trade in manufacturing which grew from 2.6 billion $ in 1992 to 6.8 billion $ in 1997 and an Egyptian index of trade dependence rising to a record negative compared to other Arab countries; (b) the bulk of the activities of more than 200 transnational corporations (TNCs) working in Egypt is serving the domestic market, while TNCs in other countries increase exports.

Furthermore, the sense of powerlessness translates into a mood whereby democratic institutions are not taken seriously, parliament included. This is happening at a time when the executive is asking parliament to enact a range of laws that will fundamentally change the economy. In 1991 a sales tax law and a law creating the basis for the privatization of the public sector; in 1992 the capital markets law; in 1996 ten laws regulating taxes, capital markets, banking, BOT in electricity & surface transportation; in 1997 a law to govern private investment in airports; in 1998 six laws on maritime services, taxes, telecommunication, banking and insurance; in 1999 a law on trade. That means the law-making process has become a central institution for the economy. Not to take such process seriously creates an institutional barrier to consolidated economic reform.

2.2 Studies of State-Society Relations in Egypt

Political and sociological analysis of state-society relations in Egypt depend on a number of theses. The understanding of the state is based on three major theses:

a) The drive to remain supreme as planner, developer, producer, and employer is not specific to Egypt, but to most late developers. Nazih Ayubi argued that the state in the Middle East in general was forced to solve the problem of accumulation not through external colonies, but through state capitalism (Ayubi, 1995).

b) The specificity of the Egyptian state lies in its control of several sources of rentier revenue (Biblawi, 1990; Pawelka, 1997).

c) The state´s clientelistic exercise of power makes it resilient against any liberal reform (Weiss, 1998; Pawelka, 1997; Kienle, 1998).

The understanding of society is based on three major theses:

a) The hydraulic society is made of passive, God / Ruler-fearing masses (Zayed, 1990).

b) Channels of mediation between people and state were weakened by the populist, corporatist experiment under Nasser which reduced the ability of the middle class to mobilize, organize and aggregate their voice (Sunar, 1994, p. 100-107).

c) Private entrepreneurs have always been dependent on family connections and lobbying the state via personal patronage, rather than collective organization (Vitali, 1997).

Despite this conventional wisdom, various university-based research centers and privately-funded think tanks have been highlighting the need for liberal political reform. The Center for the Studies of Developing Countries at Cairo University's Faculty of Economics and Political Science (FEPS) has focused, among other things, on the flaws in the process of political liberalization, highlighting the decline in political freedom and the weakness of political institutions. Ibn Khaldun Center for Developmental Studies has focused on civic culture and civil society. The Public Administration Research and Consultation Center, also at FEPS, has focused on leadership skills of public and private managers and of NGOs. The Society for the Promotion of Democracy (closed in 2000) focused on the constitutional and legislative institutions, while the newly formed (established in 2000) Arab Research and Training Center (ARTC) aims to improve parliamentary processes. The Third World Forum (funded by UNDP, the Dutch Development Cooperation Ministry, & the Canadian International Development Research Center) is conducting a mapping of the political and economic systems to come up with futuristic scenarios for the year 2020.

Our study ventures to discuss the institutional reform of law-making and interest representation in an economic context, a focus that is rarely discussed straightforwardly. Hence, we look at economic legislative processes and on economic interest representation inside and outside parliament.

3 The Overall Position of Parliament in the Political System [3]

Egypt has an executive-based power structure. The president appoints and dismisses cabinet ministers and prime ministers. He dissolves parliament if it blocks legislation or disputes with the cabinet and subsequently fails to win a referendum vote to its favor. He convenes and terminates parliamentary sessions, as well as legislates during parliamentary recess or in emergency cases. He appoints local governors and heads of village units (Egyptian Constitution 1971). The President led the only ruling party between 1954-1976. In the short period between 1976 – 1979, the majority- winning party was led by the Prime Minister, before Sadat established and led the National Democratic Party (NDP) in 1978, which won the 1979 elections and has been ruling since then under the leadership of President Mubarak. The fact that the political system moved from a one-party to a multi-party system in 1976 has meant the introduction of a liberal infrastructure of political parties and NGOs. However, the executive continues to use all political organs, including parliament, to achieve three main objectives: control, mobilize the public, and cultivate passive support (Springborg, 1999, p. 14).

3.1 The Weakness of Parliamentary Performance

Parliament has, within that context, three constitutionally-based functions: policy-making, control and legislation. Its policy-making includes: (a) The nomination of a presidential candidate for a general referendum; the President formulates the general policy line of the government. (b) The approval of the general government program and budget allocations. Since 1952, parliament has been loyal, serving as a promoter of the policy orientations of the executive. Three indicators manifest this loyalty:

- Parliament has always nominated the presidential person appointed as vice president by the incumbent president (in the case of Sadat & Mubarak). Many hope it would add other names to its list of candidates.
- It has not yet been able to bring a case of constitutional amendment to the floor to make presidential election direct & competitive.
- Neither has it yet refused any major public policy orientation or budgetary statement of the executive.

Parliament´s control function is to control the Executive in its implementation of public policy. Between 1952 and 1976, parliament became a submissive control institution, for it was

[3] Author: Dr. Noha El-Mikawy, ZEF.

dominated by a ruling party that had no competitors. Furthermore, the president was a charismatic figure. Between 1976 and 1999, Egypt witnessed a variety of electoral laws, which ended one-party rule, bringing opposition parties into parliament. However, the comfortable majority of the ruling party (NDP), heir to the one-party system, was not challenged in any of the parliamentary sessions. Opposition representation in the parliamentary sessions of 1984-87 and 1987-90 was around 20%; since 1990, the representation of opposition parties and independent candidates hovered around 10%.

Parliament exercises supervision through a number of methods, some of which are more threatening to the executive than others. In a descending order of threat these measures are: (a) interpellation, which can end in a vote of no confidence; (b) asking ministers questions; (c) bringing problematic facts to their attention; (d) establishing fact-finding missions or public hearings on some general issue. Observing how the Egyptian parliament has used such methods since 1976, one notices four indicators that reflect parliament´s weak control performance:

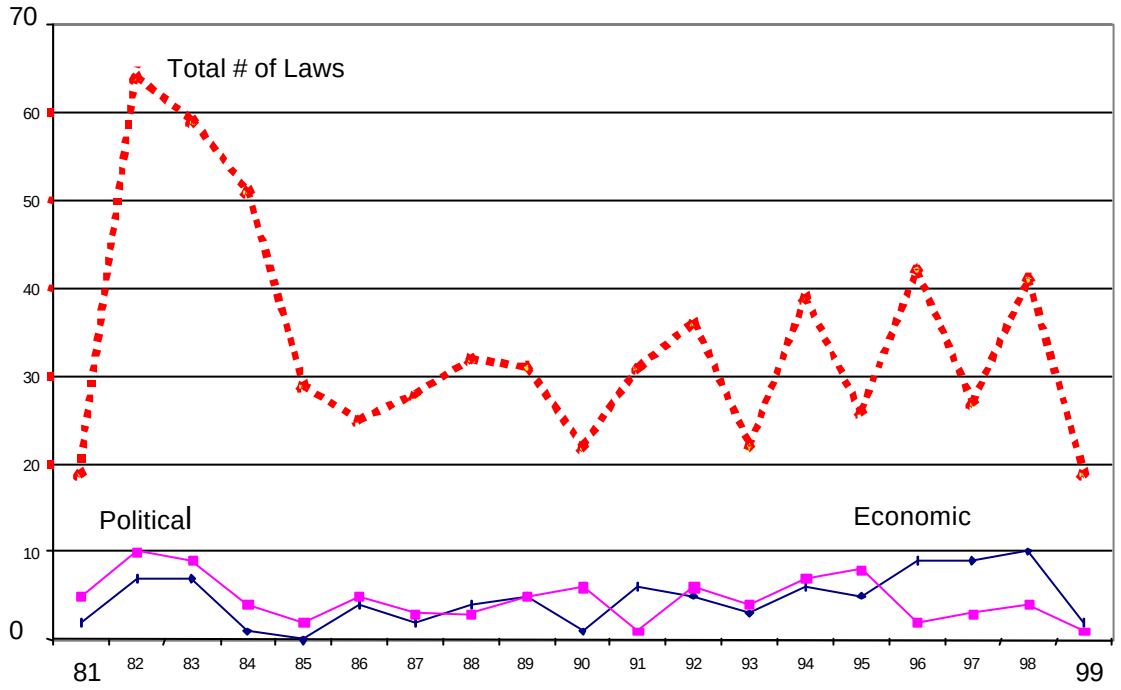
- The use of interpellation was more infrequent in the 1990s than in some years between 1976-1990 and, as usual, was dominated by the opposition.
- The number of questions asked in the late 1990s (around 170) was to the lower end of some records in the period 1976-1990.
- The number of times members raised issues to the attention of members of cabinet increased, compared to some years in the period 1976-1990.
- The tendency to shy away from establishing ad hoc fact-finding and reconnaissance missions continued. As usual, the Speaker of Parliament acted as gate-keeper, intervening to avoid that sensitive subjects be discussed in public hearings, fact-finding or reconnaissance missions , e.g. the parliamentary request to form a fact-finding mission for loosing firms within the public enterprise sector (El-Sawi, 1998, p. 276-280; El-Mikawy, 1999, p. 135-138).

The legislative function of parliament is to ratify international agreements and enact laws that either originate from the executive or from parliamentarians. Most of the laws enacted by parliament in any one parliamentary session are financial (approval of the government budget) and laws related to the petroleum sector. There are many other laws that address administrative regulations in particular sectors of the bureaucracy and of the armed forces. Other laws stand out as major regulators of the economy and of political life in a direct way.

We surveyed all legislation since 1981, other than government budget and petroleum sector legislation. This survey showed that there has been considerable legislative activity that directly and fundamentally affected economic and political life. Between 1981 and 1987, there were several political laws that changed the electoral law and electoral districts, while emergency legislative powers of the president were constantly extended. Between 1987 and 1995 more laws were enacted that manipulated electoral districts, tightened laws of political

participation and laws of the press, and controlled civil society organizations, unions & syndicates. During that phase, economic legislation liberalized the economy in piecemeal legislation. The 1989 investment law and the 1991 public enterprise law foreshadowed the phase of expansive economic legislation. Since the mid 1990s, the focus turned to expansive legislation that liberalized the economic infrastructure in several important sectors: investment, export, banking, insurance, ports, and the stock market.

Figure 1: Economic and political laws to total number of laws in 1981-1999



Source: Laws published in the Official Newspaper.
The total number of laws does not include budget legislation or oil agreements.

While legislation was overhauling the economy & the polity, the legislative process remained weak. Two indicators attest to that:

- Parliament has been spending less and less time on laws, e.g. in 1998 it passed 13 laws (55.7% of total in that session) in one week, during which it also ratified 8 international cooperation agreements. According to the internal operating procedures of Parliament, each law should take at least 2 weeks, including discussion of law in principle, discussion of articles and final passing of the law.
- Only half of all parliamentarians participate in the discussion of law bills. Most of the participants are either professionals or workers (50% & 45% respectively). This leaves out 50% of parliamentarians and all farmers (by law 50% of parliament).

3.2 Indicators of Change in Parliamentary Performance

Since the 1990s, there are some indicators of slow change in parliamentary policy-making and control performance. More still needs to be done to capitalize on that emerging tendency, especially in the domain of legislation

Within the frame of policy-making functions, the majority of parliamentarians still accept the general political framework. However, there are some indicators of change:

- Our survey of parliamentarians and another earlier survey in 1998 indicate that ca. 20% across party lines perceive the need to change some features of the political system (see next chapter).
- In the context of responding to the government's program, there has been a rising tendency to focus on national, as opposed to local, issues. Such engagement has not, however, diluted parliament's readiness to accept the general government line. Only the opposition, as expected, has been choosing to vote against government programs.
- The constitution allows parliament only one of two options when discussing general budget allocations: to accept or reject. Thus parliament is deprived of the prerogative to change budget allocations (article 115). However, the executive has been taking parliamentarians' concerns into account, adding or changing some budget allocations (El-Sawi, 1998, p. 26 & 261-266).

The control performance of ruling party parliamentarians has shown some engagement and confrontation with the executive in the 1990s, especially the performance of professionals and workers. While the presence of the opposition in parliament has declined in the 1990s below 10% (compared to round 20% in the 1980s), the increasing presence of independents contributed to a somewhat strong parliamentary control function (El-Sawi, 1998, p. 284-85). Such engagement is reflected in two indicators:

- While interpellations in earlier sessions (1976-1990) were in areas of services, corruption of local government and in the operations of the ministry of interior, they extended to economic performance in the 1990s because of the advent of economic liberalization and privatization (El-Mikawy, 1999, p. 135-138).
- When fact-finding or reconnaissance committees were formed, ruling party members participated fiercely and did stand by committee findings, not by the government (El-Sawi, 1998, p. 276-280).

Legislative performance however still suffers on at least two accounts. In most of the time, parliamentarians' interventions in discussions of law bills (85%) happen in the general assembly and constitute suggestions for changes in the text of the proposed bill. That often leads to haphazard, vague formulations that are adopted in the text of the bill to satisfy some members,

whose views are often not based on any systematic, legal study of the intention of the law. In the 1990s, most interventions were in laws that reformed the administrative structure of wages and rewards, the court system, agricultural relations, education, economics, health, and housing, in that order (El-Sawi, 1998, p. 267-270; El-Mikawy, 1999, p. 135-138). Economics seems weak in that order.

4 Trends of Parliamentary Involvement in Economic Structural Adjustment

Economic structural distortions were combated in the 1980s through the improvement of physical infrastructure, the encouragement of private investment and the reduction of public expenditures. In the 1990s distortions were confronted through a series of measures encompassed in several agreements between the Egyptian government and the IMF and WB, with the objective of stabilizing and structurally adjusting the economy to the challenges of globalization. All these developments were captured in law 230 of 1989 & law 203 of 1991. Other laws followed in the 1990s.

The overhauling of economic legislation was foreshadowed in 1988 with the presidential decree #439 which created a Higher Council for Legislation. It did not start operating, however, until 1994 with the issuance of the ministrial decree #4168. The council included members of the Information Center of the Cabinet of Ministers, Center for Decision-making Support in the Cabinet of Ministers and representatives of the Ministry of Justice. The council's main job was to reform the legislative system so as to support economic growth through investment. Basing economic reform on legislation took off with law 230 of 1989 and law 203 of 1991. Other laws followed, particularly after 1996.

4.1 Investment Laws of the 1990s [4]

Before 1991, two major laws governed investment in Egypt: companies law 159/1981 and foreign investment law 230/1989. The 1990s, in comparison have witnessed a bigger number of such laws (Appen. 1). The 1990s have also witnessed laws ratifying international agreements, regulating dual tax payment for Egyptians and expatriates, reforming the tariff regime to comply with Egypt's international trade commitments and regulating international aid and cooperation.

More laws are foreseen in the near future. The business community still asks for the prompt expedition of pending legislation: Bidding laws; extension of tax exemptions to some projects in the new zones and to construction projects; labor law; anti-trust law; unified corporate or companies law; law allowing foreign agencies in Egypt (al-Ahram, January 12, 2000). Furthermore, the Cabinet of Ministers has foreseen future legislation to establish a centralized agency that looks after all the needs of investors when they deal with government, to overhaul investment offices in the governorates and to enact an unified labor law.

[4] Author, sections 4.1, 4.2, & 4.3: Mr. Abdel Hafez El-Sawi, Economic Research Forum, Cairo.

The area of labor is a case to the point regarding the need for legislation to match economy with reality. The reality of the labor market has made existing labor laws obsolete. In the labor market today, both public and private practices are manifesting great flexibility: there is now hiring by competition exams, even in the public sector (newly the Minister of Education hired 65,000 this way), hiring temporary workers (in private and public enterprise firms alike), and offering early retirement packages to get rid of surplus labor (both in private and public firms). Meanwhile labor legislation has dealt with only three areas: (a) Establishing a social fund (Presidential decree 40/1991); (b) relieving Egyptians working abroad or in foreign firms in Egypt of charges and reducing their taxes (Law 231 of 1996); (c) regulating maternity leave for working mothers (Law 12 of 1996).

In the context of an alienation between reality and laws, the business community complains of exclusion from legislative deliberations (Egyptian Businessmen Association, Annual Report 1998). The Cabinet of Ministers has recently responded by promising to include the business community more often in the future.

4.2 Export Laws of the 1990s

In this area, there have been more executive decrees than legislation bills. Only one legislative bill dealt with exports, law bill 98/1998 which amended law 34/1976 on commercial registration, allowing foreigners to register if their activity promotes exports. Meanwhile, a number of executive decrees were issued in the period from January to June of 1996 to promote export:

- A ministerial decree canceling government charges for security, detection of explosives, etc which used to be put on all exports.
- A ministerial decree allowing free zones near ports.
- A ministerial decree allowing zones for assembly and re-exporting in Sinai, Suez and the northern coast.
- A ministerial decree promoting consulting and contracting services and encouraging banks to give credit to such services.
- A ministerial decree establishing a central data-base on export-relevant information.
- A ministerial decree allowing grounds for industrial fairs near ports and borders, with discounts on various related expenses.
- A ministerial decree on the drawback system.
- A ministerial decree allowing any exported product to enjoy free zone conditions.
- A ministerial decree allowing foreigners to engage in exports and port operations in Egypt (Economic Report, al-Ahli Bank of Egypt).

Presidential decree #86 in 1996 established the Higher Council for Export, to be headed by no less than President Mubarak. Other members of the council are: Ministers whose work is related to exports, Central Bank Director, Chairman of the Higher Council for Investment, Chairman of the Federation of Chambers of Commerce, Chairman of the Federation of

Industries, Chairman of the Bank Federation and 4 exporters and 3 experts in the field. However, the Council met only once in 1997.

In August 1999, the Cabinet of Ministers issued two decrees that have not been publicized. They offer total tax exemptions to any company engaged only in exports or having an exporting production line which enjoys financial autonomy in the companies budget. Because those decrees require legislation and some argue that they contradict Egypt's GATT commitments, they are still under debate inside government (al-Ahram daily, August 31, 1998).

4.3 Legislative Flaws

From the foregoing, it appears that the current phase of economic reform in Egypt has required a heavy dosage of legislation and that there is a clear bias in favor of legislation affecting investment. The incident of August 1999 shows that enacting laws in support of export promotion cannot be left to executive decrees. In some cases, the Executive needs a parliamentary legislation because the constitution requires some areas to be regulated by legislation, not by decree, such as the area of taxes.

Is the legislative process in Egypt up to that task? In fact, all observers of the legislative system in Egypt have pointed to a number weaknesses:

- No unified policy orientation nor a unified strategy regarding the general guiding principle of reform. The constitution, for example, is still in many of its articles based on the socialist ideology, while the laws enacted since 1991 deviate from that line.
- The vague, arbitrary and unstable nature of laws passed by parliament.
- The unconstitutionality of many laws. Between 1980 and 1996, there were 850 cases in front of the Constitutional court. In 107 cases the court ruled unconstitutionality of the law (al-Ahram, May 11, 1998).
- By constitution, parliament has to either pass executive decrees or refuse them. Given the weight of the executive in the political system, parliament has never refused any decree (Constitution 1971, Chapter 2 & 7 on the Legislature).
- Citizens underestimate the role of parliament. Several reasons justify that attitude. Firstly, the sheer amount of laws in the 1990s makes it hard to imagine that all such laws have been thoroughly deliberated. Secondly, the speed with which laws are passed makes it hard to respect the legislative process. Thirdly, the frequent amendment of laws leads one to doubt the seriousness of parliament. Fourthly, many consider the 10,000 laws or so that regulate public life in Egypt as the doing of the executive and parliament only follows.

4.4 Indicators of Change in Economic Legislation [5]

Hence, the question: is legislation driving economic reform in Egypt, or are economic reforms an executive design driving legislation? It is mainly the latter with a tendency in the 1990s for parliament to affect executive language and speed on some issues of legislation. This phenomenon is reflected in three phases.

The rush phase prevailed 1974-1979. It started with Sadat's law 43/1974, slowed down with the bread riots of 1977, and ended with the unrest that led to Sadat's assassination. In that phase, legislation was formalizing the shock therapy of the executive. With rising public discontent, parliament began to voice severe criticism of government's economic policy, an attitude that reached its climax in 1979, leading to the dissolution of parliament by the president.

The stabilization & restructuring phase spanned the 1980s and early 1990s. In that phase, President Mubarak approached expert opinion before announcing policy. The economic conference of 1982 characterized that phase. Mubarak distanced himself from shock therapies, wanting legislation to support & protect government's intentions. For instance, in November 1982, the President mentioned in his inaugural speech to the parliamentary year 1982-3 the weak state of infrastructure & the miserable domestic saving rates impeding investment. Having prepared parliamentary opinion for a new direction, he mentioned in his government's program in January 1983 some solutions that would free up funds for infrastructure projects (Presidential Speeches & Speech by Atef Ebeid, then Minister of the Public Enterprise Sector and now PM). Though those solutions meant austerity in government spending, parliament was ready to listen. From then on until early 1990s both government programs and parliamentary discourse focused primarily on blessing reform, while showing awareness of the social trade off and promising concern for the poor. An analysis of parliamentary discussions in that phase also reveal that the opposition focused on the social trade off of economic reform without necessarily doubting the need for such reform. The jargon used in discussion was international, non-polarizing jargon.

The third phase of liberalization and growth beyond stabilization included wide ranging de-regulations and a general policy of catching-up. Building on the consensual trend that characterized legislative-executive relations in the 1980s, parliament during this third phase was to enable private investment in almost all fields, while still reminding government of the needs of the poor. Parliament's role was to be the safety valve against public discontent (Farahat, 1994; Handousa, 1997). One noticed better coordination between government programs and legislative work. Parliamentary discourse reflected the international jargon of institutional of transparency, administrative capacity, information management, etc. accompanied by more parliamentary supervision of the executive and more media coverage of parliament's performance. Meanwhile, parliament passed a number of laws that widely de-regulated the economy.

[5] Author: Dr. Ali El-Sawi, Faculty of Political Science, Cairo University.

This last phase has also seen an increasing tendency of parliament to affect the pace and timing of government's reform measures. Two examples characterize this phenomenon. Parliament has brought up the issue of fear of foreign, especially Jewish, penetration of the economy which has slowed down government's intention to sell public assets. Parliament has also brought up the issue of international funding of NGO activity and raised fears of international intervention in sensitive areas such as Moslem-Christian relations. Thirdly, parliament has put education, training, unemployment and environmental pollution on its control agenda.

Finally, though parliament has always criticized ministers in the 1980s, a trend led by members of the opposition, the 1990s have seen a qualitative difference. Criticism of ministers was led by the ruling party and focused on content of policy, not only a minister's style. Parliament also suggested changes in ministerial portfolios and ministerial names, openly asking for a change of ministers of education, culture, transportation and a change of some governors. It suggested the establishment of a ministry for youth, for the environment, and for information and technology. Parliament also suggested the shutting down of the ministry of agrarian development, changing the structure of civil aviation, and splitting the ministry of social affairs from the social security agency. The executive has taken the parliamentary mood into account in the 1990s.

5 Institutional Impediments [6]

It is often argued that the dominance of the executive in Egypt´s political system is only one contextual factor negatively affecting the institution of law-making. There is yet another factor inherent to the internal workings of parliament: the dominance of the National Democratic party (NDP).

5.1 Dominance of One Party in the Parliamentary Elite

Executive dominance particularly of legislative functions is quite prevalent in many political systems. Even in some established democracies, legislation remains a prerogative of technocrats who are in daily contact with problems. However, the dominance of the NDP inside parliament's elite is one specific feature of the Egyptian parliament and is a possible explanation for parliament's timid performance. The operation of parliament is regulated by a group of 136 parliamentarians (ca. 29% of total members) known as the parliamentary elite. It comprises the speaker, two deputies, chairpersons of specialized committees, their deputies, leaders of the parliamentary factions of all political parties represented in parliament, and 18 parliamentarians to be chosen for the General, Executive and Morals permanent committees of parliament. Most influential among them are the speaker and his two deputies. They determine part of the parliamentary elite, parliament's agenda, timing of issues, flow of information and often content of floor discussions. Those three personalities have always come from the ruling party with strong referal by the President (El-Sawi, 1998, p. 259).

Left at that, an institutional reform of parliament would almost require a political revolution. However, there are many steps that fall short of that, which can go a long way reforming the institution of law-making. Asked in an opinion survey conducted in 1998 to list the impediments to the various functions in parliament, a sample of parliamentarians (78 respondents = 20% of total MPs) put institutional impediments on top:

- internal operating procedures of parliament
- weak internal party discipline
- constitutional constraints
- the general party system
- weak citizen participation
- humble financial resources (Qadaya Barlamania, 1998, p. 28-30)

[6] Author: Dr. Noha El-Mikawy, ZEF. Analysis in section 5.3 is based on opinion survey by Dr. Mohamed Shuman, Faculty of Mass Media, Girls College at Ain Shams University, Cairo.

5.2 Parliament as an Opinion Forum

An observer of parliamentary workings does not fail to realize that parliament is predominantly an opinion forum. Recent studies of parliamentary attitudes towards the process of privatization, undertaken by the CSDC at the University of Cairo, show how parliamentary debates are channels for voicing public fears and serving private interest. In other words, though Parliament sticks to its role as supporter of Executive policy orientation, it is an institution which provides the Executive with information about the general societal mood and about specific interests. The parliamentary expert Azza Wahbi calls it a forum of opinion (Wahby, 1996, p. 355-356). On several issues parliament has kept a centrist position. On the need for some political reform, on the importance of social welfare, on the urgency of liberalization and privatization.

Regarding parliamentary opinion on political reform, a survey conducted on a sample of 78 MP's (20% of Parliamentarians) in 1998 asked respondents to evaluate Egypt's democratic experience. Roughly 70% of the sample across party line wanted to see the democratic experiment in Egypt reformed (Appen. 2). This result was reinforced by respondents' evaluation of the multi-party system in Egypt. Most answers of NDP, opposition, and independents (49%, 45.5% & 42% respectively) evaluated the system with ''somewhat positive''; only 7.5% of NDP thought the multi-party system was very positive. Those who evaluated it negatively were 18% of the opposition, 14% Independents and 11% of NDP. Asked to evaluate a number of anti-liberal laws (laws controlling the press, TV, Radio, civil society), there emerged a consensual opinion; ruling party members in the sample were just as ready to admit to the need to amend anti-liberal laws as the opposition was (Appen. 3). The same opinion survey asked respondents to evaluate the role of the Legislature. The opinion of the majority of respondents was considerably positive, though leaving room for improvement. Indeed, 20% of the NDP parliamentarians evaluated parliament's role negatively, quite close to the 18% negative evaluation of the opposition (Appen. 4).

Throughout the 1980s and 1990s, parliamentarians of all persuasions showed concern for the social implications of privatization and advocated the protection of national industries, though they did not oppose structural adjustment nor liberalization (Abdel Elah, 1996, p. 271-273). Starting in the fourth legislative term (1984-87), most positions on economic policy followed an ideological line, with some minimum level of consensus on the issue of socially sensitive economic reform. In the fifth legislative term (1987-90), the ruling NDP party took a centrist position, joining the Right in asking to reform the public sector and the Left in wanting to boost the share-holding capacity of public sector workers. In the sixth legislative term (1990-95), all parliamentarians agreed in principle with the liberalization and privatization policy, but the majority across party lines voiced concern about the social impact of privatization. By the end of the 1990s it became clear that parliament approved all governmental economic policy orientations, but demonstrated a caution for the social impact of privatization (al-Sayyid, 1996, p. 326).

However, most of these opinions are not based on a well-institutionalized system of knowledge production. This makes the knowledge base of particular importance in the Egyptian case. Otherwise parliamentary opinion remains impressionistic and its influence on the legislation difficult to predict or institutionalize.

5.3 Opinion without Information

Another institutional impediment is the weakness of acquisition and processing of knowledge needed for supervision and legislation. The weak to non-existent resort to fact-finding committees, reconnaissance committees or to public hearings is partially a matter of lack of skill and competence in dealing with multiple opinions. This is a general observation in the reports of the Egyptian Society of the promotion of Democracy and by the American AID and its advisors, John Bentley and Robert Springborg (Springborg, 1999, p. 5).

A good case to the point concerning the tradition of opinion without information is parliamentary opinion on specific economic legislation to promote investment and export. Our research focused on a sample of 107 parliamentarians (23.8% of parliament in session in 1998-99) in 6 specialized committees that take part in formulation of economic legislation bills (Appen. 5). All respondents were members of the NDP. The questions posed to this sample were meant to reveal parliamentarians´ sensitivity to economic trade off, their cognitive / normative culture, and their assessment of transparency in parliamentary deliberations.

5.3.1 Sensitivity to economic trade off

Asked about the sector in need of promotion and support, industry came on top of the list of preferences, followed by agriculture and housing. (Appen. 6, question 3). In a question about the priorities of economic reform, strengthening the private sector came on top of the list of respondents' preferences, followed by job creation and export promotion (Appen. 4, question 4). Asked more specifically about the best measures that would promote investment in Egypt (Appen. 6, question 6), the respondents gave a clear answer against an interventionist executive. Equally clear was their preference for tax exemptions and preventing monopolies from threatening free competition in the market.

As to fear of competition, all respondents agreed that domestic businessmen should be protected from foreign monopolies, especially in tourism and industry (Appen. 6, question 7). However, this fear was not reflected in another question on the ability of the Egyptian economy to stand to foreign competition, where 70% said Egypt was very able to stand up to competition (Appen. 6, question 8). Nor was the fear of competition reflected in a question on the effect of trade liberalization with the EU and the Arab countries, in which case the overwhelming majority of respondents thought the effect is positive (Appen. 6, question 9). This could either

mean that the positive responses were politically correct, or the fear is not yet internalized on all levels.

Two policy measures came in the middle range of preferences for the best measures that would promote investment in Egypt: removing the limit on foreign participation in companies and privatizing ports and custom services. The least preferred measures to promote investment in Egypt were those related to deregulating hiring policies and labor representation on company executive boards. They were, however, more welcoming of flexible labor laws on wages and other benefits. (Appen. 6, question 6).

Finally, asked where they would want to focus their legislative efforts, most respondents chose to want to combat the social and economic problems of poverty, followed by clarifying, unifying and stabilizing laws. Their third and last preference was to increase the effectiveness of administrative organs. That reflects weak awareness of the dire need for administrative reform, but confirms parliamentary concern for the problems of poverty (Appen. 6, question 5). Placing legal reform second indicates that the Egyptian parliament has caught on with the institutional discourse of multinational donors.

To wrap up, the milestones in parliamentarians' economic worldview are:

- Combating poverty, especially social housing & primary education;
- Weaker concern for issues of unemployment and pension schemes
- Strengthening the private sector;
- Promoting investment, especially in industry;
- Tax exemptions instead of direct state intervention
- Protecting domestic investors, although they welcomed removing any limit on foreign participation & privatization of ports and custom services;
- Deregulating wages and other benefits, but not hiring policy or worker representation on executive boards.
- Reforming and unifying economic legal codes

This reveals some points about the respondents' awareness of economic trade off:

- ✓ Liberalization and privatization are happening at a time of social distress and the latter has to be combated.
- ✓ Economic reform requires promotion of industrial investment and that may need foreign participation; however, there is latent fear of competition which is not yet well developed into policy.
- ✓ The labor market needs deregulation, but not in every aspect of it.
- ✓ Institutional reform of laws is needed.

5.3.2 Weak cognitive base

This list of concerns and trade off indicates the seriousness of the task ahead of the legislature in the Egyptian case. Our survey revealed that the cognitive awareness of our sample of parliamentarians does not live up to that serious task. Responses were politically correct or a reflection of lack of awareness.

In a context of heavy anti-businessmen media campaigns (in opposition papers & drama) and strong critique of crony capitalists, the sample was asked about the mood of their constitutency vis-a-vis businessmen. 82.2% of respondents said their constituency holds positive views of businessmen (Appen. 6, question 12). That can only be a politically correct answer. Asked to list the problems businessmen complain most about (Appen. 6, question 11), labor laws came on top, followed by lack of skilled workers and then by poor services. This answer does not correspond to the reality as reflected in opinion surveys of businessmen.

The survey included a questions about the respondents' perception of the processes of deliberation in the specialized committees and in the general assembly. Some questions focused on deliberations of laws 203, 230 & 8. We got very positive responses as to the influence discussions allow the respondent to have on legislation (Appendix 4, question 15, 16), also with regards to the thoroughness and openness of discussions of laws 230, 203 & 8 (Appen. 6, question 15, 16, 17). These answers were colored by political correctness than by reality, for most of the respondents were not in parliament when laws 230 & 203 were discussed.

Our survey asked parliamentarians to explain the process by which they acquired, shared and processed information (Appen. 6, question 21-22). The most frequently stated sources of knowledge were TV, Radio, Press, and internet, in that order. Friends and colleagues in and out of parliament as well as library researchers were least important sources of information. Expert information from professors and specialized research institutes came in the middle range of most frequently stated sources. The system of information is thus media-dependent. Parliamentarians reliance on the media leaves them with little expert knowledge that is independent of the official or the polarized opposition media. Respondents clearly advocated improvement in internal operating procedures and in the research facilities of parliament. They also advocated more and better utilization of expert opinion.

To wrap up, the dominance of the executive and of the NDP in the parliamentary elite has become an internalized institutional impediment so that the principle of separation of powers is lost on many parliamentarians. Asked about their own reading of the triangular relationship, state – government- legislature, there was an overwhelming majority of respondents who said state and government are the same and a third of respondents said parliament was a part of government (Appen. 6, questions 19 & 20).

Secondly, the Egyptian parliament´s legacy of being an opinion forum with a weak information / knowledge is a serious institutional impediment, at a time when the issues of privatization and social justice and the trade off involved are too complex in the age of international integration and competition. Our venture into the cognitive world of parliamentarians leaves a lot to be desired. To improve on that, an information culture is needed. That system would include ways of learning about reality from various sources, ways of making divergent information part of daily work without being perceived as politically threatening or as disloyalty to the system.

6 Information & the Production of Knowledge as an Institutional Impediment

We have so far established that economic legislation has been gaining in importance and that parliamentarians are reasonably aware of the economic trade off of economic reform. There is, however, a weak information base inside parliament. This is not only attributed to the lack of seriousness on the part of some members, nor to the lack of resources allocated to information. A weak information / knowledge base is also a result of weak information and production of knowledge on the part of interest groups and expert opinion (whether of individuals or of think tanks) outside parliament.

6.1 Economic Legislation & Business Presence in Parliament [7]

As will be seen below, the increasing presence of businessmen inside parliament affected the process of information transmission only towards the end of 1990s and marginaly so, despite the enactment of very serious economic laws. In the following sections, we trace the parliamentary performance of businessmen with regards to nine economic laws, highlighting the inability of business presence in the Legislature to create demand for more information and knowledge production with regards to economic issues.

6.1.1 The general context within which business MPs function

The story of parliamentary involvement in economic reform had three phases. In the 1970s, parliament passed a number of laws that encouraged Arab and foreign investment. This resulted in conspicuous consumption and a big balance of payment deficit without increasing growth or reducing the burdens of public expenditure. Hence, economic opening was harshly criticized. In the 1980s, the new President wanted to reform the course of economic opening away from consumption and into production. Hence, economic policy aimed to encourage exports, improve relations with Arab countries receiving Egyptian labor, improve relations with the USA and Europe as two sources of FDI, and sign agreements for economic stabilization with the IMF and the WB. In the 1990s, economic reform moved from stabilization to structural adjustment. That meant three agreements with the IMF (1991-1998) and two stages of reform: (a) unifying the exchange rate, increasing interest rates, reducing subsidies, freeing prices of commodities and services, increasing the prices of major agricultural cash crops, and reducing the budget deficit; (b) privatizing state-owned enterprises, banking and insurance entities.

[7] Author: Mr. Amr Hashem, Journal of Parliamentary Affairs (Qadaya Barlamaniya) & Center of Strategic & Political Studies, al-Ahram, Cairo.

Since the mid 1970s, the number and clout of businessmen have been on the rise thanks to the return of Egyptians working abroad and to young businessmen from old business families (Sobhi, 1999, p. 129; Mansi, 1999, p. 103). Businessmen (whatever is left of the pre-1952 elite; new, self-made ones; former state managers) now own assets in agriculture, real estate, tourism, the car industry, electronics, and banking. They have gained representation in chambers of commerce and industry, associations of businessmen, political parties (mainly NDP and Wafd), research institutions (Economic Research Forum, Egyptian Center for Economic Studies), and promotion centers (Association of Egyptian Exporters, Egypt's International Economic Forum). Furthermore, they have used the electoral law since 1990 (based on individual candidacy) to run for parliamentary seats on partisan and non-partisan fronts. Most of those who run as independents join the ruling NDP after they win elections. The biggest number of businessmen in parliament is in the current session 1995-2000 (71 MPs or 8% of total).

Though business community has developed a two-track politico-economic position, it has gained a single reputation. Some businessmen are acquiescent, accepting the status quo and engaging the executive in rent-seeking; others are critical, demanding simultaneous political and economic liberalization (al-Hawwari, 1997, p. 42; Amer, 1999, p. 92-3; Hashem, 1997, p. 591-599). Meanwhile, the public image of businessmen is that they are corrupt: crony speculative business deals, conspicuous consumption, tax evasion, drug dealing, and blackmailing police and judges (Mitchell, 1999, p. 28-33).

Entering parliament, businessmen joined an organ that had 5 defining features: (a) it produced legislation that lacked generality, stability & text consistency, a phenomenon called "legislation for occasions" and includes 3959 laws (Appendix 1 for frequent amendments of same law & Hosni, 1994, p. 71-74); (b) it has a built-in weakness ordained by the Egyptian constitution, namely a 50% quota for farmers and workers, in a country with 50% illiteracy rate; (c) it has always had a comfortable majority for one party that never dropped below 75%; (d) it always had a weak representation for the Wafd party, which has stood for simultaneous political and economic reform; and finally (e) it lacked personnel & facilities necessary to conduct legally useful research.

6.1.2 Their role in 9 laws

We focus in this section on 9 laws of economic reform chosen to represent the milestones of economic legislation. They cover 5 parliamentary sessions extending from 1981-2000 (Appen. 7a & 7b). Unlike other 'express laws' which were discussed and passed within a week or two, 2 of the 9 laws studied were deliberated within a month, 5 took 2-3 months, one took 4 months, and one took 10 months (Appen. 8). Our analysis will cover 2 steps in the process of enacting laws:

- Discussions of law bills in the specialized committee
- Discussions of law bills in the general assembly (in principle & by article)

Given the secrecy surrounding the workings of specialized committees, it is usually difficult to know with any degree of certainty the proceedings of their deliberations. However, relying on a comparison of the text that entered the committee and that submitted by the committee to the general assembly, as well as on members' remarks made during general assembly discussions, one could observe the following tendencies in the case of the 9 laws under study:

- Stake holders from outside parliament were not heavily consulted. Businessmen or other interest groups were not invited to committee discussions of laws 230/1989, 203/1991, and 95/1992. In this case, three businessmen who were members of the specialized committee had to represent the entire sector potentially affected by the bills. In the case of law 229/1996 on surface roads, the specialized committee included only one businessman (Mr. Ahmed Kamal Saad) who is himself a contractor. In the case of arbitration law 27/1994, though committee deliberations lasted from May 1993 to January 1994, there were no businessmen involved and it does not seem that outside expert opinion was invited.
- Outside expert opinion was welcome in three bills. In the case of share holding companies law 159/1981, experts on the capital market were invited. Insurance law 91/1995 was deliberated in the presence of several representatives of private and public insurance companies. Investment law 8/1997 was discussed over 11 meetings in the presence of the chairman of the Chamber of Egyptian Industries, Mr. Mohamad F. Khamis, representatives of exporters and business associations. In the case of law 8, nine businessmen sat on that committee (50% of entire committee & 13% of all businessmen in parliament).
- Business representation made a difference. For example in the case of law 8/1997, committee deliberations resulted in the retention of the 10% limit on profit sharing for workers, the exclusion of marketing of oil-products from tax exemptions, the extension of tax exemptions to include oil exploration and open-sea maritime shipping. On the other hand, committee deliberations that did not include businessmen retained features hostile to business. In law 230/1989, committee deliberations resulted in the introduction of the 10% profit sharing. In the case of law 203/1992, committee deliberations led to changes tying up the hands of the executive boards and general assemblies of holding companies, so that they do not sell off principle production lines.

The participation of businessmen in the general discussions of the 9 laws under study was weak to non existent during the parliamentary sessions in which they had poor representation. In those sessions, participation was partisan, for the opposition was heavily represented with almost 100 members. Businessmen's participation picked up in the last parliamentary session (1995-2000) when their representation reached a record high of 71 members (Appen. 9), while that of the opposition declined (27 in 1995-2000).

Our analysis of the period 1981 - 1997 reveals a tendency to accept laws in principle without questioning their economic logic. Having said that, in the 1980s there was a clear concern for protecting the public sector and labor benefits. This consensus weakened around the laws of the 1990s, for concern shifted towards the best means of attracting FDI and encouraging productive, exporting industrial ventures. This was particularly clear in the discussion of law 8/1997. A closer look at all 9 laws highlights the following:

- During the discussion of companies law 159/1981, the main concern was maintaining or removing the right to workers' representation on executive boards of share holding companies and putting a ceiling on managers salaries. None of the 7 businessmen members of parliament participated. (Parliamentary Minutes #89, 11.8.1981, p. 7975-80, 7983-86; #91, 12.8.1981, p. 8182-8185 & 8197).
- During the discussion of investment law 230/1989, discussants welcomed the intention to encourage technology transfer and FDI flows to Egypt as a way of rectifying the flaws of law 43/1974. There was a call not only to depend on tax exemptions to attract FDI, but also improve the bureaucracy. There was a discussion of the wisdom of making tax exemptions a prerogative of the Prime Minister. None of the 14 business-men members of parliament participated in those discussions (Parliamentary Minutes #92, 4.7.1989, p. 6707-6747; # 93, 5.7.1989, p. 6748-6800).
- During the discussion of public enterprise law 203/1991, 2 businessmen participated, welcoming the principle of freeing public sector companies from political intervention. However, several participants expressed concern for workers' benefits and for the configuration of executive boards. While workers' sympathizers wanted to retain government control over executive boards, businessman Abdel Wahhab Qutah managed to reduce control in the final text of the law. Also the suggestion of businessman Abdel Fattah Diab to reduce the discretionary power of the Prime Minister in extending the working contract of managers to cases of exceptional experience was accepted (Parliamentary Minutes #81, 11.6.1991, p. 17-21 & 36-37; #84, 12.6.1991, p. 20-23; #86, 13.6.1991, p. 22-28).
- The discussion of capital markets law 95/1992 witnessed the unsuccessful intervention of two businessmen (Qutah & Diab) who argued in favor of reducing Prime Minister control of the capital market and giving that prerogative to the head of the Capital Market Agency. They also failed to reduce taxes on stocks below the 2% suggested in the bill (Parliamentary Minutes #91, 20.6.1992, p. 11-13, 36-37, 49-53; #92, 21.6.1992, p. 9-17; #93, 21.6.1992, p. 14-17).
- The discussion of insurance law 91/1995 caught the attention of only one businessman, Mr. Foad Hagras, whose interventions to lessen control were all refused. However, the general discussion revealed a consensus on the need to privatize this service as well as fear of foreign penetration after the 5-years grace period allowed by GATT agreements (Parliamentary Minutes #70, 9.4.1995, p. 19-26, 29-30, 38-42).

- The surface roads law 229/1996 enjoyed consensus on its principle. Leftists revealed deep seated-fear of foreign investors, while 2 businessmen (Mohamad Abu El-Ineen & Mohamad El-Serri) welcomed foreign contributions and tax exemptions.
- 11 businessmen participated heavily in the discussion of airports law 3/1997. However, all of their interventions were not successful. The discussions showed a rift between 2 groups of businessmen: those concerned about foreign penetration of airport operations and the protection of workers' rights (Ragab Himedah, Ahmed Abu Higgi, Mahmoud Ismail Ayyad) and businessmen who supported the privatization of & foreign presence in airport operations (Mohamad Abu El-Ineen, Kamal Abu El-Kheir). The first group lost (Parliamentary Minutes #26, 20.1.1997, p. 12-56).
- The discussion of investment law 8/1997 revealed wide ranging concerns from businessmen, whose presence in discussions was higher than all previous cases. Many businessmen and Wafdists wanted to make sure the law did not take away privileges offered in law 203/1991, thus constituting a retreat from investment policies. They also argued for having an anti-trust law and debated the government on its reasons for offering investors free land & increasing the privileges of enterprises in the free zones. Their contribution in discussions revealed a clear stake in transport & touristic projects, while the government stood firm against them, arguing that the state needed revenue and meant to encourage production not hotels and buses. The businessmen who contributed in this discussion were: Mohamad Abu El-Ineen, Kamal Abu El-Kheir, Tawfik Ismail, Mohamad Alaa Diab, Hosam Awad, Abdel Rahman Baraka, Khalid Hamed, Hamed al-Shinnawy, Ahmed Abu Higgi, Abdel Wahhab Qutah, Ali Nasr, Mohamad Ayyad.

(See Parliamentary Minutes #62, 3.5.1997, p. 63-70; #63, 4.5.1997, p. 7-32 & 45; #64, 4.5.1997, p. 43-54; #65, 5.5.1997, p. 6, 38 & 50-73; #66, 5.5.1997, p. 3-7, 14-16 & 21-22).

6.1.3 Business in legislation: a big kid?

Until 1997, business MPs were not particularly active in parliament. Overall, they have not supplied parliament with strongly formulated nor collectively aggregated expert opinion. Neither have they acted as demand for a more transparent legislative process: They did not pressure for more expert opinion in parliamentary specialized committees or through public hearings or parliamentary reconnaisance mission.

This is partially a political trap. As opposed to vertical traditions where the executive and the legislature share the process of legislation and where the legislature relies on information generated by societal interest groups, the Egyptian tradition is hierarchical and subsumed by the executive. Vertical traditions also allow for coalition building and flexibility of deals on various legislation, while hierarchical legacies have less of both (Olson, 1994, p. 85; Churchill, 1990, p. 113; Baaklini, 1997, p. 141-42).

It still remains true that businessmen's presence registered a record high in parliamentary session 1995-2000 (from 7 in 1979-84 to 71), at a time when the executive was strongly for liberalization and privatization. Given such numerical strength (71) and an encouraging executive, they did perform poorly (Appen. 10). Several tendencies need to be corrected:

- Only 22 businessmen attended regularly and participated in discussions, though that was an improvement over the 3 who participated in the 1990-1995 session.
- They did not have one position on macro issues, such as protecting the economy from foreign penetration or the best methods of supervising capital markets.
- They did not take a legislative initiate by submitting law bills related to economic liberalization or privatization.
- Laws bills are still ushered into parliament quickly and passed in bad formulation. Investment law 8/1997 is a good example: it took 44 days in parliament and discussants were unsatisfied with its formulation (Parliamentary Minute #65, 5.5.1997, p. 57-58 & 63).

Could the business MPs improve the process of legislation? The increasing engagement in the last session indicates a tendency on the part of businessmen to speak up even on laws where they do not have a direct interest. This could be a positive indicator of a tendency to act as lobbyists for collective private sector interest, not only for personal interests. Moreover, the speaker of parliament and other members seem to accept the fact that business MPs could speak in the name of the business community as well as advertise their own business activities. This right to speak on behalf of an interest group does not equally apply to others, for instance those who feel they represent the public sector (Parliamentary Minutes #82, 11.6.1991, p. 23).

To capitalize on these tendencies:

- ♦ A potential member's pre-parliament experience could be enhanced through an open political environment which allows free organization of political parties and business associations that train collective aggregation of interest.
- ♦ A potential member's parliamentary career needs to be determined by his clean financial record. This means restricting parliamentary immunity to what the parliamentarian says inside parliament, so that immunity does not include what he does privately outside parliament.
- ♦ Campaigning money could be reduced to cut down on corrupt electioneering and rent-seeking.
- ♦ The 50% quota for workers and peasants could be kept under one condition, that farmers and workers be allowed to gain experience in a lively civil society.
- ♦ Making parliament as a whole more powerful, by submitting government programs and budgets on time, by encouraging more presence in discussions and more reliance on expert opinion.

6.2 Extra-Parliamentary Interest Representation [8]

Improving the information and knowledge base of parliament is partly dependent on the production of information and knowledge outside parliament. We focus next on three major interest groups and one state ministry to study the organizational capacity of each with regards to one issue on which a unified law has been debated for 5 years: the Egyptian Businessmen Association (EBA), the Federation of Egyptian Industries (FEI), the Federation of Labor Unions (GFLU), and the Ministry of Manpower. As the principal representatives of labor and capital interests, the perceptions, objectives and strengths of these organizations are assessed to provide a better understanding of the institutional environment of labor capital relations in contemporary Egypt.

As we proceed to the issue of lobbying, the constraints and frailties of these organizations are highlighted in order to understand the organizational weakness of the lobbying system in 1990s Egypt. Our study shows that the institution of lobbying has serious organizational and political weaknesses that need improvement to upgrade the supply of information relevant to law enactment.

In the Egyptian system, the state in general, can be better understood as a government of men rather than laws. Whilst formal political institutions and groupings do exist, these are predominantly devices which are manipulated to maximize the personal power of the rulers (Jackson & Rosenberg, 1982, p. 10-11). In the case of post-1952 Egypt, the absence of well organized organizations that are independent of the state have been a prominent feature of the political system. Indeed, it is largely because of the absence of such groupings that the system of personal authoritarian rule continues to exist thus allowing Egypt's successive presidents the opportunity:

> *"to exercise the prerogatives of leadership unfettered by the constraints of organized constituencies" (Springborg, 1975, p. 86).*

The relationship between the state and labor, and the organizational structure of labor under a centrally planned economy in post-1952 Egypt, provides an apt example of the mechanisms that have been used to hinder the development of autonomous organized groupings. Nasser's move to nationalize a large segment of manufacturing and commercial enterprises in the early sixties, not only marginalized private capital to the extreme, it also coincided with the implementation of a number of favorable laws for the Egyptian labor force. These 'populist' laws included the reduction of working hours for workers of industry, the establishment of a social insurance scheme, doubling the minimum wage and the provision by government of administrative and manual jobs to all university and secondary school graduates respectively (El-Shafei, 1995, p. 16).

[8] Author: Dr. Maye Kassem, Department of Political Science, American University in Cairo.

The regime's effort to co-opt organized labor as presented in labor unions has been equally apparent over the decades. New laws aimed at expanding union membership, the creation of a general federation of trade unions, and most significantly, the construction of a hierarchical and semi-official model of union organization, were implemented soon after the post-1952 regime was established. In addition, the co-option of union leaders by the government through disparate forms of patronage further hindered the development of cohesive, independent unions.

The question thus remains as to whether such cardinal strategies of rule are compatible with economic restructuring. The gradual easing of state subsidies and the cessation of guaranteed state employment for graduates as witnessed in the 1980s indicates that the government was coming to terms with the fact that it could not afford the co-option of such a large segment of the population. In the words of one Egyptian official, the government eventually came to terms with the fact that:

> *"after the debt crisis in 1987..it became inevitable to undergo a comprehensive reform in the economy, specially after realizing the inefficiency of the partial reforms undertaken during the 1980s, and that the rescheduling of foreign debt in 1987 was useless" (Khattab, 1998, p. 5).*

Since the transfer of Public Enterprises to the private sector constituted the cornerstone of Egypt's comprehensive Economic Reform and Structural Adjustment Program, it would seem that the government is not only faced with loosing a large segment of its own co-opted constituency, but also with the emergence of a new and powerful industrial private sector - organized, financially secure, and potentially independent of the state. It is perhaps due to this potential challenge, and hence the insecurity in terms of its future position and role, that the Egyptian government appears to be taking very cautious steps into this new direction of privatization and true economic liberalization. We shall look into business organizational strength in 6.2.2.

Indeed, whilst the government officially began its privatization program in 1991 with an aim to retrench 650,000 workers by the year 2000, the process of retrenchment did not gain momentum until 1996 because as one senior union official admitted:

> *"Government policy on privatization since 1990 was very slow" …. (Interview by author with Mostafa Mongy, Deputy Chairman of GFELU, 5.12.1998 in Cairo).*

Since 1996 part of the retrenchment process has taken the form of voluntary early retirement packages which are predominantly aimed at workers over the age between 50-58 for males and 45-58 for females who have completed a minimum of twenty years service within the public sector. Depending upon the amount of years left before a worker can claim state pension, these compensation packages vary between a minimum of thirteen thousand Egyptian pounds (L.E) and a maximum of thirty-five thousand L.E. (Khattab, 1998, p. 20). Thus in three years (1996-1998) the Egyptian government has paid out an estimated sum of L.E. 1.467 billion on the

early retirement packages of sixty thousand state employed workers (The Earth Center for Human Rights "Report on the Condition of Labor & Laborers", 1998). On surface, one may logically assume that such generous government compensation is directly linked to the bargaining tactics and pressures of the General Federation of Egyptian Labor Unions (GFELU) on behalf of the 4.5 million workers it officially represents. However, as we look at the organizational structure of labor, it becomes clear why this does not appear to be the case.

6.2.1 The Organizational Structure of Labor

Labor unions under the umbrella of the GFELU derive their income from two main sources. The main source being the 1 L.E. monthly membership fees deducted from the 4.5 million represented workers. This monthly income is distributed so that the GFELU receives 10% of the total, the union reserve fund is allocated another 10%, whilst 20% is distributed equally amongst the twenty three different labor unions represented by the GFELU and the remaining 60% covers the costs of disparate union committees and administrations. The second main, yet less clear to determine, source of income is derived from union investments. The most prominent of which is al-Sahel al-Shamaly, a tourist resort in Egypt (Interview by author with Mostafa Mongy, Deputy Chairman GFELU, 3.7.1999 in Cairo).

The GFELU- which is located in a large, old government type building in downtown Cairo- comprises approximately 300 bureaucratic type employees, whilst each of the 23 separate labor unions have between 10-15 employees (Interview with M. Mongy 1998). It would seem therefore, that the overall income of labor unions is more than sufficient to cover its basic overheads. In this respect, organized labor in Egypt can be viewed as financially autonomous from the state. Financial independence however, does not imply that labor unions are wholly autonomous from state control. Rather, labor unions in 1990s continue to possess the same characteristics of previous decades. Namely, that of weak entities that are controlled by government through various laws and through the co-option of its leaders.

Law 12/1995 appears to have further reinforced the structural weakness of organized labor from two main perspectives. Firstly, although workers on fixed-term contracts (i.e. most public sector workers employed since 1985 when the government ceased issuing permanent contracts) had the right to vote in union elections, they were not, however, permitted to run in such elections (Kienle, 1998, p. 227). Since it is this sector of workers who are the most easiest to displace during privatization, it would appear that by barring them from union elections, the government reduces the likelihood that unions voice genuine opposition or exert pressure during economic re-structuring. Second, outgoing union leaders, according to the new law, were permitted: “to stand for reelection on the sole basis of having been elected to their positions previously.” In other words, it was no longer necessary: ”to be reelected at their own firm before being reelected to the board of the Federation or to one of its 23 branches” (Kienle, 1998, p. 227). What this move suggests, is that for those individuals sitting on the board of the Federation, genuine representation of workers as obtained through electoral support at the

grassroots level is not particularly desired by the government. Rather, the clause indicates that the position of co-opted Federation leaders is further secured, ensuring minimal union challenges to government. In this context, the fact that compensations for early retirement were formulated by the government- as a result of a proposal submitted by the Social Development Fund's Human Resources Development Program (HRDP)- and with minimal input by Federation leaders, indicates that the conventional relationship between government and organized labor over the decades remains virtually intact.

Indeed, the nature of union input in the impending unified labor law appears to further reinforce this assumption. Within a framework constructed by the International Labor Organization (ILO), negotiations on the new law comprised three groups: government (formally represented by the Ministry of Manpower and Immigration), capital (formally represented by the Egyptian Federation of Industries) and workers (formally represented by the General Federation of Egyptian Labor Unions). Whilst the presence of prominent lawyers indicated that capital appeared to have entered into the collective negotiations well prepared and represented, the workers:

> *"were mostly represented by a small number of leaders of GFELU (essentially one person) without additional support. It is no secret, for example, that the present chairman of the GFELU is most likely to be the next Minister of Manpower" (Fergany, 1998, p. 6).*

The prevailing co-option of union leaders into the political system means that it is not unusual to find individuals who simultaneously represent workers and government. Illustrative of this is the president of the GFELU Al-Sayed Rashed. He cannot be classified as simply a minister in waiting, but is in fact a veteran member of the President's ruling party (the NDP), a member of the People's Assembly and its deputy speaker. It is worth mentioning that the deputy president of the GFELU, Mostafa Mongy, is also a veteran NDP member and incumbent in the People's Assembly. In this context, it is logical to assume that the intertwined relationship between government and organized labor has prevented efficient and autonomous representation of Egyptian workers on the grassroots level. In turn, this suggests that government consideration of labor with regard to the prevailing privatization process is not linked to the power of labor as an organized constituency, but rather as a consequence of concern for the preservation of the regime's stability.

The unified labor law is a case to the point. Whilst plans for the unified labor law began as early as 1992 and a final draft of the law was "legally "revised" by the Legislation Department of the "State Council" in January 1996" the government to date, has not presented the law to the legislature (Fergany, 1998, p. 5). There appears to be little resistance from union leaders. As Aisha Abdel-Hadi from the GFELU's executive council claimed: "our position remains in favour of the law and we continue to call on the government to send it through parliament" (Al-Ahram Weekly 11-17 February 1999). Meanhwhile, certain elements within the proposed law are not favorable to the Egyptian worker. The proposed law will: (a) make it easier for an employer to

hire and fire employees, (b) shorten the length of paid annual holidays, (c) shorten the length of paid and unpaid maternity leave, (d) link pay increases to market profits, while it is currently an annual right (Interview by author with Hoda el-Marghany, Economist, Federation of Egyptian Industries on 27.5.1999 in Cairo).

It would appear that because of the weak stand of the GFELU, government fear of worker disputes and riots has resulted in the delayed implementation of this law. As Abd al-Ghafaar Shokr from the Tagammu' party explained:

> *"The law has been ready since 1996 but the government has not had the courage to put it through the Assembly... the government is trying to appease workers first before implementing it" (Interview by author with Abd al-Ghafaar Shokr, Senior Tagammu Party activist on 27.1.1999 in Cairo)*

Such appeasement it would appear, included from January 1999, a 25% increase in workers overall benefits. In this respect, it seems that governmental policies remain influenced by the potential reaction of workers both in the work place and on the streets rather than by the effectiveness of labor as an organized constituency represented by labor unions.

6.2.2 The organizational structure of the Ministry of Manpower

National institutions that fall within the realm of labor are predominantly weak entities that appear to lack the capacity to deal effectively with the new demands emerging as a result of structural adjustment. An extensive report published by the ILO on job creation and poverty alleviation in Egypt stated that in order to instigate an effective policy framework to assist "an employment intensive growth strategy", it is first essential to tackle the "age old problems of co-ordination...ensuring co-ordination through efficient mechanism, thus parting with the traditional approach of establishing "committees" and "supreme councils" that have proved to be hardly functional" (ILO Report, 1997, p. 58).

As the main government institution responsible for labor, the Ministry of Manpower and Immigration provides an apt example of the underdeveloped state of government institutions. According to deputy minister Mohammed Husni al-Anani, the Ministry focuses on planning, development, and employment for workers. The provision of employment for workers according to al-Anani constitutes the primary role of the Ministry (Interview by author with Mohammed al-Anani, Deputy Minister in the Ministry of Manpower on 25.1.1999 in Cairo). The Ministry has, since Nasser's "populist" policy of guaranteeing state employment to all university and secondary school graduates, played a vital role in the placement of a large proportion of the employees that currently constitute Egypt's public sector work force. The question, however, is the extent to which the Ministry has emerged from performing the relatively straightforward role of "placing anyone to any vacancy" within the public sector to dealing with the less simplistic patterns of supply and demand based employment (Interview by author with Fathi Farghali, General Director, Labor Market Group, Ministry of Manpower on 25.1.1999 in Cairo).

On surface, it would appear that the Ministry of Manpower is facing little difficulty in this respect. According to a senior Ministry official, the termination of government policy on guaranteed state employment meant that the Ministry has been working on the basis of supply and demand hiring from the mid-eighties. This, according to the same official, has entailed the relatively straightforward process of the unemployed going to register at their local employment office and the employment office in turn selects the most suitable candidates for each of the registered vacancies (Interview by author with Fathi Farghali, on 25.1.1999 in Cairo). An employment office is located in each area nation-wide and all are linked to the Ministry of Manpower which passes on details regarding vacant positions within the state. It is through these offices that the Ministry is able to maintain its national record on unemployment.

On closer inspection however, the organizational efficiency of the Ministry of Manpower is rather questionable. Indeed, the Ministry does not lack in manpower for it lays claim to approximately one thousand bureaucrats within its Cairo headquarters and approximately four thousand scattered nationwide in the local employment offices (Interview by author with Fathi Farghali, on 3.7.1999 in Cairo). However, its organizational inefficiency can be detected from the nature of its employment offices: they have functioned in a predominantly administrative capacity. Yet whilst privatization and the emergence of a private sector implies demands for a higher and more complex labor market, it seems the role of employment offices remain static. Currently, employment offices have minimal contact with private employers. In fact, whilst employers can advertise job vacancies at their local employment office, these offices do not attempt to take the initiative and approach employers to use this service.

Whilst information on Ministry budgets are difficult to obtain, it is not impossible to deduct the overall organizational capacity of the Ministry of Manpower. Whilst the Ministry is staffed by approximately five thousand employees nationwide, the manner in which they had been recruited and their low, state determined salaries, indicates the prevalence of an overstaffed and under-skilled workforce. In addition, the Ministry headquarters which is located in Nasr City, may be large in size but it appears to lack the technological facilities that would enable it to function more efficiently. As I waited to meet a deputy minister on one occasion, I noticed that his personal secretary was using an old typewriter to write up a document. No computers or fax machines were evident.

It is not surprising therefore that the ILO acknowledges limited organizational capacity of the Ministry of Manpower and the fact that its employment offices must expand in their role so as to be able to: (i) assess the skills of the unemployed (ii) better communicate with employers/provide information and advice on personnel matters and (iii) provide adequate training for the unemployed (Interview by author with Dr. Loretta De Luca, Senior Employment Specialist, ILO on 28.1.1999 in Cairo). The ILO is currently working to assist the re-modeling of the Ministry of Manpower's employment offices along these lines. The program however will not be piloted until sometime in the year 2000 and if the experiment proves successful, the

project will be expanded within the context of a long term project (Interview by author with Dr. Loretta De Luca 28.1.1999 in Cairo).

Perhaps the most positive achievement of the Ministry of Manpower in relation to assisting Egypt's labor force find work is the publication of its "National Employment Bulletin". This impressive monthly publication boasts on average 9,000 advertised job vacancies. To encourage participation, employers advertise free of charge in the journal. Its relatively cheap price of L.E.1 means that it should be within the reach of potential job-seekers. It should be noted however, that this project was planned and financed in conjunction with the ILO-thus reasserting the Ministry of Manpower dependence upon outside assistance.

There is nonetheless ample evidence to the lack of information processing in the area of the labor market. The National Metal Industries Company (NIMBI) can perhaps provide an indication of the problems that exist when entrepreneurial awareness and support from government is weak. Located in Khanka, a small town on the outskirts of Cairo, in 1993, the NMIC possessed 3,500 employees. As a result of being prepared for privatization, the company began its first phase (50-58 year old employees) of early retirement in 1997. By June 1998, all employees were asked to volunteer for early retirement regardless of age and length of employment. Towards the end of 1998 one thousand nine hundred and eighty-seven employees had taken voluntary early retirement at a cost of approximately seventy-seven million L.E. According to the company chairman, Rizk Allah Shokr Allah, it is unlikely that more than eight to ten percent of those employees will be able to find work in the private sector. Although financially secure at present, the rest, in his view, will either suffer from the psychological effects of unemployment, spend most of their money on marrying of their children or use their compensation to set-up a small business (Interview by author with Rizk Allah Shokr, Chairman, NIMBI on 18.11.1998 in Khanka).

In fact, one of the most common business ventures of his former workers appears to be in the field of transportation. Based on author's personal observations in Khanka (for there are no systematic studies of how early retirement workers have used their payments), it would seem that a significant proportion of former workers in the Khanka enterprise have used their compensation as down-payment for the purchasing of mini-buses on the assumption that the revenue derived from transporting either people or goods would cover their monthly installments and provide them with a living. What was not anticipated however, was that the demand for such a service far exceeded the supply, causing Khanka to be over-run with eager drivers but a limited number of customers.

In this respect, it would appear that the Egyptian Government is unprepared and unable to efficiently direct labor into the emerging private sector. As a result, labor in Egypt continues to remain dependent upon the state as it's main avenue of employment security.

6.2.3 The organizational structure of capital

Private capital in contemporary Egypt remains a relatively underdeveloped structure. Various businessmen associations can be located throughout the country, but such associations are registered under the umbrella of the Ministry of Social Affairs. Thus by law, these associations have no political role.

Two indicators will serve to assess the capacity of these organizations: their average size and their financial position. The Egyptian Businessmen's Association (EBA) was the first business association to be established in post-1952 Egypt (established in 1975; formally registered in 1979). Its membership consists of approximately 450 individuals who pay a lump sum of 10,000 L.E. for entry and then an annual membership fee of 1,500 L.E. each (Interview by author with May Salem, Public Relations Manager, EBA on 13.1.1999 in Cairo). It's basic annual income is slightly over half a million L.E. As a mechanism of generating revenue to finance its sixteen well educated, bi-lingual staff who occupy half a floor of a modern, expensive tower block in central Cairo, the EBA focuses predominately on the provision of executive services to its members. In other words, at a price, Egyptian businessmen can obtain access to the various executive facilities provided by the EBA.

It is important, however, to note that whilst businessmen associations perform a limited role in their formal capacity, in some instances the government allows them the opportunity to participate in some political issues. The representatives of the EBA attend meetings at both the Ministries of Foreign Affairs and Trade. It was through such meetings, that one of EBA concerns regarding the French banning of Egyptian potatoes was taken on board and resolved by the Ministry of Foreign Affairs (Interview by author with May Salem on 13.1.1999 in Cairo). In another case, the claims of EU producers that Egypt is "dumping" too much agricultural products and manufactured cottons into their market has led the EBA to compile vigorous reports and data- in a similar manner to the potatoe episode- which it presented to the Ministry of Foreign Affairs so as to assist the Ministry counteract these claims (Interview by author with May Salem on 4.7.1999 in Cairo). Additionally the EBA has been invited by the government to attend, on behalf of Egyptian Businessmen, the annual conference held by the Regional Business Council (Interview by author with May Salem on 4.7.1999 in Cairo). While such activities indicate the existence of communication channels between such associations and representatives of government, the fact remains that associations of this nature have no formal input with regard to the socio-economic policies of government. Indeed, the sole organization which is in the formal position to participate in such a capacity is the Federation of Egyptian Industries (FEI).

Unlike business associations, the FEI is officially affiliated to the Ministry of Industry. It is composed of fourteen chambers that encompass all the industries in Egypt. Similar to the Federation of Labor Unions, the FEI appears to be structured along hierarchical lines that are closely linked to government. The Federation is composed of fourteen boards (representing the fourteen chambers), and one general board representing the entire Federation. Of the fifteen

members of each board, eleven are elected whilst four are appointed by the Minister of Industry. As for the general board representing the entire federation, it is the Minister of Industry who appoints the board chairman and two other deputies whilst five more board members must have ministerial approving (Interview by author with Dr. Abdel Baset al-Sebai, Director of Technical Affairs, FEI on 7.1.1999 in Cairo). As this predicament suggests, government ownership of industry over the decades has left the FEI not wholly autonomous from government control.

With regard to the Federation's financial capacity, it does not appear to have reached self-generating level. The basic source of income for the Federation is the L.E 1.6 million in annual membership fees. This constitutes approximately 40% of the Federation's annual income. As with Businessmen Associations, the FEI attempts to generate the rest of its income by providing services to its members. Such services range from the provision of export awareness programs to the setting up of relevant meetings (Interview by author with Loutfi Mizhir, Executive Director, FEI on 10.1.1999 in Cairo). In an effort to build its organizational capacity, the FEI has used a government fund and an USAID 3.5 million $ fund to build a three-storey office building overlooking the Nile and to hire bi-lingual young professionals for its new location (Interview by author with Loutfi Mizhir, on 10.1.1999 in Cairo). In comparison to its original headquarters which occupies a fraction of a floor in a rundown tower block in downtown Cairo (and which still functions in an administrative capacity- with typical state bureaucrat type employees), the new and very modern looking headquarters is indeed a contrast. According to one senior official, the FEI needs at least another $30million to finish the construction of the building and help it reach a higher working capacity (Interview by author with Loutfi Mizhir on the 10.1.1999 in Cairo). In such a context, whilst there does appear to be indicators which suggest that the FEI is attempting to develop its organizational capacity, it is still in its very early stages. Perhaps most reflective is the acknowledgement of FEI representatives that in terms of strength and influence, the organizational structure of capital in Egypt: "cannot be compared to developed capitalist, democratic countries" and that the role of the FEI can best be viewed as: "the eye which allows the government to see the problems of industry" (Interview by author with Loutfi Mizhir on the 10.1.1999 & with Dr. Abdel Baset al-Sebai on 7.1.1999 in Cairo).

Whilst business associations, including the EBA, are given access to view some drafts of laws, actual participation in the formulation of the law and policy does not exist except through the FEI. However, the efficiency of FEI lobbying on behalf of capital is rather questionable. According to a senior FEI member, they do not keep records of the number of meetings they have with government or of the conferences held per year on the issues linked to the country's economic program (Interview by author with Dr. Abdel Baset el-Sebai, Director of Technical Affairs, FEI, on 3.7.1999 in Cairo).

6.2.4 An overview of the lobbying system

In the absence of strong, cohesive organizations that represent labor or capital in an autonomous capacity, it is difficult to talk about an institutionalized lobbying system. Indeed,

since 1986 a joint council comprising government representatives and the Egyptian Businessmen Association was established by government decree so that both sides discuss economic policies. The Alexandria Businessmen Association and the American Chamber of Commerce have also been known to hold regular meetings with government representatives (Gomoa 1996, p. 160-61). However, it is difficult to assess how "regular" such meetings are because in reality scheduled meetings do not exist on a systematic basis. The EBA tends to meet with senior government officials on average three to four times a year, only when a specific issue affecting members of the EBA needs to be addressed. The French banning of Egyptian potatotoes, the European Anti-Dumping campaign, and the limits imposed on Egypt's free trade zone as a result of Decree 619 of 1998 all constitute examples of the type of issues that compelled the EBA to approach senior government officials over the period 1998 to mid-1999 (Interview by author with May Salem on 4.7.1999 in Cairo).

The fact remains, however, that while representatives of capital may through various business associations and chambers maintain formal channels of dialogue with government, such institutions, as mentioned previously, are not "involved in the policies of government" (Interview by author with May Salem on 4.7.1999 in Cairo). A vivid illustration of this predicament is the issuing by the government of decree 619 in late 1998. In efforts to further discourage the flow of foreign goods into Egypt, the government through decree 619 managed in effect to stop Egypt's free trade zone. This decree meant that members of the business community were no longer able to buy foreign goods without a Certificate of Origin (i.e. it was no longer sufficient that the goods be brought from Free Zone areas but must be brought directly from country of origin - an expensive and time-consuming process). The implications of decree 619 were even more disastrous for the Free Zone traders who overnight found themselves with no demand for their existing stock. The EBA in turn had little choice but to compile a document arguing the case of the decree on behalf of its affected members and present it to the Minister of Trade in an urgent meeting. It was largely the result of EBA efforts on this issue that the government decided not to put the decree into immediate effect, but to allow a six month "grace period" before its implementation (Interview by author with May Salem on 4.7.1999 in Cairo).

The lobbying efforts of the EBA with regard to decree 619 of 1998 may be considered successful in that the EBA managed to influence the government into allowing a six month grace period. Nevertheless, the fact remains that the EBA wants the decree abolished. Perhaps if the government had taken into consideration the views of the business community, a compromise could have been reached by both sides. Indeed, the EBA understands the government's view on the need to restrict exported goods into Egypt, but as its public relations manager points out: "there must be dialogue" (Interview by author with May Salem on 4.7.1999 in Cairo).

The EBA holds on average twenty conferences and seminars a year. Whilst the majority of these conferences and seminars are income generating exercises which focus predominately on topics aimed at raising awareness of members of the business community - issues ranging from tax incentives to import/export procedures in Egypt - approximately six to seven of these

events are in reality an indirect method of lobbying in which senior government officials are invited to 'participate'. The topics of the 'lobbying' conferences vary depending on the issues that arise during a specific year and on some occasions several of these events focus only on one issue. The privatization law of 1996, for example, led the EBA to hold four conferences on this issue alone during that period (Interview by author with May Salem on 4.7.1999 in Cairo). Whilst experts and senior government officials attended to give their points of view and answer the queries of the attending business community, again, it is difficult to measure the extent to which these conferences in particular, and similar conferences in general, are taken into consideration by Egyptian policymakers during the formulation of laws.

It would seem that issues of capital concern are highlighted to government through four main avenues of lobbying: (i) presentation of working papers to government officials; (ii) inviting ministers to discuss a particular issue in a conference/forum;(iii) approaching journalists with information; and (iv) individual businessmen approaching members of government directly (Interview by author with May Salem on 13.1.1999 in Cairo).

One can argue that the government does attempt to take into consideration the concerns of representatives of capital. However, it seems more likely that governmental wants capitalists to create jobs, rather than considers capital as a strong autonomous constituency. As Dr Abdel Baset El Sebai from the Federation of Egyptian Industries explains: "The national target is the creation of half a million jobs a year. Pressure on government comes from here. We can say: if you want us to create more jobs, then give us the facilities" (Interview by author with Dr. Abdel Baset al-Sebai on 7.1.1999 in Cairo).

The fact that mass unemployment constitutes the governments biggest fear is further confirmed by USAID (Interview by author with Dr. Robert E. Wuertz, Division Manager, Sector Policy, USAID on 14.1.1999 in Cairo). It is not surprising therefore that USAID adopts similar strategies. In the words of a senior USAID official: "USAID is the most effective organization in terms of watering the soil and fertilizing it. If USAID is effective in pushing President Mubarak to drop the seed, the answer is no. This depends on the President's personal decision" (Interview by author with Dr. Robert Wuertz on 14.1.1999 in Cairo). For example, the ineffective state of ports in Egypt led American businessmen who were dependent on these ports for the importing and exporting of various merchandize including durable products such as food to approach USAID with their concerns. USAID subsequently prepared a conference in which prominent politicians were invited. In return for amending legislation and rectifying the legal obstacles which prevail within this particular framework, USAID offered some form of financial assistance. In fact, progress with respect to Egyptian ports were not witnessed until President Mubarak on a visit to China saw for himself the efficiency of Chinese ports and the benefits entailed as a consequence. Hence, it was largely on the basis of what he saw in China, and not the lobbying of USAID, that convinced him of the need to reassess the port situation back home (Interview by author with Dr. Robert Wuertz on 14.1.1999 in Cairo).

Lack of autonomy and a tendency to rely on personal contacts inflicts the lobbying system in Egypt. That is partly a consequent of government's co-optation schemes. It should not be surprising that the regime's strategy of co-opting influential individuals into the National Democratic Party (NDP), encourages Egyptian representatives of capital to rely on the personal and hence individualistic methods of lobbying (M. Kassem, 2000). As Ramy Lakah, one of Egypt's biggest businessmen and employer of approximately eight thousand people admits: "I am not a member of any [business] association. These channels are not necessary to get through to government. If there is a problem it is better to go directly to government, to one of the Ministers or the Prime Minister. He is accessible so there is no need for organization [interference]" (Interview by author with Ramy Lakah, Egyptian billionaire businessman, 17.11.1998 in Cairo). Since entry to the People's Assembly as an NDP deputy is a mechanism which would provide unlimited access to central government and the patronage and contacts it commands, Lakah was preparing to compete in the legislative elections of the year 2000. Lakah's strategy is neither a rare or new phenomena (Financial Times Survey Egypt (Annual Country Report), Tuesday 11.5.1999, p. 1).

The government also utilizes the Shura (Consultative) Council for similar purposes. The President, using his prerogative to appoint one-third of the Council, appointed amongst others, Mohammed Farid Khamis and Louis Bishara, the two leading carpet and clothing manufacturers in Egypt respectively. What this suggests therefore, is that whilst capital may be emerging more prominently in 1990s Egypt, one cannot ignore its intertwined relationship with government and hence its lack of autonomy from the state. In this respect, the fact that capital does not constitute a strong, independent and most importantly perhaps, cohesive constituency, means in turn that the formal lobbying process for capital continues to be an institutionally underdeveloped entity.

In the case of labor, it is also difficult to detect an emerging system of effective, institutionalized lobbying. As discussed previously, the co-option of union leaders over the decades and the intertwined relationship between the state and Egyptian unions has weakened the formal representation of labor. Compared to organizations representing capital, it would seem that the GFELU possess much easier access to government. According to the GFELU's deputy chairman, appointments to meet with a government minister can be arranged for the same day. In the case of the Minister of Labor, he is in daily contact with GFELU leaders. Furthermore, while a record of the number of conferences held by the GFELU pre-1998 is unavailable, it is estimated that the GFELU held approximately twelve conferences related to privatization during 1998 (Interview by author with Mostafa Mongy, 3.7.1999 in Cairo). The fact that such conferences, held largely for local union leaders and workers generally interested in the privatization process, include senior government officials as guest speakers can be viewed as a further indication of the open communication channels between central government and organized labor.

On closer analysis however, such conferences are not realistically events aimed at conveying workers' viewpoints. Instead, it would appear that union organized conferences are

predominately regarded by the government as an opportunity for a propaganda exercise. Indicative of this are the comments of the deputy chairman of the GFELU with relation to the early retirement scheme. In his view, the policy of early retirement initially caused apprehension and feelings of insecurity amongst the workers. Moreover, certain "leftist" workers attempted to aggravate the situation to their advantage. As a consequence, the GFELU arranged several conferences in which both government officials and union leaders "explained" to attending workers the system of early retirement and its potential benefits (Interview by author with Mostafa Mongy on 5.12.1998 in Cairo). Listen to the comments of two state-controlled company chairmen: Dr Ali Hilmi, chairman of Egypt's largest iron and steel company for example, points out: "it is very difficult to influence government decisions", and in reality, government policy, according to Rizk Allah Shokr Allah, chairman of one of the companies being prepared for privatization, is only truly influenced by "externally imposed economic reforms" (Interview by author with Dr. Ali Hilmi, Chairman of Metal & Steel Industries Co. On 14.11.1998 in Tibbeen; Interview by author with Eng. Rizk Allah Shokr Allah, Chairman of National Metal Industries Co. On 18.11.1998 in Khanka)

The role of opposition parties as an alternate avenue of labor representation is also limited to the extreme. Whilst the official Tajammu' and Nasserite platforms are based on socialist ideologies and the advocating of workers rights, it is very difficult to lobby on behalf of labor. The reason for this is the overall weak position of political parties in contemporary Egypt. In terms of financial capacity, opposition parties -unlike the ruling NDP- have little if any direct access to state resources. Rather, opposition parties rely on: (1) membership fees and private donations; (2) revenue derived from sales of party newspaper and occasional party publications and; (3) an annual lump sum of £L.E100,000 distributed by the Shura Council to every registered political party in Egypt.

Whilst the 100,000 Egyptian Pounds is an assured fixed income, membership fees, are insignificant. The Tajammu' for example currently have approximately 25,000 members who are expected to pay 1 Egyptian Pound a month membership fees. According to one of its senior party activist, most of the members do not pay on time and it is not unusual for members to backlog in payment for years in a row (Interview by author with Abd al-Ghafaar Shokr on 3.7.1999 in Cairo). Membership fees for the Nasserite party is, at 6 Egyptian Pounds per annum, slightly less than that of the Tajammu'. According to the party's deputy chairman membership stands at 60,000, a slight exaggeration says Editor in Chief of al-Izbu', who put the Nasserist membership figure at one thousand only (Interview by author with Hamed Mahmoud, Deputy Chairman of the Nasserist Party on 3.7.1997 in Cairo & with Mostafa Bakri, Editor in Chief of al-Izbu' on 3.7.1997 in Cairo).

In terms of newspaper sales, the situation appears equally bleak. Due to poor newspaper circulation, opposition newspapers tend to rely on the sale of advertising space as a form of financial compensation. However, as in the case of donations, advertisers tend to keep a distance when a party paper becomes too critical of government for fear of government reprisal. As a

consequence, political parties who use their newspapers as a mechanism to lobby on behalf of workers find themselves being further weakened in the process. Thus in turn, being unable to provide effective assistance to the workers whose right they champion.

The fact that the NDP has continuously maintained over 90 percent of legislative seats further ensures the marginalization of opposition parties both in terms of participating in the policy-making process and lobbying on behalf of workers. Attempts of active participation has led those two opposition parties to organize conferences on behalf of workers. In 1998 the Nasserites held approximately ten conferences dedicated to the issue of privatization. The Tajammu' held approximately four during the same year with an audience of workers that ranged from fifty to five hundred. However, in contrast to conferences held by representatives of capital or labor unions, these conferences differed significantly: government officials although invited to speak, were always conspicuous by their absence (Interview by author with Abd el-Ghafaar Shokr on 3.7.1999 in Cairo).

Expectations rose within the Tajammu' when in May 1999 the party's secretary general Dr Rifaat Said met the Minister of Labor, Ahmed El Amawy to present his party's view on the impending labor law. Indeed, an appointment to meet the Minister is an achievement, especially in view of the fact that prior to this meeting no personal dialogue relating to economic reform had existed between opposition party leaders and the government. In fact, the last time opposition leaders had any direct communication with government was in October 1997, when then Prime Minister al-Ganzouri assembled them to lecture on the project Toshka. The point nevertheless, was that a two way dialogue seemed to be absent in such meetings. This is best reflected by the Labor Minister, who emerged triumphantly from his meeting with Dr. Rifaat Said of the Tagammu Party to declare that he had managed to convince the Tajammu that the labor law was good (Interview by author with Hamed Mahmoud, Deputy Chairman of Nasserist Party on 3.7.1999 in Cairo and with Abd al-Ghafaar Shokr on 3.7.1999 in Cairo).

By curtailing the activities of political parties and not participating in a dialogue with them, the government has maintained its objective of marginalizing the role of opposition parties to the extreme. Such a predicament was summarized by Hamed Mahmoud, Deputy Chairman of the Nasserite party as he stated:

> *"Workers sometimes come to us to complain and we try to pass on their grievances to government. Unfortunately we [the opposition] have a small voice in the People's Assembly. We also air grievances through [occasional] conferences and through party newspapers, but because of our stand we lose adverts which is a major source of newspaper revenue." (Interview with Hamed Mahmoud on 12.1.1999 in Cairo)*

In the final analysis, it seems that an effective avenue of lobbying on behalf of labor continues to be absent in contemporary Egypt. This in turn suggests that fear of social unrest remains the main factor of governmental constraint in relation to labor. In fact, political violence reached its highest level this century between 1992-93, two years after the beginning of

structural adjustment (Ibrahim, 1996, p. 168). Furthermore, between 1991-1995 more than 65 strikes and demonstrations were organized by workers (Gomoa, 1996, p. 167).

7 Theoretical Implications [9]

The foregoing tells a story of increasing importance of law-making as an instrument of economic reform. This poses considerable institutional complications when the political regime is dominated by the executive. Law is made by the executive but hammered out and enacted by a legislature with weak legislative skills. Hence laws come out vague and incoherent. Consequently, almost everyone loses respect for law and for the representative principle. When the legislature, over and above, uses exclusive methods of legislation, the process of law-making becomes highly dependent on the ability (or lack thereof) of the executive to listen to & integrate different societal voices / interests. If the executive does not do that in an inclusive way, there is no inclusion in the law-making process, whereas in systems where the legislative process by the legislature is inclusive of various societal interests, legislative deliberations act as a substitute for executive insulation. There is, so to speak, more chance for inclusion of societal voices even as the law-initiation process remains an executive prerogative. Some scholars, like Olson and Clague, would resist institutional reform towards more inclusion, arguing that letting parliament hear more stakeholders would risk more, not less, arbitrariness due to particularistic lobbying.

To solve that dilemma it might help to revisit the various types of functions that connect the executive and the legislature. Firstly, the policy-making function of the legislature is weak vis-a-vis the president. If we maintain that feature, we keep the executive insulated from parliamentary attempts to press local constituency interests on the general reform agenda. However, it might be necessary to redesign presidential powers that are guaranteed by constitution to strengthen the principle of checks and balances. It might be useful to think about a constitutional formulation that would guarantee that the president could veto attempts by parliament to misallocate budget resources under the influence of particularistic pressures. Meanwhile, the constitution could guarantee parliament more prerogatives vis-a-vis presidential right to make policy by decree. Parliamentarians have been recently showing more concern for national issues and for quality of ministerial leadership. With a stronger information and knowledge infrastructure / culture, parliament´s policy-making function could be strengthened. Secondly, the legislative function of parliament is shared with the executive who drafts most bills. This feature could be maintained, while improving parliamentary skills to fully discuss and clearly formulate laws, both inside the specialized parliamentary committees and in general floor discussions. Parliament needs to acquire more expertise and information to substitute and / or compliment the process of discussing laws which usually begins inside the executive.

The Egyptian legislature, as our study showed, could embark on such reform without any threat of radical changes. Parliament is in general supportive of the President and adopts a

[9] Author: Dr. Noha El-Mikawy, ZEF.

normatively centrist position. But, our study shows that parliament is cognitively alienated from reality and is lacking the infrastructure of information and the knowledge base that could allow it to contribute to the policy-making function effectively and deliberate laws more transparently.

In an authoritarian regime, like Egypt`s (executive and one-party domination within a multi-party system with less than optimal freedoms of expression and organization), it would be useful to ask how could such a system maintain a low level of violence & provide necessary stability for economic investors, while using parliament more effectively as a channel of responsiveness, openness and information / knowledge management.

The other side of the coin is the weakness of interest groups as carriers and transmitters of information. Our study shows that the amount of information and the process of communication between such groups and law-makers needs re-thinking. When it comes to individualist actors, we found a growing numerical presence for business inside parliament, but they have not been found to be heavy communicators of information. Major special interest groups do not function as information managers for the collective benefit of the group they represent; they do not function as channels of expert opinion on collective issues. That leaves parliament with little organizational backup in society to off-set its own weak professional expertise. That in turn, makes the entire system of law and policy making dependent on the executive´s ability to collect information, process it into a knowledge base, and formulate inclusive laws and policies.

There are various possible explanations for the persistence of such an institutional law-making environment in Egypt.

- The rubber stamp thesis says that government uses parliament to give policy orientations a democratic guise; government has no serious intention to benefit from parliamentary opinion. For example, in 1997 government started issuing advertisements about private airports while the law on the privatization of airports was still being debated, so that the speaker of parliament felt he had to publicly complain (Parliamentary Minutes #28, 1.2.1997, p. 22).
- The mobilization thesis says government uses interest organization whether in or outside parliament to mobilize support not to benefit from their expertise. The government in the second half of the 1990s has manifested a tendency to consult with businessmen outside parliament before submitting a law bill. That has happened in the case of law 8/1997, which was discussed with the Egyptian Businessmen Association; however, the government insisted on its version of the bill ignoring businessmen suggestions in parliamentary discussions (Parliamentary Minutes #61, 3.5.1997, p. 10).
- The crisis management thesis says government resorts to express legislation to give in to pressure from the IMF and the World Bank and other international donors. Being

in a hurry, government does not pay much attention to democratic practice, which might seem to be too slow & messy. That was the case with law 153/1999 on NGOs.

- The crony capitalism thesis finds it not surprising that businessmen have no positive effect on the legislative process; they enter parliament to do their own deals and have no interest in systemic reform.
- The thesis of too-low-too-recent-growth stipulates that growth in Egypt has accelerated since 1992, but that the economy is not yet diversified enough to be totally free from state control. Hence there are not yet any big industrial capitalists who could have leverage on the state and accordingly on law-making (Springborg, 1999, p. 22-23).

In a nutshell, the executive is not ready to give up power, the legislature is too weak to assume power, and other interest groups are too weak or not willing to provide policy relevant opinion. To reform the institution of rule-making in such a context, Mancur Olson would suggest promoting executive power, making presidential succession more predictable, and maintaining the weakness of civil society and special interest groups. However, it is pertinent to ask: where will the wisdom of the executive come from? Would we have to rely on international expertise that would flow directly and primarily to the executive branch of government? That may be good to create ideas for reform or to write up law bills. But as long as the country pretends to have the guise of a democratic republic where law is made by parliament that is elected by the people, such a system needs to be strengthened not by-passed. Otherwise, the process of law-making will be distrusted at the core and that does not help the process of reform consolidation. Reform consolidation also requires wide societal support by groups who know how to organize, who have information and know how to use it to think out various policy options. All that is by-passed if one only strengthens the executive.

That would raise a number of questions for further research. Can one establish a connection between an open, responsive law-making process and economic growth? Can one proceed to reform the legislature within an overall executive dominated, one party dominated system? Can legislative reform happen while the private sector is weakly organized?

8 Policy Implications [10]

- Opening the process of law-making to more think tanks would mean institutionalizing public hearings and fact-finding parliamentary missions, which are currently too infrequently used by parliament. Competence in this field requires a number of skills, among them: the skill to deal with various expert views, the diplomacy needed to invite opposition opinions, knowing that they will try to use such invitation to gain more public acknowledgement, and the skill to stop the opened system of law-making from degenerating into provocative polemics that would only confuse the end users (A. El-Sawi 1999, p. 31-34) of laws.
- Opening the process of law-making to more societal interest groups can degenerate into lop-sided lobbying by the strongest. Preemptive measures against that could include: giving the President veto power in cases of budget allocation that endanger budget discipline, increasing the number of counter-balancing interest groups and giving them as equal a chance as possible to have access to law makers, but make sure that access is transparent to all; training interest groups in information acquisition & processing, as well as in policy analysis.
- Opening the system assumes the presence of well-organized interest representations. To ensure that and preempt free-riding which often weakens organizations, leadership has to be identified and trained. Another option is to create sector organizations that include all size groups (such as big and medium to small size firms) in the hope that the small and weak would collectively prevent the big and strong members from seeking particular rents only for themselves. One could also experiment with sector organizations based on size. Most important is that those organizations acquire information-and-knowledge-base-building skills.
- Both legislature and special interest groups should be able to fund think tanks to provide policy oriented analysis. In the case of parliament, creating a fund for research would be called for to use the policy-analysis services of think tanks.

[10] Author: Dr. Noha El-Mikawy, ZEF.

Appendix

Appendix 1: Investment Laws in the 1990s

Law	Purpose	Fate
11/1991	Unified Sales Tax, replacing consumption tax law 133/1981	To be implemented in three phases. Only the first phase is in implementation. Businessmen want to amend it to remove tax on capital input into production
203/1991	Creating Public Enterprise Companies, replacing law 97/1983.	Succeeded in freeing public sector of political executive intervention. It also put the bases for the privatization of the public sector.
95/1992	Capital Markets law.	Implemented with the executive decree #135/1993
5/1996	Offering state desert land for investors.	
72/1996	Amending law 143/1981 concerning tax exemptions for touristic and land reclamation projects	
89/1996	Amending Capital Markets law 95/1992	
90/1996	Amending income tax law 157/1981.	It exempted investment funds under law 95/1992 from taxes.
92/1996	Amending law 111/1980 on government charges.	It affected positively electrical consumption and land reclamation projects.
97/1996	Amending banks law 163/1957 & central bank law 163/1975.	It allowed private capital share in joint banks to exceed 49%.
100/1996	Amending law 12/1976 on General Electricity Agency.	It allowed the private sector into the electricity market under BOT conditions.
228/1996	Cancelling article 3 of law 38/1994 regulating foreign currency trade.	
229/1996	Amending law 84/1968 on surface roads.	It allowed the private sector to invest in surface road networks under BOT conditions.
230/1996	Regulating foreign ownership of empty land & real estate.	

Appendix 1 (continued): Investment Laws in the 1990s

Law	Purpose	Fate
3/1997	Regulating the privatization of airports	It allowed the private sector into the field of civil aviation and related services under BOT conditions.
8/1997	Unified Investment law	It guaranteed investors no sequestration or nationalization; it exempted investment outside the Nile valley from taxes and extended the tax exemption to 20 years. It ended the policy of giving permission for investment in particular sectors and not in others, opening up the investment possibilities for public, private, foreign and Egyptian investors.
1/1998	Privatization of maritime services	It allowed private sector into maritime shipping.
5/1998	Cancels a tax advantage that allowed banks & other financial institutions to deduct interest on income incurred in order to purchase tax free securities.	Executive decrees of the law have already been issued in the hope that the law would spur innovation & healthy competition among banks to engage in productive activities & extend loans to smaller businesses with higher but riskier returns.
19/1998	Law of Telecommunication	It made the National Telecommunication Agency a share holding enterprise.
155/1998	Partial privatization of public banks	It allowed private capital contribution to the capital of public banks
156/1998	Privatization of insurance services	It allowed the private sector to hold shares in public insurance companies & removed the condition of having an Egyptian managing director.
158/1998	Amend article 18 of capital market law 95/1992	Allows book-keepers and companies dealing in central depository to dematerializ shares.
17/1999	Trade law	It is being considered before the Constitutional Court, which is checking its constitutionality.

Source: Economic Report, al-Ahli Bank of Egypt & Egypt 2000, a report of the Ministry of Economy supported by the International Center for Economic Growth (ICEG).

Appendix 2: Parliamentarians' Opinions on the Egyptian Democratic Experiment

Answer	NDP*	Independents	Opposition
Needs no reform	21.2%	14.2%	18.2%
Needs some reform	40.3%	57.1%	36.4%
Needs many reforms	38.5%	28.6&	45.5%

* NDP is the ruling National Democratic Party

Source: *Qadaya Barlamania* (Parliamentary Affairs) vol2, #21, December 1998, p. 22.

Appendix 3: Parliamentary Opinion on Amendment of Laws

Law	Action	NDP	Independents	Opposition
Political Parties	Keep	15%	-	9%
	Amend	73%	100%	81.8%
	Annul	11%	-	9%
Elections	Keep	20.8%	7%	-
	Amend	66%	92%	90%
	Annul	13%	-	9%
Political Rights	Keep	23%	15%	-
	Amend	67%	84.6%	90.9%
	Annul	9.6%	-	9%
Emergency	Keep	34.6%	35.7%	9%
	Amend	30.8%	21.4%	-
	Annul	34.6%	42.9%	90.9%
Terrorism	Keep	77.8%	84.6%	62.5%
	Amend	19.4%	15.4%	25%
	Annul	2.8%	-	12.5%
Local government	Keep	8.5%	7.7%	-
	Amend	80.9%	92%	88.9%
	Annul	10.6%	-	11%
Radio & TV	Keep	78%	84.6%	57%
	Amend	18.8%	15%	28.6%
	Annul	-	-	14%
Press	Keep	34%	46%	12.5%
	Amend	51%	30.8%	75%
	Annul	14.9%	23%	12.5%
NGOs	Keep	4%	-	-
	Amend	82.6%	92.9%	75%
	Annul	13%	7%	25%
Syndicates	Keep	10%	-	-
	Amend	77.6%	92.9%	75%
	Annul	12%	7%	25%

Source: *Qadhaya Barlamaniyya* 2:21, December 1998.

Appendix 4: Evaluation of the Role of Parliament

Party	Responses				
	Very (+)	(+)	Somewhat (+)	(-)	Very (-)
NDP	15.1%	34%	30.2%	18.9%	1.9%
Independents		14.3%	78.6%	7.1%	
Opposition		36.6%	18.2%	9.1%	9.1%

Source: *Qadaya Barlamania* (Parliamentary Affairs) vol2, #21, December 1998, p.26

Appendix 5: Profile of Parliamentarian Sample

Parliamentary Specialized Committee	Sample size
Legislative	22
Industry	20
Economic	15
Labor	19
Media	18
Planning & Budget	13

Number of time in Parliament *	% of sample
One time (current session)	56.1%
Two times (including last, i.e. 1990-2000)	39.3%
Two times (other than last)	19.6%
Three times	8.4%
More than three times	15.9%

Level of Education	% of sample
College Degree	54.2%
Graduate Degree (MA or ph.D)	6.5%
Secondary Degree	22.4%
Primary	4.7%
Technical Degree	3.7%
Literate	8.4%

Appendix 5 (continued): Profile of Parliamentarian Sample

Professional Experience	% of sample
Civil Servant	26.2%
Businessman	17.8%
Leading position in the public sector	13.1%
Farmer	8.4%
Lawyer	7.5%
Worker	4.7%
University Professor	4.6%
Former Judge	4.6%
Engineer or Physician	4.7%
Retired	3.7%
Leading position in the private sector	2.8%
Employed in the private sector	1.9%

* The numbers do not add to 100% because the category of two times (including last parliamentary year) and two times (other than last) would lead to double counts.

Appendix 6: Parliamentarian Opinion Survey Responses

Question 1: How has the role of government public expenditure changed in the 1990s?

Area of Spending	Spending Increased	Spending Decreased
	% of Responses	% of Responses
Education	97.2	2.8
Housing	96.3	3.7
Social Aid	97	3
Health	97.2	2.8

Question 2: Given the budget limitations of the Egyptian government, which of the following would you give priority in public expenditure (rank from 1-8, 1 being most important)?

Area of Spending	Cumulative Rank
Housing for the poor	591
Primary Education	542
Vocational Education	533
Middle class housing	477
Solving unemployment Problem	453
Comprehensive health insurance	452
Secondary Education	439
Comprehensive compensation for unemployment	368

Question 3: In your opinion, which sector of the following requires most of the support & promotion (rank from 1-4, 1 being most important)?

Sector	Cumulative Rank
Industry	228
Agriculture	206
Housing	198
Other	19

Question 4: How would you rank the objectives of economic reform, in your opinion (rank from 1-4, 1 being most important)?

Objective	Cumulative Rank
Strengthening the private sector	329
Job creation	314
Increasing export	285
Encouraging FDI	142

Question 5: In which of the following areas would you like to focus your legislative efforts (rank from 1-4, 1 being most important)?

Area	Cumulative Rank
Combating social & economic effects of poverty	252
Clarifying, unifying and stabilizing laws	219
Improving the effectiveness of the administrative organ	171
Other	0

Question 6: In your opinion, how should investment in Egypt best be promoted (rank from 1-12, 1 being most important)?

Measure	Cumulative Rank
Limiting discretionary powers of the executive	924
Increasing tax exemptions	912
Competition guaranteeing laws	910
Anti Monopoly laws	909
Limiting discretionary powers of the investment agency	891
Lifting up the limit on foreign participation in shares	864

.... / ....

Question 6 (continued)**:**

Measure	Cumulative Rank
Privatization of ports and customs services	767
Flexible wage policies	747
Flexible workers' benefits	641
Putting no limit on investment zones	623
Putting no limit on investment sectors	566
Other	0

Question 7: What do you think of the need to protect domestic businessmen?

Response	# of Respondents
Yes	107
No	0

In the case of yes, in which areas do you think they need protection most?

Areas	Frequency
Agriculture	25
Industry	85
Tourism	89
Housing	15

Question 8: In your opinion, is Egypt capable of standing up to foreign competition?

Answer	% of Respondents
Very capable	70%
Sometimes	29.9%
Not capable	0.1%

Question 9: In your opinion what effect would liberalization have on the following?

Area	Type of Influence	
	Positive	Negative
Relations with the EU	95.3% of respondents	4.7% of respondents
Relations with Arab countries	89.0% of respondents	11.0% of respondents
Ability to live without int'l aid	94.4% of respondents	5.6% of respondents

Question 10: How will the revenues of the state (tax and custom tariffs) be affected from liberalization and privatization, in your opinion?

Response	% of Respondents
Will increase	74.8%
Will decrease	9%
No effect	24.3%

Question 11: In your opinion, what are the problems businessmen complain most about (rank from 1-8, 1 being most important)?

Problem	Cumulative Rank
Taxes	478
Labor law	587
Lack of skilled labor	565
Slow legal adjudication	519
Poor services	538
Weak managerial skills	383
Bureaucracy	501
Unstable laws	276

Question 12: What is the opinion prevalent in your district on businessmen?

Response	% of Respondents
Positive	82.2%
Negative	0
A bit of both	17.8%

Question 13: In your opinion, in which of the following areas should businessmen spend more (rank from 1-4, 1 being most important)?

Area	Cumulative Rank
Training	299
Education	309
Social Services	233
Social Housing	229

Question 14: In your opinion, in which of the following areas should the people spend more out of their own pocket (rank from 1-8, 1 being most important)?

Area	Cumulative Rank
Primary Education	583
Secondary Education	546
Vocational Education	509
Social Housing	592
Housing for middle class	516
Pension scheme	395
Health scheme	371
Unemployment Compensation scheme	339

Question 15: How do you assess your role in the general discussions of Parliament?

Response	% of Respondents
Very effective	53.3%
Effective	43.9%
Ineffective	0
Not effective at all	0
No opinion	2.8%

Question 16: How do you assess your role in the discussions of the specialized committees?

Response	% of Respondents
Very effective	56.1%
Effective	40.2%
No opinion	2.8%
In effective / Not effective at all	0

Question 17: How would you assess the discussions pertaining to 3 laws passed by parliament?

Assessment	% of Respondents		
	Law 230	Law 203	Law 8
Discussions were open and free	91.6	91.6	90.7
Discussions led to improvement in the law bill	94.4	95.0	93.5
Discussions were short	27%	27.0	30.8

Question 18: Does the average citizen differentiate between parliament, government and state?

Response	# of Respondents
Part of government	99
Part of the state	2
Part of both	6
Separate from government	0
Separate from the state	0
Separate from both	0

Question 19: The average citizen uses the concept government & state interchangeably, what do you think about those two terms?

105 responded with "no difference".

Question 20: In your opinion, is parliament part of government or the state?

Response	% of Respondents
Part of government	30.8%
Part of the state	69.2%

Question 21: Which are the sources you use to perform inside parliament: (rank 1-9, 1 being most important)?

Source	Cumulative Rank
Colleagues inside Parliament	240
Friends outside Parliament	276
Researchers inside Parliament	319
Professors, experts in the field	426
Press	796
Radio	836
TV	873
Computer or internet	648
Specialized Research Institutes	447
Other	0

Question 22: What is required to improve your performance inside parliament (rank 1-8, 1 being most important)?

Measure	Cumulative Rank
Internal Operating Procedures	697
More expert opinion inside Parliament's specialized committees	637
More training for library researchers	578
Easier internet usage for Parliamentarians	531
More information from the Executive	485
More information from the parties	425
Earlier distribution of information	322
More freedom to vote one's conscious	169

Apppendix 7a: Description of 9 Economic Laws

Law	Description
159/1981	Concerns share holding and limited liability companies; based on a wide conference that contained a number of experts; replaces law 26/1954 & law 43/1994; deals with conditions of registration, accounting, hiring, labor representation on executive boards, profit sharing with labor, maximum wage for mangers. It simplified registration processes, allowed some flexibility in capital transfers abroad, limited minimum of profit sharing to 10% & maintained labor right in representation on executive boards.
230/1989	Concerns the amendment of law 43/1974 & its amendments in 1977; aims to eradicate the negative side-effects of the "infitah" period 1974-1988; had 4 objectives: to unify / simplify investment procedures through the General Agency for Investment; to harmonize treatment of Egyptian, Arab & foreign investors; to encourage investment in land reclamation, construction of new urban zones and industry in free zones; and to resolve outstanding problems of tax exemptions under earlier laws.
203/1991	Concerns the liberalization of the public sector via reorganizing 314 public companies under an enterprise sector into 27 holding companies; separating management from ownership in the public sector & allowing management to function according to market rules. Each company is run by a board of directors and any decision of sale has to be approved by the general assembly. Only executive intervention takes place via the Central Auditing Agency.

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Apppendix 7a (continued): Description of 9 Economic Laws

Law	Description
95/1992	Concerns the development of a capital-stock market. It regulates the establishment and functioning of investment funds, brokerage firms, share promotion firms & underwriting firms. It unified taxes on stocks & bonds and introduced compulsory arbitration in cases of disputes.
27/1994	Concerns the regulation of arbitration to avoid long judicial processes. It frees the process of choosing arbiters, setting the guiding principles of arbitration, place of arbitration & its language. This law was first conceptualized in 1988.
91/1995	Meant to fulfill GATT obligations. It allowed foreign capital to enter this sector with a maximum of 49% shares in a company. It prohibited combining general with life insurance, established a fund for the insured & regulated investment by insurance companies on the stock market.
229/1996	Concerns the development of the surface road network & the privileges associated with using adjacent land and projects. It allowed and regulated BOT within a maximum range of 99 years
3/1997	Concerns the privatization of airports and all related services.
8/1997	Concerns increasing incentives for investment. It cancelled law 230/1989 without retroactive effect; instated tax exemptions for up to 20 years for projects outside the Nile valley, 10 years for projects in the new industrial zones & 5 years to others. It allowed new projects to obtain state land for free & to obtain loans with same conditions that apply to government loans.

Appendix 7b: 9 Economic Laws by Parliamentary Session

Parliamentary Session	Law	Purpose
1979-1984	159/1981	Share holding companies
1987-1990	230/1989	Investment
1990-1995	203/1991	Public enterprises
1990-1995	95/1992	Stock market
1990-1995	27/1994	International trade arbitration
1990-1995	91/1995	Insurance
1995-2000	229/1996	Infrastructure
1995-2000	3/1997	Infrastructure
1995-2000	8/1997	Investment

Appendix 8: Length of Discussions of 9 Economic Laws

Law	Dates of Submission	Review by Specialized Committee	Discussion in General Assembly	Passing The law
159/1981	6/1981	7/1981	8/1981	8/1981
230/1989	5/1989	5 & 6 /1989	7/1989	7/1989
203/1991	6/1991	6/1991	6/1991	6/1991
95/1992	5/1992	5 & 6 /1992	6/1992	6/1992
27/1994	5/1993	5/1993 1/1994	2/1994	3/1994
91/1995	1/1995	1, 2, 3 /1995	4/1995	4/1995
229/1996	7/1996	7/1996	7/1996	7/1996
3/1997	1/1997	1/1997	1/1997	2/1997
8/1997	3/1997	3, 4 /1997	5/1997	5/1997

Appendix 9: Overview of Parliamentary Discussion

Laws	Total Parliament	Total Businessmen In Parliament	Business Speakers in General Discussions	Other Speakers in General Discussions
159/1981	382	7	0	19
230/1989	448	14	0	51
203/1991	444	31	2	93
95/1992	444	31	2	54
27/1994	444	31	0	18
91/1995	444	31	*1	20
229/1996	444	71	4	26
3/1997	444	71	11	34
8/1997	444	71	19	75

Source: Parliamentary Minutes # 89, 11.8.1981; # 92, 4.7.1989; # 81-86, 11.6. 1991; # 51, 20.2.1994; #58, 6.3.1994; # 61, 7.3.1994; # 61, 3.5.1997.

* = Mr. Foad Hagras.

Appendix 10: Overview of Representation Since 1981

Parliament Session	Total Elected Seats	Business	Partisan Composition							
			NDP	Amal	Lib.	Tag.	Indep	Wafd	Mos. Br.	Nas
1979-1984	382	7	339	30	3	0	10	Boyco	Boyco	NE
1984-1987	448	?	389	0	0	0	0	58	*	NE
1987-1990	448	14	349	25	3	0	6	35	**	NE
1990-1995	444	31	360	Boyco	Boyco	5	79	Boyco	Boyco	NE
1995-2000	444	71	417	0	1	5	13	6	1	1

Business = Businessmen
Amal = The Socialist Labor Party, established 1978 & in alliance with the Moslem Brothers since 1987.
Lib.= The Party of Liberals, established 1976
Tag= The Arab Unionist Socialist Rally, established 1976
Indep= non-partisan independent candidates, were not allowed to run in 1984 elections
Mos. Br. = Moslem Brothers' affiliated members, not a legal party; in alliance with Wafd in 1984 and with Amal since 1987
Nas= The Arab Nasserist Party, establshied 1993
Boyco = boycotted
NE = Party did not exist then.
* = its members were on Wafd list.
** = its members were on the Amal list.

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