



CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

CIPE Egypt Program Overview

January 2007

CIPE's goal in Egypt is to foster democratic and market-oriented reform by building on openings in the country and supporting civil society's participation in the reform process. Based on the nascent reform dialogue taking place in Egypt, CIPE has engaged in a multi-year program designed to improve democratic governance, highlight transparency and accountability, particularly between business and the state, and forge openings for the wider population to reach for the successes of entrepreneurship. CIPE Egypt has identified several key areas of importance on which to focus, including: improving access to information in Arabic, promoting corporate governance, supporting business associations, enhancing entrepreneurship, and fostering institutional reform.

Outreach to the business community, not only in Cairo, but in all Egyptian governorates, is important to successful reform. As public participation in policymaking is vital to a healthy democracy, CIPE partners with local business associations to strengthen their capacity to successfully advocate for reform measures that will build the institutional foundation for economic growth and democratic stability.

CIPE also works with other civil society groups throughout Egypt, including political parties, economic journalists, and academia. While these groups represent a wide range of political and economic views, forging such partnerships creates a broad consensus for fundamental reforms that put the country on the path towards full-fledged democracy. CIPE conducts programs with local partners regarding the relationship between democratic development and economic transition, the role of business associations and political parties in the legislative process, and democratic institutions for economic development. The grassroots approach and emphasis on local ownership lend traction and legitimacy to reform efforts, and confirm public participation in the policymaking process.



At a CIPE-EJB event in Cairo, Egyptian Prime Minister Ahmed Nazif speaks about the important role corporate governance plays in the country's transition to a free market economy.

CIPE's office in Cairo was established in 1997 and, supported by funding from the National Endowment for Democracy since 2000, has grown from a country office to a hub for activities throughout the Middle East and North Africa. With a field office and local staff, CIPE and its partners have cultivated relationships with the Arab business community throughout the region.

Promoting Corporate Governance to Modernize the Private Sector

CIPE was instrumental in supporting the creation of a single term for corporate governance in Arabic, allowing reformers in the region, for the first time, to conceptualize and link the underlying values of fairness, transparency, responsibility, and accountability as they relate to governance within firms. Moreover, these values underpin democracy as well as good business practice. The term *hawkamah ashariat* was accredited by the Arab Linguistic Council, a body of experts that includes Arabic linguists from across the region, and is now in widespread use across the Arab world. CIPE supported

the development of the “Egyptian Code of Corporate Governance,” the first such code to be written in Arabic. The code was adopted by the Egyptian Institute of Directors as a basis for improving corporate governance practices in Egypt and was used by the Egyptian Junior Business Association to develop a manual of best practices for family-owned businesses. The Egyptian Capital Market Authority has added selected executive rules to the code, solicited feedback from various stakeholders, and intends to introduce executive rules as mandatory for listed firms, thus protecting the rights of minority shareholders groups. CIPE also works with the Egyptian Banking Institute on developing governance guidelines for bank directors.

Fostering Democratic Governance

In September 2004, following the publication of the Alexandria Declaration, a document written by civil society and intellectual leaders from across the Arab world, CIPE held its first “writers’ forum” in partnership with the Ahram Regional Press Institute (ARPI). Writers and intellectual leaders from across the political spectrum discussed civil society, the free flow of information, decentralization of government, public participation in national policymaking, and Egyptian culture and democratic transition. The forum drafted recommendations for constitutional reform. CIPE and ARPI held fora in 2005 and 2006 to follow up on the recommendations, review progress made, and discuss further measures to facilitate reform in Egypt. One of the main constitutional revisions recommended is full implementation of a market economy, and is currently under consideration. The 2007 forum will discuss the large Egyptian informal sector and its detrimental effect on the economy, the political sphere, and society at large.

Supporting Voluntary Business Associations

CIPE has conducted training for more than 300 Egyptian business association executives on how to run an effective business association in the 21st century. CIPE’s Business Association Management training program is designed to share basic management techniques with business association executives worldwide. Business association executives learn and discuss practical ways that their organizations can engage in policy advocacy, support small business and community economic development, promote business ethics, and increase international trade. The workshops offer participants practical tools, new ideas, and lasting relationships with other business organizations in the region.



Egyptian business association executives discuss ways to enhance their advocacy efforts.

Working with the Federation of Economic Development Associations, CIPE has supported grassroots organizations in building an electronic network among 45 business associations in 15 Egyptian governorates, providing greater interaction and enhanced regional perspectives on issues of concern.

In partnership with the Egyptian Society of Association Executives, an accreditation program for Egyptian business association executives was developed and implemented based on CIPE’s association training program. In 2007 this program aims to establish guidelines for good association governance in Egypt. It also advocates that the government consider revisions to the NGO law and differentiate non-governmental organizations from business associations.

CIPE’s work in Egypt is made possible through funds provided by the National Endowment for Democracy.

Institutional Reform Roundtables

CIPE has partnered with business associations and local media to organize a series of roundtables on pressing business issues for government representatives, the business community, and the media. The roundtables explore various issues affecting Egypt's economic and institutional development; for example, a large informal sector amounts to a considerable hindrance to the development of a structured and efficient market economy and has adverse consequences for democratic reform. Roundtable topics include: barriers to entering the formal sector, reforming the municipal governments, association governance, access to economic information, and corporate governance. Hundreds of participants representing the business community, media, and government attend the roundtables, in locations such as in Cairo, Assiut, Minia, Ismailia, Port Said, Qena, and Alexandria.

Economic Platforms for Political Parties

CIPE and the Ahram Center for Strategic Studies organized two workshops bringing together political party leaders to discuss the need to build economic platforms. The workshops addressed the transition to democracy and a market economy; comparative analysis of economic party platforms in Egypt; review of Egyptian economic conditions and developments over the past two decades; building constituencies for economic reform; economic reform programs from both international and Egyptian experiences; and party platforms and economic reform from the perspective of the private sector.



Independent newspapers in Egypt are facing an uphill battle, yet there is strong support from the business community.

Building an Informed Society and Improving Access to Information

Engaging the wider population in the economic reform effort will help to cement the tenets of a democratic and entrepreneurial culture in Egypt by providing information, and thereby opportunity, to broader segments of the population – particularly the young. This, in turn, will support the growth of a middle class and ground the democratic reform effort in genuine local support and commitment. CIPE has implemented a series of activities dedicated to promoting a wider understanding of, and appreciation for, a market economy and its close relationship to democracy.

Economic Reform Journal

Since 2000, articles written by Arab scholars, journalists, business leaders, and parliamentarians have appeared in CIPE's *Economic Reform Journal (ERJ)* in Arabic. Articles include case studies on non-Arab developing countries and information about modern business practices. There is a focus on free-market institutions, corporate governance, anti-corruption initiatives, free trade, globalization, and the role of the private sector in building democratic institutions. The *ERJ* is distributed to the business community, government officials, media representatives, and policymakers.

Economic Journalism

To improve access to information, CIPE Egypt holds economic reporting workshops in partnership with the Ahram Regional Press Institute. The trainers include writers, business leaders, and parliamentarians. In 2006, CIPE held a regional advocacy roundtable to discuss the structures of media institutions and laws regulating access to information across the Arab world. Participants from 11 Arab countries – representing major private and state-owned newspapers and broadcasting satellite stations – agreed to pursue governance guidelines and standards for media institutions regardless of ownership structure. CIPE is also developing a business reporting curriculum for undergraduate students in Egyptian universities.

CIPE Arabic Website: www.cipe-arabia.org

This website was developed in 2001 as a democracy and free-market reform information hub. It allows Arabic speakers to access information that was previously available only in English about issues such as democratic governance, institutional reform, globalization, free media, and comprehensive reform issues in the region and around the world. The website contains audio and transcripts for all CIPE Egypt conferences and seminars and articles about comprehensive social, economic, and political reform issues. In addition, the Virtual Business Association is an online source of Arabic information for improving non-governmental business associations.

Publications in Arabic

CIPE has responded to the scarcity of information available in Arabic on economic reform by implementing an outreach program, and has translated some of its key publications, such as *In Search of Good Directors: A Guide to Building Corporate Governance in the 21st Century*, *How to Advocate Effectively*, *The National Business Agenda Guidebook*, and policy papers including “Democratic Governance: The Basis of Political and Economic Reform,” and “Business Associations for the 21st Century.” CIPE also produces a series of business education booklets and disseminates a monthly electronic newsletter in Arabic.



Corruption impedes democratic and economic development. This CIPE publication focuses on combating corruption in the Arab world.

Fostering an Entrepreneurial Culture

Legal and financial barriers to doing business lead to the marginalization of a wide spectrum of society, especially youth. More than 300 people gathered in November 2006 at a conference to discuss these challenges. The resulting task force of private sector leaders agreed to explore three key issues: bankruptcy/insolvency laws, regulations affecting venture capital and private equity investment, and educational curricula in the area of business and economics.



Economic journalists tour the Cairo and Alexandria Stock Exchange during a CIPE, ARPI, and International Center for Journalists program.

The Efhm program was developed in 2003 to help Egyptian youth engage in the democracy reform process by recognizing their entrepreneurial potential; learning how to do business marketing, and financial management plans; and identifying external constraints to success, such as youth marginalization, and how to overcome these constraints. More than 3,000 students have participated in the program in Cairo, Fayoum, Assiut, Ismailia, Mansoura, and Zagazig. A key aspect of the program is www.efham.net, a website that includes educational material promoting entrepreneurship and concepts of free-market economy. Additionally, the “How to Start and Manage a Business” program was developed in conjunction with Cairo University School of Economics and Political Science and the Egyptian Junior Business Association.



published by the
Center for International Private Enterprise • an affiliate of the U.S. Chamber of Commerce
1155 Fifteenth Street NW • Suite 700 • Washington, DC 20005 • USA
ph: (202) 721-9200 • fax: (202) 721-9250 • web: www.cipe.org • e-mail: cipe@cipe.org

