The Center for International Private Enterprise (CIPE) strengthens democracy around the globe through private enterprise and market-oriented reform. CIPE is one of the four core institutes of the National Endowment for Democracy and a non-profit affiliate of the U.S. Chamber of Commerce. Since 1983, CIPE has worked with business leaders, policymakers, and journalists to build the civic institutions vital to a democratic society. CIPE’s key program areas include anti-corruption, advocacy, business associations, corporate governance, democratic governance, access to information, the informal sector and property rights, and women and youth.

For more information, contact:

Center for International Private Enterprise
1 El Fayoum St
Off Cleopatra St.
Floor 8, Suite 801
Heliopolis, Cairo,
Egypt
ph: +20 2 2414-3282
fax: +20 2 2414-3295
www.cipe-arabia.org
e-mail: info@cipe-egypt.org

1155 Fifteenth St., NW, Suite 700
Washington, DC 20005
USA
ph: (202) 721-9200
fax: (202) 721-9250
www.cipe.org
e-mail: cipe@cipe.org

Contributors:

Center for International Private Enterprise:

John D. Sullivan, Ph.D.
Randa al Zoghbi
Gregory J. Simpson

Ahram Center for Political and Strategic Studies:

Dr. Gamal Abdel Gawad
Ahmed Nagy Kamha
Sobhi Ossaila
Egyptian Citizens’ Perceptions of Transparency and Corruption

Table of Contents

I. About the Survey 4
II. Program Advisory Council 5
III. Citizens’ Perceptions of Conditions in Egypt 6
IV. Some Ideological Attitudes Among Egyptians 12
V. Experience with Corruption 15
VI. Media and Attitudes Towards Corruption 23
VII. Methodology 27
VIII. Survey Demographics 28

Appendix A: Comments by the Advisory Council of the CIPE Egypt Combating Corruption and Promoting Transparency Program 30

Appendix B: Survey Questions and Topline Results (available online in English at www.cipe.org and in Arabic at www.cipe-arabia.org)
I. About the Survey

Weak governance and insufficient transparency allow space for corruption to flourish. Insight into where and how corruption occurs and which transactions are most prone to bribery can help reformers know where to focus their efforts. The Center for International Private Enterprise (CIPE)’s “Combating Corruption and Promoting Transparency” project is a comprehensive program of survey research, training, and technical assistance intended to raise awareness of corruption in Egypt and combat its corrosive effects on the economy and society.

As a part of this project, CIPE commissioned a survey of a nationally-representative sample of nearly 1800 Egyptian citizens to gauge their perceptions of corruption in Egypt. The survey was carried out by the Ahram Center for Political and Strategic Studies (ACPSS) in association with CIPE. This national survey is a companion study to an earlier survey conducted by CIPE and ACPSS of nearly 800 Egyptian small and medium-sized enterprises (SMEs) about their experience with corruption in the course of doing business. CIPE and its partners will draw upon the survey results in conducting an advocacy program to raise awareness of corruption and recommend specific policy changes to reduce the risk of corruption. (Results of the SME survey are available at www.cipe.org in English and www.cipe-arabia.org in Arabic.)

The “Combating Corruption and Promoting Transparency” project is led by an advisory council of prominent Egyptian experts consisting of the project partner organizations listed above, as well as other business associations, civil society organizations, multinational corporations, political parties, and media outlets. Advisory council members were selected based on their demonstrated commitment to political and economic reform in Egypt, experience and engagement in civil society, erudition, character, and public credibility.

The project is made possible by a grant from the United States Agency for International Development.
II. Program Advisory Council

Osama Murad, Co-Chair
Chairman & CEO, Arab Finance Brokerage Co.

Abdul Motei Lotfi, Co-Chair
Vice Chairman, Federation of Economic Development Associations

Sayed Ali
Assistant Chief Editor, Ahram Newspaper

Sherin Allam
Chairperson, AWTAD (Business Women Association)

Ashgan Ateya
Accountant

Ibrahim El Bahrawy
Writer, Al Masry Al Youm, and Professor of Middle East Studies, Ein Shams University

Ashraf Gamal El Din
Executive Director, Center for Responsible Business Conduct

Hany Aboul Fotouh
Director of Policy & Corporate Affairs and Board Secretary, CI Capital Holding

Gamal Abdul Gawad
Director, Ahram Center for Political and Strategic Studies

Abdul Fatah El Gibali
Deputy Director, Ahram Center for Political and Strategic Studies

Soliman Gouda
Columnist, Al Masry Al Youm, and Assistant Editor-in-Chief, Al Wafd

Saad Hagras
Managing Editor, Alam Al Youm

Salama Hamza
Former Chairman, Chamber of Leather Industries

Samir Hamza
Partner, Helmy and Hamza Law Firm (Baker & McKenzie)

Anan Helal
Secretary General, Consumer Protection Agency

Hossam Hilal
Managing Director, Grant Thornton Egypt

Amr Hilaly
Board Member, Egyptian Junior Business Association

Ghada Hussain
Managing Director, Horizon Multimedia

Mohamed Mansour
Vice President and MENA Regional Compliance Officer, Siemens

Ghada Moussa
Coordinator, Transparency and Integrity Council, Ministry of Administrative Development

Munir Fakhry Abdul Nour
Secretary General, Al Wafd Party

Mesbah Qotb
Senior Business Reporter, Al Masry-Al Youm

Ahmed Ragab
Head of Transparency Unit, Ministry of Investment

Zakareya Abd Al Rahman
Chairman, Al Fayomi Co, and Co-founder, Al Wasat Party

Abdul Ghaffar Shokr
Vice President, Arab & African Research Center

Zeinab Tawfik
Managing Director, Condor Shoe Industries

Fouad Thabet
Chairman, Federation of Economic Development Associations

Ihab Hassan Youssef
Board Member, Egyptian Junior Business Association

Tarek Youssef
Principal Partner, Grant Thornton Egypt, and Secretary General, Egyptian Tax Professionals Association
III. Citizens’ Perceptions of Conditions in Egypt

Egyptian perceptions about transparency and corruption are associated with their perceptions about the country’s overall political, economic and social conditions. These perceptions comprise a number of characteristics, shown in figures 1 and 2. The most important of them are:

1. Economic issues are a priority according to those who were polled. Figure 1 shows the most important problems they believe Egypt is currently facing. The figure indicates that economic challenges rank highest among surveyed Egyptians, as unemployment, prices, and poverty represent more than 73 percent of citizen’s first priorities.

2. Problems relating to public services and infrastructure, such as housing, transportation, water, and sewage rank second, with 11 percent of citizens considering these problems to be Egypt’s most important challenges.

3. Based on the above percentages, issues relating to political reform and high levels of transparency and integrity in public office priorities for the fewest number of those surveyed.

Figure 1: What is the most important problem currently facing Egypt? (open question)
Figure 2: What in your opinion is the area that the government should deal with first, and which comes in second place? (poverty, unemployment, corruption, improvement of education sector, improvement of health services, enhancing political reform) (first answers only)

The survey shows that Egyptians are inclined to differentiate between their own economic situation and their country’s economic situation. While the data shows a fairly positive attitude when assessing their family’s economic situation, there is a negative opinion about Egypt’s economic situation. These attitudes are shown in Figure 3.

The relatively positive self assessment of individual economic situations stands in contrast to the very low to modest level of individual and family income, as shown in the survey demographics (see p. 24). Indicators show that most Egyptian families earn 300-600 Egyptian pounds (LE) (35 percent) and LE 600-1,000 (28 percent).

Figure 3: How would you describe the current economic situation of Egypt / your family?
The variance in assessing the current economic welfare for Egypt and that of the family almost disappears when comparing perceived past economic welfare with that in the present. Figure 4 shows that most of the citizens tend to see the economic welfare of Egypt and the family three years ago as better than the current.

Figure 4: Compared with the current situation, how was the economic situation of Egypt / your family three years ago?
Citizens show less pessimism in assessing the future economic welfare of the family compared to the future economic welfare of Egypt. While 31 percent of those surveyed expect the economic welfare of Egypt to be worse after three years, this percentage decreases to 24 percent when predicting the economic welfare of their families. This is shown in figure 5.

**Figure 5:** Compared with the current situation, how do you expect the economic situation of Egypt / your family to be in three years?
Regarding the state of democracy in Egypt, attitudes are greatly diverse, indicating a lack of consensus or dominant trend. The results presented in figure 6 shows that the largest segment among Egyptian public (22 percent) locate Egypt exactly at the midpoint of an eleven-point index of democracy. The rest of those who have been interviewed in this research are deeply divided, where 36 percent of them locate Egypt on the lower half of the 11-point index of democracy, while 41 percent locate Egypt on the upper half of the same index.

**Figure 6: If you measure democratic development with a scale from 1 (weakest) and 10 (full democracy), how would you grade democratic development in Egypt?**
Public opinion becomes clearer when assessing the degree of democratic development in Egypt compared to three years ago, and also when predicting the future. While 52 percent of those surveyed see that there was a progress in democratic development in the last three years, 17 percent see a regression in democratic development. With respect to the future, 56 percent expect an improvement in democracy against 16 percent who expect the situation to get worse. This is shown in figure 7.

Figure 7: Compared to the situation three years ago, how do you describe the current state of democracy in Egypt? / Compared to the current situation, what would you expect the status of democracy in Egypt to be in three years?
IV. Some Ideological Attitudes Among Egyptians

Most of those surveyed favor an economic system that is based on a major role for the state and public sector, at 61 percent as shown in figure 8. The data shows that after 30 years of starting to change the direction of the Egyptian economy towards a market economy, the biggest category of Egyptians still prefer an economic model where the government and the public sector plays a larger role. Among the reasons for this could be a failure in applying the transition towards a market economy, or the failure of the decision-making groups in marketing its economic choices among citizens, or both.

Figure 8: From your point of view, what is the best economic system for Egypt? (A system where the state and the public sector plays the major role, a system where the private sector plays the major role, a system where the private sector plays the major role while the government plays a greater role in controlling, monitoring and ensuring compliance of the laws)

- State and public sector play a major role: 61%
- Private sector plays the major role while the government plays the role of regulator: 30%
- Private sector plays the major role: 9%
Most of those surveyed (46 percent) prefer to maintain the current level of openness to the world, while a similarly large group (41 percent) prefers more openness to the world; only 13 percent prefer less openness to the world.

**Figure 9: Is it better for Egypt to be…**

- 46%: Maintain the current level of openness
- 41%: More open to the world
- 13%: Be less open to the world
However, a conservative trend emerges once more in the responses to the question regarding the country that Egyptian prefers as a model for Egypt. The largest percentage of citizens prefers Saudi Arabia as a model, as shown in figure 10.

**Figure 10: What in your opinion is the state model that Egypt should follow? (USA, France, Britain, Japan, China, North Korea, South Korea, Iran, Saudi Arabia, Malaysia, Turkey, UAE, others [state])**

![Bar chart showing the percentage of respondents who prefer each country as a model for Egypt. Saudi Arabia leads with 38%, followed by China and Japan with 20% and 14% respectively, and so on.]

While this result reflects a strong conservative trend, it also indicates the direct experience of Egyptians, since more Egyptians travel to Saudi Arabia than any other country. While 16 percent of the surveyed Egyptians visited Saudi Arabia in the last five years, only 0.9 percent visited a European country, and 0.2 percent visited the United States, as shown in figure 11.

**Figure 11 – Have you or any of your family members traveled to any of the below listed countries in the last five years?**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage of respondents who visited the following countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>15.7</td>
</tr>
<tr>
<td>Gulf Country</td>
<td>4</td>
</tr>
<tr>
<td>Arab Country</td>
<td>6.6</td>
</tr>
<tr>
<td>European Country</td>
<td>0.9</td>
</tr>
<tr>
<td>Asian Country</td>
<td>0.3</td>
</tr>
<tr>
<td>United States</td>
<td>0.2</td>
</tr>
<tr>
<td>Others</td>
<td>0.6</td>
</tr>
</tbody>
</table>
V. Experience with Corruption

As shown in figure 12, it does not seem from the results that there exists considerable direct experience with corruption. Only 10 percent of respondents indicated that their opinion regarding corruption was formed based on direct experience.¹

Figure 12: What are the main sources that you rely on to form your own opinion regarding corruption? (Choose Two Sources) (a. State-Owned Newspapers; b. Independent and Opposition Newspapers; c. Local Television; d. Satellite Channels; e. Direct Experience; f. What I Hear from People) (first choice)

¹ In Transparency International’s Global Corruption Barometer 2004, 17 percent of respondents answered ‘yes’ when asked “In the past 12 months, have you or anyone living in your household paid a bribe in any form?”
Data in figure 13 shows that the percentage of the urban population with direct experience with corruption is twice that of the population in rural areas.

**Figure 13: What are the main sources that you rely on to form your own opinion regarding corruption? (Percentage of sample who had direct experience with corruption, urban vs. rural)**
As shown in figure 14, the percentage of Egyptians who said that they actually paid illegal payments in government transactions did not exceed four percent (for those who paid illegal payments to avoid traffic fines). The lowest instance was 1.3 percent, in the case of those who made such payments to avoid paying taxes. The experience of Egyptians with other government offices varied between these two percentages.

Figure 14: In the last two years, have you had to pay money or give presents in order to (a) obtain a license to engage in commercial activity; b) avoid getting a traffic ticket or pay a fine by the traffic police; c) avoid paying a fine or receive a penalty by the utilities police; d) issue a driver’s or automobile license; e) issue a construction or demolition license; f) reduce the amount of taxes you should pay; e) enroll your child in certain school:

| Activity                                                                 | Percentage | By contrast, 42 percent of small business owners surveyed in CIPE’s 2009 survey of 797 SMEs indicated that they had been obliged to offer illegal payments or gifts to obtain their business licenses; 29 percent had to pay bribes during the course of the operation of their business. |
When asked about the reasons for these payments, it was surprising that a full 90 percent of those who indicated they had paid bribes view it as something everybody does. Many were obliged to make these payments: 56 percent stated that the civil servant requested a bribe directly. Seventy percent indicated they paid bribes to receive expedited service. This suggests that delaying transactions is a means for civil servants to persuade citizens to make these illegal payments. In addition, 27 percent mentioned they made illegal payments so that the civil servant would process the transaction despite missing or improperly filled-out paperwork.

**Figure 15: Why did you pay this money, even though you were not legally required to do so? (this is the normal act amongst people, to expedite the paperwork, the responsible employee directly requested it, the responsible employee indirectly requested it, so that the responsible employee overlooks missing documents)**
It is worth noting here that public opinion with respect to reasons for corruption is quite comprehensive and diverse. The results of the survey show that 90 percent believe low wages and income is the most important reason for corruption, while slightly more than 70 percent see weak political participation to be one of the most important reasons for corruption. See figure 16 for reasons of corruption.

Figure 16: To what extent does each of the following reasons cause the spread of corruption? (a. Low Wages and Income; b. Weak Performance of Oversight Authorities; c. Duplicative and Conflicting Laws and Overlapping Responsibilities; d. Insufficient Oversight by the People’s Assembly Over Government Performance; e. Insufficient Accurate Information; f. Weak Political Participation)
The data also show that citizens’ definitions of corruption differ considerably from the accepted definition of abusing one’s authority for private gain. Many of those surveyed define corruption using terms such as poverty, social inequality, etc., which is consistent with the earlier indication of the citizens’ focus on economic concerns.

Figure 17: In your opinion, what are the most important manifestations of corruption in Egypt?
(a. The High Rate of Unemployment; b. The High Increases in Prices; c. Increasing Gap Between the Rich and the Poor; d. The Ill-Treatment of Citizens by Government Departments; e. The Slow Government Procedures; f. The Absence of Order and Discipline in Government Departments; g. The Numerous Cases of Corruption Published by the Media; h. The Low Standard of Services and Public Utilities; i. Very Wealthy Businessmen are Present in the Parliament and the Government; j. The Growing Chaos in the Streets; k. Growing Phenomenon of Private Lessons; l. Increased Favoritism and Nepotism; m. High Cost of Construction Materials)
Citizens’ assessment of the extent of illegal practices in different government departments varies. Figure 18 shows that while almost 20 percent believe that corruption exists in government agencies and public enterprises in general, some pointed to specific government agencies, the highest being the ones in the field of health care (14 percent), and the lowest in public utilities such as electricity, water, and sewerage (2 percent).

Figure 18: Which of the following institutions or transactions experience a high degree of corruption? (a. Municipalities; b. Transaction of Selling or Allocating State Owned Land; c. Government Tenders; d. Taxes; e. Police; f. Customs; g. Employment in Government Bodies; h. Judiciary; i. Other (specify\(^3\)))

---

\(^3\) In reporting results, similar responses have been grouped for clarity.
With respect to the fight against corruption, the data suggests a lack of citizen confidence in institutions pursuing that objective. While a significant group sees that religious institutions must play a big role in fighting corruption, we find that the formal institutions which are established with an expectation to fight corruption do not enjoy the same level of confidence. Figure 19 also shows the very low level of confidence in non-governmental organizations and political parties when it comes to fighting corruption. It might be worth noting here that counting on religious institutions to fight corruption suggests a perceived ethical dimension in the definition of corruption. This definition may justify to the sample population why the religious institutions should have a significant role in fighting corruption.

Figure 19: The following institutions play principle roles in combating corruption. Which one do you trust the most? (a. People’s Assembly; b. Oversight Bodies, such as Administrative Control Authority and the Public Funds General Attorney; c. Media; d. Political Parties; e. Police; f. Civil Society Organizations; g. Educational Institutions; h. Judiciary; i. Religious Clergy; j. Citizens themselves)
VI. Media and Attitudes Towards Corruption

Only a small percentage of respondents’ perceptions of corruption are based on direct experience – the 10 percent who indicate that they have paid bribes. Most Egyptians’ opinions about corruption are informed by the satellite television channels (40 percent), and local television channels (22 percent), while newspapers follow at a less percentage: seven percent for state-owned newspapers and two percent for privately-owned newspapers, as shown in figure 20.

Figure 20: What are the main sources that you rely on to form your own opinion regarding corruption? (Choose Two Sources) (a. State-Owned Newspapers; b. Independent and Opposition Newspapers; c. Local Television; d. Satellite Channels; e. Direct Experience; f. What I Hear from People) (first choice)
The limited influence of newspapers might be due to the limited distribution of newspapers in Egypt; but it might also be due to its level of credibility. Figure 21 shows the low level of credibility of partisan and independent newspapers, as most of the respondents described newspapers’ coverage as exaggerated; however, this percentage improves with respect to state-owned newspapers.

**Figure 21**: To what extent do you believe that the cases of corruption published by party and private newspapers truly reflect the situation in Egypt? To what extent do you believe that the cases of corruption published by state-owned newspapers truly reflect the situation in Egypt? *(a. What is Published in the Newspapers on Corruption is Less Truthful than the Actual Volume of Corruption; b. What is Published in the Newspapers Reflects to a Great Extent the Actual Volume of Corruption; c. What is Published in the Newspapers Greatly Exaggerates the Volume of Corruption)*
Citizens’ assessment of the role of communication channels in covering corruption news varies. There does seem to be an appreciation for the role of the media in combating corruption. Figure 22 indicates that most respondents believe that the media currently play a greater role in combating corruption compared to five years ago.

Figure 22: To what extent do you believe that the media contribute to combating corruption now in comparison with five years ago? (Much Better; Better; Worse; Much Worse) (a. State-Owned Newspapers; b. Independent Newspapers; c. Opposition Newspapers; d. Egyptian Television; e. Satellite Television Channels)
The question of credibility remains significant in assessing the role of the media in combating corruption. Figure 23 shows that satellite television channels enjoy a greater degree of credibility, closely followed by local television channels. Partisan newspapers, followed by independent newspapers, enjoy the lowest level of credibility.

**Figure 23: To what extent do you trust what the media presents regarding corruption in Egypt? (To a Great Extent; To a Limited Extent; Do Not Trust to a Limited Extent; Do Not Trust at All) (a. State-Owned Newspapers; b. Independent Newspapers; c. Opposition Newspapers; d. Egyptian Television; e. Satellite Channels)**
VII. Methodology

The survey was conducted from July 22, 2009 to August 2, 2009 with a sample of 1737 citizens. The survey sample was selected from a sample developed by the Central Agency for Public Mobilization and Statistics (CAPMAS) for a previous study of family income and expenditures. The CAPMAS sample consists of 48,000 families and is an accurate representation of Egyptian society.

The sample’s geographic makeup was developed based on 2006 data published by CAPMAS, as follows:

1. All Egyptian governorates were represented in the survey except territorial governorates (North Sinai, South Sinai, Matrouh, New Valley, and Red Sea), the total population of which does not exceed 2% of the population of Egypt.

2. Governorates are represented in the survey proportional to their percentage of the total population in Egypt.

3. The sample for each governorate in the survey is divided between rural and urban to be equal to their demographic distribution in the governorate.

Characteristics of the sample survey shown in tables 1-11 reflect CAPMAS’ published data and to a great extent the demographics and social characteristics of Egyptian society.
VIII. Survey Demographics

<table>
<thead>
<tr>
<th>Table 1 - Sample Distribution by Urban and Rural</th>
<th>Table 2 – Sample Distribution by Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>Male</td>
</tr>
<tr>
<td>42.5%</td>
<td>45.5%</td>
</tr>
<tr>
<td>Rural</td>
<td>Female</td>
</tr>
<tr>
<td>57.5%</td>
<td>54.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 3 - Sample Distribution by Age (Yrs.)</th>
<th>Table 4 - Sample Distribution by Social Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-30</td>
<td>Single</td>
</tr>
<tr>
<td>48.7%</td>
<td>15.4%</td>
</tr>
<tr>
<td>31-40</td>
<td>Engaged</td>
</tr>
<tr>
<td>23.8%</td>
<td>2.5%</td>
</tr>
<tr>
<td>41-50</td>
<td>Married</td>
</tr>
<tr>
<td>15.9%</td>
<td>71.7%</td>
</tr>
<tr>
<td>51-60</td>
<td>Divorced</td>
</tr>
<tr>
<td>11.9%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Above 60</td>
<td>Widowed</td>
</tr>
<tr>
<td>9.7%</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 5 - Sample Distribution by Educational Attainment</th>
<th>Table 6 - Sample Distribution by Employment Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>Employed</td>
</tr>
<tr>
<td>33.4%</td>
<td>45.8%</td>
</tr>
<tr>
<td>Primary</td>
<td>Unemployed</td>
</tr>
<tr>
<td>9.6%</td>
<td>54.2%</td>
</tr>
<tr>
<td>Middle</td>
<td>Total</td>
</tr>
<tr>
<td>7.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
</tr>
<tr>
<td>25.2%</td>
<td></td>
</tr>
<tr>
<td>Some College</td>
<td></td>
</tr>
<tr>
<td>10.4%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 7 - Sample Distribution by Employment Sector</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>31.7%</td>
</tr>
<tr>
<td>Private</td>
<td>23.3%</td>
</tr>
<tr>
<td>Others</td>
<td>45.5%</td>
</tr>
<tr>
<td>Table 8 - Sample Distribution by Monthly Income Per Person</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Less than LE 200</td>
<td>39.3%</td>
</tr>
<tr>
<td>LE 200 – LE 300</td>
<td>18.6%</td>
</tr>
<tr>
<td>LE 301 – LE 600</td>
<td>24.9%</td>
</tr>
<tr>
<td>LE 601 – LE 1000</td>
<td>12.7%</td>
</tr>
<tr>
<td>LE 1001 – LE 2000</td>
<td>3.8%</td>
</tr>
<tr>
<td>LE 2001 – LE 5000</td>
<td>0.7%</td>
</tr>
<tr>
<td>More than 5000</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 9 – Monthly Average Income Per Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than LE 200</td>
</tr>
<tr>
<td>LE 200 – LE 300</td>
</tr>
<tr>
<td>LE 301 – LE 600</td>
</tr>
<tr>
<td>LE 601 – LE 1000</td>
</tr>
<tr>
<td>LE 1001 – LE 2000</td>
</tr>
<tr>
<td>LE 2001 – LE 5000</td>
</tr>
<tr>
<td>More than 5000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 10 - Do you have a Satellite TV at Home?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>A link</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 11 - Do you have a Working Computer at Home?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
Appendix A: Comments by the Advisory Council of the CIPE Egypt Combating Corruption and Promoting Transparency Program
MEMORANDUM

To: Randa al Zoghbi, CIPE Egypt Program Director
From: Advisory Council, CIPE Egypt Combating Corruption and Promoting Transparency Program
Re: Advisory Council Commentary on Survey of Egyptians’ Perceptions of and Experiences with Transparency and Corruption
Date: December 2009

The Advisory Council for CIPE’s program on Integrity, Transparency, and Anti-corruption for Small and Medium Enterprises, has reviewed the results of the national survey conducted by the Ahram Center for Political and Strategic Studies (ACPSS). The survey sought to identify Egyptians’ attitudes and experiences towards transparency and corruption by asking citizens for their assessment of the problems facing Egyptian society, the performance of Egypt’s economy, the quality of public services, and the role of the media in addressing these issues in general, and corruption in particular. These survey results can help decision-makers in setting their priorities; researchers in understanding the social environment given economic and political developments in Egypt, and business stakeholders in advocating for a business environment that serves their interests.

The Advisory Council believes that the survey’s findings must be examined to improve the social, cultural, and political environment of the business sector. The negative assessments in the survey need to be addressed in an effective manner, and policy makers, business associations, media institutions, and non-governmental organizations need to take the results into consideration when developing strategies.

Below the Advisory Council highlights the most important trends gleaned from the survey and the implications of these results. The Advisory Council also presents recommendations on how to deal with the problems highlighted in the survey.

Survey Sample

The sample consists of 1,737 respondents taking into account the diversity within Egyptian society, including gender (male/female), religion (Moslem/Christian), social status, level of education, employment status, and primary occupation / profession.

Forty-one percent of respondents are housewives, 33 percent illiterates, and 54 percent unemployed. The majority of the respondents do not deal with government bodies except in requesting birth certificates, death certificates, food subsidy cards, health services, and education services for their children. The fact that the majority of people surveyed had limited interaction with government is reflected in their perceptions of government corruption as shown below.
Most Important Problems in Egypt and Priority Issues for the Government

The most important problems facing Egypt according to respondents are issues related to standard of living: unemployment: 39 percent; high prices: 28 percent; low income, wages, and poverty: seven percent; absence of health insurance coverage and poor health services: five percent; and housing: three percent. From figure 1, we see that 81 percent of the respondents consider the aforementioned issues the top five most important problems facing Egypt.

Figure 1: What is the most serious problem currently facing Egypt?

At the same time, when asked about the government’s priorities, 46 percent believe that unemployment should be the government’s top priority, 27 percent believe poverty should be the priority, and 13 percent believe that financial and administrative corruption should be the priority.

Only 0.1 percent of those surveyed feel that democratic and political reform is a priority issue for the government. Such a response reflects the limited political awareness permeating Egyptian society and the inability to recognize that issues that are deemed high priority such as unemployment, high prices and poverty are in fact directly related to democratic and political reform. These socio-economic problems can never be eliminated without changing the political structure. The people must be allowed to select and remove leaders freely based on politicians’ ability to meet the needs of their constituents. Moreover, citizens must be encouraged to actively participate in the political system and should feel that they can impact policymaking. The political parties in Egypt are mostly to blame for such low political awareness.
Assessment of the Egyptian Economy

Sixty-seven percent of respondents believe the economic situation in Egypt to be **good to very good**, while 33 percent described it as either **bad or very bad**.

Fifty-five percent of respondents believe the economic situation is better in comparison to **three years ago**, while 21 percent think it is worse.

Fifty percent of respondents believe the economic situation will improve **in the next three years**, while 24 percent believe that the economy will get worse.

Although the current economic situation is described as good to very good by the majority of respondents, the numbers show that there still exists a general dissatisfaction with the status quo. Equally significant is that 23 percent to 27 percent believe that the situation did not and will not change throughout the six-year period.

Fifty-three percent believe that their **family’s economic status** used to be better three years ago. 50 percent expect this status to improve in the next three years, while 24 percent expect it to deteriorate. On the other hand, 23 percent to 27 percent believe that their family’s economic status did not and will not change throughout the six-year period—again showing a general feeling of dissatisfaction with the economy.
**Best Economic System for Egypt**

Sixty-one percent believe that the best economic system for Egypt is one where **the government and the public sector** play a key role. 30 percent believe that the best system is one where the **private sector, under the strict supervision of the government**, would play the main role. In contrast, nine percent are of the opinion that the best system is one where **the private sector** plays the major role.

This skepticism towards the private sector also applies to the privatization process. Almost 60 percent deem it useless in all cases, while 40 percent believe it to be useful if the state-owned enterprises are sold to Egyptian companies (21 percent) or if privatization is limited to certain sectors (19 percent). The Advisory Council does not believe that these views in favor of a statist economy are driven by an ideological preference for socialism over capitalism. Rather these views are driven by practical considerations: living standards are worse today after the implementation of certain market reforms.

**Figure 2: Provided it is carried out in accordance with the rule of law, transparency and competitiveness, do you think privatization is useful for the Egyptian economy?**

- **Beneficial in all cases**, 6%
- **Beneficial in some cases and sectors provided that the right to buy privatized assets is limited to Egyptians**, 13%
- **Beneficial in some cases and sectors**, 13%
- **Not beneficial in all cases**, 60%
- **Beneficial in all cases and sectors provided that the right to buy privatized assets is limited to Egyptians**, 9%
This antagonistic stance towards the private sector can perhaps be explained by the negative repercussions associated with Egypt’s transition to a market economy twenty years ago. These include:

1. A very close relationship between power and wealth that prevented genuine market reform. Only a select few “crony capitalists” play a role in directing economic policies while also assuming political and executive posts.

2. Outrageous cases of corruption involving top officials and business tycoons.

3. Laws and ministerial decrees that undermined the rights of large segments of the society (land tenants, hired laborers, health insurance beneficiaries, etc.)

4. Price hikes on goods and basic services, the effects of which were exacerbated by stagnant salaries.

5. Insufficient efforts for promoting the values and institutions that support and accompany the transition to a market economy. This transition should enhance entrepreneurship and self-dependence.

6. Insufficient efforts to equip unemployed university and secondary education graduates with experiences and skills that qualify them for job opportunities available in the labor market.

7. Large scale lay-offs that left thousands of highly skilled laborers and technical workers jobless.
Assessment of Government Services

**Figure 3: How would you rate the current standard of services rendered by the state in the following areas?**

From Figure 3, we can see that the percentage of people who have a positive assessment of government services is comparable to the percentage of those who have a negative assessment. These contrasting perceptions may result from differences in rural and urban areas as well as differences in the income levels in neighborhoods.

Furthermore, it is important to note that the insurance and electricity sectors were thought to be the most positive, which is consistent with the real progress achieved in these sectors.
Progress in Government Services

As the graph below indicates, a much larger percentage of respondents believe that government services have improved in comparison to those who believe that such services remain unchanged or that services are deteriorating.

Figure 4: Compared to the situation three years ago, how would you rate the standard of services which the state offers in the following areas?
Relations of Egypt with the World

Figure 5: Is it better for Egypt…

- To be less open to the world: 13%
- Maintain the current level of openness: 47%
- To be more open to the world: 41%
Role Model Country

Figure 6: What, in your opinion, is the state model that Egypt should follow?

Figure 6 shows that Saudi Arabia is the country that respondents would most like to emulate. The reasons for this selection are unclear and should be examined thoroughly. The Advisory Board speculates that this preference could be due to the fact that a large number of respondents have traveled to Saudi Arabia and the Gulf as well as the increasing influence of Saudi-inspired religious conservatism in Egypt. It is interesting to note that the next three countries chosen as models, China, Japan, and the United States of America, represent three different paradigms of global progress.
Degree of Democratic Development in Egypt

The majority of respondents score democratic development in Egypt between five and seven, on a scale of eleven points (eleven represents no democracy at all). This range of scores is consistent with the actual democratic progress achieved in Egypt, where the most important components of democracy (a constitution, a legislative council, a multi-party system, civil society organizations, press and means of mass communication, regular elections, rule of law, and institutions) exist nominally, but are often ineffective or limited in their scope of work due to constraints placed by the government.

Figure 7: If you measure democratic development with a scale from 1 (weakest) and 10 (most adequate), how would you grade the democratic development in Egypt?
In this context, and comparing democracy in Egypt to three years ago, 52 percent believe democratic development has improved, 30 percent see no change while 17 percent believe it is worse.

As for future expectations of democracy, 56 percent think it will improve, 27 percent think it will remain the same, and 16 percent think it will get worse.

Figure 8: Compared to the situation 3 years ago, how do you describe the status of democracy in Egypt currently? Compared to the current situation, what would you expect the status of democracy in Egypt to be in 3 years?
Figure 9: Are Egyptians Ready for Democracy?

Eighty-three percent believe that Egyptians are ready for democracy (54 percent said yes, and 29 percent believe in gradual democracy), while only 16 percent stated that they are not ready.
Coverage of Corruption Cases in State-owned Newspapers vis-à-vis Partisan and Independent Newspapers

The results of the survey show that the majority of respondents have more confidence in state-owned newspapers’ coverage of corruption stories than partisan and independent newspapers.

Figure 10: To what extent do you believe that the cases of corruption published by state-owned newspapers / party and private newspapers truly reflect the situation in Egypt?
Manifestations of Corruption in Egypt

Unemployment, price hikes, an increased gap between the rich and poor, and widespread nepotism are considered to be the major manifestations of corruption in Egypt.

Figure 11: In your opinion what are the most common manifestations of corruption?

![Bar chart showing percentages of respondents ranking different manifestations of corruption.]

It is worth questioning here whether these issues are truly manifestations of corruption, or whether they are simply results of certain economic and social policies. It is evident that the sample population believes that there exists a causal relationship between these problems and corruption. Therefore, it is important to further examine these issues.
Sources of Knowledge about Corruption

Survey respondents believe that satellite channels are the best source for coverage on corruption, followed by state-owned television, word of mouth, and finally state-owned and party newspapers.

Figure 12: What are the main sources that you rely on to form your own opinion regarding corruption (choose two)?
**Role of Media in Fighting Corruption**

The majority of respondents were of the opinion that media is currently playing a greater role in fighting corruption than it did five years ago and they expect it to play an even bigger role in the next five years. The satellite channels received the highest scores in improved performance both now and in the future.

**Figure 13: To what extent do you believe that the media contribute to combating corruption now / compared to five years ago / will contribute in five years?**
Degree of Confidence in Means of Communication

As shown in figure 14, the satellite channels and state-owned television engender the highest levels of confidence, while the opposition and private newspapers engender the lowest.

Figure 14: To what extent do you trust what the media present regarding corruption in Egypt?

![Bar chart showing confidence levels for different media sources.](chart.png)

- Opposition Newspapers: 10%
- Private Newspapers: 58%
- State-owned Newspapers: 74%
- State-owned Television: 77%
- Satellite Channels: 86%
Most Popular Corruption Cases

Homicide cases, which are covered in the press on a daily basis to sway public opinion, are rated as the most popular.

Figure 15: What are the most important corruption cases that you have heard of or read about?

![Bar chart showing the most popular corruption cases.]

- Homicides (Suzanne Tamim, Zikra, Daughter of Layla Ghofran) - 29%
- Sexual Harassment, Rape and Prostitution - 10%
- Drug abuse, Addiction - 9%
- Hooliganism, Fraud, Cash Smuggling - 11%
Bribery to Obtain Government Approvals or Process Government Papers

In this section respondents were asked about their experiences paying bribes to obtain government approval for licenses (trade, car, real-estate construction, demolition) or to dodge a fine or for tax reduction purposes. However the results are unreliable given that the majority of respondents, about 90 percent, as indicated in the sample review (40 percent housewives, 33 percent illiterates, 54 percent unemployed), do not deal with government officials regularly. In fact these respondents pointed out that these questions do not apply to them (1550 members out of a total of 1737). Therefore, the responses from the survey for small and medium enterprises conducted by The Ahram Center for Political and Strategic Studies in June 2009 should be used in this section.

Figure 16: To what extent do you see the following as reasons the cause for the spread of corruption (‘Yes’ answers)?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Salaries</td>
<td>90 %</td>
</tr>
<tr>
<td>Poor Performance of Regulatory Bodies</td>
<td>89 %</td>
</tr>
<tr>
<td>Insufficient Supervision of the Parliament</td>
<td>85 %</td>
</tr>
<tr>
<td>Dearth of Accurate Information</td>
<td>75 %</td>
</tr>
<tr>
<td>Overlapping Laws and Regulations</td>
<td>74 %</td>
</tr>
<tr>
<td>Weak Political Participation</td>
<td>71 %</td>
</tr>
</tbody>
</table>

Figure 17: Which institution or transaction from the following experience high corruption?

<table>
<thead>
<tr>
<th>Institution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government and Public Enterprises</td>
<td>21 %</td>
</tr>
<tr>
<td>Health, Public Hospitals</td>
<td>14 %</td>
</tr>
<tr>
<td>Police, Traffic Police, Ministry of Interior</td>
<td>13 %</td>
</tr>
<tr>
<td>Education Institutions, Ministry of Education</td>
<td>12 %</td>
</tr>
<tr>
<td>Municipalities</td>
<td>8 %</td>
</tr>
</tbody>
</table>

Figure 18: The following institutions play principle roles in combating corruption. Which one do you trust the most?

<table>
<thead>
<tr>
<th>Institution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious Clergy</td>
<td>29 %</td>
</tr>
<tr>
<td>Supervisory Bodies</td>
<td>17 %</td>
</tr>
<tr>
<td>Judiciary</td>
<td>13 %</td>
</tr>
<tr>
<td>Citizens</td>
<td>12 %</td>
</tr>
<tr>
<td>People's Assembly</td>
<td>9 %</td>
</tr>
</tbody>
</table>
Participation of Businessmen in the Public Sector

Figure 19: What is the impact of having businessmen in the people assembly and the corruption level in Egypt?

The results of the questionnaire signal dissatisfaction with the presence of businessmen in the People's Assembly and their assignment to ministerial posts.
Recommendations of the Advisory Council:

The Survey Sample

- Although the sample population used in this survey reflects Egyptian national demographics, the Advisory Council believes that because the majority of respondents are housewives, illiterate, or unemployed, their responses do not provide an accurate assessment of corruption, particularly when dealing with the state.
- The social classes that constitute the bulk of the sample do not represent the most vibrant and active segments of society. There are other groups that were not taken into due consideration which can play a more influential role in society’s progress.
- As such, the most the questionnaire results assumes, is a case diagnosis without being able to provide suggestions to cure the symptoms and problems that the opinion poll conducted earlier in June 2009 for SMEs has revealed.
- In response to the question about offering illegal sums to acquire state authorization, 90 percent of the samplers stated that this question does not apply to them. Consequently, we deem fit to exclude 10 percent of the sample’s extracted results pertaining to questions that focus on paying illegal amounts to obtain state endorsement (numbers 53 to 64, see annex), and to take advantage of the outcome of this topic through the questionnaire that Ahram Center for Political and Strategic Studies organized in association with the business community.

Perceptions and Attitudes of the Private Sector:

- The survey results communicate an important message to businessmen: the majority of those surveyed reject the private sector’s presence in politics. More specifically, they disapprove of businessmen holding ministerial posts or parliamentarian membership because the blurred lines between the public and private sector can lead to corruption.
- Business associations must address this negative perception towards the private sector not only through publicity, but by upholding good corporate governance standards and by working to alleviate economic problems for the majority of Egyptians.
- Business associations should advocate for legislation that curbs corruption. Moreover, if they seek to work in the public sector they should avoid positions that could pose a conflict of interest.
- Business associations should thoroughly examine Egypt’s experience transitioning into a market economy and should strive to understand how to minimize the negative repercussions.

The Dangerous Influence of Mass Media

- The survey underscores the growing influence of mass media, particularly television (satellite and local channels) in shaping public opinion. Respondents preferred honest and
unbiased analysis of news suggesting that media should conform to the strict professional standards of objective journalism.

Role of Religion in Society

- The questionnaire illustrates that citizens have a positive image of religion: the majority believe religious figures play a major role in combating corruption in Egypt. What’s more, a plurality of respondents think Saudi Arabia, a country whose influence has mainly been through religion, is the best model for Egypt.
- Mass media should shape its coverage of news to reflect religion’s important role in Egyptian society. More specifically, media should encourage the promotion of religious values that are consistent with those of a democracy such as ethics, justice, equality, and fair competition.
- It is incumbent upon the government to help propagate a moderate brand of religion as well. The government ministries responsible for religion, culture, and education should work to eliminate religious extremism.

Demand for Democracy and the Obligation of Political Parties:

- The survey results show that few people (0.1) believe democracy is a priority in Egypt. This complacency to the political status quo reflects negligence on the part of political parties to educate citizens about their rights. While many Egyptians are dissatisfied with their economic situation, they fail to make the connection between democracy and economic advancement. Political parties should listen to the concerns of their constituents, educate them on the issues, and encourage them to become involved in the policymaking process so that their needs are met.
- A genuine democracy reflects the demands of disparate groups within society - and the private sector is no exception. The private sector should advocate for democratic reform so that its interests are protected. The current authoritarian structure does not allow for an environment where businesses can thrive, which detracts private investment.

Role of Business Associations in Society

- The results of the survey demonstrate the need for business associations to play a larger role in creating a democratic, transparent society by working to correct many of the problems discussed by survey respondents.
- Business associations should work together with policymakers and civil society organizations to create and implement a comprehensive strategy to combat corruption.
- Lastly, business associations should contribute to the democratic advancement of society by encouraging corporate social responsibility.