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**Executive
Summary**

**The Civil Service Sector in Egypt and the Possibilities
of Development in light of the Digital Economy**

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Introduction

The administrative system in Egypt, which is considered one of the oldest bureaucratic systems in the world, has gone through many developments over the different eras. It affected by the various political systems and the development of economic and social conditions, and in line with changes at the regional and international levels, coupled with several institutional and organizational frameworks that have dominated its central character. The essential features of the state's civil service system were formed with the establishment of the Personnel Council at the beginning of the fifties in the last decade accompanied by the issuance of a law to organize personnel affairs, which outlined the basic features of the organizational relationship between the employee and the state. In the sixties were characterized by major transformations in the political system, accompanied by an expansion in the role and functions of the state at the economic and social level, and a significant increase in the number of workers in the administrative system. The spread of negative values and low efficiency and productivity formed a general impression of the weak performance of the government apparatus affected by the accumulation of problems and crises suffered by the Egyptian bureaucracy, like other civil service bodies in different countries of the world.

The term "civil service" has been widely used in government agencies to distinguish between civil servants and military service workers, and to keep pace with the shift in thought from focusing on the rights and duties of workers, to paying attention to improving the quality of public services provided to citizens. This is what Egypt's government has transformed with the issuance of the Civil Service Law No. 81 of 2016 to transform the name and content into a civil service instead of the civil servant's law in the state. The law became concerned with quality, performance and motivation of scientific excellence and innovation, which is reflected in the provision of public services and not, previously, a law of the rights and duties of employees only.

By the end of 2019, the world witnessed a new transformation like work conditions and ways of providing public services imposed by the Coronavirus pandemic, which accelerated the pace of digital transformation within the government sector to reduce time and costs, simplify procedures, and provided services around the clock, anywhere seven days a week. This prompted governments to accelerate the preparation of the business environment necessary to reach a strong and inclusive digital economy for all, the necessary infrastructure and digital financial services, and the enhancement of digital skills. In addition, expanding digital platforms is also an opportunity and a challenge for the state's administrative system to prepare for digitalization, create the appropriate environment to accommodate it, and spread a culture that deals with new patterns of service delivery.

Objectives

- Identifying the characteristics and development of Egypt's administrative system following the development of the digital world.
- Studying the evolution of the regulatory framework for public employees is considered the main framework for developing the civil service sector.
- Evaluating the efforts to reform the government system in Egypt, according to Egypt's vision 2030 and civil service law No. 81 for 2016.
- Overviewing several international experiences in reforming civil service in the era of digitalization, and possibilities of benefiting from their best practices in Egypt.
- Tracking and analyzing Egypt's efforts in digitalization and government readiness indicators for digital transformation and digital economy.
- Reaching suggestions that contribute to keeping the civil service regarding these transformations, promoting and creating the appropriate environment for digitization.

Methodology

Due to the discontinuation of issuing official data on employees in the government sector after 2016, the study relied on the available data with some conclusions regarding the development of employees' numbers based on the current situation. The study also referred to other studies and laws related to the civil service in Egypt, as well as in some countries around the world, and tracked the development of Egypt's ranking in several of international indicators.

Findings

- Most of the reform interventions were partial and unsustainable. Despite the emergence of the recent administrative reform plan in an integrated manner, it was characterized by its placement by specialists in the field of public administration without real participation of the government sector workers addressed by this plan, nor the participation of citizens who are the main beneficiaries of it.
- The multiplicity of administrative bodies are responsible for administrative reform, yet the reform process is comprehensive in which everyone must participate.

However, the proper application requires identifying the responsible authority and enabling it to put its reform plans into practice and making them mandatory for the various agencies and units.

- There are many legislations regulating the work of government employees, with many amendments, including Law (210) of 1951, Law (46) of 1964, Law (58) of 1971, and Law of Civil Employees in the State (47) of 1978, which was amended 17 times. This necessitated its change after 37 years, by issuing Law (18) of 2015 which was canceled and replaced by Civil Service Law (81) of 2016.
- The Civil Service Law (81) of 2016 created the Civil Service Council and expanded its competencies compared to what was stated in Law (47) of 1978 regarding the competencies entrusted by the Civil Service Affairs Committee.
- The Civil Service Law (81) of 2016 introduced the Academic Excellence Allowance to encourage science and diligence. The law was concerned with training youth as part of the system for developing a culture of civil service and human resources.
- The law took into account the humanitarian aspect of wages, stipulating that the periodic bonus does not require a decision from the competent authority. Once it is due, it is the employee's right, and this is in contrast to what was the case in the previous law, where it was necessary to grant it by the competent authority.
- Most of the indicators for measuring the performance of transparency and the efficiency of institutions in Egypt's vision 2030, which are targeted in the first phase by 2020, have not been achieved, which casts doubt on the possibility of achieving the final goals by 2030.
- The spread of corruption among the employees of the administrative system is one of the main challenges facing the reform of the administrative system and the economic development of the state. It necessitated the establishment of the National Anti-Corruption Committee and the Anti-Corruption Coordination Subcommittee, which issued the National Anti-Corruption Strategy.
- To control the inflation of the administrative body and the increasing wage bill, several directives and decisions were issued to stop appointments. In addition, with the increase in retirement rates during the period 2018-2022, the number of employees in the administrative body reached less than 5 million employees in 2022.
- Institutional reforms witnessed the creation of the position of permanent undersecretary of the Ministry. Decisions were issued by the Prime Minister to organize the appointment of assistant ministers, reflecting the state's orientation towards empowering youth.
- Prime Minister Decree No. 1146 of 2018 was issued to create six organizational divisions, followed by several decisions from the head of the Central Agency for Organization and Administration to determine their terms of reference. However, the actual reality indicates the difficulty of implementation, especially in light of the shortage of qualified human calibers in many state agencies.

- It is clear from experiences of countries in reforming the civil service that they were associated with a set of economic, political and social reforms, and parallel adjustments like the legislative, organizational and institutional structure. There was also an expansion of digital option usage, taking into account the cultural and technological challenges.
- The UAE experience is characterized by establishing the concepts of customer happiness, flexible work methods, and employing digitization in all government strategies to make the government digital in terms of design. The Singapore experience is characterized by competitive salaries, a multi-level performance evaluation system, linking incentives and rewards to performance, and fighting corruption through a strong legislative framework and an independent judicial system.
- Many indicators commend Egypt's progress in the field of the digital economy and digital transformation of the government, and the current situation is promising in general and advanced in the field of digital infrastructure in particular. In addition, it is expected that Egypt's position in these indicators will improve in the coming reports as a result of developments that occurred during the Coronavirus pandemic.
- Yet, there are many challenges obstructing the smooth digital transformation in the government system, including the failure to transform the digitization culture into plans and strategies, the insufficiency of financial resources, and the unavailability of specialized human resources. In addition, there is resistance to change by some categories of employees, the modest number of mechanized public services, and weakness in the use of the Internet by citizens, especially in Upper Egypt and the border governorates.

Recommendations

- The need to complete the job census, to announce of the official numbers of employees in the government system, and identify deficit and surplus areas, especially after amending the organizational structures of the majority of ministries and modifications in structures in many agencies, and the near completion of amending the organizational structures of the governorates.
- Reviewing the various committees and ministerial decisions regulating the work of the civil service, which were formed and issued after the issuance of the Civil Service Law in 2016. Considering that some of these committees and decisions are not activated and have not proven successful in implementation, which requires updating and activating them.
- Completing the efforts of the Central Agency for Organization and Administration in automating employee files with the importance of building electronic databases for leaders and those with skills and experience. Moreover, the importance of applying

an advanced system for selecting and managing senior state employees because of its impact on the decision-making process.

- The necessary to formulate a national strategy for digital transformation that defines its objectives. The importance of an action plan and time frame for implementation, building an Egyptian indicator to measure the performance of digital transformation policies in various government institutions, and measuring progress towards bridging the digital divide.
- Assessing the technological capabilities and skills of civil servants, setting up a development program and raising their capabilities according to the needs of each employee, and incentives to encourage employees to progress in their capacity-raising programs. It is proposed to move forward in designing an educational platform for civil servants.
- Increasing community awareness programs about the services that have been made available electronically and how to use them. Educating civil servants about the advantages offered by digital transformation in the exercise of their tasks to overcome the culture of resistance to change. Increasing investments to complete the development of technological infrastructure and focus on the governorates of Upper Egypt and the rural areas to achieve digital inclusion and bridge the digital divide.

Policy

- Reviewing the institutional and legislative framework regulating the work of the civil service in Egypt since 2014, which became clear from its analysis the need to unify the responsibility for planning, formulating policies, distributing implementation responsibilities, and updating and activating some articles of the civil service law.
- The need to update the vision of reforming the state's administrative system, after six years from launching Egypt's Vision 2030, including transparency and efficiency of government institutions, which could not achieve its quantitative indicators. Taking into account the rapid and successive developments in the environment and nature of work.
- Although it is not possible to separate any successful reform experience from its historical context, the experience of applying government excellence awards that were implemented in the UAE proved successful. It indicates the possibility of successful and effective cooperation with some other countries to implement successful practices in the field of administrative reform.
- Expanding the reliance on digitization as a means to improve service delivery because of its proven advantages in the application. However, tackling digitization and digital transformation requires looking at it from all its aspects (financial, technical, cultural, human and economic) so that it does not turn into a mere modern interface to old practices.