B Global Economy and Development at BROOKINGS

A Multi-Stakeholder Approach to Egypt's Development:

The Role of Civil Society and the Way Forward

Thursday, March 24, 2011

On Thursday March 24, the Brookings Institution, the International Youth Foundation, and the Egyptian NGO Nahdet El Mahrousa co-hosted a <u>roundtable</u> entitled "A Multi-Stakeholder Approach to Egypt's Development: The Role of Civil Society and the Way Forward." The <u>participants</u> represented a wide variety of sectors including think tanks, universities, Egyptian civil society organizations (CSOs), U.S. based international NGOs, U.S. government, donors, and U.S. based philanthropic foundations and social investment funds.

The roundtable was convened to create a clear roadmap of support for Egyptian civil society which will be filling a vital role in the country's political and economic development in post-Mubarak Egypt. Specifically the roundtable's goals were to:

- Identify the internal and external challenges currently facing CSOs in Egypt.
- Share recommendations and solicit feedback of stakeholders.
- Discuss future plans of participating organizations.
- Reach common ground on key goals and priorities.

A series of <u>key recommendations</u> provided a starting point for the roundtable discussion. The roundtable was divided into two sessions: the first focused on the role of civil society in political reform, democratization, and human rights, while the second focused on economic development and employment.

Discussion Summary

The diverse perspectives of the participating stakeholders enriched the discussion. While there was consensus on the recommendations presented, several questions and debates still emerged. The following is a series of key themes from the roundtable:

The State of Egyptian Civil Society

Evolving Civil Society Landscape:

In a newly democratic Egypt, many opportunities and challenges exist that influence the role of civil society. For example, civil society leaders moving into political and governmental roles will create a power vacuum in civil society; therefore efforts to foster new CSO leadership must be made (the South African example was discussed in this context). Another challenge will be posed by the expected increase in competition between CSOs for scarce financial resources available for political reform and democratization. Given the political opportunity, CSOs traditionally focused on human rights and those focused on charity and development will be competing for the same funding to start programs in their respective areas of interest. Support mechanisms must be created to ensure a smooth and productive transition for CSOs that wish to transition to formal political parties. Finally, CSOs will need assistance addressing key priorities such as linking rural and urban areas, promoting public accountability (example: auctions for public lands), and creating a system of societal checks and balances. CSOs have a crucial and historic opportunity to contribute to "leveling the playing field."

State - Civil Society Relationship:

The relationship between the State and civil society continues to evolve in post-revolutionary Egypt. Delays imposed by regulatory and supervisory bodies, such as the Ministry of Social Solidarity (MOSS), are negatively affecting CSO operations in Egypt. For instance, while USAID received a waiver from the military council to make direct grants to NGOs without prior approval, all officially registered Egyptian NGOs are still required to await written approvals for funding, resulting in continued long delays. Currently, there is a limited dialogue between some CSO activists and the military; however there are no clear, established communication channels in place between CSOs and the military. Positive developments include CSO dialogues with the Ministry of Education and MOSS. Additionally, some specific types of CSOs, such as private unions, have been given permission to form without any prior government approval required. However much work remains to be done, specifically by increasing CSO engagement in government processes (e.g. policy comment periods) and providing technical support for the reform and restructuring of governmental bodies like MOSS.

Lack of Capacity and Need for a Roadmap:

In the words of one roundtable participant, "Egypt has great activists but weak institutions." Over the past fifty years, the state deliberately weakened institutions, most markedly CSOs. A variety of actors must provide strong support and investment in institutional capacity building and professionalization of the civil society, including funding both institutions and their projects. Participants highlighted the importance of involving CSOs and other grassroots actors in creating a home-grown roadmap for the future that holistically addresses economic recovery and development. For instance, when addressing youth development, there must be a vision beyond employability and job creation that includes decent housing and other aspects of a lifestyle with dignity. The discussion also focused on the need to promote youth coalitions' efforts to develop an agenda for proactive economic and political reform. Recommendations were made to reach out to young entrepreneurs, citing the positive results of youth-led enterprises and small business incubators as a successful mechanism for economic growth and youth civic engagement.

Role of Donors

Crucial Role of U.S. and Western Donors:

In the case of Eastern Europe's democratization during the 1990s, the U.S. and other Western countries played an important and positive role in supporting democracy. In the present situation, one of the West's most important roles is to promote cross-learning from other regions such as the Balkans, Eastern Europe and Southeast Asia. However, donors must remain conscious of the distinction between providing technical support for home-grown civil society development and intrusive foreign intervention that may be negatively perceived and hence resisted. The shifting image of the U.S. in Egypt was also discussed. Some participants believed that U.S. assistance would now be viewed more favorably, even those CSOs traditionally suspicious of the U.S., due to the fact that U.S. support for the Mubarak regime is no longer a factor. However, others argued that there is still work to be done in restoring trust between Egyptian CSOs and the U.S.

Reformulating Strategies and Approaches:

There is a strong need for donors to devise more flexible and responsive mechanisms to invest "patient capital" in Egyptian CSOs. Funders should support cooperation and coordination among CSOs rather than competition. Governmental donors, multilateral and bilateral, can adopt similar mechanisms that philanthropic foundations have used in similar situations to enable responsive and flexible funding. Despite the emphasis on innovation, the importance of investing in proven existing models, and institutional building, was also highlighted. One participant, addressing donors, summed up this approach by saying, *"Support it and if it works, stick with it."* Several institutions are reformulating their strategies toward supporting civil society and youth economic engagement in both Egypt and the Arab

region. For instance, some key international finance institutions (IFIs), as well as USAID, are planning to incorporate greater civil society engagement into their in-country programming and funding.

Outreach to Non-traditional Players and Regions:

Several participants stressed the need to strategize on engaging non-traditional CSOs, including faith-based organizations, emerging private unions, small and medium enterprises associations, public university student groups and student unions. In addition to neglected players, geographical isolation was also discussed. Areas such as Upper Egypt have traditionally been neglected, by donors, local philanthropic foundations and by corporate social responsibility activities. Some participating donors and IFIs seemed cognizant of this gap and highlighted their plans to increase outreach outside of Cairo and large cities, whether for entrepreneurs or CSOs.

Next Steps

Based on the recommendations presented and the ensuing feedback and discussions at the roundtable, the presenters are currently conducting a series of additional in-depth interviews in order to develop a policy brief on the role of civil society in the new Egypt.