

INDIANA UNIVERSITY



April 25, 1996

Professor Ali El Din Helal
Dean, Faculty of Economics and Political Science
Cairo University
Cairo, Egypt

INSTITUTE FOR
DEVELOPMENT
STRATEGIES

Dear Dean:

I am writing to express to you our pleasure at having had Dr. Attia Afandi as a visitor in the School of Public and Environmental Affairs at Indiana University during the just concluded semester.

Dr. Afandi arrived here in January and although this was the first time he has spent considerable time in the United States, he adapted quite well. I have had many visiting professors over the years, but I have never had one who worked harder than Attia during his stay here. In fact, I often suggested to him that he should spend more time on recreation, but he was determined to get as much as possible from his professional time here. I am sure it was not always easy for him, but I do believe that he has learned a great deal that will be of considerable use to him and to your faculty in the future.

On a personal note, Attia has always been a pleasure to have here among us. Both I and all of my staff have become quite fond of him and we will miss him when he returns to Egypt. He was always agreeable, never demanding, and was an interesting person with whom for my colleagues and I could discuss professional matters.

Unfortunately for him, he picked a very bad year to be in Indiana as we had our worst winter in many years. I am sure it was difficult and very strange for him to deal with 15 inches of snow. But he never complained and was always in good humor.

It has now been 20 years since I first begin to work with Cairo University. It has been nice to have Attia with us to mark that 20th year anniversary. We certainly wish he, and you, and your colleagues all the best for the future, and hope to have the opportunity to work with you again.

Sincerely yours,

A handwritten signature in cursive script that reads "Charles F. Bonser".

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Proceedings:
The Role of NGOs in
Economic Development
"State-of-the-Art"
International Research
Conference



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1995
رئيس قسم الإدارة العامة
كلية التجارة والعلوم السياسية
جامعة القاهرة

Proceedings:
The Role of NGOs in Economic Development
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Edited by

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and

International Institute of Administrative Sciences

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NGOs and Development in Egypt: How Much Do We Know, and Where Do We Go from Here?

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Introduction

The number of Non-Governmental Organizations (NGOs) now present in Egypt exceeds 15,000¹ and a great number of these organizations play an active role in development. Studies and surveys conducted in the recent years confirm that many Egyptian NGOs contribute toward solving numerous and varied problems within the country. Furthermore, they support the low-income population in the local communities where they operate,² and recently some of them have established small business projects.³ However, it is hoped that a great number of them should become more effective in the work that they do

This paper will discuss the following:

1. The definition of an NGOS.
2. Important areas regarding the field of work of NGOs
3. Some questions for further discussions
4. Case studies of two programs, that for productive families and the Small Scale and Handicraft Industries project.

Definition of an NGO

In the field of development, there must be agreement on the terminology used. In addition, a classification system for organizations that is both rational and consistent needs to be followed.

The Johns Hopkins University Project defined an NGO as a group meeting the following criteria:

1. Having a formal structure, and being to some extent permanent.
2. Nonprofit in a general sense.
3. Non-governmental, in that it must not be linked structurally with the government, although it may get assistance (monetary or technical).
4. Self-governing.
5. Based on voluntary participation in both its foundation and its activities.
6. Without connections to political parties, although it may pay some attention to political issues.⁴

In Egypt, the political and professional organizations should not be included in the category of NGOs. This is because the term refers to those organizations that are:

1. Focused on human needs.
2. Funded mostly by voluntary contributions.
3. Operated by volunteer boards of directors.
4. Nonprofit, though if there is profit it should be utilized to develop the work of the organization.

NGOs, therefore, include social, educational, religious, political, and cultural organizations. It is clear that these organizations are predominantly defined in terms of what they are not, rather than what they are.

The Development of Egyptian NGOs

The term "Gamiat" is used to express what we mean by NGOs in Egypt. The activities of NGOs in Egypt, like those in many other countries, display three main features:

1. They complement and enhance governmental efforts.
2. They pioneer and experiment with new ways to organize society.
3. They are not replacing the business sector.⁵

The framework within which these Egyptian NGOs operate, including their status, activities, relationships and funding, has changed in the last few years. This is due to certain developments:

1. The growing worldwide concern with sustainable development.
2. The increasing acceptance of popular participation, especially from the point of view of the donors (states and organizations) and the UN.

3. The evolution of agreement about that the role of NGOs, which appears clearly in three directions: helping the governments, supporting the privatization process, and presenting models to be imitated.

Study of the development of NGOs makes clear several generalizations about them and requirements for their continued growth. These include the following.

1. The aggressive and negative attitude of NGOs toward the government must not continue.

2. It is very important to differentiate between national associations or societies and organizations representing civil society.

3. Over time, NGOs develop to fulfill economic functions.

4. Attention must be paid to human resources development.⁶ Many studies concerning Egyptian NGOs agree that they need to develop their managerial capabilities, train their staffs to plan and implement the projects required by local communities, and be supported by the government.

5. Training programs can help NGOs learn more about the existing laws and regulations affecting them, especially in terms of how to apply them and how to work "within the system." Policy dialogue workshops, to discuss the role of NGOs and the problems and constraints facing them, may have an impact if they have high-level political support and are covered in the mass media.

6. The government can support NGOs by creating an environment that encourages more voluntary initiatives. This would strengthen NGOs' ability in building upon the formal development programs effectively, especially if they are considered partners in the development process. In return, NGOs have to show good will and assure the government that they are not working against the national interest.

7. Transparency and accountability can play an important role in the relations between the government and NGOs.

8. Institutional mechanisms may be needed to enable these organizations to express their views and needs, and facilitate the flow of information. Here data banks may be very useful.

9. Creating and enhancing credit resources would help NGOs to fulfill their tasks effectively.

10. Law No. 32 of 1964, dealing with associations and foundations, was conceived in a political and ideological climate dominated by the idea that the leading role had to be played by the government, in all sectors of the national economy. This idea must be reviewed in the near future to enable NGOs to play a meaningful role in national development.

11. NGOs should seek, in all aspects of their activities, to complement and support the efforts made by the government in the national development process instead of competing against or overlapping with them.

Questions for Further Discussion

The above conclusions notwithstanding, we still need to answer some essential questions about NGO's in general, and specifically those in Egypt.

1. What is the nature of the NGO-government relationship? How should this relationship be structured for NGOs to fulfill their potential as contributors to formulating and implementing the national development strategy?

2. Do NGOs have the ability to contribute to the solution of the problems facing Egyptian society?

3. What is the impact of increasing dependency on foreign funding and assistance, in terms of both advantages and disadvantages?

4. Does the public have enough information about the role and activities of NGOs? How can the mass media help inform the public? Will they be encouraged to volunteer and participate?

5. What leads to the success of NGOs? How is that success best measured?

6. What should be done to increase the role of NGOs in society?

7. How can Egypt benefit from the experiences of NGOs in developed countries?

8. What are the problems faced by NGOs in Egypt? Are there policies and/or management approaches that can reduce or eliminate these problems?

9. In the context of NGOs, what is the real meaning of "profit"?

10. What exactly are the types and extent of political activities of NGOs?

Conclusion

Although the activities of the Egyptian NGOs are related to most of the problems facing the society, various studies have confirmed that their role in solving these problems is still limited and that they lack some of the required skills in such management areas as community needs assessment, project planning, implementing and appraisal. They also face many other problems and constraints which hinder their action and reduce their effectiveness.

The effectiveness of NGOs in the field of development cannot be realized unless these organizations meet the following needs:

1. Getting legal support from the government, and being institutionalized.

2. Raising sufficient financial resources to guarantee their independence and freedom of action.

3. Finding or training staff capable of managing the organizations and planning their projects.

4. Being recognized as partners in formulating political decisions on the national development process or strategy.

Case Studies of Two Projects

The Productive Families Projects

This program began in 1964 as, according to its internal documents, a social project with economic formula aiming at investing in families' work by converting the house into a productive unit and thereby helping increase incomes.

The policies of this project has been formulated by the Public Society for Professional Training and Productive Families, in cooperation with the Public Department for Productive Families of the Ministry of Social Affairs. The Society also applies decisions and regulations conceived by the Ministry, and helps other societies by providing funds and supervising them. The number of the Productive Families projects reached 427,000 by 1990, and the project now gets support from the Social Fund for Development (SFD) Program for Social Development.

However, more work is needed to decrease the level of centralization in running the project, which would include a more active role for NGOs with a development orientation. Additionally, in spite of the relative success of these projects in creating job opportunities for many families, the current and anticipated effects of the public policies supporting the private sector and free market are leading these families to sell their products to the private sector instead the public. At the same time, these family products face serious competition from imported goods.

The Small-Scale and Handicraft Industries Project

This project is based on a standard model accredited by the US Agency for International Development (USAID) and implemented in many Latin America and Southeast Asian countries.

The framework of the project is as follows:

1. An NGO performs the role of intermediary between the donor (USAID) and the beneficiary organization(s).

2. The funding is directed to existing handicraft establishments (employing 4-5 workers) and small-scale industrial establishments (using 6-15 workers).

3. A network of development specialists is organized to offer technical assistance to the establishments.

As of March 1993 a total of £E16 million in loans had been directed to over 4,700 small business working in different areas, mainly clothes, leatherwork, woodwork, plastics, foodstuffs, and handicrafts, totalling approximately 10,000 jobs.

The mechanism of the project builds upon placing the USAID funds in a commercial bank at the market rate of interest. This is then used as collateral for loans which the small businesses get from the bank and usually covers about 95% (in Egyptian pounds) of the amount of the loan in dollars and 2% is added to cover administration and miscellaneous program costs. The evaluation of the project has found clear signs of success.

NOTES

¹Amal Othman. 1993. Opening speech in the Conference on the Role of NGOs in National Development Strategy, 1-3. *Executive Report*. April, p. 17.

²See, for example, UNICEF, "Strategy Paper on the Strengthening and Promotion of Egyptian NGOs," February 1994, p. 10.

³For example, the Productive Families Association established 407 projects for raising cattle and sheep, 131 poultry projects, 36 small industry projects, etc.

⁴Lester M. Slamon and Heimut K. Anheier. 1989. *In Search of the Nonprofit Sector (Guide No. 1, The Johns Hopkins Comparative Nonprofit Sector Project)*. Baltimore: Johns Hopkins University.

⁵See B. Weisbord. 1977. *The Voluntary Nonprofit Sector*. Toronto: Lexington Books.

⁶See the proceedings of the Workshop on National Organization and their Role in Economic and Social Development in Egypt, 22-24 October 1994, sponsored by Arab Research Center and United Nations Economic Committee for Africa.

⁷We raise these questions as a response to the report of IIAS, *The Role of Non-Governmental Organizations (NGOs) in National Development Strategy in Arab and Middle East Countries*, Proceedings of the Arab and Middle East Seminar, Cairo, Egypt, 29-31 March 1993, edited by Charles F. Bonser and Arthur Ringeling, Brussels: IIAS, March 1994.