

GOVERNANCE OF AGRICULTURE AND RURAL DEVELOPMENT IN EGYPT

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Abstract

Agriculture is a major economic issue in Egypt, although its contribution to the GDP is gradually diminishing. It is evident that rural and agriculture growth is the key element towards reducing poverty, achieving food security and increasing demands for labor.

Egypt is facing great challenges regarding its economy in general, and agriculture and rural development (ARD) in particular, such as food shortage, water insufficiency for agricultural purposes, the extreme poverty among small-scale farmers, lack of coordination and integration between various stakeholders, complicated local administration system and centralization, and declined governmental investments in the agriculture sector.

Though, all these challenges require restructuring Egypt's governance in agriculture and rural development and institutional reform.

Therefore the current study aims at identifying agriculture and rural development policies and strategies in Egypt, public stakeholders involved in designing, implementing and evaluating ARD, besides analyzing the relationships and linkages between these actors. Additionally the paper provides an overview of the main international organizations dealing with ARD (*e.g.* UNDP, JICA, and FAO) and implemented projects.

Various analytical tools were used in order to give comprehensive overview about ARD in Egypt, including quantitative and qualitative methods. SWOT analysis was used to verify the gaps in the current flow of ARD strategy.

ARD strategy in Egypt needs to be re-structured and based upon coordination and integration between various sectors and stakeholders either national or international to avoid duplication and fulfill ARD goals and objectives that will eventually lead to "true" development, food security and poverty alleviation.

Keywords: Agriculture, Rural Development, Governance, Egypt.

Introduction

The Egyptian administrative system was developed in 1960; it was an organizational technique by which the country's regions were divided into local units that practice their authority according to the constitution within their regional jurisdictions. The local administrative systems in Egypt include three main institutions: the high council of local administration, economic territories, and local units.

The local units include four levels: governorate, district (markaz), village and satellites. The village local unit acts within the public plan and manages all public facilities within its jurisdiction.

Agriculture in Egypt has witnessed significant developments over the last two decades with direct effects on the role of the agricultural sector in national income formation and exports

promotion. Such developments have also affected farmers' delivery as related to the cropping structure, applied technology, levels of income, and farmers' response to market changes. The share of agriculture sector in GDP is about 14.5% in 2011 (CAPMAS, 2006). During the last three years, growth rates improved, reaching 3.3% in 2006/2007 and declined to 2.7% in 2011 (MALR, 2009).

Egypt's population size reached 72,798,031 of which 31,370,925 inhabit urban areas representing about 43.09% and about 41,427,106 inhabit rural areas representing about 56.90% (CAPMAS, 2006). The agricultural labor force is the highest as compared with other sectors; it represents about 26.01% of total labor force, agricultural male labor represents about 29.08% and 9.67% are female of total labor force.

Rural development experiences in Egypt faced problems that chained its progress, and all lacked coordination and integration, financial problems, political conditions, poor management and most important factor, except "Shorouk" program did not reflect people's priorities and needs, though "good governance" or "rationale governance" could be the key solutions to overcome these problems.

Governance basically emerged within the developmental context of international organizations *e.g.* UNDP, IMF in 1989 as other stakeholder become partners in the developmental processes *e.g.* private sector and civil society organizations though it was necessary to achieve coordination and integration among these partners from one hand, and to improve "governance" within its structure in order to guarantee the success of any development exerted efforts. Governance became not only the main goal but a prerequisite for aid allocation to developing countries, which represents a question mark about the real purpose of this "buzz word" and its impact on the socio-political stability in developing countries.

The concept tackled different angles which mainly reflect these organizations agenda, but all shared four main features; first improving public management or improving governmental bodies' performance, second transparency, third accountability and forth is the rule of law. Some organizations widened their scope to include military expenditures and controlling corruption.

The IMF determined three dimensions for governance: the political system form, and the means by which power is exercised in managing the social and economic resources for development and finally the government (state) capabilities to design, formulate and implement policies and distribution of tasks (Al-Baradei, 2003). Though, governance concerns the state's ability to serve the citizens, it refers to rules, processes and behavior by which interests are articulated, resources are managed and power is exercised in society (The European Commission, 2008).

There are eight key principles grouped under three main themes for effective rural governance (Stark, 2005):

- Collaboration: crossing sectors (public, private, and non-profit), and crossing political boundaries and recognizing regions.
- Sustained citizen engagement: welcoming new voices (especially underrepresented individuals and youth) and visioning a different future (bottom-up process).
- Leveraging: analyzing a region's competitive advantages (focuses on strengths and identifies clusters), and strengthening competencies of local elected officials and engaging key intermediaries, besides investing local capital. Governance of a sector, and the way in which politics and institutions interact within that sector, will in practice have a critical impact on sector policies and services.

Governance assessments have traditionally focused on formal governance structures and processes and less on the interaction between actors and institutions. Recently, newer generations of governance analysis frameworks have emerged which adopt a more realistic and non-normative approach, and as such are more in line with political economy frameworks and approaches (DFID, 2009).

In light of the previous review and analysis, an important key question emerges regarding the current study dilemma; are there any rationale management and smooth flow of the decision-making processes that helps in solving or avoiding some or all threats and weaknesses in Egypt ARD? Is there any kind of cooperation and coordination among various actors? What about major problems these actors face and to what extent they manage their projects at operational levels? Are ARD programs implemented by these actors reflecting people's needs and priorities? And overall is there any RD strategy in Egypt?

All these questions reflect the current study's problem and in same time its objectives, as they all combined emphasis the important relationship between governance and achieving successful ARD policy that guarantees its sustainability.

The current study main objective is to identify whether good and effective governance “really” takes place in Egypt ARD or not. Therefore the following specific objectives were formed:

1. Identifying agriculture and rural development policies and strategies in Egypt;
2. Identifying public stakeholders (actors) involved in designing, implementing and evaluating ARD;
3. Analyzing the relationships and linkages between these actors.
4. Providing an overview of the main international organizations dealing with ARD and implemented projects.

Material and Methods

The work is based on an extended secondary data review. The main sources were some Egyptian ministries (*e.g.* Ministry of Agriculture and Land Reclamation, Ministry of Economic Development) as well as some international organizations (*e.g.* FAO, JICA). The approach adopted is at the same time descriptive and explorative. Various analytical tools were used in order to give comprehensive overview about ARD in Egypt, including quantitative and qualitative methods. SWOT analysis was used to verify the gaps in the current flow of ARD strategy.

Results and discussion

Egypt's agriculture sector faces great challenges, through analyzing its status as indicated in table 2, there are problems that affect the performance of this sector and all those involved in it, institutions, organizations or unions. Basically, there is a kind of separation between agriculture development and rural development, the three agricultural strategies since the 80's then 90's and the current strategy developed in 2009 focused mainly on agricultural development and neglecting to some extent rural development until the last strategy which allocated part of it to improving rural people's life and infrastructure and paid attention to improving the human capital via education, health, and socio-economic environment.

Table 2: SWOT analysis of agriculture and rural conditions in Egypt

Strengths	Weaknesses
<ul style="list-style-type: none"> • Availability of labor force • Increased productivity in many crops • Improved export capabilities • Food gap reduced in some crops • Reformation of owner-tenants relationship • Existence of legislations and regulations • Various entities participate in ARD • Diversified production activities 	<ul style="list-style-type: none"> • Lack of a rural development strategy • Unskilled labor • Fragmented agricultural lands • Youth migration • Water resource problems • High poverty and illiteracy rates • Lack of coordination among ARD stakeholders • Weak role of agriculture extension and cooperatives
Opportunities	Threats
<ul style="list-style-type: none"> • Establishing rural development strategy • Incentives to attract rural youth • Improved coordination and cooperation among relevant stakeholders • Enhancing SME's among rural youth • Training for unskilled labor • Improved rural finance and credit • Improving food exports 	<ul style="list-style-type: none"> • Increased population rates and density • Losses in agricultural lands • Deterioration in soils • Political instability • Water scarcity • Absence of valuing agriculture lands • Deterioration in natural resources • Increased food demand and food import

The sixth five - year plan for social and economic development (2007/2008-2011/2012) indicated that about 1392145 thousand Egyptian Pounds (EGP) is allocated for implementation of programs and projects by the Ministry of Agriculture and Land Reclamation (MALR), representing about 0.87% of the total budget allocated for social and development projects (Ministry of Economic Development, 2007a). Additionally, the second part shows that about 1105300 thousand EGP are allocated for MALR for implementing its economic activities *e.g.* agriculture, irrigation, land reclamation, financial intermediation, insurance and social security (Ministry of Economic Development, 2007b).

The targeted investments for agriculture and irrigation in 2012/2013 is about 12.4 billion EGP with an increase of about 141% of the previous year, which was about 5.14 billion EGP, due to doubled investments in private sector, which was about 7.4 billion EGP.

Rural development programs witnessed historically five main phases from (1882-1994), each phase was distinguished with specific features since the British occupation who paid attention only to cotton production, to the establishment of the Agriculture Credit Bank in 1931 to finance farmers, cooperatives and rural development efforts. Also community groups were formed to improve the living conditions especially among farmers. Then the Ministry of Social Affairs with a special division for farmers, and rural social centers were established in 1941/1942. In 1942 a law concerned with rural health was issued which allowed the government to allocate part of its budget for rural health programs and to establish agricultural units that provides extension services to farmers. Prior to the world war II the High Committee for Poverty Alleviation was established and provided an eight year plan that

coordinate among provided services, aiming at establishing a social centre in each village that includes a clinic, a rural school and a rural industrial training centre.

After the 1952 revolution the agriculture reform law was issued determining the size of land ownership, followed by establishing the General Services Council in 1953 to support the service programs particularly in rural areas. In addition to launching the combined units that provide various services, economic, social, health and educational to rural areas in 1956, in same year the unified cooperative law was issued.

The first five year plan took place in 1960/1965 and the state adopted the central planning policy during 1960-1973. The government paid attention to educational and health services mainly in rural areas, with no attention to infrastructure services. In 1960 the local administrative law was issued which enabled for the first time people's participation in designing projects and programs in rural areas and to some extent in its implementation.

In 1973 the Organization for Reconstruction and Development of the Egyptian Village (ORDEV) was established to be responsible about forming the executive plan, monitoring and evaluation. In 1976 the role of agricultural cooperatives was weakened due to the establishment of village banks that took most of their activities. In the 80's various projects and programs funded mostly by foreign institutions and agencies were implemented aiming at achieving economic and social changes in rural Egypt, but they lacked coordination and integration from one hand and overall development philosophy from another hand.

The five previously mentioned RD stages in Egypt basically stopped at 1994, yet the five year plan for social and economic development continued, but a sixth stage or phase could be added which took place in the period 1994-2017 as it includes a very recent integrated RD program, the National Integrated Rural Development Program "Shorouk" *i.e.* sun rise. The program was applied through ORDEV, which adopted a specific strategy that incubates all public and governmental efforts to achieve real rural development that assures integration and coordination and people's participation in the development process. Its philosophy depends on people participation is the core of development and the governmental efforts (financial and technical support) are complementary. The program was supposed to end in 2017, but could not due to financial and political issues. This program, to some extent applied governance technique when providing its institutional structure and technical support (Moharam, 2005) in order to assure smooth flow in all the developmental process and to guarantee coordination and integration among various actors and full participation either from people or civil society organizations.

There are various international organizations *e.g.* UN organizations, UNDP, FAO, JICA and national organizations *e.g.* ministries, Universities, research centers, private sector and extension all dealing with development in general and ARD in particular. Basically, most of these organizations deal with the notion of development that could be agricultural or small-scale enterprises or loan providers or charities. The governmental organizations particularly ministries provide development either in rural or urban areas, with few exceptions such as The Ministry of Agriculture and the Ministry of Local Development (MLD). At the government level, particularly in MALR, the direct provided ARD strategy is the Sustainable Agricultural Development Strategy (SADs), in addition to the other socio-economic plan implemented by other national actors. SADs vision is to achieve a comprehensive economic and social development based on dynamic agriculture sector capable of sustained and rapid growth, while paying special attention to underprivileged social groups and reducing poverty. Whereas its mission is to modernize agriculture based upon achieving food security and improving rural people's livelihood, through efficient use of development resources,

utilization of geopolitical and environmental advantages, and comparative advantages of different agro-ecological regions.

The strategy provides the following implementation mechanisms: institutional reform for agriculture sector and civil society organizations, developing different agricultural policies, development of programs and projects *e.g.* the national program to rationalize and upgrade efficiency of water use in agriculture, national program to develop field crops, national program for socio-economic development in rural areas (MALR, 2009).

The following represent examples of some major programs and projects implemented by some international organizations in Egypt. FAO projects in Egypt (1978-2010) include: Egypt-Al-Beheira rural development, irrigation improvement program, assistance in agricultural policy analysis, promotion of agribusiness investment by private sector, strengthening the nation agricultural extension system, assisting small-scale poor fishermen to increase their fish catch. In general FAO implemented about 150 projects in Egypt within the same period that amounted US\$ 55,234,702 (FAO, 2011). As for JICA, the following represent major projects implemented in Egypt: introduction of clean energy by solar generation system and drainage water quality control for irrigation in Middle Delta (JICA, 2013).

The UNDP continue to focus on poverty reduction via inclusive growth and job creation through the policy environment and support services for small and medium enterprises and facilitating their access to credit. Also better targeting the poor by enhancing poverty monitoring and promoting policies that enhance integrated social development, social protection schemes. In the area of strengthening sustainable management of the natural environment, UNDP helps the Government of Egypt to build its capacities and develop adaptation options and local solutions to climate change, besides promoting biodiversity.

The UNDP programmatic priorities in Egypt's transitional period focuses on four major pillars: supporting expanded and effective political participation, supporting greater transparency and accountability, promoting a culture of human rights, and supporting local development, poverty reduction and social justice, which reflect the notion of governance.

Although all international and national actors work within the development policy framework of the state, yet they have their own agendas that serve their visions and missions. Additionally no coordination among all these actors, except some cases, for instance at national level the MLD implements infrastructure projects while the Ministry of Housing, Utilities and New Communities do the same. Some donors implement their projects in collaboration with governmental bodies in order to gain access to targeted areas and people, especially now as people are susceptible towards such organizations and their hidden agendas. As mentioned when preparing the SAD's document towards 2030 which reflect national objectives, it was done in coordination with Agricultural Research and Development Council, FAO, with inputs from IFAD and WB.

Conclusions

In Light of the previous literature it is evident that “governance” is not applied regarding the overall state policies and plans in general and ARD in particular, besides there are no direct rural development strategy as it is included briefly within the agricultural strategy, even though enhancing the agriculture sector will eventually lead to improving those involved in the agriculture yet no improvement in quality of life of rural people, which is the core of RD. Additionally, socio-economic state plans are scattered among various ministries and authorities that creates duplication and lacks coordination, also this is the case in the international organizations dealing with ARD.

Therefore the paper recommends changing in both policies, legislations and institutions relevant to ARD, though ancient formation of the state plan that depends on centralization, without participation of relevant actors should be changed, and Ministry of Agriculture should be responsible about ARD policy in Egypt or Ministry of Local Development to be changed and take that part with involvement of various actors. Additionally, local people representatives should participate in any ARD policy to reflect their basic needs, yet their awareness about “governance”, is required so they can set their priorities on real basis. Research and extension should be empowered and practice their role with farmers, but this require changes in structure of the current institutions and budget to be suitable to carry on this role. Finally farmers should be gathered in one entity and fragmentation of agricultural lands should be based on collective production.

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