



EFFORTS TO INTRODUCE INCLUSIVE PLANNING IN EGYPT

Kei Sakamoto



Kei Sakamoto is the deputy assistant director in the Middle East Division 1, Middle East and Europe Department, in Japan International Cooperation Agency (JICA).

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Abstract:

Arab countries lag behind the rest of the world on nearly all governance indicators, particularly those related to voice and participation. Together with a lack of transparency and low accountability, this has led to greater corruption and the emergence of the soft state. A sense of alienation and exclusion, especially among youth, contributed to popular dissatisfaction, which remains unsolved after the revolution. That is why the research paper focuses on ways to improve participation in policymaking and economic planning, and to provide a guiding vision to recover from the crisis after the revolution, using Egypt as an example. The paper reviews the experiences of Japan, Malaysia and Indonesia, which indicate the importance of achieving a national consensus on an economic vision for the future, and the policies and programs needed to achieve it. Successful East Asian countries have put in place consultative processes (including different government departments, the private sector and civil society) to agree on national development plans and monitor their execution. The situation has been very different in Egypt where an institutional coordination mechanism among the various stakeholders to build a national vision was missing. The research paper adapts the experiences of East Asia to Egypt's situation, and presents a proposal for introducing the concept of "inclusive planning" in economic planning and policymaking.

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INTRODUCTION

Background to the “Arab Uprising”

High economic growth in Egypt between 2000 and 2010 was associated with increasing popular discontent. Favorable macroeconomic growth tends to hide the qualitative changes taking place in a society (Shimizu, 2011) as seen in Middle Eastern countries, which were showing steady macroeconomic growth, while economic and social structures with unequal access to social services were also emerging. In Egypt, obtaining “social justice” became a slogan in the 2011 revolution. Figure 1 demonstrates this with happiness indicators showing the level of discontent toward the government among the citizens. The chart indicates that the number of people who felt they were thriving was decreasing despite positive macroeconomic growth. As shown in Figure 2, decreasing satisfaction in terms of freedom of life also implies the same result. The Arab economies of the 1970s and 1980s had one of the highest global rates of economic equality,

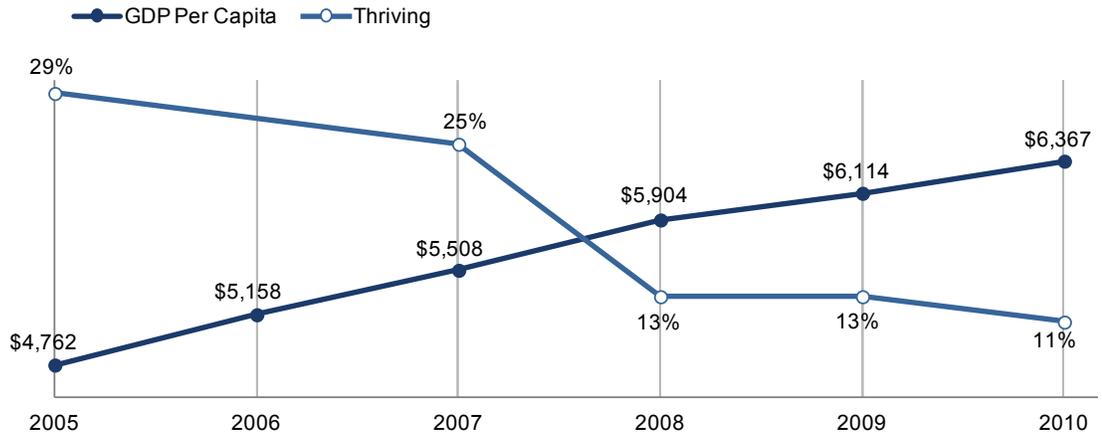
but several factors, such as changes in migration patterns, demographic pressures, fiscal retrenchments and the rise of corruption have strained the traditional sources of inclusive growth (African Development Bank, 2012). The growth seen in Egypt could be expressed as “jobless growth” or “unfair growth,” which is no longer acceptable among the citizens.

Inclusive Development

“Inclusive Development represents an approach to development that encourages all people to recognize the development issues they themselves face, participate in addressing them, and enjoy the fruits of such endeavors.” There has been considerable discussion of the importance of inclusive development, sharing benefits equally among people, the importance of which has reached a consensus in international society. The Arab Awakening showed that it is not only the quantity but the quality of macroeconomic growth that should be emphasized.

Figure 1: GDP Growth and Happiness

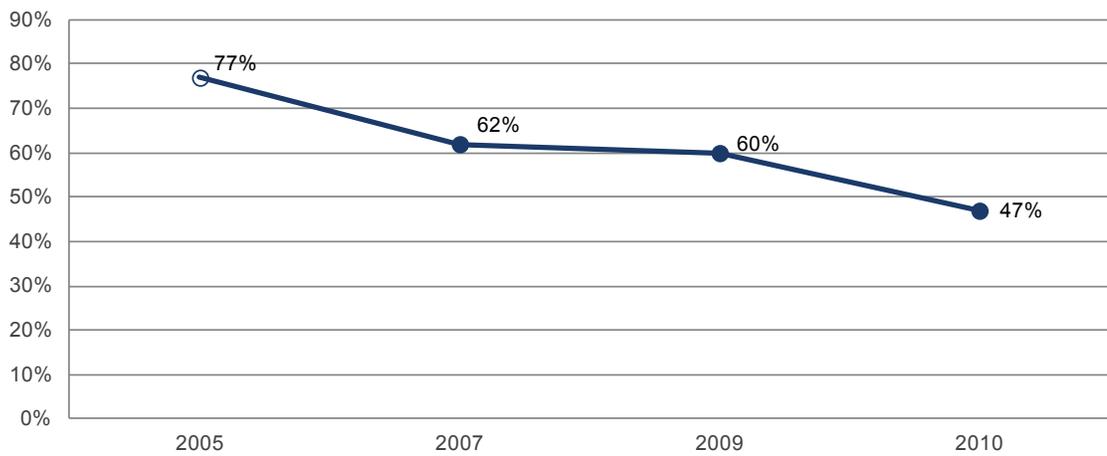
Egypt: Recent Trends in Percentage “Thriving” and GDP per Capita (PPP)



Source: Gallup, 2010.

Figure 2: Egyptians' Unrealized Democratic Aspirations

Satisfaction with Freedom in Life



Source: Gallup, 2010.

Theme of the Paper

The concept of “inclusive development” is broad and includes fields of good governance, education reform, strengthening of vocational training, labor market reform, small and medium enterprise development, among other examples. This paper will focus on how to incorporate inclusive development in the field of governance by improving the development planning process.

Implementing inclusive development requires effective decision-making processes that ensure an equal voice for all citizens. Voice and accountability are critical weaknesses in Egypt where the government has failed to provide for the meaningful participation of stakeholders in decision-making. This, together with a lack of transparency in government decision-making, has led to a widespread lack of accountability. There is a strong need in Egypt to build a political basis for sustainable economic and institutional reforms to enhance inclusiveness.

The paper aims to examine how a “credible participatory decision-making process to achieve inclusive development,” which will be later defined as “inclusive planning,” could be introduced in Egypt; firstly by observing the existing challenges in the planning process, secondly by studying the experiences and lessons of inclusive planning in East Asia, and thirdly by focusing on the efforts for planning reform in

Egypt that followed the 2011 awakening. The process of planning and policymaking will be the main focus of this paper.

Premise

To achieve inclusive development, introduction of inclusive planning is not the only solution. However, by focusing our analysis on the development planning procedure, the paper intends to illustrate the social outline that caused the Egyptian uprising and the importance of development plans to deal with the challenges. Earlier studies indicate that development plans play an important role on the economy under circumstances where the need for forecasts, aims and coordination is acute (Tinbergen, 1964). The evidence reveals that Egypt fits well within this socio-political model.

Also, this paper will primarily examine the role and responsibilities of central planning institutions. Indeed, there are many levels (both central and local), ways and actors (public, private and nongovernmental organizations) to be considered in terms of introducing inclusive planning. However, based on the recognition of its importance, as suggested by earlier studies (Ohno and Shimamura, 2007), we will focus on the decision-making process in central government, with regard to the importance and critical role of the central economic agencies responsible for planning.

UNFAIR GROWTH WITH GROWING DISCONTENT: CHALLENGES FOR DEVELOPMENT PLANS IN EGYPT

Brief History of Development Plans in Egypt

Similar to other countries worldwide, development planning was introduced in Egypt after its independence. The Industrial Five-year Plan (1957-1962) aimed to enhance domestic industrialization and was the first such plan in Egypt. This was followed by the first Five-Year Plan (1960-64), drafted by the National Planning Committee in President Nasser's era. Based on the introduction of "Arab socialism" in 1962, state intervention and central planning was regarded as increasingly important during this time (Ikram, 2004).

President Sadat, who adopted the open-door economic policy, "Infitah," implemented several policies to introduce free liberalization and economic deregulation, strengthening the economic capacity for inviting foreign direct investment. The revised investment law became the Five-Year Development Plan (1977-1982). With a break from Arab socialism, the influence of central development planning began to

decline with a commensurate increase in private sector development.

It was during the era of President Mubarak, who became president in 1981, that the system of five-year development plans was settled. As economic policies based on the free market economy were continued and enhanced, development plans turned out to be too rigid, with negligible impact on the economy. Although Prime Minister Nazif's privatization reforms brought strong economic growth, they also caused increased corruption. In this context, Egypt's economic growth, with concomitant corruption, actually brought about what can be termed as "unfair growth." Consequently, there was broad discontent among the millions who were left without any benefit, or in many cases even worse off than in the absence of the reforms. Fakhouri introduces the analysis of the shift from Nasser to Sadat and then to Mubarak as "a shift from the government-directed economic model to the free economic model, then a shift to the uncontrollable economic model." (Fakhouri, 2010) This paper tries to suggest the importance of a "new shift" in development plans for Egypt as a key driver for its achievement of inclusive growth. Table 1 shows the brief history of planning in Egypt.

President	Plan
Naser (1956-1970)	1st 5 year plan (1960-1964)
Sadat (1971-1981)	5 year plan (1977-1982)
Mubarak (1981-2011)	1st 5 year plan (1982-1986) 2nd 5 year plan (1987-1991) 3rd 5 year plan (1992-1996) 4th 5 year plan (1997-2001) 5th 5 year plan (2002-2006) 6th 5 year plan (2007-2011)
Transitional/Morsi (2012-)	Proposal for New Development Plan (2012-2022)

Source: Author.

Plan Without an Institutional Dialogue Mechanism

Planning Procedures in the Sixth Five-Year Plan

Lack of dialogue among key stakeholders is a key feature of the planning process in Egypt. Findings from the field research show that the budget allocation was determined before drafting the economic goals and strategies in the previous master plan's drafting process. The first planning step was the production of the "investment budget allocation sheet," which was incorporated in the Ministry of Planning based on the investment budget request prepared by each of the ministries. The contents of the five-year development plan were then drafted by the Ministry of Planning based on the budget allocation sheet. The plan was initially drafted by university scholars, whose names never appeared in the plan, and the drafted plan was then integrated in a division inside the Ministry of Planning. This system was simple with drafting being fully completed inside the Ministry of Planning without official "outside contacts" (Tinbergen, 1964).²

This system, although efficient, also led to the exclusion of major stakeholders, such as the private sector, civil society organizations, labor organization and the media, all of whom were neglected in the development planning process. Indeed, one executive of an international company in Egypt stated that the "private sector was excluded during the decision-making process, where the government decided the policy on its own."³ Another executive, in a business association, revealed that "the development plans never attracted the private sector, which was a plan that no one has ever read."⁴ Consequently, development plans, which had little external interaction during the planning process, lacked mechanisms for building consensus among the major stakeholders for economic development.

A Dialogue Without a Mechanism

Conversely, studies show the existence of strong interactions between the government and the private sector (Wakabayashi, 2007). Prime Minister Ahmed Nazif's cabinet, from July 2004 to January 2011, introduced wide-ranging reforms to strengthen the public/private sector relations, spearheaded by Prime Minister Nazif, who appointed ministers from the private sector as represented by Mohamed Rachid, the minister of trade and industry. During the Nazif administration, it is said that the executives of major private companies in Egypt were able to directly communicate with Minister Rachid by mobile phones.⁵

Despite the strong relationship between public and private sectors, the problem was that communication and cooperation were implemented without an institutional dialogue mechanism (Benhassine, 2009), leading to numerous collusive relationships that resulted in corruption. Some privileged private companies benefited, while others were left in the lurch. This social structure represents the background to the Egyptian uprising in 2011, where those demonstrating were accusing an individual person, Ahmad Ezz, of being the model of a "corrupted business person." The problem was the lack of a rule-based institutional dialogue between public and private sectors.

A Dialogue Without a Mechanism and the 2011 Uprising

The absence of an institutional dialogue mechanism resulted in an increase in corruption, which people decided to combat. It is often said that the corruption during the 2010 election, the death of Khaled Saeed (a young man who was brutally killed by the police), and the labor demonstration in El Mahalla El-Kubra in the Nile Delta were the major incidents that helped trigger the uprising in Egypt. These incidents, along with the demonstrations in 2011, reveal that the Egyptian

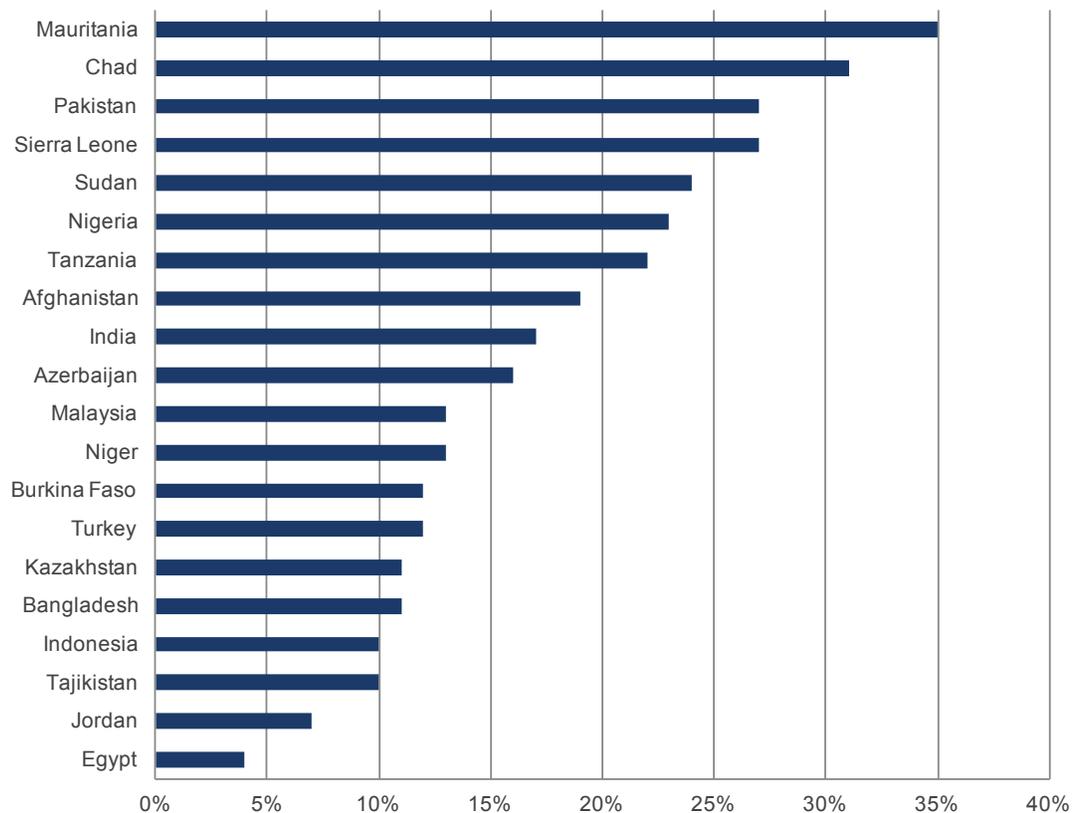
people are determined to achieve “social justice” by fighting against “suppression” and cleaning out “corruption” (Nagasawa, 2012). During the labor demonstration in El Mahalla El-Kubra, the demonstrators claimed that corrupt companies in turn corrupted the country, causing dissatisfaction with corruption to surge nationwide. This spreading discontent exploded in 2011, triggered by similar movements in Tunisia.

While numerous demonstrators were youths, wide-ranging stakeholders, such as government officials, media officials, professors, lawyers, engineers, court

judges, farmers and businesspersons, also joined the movement. Businesspersons who participated in the demonstration claimed that Prime Minister Nazif’s privatization policies were corrupt. People were opposed to economic development that benefited only the privileged, and called for “free and fair growth.”

Incidents clarify that people were dissatisfied with the opaque political decision-making process. Even the Egyptian labor organization, which normally represents the interest of workers, was mired in corruption. The International Labor Organization (ILO) positively

Figure 3: Voiced Opinion to Public Official



Source: Gallup, 2010.

evaluated the decision of the new minister of finance, who allowed the freedom to formulate trade unions after the revolution. Egypt was counted as one of the 25 worst countries in the world in terms of violating the international labor agreement (ibid). As few people shared the benefits of growth, many citizens were unable to express their views to the government, as indicated in Figure 3. Only 4 percent of Egyptians said they were able to express their opinion to a public official, which was the lowest level in Gallup's 150-country database.

A History of Increasing Corruption: The Road to a "Soft State"

Previous studies (Amin 2011, Nagasawa, 2012) explain the growing level of corruption by dividing Egypt into three eras after independence: the monarchy era, the Nasser era, and the Sadat/Mubarak era. The study shows that there was a low sense of corruption in the monarchy era, when the country suffered from colonial rule. Nasser's era experienced a growth in suppression, but little in corruption, based on the modesty of the president's personal character. The study indicates that it was in the third era that corruption spread nationwide, due to the loss of the war in 1967, Sadat's character and globalization resulting

from the open-door economic policy. This era suffered from the burden of the "soft state."⁶

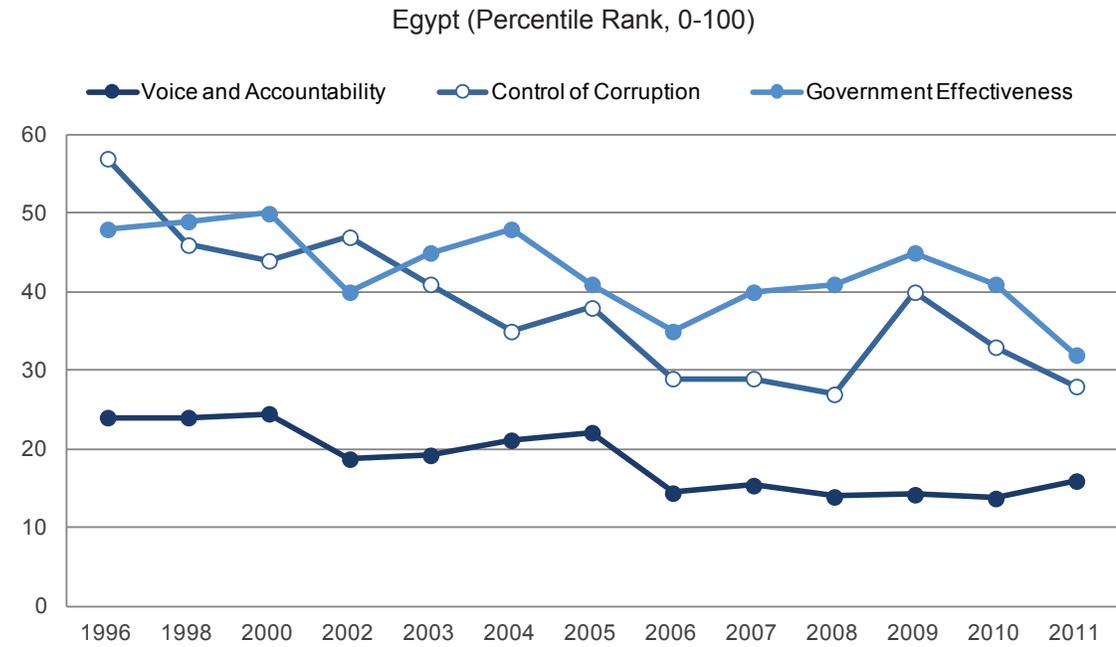
During Mubarak's era, Nagasawa describes the existence of a "pyramid of corruption," with the president at the top and family members, politicians, ministers and business people supporting the regime (Nagasawa, 2012). The corruption in the administration, such as with Prime Minister Nazif, Gamal Mubarak⁷ and Ahmad Ezz,⁸ is often said to be the best example of the pyramid of corruption. This pyramid structure was hard to remove, leading Egypt to become a soft state, with growing corruption (ibid).

This fact could also be confirmed by governance indicators. Countries in the Middle East and North Africa showed a decline in governance indicators for voice and accountability, corruption control and government effectiveness (trust in government, consistency of policy direction, consensus-building and public satisfaction with services). Egypt showed a significant decrease from 2000 to 2010 for voice and accountability (24.5 to 13.3), corruption control (43.4 to 34.4) and government effectiveness (46.8 to 40.2). These figures indicate the lack and decline of transparency in the government decision-making process and the reality of Egypt being essentially a soft state.⁹

Table 2: Burden for Citizens after Independence in Egypt		
Three Eras	Type of Burden	Key Issues
Monarchy Era (1922-1953)	Burden of Subordination	Colonial Rule
Naser's Era (1956-1970)	Burden of Tyranny	Independence but Suppression
Sadat and Mubarak's Era (1971-2011)	Burden of Soft state	Corruption

Source: Author based on Amin 2011 and Nagasawa, 2012.

Figure 4: Governance Indicators in Egypt



Source: Gallup, 2010.

A lack of fairness and transparency in governance resulted in unfair competition, insufficient support for the poor, and the creation and preservation of an income gap in society (World Bank, 2009). In particular, corruption disturbed the efficiency of government services in addressing disparity. To achieve inclusive growth, where the benefit of growth reaches the poor, corruption must be controlled with a mechanism that includes the voices of people from various classes, creating a policy consensus that benefits all. In sum, the pursuit of social justice was the engine that led the people filled with discontent at the lack of inclusion, to demonstrate. The planning procedure and history of the fall to a soft state have revealed the background to the growing discontent in the country.

Scattered Knowledge

One of the challenges related to the absence of an institutional dialogue mechanism during the planning process was the dispersal of plans and knowledge, which requires integration.

Although the five-year plan was regarded as the major national plan, our surveys have found that 41 plans existed in various forms: 14 “plans,” three “visions,” seven “strategies,” and three “programs,” among others. These 41 plans were individually drafted by ministries and relevant organizations with support from international donors. The problem here was the absence of interrelation among them and linkage to the five-year plans, which should have acted as the guid-

ing vision for each of the individual plans. There is a large challenge in integrating these scattered plans in a functional way to act as a guiding vision for national development. An organization or system to integrate knowledge, and wisdom to draft an effective plan was also missing.

A Plan Lacking Implementation

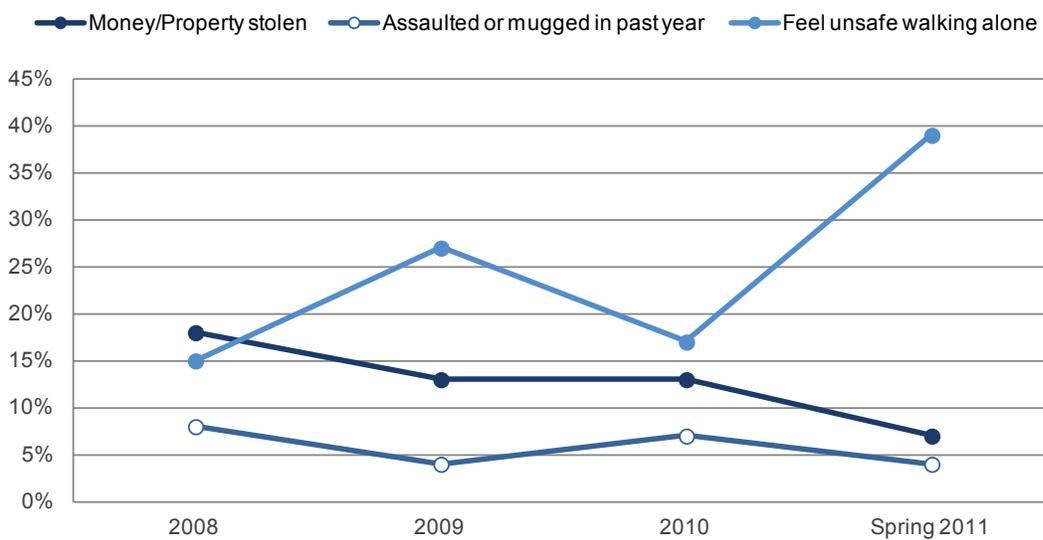
Another challenge was the lack of a strategy for implementation. A plan shows its value when it has been implemented. Experts suggest that “development is a process that must be undertaken at the level of the nation-state as the implementing unit” (Ohno and Shimamura, 2007). The problem with the planning in Egypt was the lack of its execution.

Since the five-year plans in Egypt were drafted inside one section of the ministry without building consensus among major stakeholders, including each of the ministries who were the real implementers, the national plan was simply a concept paper that did not call for execution. Accordingly, many plans, visions and strategies were well prepared but never implemented.

It needs to be noted that the idea of inclusion of major stakeholders into the planning process was not a new concept in Egypt. For example, Handoussa,(2010) proposed a mechanism for including academics and civil society organizations during the planning process. However, the proposals were difficult to implement due to the absence of a strong implementation unit.

Figure 5: Anxiety Among Society After the Revolution

More Egyptians express fear, despite a slight decline in reported crime.



Source: Gallup, 2010.

Further, inadequate administrative capacity at the ministry level was another factor hampering implementation.

Egypt's Post Revolution Obstacles

The uprising in 2011 succeeded in razing the suppressive regime. However, a significant number of challenges remain for the new government. Demonstrations in Tahrir Square reflect the discontent that lingers, and remains the only outlet for some marginalized individuals to voice their concerns. Further, news sources indicate a rise in the crime rate after the revolution, while Gallup polls indicate increased anxiety among citizens (Gallup, 2011).

The growing uncertainty of the economic situation also amplifies national anxiety. According to the International Monetary Fund (IMF), the GDP growth rate was 1.75 percent in 2011, and is expected to be 2.0 percent in 2012.¹⁰ Following the uprising, the unemployment rate has risen from 9 to 12.4 percent, and foreign reserves have declined from \$43 billion to \$15 billion.¹¹ Moreover, the number of stakeholders in Egypt has rapidly increased;¹² a balkanization that carries with it the potential of future division and resulting chaos.

In light of these factors, the "National Dialogue" was carried out by the transitional government to help forge a sense of national consensus (Galal, 2011). While this event represented an initial step toward establishing dialogue, participants indicate that "the National Dialogue did not create a solution or consensus but brought chaos where people were expressing and pressing their own ideas."¹³ Accordingly, the evidence indicates that an institutional system, one with the necessary capacity for creating national consensus

and a guiding vision to overcome needs after the revolution, was urgently needed.

Inclusive Planning as a Way to Overcome the Challenges

We have examined how dialogues without a proper institutional mechanism, scattered knowledge and barriers to implementation represent the three primary challenges confronting Egyptian development objectives. Indeed, inadequate dialogue mechanisms contributed to the perception of Egypt as a soft state. In this context, the revolution was driven by the exasperation of the Egyptian people, who were fed up with increasing near-endemic levels of corruption. However, the revolution did not solve these challenges, and concerns are rising or remain that the fractioned society may be moving toward a period of increasing tension. A clear vision to stabilize and overcome the post-revolution difficulties is needed.

In light of these factors, the need to establish a defined mechanism for dialogue, and one free from corruption cannot be overstated. It is the foundation and the necessary first step toward building a national consensus. The Egyptian people have voiced their discontent and their hopes. Now, as the evidence resoundingly reflects, they demand a credible national decision-making framework. As a prerequisite to achieving this credibility, the mechanism must be one based on uniform, fair rules; and in counterpart, the institutional capacity of Egyptian implementation agencies must be bolstered to properly carry out their functions. To achieve these goals, a new role for development plans and a new institutional planning procedure, which will be described as inclusive planning, will be examined in the next chapter.

INCLUSIVE PLANNING THE IMPORTANCE OF PROCEDURES AND THE LESSONS FROM EAST ASIA

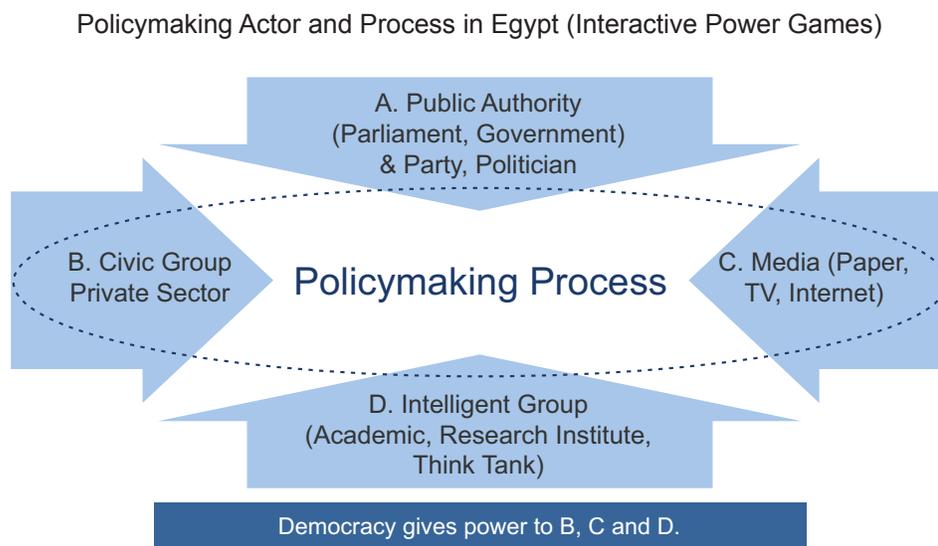
What is Inclusive Planning?

There are two main sources of economic planning in history: communist planning and western macro-economic planning (Tinbergen, 1964). In this context, we consider the latter as the basis, which was introduced to most capitalist societies after World War II.¹⁴ Economic planning has declined in several developed and developing countries, with the importance of the private sector, local governments and civil society organizations actually growing. There are also studies in the 1990s suggesting the “decreasing effect” of central planning (Balassa, 1990).

However, this paper suggests a new and important role of central economic planning in the 21st century based on recent studies that claim central planning plays a vital role during the early stages (i.e. recovery stage) of development, where the role of development planning is an instrument for achieving sustainable economic growth and social justice (Ohno and Shimamura, 2007). There are two basic roles of the new plan: the introduction of democratic procedure into policymaking, and the creation of a growth vision for a mid- to long-term economic recovery.

Indonesian President Susilo Bambang Yudhoyono, in his presentation of the new economic plan in 2011, indicated that “It is impossible to achieve our long-term economic goals without the master plan. We also can’t rely wholly on market mechanisms. The government’s

Figure 6: Inclusive Planning Structure (1)



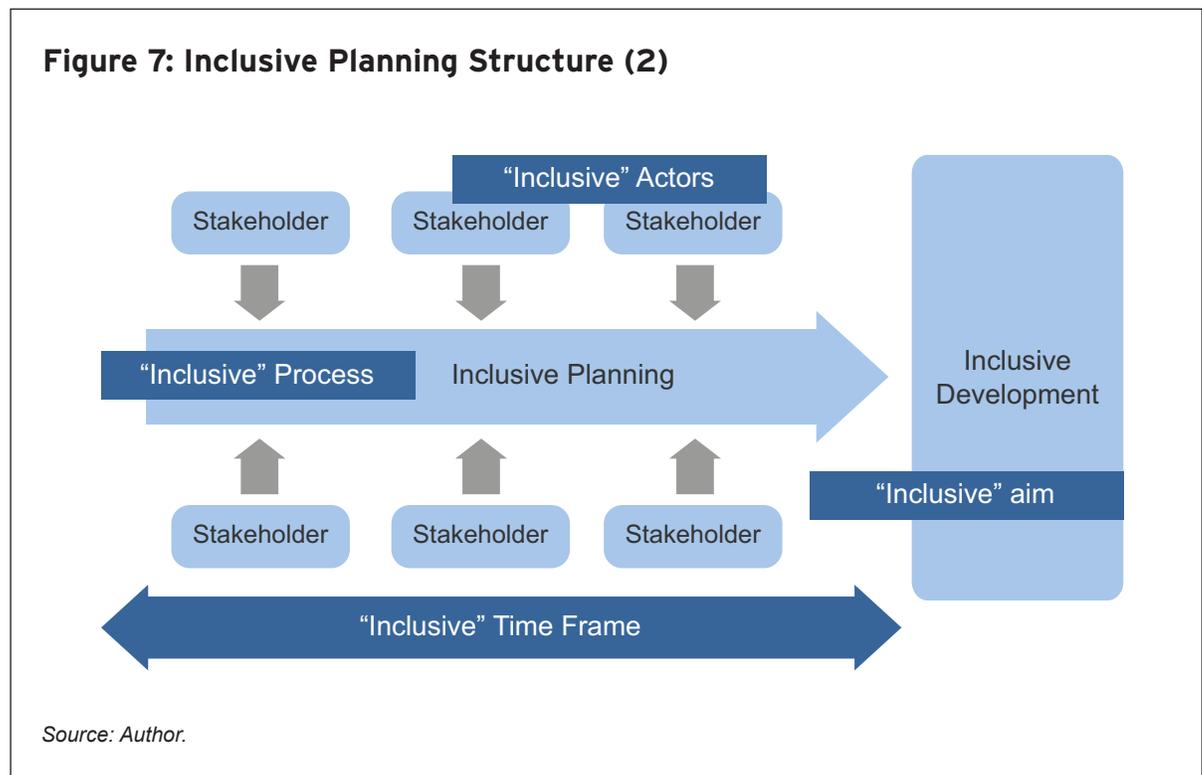
Source: Based on JICA expert presentation materials, 2012.

role, as a 'visible hand', is important" (Sato, 2011). This paper emphasizes the possibility of a development plan playing an important role as a "visible hand" in Egypt in terms of sustaining its economic growth while promoting consensus-building among major stakeholders.

As we examined in the previous chapter, institutional dialogue between stakeholders remains a crucial factor in keeping national consensus equitable and in fair economic growth. In this chapter, the process of establishing this "institutional dialogue mechanism" to include major stakeholders in the planning process (i.e. the decision-making process), will be defined as "inclusive planning," and will be analyzed in accordance with the East Asian experience. A clear defini-

tion of inclusive planning does not exist, where the phrase is used on various occasions. Sometimes it is used in the field of urban planning, which seeks to build a barrier-free planning method, and occasionally it is used in the field of health, which attempts to address the significance of a disability inclusive planning process.

In this paper, the term inclusive planning will be used to describe the central planning procedure (inclusive process) for achieving inclusive development (inclusive aim), which requires the inclusion of major stakeholders (inclusive actors) in the planning process to build a national consensus while integrating the country's knowledge (Figure 7).



Also noteworthy is the fact that inclusive planning requires plans to be a guiding vision for development. An inclusive plan must adopt a mid to long-term perspective; not only examining short-term goals (inclusive time frame) where new governments often address populist attractive short-term policies. Inclusive planning reminds us of the importance of including long-term perspectives during the planning procedure. It should be noted here that introducing a democratic planning process will take time. To develop democracy as well as stabilize the political and economic situation after the revolution, this paper stresses the importance of “institutionalization” and capacity development of planning organizations in policy planning procedures, as the initial measures to be taken. It should be recognized that the excessive inclusion of stakeholders in the initial stage will create political anarchy rather than harmonization.

To achieve inclusive planning, the first step is to establish a fair institutional mechanism for increasing outside contacts. Tinbergen indicates three main reasons for the importance of outside contacts during the planning period (Tinbergen, 1964).

First, participation from outsiders in the planning process allows opinions to be exchanged with those operating the economy and thus introduces some features of democracy.¹⁵ Second, detailed information can be obtained from a number of outside experts, which indicates the quality of the economic plan will improve, with the plan being more strategic. Third, the feature of democracy will help facilitate the plan’s acceptance, as well as its implementation.

Fourth, adding another aspect to Tinbergen’s analysis, long-term inclusive aim is an important factor for in-

Table 3: Matrix Relation Between Challenges, Necessary Reforms and Earlier Studies

Objective	Challenges facing Development Planning	Necessary Reforms	Tinbergen’s analysis of the importance of Outside Contacts	Method
Inclusive Development	Dialogue without Mechanism	Consensus-Building based on Rules	1. Creating Features of Democracy	Inclusive planning
	Scattered Knowledge	Integrating National Knowledge	2. Integrating Expertise	
	Lack of Plan Implementation	Strengthening of Implementation Mechanism	3. Facilitate Implementation	
	Post Revolution Obstacles	Guiding Vision for Stability and Economic Recovery	<Missing> East Asian Experience	

Source: Author based on Tinbergen 1964.

clusive planning, creating a mutual and shared vision toward inclusive growth among major stakeholders and citizens. Table 3 describes the relation between the challenges, necessary reforms, and Tinbergen's suggestion in earlier studies, which explains the idea of inclusive planning.

Lessons from the East Asian Experience

The fast-growing "Tiger" East Asian economies of the 1960s and 1970s were the first group of post-independence developing countries to develop strategies for inclusive growth (African Development Bank, 2012). Based on the recognition of inclusive planning, this section will examine the effects of inclusive planning based on the actual experience in East Asia.

The East Asian growth experience, especially after World War II in Japan and after the Asian economic crisis in Indonesia, shows the success of governments developing mechanisms for effective dialogue in their societies and setting priorities for public actions to foster inclusive growth (ibid). It is often suggested that the creation of central economic agencies responsible for development planning and coordination was the key factor behind the "East Asian miracle" (National Graduate Institute of Policy Studies, 2008), and mobilization of all stakeholders toward a long-term economic goal is said to be a strong feature of growth in East Asia (Benhassine, 2009). Of course, the effects of development plans differ in each country; however their experience with inclusive planning provides a useful reference against which to introduce the concept. The experience of three countries in East Asia; Japan, Indonesia and Malaysia will be assessed

considering the following factors: 1) establishing an institutional consensus-building mechanism; 2) integrating knowledge; and 3) securing and strengthening the implementation of plans based on the studies of Tinbergen.

Our analysis adds one more aspect to Tinbergen's examination; a plan acting as a guiding vision. Participatory policymaking, including as many stakeholders as possible in the policymaking process, is theoretically important for enhancing democracy. However, compared to western society with its long experience of developing democracy, there are certain difficulties in adopting a participatory system in states with less democratic experience. The experience of East Asian counties shows that as well as the participatory policymaking process, a plan for a guiding vision is important in inclusive development.

Kondo explains four positive conditions (the prior experience of democracy, prior experience of civilian leadership, less experience of military domination and prior achievement of economic development) for democracy to be settled (Kondo, 2011 based on Huntington 1991, Linz et al 1996, Diamond 1999, Lipset 1959). Egypt seems to be one of the countries that has less experience with these conditions. However, East Asian countries also had the same problem. Kondo states that it is more important to target political institutionalization (including enhancement of bureaucratic structures and institutionalizing public-private partnerships) and economic achievements, rather than aim to deepen democracy (Kondo, 2011). Establishing and rooting democracy will certainly take time, and it is important to adopt a long-term perspective and vision.

Inclusive Planning, a Consensus-Building Mechanism: Lessons from Japan

Japanese Economic Planning

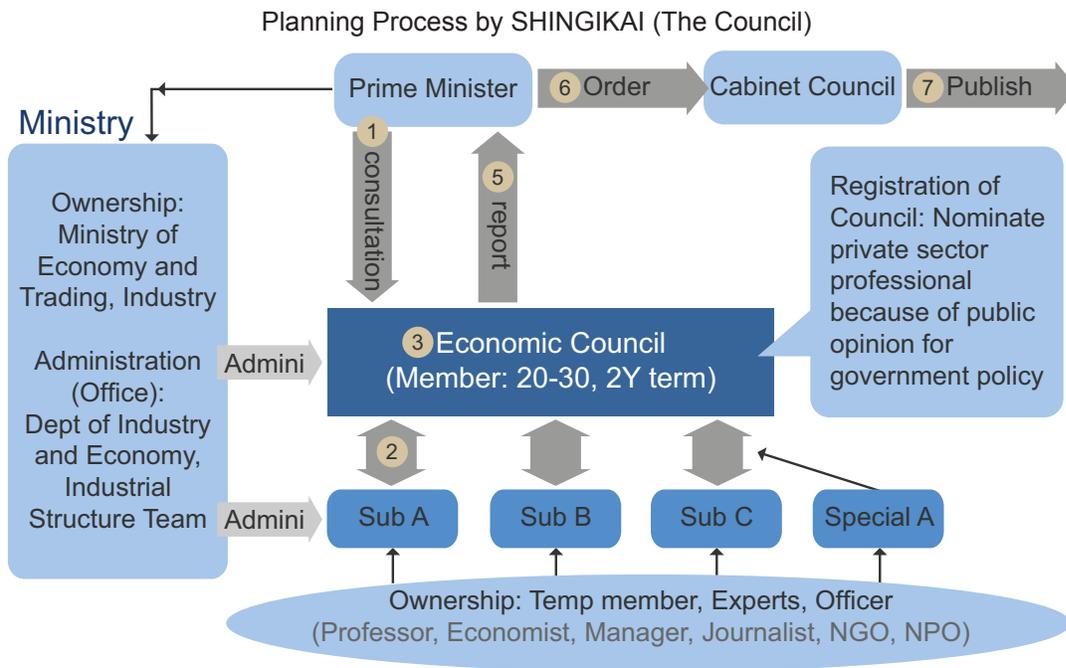
In Japan, economic plans played a significant role in its economic recovery from the ravaging effects of World War II. Indeed, Japan developed 14 economic plans after the end of the war. If we include the draft plans, which were not officially approved, the total number would be 24. The first economic plan was established immediately after the war, with economic recovery as its core objective. Following the first officially approved plan in 1955, the Japanese economic plans can be divided into four groups: the first group targeted

reconstruction and independence (first plan), the second group aimed for high economic growth (second and third plans), the third group tried to balance economic growth with social development (fourth to sixth plans), and the fourth group strived for stable growth (seventh to 14th plans) (Keizaikikakucho, 1997).

The Economic Council (“Shingikai”): A Mechanism for Inclusive Planning

Japanese economic plans were designed not only as guidelines for growth, but also as instruments to guide future policy decisions. Japan’s economic council was the planning mechanism employed to achieve these objectives.¹⁶

Figure 8: Planning Process in the Japanese Economic Council



Source: Based on JICA expert presentation materials, 2012.

to note that inclusive planning with the participation of implementers binds each ministry and creates responsibility in implementing the discussed contents of the plan.

Income Doubling Plan (1960): A Plan as a Guiding Vision

The greatest achievement of the economic planning council in Japan is often said to be the creation of the Income Doubling Plan (1960). This was the third plan to be drafted after World War II, aiming to double real national income within 10 years and achieve full employment. The plan, which contributed significantly to Japanese reconstruction and development, also provided a guiding vision for the public and private sectors in Japan. According to the then Economic Planning Agency in Japan, it showed three characteristics (ibid).

First, the plan divided the public and private sectors, with the government fully responsible for achieving the public sector goals, while the private sector goals were simply predictive. It was the first time that Japanese planning had integrated the private sector into the plan and sent a strong message that the engine of development should be led by the private sector. This was important in that the plan was not only for public policy, but also provided a vision for development for the private sector. The plan also clarified the public sector's role in enhancing social capital, improving human capacity, promoting science and technology, enhancing social security, improving social welfare and the induction of private industry.

Second, human resource development was a significant area of focus in the plan. The plan emphasized the importance of education, vocational training and science technology from a long-term perspective.

Third, approaches to correct gaps in various fields were comprehensively taken into account for the first time in Japanese planning. Gaps such as income gap, productivity differential, and urban and rural gaps were discussed and reviewed during the planning process. Also, anti-poverty was regarded as the central issue of social security, and the plan emphasized the promotion of social welfare measures. In Japanese history, the plan is often criticized as overemphasizing economic development, creating a regional gap and pollution nationwide. Indeed, the plan could not be highly evaluated as a success story in Japan in this field, but its concept and idea provide lessons for achieving economic growth as well as strengthening social security.

The plan achieved its goal within just seven years, allowing Japan to step in as a member of the developed world.¹⁹ This plan shall be a benchmark for the new development plan in Egypt, which will be examined in the third chapter.

In addition, it should also be noted that Japanese development plans have recently become less effective. Although the 15th Japanese development plan shows frequent consultation among citizens of Japan, no nationwide social consensus was achieved. This reality shows the importance of the plan as a "guiding vision," rather than just a means of participation. The Income Doubling Plan should be reevaluated; not only for Egypt but also for current Japanese development.

Inclusive Planning in Indonesia (Development Planning Committee "Musrenbang")

Development Planning Under Suharto

Several common factors can be observed between

Egypt under Mubarak and Indonesia under Suharto, such as the experience of a long dictatorship, high GDP growth, improvements in Human Development Indicators (HDI) and the existence of major corruption in public and private sectors. With the success story in democratization after the collapse of the Suharto regime in 1997, many experts suggest that Indonesia offers some lessons for Egypt (Amin et al, 2012; Kaufman, 2011; African Development Bank, 2012).

In Indonesia, it was during the Suharto era that the five-year development plan "REPELITA" (Rencana Pembangunan Lima Tahun) and the 25-year long-term vision were drafted and implemented. The Ministry of National Development Planning (BAPPENAS, Badan Perencanaan Pembangunan Nasional) was in charge of preparation, and the budget plan was drafted based

on these plans. It also coordinated and monitored foreign aid. Under the Suharto regime, BAPPNEAS was the engine of development and drafted six economic plans.

Democratization Reform After 1997: The Democratization Process

The Indonesian case implies the importance of stakeholder inclusion during the planning process. The Asian economic crisis in 1997 and the collapse of the Suharto regime brought dramatic changes to Indonesia. From this incident, Indonesia started down the path to becoming a democratic nation. Development through a democratic and transparent process was needed following strong criticism of corruption in the Suharto regime. Many reforms



were implemented, such as the introduction of the decentralization law, the establishment of a new partnership between government and civil society to fight corruption, the establishment of the Corruption Eradication Commission and the formation of an independent Socio-Economic Monitoring and Research Unit (SMERU) (Amin et al, 2012). The dramatic improvement in governance indicators indicates successful results. In addition, although the direct impact of the measures introduced above was small, the impact in terms of confidence and the sense of inclusion among people was significant (African Development Bank, 2012).

Introduction of a New Transparent Inclusive Planning System

The fall of the Suharto regime brought some changes in the decision-making process, from a top-down planning process to a bottom-up approach, including several levels of citizens. The National Development Planning System Law, formulated in 2004, enforced the development planning committee (Musrembang: Musyawarah Perencanaan Pembangunan). Citizen representatives joined this committee during the planning procedure, working to adjust the stakeholders' perspectives. Of course, this took considerable effort and time, but the government of Indonesia recognized the step as a necessary cost for democratization and good governance (Iijima, 2005). Consequently, by establishing the Development Planning Committee, coordination between stakeholders became institutionalized, creating a consensus, which consequently allowed the voices of citizens to be reflected in policies (ibid). From the 2nd Yudhoyono administration in 2009, national dialogues with the 32 governors and chief executive officers of the chambers of commerce were organized once every several months to build consensus and ownership of the major implement-

ers (local government and the private sector) for the new economic plan that was announced in 2011 (Sato, 2011). This trend can be recognized as the achievement and development of inclusive planning.

Malaysia: The Importance of a Strong Implementation Body

Strength of Malaysia

The World Bank report implies that the engine for Malaysian economic growth stems largely from the prime minister's strong leadership and the organizational strength of the economic planning bureau, which drafted, monitored and evaluated the economic plans under the prime minister's office (World Bank, 1993 cited in Torii, 2005). The United Nations evaluation report also stressed that a system for planning, monitoring and evaluation contributed to Malaysia's socio-economic success (United Nations, 2001). This section will summarize the basic points and importance of a strong implementation body in Malaysia, which could serve as the model for establishing a better implementation mechanism in Egypt.

A Strong Implementation Body (The Prime Minister's Office) Drafting and Implementing the Plan

After attaining independence in 1957, the government invited the World Bank evaluation unit to draft a report for central development planning. Based on its findings, a small economic planning bureau was established. In 1961, the bureau was upgraded to the Economic Planning Unit (EPU), which was attached to the prime minister's office. It is often said that the EPU functioned as a "super-ministry," which took the leading role in formulating the coordination plans with the National Budget Office (Ohno and Shimamura,

2007). The EPU was also in charge of drafting five-year plans, as well as their mid-term reviews.²⁰

The implementation function was strengthened during the period of the second prime minister, Najib Razak, as he adopted the New Economic Policy (NEP). In 1971, he established the Implementation Coordination Unit (ICU) under the prime minister's office. This was a unit to implement the plan and make arrangements with each ministry. By placing the EPU and the ICU under the authority of the prime minister's office, the government created a strong administrative body. Further, the two units inside the prime minister's office collaborated, united by common objectives. In sum, the system helped bolster the efficiency and success of planning implementation.

The fourth prime minister, Mahathir, strengthened the implementation function further by including various stakeholders and introduced a public-private dialogue system, at regional as well as federal levels. For example, in 1988, a system for an annual public-private dialogue meeting was introduced, institutionally securing the participation of the private sector in the national planning process and which was comparable to the Japanese Economic Council system.

Malaysia had two levels of decision-making institutions for national planning: one at the administrative level (National Development Planning Committee) and one at the ministerial level (National Development Council). In addition, the National Development Working Committee (NDC), in charge of monitoring the implementation at the administrative level, was established to enhance implementation, while at a state level, the State Development Council and State Development Working Committee were established to plan and implement the development plans within the state.

Strong Monitoring System

While impact evaluation at the project level was undertaken by each of the ministries, it was the ICU that conducted the impact evaluation at the macro level. The ICU also developed various monitoring systems, which involved the periodic collection and analysis of physical and financial data. Some examples of a strong monitoring system were the "Red Book System," providing a monthly reporting format for rural development, and the Integrated Scheduling Application System (SIAP), a physical monitoring system for development projects. This Malaysian experience of a strong implementation and monitoring unit could provide positive lessons to Egypt.

Table 5: Summary of Planning Experience of East Asia (Japan, Indonesia and Malaysia)	
Japan	Stakeholder inclusion through Economic Council ("Shingikai"). Income Doubling Plan as a guiding vision.
Indonesia	Stakeholder inclusion through Development Planning Committee ("Musrenbang").
Malaysia	Prime minister's office as a strong implementation body. Strong monitoring system.

Source: Author.

Box 1: The Characteristics of Japanese Assistance to Democratic Transition based on East Asian Views

The definition of governance and democracy varies significantly among countries, cultures, organizations and people. Therefore, assistance toward “Democratic Transition” should be carefully executed to avoid imposing agendas or thoughts on the recipient country. Referring to Vergianita’s analysis using earlier studies (Vergianita, 2010), the Japanese democratic assistance was implemented through a development approach (indirect democratization support where recipient and donors collaborate emphasizing partnership), rather than a political approach (direct democratization support to political actors through training, advice and economic assistance).

Japan’s emphasis on partnership reflects the actual Japanese development experience, also seen in the East Asian miracle, which Ohno describes as the “East Asian View” (Ohno, 2009). The East Asian View is an idea where ownership is the top priority. It requires and emphasizes collaborative work with donors, and secondly adopts a target-oriented approach, where the positive potential for growth is highly valued, and does not focus solely on binding constraints. Ohno suggests that the East Asian development experience is not a model, but a process of capacity development based on the East Asian View.

The Japanese development approach method and the East Asian View included mutual concepts of collaboration, which describe the characteristics of democracy assistance in East Asia. The experience of inclusive planning assistance based on this idea in East Asia is described in Table 6. The development strategies were drafted through collaborative work, and the drafted strategies were used to mobilize foreign aid and private investment (Ohno, 2009).

The Japanese assistance with inclusive planning in Egypt, as described in Chapter 3, is based on these experiences.

Table 6: Examples of Japanese Assistance of Inclusive Planning

Country	Project	Time
Vietnam	Joint Vietnamese-Japanese Research Project: Study on the Economic Development Policy in the Transition toward a Market-Oriented Economy in Vietnam “Ishikawa Project.”	1995-2001
Indonesia	Program for Economic Policy Support for the Republic of Indonesia.	2002-2005
Laos	Macroeconomic Policy Support.	2000-2006

Source: Ohno, 2009.

EFFORTS AND PROSPECTS FOR APPLYING INCLUSIVE PLANNING IN EGYPT

New Role of the Development Plan in Egypt

A Plan for Inclusive Growth

The paper has examined the challenges in Egypt, as well as the necessary measures for achieving inclusive planning based on the experiences of East Asian countries. The final chapter will introduce the actual efforts to reform the planning procedures taken in Egypt after 2011. This effort was led by the Ministry of Planning with the support of a JICA expert.²¹ The newly established central planning organization, the Planning Committee, was responsible for drafting the new development plan. The plan is under preparation for official presentation, with opinions currently being collected from the public.²² The new plan has two characteristics. First, it holds the role of a guiding vision. The plan aimed to provide a long-term development vision, while in the short term, it aimed to state a clear national vision for the country to overcome its economic difficulties after the revolution. Second, the plan introduces the idea of the democratic inclusive planning procedure.

The plan clearly states that social justice would be realized through two main objectives: doubling the national income of Egypt within a decade²³ and achieving full employment.²⁴ Egypt was showing steady macroeconomic growth during the Mubarak era, based on its open economic structure. The new plan emphasizes the importance of growth with this economic framework, supplementing factors that were lacking in previous plans, which could be described as inclusiveness.

In fact, the Income Doubling Plan (1960) in Japan, as introduced in the previous chapter, was the model for this new plan. Considering not only positive lessons, but also the downsides of the Japanese plan (i.e. environmental disruption and overconcentration) (Honma, 1999), social and environmental sustainability was added into the Egyptian version.

Planning Approach: A Plan as a Guiding Vision

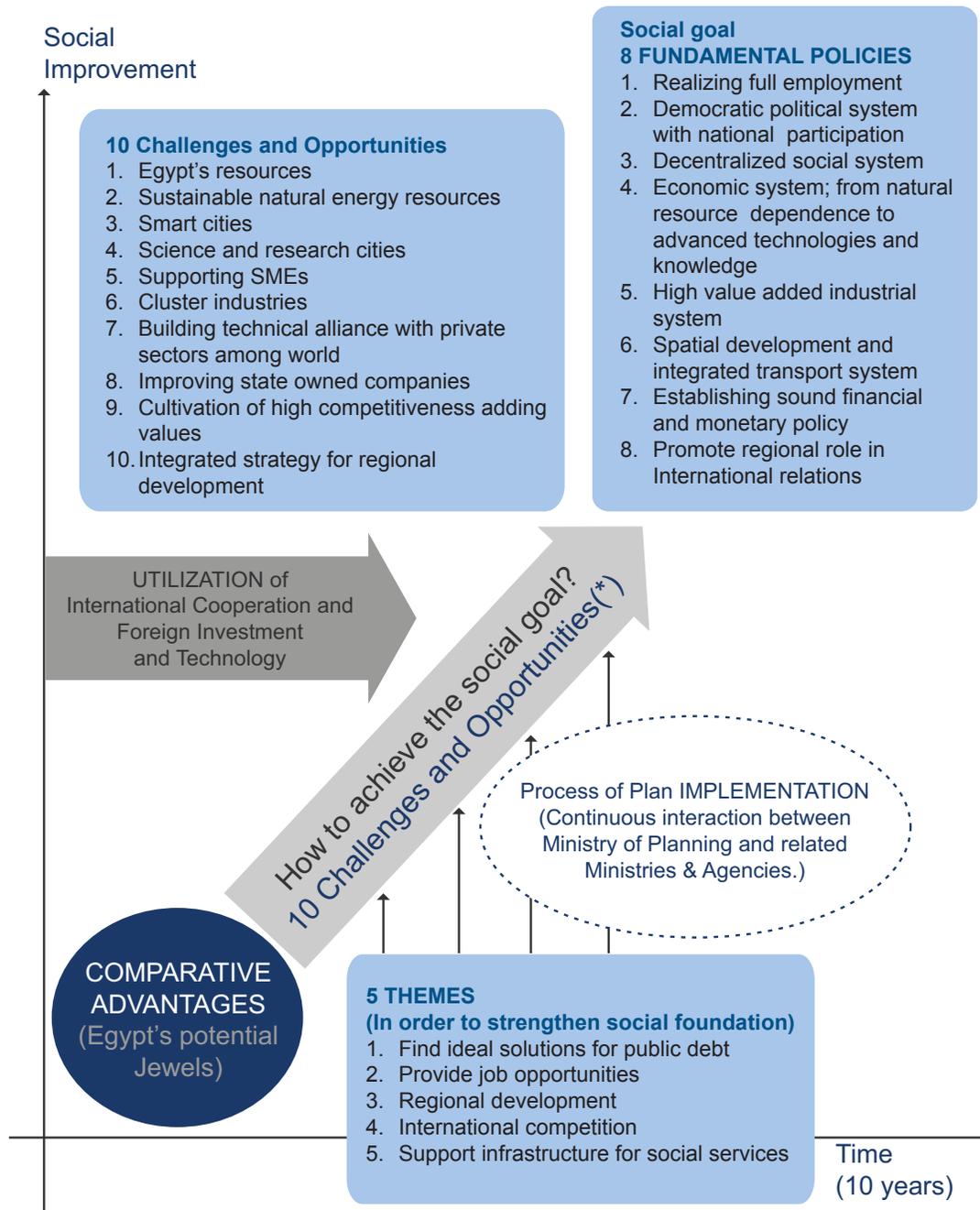
The first major feature of the new plan is its strategic framework, acting as a guiding vision for national development. The plan considered eight social goals, 10 challenges and opportunities for Egypt, and five key issues to be studied, as described in Figure 10. The plan also includes the fundamental idea of comprehensively utilizing the strength and opportunities possessed by the country. Taking into account the crisis of revolution and future economic development, the plan adopts a phased approach dividing the decade into three phases, as described in Table 7, so that the objectives and inputs could be adjusted according to the development level. The plan is regarded as the Master Plan or a Strategic Framework for a decade, and is to be followed by an Execution Plan in each phase. This idea was based on the Japanese development phased approach after World War II.

Establishing the Planning Committee: Building an Institutional Consensus-Building Mechanism

Planning Committee

The introduction of inclusive planning was one of the achievements of the Ministry of Planning during the transitional government period. Currently, the plan's greatest challenge is to include the interests of civil,

Figure 10: Planning Approach



Source: Author based on Draft Master Plan and JICA expert presentation materials, 2012.

Table 7: Economic Targets of the Plan Based on Three Phases	
1. Phase 1 Social Recovery Phase: 2012 to 2014 (2 years ±1)	Stabilization of the political environment (Election, president and constitution).
	Social institution design and implementation.
	Socio-economic recovery start (3-5 percent GDP growth).
2. Phase 2 Socio-Economic Independence Phase: 2014 to 2019 (5 years ±1)	Private sector leads economy.
	Investment by domestic capital.
	Industrialization balancing (1st, 2nd and 3rd industries).
3. Phase 3 Socio-Socio-Economic Growing Shift Phase: 2019 to 2022 (3 years ±1)	Social stabilization and living standard enhancement.
	Socio-economic system shifts to industrial structure.

Source: Author based on JICA expert presentation materials, 2012.

public and private sector stakeholders. Given the varied, and often conflicting interest of these sectors, a structured dialogue mechanism was necessary to help build consensus among policy-related issues. Indeed in the absence of such a mechanism, many experts agree that attempts to increase dialogue might only lead to an increase in chaos. Based on these points, the Japanese Economic Council served as an exemplar to build a consensus institutionally

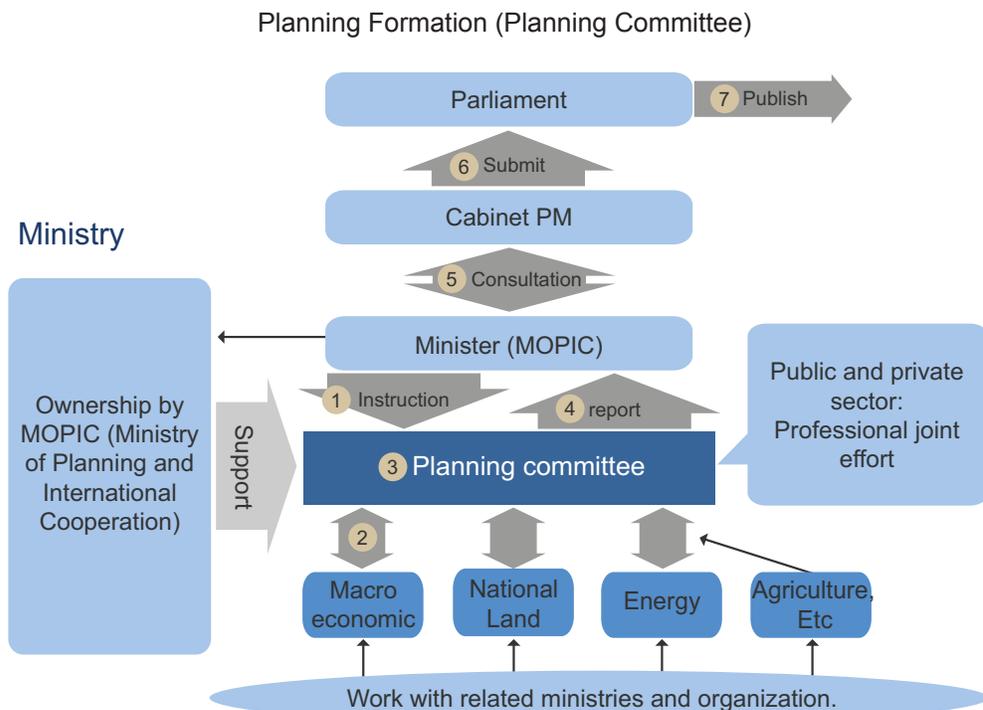
The idea of establishing the Planning Committee under the instruction of the Minister of Planning was to unify the ideas and voices of major stakeholders and

build a national vision based on the consensus in the committee. The committee's mission involved integrating the varied interests and opinions of the public sector (represented by public social organizations), technicians and professionals (academics, engineers and experts), and stakeholder opinion (social group representatives). Within the Planning Committee, nine study groups and one editing team were established. This was just a first step, but important for the introduction of inclusive planning. Fixing and strengthening this institution as the system evolves is important and necessary for Egypt.

Table 8: Purpose of the Planning Committee
1. Clarifying the social conflict and trying to create social harmonization among Egyptian society.
2. Neutral and fairness of the administration.
3. Combining specialized experiences in different fields.
4. Building consensus in the administration.
5. Establishing democratic and effective approach.

Source: Draft Master Plan and JICA expert presentation materials, 2012.

Figure 11: Mechanism of the Egyptian Planning Committee



Source: World Governance Indicators.

Effects of the Planning Committee

The major effect of the Planning Committee is the establishment of “a national consensus-building mechanism,” which will also facilitate the integration of knowledge and strengthen plan implementation.

For decades, people in Egypt were expected to follow the president’s decision, but the establishment of the Planning Committee will empower people to decide their future visions for themselves.

Table 9: Planning Effects	
1. Common Place Effect	Public and private sectors can discuss the goal.
2. Consensus Effect	Stakeholders can reach a common understanding and social goal.
3. Certainty Effect	Reducing uncertainty to encourage future investment.
4. Announcement Effect	Showing the future picture and policy for synergy effect.
5. Maximizing Effect	Stimulating potential growing power to the highest level.

Source: Draft Master Plan and JICA expert presentation materials, 2012.

Planning Integration: Integrating the Scattered Knowledge in Egypt

Integration of Wisdom and Knowledge in the Planning Committee

The planning committee played an important role in integrating existing wisdom and knowledge in Egypt. Experts from various fields gathered in the Planning Committee and nine working groups were established, with 21 experts, to draft the plan. The authors' names, which did not appear in the previous versions of the plan, were given for reasons of accountability.

The effort of integrating this expertise has just started. Private and civil sectors have not yet been included in the planning process, where around 200 members gathered to draft the Japanese Income Doubling Plan. The future challenge for Egypt is to include various experts from the private sector, civil organizations, the media, etc.

Integration of Existing Plans, Strategies and Visions

The planning committee also contributed toward reorganizing existing plans in Egypt. The existing 41 plans were listed and studied to consider the strength and potential in Egypt, assuming that the existing plans were not used effectively enough. From this effort, the potential strength in Egypt has been reconsidered, allowing them to devise a strategic framework, as described in the previous section. The planning committee contributed to integrating the wisdom and knowledge that had accumulated in Egypt.

Strengthening the Capacity of Brain Institutions: Institute of National Planning (INP)

The Institute of National Planning (INP) is another effort to integrate the scattered knowledge involved in strengthening the Ministry of Planning to support the planning process, both technically and academically. INP was a research think tank under the Ministry of Planning that played an important role in the planning process. During the process of integrating knowledge, the planning committee and INP found that existing laws were scattered, and had difficulties in referring to important laws and documents while drafting a new plan.

Therefore, the "E-Library" was established inside the INP and all existing laws and important government documents were scanned electronically to create a large database maintained in the E-Library. Work on knowledge integration is still underway in the INP.

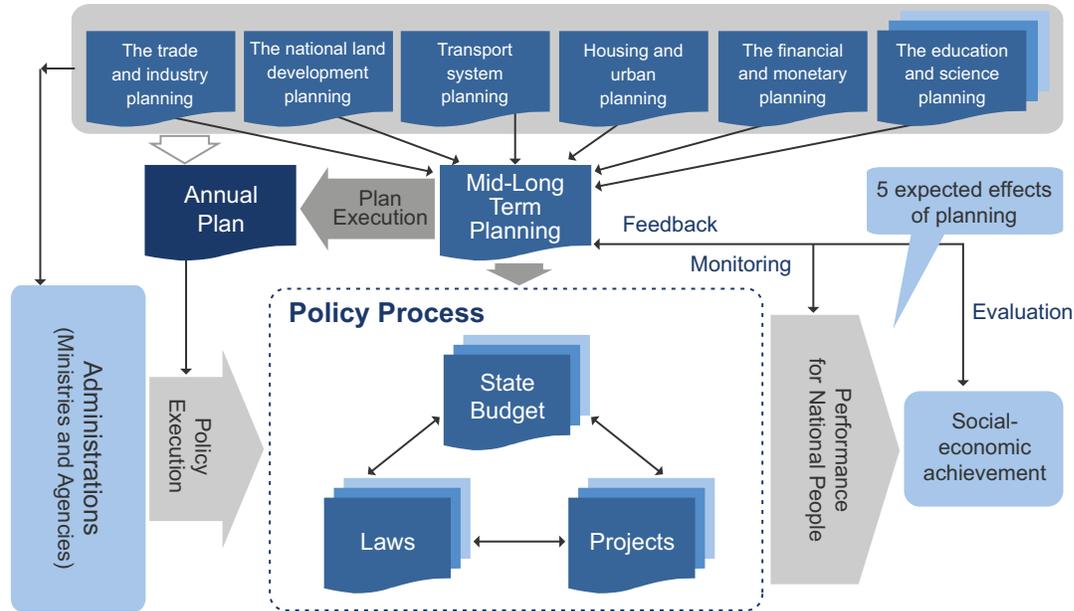
Strengthening the Mechanism of Implementation

Relating the Master Plan and Policy Execution

Our study showed the great importance of plan implementation. When drafting and implementing a plan, the importance of linking the national planning and policymaking was considered during the planning process and the Japanese plan applied a phased approach. The Income Doubling Plan was defined as a master plan, as it holds the perspective of long-term growth and acts as a guideline for mid-term and annual plans. The idea of strengthening and structuring the relation with the master plan and the execution plan is important for implementation. The two Figures (12 and 13) indicate the structure of the master plan and policy relation.

Figure 12: Relation with Policy Execution

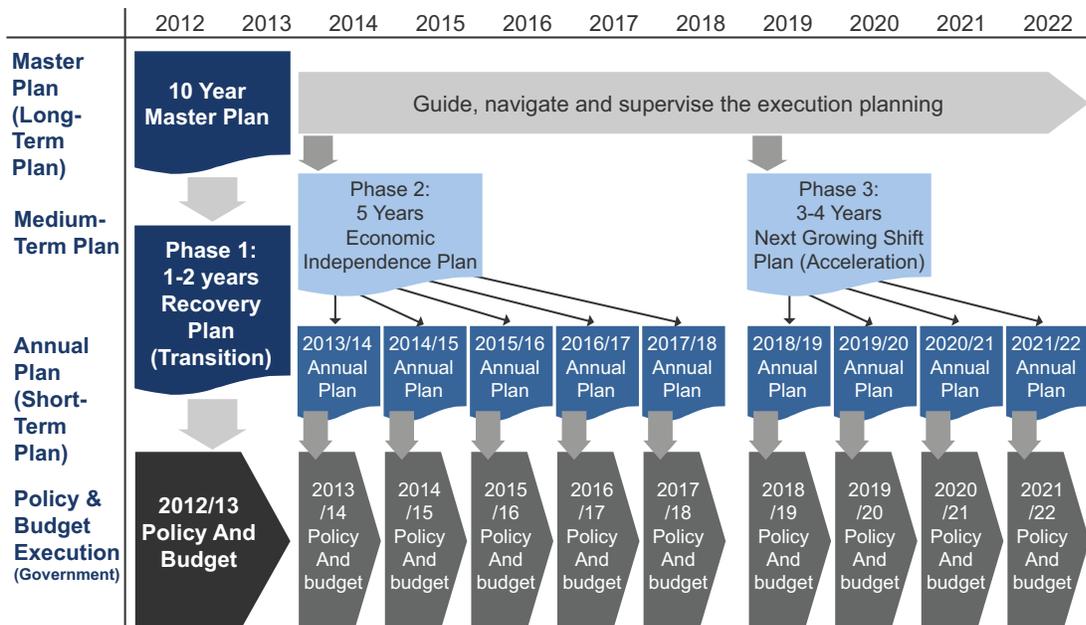
How to Link the “Mid-Long Term Plan” to Policy Execution



Source: Draft Master Plan and JICA expert presentation materials, 2012.

Figure 13: Master Plan and Relation with Execution Plans

10 Year Master Plan: Structure of the Planning



Source: Draft Master Plan and JICA expert presentation materials, 2012.

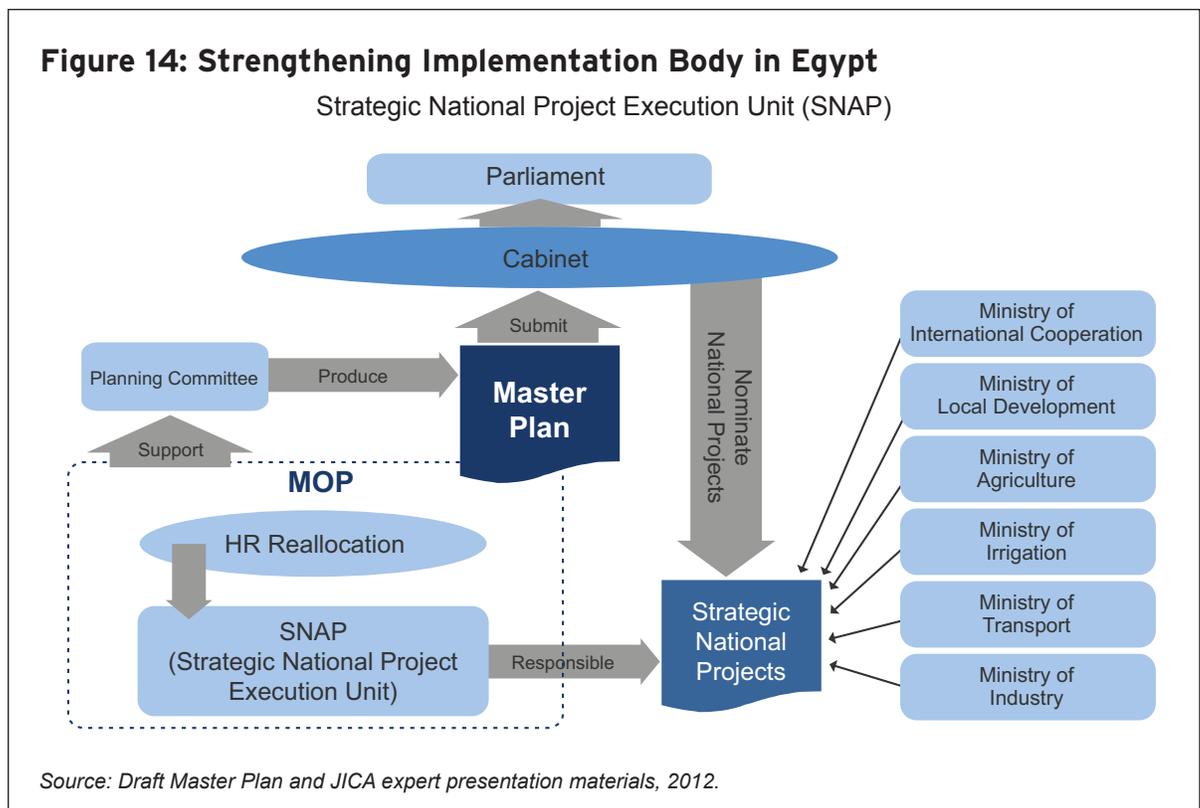
Establishing SNAP

The Malaysian experience shows the importance of a strong implementation system and body in achieving the goals stated in the plan. Egypt is establishing an implementation structure, and the new plan clearly states the importance of the implementation stage. For a strong implementation body, the new plan proposes to establish the Strategic National Project Execution Unit (SNAP) under the Ministry of Planning and puts forward the SNAP as the national project manager in an effort to link the planning and implementation functions.

Challenges for Inclusive Planning

Finally, some of the challenges faced by Egypt in introducing inclusive planning will be raised. Indeed, the experience of establishing a planning commit-

tee was a first and important step toward reforming the planning process. However, we are still at the start, with numerous further challenges to overcome. First, the participation of stakeholders is incomplete. Members from nine ministries, private sectors, local governments and media were still missing in the planning committee. To build consensus and strengthen implementation, efforts and coordination to ensure implementers participate in the planning procedure is crucial. Second, the plan was prepared by the interim government, and the idea must be shared with the new government established in July 2012. President Morsi holds a new “Nahda Program,” which resembles an election manifesto, sharing common features with inclusive planning. Inclusive planning should be adapted to the new government’s plans and policy. Third, the inclusion of the military as a large stakeholder in Egypt will be a big challenge. A large portion



of the economy is run by the military. Including the huge economic activities of the military in the plan is one important task for inclusive planning. Fourth, consideration of Islamist thoughts toward the economy is becoming increasingly important. With the increase in stakeholders, which was examined in the first chapter,

more and more topics require further examination. However, with the effective inclusion of stakeholders within the institutional mechanism framework and by applying other state's experiences and Egypt's potential strengths, these challenges should be controllable.

Box 2: Coalition with the Nahda Program

The About the Program

The Al-Nahda (renaissance) program is the Muslim Brotherhood's 11 page manifesto for the presidential election that was published as a hard copy on April 28, 2012, and has become the economic and social strategic plan for current President Morsi's administration. The program stemmed from meetings, which started in 2003, hosted by Khairat El-Shater; the current deputy leader of the Muslim Brotherhood, and was rewritten as part of the Brotherhood's election manifesto (Howeidy, 2012b). The plan aims to achieve social justice and emphasizes a greater role for the private sector and civil society. It also sets out economic targets such as doubling domestic production in five years, based on an annual economic growth rate of 6.5-7 percent. With emphasis on social justice, the program regards the state, private sector and civil society as the three principle stakeholders, and suggests that reaching consensus on a national vision toward the plan's implementation is crucial (ibid).

Coalition with Inclusive Planning

The strategic goals of income doubling, emphasis on social justice and national consensus-building are some of the points to be shared among the Nahda program and the new development plan. There is also significant potential for inclusive planning to cooperate and supplement functions for achieving the Nahda program's goals. The Nahda Program has been drafted by the Muslim Brotherhood, where the spokesman told that "the Islamic project is nonnegotiable" (Daily News Egypt, 2012). However, the program must also contribute to the 75 percent of citizens who did not vote for the Brotherhood, and build consensus among a wide range of stakeholders, including implementers. Also, technical procedures and mechanisms; such as the establishment of a planning committee, SNAP and concrete industrial policies are not discussed in the program. Inclusive planning can complement these parts to the Nahda program. In addition, it should be noted that as well as short-term policy in the form of "100-day projects," a long-term perspective for inclusive growth is also crucial at this stage.

Box 3: Comparison with Tunisia's Jasmine Plan (Economic and Social Program for 2012-2016)

The new economic and social five-year plan after the revolution in Tunisia, the "Jasmine Plan," was announced by the Ministry of Finance in September 2011. The plan had three aspects: managing the crisis after the revolution, promoting the transition toward democracy, and promoting sustainable social and economic development. For the first time in Tunisia, the plan was explicitly based on the concept of social justice, where almost half the targets among 10 were related to the democratization process (African Development Bank, 2012).

Table 10: Challenges and Strategies in the Jasmine Plan

Challenges
1. Human development, social and regional inclusion
2. Governance, social responsibility and citizen participation
3. Employability, job creation and sophistication of the economy
4. Global integration
5. Financing of the economy
6. Environment and management of natural resources
Strategies
1. Establishing trust through transparency, social responsibility and citizen participation.
2. Ensuring that development is all-inclusive and equitably shared amongst the different social strata.
3. Promoting a knowledge-based economy, in which science and technology will play significantly enhanced roles.
4. Creating favorable conditions to promote productivity, and free-entrepreneurship.
5. Fostering integration into the world economy.
6. Investing in human capital through education and training, and fostering professional competency in all fields.
7. Promoting social justice and equal opportunity programs.
8. Ensuring an adequate, balanced and viable financing of the economy.
9. Rehabilitate public service and civil action.
10. Optimizing the efficient utilization of resources and the preservation of the environment.

Source: Ministry of Finance, Tunisia 2011.

The Jasmine Plan shares the basic idea of inclusive growth, where there is still significant potential to share experiences with the Egyptian inclusive planning.

CONCLUSION AND FUTURE PROSPECTS

The Egyptian revolution in 2011 was a historical event that will have a lasting impact on world politics, economic and social commentary. Almost two years have passed, and the country is steadily moving toward a new history, with its first democratically elected president. Before the revolution, Egypt showed steady economic growth; but growth that was inequitable and in which the benefits of growth were grossly unequal. The Arab uprising incident highlighted the fundamental desires of the Egyptian people who simply sought social justice and who were desperate to prevent their country from becoming further mired in the insidious effects of endemic corruption. Moreover, as this paper has revealed, the absence of a consensus-building dialogue system significantly helped fuel an environment of escalating corruption, a knowledge diaspora and an impotent implementation processes.

As examined in application in Japan, Indonesia and Malaysia, the inclusive planning model demonstrates how economic growth and inclusiveness go hand-in-hand. The Japanese economic planning council system, the Indonesian experience of a participatory planning process during the democratization period, and the Malaysian experience of strengthening the implementation mechanism provide a framework of reference, indeed a malleable blueprint, which could be applicable to Egypt.

Egypt's movement toward drafting a master plan and establishing a planning committee represents important steps toward achieving inclusive development. The interim government has also recently taken

steps toward building an inclusive planning procedure, which, once firmly established, could be fully utilized by the new government. Inclusive planning transcends political regimes. Indeed, it is apolitical as it is based on the facilitation of varied stakeholders. This feature in particular could help provide the necessary framework for establishing a national consensus; one built on integrated knowledge, visions, and strategies.

East Asian economic growth and growth experiences worldwide demonstrate that international assistance can be effectively utilized to support development. The incidents of 2011, including Japan's devastating earthquake, tsunami and nuclear disaster, further demonstrate the immense value of international cooperation in supporting Japan's recovery. Indeed, it is reminiscent of the global cooperation that helped fuel Japan's remarkable recovery after World War II. Similarly, in nations such as Egypt and Tunisia, with histories of social, political and economic instability, experts such as Kaufman believe close collaboration with other nations may help ensure stability (Kaufman, 2011). Likewise, the importance of establishing links with countries such as Indonesia would offer similar benefits.

Finally, while economic assistance plays an indispensable role, it should not be used as a vehicle to impose a particular political ideology. Rather, it should be an apolitical instrument that facilitates a nation's rediscovery of its inherent strengths and collective wisdom - national treasures long buried under a pyramid of corruption in Egypt. Inclusive planning, in this context, implies the inclusion of, and respect toward, a country's people, culture, thoughts and history.

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ENDNOTES

1. The Ministry of Planning became the Ministry of Planning and International Cooperation in 2011.
2. Tinbergen states the importance of “Outside contacts” during the planning process (Tinbergen, 1964).
3. Based on a field interview, July 2012.
4. Based on a field interview, July 2012.
5. Based on a field interview, July 2012.
6. “Soft State” is a term introduced by Gunnar Myrdal in 1968 to describe a state with weak governance. Amin cited in Nagasawa (Amin 2011, Nagasawa, 2012) indicates that Egypt rolls down to become a “Soft State” in Sadat and Mubarak era. The Muslim Brotherhood often uses the term “Deep State” to refer to the old regime’s holdovers.
7. Former deputy secretary general of National Democratic Party.
8. Former owner of Ezz Steel and former chairman of Egypt’s national assembly’s budget committee.
9. World Bank, World Governance Indicators, accessed on July 18, 2012 <<http://info.worldbank.org/governance/wgi/index.asp>>.
10. Data from International Monetary Fund (IMF), July 2012.
11. Data from the Central Bank of Egypt, July 2012.
12. For example, a comparison with the elections results after the revolution indicates the diversification of political parties in politics.
13. Based on field interview, July 2012.
14. Only the Soviet Union had economic planning before the World War II (Keizaikikakucho, 1997).
15. This paper adopts the stance that the definitions of “Governance” and “Democracy” need to be carefully studied, since the development experiences of individual countries differ.
16. The Council was called the “Shingikai” in Japanese.
17. Data in 2010. The Economic Council was one of the councils but was dissolved in 2011.
18. Providing a vision to the private sector was possible since the private sector was also included as a member of the Planning Committee.
19. Conversely, it should be noted that negative aspects such as environmental pollution was expanded among the Japanese land.
20. Nine development plans have been drafted to date.
21. Japan International Cooperation Agency (JICA) dispatched an expert to Ministry of Planning as an advisor.
22. Currently, the plan is under public review on the Ministry of Planning Website <<http://www.mop.gov.eg/english/english.html>> accessed on Dec. 11, 2012.
23. Doubling the national income is defined as doubling the real national income, which requires an average annual growth rate of 7.5% GDP growth/year.
24. Achieving full employment is defined as reducing the unemployment rate to less than 4%.



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