



Egypt

Conclusion

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Conclusion

Chart 46: Recommendations

- Raise inclusive awareness on family planning services
- Manage water, and adapt to and mitigate climate change
- Promote good governance
- Continue with reforms to liberalise and open the economy
- Enforce basic labour laws
- Improve food security

Egypt's weak economic performance over the decades has been the result of state control, corruption and inadequate enforcement of labour laws that prohibit and effectively exclude most of the population, particularly women, from gainful economic activity.

However, the Government of Egypt has taken steps to initiate reforms in its regulatory and investment laws and has even started the ambitious but precarious process of reforming the subsidy system towards better targeted relief to the poor.

Compounding the problem of sluggish economic growth is Egypt's rapidly growing population. This poses a significant challenge to the government's ability to meet and keep up with demand for basic services like water, sanitation, healthcare and education for the population. Those living in rural areas are disproportionately affected in this respect owing to limited infrastructure compared to urban areas.

Challenges in the agriculture sector regarding production choices and efficiency, and the reform of the food subsidy system, are issues the government must continue to address to set Egypt on a sustainable development trajectory. The stalemate over the GERD is also an issue that Egypt must resolve amicably with the rest of the riparian states. This has direct implications for Egypt's access to water and is linked to all aspects of economic growth and decent livelihoods.

Although Egypt is also looking at other sources of water supply, such as desalination, these will come with heavy financial and environmental costs. Fundamentally, Egypt cannot sustainably implement its development vision without adequate water supply and efficient management to meet the already high demand for this scarce commodity.

The preceding analysis has outlined sectoral interventions that Egypt should pursue to set it on a more positive

development pathway. In summary, Egypt should take the actions outlined below.

Raise inclusive awareness on family planning services

Egypt's rapidly expanding population already exceeds the boundaries for sustainable growth and development. Besides giving women greater choice on their reproductive health issues and promoting access to family planning services and contraception, the country should educate and empower men on their role in family planning.

Manage water, and adapt to and mitigate climate change

Egypt is already under water stress and is projected to suffer severe water shortages and related challenges in the future given the projected population growth and impacts of climate change. This will have huge implications for the economy and livelihoods. Cairo, for example, is one of the fastest growing cities in the world and the provision of basic services like water and sanitation are key, especially in its informal settlements.

Also, more efficient use of water in agriculture through improved irrigation systems, and at industry and household level, are critical. In addition, the country needs to invest in renewable energy sources to mitigate the effects of climate change.

Promote good governance

Good governance underpins the quality and pace of development. Egypt has made significant economic strides, especially post the 2011 revolution, although the country has reneged on some of the issues that initially sparked the protests. Transparency, accountability and civil liberties should be promoted in the reform process to taper the risk of instability in light of demographic and economic challenges, such as high youth unemployment, that could be a driver of destabilisation.

Continue with reforms to liberalise and open the economy

Reforms are being undertaken by the government to remove market barriers and encourage investment in the form of restrictive business regulation and access to credit. These are fundamental to encourage competition and entrepreneurship and boost productivity to curb challenges like unemployment among youth and women.

Enforce basic labour laws

Although Egypt has requisite labour laws and standards, workers get little benefits even in instances that would be considered formal employment. Beyond the lack of adequate firms to employ Egyptians, companies should be required to give contracts and provide appropriate social insurance to their workers. This would promote greater formalisation and also generate revenue through taxes on firms and individuals.

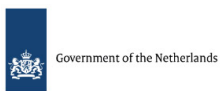
Improve food security

To boost its agricultural sustainability and overall efficiency, Egypt should promote crops for which it has comparative advantage and that use water optimally. This would better manage water use in the agricultural sector, deal with the inefficiency of the food subsidy programme and release foreign exchange towards a better targeted cash-based social policy programme.

Egypt has a relatively good foundation in terms of its human capital and even the physical infrastructure needed to launch

it on a more prosperous and sustainable development pathway. Genuine political will, accountability and greater public-private partnerships could unlock economic growth that benefits all Egyptians.

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Dr Jakkie Cilliers is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the Institute. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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