IYER: I’m eager to learn about recent civil-service initiatives under the Ministry of State for Administrative Development. We’re very interested in your descriptions, observations and reflections on a variety of issues relating to public-sector reform.

I understand that you were previously involved in IT (information technology) efforts here in Egypt, and I was wondering if you could tell us a little bit about what brought you to this position from the IT sector?

DARWISH: Basically, my work with government started as a consultant for Dr. (Ahmed) Nazif when he was the minister for communications and information technology. At that time, he wanted someone to draft the document on the E-government, visibility study, policies and strategies, and so on. I was a university professor and a freelance consultant, so I accepted the task. A little bit by a little bit, I became the E-government program director. When it was approved by the Parliament and started implementation, I started to lead the team, and I became the E-government program director.

In 2004, when Dr. Nazif became the prime minister, he had the vision that we should get the efforts of institutional development, organizational development, or modernization, or reform, whatever you call it, and they should be an integrated part with the tools. You cannot separate the people, the structures, from the tools, which is the IT, whether these tools are availing services over the Internet, whether these tools are ERP (enterprise resource planning) programs, back-office, archiving, databases, linking. So, we had the vision that we should integrate both efforts in order for this to work properly as an integrated system.

So he nominated me to become the minister of state for administrative development, and I got both mandates—the old mandate of the ministry, which is the institutional development, and also the other half, which was what I doing, which was the E-government, with all its subcomponents of infrastructure, services over different channels, back-office automation and databases, and so on.

IYER: Related to that, could you tell me about the main issues and challenges facing the civil service from 2004 until the present day? What are the key priorities of the Ministry of State in addressing them?

DARWISH: Well, we have several challenges. But most of them are changing the culture of the government employees. I mean, you are talking about a group of people who used to work for a very long time within a certain system, using certain tools. To change that, to change the mentality, to prompt them to be more active—participating, sending commands—changing the way they work, changing the work cycles, asking questions, “Why are we doing this? Why are we doing that?”

The problem is not that the original ministerial decree or the original law was wrong—it was just created in the 1960s and the 1970s. Now, so many things changed around you. So the most important thing is that your work regulations, your regulatory environment cope with what is happening around you. If things change at a very fast pace, and then you remain with your old regulatory system, then this is where you feel this bureaucracy.

IYER: Yes. You mentioned that your mandate combined the previous mandate of the civil service as well as this new mandate of E-governance. Could you talk a little
bit about how you defined this new combined mandate? Starting out, what were the main priorities set?

**DARWISH:** See, there is a very important document if you’re looking into the reform—a very important document that Magda could probably give to you—which gives the policies that we are using for this modernization.

**IYER:** Yes, I’ve taken a look at that.

**DARWISH:** The 23 policies, you’ve got that one?

**IYER:** Yes.

**DARWISH:** Okay. So, if you look at these 23 policies, some of them are on the state level; some of them are on an organization level; and some of them are on the civil-service, or the job, level, or the human-resources level. So, we still look to ICT (information and communications technologies) as a tool. You know, some long time ago when they started using the calculator, it was a huge change in the accounting department; now they have calculators. Later on, it became a computer. And then, it became actually networking and linking the accounting to the procurement, to the inventory. And something will happen with the technology next. So the tools keep changing, but the people are still the core of the system. That’s the very important thing, that the core of the system is your human resources.

So, the way we look at it is that we have the core of our system and we need to provide them with tools, and we need to provide them with an agile regulatory system such that they cope with what’s going on with them. So, the term “agile” is very important for us. It’s one of the six key words we have chosen for our vision statement.

**IYER:** Could you explain what you define as an agile regulatory system?

**DARWISH:** A system that copes with the changes, so that when the tools and the technology make available an easier way of doing things, then the regulatory system should cope with that and change the requirements. Now if I now have a way of linking government entities together—I’m giving you an example—I should not ask the citizen to present a document from another government location. Normally to get a service, you apply for it, and with this application you present supporting documents. Now if somehow the technology avails the network, or if by some of these supporting documents I could check—as a government entity—immediately over the network with the other government entity, my regulations should not say that you should present this supporting document anymore. So, this is a simple example of what I’m talking about.

**IYER:** Related to that, much of what you’re saying and the information I’ve read relates to removing the middle manager from the process and making processes more citizen-centric, and—

**DARWISH:** Correct.

**IYER:** —making services more directly available to the citizen. At the same time, in Egypt, labor laws are such that it’s very difficult to fire individuals. I was curious as to how you had to train the same people to adopt new, citizen-centric behaviors—.
DARWISH: Exactly. I said we have so many challenges. Most of them are, to me, things that are easy and that I can overcome. Any challenge that relates to technology—computers, networks and the like—is something that we could do. Any challenge that relates to changing the regulations, we could also do. But it’s about how to change the mindset of the people. I’m not going to discover which piece of regulation, which ministerial decree is a hurdle that I could probably overcome unless I get those suggestions from people who first interface with the citizen. You know, they should come up and say, “Guys, we are asking the citizen to present the following, while it’s much easier now not to ask them for it. We could do the following.”

So, this kind of changing culture is—. The way we do it is through not only training, but by going and becoming part of the organization for a few months, relaxing them, and showing them that the new system is still within their control. Notice something very important that makes a civil servant not willing to change: If he thinks that the new system is not within his control.

IYER: When you say becoming part of the organization, is there a systematic program that deploys individuals inside it?

DARWISH: No, we start what we call a project with that. And then within the project we put what you call a counterpart team or a shadow team—whichever you would like to call it. And that team, from the implementing company or the implementing agency, goes there and does the implementation, and at the same time they reside there. And then there is a program whereby they withdraw gradually, because they are sure now that the organization is able to run the system on their own; they are acquainted with the new regulations and the new steps and so on.

So, they keep withdrawing. Then we give them a buffer of three months where they pick up the phone and can ask questions and get support and so on until thing are business as usual.

IYER: It’s a bit like management consulting for government departments, yes?

DARWISH: Correct. But we don’t do it ourselves, by the way. We do it through partners, whether this partner is the National Management Institute or whatever implementing company. We contract with Egyptian companies to do these jobs.

IYER: Related to contracting, I had heard that there was draft legislation in place in relation to contract employment, and I was wondering if you could speak a little bit about that at length.

DARWISH: Now we talk on contracting for government procurement and we are in the process of trying to push a new civil-service law to the Parliament. Contracting is not well regulated within the current law, because the law was enacted in 1978. At that time, the government was sort of promising to hire every university graduate, so the government was the major employer. Things have changed; we stopped hiring every university graduate in 1984. We are still hiring university grads, but not all of them. We hire as many as we need.

And also, the nature of the jobs within government has changed. So sometimes we have projects with a limited amount of time and we really need to hire someone to work on that project. Sometimes we need to utilize the expertise of someone who is an expert in a certain field. So the government started to contract with people for these kinds of jobs. Now, the current law does not
mandate, for example, that you announce through advertising, so that became some sort of not-so-transparent system for contracting in government.

So, what we are trying to do with the new law is to make the current ministerial decree be enforced as a law. Because currently we have a ministerial decree that says you should advertise for the job, but once this becomes a law, then violating it becomes a crime and we could probably be more aggressive in enforcing the law.

So we are looking for more transparency in contracting, and more guidelines for contracting in terms of salaries and wages and bonuses for contracted people. Because currently, you could be faced with one of two cases: Either they are underpaid, because we have 9 percent or 10 percent unemployment in Egypt, so a contracted person could be underpaid and he will take the job because he wants the job. Or they could be overpaid. So, we are looking into how to put the right guidelines for contracting in government.

IYER: What stage is this legislation at?

DARWISH: Currently, it’s in the cabinet for review. If the cabinet approves it, it should be sent to the Parliament in December.

IYER: I see. Changing topics again, I wanted to characterize—related specifically to your mandate of directing the civil service—the different areas of focus. I understand that there has been some work related to performance management undertaken, and I was wondering if you could describe them?

DARWISH: We’re just starting a performance-based management project in cooperation with the UNDP (United Nations Development Program). I cannot judge its outcome till now, but we are starting new management schemes and styles in the Egyptian government. For example, with GAFI, the General Authority for Investment, we have implemented a balanced-scorecard system. This is changing what’s happening inside GAFI. This is aligning different departments together, so people understand objectives and the contribution of each person within this organization to the general objectives and so on.

But we cannot say that we are going to do that all over government immediately. This is going to be a tough job. In fact, it took us some effort and time to implement it in GAFI. Because you are coming from a very old, classic system where you have personnel—not even human resources, not even HR (human resources), it’s just personnel—and a very classic performance evaluation, and a very classic task descriptor for each one.

So, to go further from this end of the spectrum to the other end of the spectrum is a tough job. But GAFI is an important place we’ve done it. The second place in government employing it will be this ministry, because we have to start by ourselves being a good model for others. So, we have some initiatives that we are taking within the Egyptian government when it comes to performance-based management.

IYER: Do you mind if I ask a few more questions about this scorecard system that’s been piloted in GAFI and in this ministry itself? Are there performance indicators? What are the main performance indicators used?

DARWISH: No, it depends on the department where you are implementing. So at GAFI, for example, they have their own performance indicators. And this is why you cannot
just go and buy a balanced-scorecard software and install it. The key is the performance indicators you are mentioning. So if the performance indicator for them is the foreign direct investment that they have attracted, if the performance indicator could be the number of companies that have been established—. It could be the paid capital of these companies; it could be the number of employees.

You know, they have their own; I cannot recall them all. Here, I know we have over a hundred projects that we are implementing in government in several places, whether it’s under the availing services, whether it’s under ERP or the databases. And we have performance indicators on the return on investment on each of these projects: Are we achieving this return on investment? Is it on time? How many people are utilizing it?

So, we do have them, and they change from one place to the other.

IYER: Who is responsible in this ministry for creating and carrying out the performance evaluations? Is that done by supervisors or—?

DARWISH: Actually, we have contracted with a consulting company to be our partner in the implementation. And then we have a small team within this ministry that will be with that consulting company to do the implementation over here.

IYER: If you don’t mind, I’m just going to change topics quickly again—I know that you’re limited for time today, so I wanted to ask questions about your perceptions of what the major successes of the ministry have been during your tenure.

DARWISH: We have a major success in our E-government program. We started drafting the document in 2000; it was approved by the Parliament in 2001. In nine years, we came from being ranked 160 out of 192 on the United Nations report for electronic services to 23 in January of this year. So I tend to think that this is a success story. We have services that are available on the Internet with good quality.

We have some innovative ideas like cash on delivery, which are ideas that are not usual for governments; governments like to get their money before doing the work. But we started that in 2004, much earlier; probably we were the first government in the world to do that—that we sort of finish all your documents and paperwork and send it to your home, and then you pay later. So, this is one of our major success stories.

Our second success story started in 2005 and was crowned in 2007, when we started our program of linking national databases. One of the fruits of that is the family database, for example. This could change the whole idea of social safety nets in Egypt, because now we have 14 million families out of 17.5 million families in our database. This is like four quantiles from Egyptian society. We could probably, later on, next look at these different quantiles. Start availing services to them, according to their needs. The bottom quantile are very poor, so you need to give them more services—you might even give them cash payments—while as you go up in the society, you probably need to work differently.

We are among the countries where subsidy is among the highest; probably something like 8 percent to 9 percent of the GDP goes into subsidies, so this is worth looking at.
IYER: What are the key obstacles that you’ve encountered in relation to the E-governance program, and how did you address those obstacles?

DARWISH: I go back to culture. There is paper written in 2002 on the Egyptian E-government program; it’s a very old one, but it’s also posted on Egypt.gov.eg. You might find it, and it has a nice table that says challenges; suggested solutions; how are we going to overcome it?

The first challenge was the infrastructure. And I don’t mean by infrastructure fiber cables and so on; when we started in 2001 we did not have an e-signature law, so we had to work on an e-signature law. We had to work on public e-infrastructure. We had to work on the documents of standards, how to secure a government location, how to secure services and networks, document classification and handling, messaging and networking—all all of these had to be in place. So, infrastructure.

Payment methods was another challenge. In 2001 the penetration of credit cards was, and still in 2010 is not high enough. You cannot ask people to go online and pay using their credit cards; people do not trust the system. So these are documented in a nice table—we can print it out for you, the full paper. And those were real challenges.

But one more time: The most important challenge was the culture of the people. Government employees did not believe the fact. “OK, is it really true that someone will go online and ask for a service and we will send it home without actually showing up in line.” “Is it legal? Is it OK? Is it secure?” They keep asking all these “doubt” questions.

IYER: I understand that the Ministry of State for Administrative Development is responsible for developing policies and that the Central Agency for Organization Administration is responsible for much of the day-to-day aspect of implementing policies. I was wondering if you could speak more about the relationship between the two and how fluid you think the transition from policy to implementation is?

DARWISH: The CAOA (Central Agency for Organization Administration) is only concerned with one out of four programs that we run in this ministry. We have four programs in this ministry: The first one is about services, the second one is about ERP, the third one is the national databases, and the fourth one is the institutional development.

So within institutional development, we set policies—for example: “These are the guidelines for how we would like to do our organizational structures; these are the new mandates. We tend to think that there are two entities that are doing a job that is similar and maybe we can merge them.” If we merge them, we probably have better efficiency, because instead of having two departments for accounting, two departments for personnel, etc., you are shrinking. I mean, the Egyptian government needs to shrink a little bit.

So within these guidelines, and within what we do, and within the contracts we do with some of the consulting offices, consulting firms, and so on—at the end of the day, all of this has to go and be accredited by the CAOA, because they have the guidelines and, by law, they are mandated to accredit that.

Sometimes government locations go directly to them and say, “We’d like to change our organization structure. The workload we have now is much more due
to the population inflation. We need more jobs and so on.” So they do these studies.

More or less, you’re among the few people who came in and said a very accurate statement: That we do policies and they do the day-to-day. Not so many people know about that. But this is the fact, that they are the implementation arm. They take care of the day-to-day. You know, a nice lady got married and her husband works in a different government; she needs to move, because getting family together is part of the Egyptian culture. So, they try to find a job for her where there is a vacant position in the other government, or they do an exchange, somebody wants to move from this—. So, they take care of this kind of day-to-day action.

**IYER:** You’ve cited multiple times that the change in culture amongst civil servants and amongst users of E-governance has been a main obstacle faced. When it comes to changing the culture within the civil service—or, for example, when it comes to training civil servants to better incorporate new technologies—how is the CAOA involved in that process? It seems that they would be quite involved, given that they are involved with the day-to-day implementation.

**DARWISH:** There is a training that is mandated by the law; they take care of that. I’m the regulator, by the way, so I accredit training by the law, training centers that provide training that leads to promotion. You could go and have training as much as you wish, but if this training is a requirement for promotion, then I should accredit that training center and that training course. So they do this kind of training. We’ve accredited them; they are accredited to do this kind of training. One thing we are trying to do with them is to change a little bit the classic nature of these training programs. That does not mean that this is the only thing we are doing. Through the National Management Institute, we are providing all sorts of new training programs, which are the non-classic—you know, the ones we are doing with partnerships. We have a few partnerships with universities in the United States, with entities in the United Kingdom, with the École Nationale d'Administration in France, with th Indian Institute of Management in Ahmedabad, with the Local Government Development Institute in Korea. We are negotiating with Lee Kwan Yew. We have so many partnerships where we are trying to do the top management training, give the elite type of training. But at the same time, we are working with the CAOA to do that.

**IYER:** Related to training, I understand that the National Management Institute was given its current structure and functions in 2006; is that correct?

**DARWISH:** Say that again.

**IYER:** The National Management Institute, which oversees all the training of civil servants to a certain extent, was given its current structure and mandate in 2006; is that correct?

**DARWISH:** In 2006, it was restructured. It was established in 1954. It was restructured in 2006. But it is an independent entity, and it works on economic basis. It does not provide training for free. So it’s not given the mandate of training all government employees. But it’s given the mandate to create elite, top-management programs. Now, should they provide good quality, then government entities will go and contract them and pay for their government employees to attend one of their training courses or training sessions, but it’s not mandated.
IYER: The restructuring of the National Management Institute—was this ministry involved with that in 2006?

DARWISH: Yes, it was based on our recommendation and suggestion. We drafted the presidential law. It passed through the cabinet. It was sent to the president with our recommendation, and the president approved it and issued it.

IYER: And was that based on a perceived need for better upper-level management to—?

DARWISH: Yes, basically. And with an objective that quality is what drives us to work—not budget. So, the National Management Institute, under the new structure, is under the pressure to provide good quality training; otherwise, enterprises and government entities are not going to send people to train over there.

So, the old system used to be: You give the National Management Institute a budget to prepare training courses. And then you would send to government entities and say, “I have the following course; would you like to send someone?” Of course they would say yes, because he already got the budget and he’s giving a free scholarship, if you would call it. You come from university, so they are getting—. “Why shouldn’t I send someone to get it?”

So, whether the quality is good or the quality is bad, it’s for free, so why shouldn’t I send my employee to get the training? Now, I’ve reversed it. I’m sending the money to government entities and they can select; they can take the National Management Institute, or otherwise. They are under the pressure to provide top-notch quality courses so that people would favor them over other places.

IYER: So, increasing competition, basically?

DARWISH: Exactly.

IYER: I think this is sort of a motto you have for the Ministry itself—that quality and not budget is what is driving many of these changes. Could speak a little bit about how much budget issues come into play? For example, you mentioned that there is some debureaucratization going on in terms of reducing overlap between ministries. I was wondering how much of the civil-service reform effort here in Egypt is driven by budgetary considerations, given that it is a very large civil service.

DARWISH: Well, we have, of course, our restriction where budget plays a role. For example, the increase in salaries and wages and bonuses is a problem because we have probably twice what we need in terms of government employees. So, this is a restriction in terms, because it’s an important component of the reform.

But the second restriction is the size. Because we have this big size of government, we are unable to reach all government entities and all government employees. But we haven’t experienced budget as a limit for automation and E-government programs, because normally the return on investment is clear. We are normally able to justify the money we are spending. So when we are saying we are coming in with a database for a family card, the return on the investment justifies the money we are asking for. So, normally we are granted the money.

IYER: In terms of hiring practices, have there been any hiring freezes implemented or any retrenchment efforts of any sort?
DARWISH: Yes. We actually decided in 2004-05, when Dr. Nazif came into office, we decided a fixed size government. So, we are hiring as many as those who are retiring. The reason is very simple. In 1976, total government employees were 1.6 million, and the population was 37 million. In 2006—and those are years where we had a general census, which is why I’m choosing 1976 and 2006—the population was 74 million. So, you would expect the government to be anywhere between 3 million and 3.2 million—twice. OK? The government was 6.2.

So, during 30 years, the population doubled, but the government quadrupled. So, we are sure that we probably have more than we need, because we were running the same country efficiently, and nobody was complaining, with half the number of government employees. That tells you why salaries and wages are low, because basically we have used the government to solve unemployment problems. So, the decision was more or less of a cooperative charity system. I don’t know what you would call it; I’m not sure. But the decision was that, instead of Ahmed working and Debah staying home, we’ll make jobs for both of them. Ahmed and Debah will go to work and both of them will get half the salary. This is basically what we were working on.

Now, according to international standards in terms of percentages of workforce, percentage of government employees to population, the 6.2 million is very high. So the decision was to have a fixed-size government in 2005. We have succeeded for five years in keeping the government size fixed. And that’s a huge success, because the government was growing annually at a very high rate.

So one of our success stories could be that we’ve kept the Egyptian government fixed for five years.

IYER: Do you mind speaking a little bit about the determinants of this success? Why do you feel that it’s been so successful across government departments?

DARWISH: Because we have so much pressure—Egyptians love to work for the government, because it’s a tenure job. Those who are in university understand the meaning of tenure: someone you cannot fire, ever. So we are under pressure. We still have something like 9% unemployment, which translates to something like 2 or 2.2 million unemployed Egyptians. So we are under pressure. So, holding to that pressure tells us that we have succeeded in creating enough jobs in the private sector from private investment that will alleviate part of that pressure.

So, it’s not a success for the civil-service reform as much as it is success for the cabinet, that was able to create 700,000 jobs every year, only 50,000 of them in government.

IYER: Would you say that this success is due mainly to the growth of the private sector, or is it at all due to—?

DARWISH: No, this success is due to a package of policies from this government that is attracting foreign direct investment, that is creating trust where Egyptians are investing in Egypt. So, it’s creating jobs, and it’s creating jobs outside of government, which are 12 to 14 times what’s being created in government.

IYER: This decision came from the top, obviously, but how much would you say different government departments and agencies actively implemented this decision to not hire extensively?
DARWISH: This decision is a centralized decision; Egypt is a highly centralized government. You spoke about the Central Agency for Organization and Administration, CAOA, OK? Nobody can hire someone in government without their approval, without going and saying you have to justify the workload. And then after justifying the workload, you say, “OK, we’ll give you budget to hire one more person.”

So, another part of the success is that we are not hiring the people for those who retired in the same place. So if somebody retires from Cairo University, we could hire someone in Kafr El-Sheikh University, because Cairo University has even more, much more than what they need. But we also take into consideration—which is a very tough job—the demographic structure. You cannot just freeze hiring, because after a while the government will be old-aged. So we need actually to inject at the bottom young people so that you assure the continuity and the sustainability of government entities.

So, it’s a mixture of doing things.

IYER: I have one final question to ask you, because I know that you are pressed for time.

DARWISH: Sure, but you are welcome, by the way, to meet with other people.

IYER: Yes, I’m very eager too.

DARWISH: I mean, I’m just wondering why—. I mean, you come from the United States, Princeton, a very prestigious university, and you’re still within the culture that you have to meet with the minister. You could meet with so many people in this ministry and probably they are all much more competent than I am; I’m just a politician over here, OK?

IYER: Definitely, I’m meeting—I’m actually studying two different topics while I’m in Egypt. I’m also studying recent internal reforms undertaken by the central bank. I’m meeting with many different types of people. I go about it from a very sampling-minded perspective. I interview people from different backgrounds and tiers of government.

DARWISH: Yes. Because Egyptians have this kind of culture that they would like to meet with the minister, because that’s the official whatever, statement they can get. But you could meet—you could have met Magda, and she probably would have given you more and much better information than I will.

IYER: To conclude, if you had the chance to write a handbook for people who have to manage civil service reforms in other challenging environments, what kind of topics would you consider most important?

DARWISH: I would consider concentrating very much on top management. We have an initiative called “Change Leaders.” And I’m a believer that if you change the mindset of the general manager or director or the deputy and so on, he could by far make wonders out of his department. If you select him right—. How to select these people, how to “brainwash” them—I don’t want to say that, people don’t like that statement—but how to change the way they do things, how to do capacity building in terms of skills? I came to recognize that we have in government impressive technical skills, but we don’t have as much soft skills. Technical skills—I mean people understand very well the job they are doing and understand the technicalities of everything. But it’s about the soft skills like
negotiation skills, presentation skills, how to run people, how to deal with your boss and with your colleagues and with your subordinates.

If we concentrate on this part of skills, it’s very important for Egypt. We are a big government. We thought that middle management and top management are the key, because I’m unable to reach the 2 million civil servants. You know, we have 6 million, but the truly civil-servant definition applies to 2 million of them, because we have teachers, we have other things. This is very important.

And, in fact, when I started this initiative in 2004, it was called “Change Agents,” because I said those are my agents that are going to use them in different places to change what’s going on in government. And then a year later, we changed it to “Change Leaders,” because people didn’t like the term “agents,” because it’s like intelligence. “You know, Ahmed, you are planting agents in government and so on.” I said, “OK, I’m going to change it. They are my ambassadors in government for the change.”

So, if I would write a handbook, I will probably very much concentrate—I’m a computer engineer by the way, but I will concentrate on people. Maybe because I’m a computer engineer, I find it very easy to put computers and networks together and programs and so on; I find that stuff trivial and easy to do. But believe me, it’s about people. You have the right people in the right place, you could do wonders.

IYER: Do you have any anecdotes of individuals who have gone through this Changing Leaders program who may have engineered turnarounds?

DARWISH: Yes, we have some sort of a “forum” for them now. They have a group mail, and they meet regularly. And we are creating at the National Management Institute sort of a coaching system, because you bring them, you do capacity building, you energize them, and so on—and they go back and they face all sorts of obstacles. So some of them will be depressed, some of them might give up. So before this happens, we’d like to recharge them. “Give us a call, we’ll help you, we’ll try to give you the support.” Because at the end of the day, they are not yet the majority; they are still the minority.

So, to be able to immunize them is very important. We do have this sort of help and support, if you would like to call it that.

IYER: Thank you so much for spending so much time for me.

DARWISH: No, thank you. I’m looking forward to your research. It’s very interesting, both of them.