



INNOVATIONS FOR SUCCESSFUL SOCIETIES

*An initiative of
the National Academy of Public Administration,
and the Woodrow Wilson School of Public and International Affairs
and the Bobst Center for Peace and Justice,
Princeton University*

Oral History Program

Series: Governance Traps
Interview no.: V3

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Interviewer: Rushda Majeed

Date of Interview: 2 November 2010

Location: Alexandria
Egypt

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MAJEED: This is Rushda Majeed in Alexandria, Egypt on November 2, 2010. I'm speaking with Mr. Mohamed Hanno who is a board member of the Alexandria Business Association (ABA). Mr. Hanno I would like to speak with you about your experience in Alexandria, particularly starting in 1997 around the time when a new governor, General (Mohamed Abdul Salam) Mahgoub came into Alexandria. Could you tell me—before we do that, could you tell me a little bit about yourself and your position within the ABA?

HANNO: *I am an owner of an IT (information technology) business here in Alexandria. I joined the ABA around fifteen years ago. I was elected to the board of ABA seven years ago and was reelected recently once again. I am involved in many of the activities of ABA and public service and in supporting small and micro enterprises and microfinance.*

At the same time I am also a representative of the IT community in the Chamber of Commerce. I am the Vice Chairman of the IT Division, the computer division, in the Alexandria Chamber of Commerce.

MAJEED: Excellent. Can you tell me a little bit about—if you remember back to the earlier days, and I'm talking about 1997, perhaps 1996, around that time, what did you perceive as major issues or challenges that faced Alexandria and also the Alexandria Business Association, if there were any.

HANNO: *At that time our main issue was development. The growth rate of the economy in the whole of Egypt was not growing, especially in Alexandria. Cairo was getting most of the investment, the foreign investment. Alexandria was not competing with Cairo successfully. Egypt has a high unemployment rate so creating jobs is important. Having and sustaining a high growth rate is a very important issue.*

At that time we had an economic problem in Egypt because after so many years of growth there was an issue with loans and banks and many businesses were defaulting. At the same time, locally, the city was suffering from being an old city and being a city with—although it is a big city, it didn't have a large budget to improve our infrastructure, to beautify the city. Alexandria has the potential of being a touristic city, an important touristic city, but it was not successful in attracting tourism. We had an issue with the expansion of the city because the city is, on one side has the sea, on the other side, agriculture land, and there are laws against building on agriculture land because agriculture land in Egypt was shrinking.

So the government was fighting against people who would build and use agricultural land to build homes. So Alexandria had the problem growing. It was bordered from two or three sides with obstacles to urban expansion. So, due to that, construction business was suffering. Investment—since investment was not coming and jobs were not being created, tourism, although it was very vibrant in the rest of Egypt, in Alexandria it was not growing. Alexandrians were feeling frustrated. Many of them were leaving the city. Many businessmen were finding better opportunities, especially in Cairo of course. That was it.

MAJEED: So what changed in 1997 with the coming in of a new governor and a new team?

HANNO: *I would say that the first thing was that Governor Mahgoub got closer to the stakeholders. He got closer to the people, listened more to the people, and he*

got closer to the business community and started to formulate ideas that would help.

You know you have to understand the situation in Egypt. Egypt is a centralized country. Most of the revenues, tax revenues and customs revenues, go to the central government. The cities don't have means of getting revenue that would support its needs. So Alexandria, and most of the other cities in Egypt, could not find the funds to expand, to improve conditions of its people. And at the same time Alexandria is a big city. It is a city of 5 million people. So, as all big cities, we have a need for sophisticated infrastructure, for better electricity, network, communications, roads, etcetera.

Governor Mahgoub was very innovative. He started by trying to find ways to overcome the funding problem, the financing problem. He did many things that really were very new to Egypt and very interesting. He partnered with civil society, communities, with business community, and through the developed the city and improved conditions in the city.

MAJEED: What were the other means of raising funds? In that context can you explain a little bit about how the centralized system of financing works in Egypt, how the budgets are allocated to the governors and what responsibilities, if any, do the governments have for raising their own money—or can they by law?

HANNO: *The governments do not have tax revenue, do not get income from taxes. The income tax and the sales tax go to the federal government, to the central government. The only tax that the city can raise is a small real estate tax that is raised by the governorate in Alexandria and can be used by the government. Other than that, the state gets some money from billboards, advertising, but really not much more. They get some fees from, you know, if you go to a government office and you need to get some papers, get some licenses. So there are fees that go to the local government but a lot of, also, these fees go to the federal government because many of the licenses are issued by ministries and ministries are not local. We don't have a local ministry of education and local ministry of transportation for example.*

So the revenue stream goes to Cairo and then Cairo, the central government, redistributes these funds based on the needs of the different governorates. So the governor, although the governor can request funds for certain projects, the governor doesn't have the full power to get these funds. Also these funds are, in most cases, used by the ministries—like, for example, the Ministry of Transportation or Real Estate and Construction, or the Ministry of Education for example, which controls education in the city of Alexandria. So the governor can have some influence over the local office of the Ministry of Education or Transportation, or whatever ministry, but they don't have full power over them.

MAJEED: What is the—on that point, what is the relationship between the governorate and the central ministries? Does the governor have authority to decide on certain issues or most of it has to be approved by the center?

HANNO: *If the issue is in the domain of one of the ministries, then final approval has to come from the ministry in Cairo. There are some, maybe local examples of the governor doing things locally, but I mean, consider the telecommunication infrastructure, the roads, the power grid, the sewage, they are all central. But, for example, the waste disposal is local. So the governor has control over the*

operation of waste collection and waste disposal. That is one of the examples where Governor Mahgoub was innovative, was forward-looking.

He had a big problem on his hands when he came as Governor in Alexandria. He had an old fleet of trucks that were used to collect the garbage. He had an inefficient organization in the local authority that was in charge of collecting the garbage. He also did not have the landfills where he can dispose of this garbage in, so there were many problems. So what he did was he issued a tender for local and foreign companies to bid for providing the governorate with the service needed to collect and dispose of the waste, our solid waste.

MAJEED: When did he do that? Was it one of the first things of his administration, or did it come later?

HANNO: *No, it came later. It took some time. I mean Egypt didn't have much experience with that. In the whole of Egypt, waste collection and disposal was a government job and it was done by the governors, different governorates or cities. These governorates did not have great experience in doing it the more advanced modern way. They were doing it the same way for so many years and they didn't know better. So, because of that, we were not very efficient in how we operated waste management.*

So when Governor Mahgoub came he got some consultants and we had experts in the University of Alexandria we used. We had a local research center here in Alexandria and some people had experience with that issue. They started studying the issue. They got some help from foreign donors. I personally attended a conference on waste management here in Alexandria which was sponsored by the Governor and by the University of Alexandria and by USAID (United States Agency for International Development). People discussed solutions, discussed ways of making the management of waste more efficient in Alexandria.

MAJEED: Which year was this, do you remember?

HANNO: *I don't remember which year, I think maybe it was in his second or third year as governor, I think so. A year or so after that some of these experts, some of them were foreign experts, some local experts, designed a solution. Part of it was we had to deal with the financial issue of funding. So they devised a new trick of collecting fees for the garbage disposal using the electricity company as a collector. So the electricity company would issue two receipts and—actually it was on the same electricity receipt. They would have a sum for—a fee for waste disposal, waste collection. That's part of how he funded that, the privatization of waste management. But also he financed part of it from the revenues of the government. I'm not sure if he had help from the central government or not but part of the funds were coming from the government.*

So the tender ended with awarding the tender to a French company and the French company came with its new trucks, with better management skills and we felt the difference within a few months. Within a few months things improved a lot in Alexandria. After that other governors started imitating Alexandria and pick up the idea. Some of them have contracted their garbage management to companies, private companies. It was a controversial issue because many people thought that it was the job of the government and why are we paying money for a company who would make a profit on just disposing of our garbage.

But there were some successful experiences; others were not that successful as Alexandria. I mean Alexandria was the most successful example because the way it was done was very meticulous. It was very well thought out and the tender was awarded to a company that really was competent, was able to handle the situation. Although there were many problems and along the way there were some impediments. For example, sometimes there were delays in payment to the company because there were delays in collection of the money so the company was suffering. Because the company was suffering it was not doing its job. Sometimes they were not very keen on doing it properly but the governor intervened and he was able to solve all these problems at that time.

MAJEED: Was it—you said some of the problems came up in terms of payments and so on. Were there any legal issues in terms of contracting out to foreign countries or did the governor have to change any legislation to make it possible?

HANNO: *No, the governor usually is unable to change legislation, because legislation is also central and the law all over Egypt is the same. But I think he benefited from the move towards reforms that had started earlier by the central government in Cairo. So there were many reforms that helped him and paved the path for him to be able to. But, you know, he excelled in making use of all these reforms and really being the first to make use of them and be a pioneer. Maybe other governors were still not confident that they can privatize and go to the private sector to solve their problems.*

But after that the ball started rolling and these same ideas were implemented elsewhere, not only with waste management but also in transportation. For example, we did not have—the local bus companies were overloaded, they were under funded. Of course they lose money and they were unable to invest to renovate their fleet and maintain their fleet. So many governors started opening up the market for private companies to help the government-owned bus companies to move people. It was done in a way—I mean, it is still under the law private companies are not allowed to do mass transportation. There is a limit on the number of passengers that you can transport in the same vehicle under the current law. But innovation usually finds solutions for that. When you are creative—one of the things that Governor Mahgoub did was talk with local transportation authority and they started managing these private, outsourcing to these private companies and they would manage the operation and to be done under their supervision. They would get a fee in return for their own management of the fleet. It had to be done by that because you had to cover the bus schedules and had to fill gaps and to use the same bus stops. But that was another of his creative solutions. That was later copied by other governorates.

MAJEED: You said that he talked to the local transport companies. So there was, based on the law that you just explained, so there was a limit on the number of passengers. So they operated smaller buses?

HANNO: *No, no, the limit is still there but because these private companies were under the umbrella of the public sector, the public company is managing them. I mean, instead of allowing the private companies to run their own lines and to operate totally independent of the local bus company, what he did was made the local transportation authority contract companies to outsource their services to these companies. So under the law still it is the local, the government-owned company that is running the show without getting into much legal details.*

MAJEED: You mentioned earlier also that in terms of, especially in terms of garbage disposal and so on, it was difficult to build support in some governments because it is a government service and people didn't want to pay. But in Alexandria how did it play out and how did he build support among different constituents in terms of paying for garbage disposal or just the whole project.

HANNO: *He started by winning the people. Not on that issue but in general. He won the people first by being modest, by listening to the people, by going out and being among the people. For example, it is, there always has been a barrier between the top government officials and the people. You see the governor in motorcades, maybe giving speeches sometimes in a stadium or a theater or conference hall. But if you are not maybe another government official you would probably not be able to meet the governor easily.*

Governor Mahgoub, one of the first things he did when he came to power, he stopped the motorcade thing. He went through the streets riding in his car, sometimes driving, sometimes with only a driver. People started talking to him in the streets. He started walking around meeting with people. He also was very simple in the way he dealt with people. He was not the kind of person who would give an eloquent speech but he would speak from the heart. So he got closer to the people that way. Even in the governorate itself, I always wondered how he could meet all these people. Whenever anyone wanted to meet the governor, he could meet the governor. Any citizen, any man or woman who had a problem, could request to meet the governor and most of the time they would be able to meet him. That was a big difference because the previous governor was aloof, did not integrate with the people and was not seen a lot among the people.

So I mean, he first got the trust of the people. He made them feel that they are partners and after that it was much easier for him because the people supported him, people liked him. I mean they called him Al-Mahboub which meant the loved one instead of Mahgoub because it rhymes. After a while it became his name, everybody would call him the Mahboub the loved one.

MAJEED: On that point, just to look at it a little bit more, when he reached out to people and built support and was accessible, how did he do that? Would he reach out through meetings? Did he have public forums? Would he reach out through perhaps the state television? What were some of the strategies employed or he was just out on the street?

HANNO: *He did it every possible way. I think that every day he was invited somewhere, speaking somewhere, in a meeting, in a dinner, in a conference. He was always attending any event that he was invited to. But, more important, he walked in the streets, met people in the streets, drove among them and also he was available in the governorate for regular citizens to visit him. So he had a day for meeting with people who had problems, who had complaints to file, and were not able to solve them through the regular governmental channels. But he also accepted meeting with the citizens any time. Even his mobile phone number was available to many citizens. I won't say every citizen but many of us who were in the public service, civil society had his number and could speak to him directly.*

MAJEED: You mentioned earlier that he was successful in raising revenues and funds locally for the governorate. Can you tell me a little bit about the different groups that he approached or how was he successful in raising money for some of the major projects in the city?

HANNO: Because he was loved, because he was popular, because he got the trust of the people, because the people believed whatever they invest or donate to the governorate will be used for the good of the city, that made a difference and that encouraged people to donate—sometimes in kind. Many of the renovations that happened in the city—for example cleaning of the streets, the redecoration of the squares—all that was done by contracting companies who donated their work to the governorate.

Part of it was getting closer to the business community. Part of it was meeting regularly with the business community and exchanging ideas and making them believe that it is all for the good of the city and for the good of their businesses. Because if the city is renovated, is cleaner, this gives value to their projects, to their buildings that they are building, their real estate projects. So it started a boom in the, a boom in the real estate sector started at that time. Before that there were heavy restrictions on building. There was a very strict building code. Governor Mahgoub decided that the priority was to develop the city and to improve the economy, then to have all these restrictions which were, of course had a purpose and were useful to reduce the pressure on the infrastructure of the city and because the city was becoming crowded and all that. But he believed that the priority was development.

So he started relaxing the building code and as a result of that we had a boom in the construction and real estate sector. Because of that the real estate structure started improving conditions in the city. For example, all of the buildings on the Corniche were repainted by construction companies as donation to the government. [end of file one]

MAJEED: So you were speaking about some of the ways he raised funds and you were telling me he reached out to the business communities. The buildings in the Corniche were painted by construction companies and so on.

HANNO: Yes, most of the renovations which are related to construction were done by donation from real estate and construction companies in Alexandria. Then even the regular citizens started donating and they started collecting funds to do other things. For example, to help with healthcare issues, the needy who were not able to get proper treatment because they could not come up with the money. He started a movement by the people who became more conscious of their duties toward the cities and the citizens.

For example, in local medical school which was really suffering from lack of funds and not being able to serve the community properly because it didn't have the capacity, many of the local businessmen donated either equipment or funds for medicines. Even some of them built whole new units. For example, the cancer unit was built by a prominent local businessman who did it as a donation to the Alexandria University Medical School.

So these are some of the examples. It started a whole movement of citizens looking around them, seeing what they can do. Even housewives started cleaning their streets. At that time they got so excited that some of them started planting trees in the streets or cleaning up their streets. Some of them formed groups which were helping even with garbage disposal. Some of them were monitoring the new garbage company that was starting to operate and giving feedback on how they were doing that job to the governor. The governor would meet them. These housewives had regular meetings with the governor.

Consumer protection was also another area where local communities, especially housewives were very active. They started forming groups who were looking into health issues that were related to consumer protection. They started talking with the government to find ways to improve conditions in that field. So there were many things happening at the same time. There was excitement.

After his first two years people realized that a lot can be done. They have a good governor and they have the power themselves to improve the situation, their conditions. So many of them participated in many activities.

MAJEED: You mentioned just now the building permits and that he allowed, made it easier to get building permits. Did he have to work with any ministry of the center on this issue or—?

HANNO: *No, the governor had authority to give exceptions. That was one of the controversial issues at his time. There were restrictions on building heights or the amount of land you were allowed to build. So the governor decided it was okay to have an exception of, let's say, two floors, two stories in a building if the construction company or the real estate company would help clean up the street or improve the conditions in certain parts of the city. So that was his methodology. Some people objected.*

Actually, at the beginning people did not really object because they felt that something had to be done. We had an economic problem. We had a building, real estate crisis. We didn't have enough apartments for the citizens to live in. So most of the citizens felt it was okay to have these exceptions. But, with time, some of the people changed their mind and some of them realized that this could cause a problem because it could have an adverse effect on the infrastructure or the city was becoming more crowded.

It helped the construction business, the real estate business. It also helped the tourism business, but it also made things a bit more difficult. If you needed to park a car for example, it made the traffic a bit slower. So there were critics. I think even the governor himself, Governor Mahgoub himself, after a while started to be more strict about these permits and licenses and exceptions. I think in his last two years in office he reversed that policy and stopped giving exceptions.

So, to answer your question, he had the authority to give exceptions so he used that authority that was given to him by the law, or by the prime minister to improve conditions in the city.

MAJEED: You had mentioned earlier that there were issues in the inefficient organization of the local authority. This is before the former Governor Mahgoub came in. Can you give me some examples of how, if it was difficult, in terms of doing business in Alexandria? If you say inefficient organization, can you explain that a little bit more?

HANNO: *Inefficiency, you mean in the government itself?*

MAJEED: The government itself and also, what you perceive as a citizen, and also from a business perspective as well.

HANNO: *From a business perspective, the Alexandrian business community had a problem getting licenses. It was very difficult to get a building permit, it took very long. The process was very complicated and also a lot of corruption was*

involved. Governor Mahgoub did several things to alleviate that problem. One thing was he opened up his office to anyone who had a complaint. So anyone who was pressured to give under the table a sum of money can just go, knock on the governor's door and tell him about what was happening and the governor would ease the problem for the business person or he would simplify the procedure and work on finding a solution, permanent solutions for these difficult procedures or government regulations. That was one thing he did.

The other thing he did was to start, with the help of international donors to establish the one-stop shop. The one-stop shop was, there were actually two initiatives for the one-stop shop in Alexandria. One was established by GAFI, the General Authority for Investment, and that was aimed towards the business community. Then there was the simplification of licenses which affected small businesses and regular citizens. So if you want to get a license to open a small shop you would have to get a license and the process to do that was very complicated.

The governor started a project to study the situation and tried to find a solution to it by having a more friendly office with more friendly civil servants who would serve the local community and use computer system where procedures are stores and where information about the required papers can be printed for whoever wants, whoever inquires regarding a certain permit or license or any government procedure.

This project took several years. Actually Alexandria Business Association was involved because we hosted here the experts who designed the system and who made the recommendations. These were international consultants who came to Alexandria and stayed here for a couple of years, studied the situation with the governor and government officers. They tried to make use of experiences of other countries who were successful in, for example, doing online systems that helped simplify procedures. They created this new government office which was more friendly, was faster in issuing permits and licenses and was in even a better place to deal with the government. That was one thing.

The other thing of course was the GAFI one-stop shop for investors in free zone. That was an initiative of the Ministry of Investment which started a reform initiative, a very successful and ambitious reform initiative and of course the governor supported that and he helped with the establishment of that office.

MAJEED: You mentioned earlier that there were issues with corruption as well. This is a problem we find in other countries. One of the things he did was keep an open door policy and people could come in and speak with him. Were there other methods that he employed to tackle corruption? Did he fire people? Did he hire a new team for specific projects, just based on your experience with dealing with the governorate?

HANNO: *He probably fired a couple of persons but he was not known to be the kind who goes around firing [end of file two]*

MAJEED: We were talking about some of the ways in which Governor Mahgoub tackled the issues of corruption and you were talking about how he had an open-door policy but then he also had other mechanisms and he was not known for firing people.

HANNO: *He was tough; I wouldn't say he was too lenient, but with his, with his governorate employees. But he tried to give an incentive to the people more than*

push them around. There are many ways of doing that. For instance, being very modest and being very liked by the citizens, and his employees, the governorate's employees are citizens and they benefited from all the development he did for the city or he helped do for the city. Because of that they can't be a minority and hate him although there was a lot of anecdotes going around about the government employees trying to remove the governor. They were angry because the governor reduced their income by making it more difficult for them to get under the table money from citizens. That was one thing.

Another thing was that he, of course, by devising new ways of getting income to the city he also was able to give better incentives to his employees. But that was not an easy thing to do because he was restricted by central laws that did not allow much leeway for him to improve the condition of the civil servants. But he tried as he could given the laws. He also made it very difficult for corruption to flourish in his office because any citizen had access to him, they could complain. Also because he overruled any complications in the way that these civil servants dealt with the citizens. So if there was a procedure that was followed that did not make sense or the law did not require but was a common practice in the governorate offices he would just overrule it and simplify matters and make things simpler for the citizens. He would ask these employees why do we need that procedure? Why do you need that document? So they had to come up with an answer, otherwise they were overruled. So there were many ways.

MAJEED: On that point can you think of an example, a specific example where he would have simplified a process or overruled a certain case?

HANNO: *The people who faced that the most were people involved in building or getting permits for shops and I'm not one of those. But I just used to hear stories about that. I don't remember the specifics or the details. I know that a friend of mine who was building a home for himself and he had a problem with the authority to get a license because they restricted the height of the building he was building, and all the buildings around him were higher than his own building, but yet these officials they told him no.*

At that district that you are building in you cannot go higher than a certain level. So he went to the governor. The governor called in the people in charge and asked them are there higher buildings around that person's project. They said yes, most of the buildings around him are much higher. He said it is unfair. You have to deal with him as you deal with others. You cannot just restrict that one person and leave others. So he did such things a lot.

MAJEED: What was his relationship with the Alexandria Business Association?

HANNO: *When Governor Mahgoub came to Alexandria we met him a very short while after he came to office. He talked candidly. I remember that meeting. I was still new at ABA and I thought it was very interesting because I'd attended meetings with other government officials and it was very different. As I said before he spoke from the heart, he was modest. He listened well. He tried to answer every question. That was not the common practice at that time. That was the start. That built confidence. Because of that the business community, and the ABA is part of the business community, started getting involved in helping the governor.*

For example, in the area of education we had three members on the Governor's Council for Education. He created that Council with all the stakeholders to study the problem of education in Alexandria. Although education is central and is

controlled by the Minister of Education in Cairo, yet he took the initiative of having a local council. At that time it was a pilot in Alexandria. He was helped by foreign experts in an initiative to improve education in Alexandria as an example that could be replicated in other places in Egypt. As I said he had all the stakeholders. He had people from the university, from schools, from government, from the business community, meeting regularly to discuss how under the current restrictions and current conditions—because, education is highly regulated by law, what are the ways that we can improve things quickly without needing a lot of funds that were not available without having to change a lot of laws.

You know, we got good feedback from our members who were part of the Council. One of them started at ABA what was called the School to Work initiative where vocational school students were helped to find training opportunities in businesses and also to find jobs after they graduate. We were also helping the schools with improving the curriculum with providing maybe facilities and equipment. We had a couple of such initiatives going on. The business community collaborated with the governor to manage such a project to find places for the students in the companies. These were our members. The head of that project was one of our board members.

Another initiative was having business community members participating in the school councils. Because they were from the business community they had the ability to maybe donate some sums of money that can be used in improving conditions in these schools. Some of them got very active in renovating the schools; some of them even built schools and donated them to the government. One of our fellow board members is the chairman of a local school that was built by his father who was also a member of ABA at the time when we had floods and many of the schools were demolished and there was a big need in Alexandria to build schools. Anyway, the schools were not sufficient from the beginning, even before we had the crisis.

So several of the Alexandria Business Community members started helping with the building of schools or a couple of them built schools and donated them to the government. They were, in return, as a favor, to ensure that the school is well kept and is run properly, they were given positions on the board of these schools to help sustain these schools. So these were other—education is one of the important areas where ABA collaborates with the government.

MAJEED: You mentioned the School to Work initiative, can you remember which year it started?

HANNO: *It started before I joined the board so that would be maybe around '99. I think at that time, I'm not sure about the date but about that time.*

MAJEED: Can you tell me a little bit about, especially in Egypt because it is a centralized environment, can you shed some light on the relationship between Governor Mahgoub and the central government that made some of these things more streamlined?

HANNO: *One of these initiatives which is very important for Alexandria is the widening of the Corniche, the sea coastal road. When Governor Mahgoub came to Alexandria it was just an idea that the ministry in Cairo had in mind but it was not implemented. It needed a lot of funds; it was a huge project. The road needed to double its capacity. So Governor Mahgoub really pushed for that project to be built. I used to see him going to the construction site himself and standing among*

the engineers and the workers, inspecting the work that was being done even though it was not under his direct supervision because it was a ministry job. The Ministry of Housing and Construction was in charge.

Because of his success he could lobby the government for more funds. He invited the ministers from Cairo to see what was happening in Alexandria, the success he was having in Alexandria and that got the ministers encouraged to do more for Alexandria because it was an investment which was worthwhile; that investment was helping. It was improving the economy of Alexandria and Alexandria is part of Egypt. It was making Alexandria, for example, a better place for tourism, so the Minister of Tourism would be interested for example, because it was now a better place for investors, foreign investors, so the Minister of Investment would be more interested in supporting him or the Minister of Industry for example.

It was that momentum. It grew gradually starting from building trust, then by implementing a few projects that were successful that really changed the face of Alexandria. Because of that more investment was done and more collaboration from the central government was contributed.

MAJEED: You had mentioned earlier about media being centralized in Alexandria and that it doesn't have a newspaper, a city newspaper.

HANNO: Yes.

MAJEED: Can you talk a little bit about the role of the media? The reason I'm asking is that other's we've interviewed have said that on channel 5 there would be discussions and forums informing the citizens of Alexandria. So in your opinion was the state-owned media utilized and how did it work out?

HANNO: *The only media tool that the governor could use was the local TV, the government-owned TV channel because we didn't have our own newspaper. Alexandria was a big city that did not have its own newspaper and that was not helping because the government could not communicate to the people through the local paper. Also because you didn't have the journalistic infrastructure in Alexandria that could help by giving exposure to our experience even through the central media, the media that was published in Cairo.*

Of course, with time, the media started to notice what was happening in Alexandria and to give us more attention. So even though the big newspapers were more concerned about central issues and about Cairo, but the governorate succeeded in getting more space in these newspapers because of his success which became news, something of a point of interest for journalists. So we were getting more journalists from Cairo coming to Alexandria, more prominent journalists. Many of them started to have some interest, continuous interest in following up what Governor Mahgoub was doing in Alexandria. Otherwise his only channel was the local channel, channel 5. So Governor Mahgoub used to speak a lot to the people through channel 5. He used to have some discussion, some debates and the channel itself got interested in meeting more people, discussing local issues than screening films and broadcasting entertainment shows and music.

So we got more dialog through the local channel than was available before because before that there wasn't much happening to become newsworthy and at

the same time the interests of the people in local political issues was not that apparent to the media.

MAJEED: You mentioned that there were several civic associations that came up and there were even housewives got involved in keeping the city clean. Have some of these endured since he left?

HANNO: *Well ABA endured. We are still continuing many of these initiatives. We still are heavily involved in education. Some of the education initiatives that started at that time are still going. But I mean the Chamber of Commerce also is an important business institution that really got closer to the local government here in Alexandria during his time and they kept this closeness until now. They are still doing a lot and collaborating in doing things for the city, improving the commercial infrastructure of the city and organizing fairs and many things. They are heavily involved in simplification also.*

They have these agreements with different ministries in Cairo where they get the ministry officials at their quarters to give services to their members instead of getting their members to go to for example government officers where they may be mistreated or maybe to Cairo to do something that can be done much quicker in Alexandria.

Beyond that, if you are talking about the rest of the civil society, not the business community, some of them may have sustained but not all of it. There was a lot of excitement at that time and of course that encourages people to give more time and effort and donations. It has decreased since that time. Some of it sustained. For example consumer protection association is still very active. Environment protection association is still very active. Some of them have been established before the time of Governor Mahgoub but during the time of Governor Mahgoub they had a larger role, a much larger role. They got more confidence in their capabilities and they became more active and some of them are still active until now.

MAJEED: What has not sustained in your opinion or to look at it another way if the focus has shifted to other things?

HANNO: *I would say that we have lost some momentum. We still—the renovation of the city is still going on. We came to a point where things have become more difficult now because the city became a more developed commercial center. It has attracted more tourism. The industrial areas around the city have grown starting from the time of Governor Mahgoub and they are still growing. Because of all that the infrastructure is suffering. So we need to invest more in our infrastructure. In the beginning it was just a matter of trying to improve the face of the city, the important places, the important squares, the buildings on the Corniche, but after you finish with that you get into more difficult stuff.*

We need bridges, we need more roads. These require much heavier investment and that would lead you to the problem of funds. Governor Mahgoub's alternate ways of solving the funding problem would probably not be very efficient or not be very successful in doing the much heavier investment needed today. So we are back again to the realistic problem. We are now having a shortage of real estate inside the city. But Governor (Adel Ali) Labib is, with the help of the central government trying to find new development areas where he can have some huge construction projects. We have three areas that were selected outside Alexandria

but the process is still slow because these are big projects that need a lot of investment.

I would say that all this is a continuation of the momentum which was started with Governor Mahgoub.

MAJEED: And in terms of, for example, we talked about building permits or some of the—simplifying business procedures and so on, have those efforts continued and sustained?

HANNO: *Yes, these efforts are improving. Actually, some of these efforts ran into some problems at the beginning, but Governor Labib is giving his support for these initiatives. They are trying to find ways of making what is not working work or be more effective. Some other initiatives have sustained their success. For example, the one-stop shop at the investment authority is very successful, very helpful. Most of the, even foreign business investors who deal with it say they are very comfortable with it and people there are very helpful. But in other areas the problem of centralization again attacks us because yes, we can have a one-stop shop that issues licenses but sometimes there are complications from the authorities that are not under the governor's authority, in Cairo for example, and they complicate matters a bit.*

But you know, there are many initiatives now, even started by the central government to simplify laws and regulations. One of them is called ERRADA (Egyptian Regulatory Reform and Development Activity) which has been operational I think now for two or three years. They are revising all of the laws that govern business and they are trying to simplify these rules and laws and to move whatever is not needed from them. I think this will help us in Alexandria because we got to a point where just having one-stop shop, more friendly civil servants and a better place to deal with the government in is not enough. Or even just the idea of concentrating all the government officials in the same place is not enough, we need more. We need more reform. I think the central government has to do a bit more to help with that.

MAJEED: Thank you so much. I have just two more questions. One is more general that we ask of people we interview. Several people point out the need for a reformer or for somebody who can articulate a vision which people can follow and the community can move forward. How important do you think it is, how important is this step in your view?

HANNO: *I think it is very important because when you have small problems you can just depend on simple, logical thinking, some honest efforts and the system to solve the problem. But if these problems are big and complicated and need compromises and the solution might take time and might take a lot of concessions and compromises, then you need somebody who can inspire you to support him or her. I think that many of our problems today have been attacked with simpler solutions and the small innovative methods of dealing with them.*

We have some benefit from doing that because in the short term you can achieve some results by being a bit more creative, by the good will of the government official. But to go beyond that you need heavy support from the people and you need leadership, you need to be—to have a vision and to be able to communicate the vision to the people and to the rest of the government and to your employees in the government, to be able to really tackle the problems on all fronts. You can always depend on the piecemeal approach but it will take time. It

is good only when the problems are contained, limited, when your goal is much simpler and much easier to reach. When you have more ambitious goals you have to attack on all fronts, you have to have leadership, you have to have clear vision and you have to have the backing of all the stakeholders.

MAJEED: Thank you very much. Is there anything I've missed or you would like to add?

HANNO: *No, I think you pretty much covered everything.*

MAJEED: Again thank you very much for your time.