

**CHAPTER 5: PHYSICAL PLANNING PRACTICE:
THE IMPLEMENTATION PROCESS AND THE
'TRIANGLE OF POWER'**

INTRODUCTION

Given the discussion and analysis presented in chapter 4 regarding the physical planning formulation process of the industrial areas in TRC since 1974, it is evident that not only the structural arrangements but also the power structures as well as the interests of the various key actors had a major impact upon such process. It was also empirically shown that the short-term political expediency, at all levels and the continuous shift in the allocation of resources and power within the 'triangle of power' were of the main factors that directed and affected the main goals and objectives of the formulation process. Finally, it was also illustrated that there was a constant deliberate blocking of specific key actors (e.g. manufacturing workers and ASMINC) from gaining access to the decision-making process. Given these observations with respect to the physical planning formulation process, this chapter aims at examining the effect of the above aspects (the continuous shift in the allocation of resources and power within the 'triangle of power', institutional arrangement, power structure, and interests and agendas of the key actors) on the implementation process since 1979. It also aims at exploring the gap between the formulation and implementation process in terms of the excluded key actors from the implementation decision-making process.

It has to be stressed that such examination and analysis of the implementation process, like those of the formulation process, will be presented within the empirical framework of the changing relationship between the state institutions and agencies and private sector individuals and agencies provided in chapter 3 and the analytical framework provided in chapter 2. It would be also illustrated with specific reference to the changing political economy of Egypt since 1974 and the various impacts of the national development planning policies adopted during the 1970s and 1990s (see chapter 3). To achieve the above aims, this chapter is divided into three main sections with respect to the change of the state-private sector relationship. The first section presents the period between 1979 till 1986 where the state institutions had full and direct control over the implementation process. Hence, this period will be named the state-dominated period. The second section provides the analysis of the implementation process in the period of 1986 till 1994, where the state and private sector shared the control over the implementation process. Therefore, this period will be referred to as the transitional period. The final section illustrates the domination and control of the private sector on the implementation process during the period of 1994 till 2002.

5.1 THE DOMINATION OF THE STATE (1979-1986)

Although the implementation process officially started in 29th May 1977 by Sadat's visit to the city and the issuing of the Presidential Decree 259 in 1977 regarding the identification of the TRC location, the actual implementation process of the industrial areas started in the early 1979 after the submission of the final report and all the detailed physical plans of the 1978 Plan. During the period between 1977 and the early 1979, the MOH was actively constructing the regional and main physical infrastructure networks of the city (e.g. water supply, electricity, and sewerage networks) and storing the needed building materials for the construction of the residential neighbourhoods. During this period, as discussed in chapter 5, El-Kafrawy created the TRC implementation team headed by General Shahin and composed of 5-6 civil engineers of different specialisations to manage the implementation process. As discussed before in chapter 5 such team were in direct contact on a day-to-day basis with El-Kafrawy in person. In 1979, by virtue of Law 59 in 1979, ANUC was established to take over the responsibility of the implementation process of the new communities including TRC. The creation of ANUC marked the start of the institutionalisation of the implementation process.

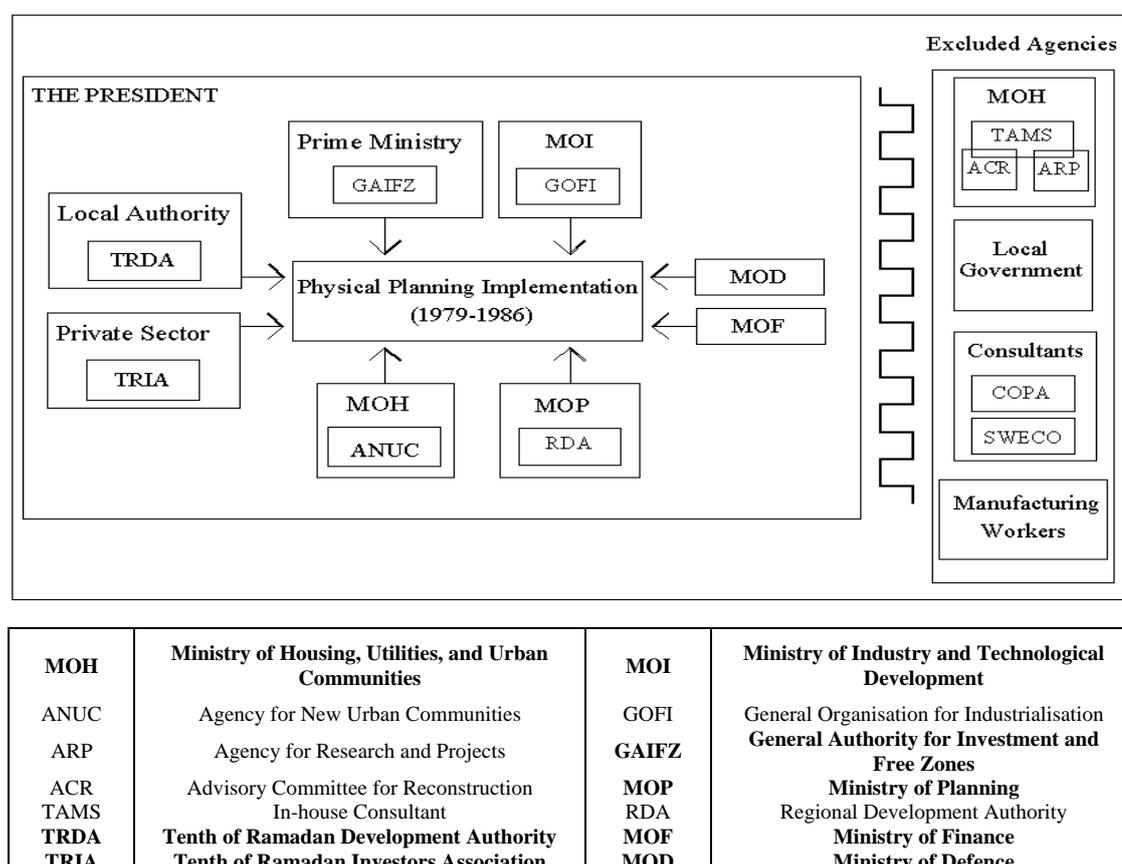
Figure 5.1 illustrates the institutional arrangements that guided the implementation process during the period of 1979 till 1986. Although reference is made to most of the institutions presented in figure 6.1, the research found evidence that the power structure and interests of such institutions changed dramatically with respect to the implementation process. It was revealed that some of the most powerful institutions (e.g. TAMS, ACR, and ARP) involved in the physical planning formulation of the 1978 and 1982 Plans were completely excluded from the implementation process decision-making while some of the less powerful institutions (e.g. TRDA and GOFI) had excessive and unlimited authority and influence over the implementation process. Moreover, the research also found evidence that new institutions were introduced as key institutions affecting the implementation process (i.e. the Prime Ministry and its affiliate GAIFZ).

However, It was also revealed that the power, influence, and interests of some institutions remained unchanged. For instance, the power, influence and interest of the MOP and MOF remained the same in terms of financing the implementation process through the regional annual budget and the construction loans coordinated between the

Housing and Construction Fund and the Ministry of Finance (see chapter 4, section 4.2.3.2). However, as discussed before in chapter 4, section 4.2.1.3, given the unique context through which TRC, as well as all new communities, was created and planned the influence of the MOP and MOF on both the physical planning formulation and implementation process was minimal specially with the direct and personal involvement of President Sadat. Moreover, the power and interest of the MOD regarding the implementation of the railway extension south of the heavy industrial area remained the same (see chapter 4, section 4.2.1.5). The position of the MOD with respect to such extension was criticised by the Vice-Minister of the MOH as follows:

“... The railway extension line should have been implemented as a crucial element in fostering the industrialisation process in TRC by targeting those types of leading heavy industries. Although the MOD gave its blessings to the construction of such line, there were so much hustle and philosophical arguments not only regarding its location but also about the cost and benefits of its construction in terms of ‘security’ aspects [...] To be frank, it is all about power, authority, and control over land”
(Madbouly 2002)

Figure 5.1 The Institutional Arrangements Guiding the Implementation Process during the period 1979 - 1986.



Furthermore, the research found evidence that manufacturing workers and Local Government institutions and agencies were still blocked from having any access to the implementation decision-making process during the concerned period. In the following sub-sections, the institutional arrangements, power structure and interests of the key actors will be presented seeking an understanding of the explicit and implicit reasons behind the gap between the original physical plans and the implemented land use patterns.

5.1.1 Ministry of Housing, Utilities, and Urban Communities

Despite the influential role played by TAMS, the ACR and ARP regarding the physical planning formulation of the 1978 and 1982 Plans (see chapter 4, section 4.2.1.2), the above institutions had no role in the implementation process. This was mainly because of, on the one hand, the newly established procedures and regulations regarding the reservation and assigning of land gave ANUC and its affiliates (i.e. NTDA) full control over the implementation process of the new communities. On the other hand, neither TAMS, nor the ACR, nor ARP had the executive capacity to carry out the management of the implementation process. As discussed before in chapter 4, their role was a consulting one with no executive authority of their own or affiliated to them.

As the Chairman of ANUC as well as having the personal support of the President Sadat, Minister El-Kafrawy had unlimited and unquestioned control over the implementation process. Provided such significant political power dedicated to the Minister, the decisions regarding the implementation process were completely protected from gaining access to by any other state institutions and agencies. El-Kafrawy clearly understood that as long as he could block the access of other state institutions and agencies to the decision-making of the implementation process, he would remain in charge. This understanding, as revealed by Prof. El-Rimaly (2002), Prof. Abdel-Aziz (2002), Prof. Shafak (2002), Prof. Serageldin (2002), and many others, led to the appointment of one of his close friends to head the implementation team of the TRC while assigning him significant authority over the local decision-making of the implementation process.

Some of the early appointed civil engineers within the implementation team interviewed during the fieldtrip, El-Sharma (2002) and Saadeldin (2002), stress that the decisions regarding the implementation process were taken between El-Kafrawy and

General Shahin by phone on a day-to-day basis. They also emphasised that not only the head of the team had such significant powers but also the team members had the same power over the assigning of land as follows:

“.... I do not know the actual reasons behind the establishment of ANUC or even the BOT [...] since the beginning of the implementation process till the mid 1980s, we (the implementation team members) could take decisions no Minister can take today. For instance, when the Prime Ministry (PM Ali Lotfy) asked for the assignment of 40 industrial plots to foreign investors, we decided to sell the land assigned for the service areas within each industrial area as there was a shortage of the industrial plots at the time [...] we just needed the approval of the head of the team as this was the practice at the time”

(El-Sharma 2002)

After Sadat’s assassination in 1981, his successor, President Mubarak, continued to dedicate his support to the MOH projects at large and specifically the TRC. Such support was seen as politically crucial at the beginning of President Mubarak’s period at office as not to be seen in disagreement with Sadat’s popular policies at the time (i.e. ENMP and ODEP). In this sense, El-Kafrawy continued to exercise the exact level of power enjoyed at Sadat’s era. The only change that took place after Sadat’s assassination in 1981, with respect to the institutional arrangements of the implementation process, was the creation of TRDA in 1982. Many observers and analysts stress that the creation of TRDA and other NTDA’s affiliated to ANUC was mainly, on the one hand, a direct result of President Mubarak’s call to crack down on the ever-growing corruption in the public sector by regulating the relationship between public sector employees and private sector individuals and agencies referred to as ‘*mafia al-infithah*’ (the Mafia of the Open Door Policy) (see Ayubi 1991). On the other hand, its creation was to control and regulate the state expenditure within the urban development sector as the result of the deteriorating economic situation in the 1980s (see chapter 3 for a detailed economic background). Nevertheless, many researchers, analysts, practitioners and scholars emphasise that neither of the above aims were practically realised as will be shown in the following sub-section.

5.1.2 Local Authorities

After the creation of TRDA, the original implementation team continued to form the core of its organisational chart. The head of the implementation team was appointed

as Chairman of TRDA while the other members of the team were assigned for the heads of local departments positions. Even today, three of the five members are still serving in the same positions. The power and authority concentrated in such team was one of the main reasons behind the gap between the planned and implemented land use patterns. This was evident when, as mentioned before, the team members decided on selling the land assigned for services within each industrial area, as it was enough to secure the head of the team's approval to implement any planning decisions in coordination with El-Kafrawy. It was also evident when the implementation team decided on dividing the larger plots to be sold as small plots as a result of the piling demand on such type of plots. The implementation team not only divided the larger plots with no consideration to the industrial location factor but also re-planned the land assigned for, first, the crucial service elements, such as industrial training schools, within the industrial areas and, second, land assigned for buffer areas between residential and industrial areas.

However, putting the whole blame on the local implementation team (i.e. TRDA) would be unfair and incomplete analysis. The research found evidence that not only the implementation team lacked the experience and knowledge about physical planning and its impact on the surrounding environment, but also there was a good deal of political and financial expediency practiced during the implementation process. For instance, it was revealed that in his efforts to secure political support after being assigned as the Minister of the MOH in 1977 and after Sadat's assassination in 1981, El-Kafrawy allowed and dedicated full access to the Prime Ministry and the ministerial rank to the decision-making of the implementation process. This was alongside, as discussed before in chapter 4, sections 4.2.1.2 and 4.2.2.1, the change of the composition of the ACR membership and powers dedicated to its members. Saadeldin (2002) stress the following:

“... The re-planning of the industrial areas and the physical planning decisions were considered to be valid and confirmed by only securing the approval of the Chairman of TRDA. It was considered as an internal process with no interference whatsoever from ANUC and its affiliated technical department [...] we were working with no laws or regulations forced upon us. We were just out of the 1973 War period and all of us wanted to do anything we could for the sake of Egypt [...] we cannot deny that there were political and financial benefits governing the implementation process. But this was not only happening in the context of TRC but also all over the new communities”

It is crucial to this research that there is evidence that TRDA and ANUC had conflicting perceptions regarding the role of TRDA with respect to the implementation process. This is clear when presenting the following statements provided by the Vice-Chairman of ANUC, Ex-Chairman of TRDA, and one of the original implementation team's engineers respectively:

“.... Anything however tiny such as joining, dividing, or re-planning industrial plots and areas had (has) to be reported to the technical affairs department in ANUC. This is absolutely clear without a doubt and everyone here in ANUC and TRDA knew about such regulations since the starting of the implementation process” (Madbouly 2002)

“.... The re-planning and editing of the master plans was the full responsibility and under the absolute authority of TRDA. The technical affairs in ANUC started to interfere in such processes since 2001 where TRDA had to secure its approval on any change however minor” (Mansour 2002)

“.... Joining, dividing, and re-planning industrial plots and areas had nothing to do with the MOH, ANUC, or the consultant. This issue was done internally within TRDA according to the market processes (demand and supply on industrial land). Eng. Abdel-Hakam was the engineer responsible of such issues in coordination with the successive Chairmen of TRDA, as the head of the industrial planning department [...] the only affair that TRDA had to secure the approval of ANUC on was any major change in the master plans such as moving the service areas of the industrial areas from its original place. However, even such major changes till the last year (2001) was done internally as well” (Saadeldin 2002)

From the above discussions, it is evident that the relationship between ANUC and TRDA was not as it was planned. These agencies had conflicting agendas with respect to the implementation process. ANUC wanted to secure its full control over the implementation process giving the national political significance of TRC at the time, while TRDA wanted to control the process seeking political and financial advantages. In this sense, it was recognised that, on the one hand, in those situations when the Prime Ministry or Ministers were involved seeking personal favours with respect to the assignment of land, it was ANUC who had full and central control over the implementation process backed by the Minister of the MOH in person. On the other

hand, in those situations when investors and senior civil servants were involved, TRDA's employees stepped ahead to provide such favours.

The aim of the creation of TRDA to help in cracking down corruption and reducing public expenditure in the field of urban development proved to be illusive. It was revealed that the business relationship between powerful individuals in the private sector (e.g. Ex-Ministers) and agencies and TRDA's employees continued to be as strong as ever. Many interviewees stress that it has become common practice to find the employees of TRDA (e.g. Chairmen of TRDA) either invest in manufacturing projects within TRC, land speculation, or work in part-time jobs within manufacturing establishments owned by private investors (see chapter 4). Almost all of the interviewees emphasise that the greater the deterioration in the national economy, the more the government (i.e. ANUC and TRDA) employees strengthen their ties with the private sector.

In this sense, decision-making about the implementation process and the gap between the planned and implemented land use patterns as a consequence were not only influenced by the TRDA's personnel lack of experience and planning knowledge but also by the political and financial expediency at all levels in the government. Such political and financial expediency practiced by the civil servants (senior and junior) was alongside the rise of the private sector interest with respect to industrial land. Hilal (2002), a businessman investing in the industrial areas in TRC revealed the following:

“... At the beginning of the implementation process and the assigning process of the industrial plots, you had the right to choose the location of your establishment regardless of the environmental risks and social impact [...] till now you can still choose the location of your establishment but you need the financial and political power to do so [...] if you had such power any plot of land could be assigned to you even if it was already assigned to someone else. It was all about politics and financial power”
(Hilal 2002)

It can be said that the relationship developed between government institutions and agencies as well as the relationship between such institutions and powerful individuals and agencies in the private sector were the main reason behind the gap between the planned and implemented land use patterns. In other words, it was this 'triangle of power' that directed and controlled the implementation process.

5.1.3 The Private Sector

As discussed in chapter 4, sections 4.2.2.3 and 4.2.3.3, TRIA was established in 1978 as an independent Non-Governmental Organisation (NGO) and non-profit organisation, under the Law 32 in 1964 under the authority and supervision of the Ministry of Social Affairs. It was originally established to help create a business environment in TRC. As discussed before, in the beginning it acted as the external affairs representative of the TRC investors as well as being the agency through which individual investors could strengthen their personal connections with senior civil servants. Given the discussion in chapter 3, section 3.4, regarding the change in the state-private sector relationship after the launch of the ODEP, it was revealed that such change affected the way in which TRIA and its members dealt with TRDA and ANUC.

As many of the senior civil servants left the public sector to invest privately after the launch of the ODEP in 1974, too many of those officials still enjoyed good contacts (personal and business) with the still serving colleagues at the time. As a consequence, the newly established business environment and its related corruption cases were growing rapidly out of control. It was considered to be common practice to hear about the business relationship between the new entrepreneurs of the 1970s and much of the 1980s and government employees (see chapter 3, section 3.2.1.3). With this background as well as the fact that most of the manufacturing investors in TRC were found to be ex-senior civil servants or family members, it can be easily recognised that the private manufacturing investors used their personal, mainly family relations, and business relationship with their serving colleagues to gain access to the decision making process of allocating industrial land.

It can be said that the higher the contacts individual investors had with the public sector managerial levels, the more the state institutions and agencies influenced the implementation process. For instance, when the Ex-Minister of Industry and Technology decided to invest in TRC, the Minister of the MOH got involved in person in the assigning of land needed for his manufacturing project. It was the same case regarding the assignment of land needed for foreign investors backed by the Prime Ministry as stressed by some of the members of the original local implementation team:

“... You can say that the implementation process followed the political and financial interests of some of the powerful individuals and agencies inside the MOH, including ANUC and TRDA, and the Government

institutions at large [...] for instance, in 1986 the Minister (El-Kafrawy) sent us (TRDA) a Ministerial decision to assign 65 industrial plots to some foreign investment projects requested by the Prime Ministry. We had no choice other than to re-plan and divide the large plots in the heavy industrial area (A1) to some smaller plots the next day to abide with such decree. The same case happened when the Prime Ministry asked the Minister to provide 40 industrial plots to foreign manufacturing investment and we (TRDA) had to re-plan the location of the 4 originally planned schools in the light industrial area (C1)”

(Abdel-Hakam 2002)

In this sense, although the private sector represented in TRIA and its members did not have direct influence on the implementation process, as they were not the official key decision-makers, they had a powerful indirect impact on the decision-making of the implementation process through their political and business connections with the public sector civil servants at all levels. The changes in the national political economy during the 1970s and much of the 1980s, after the launch of the ODEP in 1974, and its impact on the state-private sector relationship, discussed in chapter 3, section 3.4, were echoed at the local level in the context of the TRC implementation process.

5.1.4 General Authority for Investment and Free Zones

As discussed in chapter 4, the early 1970s were years in which Egypt moved closer to the oil-rich Arab States. Coming from small and often weak states, capital imports from Arab oil producers were not felt to be a threat to Egypt. The long experience of colonialism had made many worry of allowing foreign investment by Western firms. Arab oil funds were considered a safe alternative (Cooper 1982; Zaalouk 1989). Therefore, the first stage in liberalisation of foreign investment controls was in the direction of Arab investment, and the Central Authority for Arab Investment and Free Zones was established in 1971. Such newly established agency was affiliated to the Prime Ministry at the time headed by the PM Hegazi with the prime objective to attract and facilitate Arab Investment. The most important economic project promoted by such agency after its establishment was the Suez-Mediterranean oil pipe (SUMED) followed by many of bilateral Egyptian-Arab cooperation such as the Egyptian-Kuwaiti Investment Company and similar companies created as joint venture companies with the United Arab Emirates, Saudi Arabia and Qatar after the 1973 War.

As a result of the break of the Egypt-Arab relationship after Sadat's visit to Jerusalem in 1977, the above agency was renamed as the General Authority for Investment and Free Zones (GAIFZ) to be responsible for approving foreign, both Western and Arab, and joint venture investment projects all over Egypt. However, Ayubi (1991) stresses that in considering the way in which investment capital was utilised in Egypt, it is apparent that foreign and joint venture projects approved by GAIFZ and carried out under the laws of the ODEP did not really fare much better in terms of implementation capacity. This was analysed and explained as follows:

“.... A number of factors led to the delays in implementation including, notably, problems of dealing with the Egyptian ‘bureaucracy’. Investors complained frequently that GAIFZ initially took a long time to study a project before deciding to approve or reject it [...] the difficulty was that GAIFZ did not decide by itself on projects, and did not perform all the procedures on its own. Quite often it was to consult the GIA (General Industrialisation Authority) or some other ministries or public organisations that were particularly involved, and to coordinate with a large number of government authorities”

(Ayubi 1991, pp. 46-7)

Box 5.1 The Required Documents for Land Assignment

The required documents:

- The reservation instalment cheque payable to ANUC
- The establishment contract
- The approval of GOFI/GAIFZ and any concerned State institution or agency according to the type of economic activity of the project
- A draft drawing showing the way in which land would be managed and exploited
- A timetable for the construction of the project within maximum period of 3 years
- The needed water supply and electricity of the project
- The feasibility study
- A declaration confirming the obligation to pay of the total land price according to the stated rules and regulations at the time of land assignment

Source: The Industrial Areas Guide (1995, p. 9)

In 1978, in an attempt to cut down the bureaucracy regarding the approval of foreign and joint venture projects, representatives of the concerned state institutions and agencies (i.e. General Organisation for Industrialisation, Central Bank of Egypt, Ministry Of Finance, Ministry of Agriculture, and the Tourism Development Agency) were appointed as members of the board of directors of GAIFZ. New responsibilities were assigned for GAIFZ including: procuring all licenses required for the establishment and operation of investment projects on behalf of investors (e.g.

notarisation of related deeds, issuance of residence permit, and work permits). Second, assisting investors in site selection and land acquisition - whether for agricultural, industrial or touristic activities (see box 5.1). Third, certifying the dates of commencing production and helps the investor to take full advantage of the tax holiday granted according to location (GAIFZ 2003).

Box 5.2 The Required Documents for the Construction Licence

<p>The required documents:</p> <ul style="list-style-type: none"> • A copy of the assignment of land document • A copy of the land contract and the land acquiring log • A copy of the approval of GOFI/GAIFZ and any concerned State institution or agency according to the type of economic activity of the project • A copy of the poof of identification • A copy of the timetable for the construction of the project within maximum period of 2 years starting from the land acquiring date, attached to the manufacturing projects form • Signing the attached declarations • A certificate from the Property Affairs Department in TRDA confirming the instalments plan and financial status • The required Architectural and infrastructure drawings of the project
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Source: The Industrial Areas Guide, 1995, p. 10

Provided the above background, it is clear that, on the one hand, foreign and joint venture projects had the full political support of the Prime Ministry in many aspects including the acquiring of land in TRC. On the other hand, the MOH could not, under any circumstances, either assign land or issue licence of construction for foreign and joint venture industrial projects without the approval of GAIFZ (see Boxes 5.1 and 5.2). Moreover, it can be said that like the MOH who was interested in showing the President its achievements regarding the rapid physical construction of the new communities, GAIFZ was mainly interested in showing its efforts in attracting as much foreign (Western and Arab) investment as possible. Given such interests, as discussed before in chapters 3 and 4, the research found evidence that much of the 'red tape' bureaucracy was abandoned and many rules and regulations were sacrificed.

5.1.5 Ministry of Industry and Technological Development

As discussed in chapter 4, section 4.2.1.4, GOFI, an affiliate to the MOI, was actively involved in identifying the industrialisation plans with respect to the type of industries to be implemented in the industrial areas of TRC. It was also illustrated that GOFI had a major influence on the TOR identification of the Physical planning formulation of the 1978 Plan (see chapter 4, section 4.2.1.4).

Like its role in the physical planning formulation process, GOFI was actively involved in the implementation process, on the one hand, as having a permanent representative in the board of directors of GAIFZ to centrally approve foreign and joint venture manufacturing projects. On the other hand, it was assigned for approving projects funded by domestic (public and private) investment to ensure that its industrialisation plan of TRC was fully complied with (see Boxes 5.1 and 5.2). Nevertheless, given the deteriorating state of the economy by the late 1970s till the end of 1980s, it was revealed that such industrialisation plan was completely abandoned for the sake of attracting and encouraging foreign investment. The implementation of some major planned publicly-funded projects in such industrialisation plan, such as the construction of the Egyptian Iron and Steel factory and the Cement factory, were cancelled as a direct result of both the lack of public financial resources and the intra-institutional conflict with other powerful ministries at the time (see chapter 4, sections 4.2.1.4, 4.2.1.5, and 4.2.2.1).

However, it can be said that as the economic situation was rapidly deteriorating during the first half of the 1980s, GOFI started to approve any manufacturing projects regardless of its original industrialisation plan and the environmental risks and potential social impacts involved. In other words, GOFI, of course backed by the Central Government, was desperate to encourage and attract domestic investment, while GAIFZ was doing the same with foreign investment. Actually, such attitude had a devastating impact on the implementation process in TRC, as the requests from both GAIFZ and GOFI in assigning land to investment were dealt with like written laws. No one, regardless of his/her position, could question their approval of investment projects. In this sense, TRDA was obliged to assign the needed land regardless the environmental risks and social impacts involved (see El-Khodary 1995). Given the pressure on TRDA and the previously discussed lack of experience and planning knowledge of its members, the decision to sell the services and buffer areas within the industrial areas and between the industrial and residential areas respectively, as well as the haphazard allocation of industrial projects, could be recognised of the main factors that led to the gap between the planned and implemented land use patterns in the industrial areas.

5.1.6 Excluded Agencies

The research found that most of the agencies that had a major influence over the physical planning formulation process during the 1979s and 1980s were excluded from

the institutional arrangements of the implementation process. First, as discussed above in section 5.1.1, the politically influential ACR, TAMS, and the ARP were blocked from having access to the decision-making of the implementation process. The main reason, as discussed before, was their lack of the required executive power, as being consulting agencies. Second, the Local Government institutions and agencies had no recognised role in the implementation process. They did not even have the right to modify, reject, or discuss the physical plans and their implementation process with respect to the type of economic activities planned to be accommodated within their administrative and planning borders. Given the unique environment through which TRC was created and managed (see chapter 4), providing the Local Government institutions and agencies access to the decision-making process (regarding both the formulation and implementation process) was considered by the Central Government to be a waste of time and no-benefit arrangement. This was because of, among many factors, bureaucracy that would hinder the ‘rapid’ physical development of the city.

Third, it has also to be stressed that the urban development planning consultants of the 1978 and 1982 Plan (SWECO and COPA) were cut off from the planning process after completing the formulation stage. Such attitude by the Central Government towards the above consultants generated growing ill feelings between the MOH and private consultants. This is illustrated in the words of Prof. El-Rimaly:

“... All commissioned private (foreign and domestic) urban planning consultants to steer and manage the physical planning formulation of the new towns at large and TRC in specific were blocked from having any access to the decision-making of the implementation process [...] our (COPA/SWECO) commissioning contract had no article to guarantee us the right to interfere in the implementation process in any form or shape [...] of course this was absolutely expected, as the Government would not need other planning agencies (specially non-governmental agencies) to judge its performance. Therefore, it was decided that the public sector construction companies affiliated to the MOH would act as the contractors and ANUC would be the supervising body [...] how come you can be the contractor and supervisor at the same time. We had no possible way to reject or fight back such arrangements”
(El-Rimaly 2002)

Finally, the sample survey done for this research shows that all of the 116 workers confirmed that neither they nor any representative body were consulted in any shape or form with respect to the selling of land assigned for the service centres in the

industrial areas, buffer zones between the industrial and residential areas, the flood plain sector within the heavy industrial areas, and finally to the manufacturing establishments allocation within the industrial areas. Such emphasis was confirmed by 86 percent of the same workers who just gave up being concerned about the implementation process, as their views were (are) not taken into consideration anyway.

5.1.7 Concluding Remarks

During the period 1979 to 1986 state institutions and agencies had a major influence and control over the implementation process. This is not to say that the private sector agencies and individuals had no influence as well but rather to acknowledge the fact that the private sector agencies and individuals had an indirect and unofficial access to the official decision-making process. As illustrated above, such indirect impact was exercised through the powerful well-connected individuals rather than through TRIA. In this sense, the institution, agencies, and individuals within the central and local government dominated the decision-making process of the implementation process and within the 'triangle of power' during the stated period.

Nevertheless, it has also been stressed that despite such domination, there was an evident inter-institutional conflict within the MOH as well as intra-institutional conflict between the Central Government institutions and agencies. The inter-institutional conflict within the MOH, between ANUC and TRDA, had led to a severe lack of coordination and mistrust between the two agencies, widened the gap between the planned and implemented land use patterns through the uncoordinated planning decisions specially in relation to foreign investment projects, and increased the level of corruption within the above agencies through their fights to convince investors about having full control over the implementation process. Although there is much evidence of such conflict and direct confrontation between the two agencies, El-Kafrawy always managed to keep the lid on things through his direct and continuous involvement in the implementation process.

The intra-institutional conflict had also much impact on the implementation process. For instance, the cancellation of the construction of the railway extension line because of the ever-growing power conflict between the MOD and MOI. The growing public expenditure in the area of urban development resulted from the ongoing conflict between the MOH and MOP where the MOP had no control over the needs and

requirements of the MOH, backed by the President, with respect to the financing of the implementation process (see chapter 4, sections 4.2.1.2 and 4.2.1.3).

As illustrated above, political expediency was manifested when the private sector individuals were found seeking political, financial, and spatial advantages through their financial and political power. It was also manifested when civil servants (seniors and junior) were found seeking personal financial gains by getting involved in land speculation activities and facilitating the assignment and acquiring of land to private sector individuals. It was also evident when senior civil servants were found using the implementation process to seek political gains, for instance, through the reckless efforts to show the President their achievements with respect to attracting foreign and domestic investment; and through allowing the Ministerial rank and higher unlimited access to the decision-making process.

Finally, it has to be stressed that some of the main key actors of the formulation process (e.g. the consultants, TAMS, ACR, and ARP) of the 1978 and 1982 Plans were blocked from having any access to the decision-making process while the manufacturing workers and Local Government institutions and agencies suffered the same practice of exclusion across the planning process (formulation and implementation). The interviewees explained such exclusion from two main angles. On the one hand, there is evidence to support the argument that those agencies were neither executive agencies nor had executive agencies affiliated to them. Therefore, there was institutional constraint that structurally provided the reason behind their exclusion from the decision-making process of the implementation. On the other hand, there is evidence, although only partially valid, to support the idea that such agencies lacked the required political and financial power to secure their engagement in the implementation process. This argument is valid in the case of the Local Government institutions and agencies, the manufacturing workers case, TAMS, ARP, and the urban development consultants. However, on the contrary, it is invalid in the case of the ACR as all of its members had significant political power and influence (see chapter 4, section 4.2.1.2). In this sense, the constraining and enabling factors were evident in the implementation process however connected to specific elements (i.e. the financial and political power).

Given the above remarks, it can be said that the implementation process through the concerned period (1977-1986) was a prime example of the criticisms of the rational comprehensive planning approach (see chapter 2, sections 2.2.2 and 2.2.2.1). This was

evident in the total separation between the formulation and the implementation stages of the planning process and the different attached institutional arrangements as a consequence. It was also evident in the on-going political manipulation of the decision-making process of the implementation as well as the urban planning consultants' lack of control over the above process. Moreover, it was manifested in the lack of recognition of the local and regional context and economic processes when the MOH applied the same type of implementation structure to all new towns and communities.

5.2 THE TRANSITIONAL PERIOD (1986-1994)

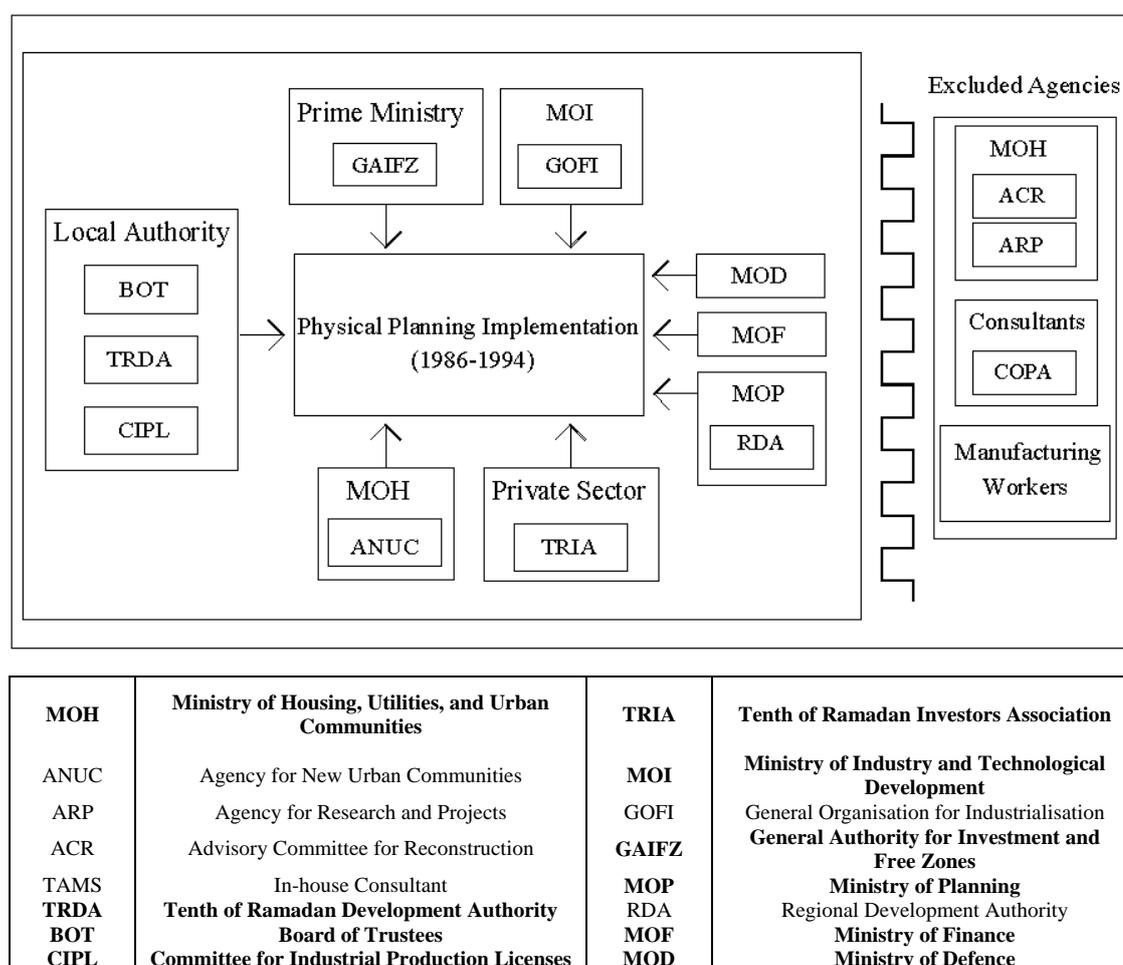
Since the late 1986, two main institutional changes took place that had an impact on the power structure of the institutions and agencies involved in the implementation process. On the one hand, as discussed before in chapter 4, the BOT was created to manage the development process (both physical and socio-economic) of the city. On the other hand, for the first time since the start of the construction of TRC, each industrial establishment in TRC as well as in all the new towns had to acquire a production license for its production processes. The new arrangements of such required license led to the involvement of additional institutions and agencies in the implementation process through the Committee for Industrial Production Licenses (CIPL).

It has to be stressed that the interests and power of the institutions (i.e. MOD, MOF, MOP, MOI, and Prime Ministry) involved in the implementation process during the period of 1986 till 1994, presented in figure 5.2, were not dramatically changed. Each of these retained the same level of involvement in and influence over the implementation process during the period of 1979 till 1986 discussed in the previous section. A significant change in the power structure took place between ANUC, Local Authorities, and TRIA, as more power was dedicated to the private sector while stripped from the public sector both at the central and local levels. Nevertheless, the public sector still retained a degree of control over the implementation process through the control over the physical development of the city while the private sector had much control over the socio-economic development. Such new power structure will be discussed in further detail in the following sub-sections.

As discussed before, ANUC was established in 1979 by virtue of Law 59 to manage and control the physical planning activities within the context of the new communities (see chapter 4, section 4.2.2.1). Since its establishment, there was a heightened conflict with the local implementation team, appointed by El-Kafrawy in

1977, over the control of the implementation process (see sections 5.1.1 and 5.1.2). Such conflict was primarily linked to the interests of the powerful private sector agencies and individuals within TRC. It was also shown earlier how ANUC and TRDA shared the dominating position over the implementation process and how and when each was seeking to show off such domination during the period of 1979 till 1986 seeking political and financial gains.

Figure 5.2 The Institutional Arrangements Guiding the Implementation Process during the period 1986 - 1994.



5.2.1 Ministry of Housing, Utilities, and Urban Communities

Nevertheless, the research found evidence that although such conflict continued even after the establishment of the BOT in 1986 by virtue of the Ministerial Decree 101 the balance of power had shifted towards ANUC mainly for political and economic reasons. As discussed before in chapter 4, section 4.2.3.2, the deteriorating economic situation in the mid 1980s forced the Egyptian Administration to accept 'reluctantly' the conditions of the aid package of the World Bank (WB) and the International Monetary Fund (IMF), aimed at increasing the role of the private sector in the development

process in general and cutting down on state welfare programmes, resulting in dramatic social unrest in the form of the widely spread Central Security Forces mutiny in 1986.

However, in its preparation for the adoption of the ERSAP conditions in the mid 1980s, the Egyptian Administration pushed towards the centralisation of decision making within all sectors of the economy (including the urban development sector) seeking a smooth transition towards its current policies at the time. As a consequence, ANUC was given more authority over TRDA including, first, reporting any 'major' change in the master plan to the technical affairs department in ANUC to secure its approval before its execution. Second, the appointment of the Vice-Minister for economic, financial and administrative affairs as the head of the BOT instead of the Chairman of TRDA (see chapter 4, sections 4.2.3.1 and 4.2.3.2). It can be said that the above-illustrated shift in the power structure between ANUC and TRDA took place as a result of the change in the political economy at the national level at the time.

It has to be stressed that such centralisation in power theoretically gave more power and authority to the Minister (El-Kafrawy) as being the Chairman of ANUC. Nevertheless, as discussed before, because of the close relationship between El-Kafrawy and the successive heads of the implementation team and later on the successive Chairmen of TRDA, the shift of power balance towards ANUC was continuously resisted (see chapter 4, section 4.2.3.2). This was evident when the successive Vice-Chairmen of ANUC intentionally missed all the BOT's monthly meetings, which was headed by the successive Chairmen of TRDA as a consequence (see chapter 4, section 4.2.3.2). As a 'counter attack', stressed by Madbouly (2002), ANUC used the new rules regarding the reporting and securing the approval of the technical affairs department on any 'major' change in the master plan as a powerful tool to continuously interfere and control the activities of TRDA.

5.2.2 The Local Authority

Since late 1986, two main agencies were added to the local planning institutions affecting the implementation process. The first agency was the Board of Trustees (BOT) established by virtue of the Ministerial Decree 101 (see chapter 4, section 4.2.3.2). The second agency was the Committee for Industrial Production Licenses (CIPL). In addition to the ongoing conflict between TRDA and ANUC, the research found evidence that there was another heightened local conflict between TRDA and the local entrepreneurs over the control of the decision-making process within the BOT. As

discussed in chapter 4, section 4.2.3.2, since its establishment, the BOT was given much of the responsibilities and authority of TRDA and its chairman. It was also shown how the BOT stripped TRDA from almost all of its power and authority by virtue of the successive ministerial decrees discussed in the previous chapter.

On the one hand, an emphasis had been made in the previous chapter regarding the influential role of the private sector individuals as members of the BOT and TRIA in the same time; and the way in which they managed to protect the interests of the local entrepreneurs through the partial control over the decision making process within the BOT, given their majority votes in the board. However, it was also emphasised that the MOH, represented by ANUC, and Local Authority, represented by TRDA, retained some kind of autonomy through their partial control over the decision-making process within the BOT, as the head of the BOT used to be the Vice-Minister for economic, financial and administrative affairs and later on to be the successive Chairmen of TRDA. Given the dedicated significant authority and power of the Chairman of the BOT during the period of 1986 till 1994 and the majority of the local entrepreneurs in the BOT, there was always this balance of power between TRDA and the local entrepreneurs with respect to the decision-making process of the BOT (see chapter 4, sections 4.2.3.2 and 4.2.3.3).

On the other hand, it has to be stressed that since the start of the implementation process in 1977, marked by the visit of the President Sadat to the city, till 1986 there was no required industrial production license to start the production processes in any industrial establishment all over the new communities including TRC. As a way of controlling the type of manufacturing activities to be settled within the context of the new communities as well as their 'environmental impact', the Central Government, presented in the Prime Ministry decreed the establishment of the CIPL in each new community¹. Such committee is to be affiliated to the Projects Department in TRDA and includes representatives of the following concerned institutions and agencies:

1. Civil Defence and Fire Fighting Office (or the Industrial Safety Office, *Al-defaa Al-madany Wa Al-hareek*) affiliated to the Ministry of Internal Affairs

¹ The environmental impact was defined in a general and vague sense as "those industrial hazards (air, liquid, and solid industrial waste pollution) that put manufacturing workers health at risk, destroy the public domestic sewerage network, and pollute the surrounding environment" (Industrial Areas Guide 1995, p.12).

2. Health and Safety Office (*Maktab Al-salamah wa Al-seha Al-Maanyah*) affiliated to the Ministry of Work Force²
3. Health Office (*Maktab Al-Seha*) affiliated to the Ministry of Health
4. The Laboratory of Sewerage (*Maamal Al-Sarf Al-Sehy*) affiliated to the General Administration for Infrastructure (*Al-Idarah Al-amah Lel Marafek*) in TRDA³

Box 5.3 The Required Documents for Acquiring an Industrial Production Licence and its Procedures

The following documents are to be submitted to the Projects Department in TRDA:

- The form of the industrial production licensing request
- A copy of the construction license
- A copy of the approval of GAIFZ/GOFI regarding the type of the establishment activity
- The receipt for the establishment inspection
- A copy of the log of the acquiring of land
- Lay out drawing which includes the location of the establishment within the plot and its physical relation with the road network
- 3 registered and signed copies of the architecture drawings that show plans, elevations, sections, production lines, internal sewerage network, and the location of the fire distinguishers and water outlets for industrial safety as well as the total cost of construction and production lines.

The concerned CIPL would review the documents according to the Law 453 in 1954 and its amendments and inspect the establishment within the next week of the submission of the above documents.

The owner or whom acting on his/her behalf has to check for the decision of the CIPL after 15 days of the submission of the required documents.

Source: the Industrial Areas Guide, p. 12

It has to be pointed out that during the period of 1986 till 1997 the procedures of acquiring industrial production license, illustrated in Box 5.3, had not changed. From Box 5.1, it can be noticed that the approval of GAIFZ/GOFI on the type of the manufacturing project as well as the construction license and the report of the LS issued from TRDA were the most important documents to be presented for the CIPL. In this sense, TRDA, through its control over the production licensing procedures, had a powerful pressure tool used in the ongoing bargaining environment with local

² The Health and Safety Office ensures the compliance of the manufacturing establishments with Law 453 in 1954 regarding the manufacturing workers' insurance and work environment

³ The Head of the Department of the Environment in TRDA, Chemist Ahmed Abdel-Moula, points out that the Laboratory of Sewerage (LS) was established in 1985. However, it had no equipments till 1989. Its main objective is to analyse the industrial sewerage samples of each establishment to confirm its compliment with Law 93 in 1962 and its amendment in 1989 regarding the general guidelines and standards for the discharge on the public sewerage networks. It has to be stressed that the LS was involved in the licensing process when the industrial discharge destroyed much of the sewerage infrastructure pipes as it contained high levels of acidity.

entrepreneurs with respect to the decision-making process within the BOT. This was emphasised by El-Sharma (2002) as follows:

“... Since the introduction of the industrial production licenses in the mid 1980s till the mid 1994, when the new Minister was appointed, the whole issue of the production licensing was used by TRDA as a powerful tool in pressuring local entrepreneurs to approve TRDA’s suggestions in the BOT and to comply with the regulations of the physical planning development in the industrial areas [...] you can say it was like an arm twisting business” (El-Sharma 2002)

Furthermore, for the first time after nearly 15 years from the start of the construction of TRC, Local Government institutions and agencies were given access to decision-making in the implementation process. This was manifested when four representatives of the concerned Ministries to which public services in the TRC belonged (i.e. the representatives for health, education, local security, and food and beverage services) were appointed as members in the BOT in 1986. Nevertheless, it has to be stressed that in spite of such assigned access to the decision-making process, the represented Local Government institutions and agencies had absolutely no control over the physical planning practice (see chapter 4, section 4.2.3.2). Their only concern was to manage and implement the socio-economic objectives of the master plan each in its concerned service as well as reporting the recommendations and decisions of the BOT to the Ministries to which they are affiliated. Their role and responsibilities imitated those of the Executive Councils in each local authority in the Local Government system discussed in chapter 3, section 3.2.2. Also it has to be emphasised that the research found evidence that such representatives had no power to influence the inner ‘triangle of power’ between ANUC, TRDA and TRIA. On contrary, such representatives kept a very low profile in the meetings of the BOT seeking personal political (and most of times financial) benefits.

5.2.3 The Private Sector

A clear distinction was shown earlier between TRIA as a private sector agency and its members as powerful individual entrepreneurs. As discussed before, TRIA was officially declared in 1986 as an independent Non-Governmental Organisation (NGO) and non-profitable organisation, under the Law 32 in 1964 under the authority and supervision of the Ministry of Social Affairs. Such declaration came alongside the Ministerial Decree 101 in 1986 regarding the establishment of the BOT in TRC. It can

be said that before its official involvement in the membership arrangements of the BOT, TRIA had no direct, or even effective, role in the decision-making of the implementation process. This is to stress that before 1986, the concentration of power and authority was in the hands of some well-connected individual members of TRIA and only because of whom TRIA was respected and feared within the local context in TRC. (See chapter 4, sections 4.2.3.2 and 4.2.3.3)

Over the same sections in chapter 4, it was also stressed that the declaration of membership arrangements of the BOT assigned much power and authority to TRIA by giving it the right to choose the representative members of local entrepreneurs within the BOT. It can be said that, since the late 1986, TRIA had become independent from its well-connected powerful individual members, although yet still using their power to gain political advantages and social 'prestige' at both the local and national context. In other words, it gained power and authority of its own right. Such dedicated new power and authority, as discussed before, put TRIA on a collision course with TRDA and its successive Chairmen, who saw TRIA as an interfering agency in its 'internal affairs' where physical planning was (is) considered to be the specialisation activity of TRDA.

It must be stressed that during the period of 1986 till 1994, like TRIA, the well-connected local entrepreneurs were still using their power to gain political and economic advantages. This was evident when powerful investors had the official right to choose the location of their manufacturing establishments regardless of the rules and regulations governing the allocation process at the time. It was also manifested when they used their political and financial power to pressure TRDA's planning department to sell land assigned for services within the industrial areas and for buffer zones between the industrial and residential areas. It was also present, as Helmy (2002) revealed, when they refused to pay the electricity and water supply costs of their production processes for more than 20 years since they started investing in TRC!

Despite the significant political and financial power and authority of the well-connected local entrepreneurs and TRIA, TRDA still had the tools by which it could control their unlimited and uncontrolled short-term business interests (for example, the industrial production license approval). In this sense, it can be said that during the period of 1986 till 1994, the private sector agencies and individuals and TRDA shared the control over the decision-making of the implementation process while each of which was still fighting for more control. On the one hand, TRDA was yet in a strong hold in

its conflict with TRIA and its members where it was seen by the Central Government and the MOH as a powerful and important agency in securing balanced development and social stability especially after the Central Security Forces mutiny in 1986 and the fear of repeating such events after the adoption of the ERSAP in 1991. On the other hand, TRIA and its members kept their powerful profile where they were seen as a crucial sector in promoting and speeding up the process of urban development, especially with the deteriorating economic situation during the 1980s and the inability of the public sector to cope with the growing demands of population at the time (see chapter 3 for an analysis of the economic and human settlements challenges of the successive Egyptian Administrations since 1974).

5.2.4 Excluded Agencies

The period of 1986 till 1994 had shown, except from the Local Government institutions and agencies represented in the BOT, a continuous blockage of the previously excluded groups during the period of 1979 till 1986 from having any access to the decision-making of the implementation process (see section 5.1.6). First, the ACR and ARP affiliated to the MOH were still officially excluded while TAMS was dismantled because of the deteriorating economic situation and shortage of foreign exchange (see chapter 4, section 4.2.2.1). Second, by virtue of the commissioning contract between COPA and the MOH, sponsored by the ARP, the urban development consultant, COPA, had no right to interfere, object, or sue the MOH for whatever gap between the outcome land use patterns and the originally submitted master and detailed plans. In this sense, COPA was legally blocked from the decision-making process under its own consent.

Finally, as discussed before in chapter 4, section 4.2.3.3, by virtue of the Ministerial Decree 101 in 1986, the manufacturing workers should be represented by three workers in the BOT. Nevertheless, the representatives of the manufacturing workers used to be chosen by TRIA from those employed in the industrial establishments owned by its members and not to be locally elected. This is to secure their loyalty to TRIA and its members. Such arrangements continued over the concerned period to be changed by late 1994, which is discussed in further details over the following section. In this sense, theoretically, fellow workers officially represented the local manufacturing workers in the BOT. However, in practice, such representatives were tied up by their absolute loyalty and financial means to continually approve the

policies and endorse the recommendations and suggestions of the representatives of TRIA within the BOT. Actually, it was revealed that the so called ‘workers representatives’ had never, in reality, met their fellow workers to discuss their problems and needs, as all the workers interviewed in the field had no idea about the existence of such representatives and their responsibilities. This was also evident in the words of Mansour (2002):

“... The manufacturing workers used to submit their complaints to the development and management department affiliated to TRDA addressed to the Chairman of TRDA and/or to the social affairs department and/or the Employment Office affiliated to the concerned Local Government [...] there was no provision for any kind of meetings between the manufacturing workers and their representatives. Actually, in most cases the representatives of the manufacturing workers did not inform their fellow workers about their post in the BOT and kept it secret not to be harassed and bullied for their close relations with local entrepreneurs” (Mansour 2002)

As seen from the above quote, the manufacturing workers, in practice, had no effective channel to be heard, not to mention neglecting their perception about the physical planning practice across the implementation process. It was revealed that submitting complaints to the department of development and management headed by the General Secretary of the BOT (who used to be an Army General, with no experience in the area of community development) would go nowhere and would have made no difference. This is because such person had (has) to build very close and strong relations with the private sector agencies and individuals, on the one hand, to secure their consent on ‘implementing’ the socio-economic objectives of the planning policy. On the other hand, it is also to protect his personal interests with respect to keeping his post as long as possible. It has also to be stressed that submitting complaints to the social affairs department (*Maktab Al-sho'on Al'gtmaa'yah*), affiliated to the Ministry of Social Affairs, and to the Employment Office (*Maktab Al-a'mal*), affiliated to the Ministry of Work Force, in the Local Government would make no effective difference. This is because such department and office, first, already have no access to the decision-making process in the BOT and TRDA, and second, are under the full control and influence of the financial power of the local entrepreneurs.

5.2.5 Concluding Remarks

The implementation process during the period of 1986 till 1994 was characterised by four significant developments regarding the institutional arrangements and power structure and interests of the key actors involved. The first development was the growing inter-institutional conflict within the MOH with specific reference to the conflict between ANUC and TRDA over the control of the implementation process (see figure 5.2). Such conflict was analysed from the spectacles of the changed political economy at the national level at the time when the administration had tried to introduce some economic and political measures before adopting the conditional WB and IMF package in the mid 1980s (see chapter 3). It was also explained from the administrative structure perspective where TRDA was seen as a part of the Local Government system (specially after the establishment of the BOT imitating the local public councils) instead of being recognised as an affiliate to the Central Government (i.e. the MOH). Such recognition pushed TRDA to the heart of the centralisation and decentralisation of decision-making process debate, when much centralised decision-making process was needed to smoothen the first attempts of the adoption of the ERSAP in the mid 1980s and later on after the actual adoption of the ERSAP in 1991. It has to be stressed that such conflict retained its pace even after the adoption of the ERSAP in the 1991 till 1994, when TRDA was still recognised as being important to absorb any social unrest that might take place in TRC.

Such a push towards more centralised urban planning decision-making, especially after the adoption of the ERSAP in 1991, stripped TRDA of much of its authority and power over the implementation process (e.g. the reporting of the master plan editing to the technical affairs department in ANUC). Nevertheless, TRDA kept much of the key tools that enabled it to fight back for its own survival within the new political economy environment at the time (e.g. the head of the BOT post and the close relations between the successive Chairmen of TRDA and the Minister) while, at the same time, yet to be recognised as an important planning agency to secure social stability within society. Given the political economy change at the national level in 1991 with specific reference to the adoption of the ERSAP, one could expect to find a much clearer echo in the institution and power arrangements of the implementation process. However, the inter-institutional conflict and the balance of power between ANUC and TRDA continued at the same pace. This was explained when the Minister at the time, El-Kafrawy, theoretically gave ANUC more power over TRDA to secure the

centralised planning decisions, despite his close relations with the successive Chairmen of TRDA, who resisted the practical application of such intended shift in power.

The second development was the intra-institutional conflict between TRDA and TRIA and its members. Such conflict was seen as the unavoidable vicious conflict in the 'triangle of power' between ANUC, TRDA, and TRIA. It was illustrated how TRIA gained much ground over time from TRDA with respect to the implementation process since its official creation in late 1986. Yet TRDA, backed by ANUC and the Minister of the MOH, was given some key pressure tools to restrain TRIA and its members when pursuing destructive short-term business interests (e.g. the control of the industrial production licensing process and the Chairing of the BOT). Although the adoption of the ERSAP in 1991 followed by a wide range of responsibilities and more dedicated power and authority to the private sector at the national level (see chapter 3), yet there was a balance of power between TRDA and TRIA and its members, as both of them were seen as crucial and important agencies in seeking balanced development and speeding up the urban development process at the local level.

This is not to downgrade the significant and influential role of the powerful well-connected local entrepreneurs in the implementation process when they were found seeking personal profits using their political and financial power increased after the adoption of the ERSAP in 1991. Like the inter-institutional conflict, the intra-institutional conflict between TRDA and TRIA had continued at the same pace after 1991. Although El-Kafrawy dedicated much power to TRIA and the local entrepreneurs through the BOT, his fear of losing control over the implementation process in TRC to the private sector led him to assign greater power to ANUC and TRDA to 'counter' such assigned power of TRIA and its members.

The third significant development was the continuation of the exclusion of some of the 'supposedly' key actors. The most important of which was the manufacturing workers. It was illustrated that not only the manufacturing workers were blocked from participating in the local decision-making process but also were manipulated through the appointing process of their representatives in the BOT. They were also manipulated when provided by 'deadlock' routes to present their complaints.

Finally, Local Government institutions and agencies were guaranteed access to the decision-making process in relation to the socio-economic planning objectives. Four representing posts were assigned for local services in TRC. Nevertheless, the

representatives of such local services had no control over the decision-making process and were sidelined, as well as manipulated, by the powerful representatives of ANUC, TRDA, and TRIA. Such representatives were found seeking political and financial gains through their continuous appeasement to and avoiding confrontation with the powerful members of the BOT. It can be said that practically they had no effective role in the urban development process, instead of acting as a bridge between the BOT and the concerned Ministries they were affiliated to. Nevertheless, they have the authority to take prompt decisions with respect to the day-to-day management of the local services. This is to stress that such authority and power of the local representatives of the local services were used and abused by the powerful members of the BOT through their close relations with the very same Ministers to which they are affiliated.

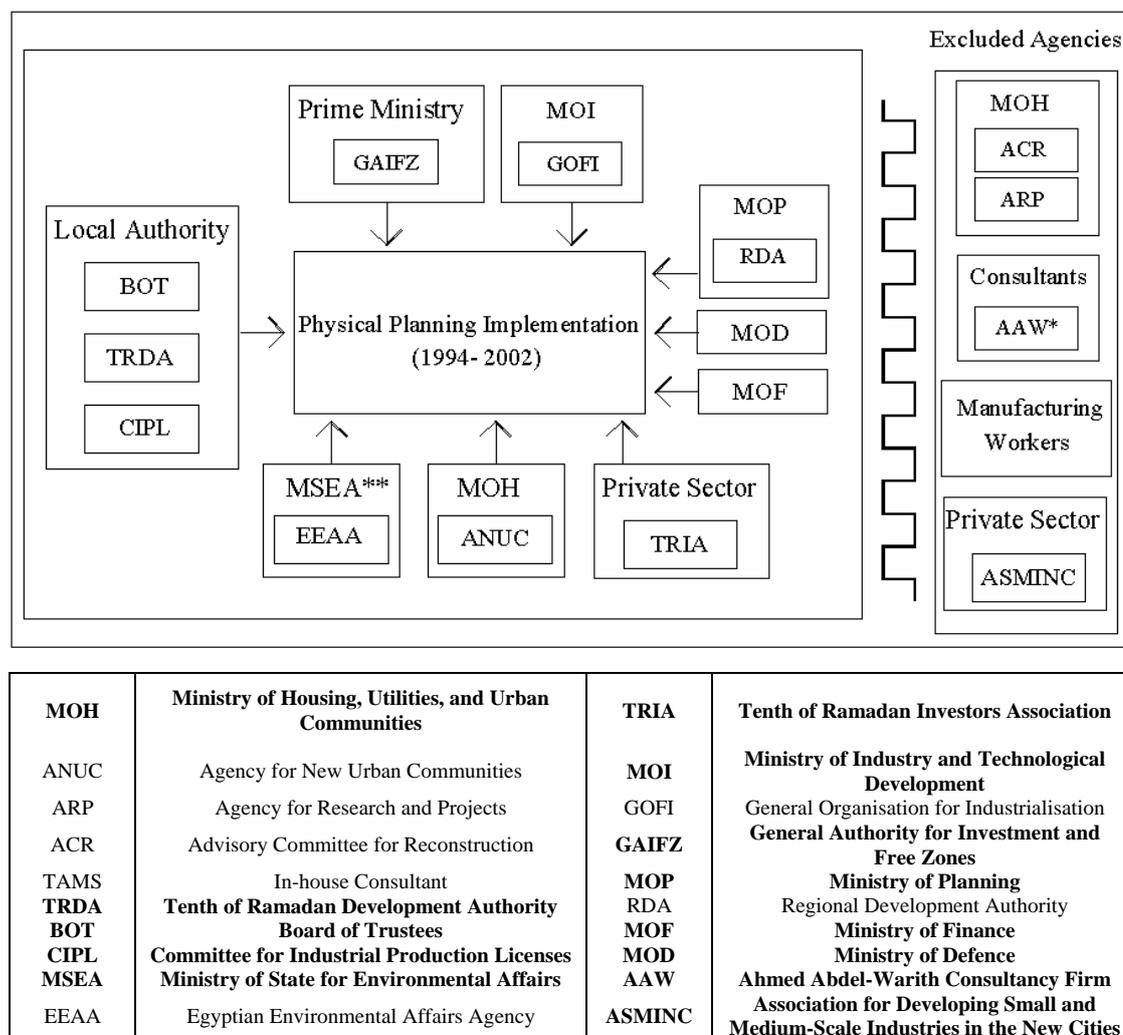
Given the power structure and conflict within the 'triangle of power', it can be said that during the period of 1986 till 1994 there was no dominant institution or agency controlling the implementation process. The public sector (represented in ANUC and TRDA) and the private sector (represented in TRIA and its members) shared control over the implementation process mainly because of political and economic reasons, as discussed before. Such shift in the concentration of power from the dominant public sector to be shared almost equally between the public and private sector had significant effects on the implementation process, where the private sector was given the legal and official tools to promote and achieve its short-term agenda, although partially controlled by the public sector, which were struggling for its survival within the transitional period environment (see chapter 3, sections 3.2.1.3 and 3.4).

5.3 THE DOMINATION OF THE PRIVATE SECTOR (1994-2002)

During this period of the implementation process, two significant changes took place with respect to the institutional arrangements and power structure and interests of the key actors as a consequence. The first change was the appointment of the new Minister of Housing, Utilities and Urban Communities (i.e. Mohammed I Soliman) followed by major changes in urban development planning policy directions and objectives focusing on the private sector as the leading sector in the urban development process (see chapter 4, section 4.2.3.1). The second change was the formulation and establishment of the national environmental policy and the environmental law 4 in 1994 followed by some institutional adjustments to introduce the environmental dimension to the implementation process in TRC in 1998. This is to stress that the environmental

dimension was not yet officially fully integrated within the planning formulation practice at the time of commissioning AAW as the urban development consultant of the 1999 Plan in 1996 (see chapter 4, section 4.2.3).

Figure 5.3 Institutional Arrangements Guiding the Implementation Process during the period 1994 - 2002.



* AAW had been involved in the physical planning formulation of the 1999 Plan since 1996 as the commissioned urban development planner of the city

** Although the Ministry of State for Environmental Affairs was originally established in 1982 as an agency (i.e. EEAA) affiliated to the Prime Ministry, it had been actively involved in the implementation process of the TRC only since 1998

It has to be emphasised that the interests and power of most of the institutions involved in the implementation process during the period of 1986 till 1994 (i.e. MOD, MOF, MOP, MOI, and Prime Ministry), presented in figure 5.3, were not changed, as each of them retained the same level of influence over and involvement in the implementation process. The following sub-sections will discuss in further details the context in which the EEAA was established and its assigned responsibilities and power

with respect to the implementation process of the TRC during the concerned period. Nevertheless, seeking a deep understanding of the institutional change with respect to the introduction of the environmental dimension to the decision-making of the implementation process, a critical examination of the new power structure between ANUC, TRDA, and TRIA, critically linked to the appointment of the new Minister of the MOH in 1994, is crucial. The research found solid empirical evidence to confirm that the new power structure within the 'triangle of power' resisted (actually blocked) the introduction of the environmental dimension to the implementation process and its decision-making as discussed below.

5.3.1 Ministry of Housing, Utilities, and Urban Communities

As discussed before in chapter 4, section 4.2.3.1, after the appointment of the new Minister of the MOH, fundamental changes took place within the organisational chart of the Ministry (see figure 4.16). As a result of those changes, ANUC lost its privileged position enjoyed during El-Kafrawy period in office. After being the dominant agency within the MOH headed by the Minister in person and controlled almost all aspects of the MOH activities, it was assigned only for managing the urban development planning processes within the context of the new urban communities including TRC. It can be said that ANUC was finally recognised as the type of agency it was created and established for. It was finally recognised as an executive agency responsible for the physical development planning within the context of the new urban communities and were to be dismantled after fulfilling its objectives and handing in the responsibility of such communities to the concerned Local Government institutions and agencies.

It has to be emphasised that although the new organisational structure within the MOH reduced much of the dedicated privileges to ANUC, as discussed above, it concentrated greater authority and power on such agency regarding the control over the implementation process of the new communities at large and TRC in specific. Such organisational change and the difference of values and style of management between El-Kafrawy and Soliman gave ANUC (mainly the senior civil servants in ANUC) the so long-awaited pressure tools by which it would have the full authority and control over TRDA rather than this undecided power domination and conflict between the two agencies during the period of 1986 till 1994, as discussed in sections 5.2.1 and 5.2.2.

Nevertheless, it is crucial to understand the reason behind assigning such greater power to ANUC at this specific period of time. Such understanding has to be approached from the broader perspective of the changing political economy at the national level at the time. As discussed in chapter 3, Egypt was forced to adopt the ERSAP in 1991 under the conditions of the WB and IMF. Giving the aim of dedicating more leading role to the private sector in the development process, El-Kafrawy had failed to achieve such aim by keeping much control in the hands of the public sector through ANUC, TRDA, and the BOT. His actions to be seen as an institutional reformer by establishing the BOT and guaranteeing access for the local entrepreneur to the decision-making process did not impress the leadership. This was because such actions were seen as false and insincere actions when dedicating, at the same time, the 'counter' power to the public sector to resist the required change.

By the end of 1993, El-Kafrawy was seen as an element of the 'old Egypt', which had significant power of resistance to the new settings of the 'economic game'. Therefore, having a business wise mentality and believing in the neo-liberal approach to economy, promoted by the WB and the IMF at the time, Soliman was appointed Minister to push ahead the reform that should have been done by his predecessor, as well as crushing any form of resistance to the implementation of the principles and basics of the ERSAP within the urban development sector. As a consequence, since day one at office, Soliman concentrated his efforts to establish the new 'rules of the game' by issuing many Ministerial Decrees assigning more power and authority to the private sector over the public sector while keeping the 'keys of power gates' in the hands of ANUC to control any unpredicted and uncalculated moves of the private sector.

The allocation of power and authority to ANUC mainly was not because of its role in the development process but rather than a way of concentrating the full and unquestioned power in the hands of the Minister of the MOH, as the head of ANUC. This concentration of power in the hands of Soliman was of great importance in speeding up the liberalisation of the economy in the context of the urban development sector. It seems contradictory but the Central Government desired, in coordination with Soliman, the exclusion of Local Government institutions and agencies and any other institution or agency that might delay, hinder, or resist the fast track centralised planning decisions, to avoid repeating the instance when El-Kafrawy was in charge. The research found evidence that such change in values and attitude of the Central Government towards the public sector institutions and agencies had a major impact

upon the state-private sector relationship as well as the central-local relationship as discussed in further detail in the following sub-sections.

5.3.2 The Private Sector

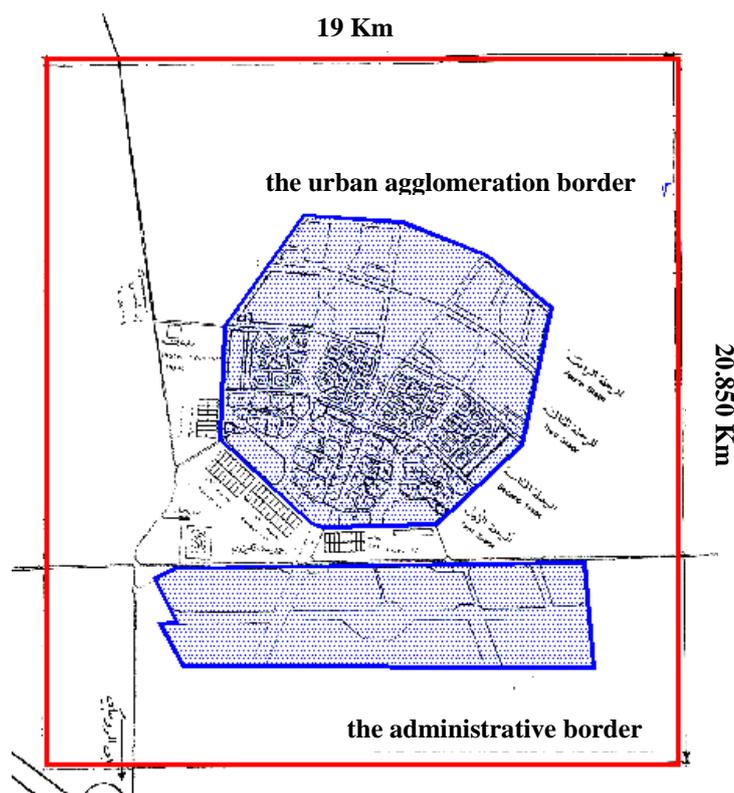
There is no doubt that the new attitude towards the private sector, triggered by the adoption of the ERSAP in the early 1990s and promoted by the Minister of the MOH, changed the power structure of the institutional arrangements and agencies involved in the implementation process. This was manifested in setting the new rule of appointing a local entrepreneur as the Chairman of the BOT while assigning the Chairman of TRDA as his/her Deputy. It was also seen when demolishing the existing Ministerial Decrees at the time explicitly supporting the appointment of three manufacturing workers representatives as members of the BOT, where the new Ministerial Decrees 152 and 153 in 1994 assigned their membership to local entrepreneurs instead. Both Ministerial Decrees presented the private sector with the required and crucial administrative and legal tool to finish off the authority and power of TRDA and its Chairman over the implementation process (see chapter 4, section 4.2.3.2).

Nevertheless, it has to be emphasised that till 1994 there was neither an official nor openly announced classification for individual entrepreneurs. The objectives and aims of the newly adopted national development policy (i.e. ERSAP) in the early 1990s alongside the new attitude and values of the MOH towards the private sector, discussed before, led the Central Government at large and the MOH in specific to make an explicit classification for entrepreneurs. The so called 'businessmen classification' differentiated between entrepreneurs in the process through which they could acquire land for their investment projects at large and manufacturing projects in specific in TRC. It was revealed by El-Batran (2002) and confirmed by 70% of the interviewees that entrepreneurs were classified into two groups matching the classification of businessmen at the national level discussed in chapter 3, section 3.4. The first group was those investing in projects that required plots of land over 5 feddans. The second was those who required less than 5 feddans.

As confirmed by an Ex-Chairman of TRDA, Mansour (2002), the first group of entrepreneurs had no link or dialogue with TRDA or any agency within the context of Local Authority. They were guaranteed full and unlimited access to the Ministerial rank and above. They would also discuss their business plans directly with the senior civil

servants in ANUC and the Minister in person, where land was assigned for them during the same meeting. In other words, such group were the ‘chosen ones’ group, mentioned in chapter 3, section 3.4, most of whom were elected as Members of Parliament within the past 10 years. The second group was kept under the full and direct control of TRDA through the stated rules and regulations of the MOH. They had to follow the strict procedures and apply all stated laws and regulations. As discussed before in chapter 3, section 3.4 and chapter 4, sections 4.2.3.2, 4.2.3.3, and 4.2.3.5, such group of local entrepreneurs were from the ‘unfortunates’ group who were mainly investing in the medium and small manufacturing industrial projects in terms of the size of the capital involved. The Head of ASMINC, Eng. Nasr Soliman, revealed that such explicit distinction created inter-agency conflict within TRIA, which in turn resulted in the split of the medium and small-scale entrepreneurs from TRIA to form ASMINC in 1996 (see chapter 4, section 4.2.3.5).

Figure 5.4 TRC’s Urban Agglomeration and Administrative Borders



Source: The Industrial Areas Guide (1995, p. 5)

Given such significant financial and political power of the former group (i.e. the ‘chosen ones’), TRIA managed to strip TRDA and its Chairman of its authority and power over the implementation process to the bare bones. This happened because of two main reasons. On the one hand, TRDA and its Chairmen were no longer seen by the

Central Government as an important agency in seeking social stability and in securing control over the local private sector institutions and agencies. On the contrary, it was seen as a hindrance and constraining agency to the new style of management to the urban development process within the context of the new communities in general and TRC in specific. On the other hand, linked to this, TRDA had already done its part in securing local social stability for the three years followed the adoption of the ERSAP in 1991 (see chapter 4, section 4.2.3.2 and 4.2.3.3). Such significant control over the decision-making of the implementation process by the private sector's powerful entrepreneurs rested the land allocation process as well as physical planning decisions in the hands of a handful of short-term motivated powerful local entrepreneurs. This was clearly manifested in the physical planning formulation process of the 2002 Plan when powerful local entrepreneurs, using their close relations with the Minister and higher levels in the administration, demanded the physical planning of the area between the urban borders and administrative borders of the TRC originally planned as the green buffer zone of the city (see figure 5.4) to match their short-term interests as confirmed by Shaaban (2002) as well as Prof. Barrada (2002) and others:

“... the powerful local entrepreneurs are well-connected to the Ministerial level and above. Sometimes we receive direct orders from higher authorities than the Minister to take certain ‘interests’ into consideration during the physical plans formulation without having any right to find out the reasons behind such interests [...] those powerful entrepreneurs pay our salaries, make us active, and keep us busy [...] The power and authority of the entrepreneurs are increasing every second because of the new national policy direction since the early 1990s [...] Egypt had no options other than to depend on the private sector (however its attached social and environmental impact) as the government was no longer able to provide the cash required to sustain the implementation of the urban development policy. Therefore, the government had to prioritise the interests of the private sector over other interests to encourage the entrepreneurs to pay on its behalf for the implementation process in TRC and other new communities, which had a destructive backfire action represented in increasing their political and financial power to the limit it could not be controlled anymore” (Shaaban 2002)

From the above quote, it should be clear by now that not only TRIA and its members gained control over TRDA and its successive Chairmen as well as all Local Government institutions and agencies, but it also started to use such growing power as a

bargaining tool to pressure ANUC and the Minister himself to deliver the required decisions that serve their short-term interests. This was clear in the words of the Chairman of the BOT, Captain Redallah Mohamed Helmy:

“.... The decisions of the BOT are taken according to a majority voting system [...] of course the representatives of local entrepreneurs in the BOT can form an explicit lobby to block any decisions that may harm their interests [...] being an investor and a member of TRIA, I have to take their side. However, given my sensitive position as Chairman of the BOT, publicly I cannot afford to be seen taking their side. Therefore, I used to have meetings with the representatives of TRIA in TRIA’s head office in TRC before the meetings of the BOT to discuss and arrange any required actions regarding any subject with specific interest to the local entrepreneurs [...] the recommendations and decisions of the BOT are discussed directly with the concerned Ministers in person. Given my post, I go to the concerned Ministers to discuss and bargain the demands of the BOT [...] as long as the Minister approves and supports my demands, we (local entrepreneurs and TRIA) support and defend him/her when the public opinion is against him/her. In other words, it is a two-way benefit relationship”

(Helmy 2002)

5.3.3 The Local Authority

Because of the significant political and financial power of the private sector institutions and agencies as well as the very centralised nature of the planning decisions in the hands of the senior civil servants in ANUC and the Ministerial rank and above, TRDA lost all crucial battles for its very survival. It lost the battle with ANUC over the control of the physical planning decision-making process within the local context while losing the battle with the private sector institutions and agencies over the control of both the physical and socio-economic planning decisions within the BOT. Within the new urban management environment applied in the mid 1990s, it can be said that TRDA and its Chairman were seen as merely an affiliated department to ANUC and its employees as low-level cadre government employees who have no business mentality and would not be able to cope with the new liberal approach to the implementation process. As a consequence, TRDA was left to deal with small and medium-scale domestic entrepreneurs who had neither political nor financial power to enable them to deal with the Central Government institutions and agencies in a direct and face-to-face manner.

What happened to TRDA was the same that was applied to the Local Government representatives in TRC and the BOT. They lost any sense of control over the day-to-day socio-economic planning decision-making process. They were no longer perceived by TRIA and its powerful entrepreneurs as important agencies to prioritise their interests over other local interests because of their guaranteed unlimited access to the ministerial rank and above. In this sense, the power of CIPL was no longer valuable to TRDA as a pressure tool in its conflict with TRIA (see section 5.2.2), as the powerful entrepreneurs could bypass the bureaucratic procedures to centrally obtain their production licenses directly from GOFI /GAIFZ who followed the same ‘businessmen classification’ criteria as well as the centralised approach to the decision-making process.

Given the ever-growing political and financial power and authority of the powerful local entrepreneurs, TRDA was left isolated to implement the unorganised centralised orders of ANUC with respect to the assignment of land to the “chosen ones” group without having any right to argue, study, or even reject such orders. It was revealed by some Ex-Chairmen of TRDA that the two parallel administrative procedures, resulted from the ‘businessmen classification’, had a devastating impact upon the implementation process where everything was left to the political and financial relationship between the Central Government institutions and agencies and the private sector powerful entrepreneurs. Such lack of coordination between TRDA and ANUC is evident in the words of many interviewees. For instance,

“... of course businessmen are not the same. They are categories and levels [...] within the ‘new era’ settings, started after the appointment of Soliman, the powerful businessmen had special treatment as they were guaranteed direct access to the Minister to finalise their business plans and to choose the land they desire for their future projects [...] the land were assigned for them by the Minister in person regardless the fact that such land had already been assigned for someone else or not [...] if you have the financial power and personal connections, you could do what you want and achieve what you desire regardless the social and environmental impact attached” (Sorour 2002)

“.... Why someone like [name omitted] would come to TRDA, he could discuss his business plans and the assignment of land instantly at ANUC with the Minister in person [...] this parallel sets of procedures resulted from the classification of businessmen had negative impact on the implementation process and the arrangement of land use activities

within TRC [...] we had no longer control over, or even predict the day-to-day process of, the allocation of land as we (TRDA) lost any sense of coordination with ANUC” (Mansour 2002)

From the above analysis of the local authorities involved in the implementation process during the period of 1994 till 2002, it is evident that the BOT was transformed from being a government agency controlled by government employees and civil servants to be a quasi-government agency under the full authority and power of the private sector institutions and agencies that deals directly with the Central Government institutions and agencies bypassing the Local Government system. At the same time, TRDA and its affiliated CIPL lost their partial control over the process of the assignment of land to local entrepreneurs as a result of the newly introduced ‘businessmen classification’ criteria in the mid 1990s. Nevertheless, it has to be emphasised that although TRDA kept some of its control over the assignment of land to small and medium-scale entrepreneurs, given the official rules and regulations attached to such issue, the local civil servants were no longer able to manipulate the local land use plans in favour of some political or financial gain. This was mainly because of the newly applied centralised nature of the decision-making since the mid 1990s where TRDA had to report every minor editing or correction of land use plans to the technical affairs department in ANUC to secure its approval before starting the implementation of such corrections.

It has also to be stressed that by the mid 1990s, the construction of the originally planned industrial areas in the context of the first and second stages of urban development of TRC was completed and 90% of all industrial land had been already sold out to domestic and foreign entrepreneurs (Shetawy 2000). As discussed in chapter 4, section 4.2.3, the above point was one of the main reasons that triggered the call for commissioning the urban development consultant AAW to start the physical planning formulation of the third and fourth stages of the residential areas as well as the extension of the heavy industrial area (A) south the city in 1996. Nevertheless, appendix VIII presents the existing land use pattern and visual environment of the sample industrial areas studied during the fieldwork in March 2002, confirming the lack of services and the deterioration of the built environment within such areas.

5.3.4 Ministry of State for Environmental Affairs

The EEAA, the Egyptian Environmental Affairs Agency, was officially established by virtue of the Presidential Decree 631 in 1982. It was established as an affiliate to the Prime Ministry and was recognised as the highest authority in Egypt responsible for promoting and protecting the environment and coordinating adequate responses to environmental issues. This included setting the standards and reviewing the environmental impact assessment reports for investment projects submitted by both the public and private investors while leaving the enforcement of the environmental law to the ministries dealing with each kind of development (e.g. Ministry of Industry, Ministry of Agriculture, and Ministry of Tourism) (Gomaa, 1997).

The EEAA, re-established by virtue of Law 4 in 1994, was to replace the Agency established by Presidential Decree 631 in 1982 in all its rights and obligations. The former Agency's staff were to be transferred to the EEAA with their grades and seniority and were to be assigned to the administrative sectors of the EEAA by a Decree issued by the Agency's Executive Head. In February 1995, the decrees necessary for the implementation of Law 4 in 1994 were adopted and in June 1997, the responsibility of Egypt's first Minister of State for Environmental Affairs (MSEA) was assigned as stated in the Presidential Decree 275 in 1997⁴. From thereon, the new ministry has focused, in close collaboration with the national and international development partners, on defining environmental policies, setting priorities and implementing initiatives within a context of the national environmental sustainable development policy framework stated in Law 4 in 1994 (see Box 5.4 for the responsibilities assigned for the EEAA by virtue of Law 4 in 1994). Nevertheless, it was not until March 1998 that the provision for the protection of industrial pollution took effect and the approval of EEAA on the EIA reports submitted by investment projects is to be one of the core requirements for acquiring the production and construction licenses within the context of the new communities at large and TRC in specific (EEAA 2003).

⁴ The Board of Directors of the MSEA is to be composed of The Minister in charge, the Chief Executive Officer of the EEAA, who also acts as Vice Chairman of the Board, representatives of, the Ministries concerned with environmental issues, Environmental Non-Governmental Organizations (NGOs), the State Council, the Public Business Sector, the Universities and Scientific Research Centres. Moreover, the Environmental Protection Fund was to be established for managing the public fund allocated to the MSEA from the national budget, donations and grants presented by national and foreign organizations concerned with environmental protection, fines and compensation awarded by courts of law or via out-of-court settlements for damage caused to the environment, as well as revenues from the protectorates fund (EEAA 2003).

Box 5.4 Responsibilities Assigned to the EEAA by virtue of Law 4 in 1994

- Formulating environmental policies
- Preparing the necessary plans for Environmental protection and Environmental development projects, following up their implementation, and undertaking Pilot Projects
- The Agency is the National Authority in charge of promoting environmental relations between Egypt and other States, as well as Regional and International Organizations
- Preparing draft legislation and decrees related to the fulfilment of its objectives
- Preparing state of the environment studies and formulating the national plan for environmental protection and related projects
- Setting the standards and conditions to which applicants for construction projects must adhere before working on the site and throughout operations
- Setting the rates and proportions required for the permissible limits of pollutants
- Periodically collecting national and international data on the actual state of the environment and recording possible changes
- Setting the principles and procedures for mandatory Environmental Impact Assessment (EIA) of projects
- Preparing Environmental Contingency Plans and supervising their implementation
- Participating in the preparation and implementation of the national and international Environmental
- Monitoring Programs and employing data and information gained thereof
- Establishing Public Environmental Education Programs and assisting in their implementation
- Coordinating with other empowered authorities for the control and safe handling of dangerous substances
- Managing and supervising the natural reserves of Specially Protected Areas
- Following up the implementation stages of International Conventions concerned with the environment
- Suggesting an economic mechanism, which encourages the observation of pollution prevention procedures
- Implementing pilot projects for the preservation of natural resources and the protection of the environment against pollution
- Listing of national establishments and institutions, as well as experts qualified to participate in the preparation and implementation of environmental protection programs, and coordinating measures with the Ministry in charge of international Cooperation to ensure that projects funded by donor organizations and states are compatible with environmental safety
- Participating in the preparation of an integrated national plan for the coastal zone management of the Mediterranean and the Red Sea areas
- Participating in the preparation of a plan to prevent illegal entry into the country of dangerous and polluting substances and waste
- Preparing an annual report on the state of the environment to be submitted to the President and the Cabinet of Ministers

Source: EEAA (2003)

With respect to the context of TRC, Abdel-Moula (2002) shows that the department of environment was originally established as a unit affiliated to the department of development and management in TRDA since 1986. It was originally established to be responsible of implementing the general policy of the Ministry of Health regarding pests control and protection of wild animals in coordination with the Infrastructure Police (*Shortet El-marafek*). In 1995, the department of environment, still affiliated to TRDA, came under the authority of the EEAA and was assigned for the

following up of the environmental situation within TRC. It was not until 2001 that a representative of the EEAA was permitted a membership in the BOT. Until such date, the EEAA and the Department of Environment in TRDA was only represented in the Committee for Environment affiliated to the BOT, headed by one of the local entrepreneurs representing TRIA and its members, and composed of: the Head of the Department of Development and Management as the General Secretary of the Committee, the Vice-Chairman of TRDA as its Deputy, the head of the department of environment in TRDA, the head of the department of environment in any local manufacturing establishment, and two local entrepreneurs. It is evident that all decisions and recommendations of such committee were under the full control and authority of local entrepreneurs.

According to Abdel-Moula (2002), in August 1998 the Department of Environment was to be recognised as an independent department within the organisational structure of TRDA instead of being an affiliated unit to the Department of Development and Management during the period of 1986 till August 1998. Such institutional change took effect because of the Environmental Pollution Protection Project (EPPP) funded by the Canadian International Development Agency (CIDA) under the management of *Roche Intelec Consortium* for 18 months starting from August 1998 (EEAA 1999). Given the aim of presenting TRC as the first 'environment-friendly' city in Egypt, the establishment of the department of environment as an independent department was crucial to get rid of the hindering bureaucratic procedures that might constrain the implementation of the EPPP and the following up process of environmental monitoring in TRC later on (EEAA 1999, 2000, 2001).

During the period of August till December 1998, the EEAA, in coordination with the department of environment in TRDA, started the first stage towards such aim by constructing an environmental database for the manufacturing establishments and evaluating the environmental situation in the city. From January till March 1999, the second stage, the EEAA started the first follow up stage to enforce the environmental law by classifying the factories into two categories. On the one hand, the first category included those manufacturing establishments with no environmental problems. On the other hand, the second group included those having environmental problems and yet did not take any actions towards solving such problems (EEAA 1999). In the third stage, from April to June 1999, the EEAA continued the following up and the enforcement of the environmental law where it classified the factories into four categories as follows:

1. Factories with no environmental problems
2. Factories investing in better cleaner technology
3. Factories started or had plans to implement cleaner technology
4. Factories did not take any further steps towards their environmental problems.

Finally in the fourth stage from July to August 1999, the EEAA sent invoices to polluting factories to start solving their environmental problems threatening legal action. During such period, the Minister of State for Environmental Affairs (MSEA) visited the city in person and closed seven factories for non-compliance. However, by the end of November 2001, there were 81 factories classified as heavy polluting factories most of them located on the planning boundaries of the residential areas (EEAA 2001). Nevertheless, the research found evidence, confirmed by the Head of the Department of Environment in TRDA, that even after the application of the CIDA projects, the EEAA and the Department of Environment had failed to pressure manufacturing establishment, within the context of the new communities at large and the TRC in specific, to comply with the requirements of the Environmental Law. Some insight explanations were provided in relation to such point during the fieldwork period as presented in Box 5.5.

Box 5.5 Some Reasons for the Failure of Full Compliance with the Environmental Law within the Context of the New Communities and TRC.

- The EEAA was dealing with the industrial pollution as a short-term problem that could be solved by applying clean technology production processes once and for all.
- The lack of coordination between the physical planning practice and the environmental policy in the context of the new communities where the only coordination could be recognised in relation to urban expansion of the existing cities on arable land
- The Department of Environment in TRDA was primarily interested in solving the environmental problems within specific polluting establishments rather than the impact of their pollution on the built environment of the surrounding residential areas as well as the users, manufacturing workers, health.
- The political and economic expediency in relation to short-term interests and agendas of the powerful local entrepreneurs.
- Lack of coordination between the department of environment in TRDA and the EEAA
- The lack of regular monitoring mechanism as the Department of Environment in TRDA had no pollution measuring equipments.
- The incomplete standards regarding the hazardous waste standards

Source: collected from interviews conducted with Abdel-Moula; Mansour; El-Sharma; Tolba, Saadeldin; Ezzat; Abdel-Glil; Allam; and Higazy during the filedtrip in 2002; also see Attia 1999.

5.3.5 Excluded Agencies

Like all the previous periods of the implementation process, presented in this chapter, There was a mixture of the previously excluded Agencies (i.e. the ACR, ARP, and manufacturing workers) and newly added ones (i.e. AAW and ASMINC). With respect to the former group, on the one hand, it has to be stressed that the environment through which the ACR and ARP operated and the responsibilities assigned to them was not dramatically changed. As discussed in chapter 4, section 4.2.3.1, the ACR lost its privileged position experienced under El-Kafrawy since the appointment of Soliman in 1994 as the concerned Minister, where it was no longer detached from the administrative structure of the MOH. Nevertheless, both agencies were still recognised as consulting and research agencies respectively and had no access to the implementation process, which was assigned only to ANUC.

On the other hand, the local manufacturing workers were completely kicked out of the decision-making process. Their right to be represented in the BOT was taken away by the Ministerial Decrees 152 and 153 and their basic right of complaining was made even more difficult by the control and authority of the local entrepreneurs over the Local Government institutions and agencies. Over 95% of the manufacturing workers interviewed confirmed (supporting their claims by personal stories) the suspicious relationship developed between the local entrepreneurs and the local employment office to block the development of workers' complaints submitted to the office. Actually, 56% of the manufacturing workers claimed monthly quotas were regularly paid to the employees of the employment office to guarantee their loyalty. The complaints related to the conflicts between manufacturing workers and local entrepreneurs should be submitted to the local employment office, while all other complaints should be submitted to TRDA. The Head of the Department of Development and Management confirmed that most complaints submitted to TRDA were related to the issue of pollution in the built environment and lack of services within the industrial areas as well as the residential areas. This was confirmed when 73% of the workers stressed that there are no services within the industrial areas studied while only 6% (all respondent working in manufacturing establishments owned by powerful local entrepreneurs) claimed that there are more than enough services in the industrial areas. This was also confirmed when 68% of workers claimed serious environmental and health problems within the work environment most of which are related to industrial pollution.

Moreover, the research revealed interesting, yet contradictory, responses to the subject of the decision-making of the implementation process and the interests of each key actor group involved in such process. This was evident when over 55% of workers claimed that the prime interests of TRDA are the outside appearance of the city to its visitors and the appeasement of local entrepreneurs while over 60% still believe that TRDA is in full control over the urban development process and 40% believe that TRIA and its members are those in control. Although the majority of responses of the manufacturing workers supported the assumption that they were very sensitive to the evolving and continuously changing relationship between the State and private sector, the majority of them still acknowledge the State, presented in ANUC and TRDA, as the protective guard who has the full authority and power over all societal groups. This was evident when 74% of workers abstained from providing any answer to the questions related to their satisfaction about the implementation process, where they stressed that TRDA and ANUC know best for them and the built environment in TRC.

The urban development planning consultant (AAW) and the private sector agency ASMINC were excluded from having access to the decision-making of the implementation process. On the one hand, the conditions of the commissioning contract applied to COPA and SWECO were like those applied to AAW. This is to stress that even before signing the contract with the ARP, AAW realised that their task was only to provide the required physical plans for the third and fourth stage of the residential areas and the extension of the heavy industrial area with no right to claim any further responsibilities with respect to the implementation process. In this sense, AAW, like its predecessors both COPA and SWECO, was legally excluded from the decision-making process of implementation under its full consent. On the other hand, as discussed in chapter 4, sections 4.2.3.3 and 4.2.3.5, as a result of the newly established classification of the local entrepreneurs as well as the separation of the small and medium-scale entrepreneurs from TRIA and the growing conflict between TRIA and ASMINC as a consequence, ASMINC was excluded from the decision-making process. Given the full control over the BOT, TRIA and its powerful entrepreneurs managed to keep ASMINC isolated, weak, and barely surviving.

5.3.6 Concluding Remarks

During the period of 1994 till 2002, powerful entrepreneurs in the private sector were at full swing. Such domination over the implementation process had four

significant developments to characterise the concerned period of analysis. The first development is related to the institutional conflict within the MOH between ANUC and TRDA. It may be seen in the way in which ANUC gained full control and authority over TRDA by downgrading the power of its chairman in the BOT as well as the application of the newly introduced internal rule regarding the reporting of every required editing to the local land use plans (however minor) to the technical affairs department in ANUC. In this sense, as presented, the conflict between ANUC and TRDA was finally over, where TRDA lost the battle of its very survival. It has to be stressed that such change of power structure between the two agencies was directly linked to the political economy change at the national level echoed in the appointment of the new Minister of the MOH with different interests and values from his predecessor and the centralised push towards smoothing the transition from the public sector to the private sector-led urban development process. It can be said that at the time where many factors constrained TRDA to continue its battle with ANUC over the control of the implementation process, there were many enabling factors put ANUC ahead in such conflict and all related to the political economy change at the national level at the time.

The second development is related to the institutional conflict between TRDA and TRIA and its members. After the issuing of the Ministerial Decrees 152 and 153, any hope that TRDA would manage to keep ahead in such conflict was washed away. Weakened and controlled by ANUC, while TRIA and its members were significantly empowered, TRDA was in no gaining situation of such conflict. Nevertheless, as illustrated, TRDA kept some kind of control over the 'unfortunates' group where they lacked the financial and political power to enable them the access to the Central Government institutions and agencies. In this position, it has to be emphasised that the 'businessmen classification' value, introduced to the context of Egypt after the adoption of the ERSAP in 1991, as well as the continuous shift in the institutional arrangements and power structures and allocation of power and resources within the 'triangle of power' and its analysed impact over the implementation process presents solid empirical evidence to support the validity of the analytical framework and its entry points of analysis. This was clearly manifested in the introduction of above classification based on the degree of power (mainly financial and political) of individual entrepreneurs and upon which his/her action could be either enabled or constrained and upon which the Central Government would decide the procedures through which it can

deal with each individual, seeking the financial help needed to sustain the national development policies by trading power and authority.

The implementation process during the concerned period can be described not only as complete chaos but also as a *schizophrenic* process, where the same institutions and agencies as well as the very same individual senior civil servants had conflicting values, agendas, and actions. On the one hand, they supported the newly introduced market-led approach to the land development when dealing with the 'chosen ones' group by minimising the state intervention in the urban development process, reducing bureaucracy, and bypassing local authorities. On the other hand, they supported the market-critical approach to land development when dealing with the 'unfortunates' group by expanding their control over the physical planning formulation and implementation processes, increasing bureaucracy, and applying the strict rules, regulations, laws, and command and control mechanisms. Logically, as illustrated, such situation was impossible to go on for a long time without more complications and conflicts at both the national and local levels where planning institutions and agencies were internally confronted by negative impact of the practical application of such conflicting approaches to land development.

The third development is illustrated in the deliberate exclusion of the manufacturing workers from the decision-making process. On its unlimited support to the private sector institutions and agencies as well as the application of its very centralised style of the decision-making process, the MOH demolished any hope of applying the very basics of 'pluralism' while praising the notion of 'entrepreneurialism'. Within such newly applied values and attitude towards the private sector, there was, naturally, no pressure to provide manufacturing workers any access to the decision-making process. On the contrary, the newly established urban development politics called for more local entrepreneurs in the BOT and more private sector-style management in TRC and the new communities at large. As illustrated, given this newly established urban management-style environment, where there was no place (or even respect) for the weak, manufacturing workers were easily manipulated, blackmailed, and bullied as a consequence.

The final development is seen in the complete alienation to the environmental aspects of the urban development process, despite the reckless and growing efforts by the MSEA and EEAA, supported by foreign agencies and aid, to correct the negative

environmental impact of the haphazard and chaotic implementation process where politics and economic aspects were in full control since the very start in 1977. After almost two years of collecting environmental data, monitoring, following up, and helping local manufacturing establishment to comply with the Environmental Law, by the end of 2001 there were 81 manufacturing establishment, most of which were located within residential areas, were recognised as hazardous to the built environment, nature, and health of manufacturing workers and residents surrounding pollution points. Provided such fact, one can just imagine the status of the built environment before the start of the EPPP in 1998. In this position it has to be emphasised that, provided the complete domination of the private sector over the implementation process as well as the weakening of the Local Authority and ANUC as a consequence, the trade-off the environmental aspects within the urban development process can be easily recognised.