CHAPTER 4: PHYSICAL PLANNING PRACTICE:
THE FORMULATION PROCESS AND THE ‘TRIANGLE OF POWER’
INTRODUCTION

From the previous chapter, it has become evident that the directions, goals, interests, and agendas of both the state and the private sector have shifted dramatically since the early 1970s. On the one hand, while the state became merely an investor among many others striving for profit, cutting down on its developmental role and sacrificing its welfare commitments, the private sector became much more influential controlling all aspects of national development planning starting from setting its priorities and goals to decision-making process regarding their implementation. On the other hand, the approach to the formulation and implementation of national development planning policies had changed dramatically from being rational comprehensive planning during the 1970s and 1980s to a mix of dominant liberal entrepreneurial planning and less-dominant rational comprehensive planning approaches during the 1990s after the adoption of the ERSAP in early 1991, although carried out by the same institutional arrangements and controlled by the very same individuals. This is evident in the illustration of the different processes through which the state deals with the two categories of the private sector (i.e. ‘the chosen ones’ and ‘the unfortunates’) (see chapter 3, section 3.4).

It can be said that the frustration of the Egyptian state to find solutions for both the human settlements and economic challenges and the external (international) pressure imposed by the IMF and the World Bank as well as the internal pressure by the powerful interest groups within the elite circle and the private sector to direct and control Egypt’s national development planning policies, presented and analysed in the previous chapter, were the main reasons that led to dramatic shift of the goals, objectives, focus, interests and directions of the state-private sector relationship. Moreover, it also resulted in the continuous shift in the allocation of power, authority and resources between the institutions, agencies and individuals affiliated to the central and local government and the private sector involved in the physical planning process that is within the ‘triangle of power’. Given the focus of this research, this chapter aims at discussing and analysing the impact of the latter shift on the physical planning practice since 1974 with specific reference to Tenth of Ramadan City.

It is important to note that although the analysis of physical planning practice in the context of any city has to be presented within the context of the region to which it belongs (i.e. the Greater Cairo Region in this case), the research found evidence that
TRC is considered to be a unique case in this regard as it does not follow such logic as will be explained later. To achieve the above stated aim, this chapter examines the successive formulation processes of the physical plans in the context of TRC from three main aspects.

The first aspect is the institutional arrangements through which institutions, agencies, and individuals and their relative administrative positions, roles, and responsibilities will be examined. A discussion of the institutional arrangements is crucial to this study as the research found evidence that not only the structure of the institutions themselves but also their operational guidelines and procedures can critically affect the relationship between agencies, be they individuals or institutions, involved in the physical planning process. The objective is to critically emphasise the effect of political expediency on the way in which such agencies control resources and implement their agendas.

The second aspect refers to the political positions of the principal institutions, agencies, and individuals involved in the physical planning process. It explores and analyses the power structures between actors and illustrates the way in which they used their bargaining advantages and positions to their benefit and to increase their power and authority. This discussion emphasises the political expediency when actors had been involved in a political processes to influence the physical planning practice in a struggle for power, authority, and access to resources. Third, this chapter explores and analyses the interests of the different institutions, agencies, and individuals involved in the physical planning formulation and the way in which they influence the decision-making process and the outcome of the formulation process itself. This discussion emphasises the political expediency when civil servants and powerful private investors were found seeking spatial and personal advantages (e.g. the desire for money, position, power, and/or other things) rather than acting to pursue pre-stated ‘public interest’.

This chapter is divided into two main sections. The first section discusses the stated official process through which regional/local development planning is carried out by virtue of the various planning Laws, Presidential Decrees, and Ministerial Decrees. This section emphasises the uniqueness of the TRC physical planning process and how and why it did not follow such official process. The second section discusses and analyses the formulation of the successive physical plans of the industrial areas in TRC with specific reference to the three main aspects presented above. The latter section
provides empirical evidence, which emphasises political expediency through an understanding of how and why planning decisions were made, who made those decisions, and to what extent those decisions had an impact on the formulation of the successive physical plans of the industrial areas in TRC.

4.1 REGIONAL-LOCAL DEVELOPMENT PLANNING PROCESS

According to Egypt’s Constitution, regional-local development planning aims at implementing the general policy and objectives of national development policies; and it has to be carried out through coordination between the central government and localities acting together to foster development in all fields (e.g. social, economic, urban development, etc) and at all levels starting from the regional level, downwards to the governorate level and to the local units level. It has to be noted that regional-local development planning process takes two different sequences of steps according to the type of planning concerned. The research found that there are two different yet parallel regional-local socio-economic development planning and regional-local physical planning processes, examined and analysed as follows:

4.1.1 Regional-Local Socio-economic Development Planning Process

It has to be recognised that regional-local socio-economic development planning, as defined by the Ministry of Planning (1978), is associated with the development of resources (i.e. human and natural) with respect to the improvement of standards of living, culture, and productivity with less consideration to the spatial dimension, which has its implications on the physical aspects of planning. This clear separation between the socio-economic and physical aspects of planning is seen as a result of the ongoing conflict between the Ministry of Planning (MOP) and Ministry of Housing, Utilities, and Urban Communities (MOH) as will be discussed in further detail in the subsequent sections. Figure 4.1 illustrates the different steps of the regional-local socio-economic development planning process:

1. The Central Government informs Governorates and Local Authorities of the general policy and the main objectives of the national development policies, which Governorates study and then inform all affiliated Local Planning Units to set local socio-economic development plans.
2. Local Planning Units\(^1\) are responsible for the preparation of local socio-economic development plans according to available local potentials, investment chances, and local public needs. Moreover they are responsible for suggesting the allocation of resources after setting priorities of development projects (i.e. the budget plan). The prepared local development and budget plans are reported to the Local Public Council\(^2\), which in turn reports to the Governorate Public Council after securing its approval (see figure 4.2).

Figure 4.1 The Different Steps of the Socio-economic Development Planning Process

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\(^1\) Local Planning Units are affiliates to Local Authorities at all administrative levels, and each of which is concerned with specific type of public services (e.g. Local Planning Units for Health Services, Local Planning Units for Education Services, Local Urban Planning Units, etc). Nevertheless, for the clarity of discussion, Local Planning Units refers to all Local Units with the exception of Local Urban Planning Unit where it gets involved in a different set of procedures with respect to regional-local physical planning process, as will be discussed in further detail later on.

\(^2\) Local Public Councils are responsible for: first, approving projects identified within the socio-economic development plans and the annual budget, and the following up of its implementation. Second, defining and approving community participation plans in implementing local projects whether through self-help modes or financial contribution. Third, approving public projects that satisfy the requirements of housing and construction projects; and proposing necessary urban planning projects. Fourth, approving the implementation of public services and local productive projects. Finally, suggesting and approving local tax (see Ibrahim 1993)
3. The Regional Planning Authority\(^3\), the Governorate Planning Authority, and Local Authorities study all proposed local socio-economic development plans and their budgets and prepare the annual socio-economic development plan of the Governorate and its budget to be reported to the Governorate Public Council for its approval (see figure 4.3).

4. After the Governorate Public Council approves the annual socio-economic development plan and budget, they are reported to the Higher Committee of Regional Planning\(^4\), which coordinates the socio-economic development plans and budgets of all governorates within its region and prioritise the proposed projects according to available resources. The approved proposed annual socio-economic development plans and budget of the region are submitted to the MOP.

5. The MOP studies and prioritises the regional socio-economic development plans and their budgets in the light of the objectives of the national development planning; and coordinates with the Ministry of Local Authorities, the Ministry of Finance, and other relevant Ministries.

6. The approved regional policies, socio-economic development plans and budgets and their execution timetable are then reported to the Ministries and Governorates concerned for execution.

7. The Governorate Public Council, the RPA, and the HCRP follow-up and evaluate the execution of local socio-economic development plans. The following-up reports of executing such plans are submitted to both the MOP.

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\( ^{3} \text{Through Law 43 in 1979 the Ministry of Planning divided the Country into eight economic regions (the same planning regions stated in the Presidential Decree 495 in 1977 amended by Presidential Decree 181 in 1986), and established two planning agencies in each economic region that are: a Regional Planning Agency (RPA) and a Higher Committee for Regional Planning (HCRP). By virtue of the above law each RPA is responsible for, first, carrying out the necessary research and studies to determine the potentials (e.g. natural and human resources) of its concerned regions, ways to achieve its maximum development capacity, and suggesting the necessary socio-economic development projects. Second, setting the necessary technical departments to conduct such studies and research at the regional level (Arab Republic of Egypt 1979).} \)

\( ^{4} \text{By virtue of Law 43 in 1979, the Higher Committee for Regional Planning, headed by the Governor of the economic region’s Capital composed of: Governors of the constituent governorates of the region, Heads of the Governorate Public Councils, Heads of the Regional Planning Agency as the Secretary General of the Committee, and representatives of the competent Ministries each appointed by concerned Ministers. Moreover, by virtue of the same law, each HCRP is responsible of, first, coordinating the development plans of Governorates within its economic region, and approving the development priorities suggested by the RPA. Second, considering the periodical reports for the implementation of the development plans following up, and studying any recommended changes that may be proposed by RPA during the implementation (Arab Republic of Egypt 1979).} \)
and Ministry of Local Authorities according to the timetable schedule to be evaluated.5

Figure 4.2 The Administrative Relationship between the Central Government and Local Authorities

Source: adapted from Ibrahim (1993, p. 153); Youssef (1989, p10); Al-Masry (1989, p.68)

5 According to Law 43 in 1979 and its amendment by Law 50 in 1981, the role and responsibility of the Executive Local Councils and its affiliated Executive Authorities in relation to local urban development planning are: first, to follow up jobs and tasks carried out by Executive Authorities while improving the level of performance of urban projects and services. Second, to work out budget plans of the administrative level concerned and to suggest the distribution of funds allocated for investment among local units. Third, to lay down the general rules of local management, administrative structures, investment, and disposal of land and other physical properties of the administrative level concerned. Finally, to lay down rules and regulations of physical planning (e.g. housing and other urban planning projects) (Arab Republic of Egypt 1979).
From the above-presented planning process, it has become evident that the MOP is the most influential Ministry in regards to socio-economic development planning through its two main regional agencies (i.e. the RPA and HCRP) in the context of the new and existing settlements. However, it has to be mentioned that such influence becomes minimal when dealing with socio-economic development projects within localities that require preparing physical plans, or with regional-local physical planning. This includes land use planning, detailed planning, structure planning, zoning, master plans, legal plans, landscape planning, and service centres architectural and urban design (National Report 1996). The research has found evidence that the regional-local physical planning process takes another sequence of events and deals with different planning agencies as presented below.
4.1.2 The Regional-Local Physical Planning Process

In the case of the preparation of regional-local physical plans, it is by virtue of both Law 43 of 1979 and its amendments by Law 50 of 1981 that the Department of Urban Planning in each Governorate (i.e. the Governorate’s Urban Planning Authority) within the concerned region is the prime responsible agency. It is responsible for the preparation of the physical plans of urban communities within the planning boundaries of the concerned Governorate whether they are new settlements, urban expansion of an existing community, or re-planning the existing towns, cities, and settlements. The department also has the choice of carrying out the preparation of such plans itself, seeking the help of planning experts, or commissioning consulting firms (domestic or foreign) to carry out the necessary studies, proposals, and physical plans, financed by the General Organisation of Physical Planning (GOPP) together with the concerned Local Governments. By virtue of Presidential Decree 1093 of 1973 and Law 3 of 1982, before the allocation of the needed financial resources to the Governorates concerned for the execution of the prepared regional or local physical plan, the GOPP has to study, review, and approve it. It also has the authority to amend, demand changes, or refuse such plan completely (National Report 1996, pp. 1/1-1/3).

From figure 4.4, it can be seen that the regional-local physical planning process follows another sequence as follows:

1. According to the needs and demands of the local public within each locality at all administrative levels, the Local Urban Planning Unit submits a request

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6 With the exception of the “priority regions” identified within the ENMP that are the Canal Zone, Greater Cairo Region and the North West Coast region (i.e. Alexandria Region). The Central Organisation for Construction (COR) was established after the launch of ENMP in 1974 to manage the implementation of such policy within areas identified as “Priority Region”. Accordingly the COR established regional departments (e.g. Greater Cairo Region Development Authority (GCRDA)) located in the “priority Regions” to coordinate the implementation of ENMP with the General Organisation for physical Planning (G OPP), Local Governments, and the Ministry of Planning (MOP) and to supervise the implementation of regional infrastructure (National Report 1996, pp. 1/6-1/9).

7 In 1973, the General Organisation for Physical Planning (GOPP) became one of MOH’s organisations responsible for planning existing cities and their extensions. It was created to help Local Governments with insufficient planning capacity to prepare their physical development plans. In 1979 the framework of GOPP and its responsibilities were amended by a Ministerial Decree to include, first, the preparation of physical plans itself because of the incapability of the financial and human resources of Governorates of either preparing or commissioning private consultants to prepare the physical plans. Second, the preparation of physical plans of new towns and villages in addition to the existing settlements. In 1980, the Presidential Decree 655 amended GOPP’s responsibility and framework to change GOPP from being, according to Presidential Decree 1093 of 1973, an Executive Agency for Planning Greater Cairo Region since 1965 (i.e. a service unit) to be the executive agency for the physical planning of Egypt. In 1991, Ministerial Decree 475 added the responsibility of creating the Regional Planning Agencies within Planning regions to the responsibilities of GOPP (National Report 1996, pp. 1/1-1/3).
for the preparation of physical plans needed to meet such needs and demands to the Department of Urban Planning within each Governorate. It has to be stressed that there is no officially stated process of consultation with local residents and/or firms, let alone participation. The process of addressing such needs primarily depends on the ‘democratically’ elected local politicians, who are serving, in most cases, as members of the Local Public Councils and Governorates Public Councils.

Figure 4.4 The Regional-Local physical Planning Process


2. The Department of Urban Planning in the Governorate together with Local Urban Planning Units and Physical Planning Consultancy Firm (if commissioned) carry out the needed studies and prepare the required physical plan(s) then reports to the Governorate Public Council seeking its approval while consulting the Local Public Council concerned.

3. After securing the approval of the Governorate Public Council and satisfying the Local Public Council concerned, the prepared physical plan(s)
has to be reported to the GOPP to be studied, reviewed, and approved then in turn informs the MOH regarding its approval.

4. After securing the approval of the GOPP and MOH (mainly the Minister), the Governorate Public Council reports the approved physical plan to the Higher Committee for Regional Planning to allocate the required resources for the execution. It has to be stressed that this step is only reporting to allocate resources and not reporting so as to seek its approval on physical plans attached.

5. The Higher Committee for Regional Planning reports to the MOP which in turn coordinates with the MOH, Ministry of Local Authorities, Ministry of Finance and Ministries of Services Affairs concerned to set the budget and timetable for execution.

6. The approved budget is reported to all Ministries and Governorates concerned.

Unlike the regional-local socio-economic development planning, the regional-local physical planning, within the context of old settlements and their urban extensions, is controlled and directed by the MOH through its affiliated agency, the GOPP. It is recognised that with respect to the regional-local physical planning, the role of the MOP, together with the Ministry of Finance, has an indirect influence through setting the annual budgets and allocation of resources to the Ministries and Governorates, is limited, if not neglected. It is evident that urban development in Egypt with respect to both new and existing settlements suffers from severe lack of integration between socio-economic and physical aspects.

Nevertheless, several studies and research including Salah (2001), Attia (1999), Salem (1997), Ibrahim (1993), and Meikle (1987) conclude that there is no evidence to support the view that the above formal regional-local socio-economic development planning and physical planning processes had been adhered to in most existing and planned new communities in Egypt. Salah (2001) identified a different sequence of steps in regards to the formulation and implementation of regional physical plans in the Greater Cairo Region, while Attia (1999) introduced another sequence of steps that took place in the North West Coast area within Alexandria Region. Moreover, Salem (1997) presented another physical planning process in Sharm El-Sheikh City with specific
reference to the water supply sector, while Ibrahim (1993) illustrated a different model when recognising the absence of Local Government and Ministry of Planning in the management of the urban development operation in new settlements. Finally Meikle (1987) identified different process model, regarding both the socio-economic and physical aspects, with specific reference to the reconstruction of the Canal Zone Region. With respect to Tenth of Ramadan City, this research has found evidence to support other models of the physical planning process that took place over time within the very same industrial areas during the study period (1974-2002) presented in the following sections.

It has to be stressed that such gap between the officially stated models of regional-local planning processes and the actually practised planning processes differs from project to project and even from one period of time to another within the same locality. Several research and studies (for instance, Salah 2001; Ibrahim 1993; and Daef 1986), adopted ‘structuralism’ frameworks (see chapter 2, section 2.1.1) to explore and discuss such gap, failed to analyse and explain those specific events that involve both the state institutions and agencies and the private sector entrepreneurs. Nevertheless, others (for instance, Hafez 2000; El-Khodary 1995; Saeid 2000; and El-Refaie 2000), have tried to adopt ‘individualism and agencism’ frameworks (see chapter 2, section 2.1.2) to explore and discuss the above gap, also failed to clarify and explain those events that involve inter-institutional and intra-institutional conflicts between state institutions and agencies over their roles and responsibilities in the urban development process. Such research and studies by and large also failed to take into consideration the factor of the centralised nature of the Egyptian bureaucracy and the relationship between central and local government.

Nevertheless, it has been recognised that the latter framework adopted to explain such gap is more popular among interviewees during the period of the fieldwork of this research. For instance, El-Wakeil\(^8\) states that “regional-local development planning, including physical planning, is an ‘individuals-based’ and not an institutions-based process at all planning and administrative levels”, while Serageldin\(^9\) stresses that it is important to recognise that the flow of development planning decisions between central and local agencies does not always follow the same path. This depends on the

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\(^8\) In an interview with the researcher in January 2002

\(^9\) In an interview with the researcher in January 2002
relationship between local entrepreneurs and top government officials at all administrative levels, as he states the following:

“…The whole issue of regional-local development planning process and physical planning practice is governed by the power of money and personal connections. This is to stress that local entrepreneurs either have close and business relationship with Governors and heads of administrative levels, or form a majority in the Governorate Public Councils. Although Public Councils ‘theoretically’ have the power to approve or reject physical plans, in reality the Governor has absolute power to either influence the decision-making process or decide for all Public Councils and Executive Councils within his/her governorate. Nevertheless, the wealthier and better connected local entrepreneur is, the more likely he/she gets what he/she wants and just forget about this illusion of the coordination between central and local government and not to mention rules, laws, and regulations....” (Serageldin 2002)

Nevertheless, given the shortcomings of the above-mentioned research and studies, among many others, which adopted either an agency-based or a structure-based theoretical framework to explain the physical planning practice at both the regional and local levels, the research challenges the two approaches with empirical evidence to support that urban development planning (at both the regional and local levels) in the context of Egypt not only suffers from lack of integration between socio-economic and physical aspects, but also suffers from: duplication and overlaps of roles and responsibilities of agencies involved in the planning process, inter-institutional and intra-institutional conflicts between state institutions and agencies, political expediency, lack of sufficient management, the centralised nature of the Egyptian bureaucracy coupled with weakness of Local Government, and agencism and individualism. This is discussed in further detail in the following sections with specific reference to the case study of the research.

4.2 PHYSICAL PLANNING FORMULATION

This section discusses the physical planning formulation process within the context of TRC. It aims at discussing such process through an understanding of, on the one hand, the dynamic relationship between the state institutions and agencies (both Central and Local Government), private sector, planning consultancy firms, and manufacturing workers involved. On the other, the institutional arrangements, power structures and interests of the above-mentioned agencies (actor groups).
Although there have been four physical plans prepared for TRC through the study period (i.e. the 1978, 1982, and 1999 physical plans), the research found evidence to show that the physical planning formulation process in each of the above physical plans followed a different sequence of events mainly as a result of the change in the state-private sector relationship, as analysed in the previous chapter. Each of those physical plans is presented in further detail in the subsequent sections, while stressing the missing link between the context of TRC and regional (i.e. Greater Cairo Region) and national (i.e. ENMP and NTP) physical planning objectives and policies.

4.2.1 The 1978 Physical Planning Formulation

All agencies, which influenced the physical planning formulation of the 1978 Plan, were found to be mainly Central Government agencies including: the President, MOH, MOP, MOD, and MOI, as presented in figure 4.5. The Local Government (both at the regional and local levels), the private sector, and manufacturing workers within the surrounding localities or within the Greater Cairo Region and Canal Region, were excluded from the 1978 Plan formulation process. The above-mentioned agencies had different agendas, interests, and objectives; while some of them had more power, authority, and influence over the decision-making process than others. This is explained in further detail in the following sub-sections, in specific reference to institutional arrangements, power structure, and interests and agendas of the above agencies.

Figure 4.5. The Institutional Arrangements Guiding the 1978 Physical Plan Formulation

<table>
<thead>
<tr>
<th>MOH</th>
<th>Ministry of Housing, Utilities, and Urban Communities</th>
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<tbody>
<tr>
<td>ACR</td>
<td>Advisory Committee for Reconstruction</td>
</tr>
<tr>
<td>ARP</td>
<td>Agency for Research and Projects</td>
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<tr>
<td>TAMS</td>
<td>In-House Consultant</td>
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<td>MOD</td>
<td>Ministry of Defence</td>
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<tr>
<th>MOI</th>
<th>Ministry of Industry and Technological Development</th>
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<tr>
<td>GOFI</td>
<td>General Organisation for Industrialisation</td>
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<td>MOP</td>
<td>Ministry of Planning</td>
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<tr>
<td>RDA</td>
<td>Regional Development Authority</td>
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4.2.1.1 The President

After the 1973 War, the Egyptian Government committed itself to face the national development challenges (see the previous chapter, section 3.1) through the adoption of the October Working Paper (OWP) policies in April 1974. As illustrated in the previous chapter, section 3.3.1, the two national development policies within the context of OWP, Egypt’s New Map Policy (ENMP) and Open Door Economic Policy (ODEP), called for the expansion of urbanisation and industrialisation respectively, while protecting the precious arable land of the Delta and Nile Valley, within the ‘Priority Regions’. As it was noticed from the analysis of ENMP that the President, together with the Minister of Housing and Reconstruction, Osman Ahmed Osman, not only identified the human settlement challenge as one of the prime challenges to national development, but also identified the ‘Priority Regions’ throughout the population would be accommodated and redistributed.

With respect to ENMP, the President’s prime objective was to redistribute the concentration of population in the Delta and Nile Valley area throughout the whole country through the construction of many new settlements and towns across the desert. His principal formula was: new settlements and towns across the desert + building strong economic base (mainly industrial) in those settlements and towns = redistribution of population throughout the country + protecting the arable land + increase and diversify the national income (see the previous chapter, section 3.3.1.2).

The President’s involvement in the identification of the objectives and goals of the new settlements and towns, together with his close relationship with the Minister of Housing and Reconstruction at this time (see the previous chapter, footnote 54), his enthusiasm about the new settlements idea, and according to McDermott (1988), the President’s urge to play up his role as rabb-al-aila al-misriya (Head of the Egyptian Family) extolling akhlaq al-qarya (village ethics), led both the President and the Minister of Housing and Reconstruction to choose a location of TRC. In late 1974, aboard a helicopter, they together chose the location of both TRC and Sadat City (see figure 4.6), as explained by Professor El-Rimaly:

"…. The planning decisions based on political influence or personal interests are destructive ones. For instance, Sadat and Osman, on board of a Helicopter, chose the location of 10th of Ramadan City. The choice

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10 In an interview with the researcher in January 2002
of the city location was like a gift from the President to his daughter’s father in-law and his Minister. As Osman’s home city is Ismailia City, Sadat chose the city location on the Cairo-Ismailia Highway and in the mid distance between the Capital and Ismailia City. The same case happened in the context of Sadat City located on Cairo-Alexandria Desert Highway, as to be near to Menofia City, Sadat’s home city, and under the authority of its Governorate” (El-Rimaly 2002)

Figure 4.6 The Location of Tenth of Ramadan City

Source: (Shetawy, 2000, p. 205)

This is to stress that the choice of location, confirmed by Presidential Decree 259 of 1977, was based as much on personal interest as national interests. The implications of Sadat’s titles was that he, like most fathers, knew what best served the interests of the ‘national village’. This was amplified after the October 1973 War, where the Egyptian People acknowledge Sadat’s role as the ‘benevolent father’ of the nation. As noticed from the previous chapter, he completely decided the course of government (and indeed the country) was to take, and therefore, his thoughts, ideas, and perception had to be implemented without proper appraisal and assessment, as well as his choice of Ministers and politicians was unarguable (see the previous chapter, sections 3.2.1.1 and 3.3.1).

In the period since the late 1974 when the location of TRC was chosen till the issuing of the Presidential Decree 259 of 1977 (almost three years), none of the planning agencies, carried out the task of the physical plan formulation, dared to question or adjust the President’s choice of such location, given the critical problem of
the flood plain presented earlier. It was also confirmed that the planning agencies were working without the exact measurements of the chosen location during the same period. This is emphasised by Professor El-Rimaly as follows:

“… The president’s choice of location was dealt with like a law, no body whoever he/she and whatever his/her position in the government was, including Osman A Osman and his successors, dared to question the settings of the location or even move it away from the main flood plain running through. Everyone was so constrained, even you can say frightened, by the idea that Sadat would be very cross if he visited the city and discovered that its location had changed from his original choice. So, we had to work with what we had […] till the issuing of the Presidential Decree in 1977, the master plan was formulated within the ‘approximate’ measures of chosen location, as we did not know the exact measures”

(El-Rimaly 2002)

Despite the latter quotation, it would be biased to assume that the choice of location was only based upon the personal interests of the President and Osman A Osman, as claimed by Professor El-Rimaly. The research had found further evidence to support that the location of the city is a unique one. As may be noticed from figure 4.6, the city is located on one of the most important highways in Egypt connecting the Capital with Canal Zone, the Cairo/Ismailia highway (AAW, 1999, P.1/2). The choice
of location was also, according to Prof. Abdel-Aziz\textsuperscript{11}, based on political and economic reasons. The city was located in the east desert towards Sinai as a part of a defence strategy in case of future threats from Israel and near to the Suez Canal to facilitate the export of its industrial production.

4.2.1.2 Ministry Of Housing, Utilities, and Urban Communities

After the 1973 October War, the President identified the reconstruction of the Canal Zone and Sinai cities as a matter of priority and urgency (see the previous chapter, section 3.3.1.2). Therefore, the Ministry for the Development of the Canal Cities and Sinai was rapidly established in November 1973 to execute the programme of reconstruction of such region headed by Osman A Osman as a Minister. In January 1974, the Ministry was renamed to be the Ministry of Reconstruction, as it was charged not only with the reconstruction of the Canal Zone and Sinai Region but also other areas all over Egypt. This was confirmed after the launch of ENMP in April 1974 and the identification of the ‘priority Regions’ to be the prime responsibility of the Ministry. In October 1974, the Ministry of Reconstruction and Ministry of Housing were merged to be the Ministry of Housing and Reconstruction headed by Osman A Osman. Later in April 1977, although the responsibility of the construction of new communities was affiliated to the Ministry of Housing and Reconstruction, the Ministry of New Communities was established to concentrate its efforts on the establishment of such communities. By virtue of Presidential Decrees 247 and 275 of 1978, the Ministry was renamed to be the Ministry of development and new communities\textsuperscript{12}. Since 1978 the Ministry was renamed several times, as presented in figure 4.8, and from 1994 to the present the Ministry is named Ministry of Housing, Utilities, and Urban Communities.

Given the above background of the MOH, it had an unusual advantageous position in terms of its scope, responsibilities, the direct support of the President for its

\textsuperscript{11} In an interview with the researcher in January 2002

\textsuperscript{12} According to Presidential Decree 247 of 1978, some of the responsibilities dedicated to MOH are: first, drafting the policy of urbanisation, and preparing and coordinating the development programmes and plans with the production and services development plans and programmes. Second, studying and preparing the plans of urbanisation in the context of existing towns, villages, new communities and desert regions in such a manner that guarantees the utilisation of both the geographical location and local environment, which has to be achieved through coordination with other concerned authorities. Third, setting up comprehensive regional plans for areas having socio-economic priorities and implementing projects that fall within the settings of such plans. Fourth, executing, following up the implementation of, and evaluating urban plans, while overcoming any financial or technical difficulties obstructing their implementation. Fifth, preparing the necessary studies for investing Arab and foreign capital within the field of development and construction. Finally, proposing, studying, and drafting rules and legislatons falling within the field of interests of the Ministry (ARE Presidential Decree 247 of 1978).
role in reconstruction and development of the Canal Zone and Sinai as well as other areas, and though its budget and ability to bypass normal administrative procedures (for instance, among many others, the special law 62 of 1974, which gave Ministry the right to ignore general procurement and import regulations for all materials and equipments that were required for construction). The unusual position of the MOH was presented in the words of Welbank (1982) as follows:

“… the Ministry of Housing and Reconstruction became the leader of the post war up swell of enthusiasm for reconstruction of war-ravaged areas. A Ministry of idealism, hope, and determination […] there was a spirit of elitism and determination, which established the Ministry as a sort of super-power in government, a kin role of the Ministry of Defence in war. It achieved things, it did not expect to be questioned, it overrode-or sought to do so at any rate-other departments and agencies of government, including governorates”

(Welbank 1982 cited in Attia 1999, p. 139)

On top of the above-mentioned advantages and superiority of the MOH, the special relationship between the President and his Minister, Osman A Osman (see the previous chapter, footnote 54) gave the Ministry unarguable and unquestioned authority regarding its decisions, interests and even demands and needs. This was manifested in the choice of TRC location and the full authority of the specially established planning agencies within the MOH over the physical planning formulation process of the 1978 Plan, as presented in figure 4.9.

In figure 4.9 it can be seen that three main agencies were established within the MOH, under the direct authority of the Minister of MOH, to supervise and control development and aid-funded projects as well as carrying out the formulation of the physical plans of future new settlements. The first agency is the Advisory Committee for Reconstruction (ACR) considered to be the most powerful agency, at the time, in the MOH if not in the entire administration after the President himself. The committee was formed under Ministerial Decree 103 of 1974. It was initially composed of four members (i.e. Dr. Hassan Marei, Prof. Nabih Younis, Soliman Abdel-Hai, and Ali Salem Hamza), each of whom held a Cabinet-level or Deputy Prime Minister rank and all had close association with Osman A Osman at the time\textsuperscript{13}. Its main role was to call

\textsuperscript{13} Members of the ACR had had significant political authority and were chosen for their experience in the construction industry, especially with respect to the Aswan High Dam Project. Such experience was seen of great importance when the attention of the national development policies was focused on the reconstruction of the Canal Zone and Sinai Region in the mid 1970s.
for technical and financial offers submitted by urban planning consultants regarding major urban development projects, including the call for technical and financial submissions for the physical planning formulation of the TRC.

The second agency, having wide experience of large international consulting contracts and expertise in responding to Term Of Reference (TOR), the in-house consultant TAMS was established for reviewing and evaluating the submitted offers, mainly from technical and financial perspectives. The agency was named after the chosen four British and American consultants, Tippet, Abbott, MacCarthy, and Stratton, who had close association with the Minister at the time. The third Agency, the Agency for Research and Projects (ARP), was responsible for coordinating between the ACR, TAMS and the Minister, as well as enforcing the decisions of the ACR. Moreover, Ibrahim (1993) points out that the ARP was assigned for the preparation of studies for development projects, with respect to both socio-economic and physical aspects, carrying out feasibility studies of urban projects, and the supervising the implementation of terms of reference and design specifications required by the ACR and TAMS. It was established to take over the responsibilities of TAMS in the future after gaining the required experience. The relationship between the above planning agencies was explained by El-Kafrawy as quoted:

“... We (the ACR) set the general ideas, urban development projects (including the new communities), and policies. The in-house American/British consultant, TAMS studies such ideas, projects, and policies and calculates their initial budgets then informs the ACR. The ACR reviews and evaluates such budgets and the feasibility of its implementation and then decides which ideas, urban development projects and policies would be feasible and worth implementing with respect to the goals and objectives of the national development planning policies (i.e. ENMP). TAMS, with the help of ARP, prepares

14 According to the MOH (1989) and National Report (1996), the ARP is responsible for: first, conducting technical research and studies for planning new communities and coordinating with the relevant authorities. Second, conducting research in the field of urban development and urbanisation as well as the feasibility studies of projects and establishing the technical specifications and design standards. Third, suggesting the ways and means of financing the development studies and drawing the policy of financing and investment according to priorities within the framework of national development planning. Fourth, conducting competitions between consulting planning firms and evaluating their proposals to determine the appropriate projects according to their feasibility and technical aspects. Fifth, managing the procedures of commissioning the consulting firms, preparing the terms of reference and ensuring their implementation, management, and follow up. Finally, setting up an information centre and recording all general and detailed plans.

15 Hassaballah El-Kafrawy, the Ex-Minister of Housing, Utilities and New Communities from 1977 to 1994, in a discussion with the researcher in February 2002.
the TOR for the chosen projects and then calls for consultants offers. All submitted offers should be handed in to the ARP, which act as my (the Minister) technical secretariat and coordinates between the ACR and TAMS. Then TAMS studies the submitted offers and chooses the consultancy firm with the best offer (technically and financially) and informs the ACR and I to give our opinion, whether to agree on the chosen consultant or choose another one for his/her experience, or any other reasons. Then we inform the ARP to start the procedures of commissioning, preparing the contract, and so on” (El-Kafrawy 2002)

From the later quote and the presented stated roles and responsibilities of ACR, TAMS, and ARP, it is recognised that there is a mismatch between such stated roles and responsibilities and its actual practice. Such mismatch was a direct result of the unique combination of those agencies and the context within which they acted. Both the ACR and TAMS had an important and influential role and authority, after the Minister of MOH, which had a direct impact on the relevance and execution of all urban development projects all over Egypt. This was not only because they had significant political influence but also for their technical expertise and position outside the formal civil service structure. It was also confirmed by El-Kafrawy that although acting as the technical secretariat of the Minister at the time of preparing the 1978 Plan, the ARP was established to replace the in-house consultant in the long run after gaining the know-how experience from its direct contact with TAMS. Therefore, planned to be the TAMS successor, while having direct access to TAMS and ACR, the ARP had a unique advantage and position in the Ministry.

This is not to assume that the power and authority of such agencies was out of control or even unquestioned and unarguable. As explained before in the previous chapter that Ministers could exert influence and pressure over the management of public enterprises and agencies affiliated to his/her Ministry to take the course of action and sorts of decisions required by the Government and, with respect to the TRC case, most of time required by the President. Moreover, as explained before, the loyalty of the management of any public enterprise and agency naturally rests with top government decision-makers, as being chosen for their social affiliation and political loyalty in the first place (see the previous chapter, section 3.4).
Figure 4.8 The Evolution of Ministry of Housing, Utilities, and Urban Communities in the Period 1974-2002

Source: adapted and modified from Meikle (1987) and Attia (1999)
This was evident in the 1978 Plan formulation process, as the research found evidence that Osman A Osman, and later on his successor, Hassaballah El-Kafrawy, was able to influence the course of decisions and action taken by the ACR, TAMS, and ARP (e.g. his influence to choose the Egyptian consultancy firm COPA to be the urban
development consultant of TRC\textsuperscript{16}, while using, on top of the President’s authority, their power (mainly the ACR political power and TAMS expertise) to exert their influence on other public institutions and override any other department or agency of government which might constrain the MOH work (see section 3.3.1.2). In this sense, as analysed before, hence implementing ENMP according to Sadat’s perception was necessary for Osman’s survival, it can be said that Osman A Osman had worked to please the President to further his personal interests.

This was illustrated in the direct and continuous consultation between the President and Osman A Osman regarding the TOR for designing and constructing the city. According to El-Rimaly (2002) and Abdel-Aziz (2002) and confirmed by the 1976 Report, the President and Osman identified the general outlines of the city’s TOR, as the target population would mainly be skilled and unskilled workers. Supported by such general outline TOR, TAMS, in coordination with ARP, identified that a mixture for the target population would be: 5-7\% high-level managers and scientists, 25-30\% middle-level officials and trades, 45-55\% skilled and unskilled workers, 2-5\% farmers, and 5\% unemployed persons (Arab Republic of Egypt 1976, p. 6).

Since the creation of the Ministry for the development of the Canal Cities and Sinai in 1973, Hasaballah El-Kafrawy held one of the most powerful positions within its structure, as the head of the Agency for the Reconstruction of Canal Cities and Sinai (ARCCS). After the change of responsibilities and name of the Ministry in October 1974, the responsibility of the construction of TRC was given to El-Kafrawy in person for his experience in the construction industry, his close relation with Osman, and his post in the Ministry, as Osman A Osman was busy in following up the reconstruction of the Canal Cities (i.e. Port Said, Ismailia, and Suez). This was explained in the words of El-Kafrawy as follows:

“… I was the Government’s Chief Engineer and Osman was the main contractor in the High Dam project. Naturally there was always this love-hate, yet respect, relationship between us. After Osman was appointed as Minister of MOH, he asked Ibrahim Zaki Kenawy, the Vice Minister, to appoint me as the Head of ARCCS […] he asked Kenawy because my relationship with him was closer than my relationship with Osman at the time. Since then, Osman assigned me

\textsuperscript{16} This issue is explained in further detail when discussing the choice, power, and interests of the consultancy firms involved in the formulation process of the 1978 Plan.
the responsibility of supervision and following up the formulation and implementation of the TRC physical plan” (El-Kafrawy 2002)

It was evident that, with respect to the formulation of the 1978 Plan, El-Kafrawy had the authority and power of the Minister to influence the planning formulation, decision-making process, and therefore control over TAMS, ACR, and ARP. This was manifested in, for instance, his influence regarding the choice of the Swedish consultancy firm, SWECO, to share the responsibility of the formulation of the physical plan with COPA, as discussed later. El-Kafrawy retained his power over the formulation process of the 1978 Plan even after Hassan M. Hassan was appointed as the Minister in charge instead of Osman A. Osman in October 1976, then to become the Minister of MOH in April 1977. It is important to stress that, according to Attia (1999):

“…. Hassaballah El-Kafrawy became the Minister of Reconstruction in 1977. Kafrawy not only had different values and objectives than his predecessor, Osman A Osman, but also his values and objectives had been changing to suit the changing political and socio-economic conditions in Egypt” (Attia 1999, p. 269)

After his appointment as the Minister of MOH in 1977, and the Head of Agency for New Urban Communities (ANUC)\(^\text{17}\), El-Kafrawy followed the steps of his predecessor, Osman A. Osman, till 1978. He kept the structure of the MOH unchanged and the power and authority dedicated to ACR, TAMS, and ARP untouched. This was mainly for political reasons especially for his survival in office given the significant political power of the ACR members. Unlike Osman A Osman, who had a very close relation with, and direct access to, the President, El-Kafrawy felt threatened by the idea of losing such political support. Therefore, he, as expected, increased the power and authority of the ACR, in the name of ‘democracy’\(^\text{18}\). However, the reason behind such move was aiming at, as confirmed by Professor Abdel-Aziz, seeking political support of the members of the ACR to ensure his survival in office. Such move allowed El-Kafrawy to gain the political support, and of course the power and authority, he wanted while members of the ACR gained more power and authority by becoming members of

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\(^{17}\) ANUC was established in 1977 as an affiliate to the Cabinet headed by the Minister of MOH. In 1979, it became an affiliate to the MOH by virtue of Law 59 (a further discussion will be dedicated to such agency in section 5.2.2.1)

\(^{18}\) The ACR under Elkafrawy was composed of: Dr. Hasan Marei, Eng. Soliman Abdel-Hai, Hassan M Hassan, Ramzy Estelo, Dr.Hassan Ismail, Ibrahim Nagib, Saad Faied, Ahmed El-Ghandoor, Prof. Nabih Younis, Soltan Abou-Ali, Ali El-Salmi. Each of which was either a working Deputy Prime Minister, Minister, Ex- Deputy Prime Minister, or an Ex-Minister (El-Kafrawy 2002)
the inner circle responsible for the implementation of one of the two most important and politically best supported policies at the time (i.e. the ENMP and ODEP).

Such increase of power came in the form of dedicating more responsibility to members of the ACR by giving them the right to choose the location of future new communities, their planning concepts and urban development consultancy firms, while being automatically appointed as Heads of Steering Committees for the planning and implementation of each future new community. This was presented in the words of El-Kafrawy as follows:

“… I was the Minister of MOH for 17 years and no one could accuse me of anything because everyone participated in the decision-making process […] I formed a small Cabinet out of the ACR by appointing highly qualified Ministers and Deputy Prime Ministers as members in such committee […] each member has equal opportunity in presenting his ideas and thoughts about the future new communities. We discuss and analyse such ideas and choose the most reasonable and feasible one. The owner of the chosen idea automatically would have become the Head of a Steering Committee responsible for choosing the urban development consultancy firm, setting the planning concept of the new community, and its location and time of starting execution according to some factors, mainly political” (El-Kafrawy 2002)

With respect to TRC, such sequence of events had never happened because of its unique settings and context discussed above. It can also be said that El-Kafrawy would not allow anyone to threaten his power and authority, and though he was very protective in regards to TRC, as he recognised it was the main reason behind his appointment as the Minister of MOH. Since appointed as Minister of MOH, El-Kafrawy concentrated his efforts on both the construction of TRC and Sadat City to please and be closer to Sadat. In this sense, it is evident that the successive Ministers of MOH, senior civil servants, and politicians were found seeking spatial advantage through public policy.

4.2.1.3 Ministry of Planning

As discussed in the previous chapter, the early 1960s saw the effective nationalisation of most foreign and many privately owned firms, while national planning was instituted and large investments were made in heavy industry. The government through the central planning system at least in theory tightly controlled the economy in the 1960s. A Minister was responsible for each of the main sectors of the
economy: industry, trade, finance, and communication (see Ayubi 1991). They exercised their responsibilities through the established Public Organisations (POs), which were organised on a sectoral basis (see the previous chapter, section 3.2.1.3). The central planning system nominally carried out coordination, and therefore, a Ministry of Planning (MOP) was set up in 1961 to replace all other national planning bodies. The MOP was, and still is, formally in charge of coordinating national plans and investment throughout the economy. As discussed before in the case of MOH, the various Ministries controlling different sectors are responsible of the preparation for the specialised plans and projects.

This is to emphasise that the MOP has the authority to distribute investments among the different sectors of the economy through the allocation of financial resources to the economic and planning regions and coordinate the socio-economic planning and projects while following up the execution and evaluation performance (see section 4.1). In this sense, TRC, located within the Greater Cairo Region and Suez Canal Region, first, would receive its share from the national budget assigned to both regions for socio-economic development via its regional affiliates the RPAs and HCRP. Second, it would also receive its share from national budget assigned to the MOH according to five-years plan. However, given the nature and context within which TRC was created, the MOP has very little influence over the formulation and implementation of specialised (i.e. physical) plans and projects as the MOH had almost all the power and authority over such process backed up by the President himself. Such minimal influence and power arrangement between MOH and MOP was stressed by Mansour19 as follows:

“…. During the 1970s and much of the 1980s, TRC is considered to be one of the most important national projects assigned to the MOH. Therefore, no government institution or agency, including the MOP and Ministry of Finance, could question, argue, revise, or refuse the demands and needs of the MOH to complete the construction of this city […] everyone in the government recognised the fact that constraining the formulation and implementation process of the physical plans of TRC, in any form, would be a political and career suicide” (Mansour 2002)

Given the above-discussed advantageous power of the MOH, it can be said that the MOP influence on the formulation process of the 1978 Plan was minimal. The

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19 In an interview with the researcher in January 2002
Minister of MOP or any of his senior advisors could not question, argue, revise, or refuse, the financial support required by the MOH for implementing whatever activities to be included in the 1978 Plan. Nevertheless, it has to be mentioned that even without the unique background of TRC, the MOP is considered to be a traditionally weak Central Government institution, as emphasised by Ayubi (1991) (see also Rivlin 1985) as follows:

“…. The Ministry of Planning in Egypt lacked the power or ability to balance inputs and outputs of different sectors or firms. There was no system for continuously recalculating the plan and its targets so as to improve its match of inputs and outputs at the microeconomic level. Rolling targets and plans meant a political or bureaucratic rewriting of overall objectives rather than technical or economic re-examination”

(Ayubi 1991, pp. 60-1)

4.2.1.4 Ministry of Industry and Technology

As discussed before in the previous chapter, section 3.2.1.3, the Egyptian Government has been interested in the manufacturing sector as a mean of accelerating growth and economic development since the 1952 revolution and made it active through the establishment of the National Council for Production (NCP). It was assigned with conducting the feasibility studies of some large-scale production projects including the Egyptian Iron and Steel Plant and Aswan High Dam. In 1956, two Central Government institutions were established to substitute the NCP. On the one hand, the Ministry of Industry (MOI) with the prime objective of formulating a long-term national industrial plan, and on the other hand, its newly established affiliate, the General Organisation for Industrialisation (GOFI)\textsuperscript{20}, to prepare and implement a five-year industrialisation programme. Much attention was given to investment in the manufacturing sector since 1957 with the launch of the first industrialisation programme prepared by GOFI (GOFI 2003).

With respect to the formulation of the 1978 Plan of TRC, the GOFI had direct influence over the type of industries to be accommodated within the industrial areas in

\textsuperscript{20} According to GOFI (2003), its main responsibilities include: first, identifying gaps in areas of development and suggests incentives to encourage industrial development. Second, on the individual enterprise level, acting as a consultant by utilizing its industrial database. Third, preparing a pre-feasibility study and if the project seems viable, carries out a more detailed feasibility study. Fourth, facilitating developing the industrial zones all over the country, whether within existing communities or newly established ones. Fifth, approving new production facilities. Sixth, planning and developing small and medium scale industries (Studies and guidance) (GOFI 2003)
TRC, as one of its responsibilities. GOFI was in contact with both TAMS and ARP, through the ACR members, to make sure that its agenda and interest would be respected and taken into consideration. It has to be mentioned that the MOI has been one of the most powerful Ministries in the Egyptian Administration since its creation. This is because it was assigned with preparing and implementing the national industrialisation programmes since the 1950s, as well as a crucial role in manufacturing many of the army equipments and ammunitions used in successive wars. It can be said that the MOI and its affiliate GOFI was much more powerful than the MOH, as they were established earlier and had major achievements on the national level.

Basically, GOFI considered the construction of TRC as an opportunity to expand its power and authority through acquiring large areas of land within the industrial areas with the excuse of its intention to invest in constructing a new Egyptian Iron and Steel factory. Such ‘façade excuse’ was supported by the willingness to construct an extension railway line from Cairo-Ismailia railway (i.e. the Military railway line) line to transport raw materials and then production for local market consumption and export via the Suez Port. Moreover, GOFI, like other Ministries, seized the chance to be at the heart of such a politically supported project. Practically, its request had been approved by Osman A. Osman, and later on confirmed by Hassaballah El-Kafrawy, and then passed on to TAMS to be included in the TOR of TRC to be considered in the physical planning outcome. GOFI also retained such influential role during the implementation process as explained later on.

4.2.1.5 Ministry of Defence

There is no doubt that the Ministry of Defence (MOD) is ‘the’ most powerful Ministry in Egypt at all times, specially after the end of the October 1973 War. Such power and authority was, and still is, only controlled by President Sadat, like all his predecessors and successor as a Military Officer and Supreme Commander of the Armed Forces. As discussed before, it is important for anyone wanting to continue being the President of Egypt to please and yet control the army through the Ministry of Defence. Everyone either inside or outside the Government recognises the fact that the President cannot afford to upset the MOD (see the previous chapter, section 3.2.1.1).

But what did the formulation of a physical plan for a new city have to do with the MOD? This can be explained by giving two main reasons. On the one hand, the situation MOH was forced to be in by approving GOFI’s request regarding the
construction of the new extension railway line to serve its future Iron and Steel Plant in the heavy industrial area. Being a Military supply line, the MOH had to secure the MOD’s permission for the construction of such extension before starting the physical plan formulation. On the other hand, the location of TRC is very near to the Hickstep area that is one of the most important recruiting, defence, and ammunitions storage sites. Since the President chose the location, the later problem of national security was sorted out smoothly and rapidly. The real problem was in securing the MOD approval for the request regarding the railway. Somehow, the MOD approved such extension, though it was never implemented. Saadeldin\textsuperscript{21} explained such power game between the MOH and MOD as follows:

\begin{quote}
“…. In 1977, after securing the approval of the MOD for constructing the extension railway to the heavy industrial area, the MOH paid a 1 million Egyptian pounds cheque to the Organisation for Egyptian Railway (OER) to start constructing such extension. Somehow this whole subject went dead and after 10 years the OER contacted the MOH claiming that the extension line would cost 10 million Egyptian Pounds instead. So the MOH just cancelled such plan […] to be frank, I do not know why this railway line was not implemented but some claim it was because of the MOD and others said it was not worth constructing!!”
\end{quote}

\textsc{(Saadeldin 2002)}

Given the background of the MOD involvement in the formulation process, it can be explained that the MOD seized the chance to: first, show its authority and power to the newly established MOH, so that it could no longer think of playing the power game with in the future\textsuperscript{22}. Second, prove to the President its loyalty by approving his commands and requests.

\textbf{4.2.1.6 Urban Development Consultants}

As mentioned before, after the choice of location of TRC, El-Kafrawy was responsible for the formulation and implementation process of the city backed by the Minister at the time, Osman A Osman, and indirectly by the President. Both Osman and El-Kafrawy had had much influence over the planning formulation and its decision-

\textsuperscript{21} In an interview with the researcher in March 2002

\textsuperscript{22} Such explanation was supported by the case of Al-Amal City when the MOD stopped the formulation process of its physical plan, although Presidential Decree 505 of 1979 regarding its construction, claiming national security reasons. It was revealed that the site of such city was managed and exploited by some top MOD Generals in relations to their private quarrying business (Ashour, in an interview with the researcher in April 2002).
making process. This section illustrates such influence by presenting the context of the choice of the consultancy firms assigned to the planning formulation, while discussing their power and authority in the process. It also illustrates the impact of political expediency on the physical planning formulation process with respect to the context of TRC.

Before El-Kafrawy was dedicated the responsibility of supervising and following up the planning process of TRC in late 1974, Osman A Osman’s office contacted the Consulting Office for Planning and Architecture (COPA) to be commissioned as the main consultancy firm. This was because of close family connections, as explained by Prof. El-Rimaly as follows:

“… Osman’s office contacted us (COPA) after we won the competition of 15th May City to be the planning consultancy firm of TRC […] actually, Osman was a close friend to my family and he manage to persuade the President to approve the choice of our office. He also asked me to form a highly qualified team for such mission as we were only four urban planners within COPA. Therefore, I called my friends in Zurich, to form the required team. […] By the end of 1974, soon after we started the needed planning studies, El-Kafrawy was appointed chief in charge of the TRC project backed by Osman […] to be frank, this was a major disaster for COPA, as he insisted on commissioning a foreign consultancy firm to share the responsibility of the formulation of the physical plan with us or else our contract with the MOH had to be terminated” (El-Rimaly 2002)

All the four founders of COPA consultancy firm (i.e. Dr. Ismail Rida, Dr. Abdel-Aziz Soliman, Dr. Abdel-Megid Hassan, and Prof. El-Rimaly) were, at the time, young planners who had just acquired their PhD degrees from abroad and lacked the required experience to carry out the job they were assigned for by the MOH. According to El-Rimaly, such change in attitude towards COPA was a direct result of the assignment of El-Kafrawy, who wanted to show both Osman and the President his interest and enthusiasm about the values and general outlines of the ODP regarding the new attitude towards foreign firms. But also because of COPA’s lack of the required know-how and experience regarding the technicalities of infrastructure networks. Such explanation was confirmed by El-Kafrawy as follows:

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23 Professor El-Rimaly is the only living founder of COPA, as the rest had passed away during the 1990s.
“... We (Osman and El-Kafrawy) discussed the commissioning of COPA as the planning consultant of TRC. I told him that you know that the President wants this project implemented as soon as possible. Therefore, we need to commission a foreign consultancy firm who has the know-how and extensive experience in the area of town planning alongside COPA. Given the pressure we were under, he approved my request”  
(El-Kafrawy 2002)

After such meeting, somehow El-Kafrawy came across the Swedish cooperation, SWECO. It was revealed by El-Rimaly, and confirmed by many others, that SWECO was not a specialised urban planning consultancy firm but rather a multi-function cooperation that deals with, among many others, marketing, preparation of feasibility studies, solid waste management, expert advice in planning and pre-investment studies, integrated services in design and project implementation, engineering, environmental management and architecture (SWECO 2003). El-Rimaly points out that SWECO sent one of their representatives to meet El-Kafrawy after preparing some alternative conceptual sketches for the master plan of TRC and managed to secure his approval on one of them:

“... Someone from SWECO, without our knowledge or coordination with COPA, managed to gain El-Kafrawy’s trust. He showed him some conceptual sketches for the master plan of the city and secured his approval on one of them, the apple sketch as we named later. After 2 days El-Kafrawy called a meeting to inform us about our new partner and discuss our role and responsibility as well as our share in the contract (60%). In the same meeting, we were directed to follow the apple sketch presented by SWECO. In this sense the location of the city and its final shape and TOR were already identified”
(El-Rimaly 2002)

El-Rimaly also says that SWECO was mainly responsible for the technicalities of the infrastructure networks such as electricity, sewage, water supply, communication networks, while COPA was responsible for the urban development planning. To be able to coordinate between the infrastructure networks’ plans and the urban development plans, both SWECO and COPA created a steering office to review and approve drawings before their submission to the ARP. Given the natural and clear advantage of SWECO over COPA, it was confirmed by El-Wakeil (2002), Serageldin (2002), and El-Rimaly (2002), that although COPA was the main consultancy firm with respect to their
share in the contract, SWECO was more trusted by El-Kafrawy and so had authority over COPA.

In late 1976, COPA and SWECO managed to submit the TRC Master Plan Report to the ARP. This report included the regional planning studies, planning alternatives, its evaluation and choice of the ‘best alternative’ and the preliminary detailed plans of the industrial areas as well as the residential and services areas. The ARP, TAMS, El-Kafrawy, and Osman A Osman accepted the report and commissioned COPA and SWECO to start the detailed planning phase. From the moment of the approval of such report, El-Kafrawy started his arrangement towards the implementation process, as discussed in further details later on.

In 29th May 1977, while the two consultancy firms were actively preparing the detailed plans of the industrial and residential areas, President Sadat visited the TRC site to mark the start of implementation process. In such visit, ‘unpredictably’ as usual, Sadat announced the start of selling the land of TRC, as explained by El-Kafrawy as follows:

“… Sadat went to the city to mark the start of the implementation process. I told him that we still have more than six months for the submission of the final report and detailed plans of the city and for finishing the storing process of the required building materials. “no … no Kafrawy I want the land to be sold today” Sadat replied. Then he went on a media conference confirming the selling of land at a very low price, 50 piasters/m² […] the next day I went to the Prime Minister, Mamduh Salem, asking for his help, as the price announced by Sadat would result in a great loss to the project and no drawings were prepared according to which we can sell land […] The recommended land price was around the margin of 5-7 Pounds/m². This was more than 10 times the announced price. Nevertheless, Salem replied that there is no way we can argue or question such decision. It is now a Presidential Decree. So if you want to get sacked go ahead but only yourself” 

(El-Kafrawy 2002)

According to El-Kafrawy, the MOH started selling the land in coordination with Misr Bank and Al-Ahly Bank. According to him, in the first 2-3 days, 3 million m² were sold. After selling such land, he started to sell the land at the same price (50 piasters/m²) while adding 3 pounds/m² for the infrastructure. Such political decision by the President and the political response by El-Kafrawy hit hard the formulation process of the 1978
Plan, as El-Kafrawy pushed hard for an early submission of the final report and detailed plans to start construction work as fast as possible. Therefore, according to El-Rimaly, El-Kafrawy called for an urgent meeting to explain the situation to the consultants and increase the pressure on them to submit the needed drawings earlier than planned. Such political action by both the President and El-Kafrawy had a devastating impact on the preparation process of the detailed plans, as explained by El-Rimaly:

“... After Sadat’s visit to the city and his announcement regarding selling the land, we (i.e. COPA and SWECO) recognised that this was the end of the story, even before our meeting with El-Kafrawy. After such meeting, we were just working to submit drawings with no philosophy. Actually we just did some editing to the preliminary drawings submitted with the 1976 Report. The deal was to submit the finished drawings as soon as possible then submit the 1978 Report as planned, so we did”  

(El-Rimaly 2002)

The consultants only carried out the detailed planning stage for the heavy industrial area (A1), the Medium industrial areas (B1 and B2), and the light industrial area (C1). It was also discovered, according to El-Rimaly, that the planning concept of the A1 area had changed completely from the 1976 Report to the 1978 Plan as a result of the ‘power game’ that took place between the MOH, MOI, and MOD regarding the construction of the extension railway line discussed before (see Appendix I). The 1976 Report and 1978 Plan had two main advantages. On the one hand, with respect to the flood plain cutting across the city from the south to the north, both the 1976 Report and 1978 Plan emphasise the importance of protecting both the industrial areas, especially the heavy industrial area (A), and residential areas by keeping the flood plain zone as open area used for recreational and parks activities. On the other hand, it also emphasises the physical separation between the types of industrial and residential areas, as well as the physical separation between types of industrial areas (i.e. heavy industrial area (A), medium industrial areas (B), and small industrial areas (C)), as presented in figure 4.10, by introducing the different width buffer zones as presented in table 4.1.

In this sense, it is evident that the original master plan and the detailed land use plans of the industrial areas were environmentally sound in terms of the distribution of the industrial classes within the city, the buffer areas recommended to separate the industrial areas from the residential areas based on environmental criteria, the recognition of the flood plain, the distribution of the industrial classes within each
industrial area, and the orientation of the industrial plots regarding the dominant wind direction.

Table 4.1 The Planning Criteria for the Types of Industrial Areas

<table>
<thead>
<tr>
<th>Types of Industrial area</th>
<th>Industrial densities (worker/ha)</th>
<th>Land needed per plot (ha)</th>
<th>Railway needed</th>
<th>Water supply and sanitation needed</th>
<th>Recommended width of buffer areas (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Isolated (A)</td>
<td>Not determined</td>
<td>6-25</td>
<td>**</td>
<td>**</td>
<td>&gt;500</td>
</tr>
<tr>
<td>Heavy (A)</td>
<td>25-40</td>
<td>1.5-6</td>
<td>**</td>
<td>**</td>
<td>500</td>
</tr>
<tr>
<td>Medium (B)</td>
<td>100-140</td>
<td>0.4-1.5</td>
<td>*</td>
<td>*</td>
<td>200</td>
</tr>
<tr>
<td>Light (C)</td>
<td>100-140</td>
<td>0.1-0.4</td>
<td>Not determined</td>
<td>*</td>
<td>50</td>
</tr>
</tbody>
</table>

** Extra need    * Medium need
Source: Arab Republic of Egypt (1976, pp. 34-4)

Figure 4.10 The Types of Industrial Areas and Flood Plain Location

Source: AAW (1999, p. 1/2)

Nevertheless, both the 1976 Report and 1978 Plan had a very serious disadvantage. Shetawy (2000), Salah (2002), Abdel-Aziz (2002), El-Wakeil (2002), and Serageldin (2002) argue that one of the serious planning mistakes that the consultants of the city had made was to apply European standards of physical planning to the context of Egypt. This was critically evident mainly in the size of the planned industrial plots (mainly within the heavy industrial area A1). This was explained and analysed by Professor Abdel-Aziz, also confirmed by Professor El-Rimaly, as follows:
“…. The idea of applying European physical planning standards on the context of the industrial areas in TRC was a complete disaster. It was this mistake that led to chaos during the early stage of the implementation process […] the industrial plots were extremely large for the type of industries in Egypt at the time […] yes the land was sold before the plan was finished, however, the size of the industrial plots sold to people was not the same size planned later on […] my explanation would be that at the time of the formulation of such plan (the 1978 Plan), there was no planning act for the industrial, or even residential, areas in Egypt and there was no reliable source of information to guide the planners to identify the proper plot sizes according to market forces” (Abdel-Aziz 2002)

Given the context in which the planners formulated the 1978 Plan, it was recognised that the planners had no say as regards the choice of location and the setting of the goals and objectives of the plan. The physical planning formulation process followed the exact steps of a rational comprehensive planning methodology, as discussed in chapter 2. It is also evident that the government institutions and agencies, while excluding some interest groups, centrally controlled the planning process.

It has to be stressed that the above discussed problems and critical situations faced the planners in terms of the decision-making process and the control over the planning process itself has to be seen from the wider criticism of the rational comprehensive planning approach to physical planning, where the planner have no control over the political and economic context through which the planning process takes place. And where politicians, senior government officials, and other interest groups could easily manipulate the planning process. The formulation process of the 1978 physical plan provides a model example to the application of the criticism of the rational comprehensive planning (see chapter 2).

4.2.1.7 Excluded Agencies

The research found evidence that there were three main agencies excluded from the formulation process. Those agencies were: the Local Government, the private sector, and the manufacturing workers.

Firstly, with respect to the Local Government, the location of TRC belongs to the overlap desert zone between Cairo Governorate and Sharkia Governorate, which are located within the administrative and planning boundaries of the Greater Cairo Region
and Canal Region respectively. It was revealed that none of the Local Government agencies within the above governorates or regions was consulted. This was mainly because of the unique context within which the TRC was created as discussed before. The TRC project was recognised, at the time, as an urgent national project, and therefore, if the bureaucratic steps applied to other projects were to be followed, this would take time and delay its implementation. This is explained by El-Kafrawy as:

“…The TRC project was recognised as one of the gifts the President wanted to give to the people after the victory of October War. He wanted to demonstrate to the people through this project the model that Egypt would follow when building the future new towns […] forget about Local Government, it was a project of national interest at the time and we would not have tolerated any delay because of some bureaucratic arrangements […] what change or help could they (Local Government agencies) provide when we (the Central Government) with the help of experts were at the heart of the planning process”

(El-Kafrawy 2002)

Secondly, at the time of the 1978 Plan formulation, on the one hand, the private sector had just started to get used to the new social settings of the Egyptian society after the launch of the ODEP in 1974 (see the previous chapter, section 3.4). Moreover, at the time of the 1978 Plan formulation, the location of the city was desert land, like any desert land in Egypt, considered as derelict. In this sense, the motivation to get the private sector to organise some kind of active pressure group to influence the planning process was not there. This was confirmed by the un-official creation of the first private sector pressure group, the Tenth of Ramadan Investment Association (TRIA) in 1978 (i.e. after 1 year of the start of the implementation process) (TRIA 2002). On the other hand, it can be said that the Central Government was yet to get used to the idea of having on board the private sector having an important role to play in the development process, after too many years applying the central planning system during Nasser era (1956-1970) and the early years of Sadat’s era.

Thirdly, given the context within which the Central Government was involved and yet the existing traces of the central planning system inherited from the 1950s and 1960s, on the one hand, the Central Government, as applying the rational comprehensive planning approach, was convinced that with the help of planners expertise, the ‘public interest’, including those of the manufacturing workers, would be arrived at. On the other hand, after the October 1973 War, the Egyptian people,
including the manufacturing workers, put their blind trust in the Government as being the source of power and authority that would be always, even at the time of this study, directed towards their benefit. This was evident in the perception of 74% of the manufacturing workers interviewed during the fieldwork that the Government knows better than them about issues of their welfare.

4.2.1.8 Concluding Remarks

From the above presented analysis of the institutional arrangements, power structures, and interests of institutions, agencies, and individuals involved in the formulation of the 1976 physical plan of the industrial areas in TRC, it is clear that the Central Government institutions, agencies, and individuals were the dominant and only actors within the ‘triangle of power’ while all other (i.e. Local Government agencies, private sector, manufacturing workers) were excluded. Nevertheless, it is evident that some of Central Government institutions, agencies, and individuals had more power and authority over others due to the uniqueness of the context within which the TRC was created. Moreover, it has been identified, through illustrative examples, that each agency and institution had its own preferences, interests (mainly personal and institutional as well as national interests), and agendas. Such preferences were in conflict with, and sometimes contradict, those of the other institutions and agencies. In addition, both the structure of the institutions and their operating systems had been affecting the relationship between agencies involved in the formulation process of the physical plan.

With respect to physical planning practice, it was illustrated that the consultancy firms, COPA and SWECO, were all physical planners and engineers focusing on infrastructure networks, urban planning design, and transport planning. In this sense, it is clear that all planning consultants of the city could be identified within the context of the classic (physical) traditions (i.e. urban design, town planning, regional planning, and transport planning traditions). It was also illustrated that the rational comprehensive planning approach to land use planning and its related scientific rational methodology were applied to the formulation process of the 1978 plan, as both consultancy firms had a European style and background of physical planning education where the above planning approach and methodology were the dominant approach to town planning at the time (see chapter 2).
4.2.2 The 1982 Physical Planning Formulation

This section examines the impact of the change of Egypt’s political economy during the late 1970s and early 1980s including the poor performance of the economy and the assassination of Sadat in 1981, on the formulation process of the 1982 physical plan, while highlighting the institutional arrangements, power structure and interests and agendas of agencies involved. Unlike the formulation process of the 1978 Plan, the 1982 physical plan formulation followed a different sequence of events and involved different planning agencies with different, yet contradicting and conflicting, interests and agendas. Nevertheless, the research found evidence that like the 1978 Plan, some agencies involved in the formulation of the 1982 Plan had more authority and power over the other institutions and agencies concerned. Figure 4.11 illustrates the institutional arrangements that guided the formulation process of the 1982 Plan.

Figure 4.11. The Institutional Arrangements Guiding the 1982 Physical Plan Formulation

The three main Central Government agencies involved in the 1978 Plan were absent in the formulation of the 1982 Plan: the President, Ministry of Defence, and Ministry of Industry. Nevertheless, despite their absence in the formulation process itself, they had a major and indirect impact on such process. On the one hand, the indirect influence of the President was evident by issuing Presidential Decree 351 of 1980 alongside the Law 59 of 1979 putting ANUC within the administrative structure of the MOH instead of the Cabinet while identifying its role and responsibilities. On the
other hand, the MOD, as discussed above, kept resisting and complicating the implementation of the extension railway line to the heavy industrial area. Given the position taken by the MOD, the MOI was forced to cancel the industrialisation programme prepared for the heavy industrial area in TRC.

4.2.2.1 Ministry Of Housing, Utilities, and Urban Communities

Four fundamental changes took place within the administrative structure of the MOH in 1978 (i.e. since the Ministry became the Ministry of Development and New Communities, see figure 4.8). First, the in-house consultant TAMS was dismissed as the country was experiencing currency exchange problems in 1978 (see chapter 3, section 3.1.2). Second, as a consequence, in 1978, the ARP took over the responsibilities, power and authority of TAMS. Third, the ACR lost its privileged position as an advisor to the Minister outside the civil servants administrative structure to become one of the executive and administrative departments within MOH. The ACR did not lose its privileged position only because of some administrative structure adjustments but also because of the creation of a new planning agency, the Agency for New Urban Communities, that took over much of its role and responsibilities. Fourth, ANUC became an affiliate to the MOH instead of the Cabinet. Affiliating ANUC to the MOH, alongside the change in the country’s political economy in the late 1970s and early 1980s, as discussed before, was the main trigger that changed the overall power structure and interests of agencies involved in the formulation of the 1982 Plan (see figures 4.12 and 4.13)

As discussed before that ANUC was established in 1977 alongside the Ministry of New Communities headed by El-Kafrawy. As an affiliate to the Cabinet, the main reason for its creation was to help the MOH in easing up and bypassing bureaucracy and in speeding up the implementation of the national policy of urbanisation while reporting its progress to the Cabinet. As discussed before, ANUC had no role in the formulation process of the 1978 Plan despite its establishment since 1977. This was mainly because of, first, the significant political power of the ACR, which encouraged the MOH to downgrade ANUC’s power and authority. The second reason is the close and continuous consultation between El-Kafrawy, the Prime Minister at the time (Momdruh Salem) and the President. This was illustrated by El-Kafrawy as follows:

“…. ANUC was established since 1977 as an affiliate to the Cabinet, under my authority as the Minister concerned. It was mainly
established to report the progress of the national urban development policy (ENMP) implementation to the Cabinet. During the formulation of the 1978 Plan of the TRC, there was no need to have more Central Government agencies involved in the Plan formulation, as the President, Momduh Salem, Osman A Osman and I had direct and continuous consultation regarding this issue on a regular basis [...] you can say that before becoming an affiliate to the MOH with different role and responsibilities since 1979, ANUC had no effective or clear role in the urban development process” (El-Kafrawy 2002)

Figure 4.12 The Organisational Chart of ANUC

Source: Ibrahim (1993, p. 156)
By virtue of Law 59 of 1979\textsuperscript{24}, ANUC became the sole Central Government agency responsible for the creation and management of the new urban communities established outside the administrative and planning borders of the existing urban communities (i.e. cities, towns, and villages). It was also assigned for managing utilities and projects within new urban communities until their management and planning responsibilities were to be transferred to Local Governments agencies concerned after the completion of their construction. ANUC, like the case of Ministry of High Dam that was ceased after the Dam was constructed in 1960s and the case of the Ministry of Population that was dismantled after the Population conference was completed in the 1990s, was created to be a temporary Central Government agency assigned for the specific above responsibilities and should be dismantled after task accomplishment.

\textsuperscript{24} Law 59 in 1979 provides substantial economic incentives to the private sector as well as new settlers to invest and settle in the new urban communities. Incentives targeting private sector investors in the manufacturing sector include: first, without the prejudice of better tax exceptions identified in any other law, including those identified in the Investment Law, the profits of manufacturing establishments are exempted from Tax on commercial and industrial profits and supplements for 10 years starting from the first financial year that follows the start of production. Second, all manufacturing investors are exempted from the general Tax on income for the same period of 10 years. Third, manufacturing investors and establishments and contracting parties are exempted from custom duties and other duties on imports necessary for production in accordance with Law 62 in 1974. Fourth, all the above tax exemption and other exemptions, identified by other existing laws, are also applied to agencies (i.e. contractors, subcontractors, and consultants) involved in the construction process of manufacturing establishments. Finally, foreign staff are permitted to transfer abroad, in foreign currency, no more than 50% of their salaries and bonus.
(Ibrahim 1993). It has to be stressed that to the date of this research, none of the new urban communities was transferred to Local Government agencies, as emphasised by Mansour, as follows:

"….the responsibility of none of the new communities ‘nationwide’ constructed since the mid 1970s, yet to date, was transferred to Local Authorities. […] For instance, Cairo Governorate rejected the transfer of responsibility of the development and management of 15th of May City from ANUC to its Local Authorities. The main reasons were: first, ANUC was in much debt to the Investment Bank because of the many loans obtained to finish the construction of the City. So the transfer of responsibilities meant the transfer of debts as well. Second, the physical infrastructure of the city was in utter disaster because of the too long time ANUC spent constructing the city” (Mansour 2002)

Given the below role and responsibilities of ANUC, presented in box 4.1, the role and responsibilities of the General Organisation of Physical Planning GOPP (see footnote 6), the role and responsibilities of the Agency for Research and Projects ARP (see footnote 13), and the role and responsibilities of the Central Organisation for Reconstruction COR (see footnote 5), it is evident that roles and responsibilities of the above planning agencies are overlapping, if not duplicated. Such overlap and duplication of tasks, roles and responsibilities resulted in widespread ill-feeling between planning agencies affiliated to the MOH.

Box 4.1 ANUC Roles and Responsibilities

- Proposing policies and working out plans and programmes of urban development for setting up new towns, and linking them to the plans and programmes of production and services;
- Studying and selecting the most suitable locations for the new towns;
- Organizing and coordinating the negotiations with the agencies, commissions and ministries working in the field of urbanization and its related fields. Also studying and executing regional utilities and services buildings for the new towns;
- Following up the execution of the new towns master plans and overcoming what may obstruct execution of technical or financial difficulties, as well as evaluating the plan’s achievements;
- Working out the master plan and detailed plan for the selected sites, also, working a way at carrying out operations and projects through public invitation to foreign or local tenders or through direct contracting according to the rules and regulations of the organization, in addition to this, supervising the execution of such projects either by itself or through the New Town Development Agency (NTDA) found in each new community;
- Considering the best ways to carry out the regional utilities on the sites of the new community in such a manner as to ensure the economic feasibility for the projects included in them, also undertaking land plotting and implementing utilities in the new community, whether by the organization itself or through the NTDA;
- Raising loans or getting funds according to the rules stated by the law, in addition to any other financial resources allocated for the authority to ensure sufficient finance for the projects;
- Helping in managing and supplying the equipment and materials necessary for carrying out projects;
- Promotion of selling, leasing or utilizing the lands of the new community among Egyptian and foreign investors with the aim of realizing an economic development of the projects.

Source: National Report (1996, p. 1/11); and Ibrahim (1993, pp. 139-140)
First, before the issuing of Presidential Decree 655 of 1980, there was a clear distinction between the roles and responsibilities of ANUC and GOPP. On the one hand, ANUC, as discussed before, was responsible for dealing with separate and independent new communities rather than existing communities and their expansion. On the other hand, GOPP was responsible for supervising Local Governments in preparing physical development plans of existing urban communities. However, since the amendment of GOPP’s responsibilities in late 1979, the agency was assigned for, first, preparing the physical development plans of Local Governments rather than just reviewing and approving such plans, and second, preparing the physical plans of new towns and villages as well (see footnote 6).

Such amendment in responsibilities of GOPP was in line with the policy of freeing the public sector from bureaucracy and centralisation promoted by the ODP since 1974 (see chapter 3, section 3.3.1.1). In other words, the agency was substantially converted from being only a service planning agency to be a production planning agency striving like others for profit and competing with other agencies within the MOH and private urban development consultants in winning physical planning contracts and competitions. Such change in role and responsibilities of GOPP and the dedication of much power and authority to the newly established planning agency, ANUC, led to a direct and destructive conflict and ill feeling between the two agencies. With respect to the context of TRC, ANUC was assigned by the Minister, El-Kafrawy, to manage and follow up the formulation and implementation of the physical plans of the City, as a part of its assigned responsibilities.

Second, given the advantageous position the ARP gained after dismissing TAMS in 1978 as well as its role and responsibilities (see footnote 13), a direct conflict between ARP and ANUC was to be expected. ARP was no longer responsible for choosing locations of new urban communities, commission consultancy firms, or follow-up implementation. In this sense, the creation of ANUC meant stripping the ARP of much of its power and authority. Nevertheless, the conflict between ANUC and ARP was much softer than the conflict between ANUC and GOPP.

By Law 59 of 1979, ANUC became the sole owner of state public land dedicated to the construction of the new communities. This meant that all planning activities as such land were controlled by ANUC while planning new urban communities and urban expansions within the boundaries of existing localities was an
open ground for competition between ANUC and GOPP. In this sense ANUC was interested in expanding its authority by seeking the approval of the Minister to assign more land under its ownership, while the GOPP was interested, on the contrary, in shrinking ANUC’s authority in order to expand its opportunities in winning more physical planning contracts.

Nevertheless, this was not the same case with respect to the ARP. Since its creation, the ARP was not given the responsibilities for preparing physical plans, as its responsibilities were mainly advisory and coordination responsibilities. In this sense, the ARP was not that much threatened to lose the increased finance that enabled higher salaries paid to staff from physical planning contracts as the case of GOPP, and therefore, its conflict with ANUC was much softer. Madbouly presents the relationship between ANUC, GOPP and ARP as follows:

“… ANUC was created to be the Central Government executive agency responsible for managing and following up the formulation and implementation process of the physical development plans of the new communities. As an executive agency, it has no capability of carrying out the physical planning of new communities. Therefore, it has the right either to commission any Government agency, such as GOPP, or urban development planning consultancy firm to carry out the physical planning formulation on its behalf; or to commission any Government research agency, such as ARP, to carry out the responsibility of such commissioning of either government planning agency or a private consultant on its behalf” (Madbouly 2002)

From the later quotation, it is evident that ANUC had full control over the context of new urban communities that led, as explained above, to the conflict between ANUC and GOPP. It was also evident that there was a conflict, as explained by Madbouly (2002), between the ARP and GOPP competing over the commissioning process of physical planning contracts. With respect to the case of TRC, ANUC had commissioned the ARP to carry out the commissioning of COPA, to supervise the physical planning formulation of TRC, and review and approve submitted physical plans on its behalf.

Finally, the Central Organisation for Reconstruction (COR) was established in 1974 to carry out the implementation of the ENMP within the ‘Priority Regions’ (see

25 In an interview with the researcher in January and March 2002
footnote 5). Given the role and responsibilities of COR, it is evident that ANUC overtook many of the responsibilities dedicated to COR. This was mainly because of, as Attia (1999) points out, the difficulty in differentiating between ‘Priority Regions’ which COR was responsible for and the new communities, which ANUC was supposed to be managing. It has to be stressed that the only evidence the research found to support the impact of the above discussed inter-institutional conflict within the MOH on the formulation of the 1982 Plan, was the commissioning of the ARP to supervise and follow up such process instead of the GOPP.

As discussed before, the MOH retained its unique and advantageous position within the Egyptian Administration as the commissioner and manager of human settlements development even after the appointment of El-Kafrawy as its Minister. Nevertheless, it is important to note that such unusual powerful position and piling up responsibilities, resulted in ill feeling with a number of Ministries and Governorates, each of which felt threatened by the MOH to loose their power and authority over agencies and localities under their administrative structure; or even lose the privilege enjoyed by their affiliate agencies and planning departments within localities with respect to regional-local planning formulation. While researching the topic of tourism development policy in the context of the North West Coast, Attia (1999) points out that:

“…These positions remained (against the MOH) even after Osman left the Ministry, and had direct effects on coordination and implementation of MOH projects [...] Other Ministers and Governors were not enthusiastic about coordination with the MOH [...] it (the power and authority of MOH) also led to the departure of some experienced key civil servants who found it difficult to accommodate the new Minister’s (El-Kafrawy) approach of giving more authority to ANUC and reducing the role of ACR; and ill feeling by some of those who remained within the Ministry towards the consultants who were brought by the Minister [...] experts in other institutions did not complement the shortfall of MOH’s expertise (mainly social and economic expertise) as a direct result of their conflicting interests due to the overlapping and supplication of responsibilities between institutions” (Attia 1999, pp. 140-289)

From the above discussion, it emerges that both the inter-institutional and intra-institutional conflict had both a direct and an indirect impact on the formulation of the 1982 Plan. It is also recognised that personal and institutional interests, power and
authority, as well as the institutional arrangements guided and directed both the formulation process and the actions taken by different agencies concerned.

4.2.2.2 Ministry of Planning

The MOP had less and less influence over the formulation of the 1982 Plan especially after the issuing of both Law 59 of 1979 and Law 43 of 1979. On the one hand, Law 43 of 1979 triggered an ongoing conflict between MOP and Ministry of Local Authority over the control of the RPAs. The third clause of the above Law states that economic regions and regional planning agencies are to be affiliates to the Ministry of Local Authority, while the ninth clause in the same Law stresses that such planning agencies are to be headed and controlled by the Minister of Planning, and are to be formed according to his decisions (Arab Republic of Egypt, 1979).

On the other hand, Law 59 of 1979 triggered another ongoing conflict between the MOP and MOH. Given the role and responsibilities assigned to both ANUC and RPAs (see footnote 2), it is clear that there are overlaps and duplications of such roles and responsibilities, which triggered the above conflict. Such conflict increased as a result of the establishment of the department of housing, utilities and urban planning, department of drafting and developing regional plans, and department of following-up the execution of regional plans, as a part of the administrative structure of the RPAs. Meanwhile, it worsened by the establishment of the departments of regional planning studies within the RPAs responsible for drafting and developing physical regional plans as well as socio-economic plans, following up the implementation of such plans and the implementation of the national development plans with each concerned region (see figure 4.3) (Ibrahim 1993).

Given the above discussed and explained power, authority, and unusual advantageous position of the MOH over the MOP in relation to the regional-local physical planning formulation, and the full control of ANUC over the land assigned for the construction of new urban communities by virtue of Law 59 of 1979, it has to be stressed that the MOP’s role in the formulation of the 1982 Plan was only to coordinate the needed finance with the Ministry of Finance and other state agencies for the construction of TRC. Nevertheless, such unusual power of the MOH resulted in an intra-institutional conflict between MOP and MOH. The impact of such conflict as
explained by Shaaban\textsuperscript{26} was evident in delaying the approval of budget plans directed towards the formulation and implementation of the MOH projects, including the TRC project, and was also evident in the lack of coordination between the two Ministries.

4.2.2.3 Private Sector

During the formulation of the 1982 Plan, the private sector was present in the Tenth of Ramadan Investors Association (TRIA). TRIA was first established in 1978, soon after the start of the implementation process of TRC in 1977, and later was officially declared in 1986 as an independent Non-Governmental Organisation (NGO) and non-profitable organisation, under Law 32 of 1964 under the authority and supervision of the Ministry of Social Affairs. TRIA’s members should have industrial establishments or other economic projects (e.g. commercial, agriculture, etc) within TRC. The association was primarily established for, according to Helmy\textsuperscript{27}, creating a business environment that would enable private sector companies in TRC to achieve a significant role in the process of economic development, tackling various economic and social issues that would have an impact upon the performance of the activities of its members, and providing its members with relevant services. Box 4.2 presents the officially stated activities of TRIA.

Box 4.2 Officially Stated Activities of TRIA

| • Publishing all correspondence of importance to the investors received from external agencies. |
| • Participation of members of the association in conferences, sessions, and meetings organised by TRIA to study their interests. |
| • Presentation of problems and interests of members to external agencies. |
| • Formatting of divisions and committees within association regarding the interest of each industrial activity and providing their requirement services. |
| • Providing the chance to obtain different investment opportunities whether in financing, export, industrial, or commercial activities. |
| • Carrying out training sessions to serve employees working in the companies and firms within TRC. |
| • Organising and establishing internal and external exhibitions. |
| • Organising and reception official or commercial visits to TRC and its industrial areas. |
| • Establishing database about investors activities and their submission to members. |

Source: TRIA (2000)

During the period of formulation of the 1982 Plan of the heavy industrial area (A), the influence of TRIA on the formulation process took an indirect form. According to Hilal\textsuperscript{28}, during the late 1970s till 1986, although TRIA had no direct influence on the

\textsuperscript{26} In an interview with the researcher in March 2002  
\textsuperscript{27} In an interview with the researcher in January and February 2002  
\textsuperscript{28} In an interview with the researcher in February 2002
urban development process and its related planning decisions in TRC, the association was acting as both a communication centre and public relations office for its members. It was mainly the place where investors could meet to discuss their interests and to empower each other by getting connected to the circle of power and authority within the central government. It can be said that TRIA was the direct result of the ODEP within the context of TRC, alongside the impact of such policy on the collapse of public sector management and the widespread corruption and bureaucracy (see chapter 3, section 3.3.1.1).

The main interests of TRIA during the formulation process of the 1982 Plan were mainly, on the one hand, helping its members to acquire land needed for their investment projects whether through its well connected and well financed members, almost all of whom were ex-ministers (including the Minister of Industry and Technology), top officials, politicians, and senior civil servants. On the other hand, aiding its members to acquire the land they chose, instead of what was actually planned for in terms of location of industrial class and environmental considerations. It has to be mentioned that the investors class was not as homogeneous as it looked, according to Hilal (2002), as the powerful and well connected members could achieve their personal interests without needing extra help from other members within associations, while the less powerful and less connected members were always those who were pushed around seeking help. It was revealed, as will be discussed later on, as a result of such heterogeneous grouping of investors within TRIA, in 1996, the later group of investors cancelled its membership with TRIA and established their own NGO to help those investing in medium and small industries.

The more opportunities manufacturing investors discovered in TRC, the more pressure, mainly through personal connections and financial means, was put on the Central Government to produce and release more industrial land for sale to meet the demand of awaiting investors and land speculators, who seized the opportunity for a fast and easy profit. Yet it has to be stressed that TRIA and its members, at the time, still lacked the official means and tools (or the permission we can say) to penetrate the Central Government’s decision-making machine with respect to physical planning formulation process. Nevertheless, it was confirmed that investors interest, with respect to the sizes of industrial plots, was respected by the government, as will be discussed later on.
4.2.2.4 Urban Development Consultant

After submitting the 1978 Master and detailed physical plans, the contracts of both COPA and SWECO came to an end. After the assassination of Sadat in 1981, the MOH re-commissioned the Egyptian consultancy firm COPA to plan the heavy industrial area (A), the medium industrial areas B3 and B4, and the light industrial areas C2, C3, and C4 industrial areas. On the one hand, it has to be stressed that SWECO was not re-commissioned because of the wider change in the economy in the early 1980s (see chapter 3, section 3.1.2). With respect to such change, Attia (1999) explained the actual reasons behind excluding foreign consultancy firms from the planning formulation process of urban development planning project all over Egypt since 1981 as follows:

“…when the regime changed after Sadat’s assassination 1981, Kafrawy’s approach changed. Sadat’s successor, President Mubarak, initially called for decreasing government expenses, caring for low-income classes, structural adjustment, and economic reform. It was revealed that the President, in his early speeches, gave the impression of a return to socialist ideals. Accordingly, Kafrawy withdraw the ideas of modernisation and openness to the outer world […] The concern for ‘not upsetting the regime’ to remain in office was stronger than implementing policy objectives” (Attia 1999, p. 294)

On the other hand, clarifying the reason behind the choice of the above industrial areas to be planned is crucial to understand the context within which the government took the decision to re-commission COPA, although the formulation of the 1978 Plan was not that far away. First, it can be said that the growing demand on the specific sizes of industrial plots (small and medium) did not match the supply of such plots with respect to the heavy industrial area (A). Second, all of the industrial plots within both B1 and B2 industrial areas were sold out for manufacturing investment and the construction of C1 area was not started at the time. Such delay in the construction of C1 area was mainly because of the lack of infrastructure provision within its zone. Therefore, the need to plan both C3 and C4 industrial areas, attached to B1 and B2 industrial areas respectively, was extremely urgent. Finally, the reason behind the choice of B3, B4, and C2 industrial areas to be planned was to complete the detailed planning process of all the industrial areas within the first and second stages of implementation to be ahead of demand on the industrial land in the future (see figure 4.14).
As discussed before, ANUC commissioned the ARP to supervise and follow up the formulation process of the 1982 Plan. As a result of the direct orders of the Minister at the time, El-Kafrawy, the ARP commissioned the Egyptian consultancy firm COPA to be the urban development consultant for formulating the detailed plans of the industrial areas specified above. Moreover, the ARP, under the full authority and control of El-Kafrawy, identified the terms of reference (TOR) of the contract. It has to be emphasised that the TOR included two main significant conditions that had a direct impact on the formulation process later on.

On the one hand, as discussed before, as the flood plain (*Wadi El-Gafra*) cuts through the heavy industrial area (A), the 1976 report and 1978 Plans and final report recommended the protection of the heavy industrial areas from eventual heavy floods,
calculated at once in 100 years, by restricting the construction of any manufacturing establishments on it, given the risks involved. However, such recommendation was not respected by El-Kafrawy himself, when identifying the TOR of the planning contract:

“…. I ordered the detailed planning of the flood plain sector within the heavy industrial area when I found the extreme demand on the industrial land […] I did not have this much choice, the political and economic pressure on the MOH was piling up to release more land for sale and we only had limited number of industrial areas according to the master plan of the city” (El-Kafrawy 2002)

On the other hand, the size of the industrial plots within all new industrial areas was identified according to the demand of the market and not to the needs of each industrial class stressed before in the 1978 Plan (see table 4.1). The new sizes of the industrial plots, identified by the MOH (mainly the Minister) and passed on to COPA, varied from 0.8 hectare to 3.8 hectare (Shetawy 2000, p. 245). In this sense, the whole design module of the industrial areas was changed to suit such condition, as stressed by El-Rimaly:

“…. We had nothing to do with the identification process of the TOR. It was an internal process within the MOH, directed and controlled by Kafrawy. We just signed the contract upon the provided TOR which included the detailed planning of the flood plain sector within the heavy industrial area (A) and the sizes of plots we had to take into consideration while planning […] we could not argue or question such conditions. It was like ‘take it or leave it’ situation and most probably Kafrawy would have found another consultancy firm to do it for him. So why lose the contract then!” (El-Rimaly 2002)

Nevertheless, it has to be stressed that although such significant impact of the TOR on the planning process with respect to the environmental considerations emphasised in the 1978 Plan, the detailed plans of the industrial areas of the 1982 Plan respected much of the recommendations of the predecessor Plan. First, it respected the location of industrial classes within the broader context of TRC (i.e. the location of the heavy, medium and light industrial areas) according to the environmental considerations of wind direction and buffer zones between the industrial and residential areas stressed before. Second, it also took into consideration the industrial clustering within each industrial area emphasised in the 1978 report, mainly for the environmental risk attached to haphazard location of industries. Third, like the 1978 Plan, the 1982 Plan
emphasised the construction of a service centre within each industrial area to serve manufacturing firms and their workers and employees (See Appendix I).

It should be evident by now that the MOH continued its centralised planning approach when setting the main objectives and design settings of the 1982 Plan trough dictating the TOR of the city. It is also evident that the consultants, COPA, had no chance, or we can say no intentions, to manipulate, question, argue, or even reject such TOR, as it was driven by their personal interests of winning the physical planning contract. In sum, the physical planning process was largely driven and controlled by personal interests, as regards both El-Kafrawy and COPA, more than by national interests. It also has to be emphasised that, like the formulation process of the 1978 Plan, the 1982 Plan excluded some other vital groups in the planning process with respect to the regional-local development planning, as will be discussed in the following sub-section.

4.2.2.5 Excluded Agencies

Although private sector interests were taken into consideration, Local Government agencies and local manufacturing workers interests and agendas were excluded from the formulation process of the 1982 Plan.

First, Local Government agencies within the Governorates and planning and economic Regions within which TRC was located were excluded since the creation of the city (and are still excluded), as a result of the unique context of TRC. Nevertheless, it is important to note that Local Government, here, refers to the Local Authority established by the MOH in 1982 to manage and supervise the implementation process within the TRC site and not to the Local Government institutions and agencies affiliated to Cairo governorate and planning region within which TRC is located (see sections 4.1.1 and 4.1.2, and chapter 3, section 3.2.2). It also has to be mentioned that between 1977 (i.e. the marking of the start of implementation) and 1982, the Local Authority within the TRC site was composed of no more than seven people appointed by El-Kafrawy to supervise and manage the contractors’ activities in the implementation process. El-Sharmah\textsuperscript{29} stresses such arrangements as follows:

\textit{“…. Before the issuing of the Ministerial Decree in 1982 regarding the establishment of Tenth of Ramadan Development Authority (TRDA),}

\textsuperscript{29} In an interview with the researcher in January 2002
we were only six engineers headed by General Shahin, a close friend of El-Kafrawy, to manage the site and the implementation process”

(El-Sharmah 2002)

Although such arrangements had a major influence over the implementation process discussed in the following chapter, the research did not find any evidence to suggest that such group had any influence (direct or indirect) over the formulation process of the 1982 Plan. This was mainly because, on the one hand, the formulation process of the 1982 Plan was considered to be a Central Government affair rather than a coordinated process between Central and Local Authorities. On the other hand, the Local Authority of site management group was only created to be the nucleus upon which TRDA was established in 1982, as an executive rather than a development agency, as will be discussed in further detail in the following chapter.

Second, local manufacturing workers remained excluded from the formulation process, even with respect to identifying the type of services within each service centre in the industrial areas. Local manufacturing workers here refer to manufacturing workers within cities, governorates, and planning regions planned to supply their surplus of manufacturing workers to TRC industrial areas. This was because the consultant, COPA, dictated such process based upon “scientific standards” as confirmed by El-Rimaly as follows:

“…. In regards to the services within each industrial area, we (COPA) identified the type of services according to the European planning standards, mainly the Swedish (recommended by SWECO in the 1978 Plan) and the Swiss planning standards […] yes but how could we identify such services in coordination with local manufacturing workers. Not a single constructed manufacturing firm in TRC had started production at the time. Moreover, taking the perceptions and opinions of manufacturing workers within cities, governorates, and planning regions related to the location of TRC about the type of services within the industrial areas would have been a time consuming process, which was not an option to start with” (El-Rimaly 2002)

4.2.2.6 Concluding Remarks

From the above discussion and analysis, it should be evident that the formulation process of the 1982 Plan followed the rational comprehensive planning approach, in terms of setting the TOR of the city, the identification of the types of services according to scientific rational standards, the exclusion of vital agencies from the formulation
process, the total dependence on expertise, and the centralised decision making dictated by senior civil servants, etc. Despite the centralised nature of the planning process, the private sector indirectly had an effective influence on such process through personal connections with top government officials, politicians, and senior civil servants, as well as by virtue of their financial power. This is to emphasise that despite the dominant control of the Central Government institutions, agencies, and individuals over the formulation process of the 1982 Plan, the allocation of power and resources within the ‘triangle of power’ started to slightly shift towards the private sector, while local authority remained excluded.

The formulation process was influenced by both the inter-institutional and intra-institutional conflict within the MOH and between the MOH and other Central Government institutions and agencies as a direct result of the unique and advantageous power and authority dedicated to the MOH in general and ANUC specifically. Moreover, it was illustrated that the officially sanctioned overlap and duplication of roles and responsibilities of Central Government institutions and agencies, by the successive Laws in 1979, had much influence on the planning process as well through lack of coordination and ill-feeling generated among different institutions and agencies. Furthermore, personal, institutional interests (political and financial) and short-term benefits were key factors, more than the national public interest, in controlling and directing the formulation process of the 1982 Plan. This was found applicable to Central Government institutions, agencies, and individuals.

In this sense, the above discussion shows that political expediency determined many of the actions of key institutions, agencies and individuals involved in the formulation process of the 1982 Plan. The concessions that were awarded to ANUC to gain more power and authority over the already established planning agencies were major constraints to the formulation process when ANUC dictated almost all aspects of the process under the authority of the Minister. Also the desire to remain in authority influenced the direction of the planning process and prioritising objectives (e.g. the orders given by El-Kafrawy to expand the heavy industrial area on the flood plain sector despite the environmental risks involved, and the subject of re-commissioning SWECO as discussed above).

Nevertheless, the research found evidence, supported by many documented cases and events, that not only the institutional arrangements and power structures were
constraining the actions of agencies and institutions involved to achieve their political
and economic agendas and interests but they were also enabling specific agencies and
individuals to gain more power, influence, and authority over other involved agencies.
This depended upon the level of personal and institutional connections with top
government officials and politicians. This is to stress that the theoretical principles of
the structuration theory, discussed in chapter 2, were found applicable in the context of
the formulation process of both the 1982 Plan and the 1978 Plan.

4.2.3 The 1999 Physical Planning Formulation

After the relative economic stability of the mid 1990s, the Local Authority
(TRDA) backed by the Board of Trustees (BOT)\(^{30}\), sent an official request to ANUC
asking for a plan for the extension of the heavy industrial area (A) as well as the third
and fourth stages of the city. This was mainly, as confirmed by, among many others,
Mikhaeil\(^{31}\), Abdel-Maksoud\(^{32}\), El-Faramawy\(^{33}\), El-Sharmah (2002), Saadeldin (2002),
Mansour (2002), because of the high demand on both the industrial and residential land.
It can be said that the main objective of the physical plan for such extension was, like
the 1982 Plan, to keep ahead of demand. The words of the head of the industrial
planning department of TRC reveal the following:

“… the planning process follows powerful political and economic
interests and not scientific interests. Not a single non-biased official
evaluation was carried out with respect to the formulation and
implementation process of the physical planning […] during the mid
1990s, we were selling more than 100 industrial plots/day, although
such figure dropped dramatically to 10 plots/year since 2001. Given
such boom and yet the political and economic pressure in the mid
1990s, TRDA requested the MOH to approve and commission the
physical planning formulation process of the industrial extension to
keep ahead of the rising demand”\(^{34}\) (Abdel-Hakam 2002)

The formulation of the 1999 Plan included some new powerful institutions as
well as agencies established during the 1980s and 1990s as presented in figure 4.15.
Such new and existing agencies, like the case of ANUC and GOPP, had evident

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\(^{30}\) TRDA and BOT were newly established affiliates to ANUC since 1982 and 1986 respectively. The
role, responsibility, and interests of the two agencies will be discussed in further detail in the context of
the Local Authority discussion.

\(^{31}\) In an interview with the researcher in February 2002

\(^{32}\) In an interview with the researcher in January 2002

\(^{33}\) In an interview with the researcher in February 2002
political conflict, which had much impact on the formulation process. This was mainly because of first, the empowerment of some agencies while weakening others. Second, the assignment of a new Minister of MOH in 1993, Mohamed Ibrahim Soliman, who had a different perception than his predecessor (El-Kafrawy) and held a different set of values and interests in relation to the physical planning process of the MOH projects. Third, the dramatic change in the political economy of Egypt that took place in the early 1990s with the introduction of the ERSAP (see chapter 3, section 3.3.2) and its unique impact on the state-private sector relationship (see chapter 3, section 3.4). In the following sub-sections, each institution and agency involved in the formulation of the 1999 physical plan will be analysed in the context of power structures and its interests.

Figure 4.15 Institutional Arrangements Guiding the 1999 Physical Plan Formulation

<table>
<thead>
<tr>
<th>MOH</th>
<th>Ministry of Housing, Utilities, and Urban Communities</th>
<th>TRDA</th>
<th>Tenth of Ramadan Development Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANUC</td>
<td>Agency for New Urban Communities</td>
<td>BOT</td>
<td>Board of Trustees</td>
</tr>
<tr>
<td>ARP</td>
<td>Agency for Research and Projects</td>
<td>TRIA</td>
<td>Tenth of Ramadan Investors Association</td>
</tr>
<tr>
<td>ASMINC</td>
<td>Association for Developing Small and Medium-Scale Industries in the New Cities</td>
<td>Excluded Agencies</td>
<td></td>
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</tbody>
</table>

4.2.3.1 Ministry of Housing, Utilities, and Urban Communities

This sub-section discusses and analyses the change that happened in the institutional arrangements of the MOH during the 1980s and 1990s and the inter-institutional and intra-institutional power structures within the MOH and the Egyptian Administration respectively as well as individual and institutional interests. To achieve such aim, this subsection mainly discusses two substantial topics that had a major influence on the formulation process. First, it discusses the change in the attitude of the MOH towards market processes and the private sector alongside the change in the national political economy since the early 1990s analysed before. This was associated
with the appointment of Soliman in 1993 as Minister. Second, it also discusses the substantial change within the organisational and administrative structure of the MOH and the political conflict that arose from such change.

As discussed before in chapter 3, section 3.3.2, in the early 1990s Egypt was forced to adopt the ERSAP in an attempt to face its human settlements and economic challenges and to rescue the deteriorating and fast collapsing economy. It was also emphasised that since the adoption of such national development policy (ERSAP), the main focus of the Government was to free the economy and give the lead to the private sector in the development process. Salheen\textsuperscript{34} explains the link between such economic and political context and urban development policy at the time:

“… Since 1991, the social aspect of the development process can be recognised as a great delusion, as it was (is) used only for national security reasons and for power and authority protection […] the only aims and objectives of the Government in relation to urban development policies since that date, yet so far, were: first, increasing state revenues by introducing several marketing schemes in the process of urban development. Second, getting rid of the responsibility of land of the new urban communities […] For those two objectives, Ibrahim Soliman was appointed as Minister of MOH in 1993, after 17 years of El-Kafrawy in power […] you can say that El-Kafrawy could not deliver what was needed, he just could not ‘hit the nail’; and not to mention the magnitude of the earthquake catastrophe in October 12, 1992, which was mainly blamed on the MOH” \hfill (Salheen 2002)

Many academics, senior civil servants, politicians, and urban development consultants, interviewed in the fieldwork trip, confirmed the above claims by Salheen (2002). Since his first day in office, Soliman started to construct the new agenda and interests of the MOH emphasising the important role of the private sector in urban development. According to Sorour (2002), Soliman’s equation to urban development is:

“… the new towns would never be able to survive if its management approach remained the same. We have to attract the rich upper class to those new towns. The low and middle-income class can never live alone. They need the rich upper class to provide the needed investment that would produce job opportunities for them and financial resources for the city development. One rich upper class family can sustain more than four low and middle-income class families […] Soliman changed

\textsuperscript{34} In an interview with the researcher in January 2002
the prime ‘role of the game’. The new role is to plan to sell the new towns both at the national and international levels, and not to plan for development” (Sorour 2002)

In October 1994, the Ministry of Reconstruction and New Communities and the Ministry of State for Housing and Utilities were merged under the Ministry of Housing, Utilities and New Communities headed by Mohamed Soliman (see figure 4.8). Since 1978 till 1994, the organisational structure of the MOH was not changed, despite the many newly established executive agencies under the authority of both ANUC and COR. After merger, the organisational structure of the MOH changed dramatically, as presented in figure 4.16. Three substantial changes took place: first, the organisational structure of the MOH was divided into two main divisions (i.e. the housing and infrastructure division and the reconstruction and new communities division), which reflects the merging of the two Ministries. Second, the creation of TRDA and BOT and the resulting ongoing conflict between them.

Figure 4.16 Organisational Chart of the MOH since 1994

ACR Advisory Committee for Reconstruction
ARP Agency for Research and Projects
GOPP General Organisation for Physical Planning
COR Central Organisation for Reconstruction
ANUC Agency for New Urban Communities
NTDA New Towns Development Authority
ATV Agency for Touristic Villages
APO/ANUC Agency for the Protection of Ownership of ANUC in the North West Coast Region
NWCDA North West Coast Development Authority

Third, although headed by the Minister in person, ANUC lost some of its privilege to the COR. This was considered as a natural and direct result of the high number of responsibilities assigned to ANUC during Kafrawy’s term in office. Therefore, on the one hand, since 1993, ANUC was only responsible for the construction and management of the new towns, while supervising and controlling eighteen New Towns Development Authorities (NTDAs) established successively since 1982 when El-Kafrawy issued Ministerial Decree 36 of 1982 regarding the establishment of NTDA in TRC and Sadat City. On the other hand, the COR became the agency responsible for supervising, following up and managing the construction of ‘Priority Regions’ through its affiliates, the New Regions Development Agencies (NRDAs), and for managing the construction within Governorates and Localities through its established 72 building and construction agencies.

It has to be stressed that despite such substantial change within the organisational chart of the MOH, the above discussed inter-institutional and intra-institutional conflict within the MOH and between the MOH and other Ministries during the formulation of the 1982 Plan remained unchanged (see section 4.2.2.1). Despite the relatively clear defined roles and responsibilities of ANUC, GOPP, and ARP alongside the new organisational chart, the ill feeling, lack of coordination, and political and economic conflict remained the same. For instance, this research has found that the Minister of MOH commissioned the GOPP, as the chairman of ANUC by virtue of Law 59 of 1979 through the ARP to be the main urban development consultancy agency responsible for the formulation of the 2003 Physical Plan of TRC. Paradoxically, both the ARP and GOPP were not informed by the existing 1999 Plan. It was revealed that both lacked the required technical and managerial skills to manage the formulation process of the 2003 plan. This is evident in the words of the senior project manager within ARP:

“… I do not know what planning means, as I am a civil engineer. I am trying to know more about planning by reading the reports of new communities submitted to the ARP in the past […] I have no idea that the city had an updated physical plan in 1999 and I did not even visit the city to be frank […] the new proposal plan looks awful. It is like

35 Further detailed discussion regarding the organisational chart, role, responsibility and power of the NTDAs is presented later on.
36 At the time of the fieldwork, the 2003 physical plan of TRC was not finalised or approved by the MOH. A preliminary report was the only submitted document to ARP in late April 2002 and had not been approved yet.
someone was enjoying a ‘cut and paste’ game [...] the chairman of TRDA and the chairman of GOPP are the ‘only’ people who have the authority and power to reject, ask for editing, or approve such proposal. My job is only the coordination between GOPP and ANUC and not taking decisions” (El-Korashy 2002)

Moreover, given the claim about the decisions regarding the approval of the plan, it was revealed by, Fouad Madbouly, the vice-chairman of the GOPP that the future 2003 Plan has to be reviewed and approved by a steering committee formed by the ARP, and mainly by the very same senior manager in ARP (El-Korashy)! Such committee is expected to include representatives of TRDA, GOPP, as the consultant, and a large number of the TRC investors and to report its their feedback to ANUC.

The formulation of the 1999 Plan was commissioned to the Egyptian consultancy firm AAW through the very same ARP. Given the above statement of the senior project manager in ARP regarding her lack of knowledge about the 1999 Plan, it is evident that there is a clear lack of coordination not only between agencies within the MOH but also within the same agency’s departments and even the individuals within the same department. The vice-chairman of ANUC says that the Ministry changed its approach to the physical planning of the new cities, including TRC, since the mid 1990s. The new approach was mainly directed towards preparing physical plans that are based on short-term goals while being flexible to coup with the fast changing political and economic environment. Selling the city internationally and nationally to foreign and domestic entrepreneurs and investors became the main focus of the whole planning process. Such new approach, as emphasised by Madbouly (2002), influenced the formulation process of the 1999 Plan:

“... the goals of the 1999 physical plan were short-term goals and objectives because the context within which TRC, like all other new communities, had been developing, was rapidly changing. Identifying short-term goals and objectives gave us the flexibility to re-plan the city in case of rapid or sudden change in the national political and economic environment. It is not only here in Egypt that we follow such approach; it is applied all over the developed world such as in the USA and UK. Long-term planning is no longer valid as the change in the global political, economic and social context is dramatically and rapidly changing” (Madbouly 2002)
From the above discussion and the previously discussed adoption of the ERSAP in 1991, Egypt as membership of the WTO in 1995, and the many new Laws and regulations pushing towards globalisation and privatisation, it seems that the MOH’s new approach towards the physical planning formulation falls within the settings and principles of the ‘entrepreneurial planning’ approach discussed in chapter 2.5.4. Such recognition will be confirmed and emphasised while discussing other planning agencies in the following sub-sections.

4.2.3.2 Local Authorities

Two Local Authorities planning agencies were involved in the formulation process of the 1999 Plan: Tenth of Ramadan Development Authority (TRDA) and the Board of Trustees (BOT). Besides discussing and exploring the power structure between the two agencies and their institutional interests, this section provides their composition, sources of fund, roles and responsibilities in the urban development process, and their relationship with the Central Government institutions and agencies.

Tenth of Ramadan Development Authority (TRDA)

As discussed before in section 4.2.2.5, the Minister of the MOH, El-Kafrawy, issued Ministerial Decree 36 of 1982 regarding the creation of the development authority both in TRC and Sadat City. Law 59 of 1979 gave the full authority and power to the Minister of the MOH to create a sort of temporary Local Government agency within each newly established new town until the transfer of its development responsibilities to the Ministry of Local Affairs affiliated to which all Governorates and Localities. By virtue of Law 59 of 1979, the TRDA, like all other New Town Development Authorities (NTDAs), is considered a branch of ANUC. It was assigned with supervising all implementation activities and evaluating their operations while strictly implementing physical plans and socio-economic planning programmes approved by ANUC. It was also assigned with representing ANUC in contracts, applying for loans to the Investment Bank through the Housing and Construction Fund, preparing the draft annual budget of the TRC, and presenting the final balance budget to concerned authorities. In other words, it was created to imitate the role and responsibilities of the Local Authorities within governorates till transferring the TRC development responsibility to the Ministry of Local Affairs and then to either Cairo Governorate or Sharkya Governorate.
The delay of the establishment of such agency since 1977 (i.e. the starting date of implementation) was due to the special context in which the city was developed and its plan implemented. This is clearly illustrated in the words of El-Kafrawy as follows:

“… although we officially started the implementation in 1977 when President Sadat visited the City, TRDA was officially established in 1982. There was no need to establish such agency before 1982, as the city was not ready yet. Between 1977 and 1982, we were just carrying out the construction process of the residential neighbourhoods and its services and laying down the main infrastructure utilities within both the residential and industrial areas […] Once the first district and its services were constructed and the responsibilities of such services were transferred to the concerned Ministries, it was extremely urgent to establish TRDA to manage the city’s socio-economic (e.g. health services, education, post office, police station, etc) aspects of development while continuing the physical implementation of the master plan”

(El-Kafrawy 2002)

Figure 4.17 Organisational Chart of Prototype New Towns Development Authority

![Organisational Chart of Prototype New Towns Development Authority](source: TRDA (2002))

From figure 4.17, it is seen that the TRDA is composed of five main divisions: the Chairman division; Projects Affairs; Execution Affairs; Administrative, Financial, and Property Affairs; and Development and Management Affairs. According to Ibrahim
(1993) and Amin (1986), the Chairman of the TRDA had to approve every single planning and administrative decision within the TRC, while having the authority to suggest socio-economic projects and physical planning criteria and standards within TRC. Nevertheless, it has to be stressed that despite such absolute centralisation of power dedicated to the Chairman, he/she has no authority to set or even modify the socio-economic and physical planning policies and plans prepared for and approved by the MOH through its affiliate ANUC. Moreover, by virtue of the Ministerial Decree concerning the creation of TRDA, the Chairman has no authority or power to evaluate the implementation process of either the residential or industrial services. It can be said that the role of the Chairman of TRDA is officially considered to be mostly administrative and organisational.

As noted, TRDA comprises five central departments, which in turn are divided into a number of general departments. Ibrahim (1993) emphasises that such division and sub-division were decided upon to match the policy, adopted by the Central Government during the 1970s and 1980s, of providing jobs for high cadre personnel (mainly early-retired army officers) more than being an administrative necessity coping with volumes of work. It was also revealed that a number of those departments do not exist while others have no work or were assigned with different responsibilities than those officially stated.

However, Attia (1999) and Ibrahim (1993) point out that there is a contradiction in the organisational structure of the NTDAs (including TRDA), in the sense that it is not clear whether they are considered to be executive agencies or agencies that have the power and authority to set and implement policies and programmes within an independent management system. Such confusion over the role of NTDAs and their affiliated central departments resulted from the non-issuing of the executive resolution of Law 59 of 1979, which was supposed to identify in full details the roles and responsibilities of the above agency and its affiliates. It is only article 44 in Law 59 of 1979 that mentioned the issue of the organisational and administrative chart of the New Towns Development Authorities in general with no specific reference to any of the new towns, including TRC.

According to some ex-chairmen of TRDA (i.e. Mansour 2002, Saeid 2002, and Shehatah 2002) interviewed for this study, NTDAs have no investment capabilities and they have to rely upon, on the one hand, the annual budget assigned for either the MOH
or the planning and economic regions (i.e. Greater Cairo Region and Suez Canal and Sinai Region) within which TRC is located. On the other hand, they had to rely on loans from the Investment Bank affiliated to the Ministry of Finance in coordination with the Housing and Construction Fund. This was explained by Mansour as follows:

“…. The MOP is responsible for financing the construction of regional public infrastructure and the main infrastructure and public buildings within TRC. As regards the regional public infrastructure, the MOP provides, according to the five-years national budget plan, quarterly instalments for its construction, while allocating yearly instalments, through the MOH and other concerned Ministries, for the construction of public services’ buildings within TRC borders. However, in case of shortage of funds during the implementation process, the Minister of MOH either directly contacts the Minister of MOP for extra funds, or submits a request for a loan to the National Investment Bank through the Housing and Construction Fund within the MOH to be approved by the MOP and Ministry of Finance” (Mansour 2002)

Given the above-discussed legal shortcomings of Law 59 of 1979 and the absolute financial dependence on the MOH (i.e. through the annual budget), the roles and responsibilities assigned for each department and central department within TRDA were identified and controlled by its Chairman, whose absolute loyalty is a natural and guaranteed affiliate to the senior civil servants in ANUC and the Minister. In this sense, ANUC and its Chairman, the Minister, maintained the full authority and control over the physical and socio-economic planning and administrative decisions within TRC.

Nevertheless, the research found evidence that despite the above discussed legal, administrative, and financial constraints, TRDA and its successive chairmen enjoyed absolute power and authority over the socio-economic and physical planning decisions within TRC since its creation till 1986, as will be shown in the discussion about the implementation process in chapter 5. TRDA and its successive chairmen started to be continuously weakened and stripped of their power and authority since the establishment of the Board of Trustees (BOT) in 1986 as will be illustrated below. Given the assigned responsibility of TRDA regarding the suggestion of physical planning criteria and standards, TRDA was the concerned planning agency, backed by the BOT, that sent the official physical planning request to ANUC to approve the start of the commissioning of urban development consultancy firm regarding the formulation of the 1999 Plan. However, to be able to understand the actual role of TRDA in the
formulation process, it is crucial to clarify the nature of the relationship between TRDA, BOT, and TRIA as discussed in further detail in the following sub-sections.

**Board of Trustees (BOT)**

As discussed in chapter 3, section 3.3, the year 1986 witnessed the first actual attempts towards adoption of ERSAP, including government measures to adjust the economy towards the application of such policy, such as freezing salaries of government employees, gradual decrease of subsidies, and lifting of price controls. As also discussed before, such measures and actions towards cutting down on social welfare resulted in the largest ever-witnessed mutiny of the Central Security Forces against the state in 1986. As a consequence, the government took the decision to neutralise, and even abandon, the conditions of the IMF credit packages and the adoption of the ERSAP. Nevertheless, the economic situation continued to deteriorate, where the effect of the collapse of international oil prices and the military unrest within the Gulf and Middle East area in the late 1980s and early 1990s continued to hit hard the Egyptian economy.

Given such background, El-Kafrawy introduced the BOT agency within each new community to keep in line with the above-mentioned Central Government measures in the mid 1980s that aimed at giving an active role to the private sector institutions and entrepreneurs in the development processes. The idea was to introduce a new type of agency through which entrepreneurs would be able to participate actively in the decision-making process, though still under Central Government control. As a consequence, in 1986, the Minister of MOH at the time, El-Kafrawy, issued Ministerial Decree 101 regarding the establishment of the Board of Trustees (BOT) for the TRC to be headed by the Deputy Chairman of ANUC for economic, financial and administrative affairs, and composed of 18 members representing the following agencies:

1. ANUC (3 members)
2. TRIA (6 members)
3. Representatives of the concerned Ministries to which public services belong (4 members)
4. Manufacturing workers (3 members)
5. Housewives representative (1 member)
6. Youth representative (1 member)
Box 4.3 Role and Responsibilities of the Board of Trustees

<table>
<thead>
<tr>
<th>Responsibilities</th>
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<tbody>
<tr>
<td>Propose the necessary development plans, projects, and programmes and following</td>
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<td>up their implementation</td>
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<td>Assisting TRDA to implement the construction plans in different stages</td>
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<td>Participating in the preparation of development programmes of services</td>
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<td>Proposing a stable and clear policy for TRC according to long and short-term</td>
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<td>objectives</td>
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<td>Solving the problems of settlers as well as those of investors with respect to</td>
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<td>services and infrastructure utilities within TRC</td>
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<td>Planning for the best way possible to develop and invest in TRC and supervising</td>
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<td>the development projects that could be implemented by local investors</td>
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<tr>
<td>Recommending and proposing the financial and administrative systems that would</td>
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<tr>
<td>ensure a balanced and comprehensive development in TRC within the following fields:</td>
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<tr>
<td>o Assigning land for housing and public services projects within the framework of</td>
</tr>
<tr>
<td>the approved master plan and the priorities of its implementation</td>
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<td>o Setting the general rules and regulations to manage and utilise land in the</td>
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<tr>
<td>light of the related Laws and Regulations while proposing the implementation</td>
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<td>priorities in order to achieve the coordination and integration of different</td>
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<td>projects</td>
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<td>o Setting the necessary procedures to maintain and manage the state properties and</td>
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<td>to regulate their investment and disposal</td>
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<tr>
<td>o Setting the rules for granting the rewards to the employees of the development</td>
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<tr>
<td>and service activities</td>
</tr>
</tbody>
</table>

Source: Arab Republic of Egypt (1986)

It can be said that as TRDA was established to mirror the functions of Local Authorities within each Governorate, the BOT was established to imitate the Local Public Council within each city. This is evident when reviewing the role and responsibilities assigned to BOT, as presented in box 4.3. The relative importance of Tenth of Ramadan Investors Association (TRIA) and its influential role over the decision-making process within the BOT is evident, as the number of investors and manufacturing workers represent half of the members of the Board. When interviewed, Mahrous (2002), the Board Secretary, stated that the representatives of the manufacturing workers used to be those chosen by TRIA from the manufacturing workers within industrial establishments owned by its members and not chosen by general elections held among all workers. In this sense, the loyalty of the three members representing manufacturing workers to TRIA was guaranteed and secured. It was also revealed that it was the same case with both housewives and youth representatives as chosen by the Chairman of TRDA to guarantee their loyalty.

Given the role and responsibilities of the BOT, it is evident that BOT undertook much of the responsibilities of TRDA and its Chairman. By the virtue of Ministerial Decree 101 of 1986, the Chairman of TRDA has no influence over the decisions of the BOT as not being even a member of such Board. Nevertheless, despite such exclusion of the Chairman of TRDA from the BOT, El-Sharmah (2002) revealed that the
Chairman of TRDA retained his power and authority over the decision-making process within TRC, as he had to approve and authorise all decisions regarding the physical planning aspect of development. It is also important to note that there was an evident power conflict created after the establishment of such Board between the Chairman of TRDA who enjoyed a fairly close relationship with the Minister, and the Vice-Minister for economic, financial and administrative affairs, as the Chairman of the BOT. It can be said that the decisions regarding the physical planning aspect of development within TRC, till the early 1990s, depended upon the relative power of the above three persons, in terms of personal and family connections with the administration elite circle, as confirmed by Mahrous:

“… Fouaad Osman El-Ashry, Abdel-Aziz Helmy, Mohammed Abdel-Latif, and Hassan Abdel-Metaal (the successive Chairmen of the BOT from 1986 till 1994, as Vice-Minister for economic, financial and administrative affairs) barely attended the regular meetings of the BOT […] although the Ministerial Decree 101 in 1986 states that in case of the Chairman’s absence the elder member has to chair the BOT meeting, it was usually left to the Chairman of TRDA to chair the meeting on behalf of the Vice-Minister given his administrative position. All decisions regarding the physical planning development were usually decided upon directly between the Chairmen of the TRDA and the Minister as they usually enjoyed close friendship and family connections, which gave the Chairmen of TRDA direct and full access to the Minister at anytime as well as the Vice-Minister”

(Mahrous 2002)

Moreover, although Ministerial Decree 101 of 1986 clearly identified the rules and regulations that govern the process of decision-making within the BOT as presented in box 4.4, it is clear that the decision making process followed a different sequence of events and procedures, as the Chairman of TRDA kept his power and authority over both the physical and socio-economic planning development decisions. Since the establishment of the BOT, there has been a clear separation between the socio-economic and physical planning sides of development. While TRDA retained its power and authority over the physical side of development, the BOT, through the representatives of the concerned Ministries, had power and authority over socio-economic development. In either case, the Chairman of TRDA enjoyed the control and authority over both aspects of development through his official post and through his personal and
family connections with the Minister, his Deputies, and other senior civil servants and politicians.

Box 4.4 Rules and Regulations that Govern the Decision-making Process of the BOT

- The BOT is to be formed for three years period starting from the date of the first meeting and has to be re-formulated within 60 days before the end of the above period.
- The BOT should have regular monthly meetings (at least ones a month) called for by its Chairman. Also there can be urgent meetings called for by either its Chairman or two third of its members that might be held outside the city in the condition that all the members should be notified no less than three days before the date of the meeting.
- The BOT has the right and authority to invite whoever recognised to be of great benefit to the meeting provided his/her experience, however, without having any voting power
- The BOT meeting would be considered illegal without attending the majority of its members. The decisions should be taken on a majority basis of the attended members. Nevertheless, in case of equal votes, the side that includes the vote of the Chairman would be considered the valid decision. The decisions of the BOT should be valid and final; and should be reported to the Chairman of ANUC (i.e. the Minister) within one week of its issuing. The Minister has the authority to object, modify, or reject such decisions within 10 days of its delivery to ANUC. If the BOT did not receive any response from the Minister within the above 10 days, such decisions should be considered as valid and final as Ministerial decisions.
- In case of the absence of the Chairman of the BOT, the elder of the attended members should chair the meeting and overtook the Chairman’s role and responsibilities
- The BOT has the right to form internal committees from its members that could be assigned for some of its responsibilities.
- The members of the BOT could dedicate the power and authority of the BOT to its Chairman to take decision on their behalf during the whole period of its formulation (i.e. three years) or within specified periods and related to specific tasks.
- The head of the department of development and management in TRDA is to be a BOT member and the General Secretary of the Board

Source: Arab Republic of Egypt (1986)

Nevertheless, it has to be stressed that the Chairman of TRDA enjoyed such power and authority alongside the rising power and authority of the investors in TRC, on the one hand, through their majority in the BOT, and on the other through their financial and personal connections with the elite circle as discussed before. Given the power and authority of both the Chairman of TRDA and investors, it can be said that there had been a natural and ongoing conflict between such two agencies. Mansour explains such conflict as follows:

“… the problem here is that all the involved institutions and agencies within BOT used to show their power and authority to gain access to the city’s resources (including land) and to advance their institutional and personal agendas. You can say that if the Chairman of TRDA has no backing by the Minister and others in the Central Government, all decisions of the BOT would have been issued in favour of investors”

(Mansour 2002)
It was noticed that Ministerial Decree 101 of 1986, among many other
Ministerial Decrees, identified the financial resources and system that would support the
BOT. From box 4.5, it is clear that TRIA and its members have the main share in the
funding of the BOT. TRIA and its members used such advantageous position as an
effective pressure tool in their ongoing conflict with the Chairman of TRDA. This could
be understood when knowing that the main interest of the Chairman of TRDA was (is)
to show the Chairman of ANUC his positive attitude towards a rapid development of
the TRC to guarantee staying in office. In this sense, it can be said that such ongoing
conflict would not help the Chairman of TRDA in achieving his personal interests
unless he could fight back and had more or less the same level of power and authority as
those of TRIA and its members.

Box 4.5 Financial Resources and System of the BOT

A bank account is to be opened for the local development and services in TRC under the control of
the BOT, and the following resources would be assigned for:

- The financial resources assigned for the BOT from ANUC
- The annual fees applied to all shops, clubs, commercial establishments, and industrial
  establishment within TRC according the Law 453 in 1954 as a requirement of obtaining
  opening or production license. Such annual fees, collected in January every year by TRDA,
  are to be as follows:
  - 20 piasters/m² for each industrial plot
  - 200 pounds/year for each class (A) establishment
  - 150 pounds/year for each class (B) establishment
  - 100 pounds/year for each class (C) establishment
  - The classification of establishments is the responsibility of the BOT after
    consulting TRDA
- The profits of the investment projects managed and funded by the BOT
- All donations of TRIA for the development of the city
- All donations of investors and settlers for the development of the city
- The profits from parties, shows, fairs, and games organised by the BOT
- All other donations of TRIA, its members, and settlers accepted by ANUC
- Other resources assigned for the BOT

The BOT should identify the internal rules and regulations, approved by the Chairman of ANUC,
regarding the spending of the above financial resources

The above financial resources are to be considered public money that should be spent within the
framework of the responsibilities of the BOT

The withdrawal of money is to be authorised by the Chairman of the BOT or his/her Deputy.


In the late 1990 alongside the Central Government preparation to adopt the
ERSAP in the early 1991, Ministerial Decree 74 added new responsibilities and
assigned more power and authority to the BOT over TRDA and its Chairman as a
consequence. Such Ministerial Decree was mainly issued to implement the practical
leading role of the private sector in the urban development process in the new
communities while withdrawing the control of the public sector over such process alongside the basic principles of the ERSAP discussed in the previous chapter. It gave the BOT the authority, first, to follow-up the implementation and urban development process of TRC and to study and continuously review and evaluate the periodical technical, financial, and administrative reports of TRDA. Second, to set the general rules and regulations for TRDA through which it would deal with the public in all aspects and to identify the specific rules and regulations for infrastructure provision in TRC. Third, to apply local tax and public fees on economic activities within TRC and to review, adjust, or cancel existing local tax and public fees within the framework of Law 59 of 1979. Fourth, to suggest the establishment of tax free zones and joint investment companies and projects between TRDA and Arab and Foreign investor and other NTDAs.

Ministerial Decree 74 of 1990 also stated that the Chairman of TRDA would be the Vice-Chairman of the BOT and to chair the meetings in case of Chairman’s absence. It has to be mentioned that the Chairman of the BOT was the Vice-Chairman of ANUC, Vice-Minister, for economic, financial and administrative affairs. In this sense, theoretically, the MOH was still in control over of the decisions of the BOT through the loyalty of both the Chairman and the Vice-Chairman of the BOT. However, in practice this was not ever the case. Given such empowerment of the BOT over TRDA and its Chairman, both TRIA and its members (i.e. investors) had a greater influence on every aspect of the urban development of TRC through their majority within the Board. It can be said that since the issuing of the latter Ministerial Decree, ANUC and its affiliated TRDA lost their absolute control over the urban development process in TRC and all other new communities while marking the start of the total liberalisation of the private sector.

After the official adoption of the ERSAP in early 1991 and the issuing of the many Laws and regulations that followed (see chapter 3, section 3.3.2), upon his appointment as the new Minister in charge in the late 1993 (see figure 4.8), Mohammed Ibrahim Soliman issued two Ministerial Decrees that reduced the power and authority of TRDA and its Chairman to rubble. It transformed TRDA and its Chairman from being a partner (albeit not an equal partner) with the BOT controlling the urban development process in TRC to become an affiliate of the BOT. The Ministerial Decrees 152 and 153 of 1994 assigned more responsibilities, power, and authority to the BOT and its members. First, it was officially confirmed that the Chairman of the BOT must be one
of the investors of TRC and a member of the TRIA chosen by the Minister of the MOH. With respect to the above point, it appears that seeking the satisfaction of the President and other powerful members of the Central Government, the Minister of the MOH appointed the Ex-Minister of Industry, Mohammed Abdel-Wahab, as the Chairman of the BOT for being one of the most active and powerful members of TRIA, the owner of the Egyptian Flat Glass industrial establishment in TRC, and finally his significant political power. Provided such empowerment of TRIA and its members, the authority and power of the Chairman of TRDA was ‘stripped to the bare bones’. After the issuing of such Ministerial Decrees in 1994, TRDA and its Chairman lost all of their authority and control over the urban development planning (socio-economic and physical) process within TRC.

Second, the BOT was assigned for, alongside the previously dedicated responsibilities, studying the reasons behind the delay in transferring public services’ buildings to the concerned Ministries while having the Minister’s power and authority in dealing directly with other Ministers and government agencies. All official letters, reports, and decisions of the BOT in relation to other Ministries and government agencies had to be sent from the BOT office and signed by the Chairman of the BOT and not the Chairman of TRDA since 1994. In other words, TRIA and its members were given the green light to gain direct and unconditional access to the Ministerial rank and above, as confirmed by Helmy (2002) and Hilal as follows:

“… The power ceiling of TRIA and its members is the Ministerial rank and above. In other words, we are playing with the Ministers, either they show us the green light to raise our power ceiling to higher levels or just stop us from going any further […] all Local Government agencies responsible for services and other Local Authorities agencies including TRDA are afraid of TRIA and its members. This is because they have direct and full access to the Ministerial rank and above”

(Hilal 2002)

It has also to be stressed that although the number of investors within the BOT did not increase, it is by virtue of Ministerial Decree 153 of 1994 that no more manufacturing workers representatives were to be included as members of the BOT. Theoretically, it looks like TRIA and its investors lost their majority in the BOT, as they lost the number of counted votes of appointed manufacturing workers. Practically, it was revealed that all invited experts to the meetings of BOT were (are) only the powerful TRIA members, although officially stressed that such invited members should
have no counted votes. Even without voting powers, the investors would still be able to implement their personal and institutional agendas through, on the one hand, the absolute power dedicated to the Chairman of the BOT, and on the other hand, their personal and institutional well-connected relations with the top elite circle in the Central Government. This is evident in the words of the Chairman of the BOT:

“… There are 43 members of the BOT, 30 of which are TRIA members including me. The Chairman of TRIA chooses nine members who represent TRIA and I choose the rest. From those members I choose, three investors representing settlers, three investors representing manufacturing workers, another three representing all investors in TRC, and the rest for their experience […] actually the choice of investors, you can say, depends upon so many criteria most of which are related to political and economic reasons, so they have the needed power to help and support me implement the decisions of the BOT […] I take the final list of names and go to the Minister to discuss it. He has the right and authority to modify or add new members […] only in one case I wanted to take one of names out of the list but the Minister refused as such person had higher political connections” (Helmy 2002)

From this quote, it is evident that there was (is) a wide gap between the officially stated rules governing the choice, composition, and number of the members of the BOT as well as the decision-making process and the implemented practice. Such gap is illustrated in: the counted votes of the invited TRIA members; the dramatic number of investors in the BOT (i.e. 3 times the officially stated number), the denial of manufacturing workers to have their own elected representatives while securing their votes to TRIA members, securing the settlers votes to TRIA members, and the absolute power assigned to the Chairman of the BOT as having the absolute and automatic power to decide for the Board without securing the permission of the members.

Such implemented practice, of course backed by Ministers and higher levels, had a major impact on the relationship between the BOT, TRIA and TRDA. It was revealed and confirmed by many interviewees from the different actor groups that the members of TRIA had no appreciation (or even respect) for either TRDA and its chairman or the representatives of the Ministries concerned with different services. It became evident that the change in the relationship between the state institutions and agencies and the private sector at the national level in the early 1990s had a major
impact on the urban development process and its institutions in TRC and the other new communities all over Egypt.

In 1995, the Ministerial Decree 33 was issued assigning yet more power to the BOT through re-stating the various financial resources supporting the Board. Two additional funding resources were assigned to the BOT as follows: first, the classification system of economic activities were to be cancelled and instead applying annual public fees (20 piasters/m²) on all land, be it sold or to be sold for industrial, residential, commercial, and services activities. Second, assigning 1% of the total revenue from the sales of land, residential apartments and villas, and commercial shops to finance the BOT activities within TRC. Such additional financial sources gave more authority to the BOT with respect to its investment abilities independent from TRDA and ANUC.

Given the above-discussed change in power structure between TRDA, BOT, and TRIA, it is clear that the decision requesting ANUC to start the physical planning formulation of the 1999 Plan did not come from TRDA in the first place. It was mainly TRIA members and the Chairman of the BOT who directed TRDA, through the BOT decision in the mid 1996, to submit such request. The TOR of the physical planning for the industrial and residential areas was identified in coordination between TRIA and the Chairman of the BOT and then was passed on to TRDA to be attached to the physical planning request to ANUC while being reported directly to and approved by the Minister, as the Chairman of ANUC, through the Chairman of the BOT.

4.2.3.3 The Private Sector: TRIA and its Members

Given the above-discussed environment through which the local physical and socio-economic planning decisions were taken, it is crucial to recognise the important role of the private sector (TRIA and its members) in the urban development process and their influence on such decisions. Also as discussed before, TRIA and its members had gained continuous increase in power and authority at both the local and national levels since the early 1990s after the adoption of the ERSAP. Given this background, a

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37 It was pointed out that it had become a natural practice to find TRIA’s members employ either Ex-Chairmen of TRDA or Chairmen who were still serving their period in office. This was confirmed when revealing that one of the TRIA’s members investing in the real-estate sector employed two successive Chairmen of TRDA after completing their term in office, while another member employed three successive Chairmen of TRDA in his manufacturing project. Moreover, not to mention the ever-growing number of TRDA’s employees employed by TRIAs investors in either part-time jobs or full-time jobs after their working hours at TRDA.
distinction has to be made between TRIA as an agency and its members as individuals. Such distinction was emphasised in many interviews carried out in the fieldwork period:

“.... The Association (TRIA) usually interferes in the collective interests of investors. Nevertheless, sometimes it might act on behalf of individual investors. This would depend upon the power of such individuals and their relations with the members of the Board of TRIA […] of course any investor, as a member of TRIA, has the right to ask for the help of TRIA by sending his/her problem to the headquarter in TRC […] make no mistake that TRIA did (does) not deal with individual problems at the same level. Within TRIA, investors used to have an unwritten classification for its members - we would not be better than the Government, would we? The ‘Big Fat Cats’ would be treated as such and vice versa, every class experience different levels of attention […] to be frank, the powerful investors always have the needed power to solve their own problems and do not wait for TRIA’s help”

(Hilal 2002)

It can be said that the relationship between TRIA and its powerful individuals is a two-way benefit relationship. TRIA would benefit from the significant political and economic power of its well-connected powerful members, while such individuals would benefit from the outcome of TRIA’s fights for positively achieving the collective interests of investors without getting involved in person. This is the same case of the relationship between the state institutions and agencies and TRIA and its members. The state would benefit from the powerful investors of TRIA in investing their financial resource in projects that would generate economic growth and solve some socio-economic problems, while such powerful individuals would benefit from the dedication of more power and authority in the absolute sense. This is clear when knowing that all the powerful well-connected investors in TRC joined the Parliament, as MPs, within the past 10 years (see chapter 3, sections 3.3.2 and 3.4). The above discussed developed relationship between TRIA as an agency, its powerful individual members, and the state institutions and agencies was consistently explained by many of the interviewees within the widely recognised and accepted new Central Government’s framework of managing national and local development activities as follows:

“Show us your financial capabilities and seriousness in investment and take in return all the power, authority, and privilege you aim for”

(Sorour 2002)
Given such ‘triangle of power’ in the context of TRC (i.e. the central and local government and the private sector institutions, agencies and individuals), the reasons behind the clear distinction between the members of TRIA can be recognised. Such ‘triangle of power’ not only had a major impact on the way TRIA is structured but also on the way in which the state dealt with the different classes of investors. This impact was illustrated in the criteria with which members of TRIA elect its Board and the criteria with which the Chairman of the BOT (as a powerful well-connected investor) and the Chairman of TRIA choose the members of the BOT. This is illustrated as follows:

“….the 15 members of the Board of TRIA are elected within a democratic environment. Nevertheless, they are unconsciously chosen for their financial power and well-connected relations with the Ministerial rank and above. Above all they are chosen for being able to fight for the interests of investors in specific and TRIA in general without having much conflict with their personal interests and the interests of the other powerful investors. The Chairman of the Board and his/her Deputy are chosen through an internal elections between the 15 elected members, and of course the same criteria are applied”

(Helmy 2002)

“…. The Minister of the MOH according to personal, family, and business relationships directly chooses the Chairman of the BOT. This choice is absolutely outside the influence of TRIA and away from its Board […] the choice of the members of the BOT usually carried out in coordination between the chosen Chairman of the BOT and the Board of TRIA […] it was (is) always about business, family, and friendship”

(Hilal 2002)

In late 1996, ANUC received an official request from TRDA to start the formulation of the 1999 Plan according to the suggested preliminary TOR. As discussed before, such TOR had been already reviewed and approved by the Minister through the regular meetings with the Chairman of the BOT. The suggested TOR included two substantial conditions. First, cancelling all the previously planned industrial areas in the third and fourth stages in the 1978 and 1982 Plans. Second, planning the extension of the heavy industrial area southward of the existing area. The two conditions had direct and related links with the interests of powerful investors.

38 There is a well-established custom within TRIA to give the chosen Chairman of the BOT an honorary Chairmanship of the Board of TRIA alongside its elected Chairman.
On the one hand, the third and fourth development stages of the residential areas were recommended, like all residential areas all over the new towns at the time, to be high class residential neighbourhoods that would be privately developed by individuals or by investors. Given the evident environmental problems resulting from the industrial areas located either on the edges of or within the residential areas, the powerful investors via the TRIA and the BOT explicitly stated their interest of abandoning the idea of having any industrial areas within the third and fourth development stages, as it would affect the feasibility of carrying out such recommended type of residential areas and dramatically reduce their substantial financial profits.

On the other hand, alongside the relative stability of the Egyptian economy and the investment environment in the mid 1990s, the demand on the industrial land increased dramatically. Such increase in demand was mainly directed towards four main new communities: TRC, 6th of October, Sadat, and Al-Amerya City. This targeted and focused demand increased the competition between such new communities to attract more manufacturing investors to invest within its industrial areas. Nevertheless, despite being the first choice of most of manufacturing investors because of its unique location near the Suez Canal, TRC was the only city of those mentioned that did not have available land to meet such demand at the time. In this position, it has to be mentioned that the level of power of the investors associations, established all over the new communities, depends primarily upon the number of its members and the political and financial power they have. In this sense, TRIA and its members pushed towards the planning of the extension of the heavy industrial area while doing their best in attracting more powerful investors to the TRC. Hence, it has to be stressed that the whole physical planning process was about selling the city to national and international investors and not about social or environmental development. Nevertheless, such trend was not of specific nature to the context of TRC, but since 1993 had been the new national urban development planning trend. This was illustrated in the words of Prof. Abdel Aziz (2002) as follows:

“…. Since 1993 (i.e. the appointment of Mohammed I Soliman as the Minister of the MOH), the physical development planning tends to be a drawn development and not a planned development – engineering and technical drawings with no social or environmental consideration. All the physical plans of the new and existing towns took a commercial planning approach […] The whole planning system became loose and the state investment resources were directed towards real-estate
investment and selling land instead of industrial development […] ANUC became merely an office for the production of ‘take-away’ physical plans to serve the interests of the powerful investors with no recognition to the social, environmental, or even economic aspects of development […] it is all about personal and institutional interests of specific agencies and individuals that govern the new trend of the urban development policy all over the country […] managing the state affairs from technical and security perspective is something and from business perspective is another thing” (Abdel-Aziz 2002)

Support the above quote comes from the fact that TRIA in coordination with their appointed members of the BOT and its Chairman identified the investors’ collective interests as well as the powerful individuals’ interests to be explicitly stated within the TOR of such plan. In this sense, it is important to emphasise that from the three local planning agencies (i.e. TRIA, powerful individuals investors, and TRDA) only the former two agencies were dictating the identification process of the preliminary conditions of the TOR of the formulation of the 1999 Plan. However, this research found evidence that the third agency (TRDA) was actively involved in finalising the TOR in coordination with ANUC as will be discussed in further detail in the following sub-section.

**4.2.3.4 Urban Development Consultant**

The above-discussed new approach to physical planning at both the national and local levels, including the TRC, affected the choice of the urban consultancy firm commissioned for the formulation of the 1999 Plan, AAW. The consultancy firm (AAW) had no experience in the area of urban development planning before its commissioning, it was a consultancy firm only for technical infrastructure networks design (i.e. water supply, sewerage, electricity, transportation, and communication networks). Such firm did not even have an urban planning department to start with.

Nevertheless, AAW was commissioned for the formulation of the 1999 Plan for three main reasons. First, the owner of AAW, Prof. Abdel-Warith and his son Dr. Ahmed Abdel-Warith as well as most of his family members are considered to be a well-connected family with the elite circle of the Egyptian administration, starting from the Ministerial rank and upwards. Second, the project manager, Eng. Salah Abdel-Ghany, had a close relationship with the Vice-Chairman of ANUC at the time, Eng. Lila Kamel Barsoom. And finally, such consultancy firm was and is still considered to be
one of the top five Egyptian consultancy firms with respect to technical infrastructure networks design and the to the very close relationship with foreign interests working in Egypt through their aid funded projects. After being commissioned by ANUC through the ARP, AAW started to form its urban planning team headed by Prof. Ali El-Faramawy, a close friend of Ahmed Abdel-Warith. The head of the urban planning team and some of its senior members used to have regular meetings with the planning departments’ staff at ANUC and TRDA to discuss in further details the TOR of the city before starting the actual physical planning. During such meetings, additional conditions were added to the TOR with respect to the physical planning of both the heavy industrial area and the residential areas.

As discussed before in chapter 3, sections 3.3.2 and 3.4, there was growing social unrest in Egypt since the early 1990s, which reached its peak around the mid 1990s, after the adoption of the ERSAP and its following new laws and regulation and the rise of the new entrepreneurs’ class, which resulted in a growing income gap between social classes. Such social unrest had a significant impact on the formulation process of the 1999 Plan. First, the planning staff of both TRDA and ANUC, controlled by the Minister and directed by the President through the Cabinet, insisted on adding a number of small industrial plots within each newly planned industrial area to encourage the youth and low-income groups to start their own small industrial projects and to be financially supported by flexible loans from Nasser Social Bank. The TOR of such newly imposed industrial plots was centrally identified through coordination between ANUC and TRDA. Second, two districts within the third and fourth development stages were assigned to Mubarak Youth Housing Projects, which were introduced to the context of the New Towns (including TRC) in the mid 1990s to counter the above explained social unrest.

In this sense, as Sorour (2002), Abdel Aziz (2002), El-Khorazaty (2002), Barrada (2002) and Serageldin (2002) stress, the main reason to trigger the action of the Government to influence changes in the TOR of the city’s new plan was to cope with and neutralise such growing social unrest. It is also evident that there were double standards applied to the identification process of the physical planning objectives and the TOR. On the one hand, TRIA and the BOT identified the main objectives and the conditions of the TOR so they matched the interests of the TRIA members in general and the powerful individual entrepreneurs specifically, with no interference from the Government (Central and Local). On the other hand, the Association for Developing
Small and Medium-Scale Industries in the New Cities (ASMINC) were not consulted neither were the many small and medium-scale establishments and businesses located in TRC. Nevertheless, the Central Government with the help of TRDA dictated the identification of the TOR conditions with respect to the newly added small industrial plots within each sub-area of the heavy industrial area (A). In separate interviews with the researcher during the fieldtrip, Prof. El-Adley (2002) and Prof. Abdel-Maksoud (2002), and Prof. El-Wakeil (2002) stressed that such double standards reflected the political economy change at the national level and its evident impact on the relationship between the state institutions and agencies and the private sector agencies at the time.

Moreover, many interviewed senior civil servants and the members of the urban development planning consultancy team revealed that the MOH totally marginalized the influence of the Ministry of Industry (MOI) in the formulation process, as it stressed that the classification of the industrial plots would be according to the size of the plots and not to the types of manufacturing activities, as in the case of the 1978 and 1982 Plans. In this sense, the influence of the MOI would be focused only on the implementation process through securing its approval on the assigning of industrial land to manufacturing projects in such new industrial areas. In other words, the MOH channelled the power, authority, and influence of MOI to the newly investing entrepreneurs and not to the formulation and implementation process of the 1999 Plan itself, as will be discussed in further details in the following chapter.

According to some senior members of the physical planning team of the 1999 Plan, such as Prof. El-Adley (2002), Prof. Abdel-Maksoud (2002) and Prof. Fahmy (2002), “AAW was acting as a ‘machine like system’ only interested in the volumes and numbers of drawings and its deadline submissions rather than the urban development process in all of its aspects”. Prof. El-Adley (2002), Prof. Abdel-Maksoud (2002), Prof. Fahmy (2002), and Eng. Abdel-Ghany (2002), the heads of several planning departments in AAW, emphasised that the whole planning formulation process took a linear type process starting from dividing the third and forth stages and the extension of the heavy industrial area to districts and neighbourhoods and sub-industrial areas respectively. Then the design of the preliminary detailed plans that were passed on to the roads department to design the roads cross-sections and network, then back to the urban planning department to readjust the urban detailed plans in coordination with the road network. After the editing and adjustment process, the final detailed plans were passed on to the sewerage, the water supply, and the communication networks
departments to make the necessary designs, then returned back to the urban planning department to review and coordinate all infrastructure and urban detailed plans. Finally all the reviewed physical plans were sent to the ARP for submission (see Appendix I).

In this sense, it is evident that AAW had only technical influence over the formulation process of the 1999 Plan within the strictly provided TOR framework, although with no interest in the socio-economic aspect of the urban development process. AAW consultancy firm managed the formulation process from a pure technical perspective, as the city was seen as a primarily physical environment, created as a single model rather than an incremental creation responding to piecemeal demand. The very same senior members of the planning team state that the AAW firm was only interested in finishing the task of planning on time, as it used to do with other infrastructure networks design projects.

4.2.3.5 Excluded Agencies

Two main groups were excluded from the formulation process of the 1999 Plan: the manufacturing workers group, and the Association for Developing Small and Medium-Scale Industries in the New Cities (ASMINC) and other small and medium-scale manufacturing NGOs.

First, as discussed above that since the establishment of the BOT in 1986 till 1994, the representatives of the manufacturing workers were chosen by TRIA to guarantee their absolute loyalty with respect to the Board’s decisions and voting process. It was also illustrated above that although officially blocking the manufacturing workers from having representative members in the BOT since 1994, in practice TRIA seized the chance to increase its influence and power over the BOT decisions by appointing three of its powerful members to represent manufacturing workers with the agreement of the Minister and the Central Government agencies. In this sense, it has to be emphasised that such denial and blocking of access to manufacturing workers to the decision-making process was one of the evident impacts of the change in the national development planning approach, which took place during the late 1980s and early 1990s, on the local urban development process (see chapter 3, sections 3.3.2 and 3.4).

Second, it has to be clarified that although the researcher only interviewed one industrial development NGO (i.e. ASMINC), there are two other local industrial development NGOs that are fully registered under the Law 32 in 1964 (i.e. the
Association for the Development of the Small-Scale Industries in B3 Area, and the Association for Complementary Industries in B3 Area). However, the research found evidence that those latter NGOs have no recognisable activities either at the local level (i.e. within B3 area) or at the city level, and have no offices or representatives within TRC.

ASMINC was established in 1996 after a bitter internal conflict between TRIA’s members. As discussed before, TRIA was established in 1986 to look after all investors’ interests within TRC, which was not the case as illustrated before. The classification of investors within TRIA, as stated by Eng. Nasr Soliman, the General Manager of ASMINC, resulted in the separation of the small and medium-scale investors from TRIA to establish ASMINC in 1996 to look after the interests of such specific class of investors. It was also revealed that, in retaliation, TRIA directed its efforts to block ASMINC to gain access to the decision-making process within the BOT by continuously showing its lack of power and abilities to carry out major investment projects. Actually the financial arrangements of ASMINC helped such retaliation act to be an easy task for TRIA and its members. Unlike TRIA, ASMINC lacked the required fund to support either the interests of its members or its stated activities. Therefore, it had to depend on external financial resources out of its control that are: the social fund of the Nasser Social Bank, the Friedrich Ebert Sifting Foundation, Ministry of Industry, the European Union, and the International Labour Organisation (ILO), Cairo branch. Given the limited power, authority, and financial capabilities of ASMINC, it is not surprising that it was excluded from the formulation process of the 1999 Plan especially in the context of the new state-private sector relationship at the time (see chapter 3, section 3.4).

4.2.3.6 Concluding Remarks

From the above discussions, it becomes evident that the political economy change in the early 1990s after the adoption of the ERSAP had a significant impact on the allocation of power and resources within the ‘triangle of power’ as well as on the inter-institutional and intra-institutional power structures. It should be evident that some specific powerful private sector agencies and individuals were granted the control over

39 There is a wide gap between the financial capabilities and political and economic powers of TRIA and its members and ASMINC and its members. For instance, the annual membership fee of TRIA (apart from the generous donations of its powerful members) is 1000 L.E. compared to 100 L.E. annual membership fee of ASMINC.
the formulation process of the 1999 Plan through the critical dedication of significant political and financial power, while the Central Government institutions, agencies and powerful individuals have lost most of their privileged position enjoyed during the formulation processes of the 1978 and 1982 Plans. Nevertheless, TRDA’s role remained absolutely minimal, if not neglected, when TRIA and its powerful members and the MOH opened the way to the private sector agencies and individuals to lead the urban development process in TRC in line with the conditions and objectives of the ERSAP.

On the one hand, the prime objectives and aims of urban development planning at the national level changed dramatically from those in the 1970s and 1980s. It is no longer about planning seeking balanced development with respect to all aspects of planning – it is no longer planning seeking a comprehensive development – but rather merely a technical tool used for producing the type of drawings, plans, and projects that help attracting national and international investments. On the other hand, within the new settings of the above relationship, there was no active role to be played by the state institutions and agencies in the development process as the private sector took full control over the process. The bureaucracy of both the Central Government institutions and agencies and Local Authorities can no longer serve these new aims. Therefore, every government and social institution or agency that would constrain, or even delay, the application of the new settings of social structure and urban development planning approach had to be excluded from the decision-making process.

In many ways, the management of the formulation (as well as the implementation) of the physical development in the new communities since the early 1990s followed much of the steps of the development of the London Docklands area in the UK with respect to the formation of a quasi-government body (i.e. London Dockland Development Cooperation), the exclusion of the Local Authorities from the decision-making process, the affiliation of such newly established board to the Central Government, the explicit stated interests of the powerful investors, and the availability of financial resources to actively develop the decisions and plans of the LDDC away from the control of any State institution or agency (see Brindley et al 1996).

The reasons behind the Central Government intervention in the identification process of the TOR of the physical plan were also discussed here. It is clear that such intervention was in line with the minimal required role of the State intervention for correcting inefficiencies while supporting market processes. Nevertheless, it the context
of TRC, and the new communities at large, the state intervention was not only triggered merely to seek the above aims but also to protect the administration itself from social unrest. It became clear that the identification process of the TOR of the 1999 Plan, unlike the 1978 and 1982 Plans, applied two conflicting planning approaches (i.e. the rational comprehensive planning approach and the entrepreneurial planning approach), and two conflicting methodologies as a consequence.

It was also clear that in the absence of the MOP and Local Government agencies, there was a striking lack of concern with the new communities, including TRC, as specialised elements in a national territorial economy or as complexes of social interactions (where normally economic and social interaction determine the physical form rather than the reverse). Moreover, it was recognised that new communities require long periods of gestation (25-30 years) and it becomes almost impossible to sustain programmes of public investment over such long period of time, especially when administrations change and external economic events force radical change in urban development policy at both the national and local levels. Furthermore, it was also recognised that the problem of overlapping and duplication of the role and responsibilities of many public institutions cannot be merely solved by giving more power and authority to some over the others, but need an active coordination between such institutions.

Finally, policies and plans designed to provide economic growth and employment cannot be divorced from the interests and power of those who formulate and implement them. The formal organisation of the State institutions is assumed to serve long-term public interests by creating and maintaining conditions conductive to the efficient use of resources, subordinating the conflicting short-run interests of the capital to the long-run interests of the public. What happened in the context of TRC and the new communities at large was the opposite. The state supported and adopted short-term approaches to urban development to serve its own interests to the neglect of the long-term interests of the public.