

Egypt fighting corruption: A new law on civil service

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For several decades, Egypt has been shouldering a great weight slowing its growth and development.

This great weight is called civil servants.

With the number of public sector employees reaching 6.4 million, Egypt is among the top ranked countries in terms of the number of employees in the public sector. The cost of wages for these civil servants is around EGP 126 billion per year (USD 16.5 billion).

In addition to the cost of wages, corruption and inefficiency have been major negative traits of the Egyptian public sector. Unconfirmed anecdotal reports record that the average length of productive work performed by a public servant is as low as 27 minutes per day. Most of the employees seem to take their jobs for granted. They only leave it upon retiring at the age of 60 with a guaranteed pension and promotion is by seniority as a matter of practice. The vast majority of university graduates used to wait willingly, without seeking a job at the private sector, until appointed by the government, which used to hire all of them without selecting those who were most qualified in terms of academic results or specialism in the fields of development needed.

The public sector has, until now, been regulated by legislation that is more than 37 years old (Law 47 of 1978 on the Civil Servants Employees of the State).

New Era

With the series of events starting in January 2011, Egypt has changed. A new Constitution was instated by an overwhelming majority in 2014. The dynamics, economics, administration systems and technology in Egypt have evolved and are having an impact on how the affairs of the state will be run. Public awareness has called for the reform of several sectors starting with the Civil Service.

The government has realised that it is bound to fight corruption in the public sector and there are several methods by which this can be done, including:

- Reduce or suspend new hiring until the appropriate number of employees required in the public sector is reached;
- Train existing employees and enhance their qualifications;
- Change the basis of promotion from seniority to performance;
- Remove unqualified employees from leadership positions;
- Reduce the periods of assessment between levels to escalate skilled candidates;
- Promote government-to-government dealings to prevent citizens from submitting to corrupt officers; and
- Increase reliance on online services to reduce the interaction between public officers and citizens.

Article 14 of the 2014 Constitution provides that citizens have the right to public posts based on qualification, without courtesy or intermediary. Thus, the suspension of new hiring in the public sector should be only temporary during the reform process.

With the support of the government policy combating corruption and reforming the public sector, a specialised committee consisting of a variety of experts and related entities has concluded which best practices, as adapted to the Egyptian culture, should co-exist in one piece of legislation, to meet the objectives of this difficult time for Egypt.

The New Law

Law 18 of 2015 on Civil Service has been freshly introduced by a Presidential Decree, introducing new measures that have long been resisted.

The period of probation for new hires has been extended to six months, with the right to terminate non-qualified candidates without need for any procedure other than a notice. After the elapse of the six-month period, an employee with two consecutive weak performance reports could be transferred to another position, deprived of 50% of their salary or terminated.

Employees must now be promoted based on qualification rather than seniority.

A retirement age of 50 years has been set.

A new wage structure has been introduced. The public servant's wage has always been composed of two components; the base and the variable. The base salary was approximately 25% of the employee's salary and formed the basis of the pension and social insurance. Thus, upon retirement or injury, what the employee received was too little to satisfy the simplest living expenses. The reformed wages package under the new law increases the base salary to 75% of the total wage, in order to consequently increase the pension and social insurance.

Conclusion

New goals have now been set. The challenges have started to be dealt with. The government is convening workshops and training sessions to explain the new law and its impact on the public sector. The executive regulations draft is discussed publicly before issuance. With a dynamic president and cabinet, there is hope to see positive turnarounds on the medium term.