Mona Mowafi: I wanted to piggyback, actually on a question that Greg posed at the end of the last session which is, what kind of society does Egypt want to become? And I don’t know about you, but after those first two sessions I felt like taking a deep breath and doing some meditation, because it was so heavy, but on topics that are of key importance, of internal security, um, and, and, and political situation, but here’s another story, and I hope a story that we can really focus in on and understand how yes, it links to you know, the other issues of the day, but also getting down to people’s lives. At the end of the day it’s not just about structures at the top and it’s not just about an elite few. Part of what triggered 2011 was the differences that we saw between what was happening in macroeconomic development, for example, and the real economy on the ground. And so often when we talk about the economy recovering we refer back to macroeconomic figures and we forget about the fact that we need to create jobs on the ground and we need development impact on the ground. So what we hope to achieve in this panel is highlighting some of the issues around entrepreneurship, innovation, job creation, and economic development in the country. And I’m really excited that we have such a diverse panel of views. I’m not going to go into everybody’s bio since you have them in your packet, but what I’ll say is that we come a leader in education entrepreneurship, a leader in health entrepreneurship and a neural surgeon by training, a political economist, and an academic and a senior economist with a multilateral institution, moderated by someone who comes from a global development background, research and practice, and has come to entrepreneurship as an interest in effectively and more efficiently spurring development, and people-driven development more particularly in Egypt. So those are sort of the frames that we’re coming from and what I wanted to do in the very beginning is sort of get a lay of the land, and so what I wanted to ask everybody is to give from their perspective a lay of the land. What does entrepreneurship look like in Egypt right now, from your perspective? So let’s start with Seif.

Seif Abou Zaid: I would possibly divide the entrepreneurship ecosystem in Egypt into two segments: entrepreneurs who have become entrepreneurs by necessarily because they don’t have a job and they have to make ends meet so they have to create a job for themselves, and entrepreneurs who have become so by choice, which is luckily I think I belong to the second category. For those who, I’ll speak of the second category because this is where I know more, I think there has been sort of a movement of entrepreneurship over the past several years and I think the main reason behind that is the youth ability to get more exposure to the outer worlds, the technology and the internet of course made them access an abundant world of information where they can tap into more and more opportunities to make more money, have better living, even develop a sense of entitlement, a sense of entitlement of a better living, of learning more, being more developed people and so forth. So this movement has been developing over the past years. I’m an entrepreneur, I started a company just off of college in 2007. Back then there was
nothing, there was no support system, there was no training for entrepreneurs, there was just maybe a couple of government institutions doing very modest efforts in the field, but today you have so many institutions working to garner support for entrepreneurs in so many ways. Several of them, actually education institutions, incubators, (inaudible 4:15) what have you. So the ecosystem is growing, slowly but definitely surely, which is something that I, I’m a political science student so I can’t help think of the connection between the political and the economic realm, which I think it’s something that can open doors to more inclusive society in Egypt, because having more economic opportunities and tapping into those resources can lead into more and more inclusivity on the societal level. So this is the bright side of course. My nametag says that I’m the CEO of Tahrir Academy, which is an education nonprofit that was created right after the revolution in 2011. Tahrir Academy was actually closed down a couple of months back and that was due to several reasons, the biggest of which was the inability of nonprofits to operate in an effective manner in Egypt. I mean, the legal structure and the environment in which the organization was operating made it very hard for a nonprofit to actually access finance taxes scale and to go for it, although we had more than 140,000 students and we had support and we worked with many governmental and for profit organizations, but that wasn’t really possible to continue (inaudible 5:37). So what we did was actually, it’s an interview process, right? So we sort of evolved and we adapted and we created a for profit with a larger investment, which is called (inaudible 05:51), with the same mission so to speak to reach our objective. So I can actually take this to scale as well and I can say that it’s a transformative, iterative process. The entrepreneurship scene is not gonna be like the Silicon Valley overnight, but I think that we’re getting there. It could take us years and years to actually get there, but it’s definitely one of the maybe silver lining aspects of what’s happening with the youth bulge, what a lot of people in Egypt like to call the youth bulge of today.

Mona Mowafi: Thank you, Seif. Mohamed?

Mohamed Zaazoue: First of all I would like to thank the Middle East Institute for inviting me here and specially (inaudible 06:34) for facilitating me being here today. I will start with the positive side which is because everyone knows Egypt has a lot of challenges in health, education, everything, but the positive side is our demographics and how does our population look like. We have a population mainly of predominantly formed of youth. Most of the population is under the age of 35 and to me this is the biggest resource Egypt has. The Nile (inaudible 07:03) these are not all the biggest resources. Our biggest resources is our people and we should invest in them, in educating them, training them, and supporting the entrepreneurs amongst them because when you have a lot of challenges around you this creates a need or keenness inside you that you want to achieve something, you want to find the solution to this problem that is causing lots of people to suffer around you. Just yesterday there was an article in Forbes about desalination of salt sea water from a
team in Alexandria University. And probably one of the things that got them to work on this is the problem with the Nile, the water from the Nile and Ethiopia and so on. So when you have a lot of challenges your human resources, if they are well invested in it, they will find solutions for it. What I did tell the Egyptians is that our health problems are a lot and when you look at the morbidity and mortality numbers they are really scary. We are the number one country in the world with Hepatitis C infection, for example. But everyone on TV and everywhere, even the Ministers of Health are focusing on treating the patients. While I’m focusing on something else I’m preventing people from getting sick in the first place. I try to go to people to speak to them about their health and about what different diseases are prevalent in our country so that we can take care of their health and that of their children, but I was extremely boring and no one really listened to me. I’m serious. So I started to think, what am I doing wrong? And what I was doing wrong is that I wasn’t thinking like an entrepreneur. I wasn’t respecting the market. People had absolutely no demand for health education. They did not believe this is something that they need in their own lives. They thought this is something exclusive for doctors so when I get sick I would go to the hospital and I would get treated and he thinks this is being positive, that he went to the hospital. Actually this the maximum passivity because he waited until he got sick in the first place. So I tried to change my strategy and to start spreading health education by respecting the market, by creating demand for whatever I’m providing the people. I want the people to want whatever product or service I’m providing them and then automatically they would get hidden subliminal messages from them. So I created a curriculum for children, because they are the future and if they are raised up with the culture of public health and preventive medicine and so on, in 20 years there would be absolutely no use for me because this is their culture, and I started to create education and curriculum for them using innovative tools like coloring books, comic books, cartoon movies, we’re trying to develop an app as well, and a gaming app for them, to spread health education and messages through a storybook or a storyline called (inaudible 09:46) in Arabic which basically means Montosa, the name of a boy, overcomes, and every different story he’s overcoming a different disease prevented in our countries. It got well and it started spreading in Egypt using our own resources and our own manpower. Some people took it up in Kenya, in Ghana, in Jordan, so it was spreading and it went well for us, until Forbes wrote about me and chose me (inaudible 10:15). That’s when things started getting better for the organization because the presidential office heard about me so they invited me and then they offered me to be an advisor to the president for community development. And that’s when I felt that throughout my life I never had a political stance because I don’t believe this time is the best time for me to work in politics in Egypt and this age in my new surgical practice, but I agree because I felt that my voice might be heard. I might have a different idea or a different perspective for the challenges in our country and maybe, maybe someone would actually not just hear it but implement it.
Mona Mowafi: Thank you, Mohamed. Amr?

Amr Adly: So yeah, I would like to start by thanking the Middle East Institute for having me and my colleagues here, of course, and I’d like actually to build on what Mohamed was saying, that Egypt is a country that has witnessed considerable economic transformation in the last three to four decades actually. So now the private sector produces something between 76 and 80% of the GDP, so it’s not the problem anymore with a state that dominates the economy and controls it, etc. The problem of course is that this private sector is not working within a framework that can make it deliver development, even when it delivers high growth rates, and this has been the case in the five to six years that preceded the 2011 revolution that there has been growth, macroeconomic indicators were not that bad at all, but then of course there has been this ongoing erosion in the very trust and the social and economic order, that it’s not serving the vast majority while you are having actually more and more people, because of demographic reasons as well as because of the expansion in education, by the way. So there is this pressure put on various kinds of institutions for more people to come in and more expectations of course from these people. That is something that has not been done and this is one of the reasons why like we have been put on this trajectory like since 2011 and all the political turmoil that followed. So we have this private sector where big business, like we have a number of big businesses, of course like many of the practices can be labeled (inaudible 12:47) but this is actually not very particular to Egypt, and this can be treated, but then we have a broad base of private sector enterprises that are usually of a micro to small scale and with many of their transactions actually happening in what can be called the (inaudible 13:11) sector, and even though this has usually be portrayed as something negative, sometimes that is beyond regulation by the State, money that the State cannot capture really and collect taxes from, etc. However, actually it shows us that there is this layer of, I would say entrepreneurship in the like non (inaudible 13:33) sense, because there’s this problem actually when Americans think of entrepreneurship they have this like (inaudible 13:40) idea of like more of like Silicon Valley high tech. Of course like Egypt is a factor-based economy, but there is entrepreneurship in more traditional, low tech industries, I mean, like economic activities in general. And that is not simply what you are talking about like necessarily-driven entrepreneurship, which is not really entrepreneurship at all. These are people that are…

Mohamed Zaazoue: (inaudible 14:03)

Amr Adly: Exactly. So this is not entrepreneurship by any means and there has been this like trial of inflation, actually, of the term of entrepreneurship by bringing in millions of self employed people that are just waiting for some proper like full-time job so I would count this out, but even the people that have minimal access to like capital, human capital as well as physical capital, etc. they actually constitute the
biggest chunk of Egypt’s annual gross national or gross domestic product and they are the ones that actually generate most of the employment. It’s not the government and it’s not big business either, by the way, and here comes like the problem with allowing and enabling these people to actually like do whatever they are trying to do and that’s the thing. So we have a potential there but then we have very big challenges at the same time and sometimes it’s required that the State does nothing in certain areas so that it allows actually people to do something because it’s just like impeding them from doing this, and sometimes it’s the opposite, that it has to be an enabler for these people.

Mona Mowafi: Thank you, Amr. Heba?

Heba Elgazzar: Thank you. Well, I’m very humbled to be on a panel with entrepreneurs and incubators and I suppose if I were to answer the question what I think the landscape of entrepreneurship is in Egypt two words come to mind. I think diverse is one word but also relatively far more innovative and impressive than what we see in other countries where the enabling environment’s actually more conducive. So it’s really impressive I think despite the corruption challenges in Egypt, despite what we know about doing business in Egypt whether it’s from speaking to panelists or from the indicators that we have, levels of, you know, red tape and corruption and you know, length of time to getting permits or length of time to access to credit, are really high barriers in Egypt. So the fact that you still have a very diverse array of whether it’s self employed or small in micro firms or larger entrepreneurs, still getting around the system is really a huge I think achievement that Egypt’s demonstrated but the problem becomes getting to scale, in many ways, both at the micro level, so accessing more markets within Egypt, accessing larger pools of funding, accessing knowhow, but also on a sort of mezzo and even more macro level which is getting to that transformative shift in Egypt. There’s no reason why Egypt shouldn’t get to where other comparable economies have gotten, and far shorter, because we have the knowhow, you know. We have several examples of incubators in Egypt that are operating that we don’t hear about at a very grassroots level because I think that’s the nature of Egyptian society in a way. You know, it’s very urban so there’s a concentration of ideas and that feeds off. You have a clustering effect of innovation and entrepreneurial activity. It’s not an accident in a way. But my concern about the entrepreneurial landscape is one, it’s not being supported explicitly. It’s not being fostered explicitly. You know, and so two, where is that impact? Why is it that we have a mismatch between such diverse ideas, right? You have innovation happening across the board, across sectors, but we still see, you know, poverty rates that are increasing, in some cases we see discrimination such as in the clip whether it’s by income level or whether it’s by gender, and so somehow the two aren’t meeting to get to that impacted scale and I think the question becomes what do our entrepreneurs and what do our incubators need and how can that voice be kind of heard in a more coherent way to combat corruption or
to combat red tape? And so that’s sort of a question about getting to scale and getting to impact that I have.

Mona Mowafi: Which is a terrific lead in to I think discussing both at the government and regulatory level, but also beyond that and (inaudible) issued a report last year talking about barriers to entry for entrepreneurs in the region that are nongovernment-based. I mean, there are a lot of things that are also happening in terms of access to talent, retention of talent, culture, education, from the primary system onward and people’s preparedness to take the type of initiative that is required of an entrepreneur to create jobs. So let’s get to that but also to start with let’s address some of the issues that Heba just mentioned, whether it’s access to finance or some of the barriers in terms of registration. You can talk about your personal experience or what you’ve seen but if you could sort of elucidate some of those challenges for the audience and then I think it would be great if we can move to talking about what role do we have as capacity building organizations as other stakeholders in the ecosystem to facilitate some of these discussions and transformations. Seif, why don’t you go?

Seif Abou Zaid: Sure. The main question that we have to ask ourselves is what is the role of each actor? I mean, a lot of people would like to call it the Golden Triangle and (inaudible 19:50) which is the government, the private sector and the civil society so I tend to see it as it’s not really as a partnership but more of a coalition, a deep understanding of each party’s role and doing this role with confidence. So the SMEs have a huge advantage. They can take risks, right? So I’m an educator, for example, so I can’t help but see the very low level of engagement of the audience right now. I mean, the audience is really not engaged in the discussion so I have, yeah, I mean, I’m an educator so I can’t help it. So we always come up with very, I wouldn’t say very, but we try to be creative with coming up with the tools to engage our students to make them what they call constructivist approach, to have the students learn what they want and the way they want and so forth. So we try a lot of ideas. We have this luxury of risk taking while the government, for example, cannot. So I see the government’s role in this case as sort of a talent locator. I mean, going for ideas, being an enabler, being a facilitator, so looking for ideas here and there that have actually been validated. Without this kind of coalition, again, I wouldn’t call it a partnership, because partnership implies direct work or direct collaboration. Without this kind of coalition I don’t see any of the SMEs, or the entrepreneurs scaling up, because Heba’s talking about the idea of scale and how important scale is and we always talk about barriers to entry for entrepreneurs like access to finance and whatnot and there’s also barriers to scale. In a country like Egypt if you don’t know how to pull some strings and you’re not sort of assimilated in a certain structure with the, there are some security concerns, there are some economic concerns and whatnot, you will not be able to scale, because it’s not like again, the Silicon Valley where you just need a VC to invest in you and then you go
to scale. So getting to a market like the market I’m in, the education market, we’re talking about 20 million students. The private tutoring sector alone is worth 16 billion Egyptian pounds which is around two billion dollars a year, which is a huge market for our economy and it’s an informal sector. So we come as an enterprise, we’re lucky to get funding and so forth, with a solution to be able to teach thousands of students online with a very low cost, with a very low cost package. A solution like that has to have scale. So working with government, there’s interiority for that. Civil society on the other hand has another role which is actually sort of voicing, of course there’s a lot of theory on the role of civil society and I agree with a lot of them, I disagree with a lot others, but a (inaudible 23:00) civil society has a role of voicing the concerns of the different participant groups in society. So for example, again, coming to the 20 million students there are, that’s an interesting story if you could give me a minute to say it. In Egypt more than 22 institutions are actually responsible for education. So it’s not the Ministry of Education alone. It’s 22 institutions. So what happens is every year currently we need to build 1,000 schools in order to enroll the growing number of students every year. We’ve never built more than 440 in the past five years. So the number is really decreasing. What happens is that the Ministry of Education asks for money from the Ministry of Finance who then approves the building of not more than 400 schools a year, but again, the ministry education doesn’t have jurisdiction or any authority over where the schools are to be built. So there is (inaudible 24:05) sort of an authority for building schools, which is responsible for that and the main criterion for building those schools is availability of land. So we have some (inaudible 24:17) with really low number, the really low population, building schools every year that no one attends and a (inaudible) like Giza, which has an average of student per class of 120, which is by no means a learning experience, they don’t build schools every single year. So in a situation like that you cannot only depend on government. You have to have solutions from outside this realm because government every single year will have a limited budget, every single year will have its own governance issues. If you wait ‘til a law or a number of laws are made, ‘til those 22 institutions figure out a way to work together, we’re going to wait forever. So the solution has to come from outside and the government has to play an enabler role by looking into those solutions and supporting them in a way.

Mohamed Zaazoue: I would like to add to what Seif has said about the private tuition market in Egypt, the two billion dollar market. He said it’s informer, informant, which means it’s completely untaxable, it’s completely under the radar of the government. This money if ideas like his startup started picking up people and adding more subscribers and so on, even if he reduced the cost to a quarter of what’s being paid, whatever profit his startup will make is taxable, is in the radar of the government. They can follow him up and supervise his work. The other as well is that most of these teachers who work they’re doing an illegal thing by providing private tuition to students because all of these teachers are employed in other schools, but there is
no governmental body that actually supervises and implements the laws in the constitution. You were talking about what nongovernmental obstacles do we face? I would like to talk about that, but then I would like to talk about the governmental obstacles because they are a lot as well. So for example, in my organization we had some vacancies and we advertised for them everywhere, every single committee where there are doctors, medical students, and so on who would like to work with us. I was a full-time neurosurgery resident. I used to go home just 12 hours per week. Six and a half days I was in the hospital working and I used to get $1800 Egyptian pounds for this. The job was a 9 to 5 job, five days a week and we would have paid whoever applied $3,000 Egyptian pounds. So it was a very good deal for someone who is young and who wants to start working in Egypt and how many person applied? Zero. Some of them applied but they weren’t really serious so I wouldn’t count them, like coming late for an interview or not being so serious, or not having the credentials and so on. And I had to head hunt for someone to work and then I had to compromise because he wanted to do post graduate studies so I had to compromise in the 9 to 5 and five days a week rule thing. Another thing about nongovernmental obstacle, so that’s an obstacle, so do we have the talents in Egypt? I’m sure we have talents to cover for these jobs, but people might not be willing to do work other than what they have studied in universities. Another problem is that that’s the jobs. If we look at the volunteer segment in Egypt the Population Council just had the survey in Egypt. They did the survey in a lot of (inaudible 27:45) in Egypt and they came up with a number that less than 5% of the Egyptian youth under 35 years of age volunteer in any different organization. And that’s a very scary figure if we say that these are the best resources we have. They should be helping in the community around them. Maybe they don’t have the portal to find the different organizations that do this. Maybe they are not interested or maybe they are just too focused on whatever (inaudible 28:12) development activities they’re doing. When it comes to the governmental obstacles that’s a whole different story. So I said that we’ve created cartoon, health education in cartoons for children and I was providing them to schools. The schools from the higher socioeconomic class used to pay a fee to get these cartoons and we used to use these fees to go to the poor areas and neighborhoods, usually they didn’t even have schools, to provide the cartoons for the children over there, and it was very successful. So I wanted to scale it up to the next level and to me I didn’t want to scale up for profit, I wanted to scale up to reach more people. So I went to the Ministry of Education and I gave them the idea, I told them that I have no, absolutely no wish to make profits out of this, you can have the copyrights for it, and I just want you to provide it as an incorporated part of the education and curriculum for children in schools. The department in the Ministry of Education that deals with the nonprofits or the social enterprises had someone, I’m sure his IQ is not like the average person. He was absolutely ridiculous in the way he replied to me. So he said, “how do I make sure that these cartoons do not have hidden political messages to the students in the primary schools?”
Seif Abou Zaid: I think I know who you are talking about.

Mohamed Zaazoue: So he refused the proposal. I did not use my position in the advisory council for the president because I just wanted to experiment how slow would the process be when we let people take decisions not based on science but based on the narrative that’s taking place in the country. So in the country right now there is a major monster, or a major conspiracy theory against Egypt, which is partly true from all of the panelists who have been here before. There is terrorism and there is a monster in Egypt but it’s not in every single aspect. It won’t be in a cartoon provided to children in schools for health education, for example. So he took the cartoons and he said that he would send them to the security agencies in Egypt, the State Security, for them to revise it and he would get back to me, and for a year now he has never got back to me and we went to him twice during this year and he said we they have not replied yet to him. Because I’m sure that State Security will not reply to him regarding a cartoon. But I will give you a closer example of what’s happening here in the US. So the narrative in the US when we let people who are not security officials take decisions based on security narrative we will find that a 14-year-old teenager in a school inventing a clock would be perceived as a terrorist and would be taken to the police station until later on they would find it is just a scientific invention. If we start taking decisions not based on science but based on just how we feel about what’s going on in our community this will not take us anywhere. And I believe the executive order that President Obama here has released two weeks ago about that the way the government will serve the American people would be according to behavioral science insights. That’s a very insightful way of looking about how can a government help its people?

Mona Mowafi: Thank you so much, and actually that gets, I wanted to move to the issue of how we can support these dialogues, but before we get to that, because it’s a conduit here, you tapped on a really important point, which is really the issue of trust, right? And it’s the elephant in the room in some ways.

Mohamed Zaazoue: Exactly.

Mona Mowafi: Because there’s this issue of fear of the outside, fear of foreigners, fear of terrorists, there’s fear. There’s fear of the unknown, there’s fear of civil society, it was discussed earlier, and perhaps there’s fear of the youth. So we’ve been discussing the youth as an asset, but in some ways, by sheer number, and because also there was that visual of millions of people in the streets, there’s fear of this, what we consider to be an asset for positive social and economic impact in the country, and yet, you’re Egyptian, we’re Egyptian. How do we solve these challenges and how do we bridge these gaps of trust? So I want to get to that first because I don’t think any sort of mechanistic, you know, approach to putting together policy roundtables with various actors in a multi-stakeholder sort of
approach will make any difference if the people at the table don’t have trust. So how do we get to that? And especially, you know, you sit in a unique position now that you’re both on the Presidential Advisory Council for Community Development and as an entrepreneur and doing this work.

Mohamed Zaazoue: Actually, I might disappoint you but the cliché solution that you’ve proposed I believe it is the best solution. That getting the different stakeholders to sit together, so for example, the example I gave, if this particular employee in the Ministry of Education was sitting with me and with educational experts and with even security officials on the same table we would have found a solution for the cartoons to find a way into the schools on that same day. I believe what’s happening in Egypt right now is that everyone is working in a separate island and there are no bridges between the different islands. I can give you an example as well regarding the foreign funding. So getting a grant from any international agency is the dream of any entrepreneur. This means his idea was much better than the ideas of different entrepreneurs anywhere else in the world and he got the grant for this. But in Egypt this would be perceived as foreign funding and it would be blocked in your bank account until the security agencies would provide you permission to spend it. According to the constitution it should be within 90 days but I have a grant that sat in the bank account for two years. And the donor who gave me the grant was expecting results within a certain timeline. Luckily I had more money so I spent from the other money that I had in the bank account to provide the deliverables that he was waiting for, until we could find the permission. And this narrative that I was talking about is what would make this employee think that any foreign funding is a potential source of terrorism funding or funding for whatever anti-state or anti-government activities, although we are clearly in our bylaws and everywhere we are nonpolitical, nonreligious organization. And to solve this it will never happen through just public education. I believe the media has a lot of (inaudible 35:05) to do and they are the reason why we’re seeing this. If you have here Fox News, there we have 100 Fox News. I believe we should sit together. This table, this panel, if it’s a little bit bigger and it involves the different officials and stakeholders in Egypt, we will find common ground because I’m sure the Ministry of Social Solidarity which deals with these different social enterprises, she is a very good woman and I believe she wants the best for the country, but the legislation and the public policy does not help her. It is pulling her back, and public policy, it will be difficult to change without the parliament, but at least we should be prepared that when a parliament comes we would provide or advice and our accommodations that we have sat together, every single stakeholder has sat together, and we provide these accommodations to make the life easier for entrepreneurs, whether they work in nonprofits or in companies. I’m sure Seif has much more obstacles that he’s facing as a company, maybe slightly different than the obstacles I would be facing, but again, he closed his nonprofit to go to a company because of the different types of obstacles we face.
Mona Mowafi: Thank you, Mohamed, and actually, before we move to talking about how we can link this to development strategies and taking this multi-stakeholder approach, and also you mentioned another really important issue which is taking an evidence-based approach, I wanted to ask you, Seif, to piggyback on Mohamed’s comment on essentially governance and inclusion. Talk about your views with regards to how this works with the entrepreneurship, what you’re seeing on the ground right now.

Seif Abou Zaid: I mean, I’m no expert on conflict resolution, but I know that conflict is a perception of threat, right? And I also know from my wife that communication, yeah, it takes two people to have a communication problem. She always tells me that.

Mona Mowafi: To have a communication problem?

Seif Abou Zaid: Yeah.

[laughter]

Seif Abou Zaid: Yeah, so I mean, leadership and communication plays a great role. I’m also a policy student so we always talk about the importance of leadership and communication and creating this kind of trust and how it’s a rule of thumb that good policy could sometimes be about politics, right? And it’s always because the leader or the politician is unable to sell their policy in the right way, or unable to communicate the good consequences of their policy in the right way, to the stakeholders that are engaged or involved in whatever the matter is. So I think Egypt has been unlucky during the past several decades with finding this kind of leadership and this ability to communicate and build trust amongst the several stakeholders. I see in the political and the economic and even the social realm that all communication and these kinds of relationships are always a zero sum gain. So I either impose my will and I impose my opinion or get the same treatment the other way around. So I think we need to create this kind of breed of leaders who are able to communicate and I think us as entrepreneurs have the main responsibility to show that, to show that actually having a civilized conversation and having the right communication tools can actually lead to more growth, more success and so forth. And this is how I see trust…

Mona Mowafi: Building.

Seif Abou Zaid: …building, yeah.
Mona Mowafi: On that same topic, you’re a political economist, you study distributions of power and inclusion and exclusion. What are your views in terms of the possibilities of bringing together actors?

Amr Adly: Well, I’m sorry to disappoint you for disappointing her. So yeah, it’s very complex at this point. Well, I don’t really think that the issue is about getting people to sit together. Like there has been this (inaudible 39:07) actually of bylaw and like communication and there is an element of struggle really there. We have an issue of political and social marginalization actually even of social marginalization and this is what we learned through the last four or five years, the change in the political system, or trying to change it, does not really translate into some bigger change of like older, more established patterns of marginalization that have to do actually with the country’s history throughout the last 200 years of like top down (inaudible 39:45) modernization. This is pretty much what you are suffering from and I suggest that you start talking to the president, by the way, so that you get these issues like solved. You need to, quickly. So this is pretty much the issue. I would just like to pick the thread from what Seif was saying about the scale up problem because I don’t think that we are facing a problem with starting up in general. We are dealing with an economy that is quite de facto deregulated as a matter of fact, so it’s not that we are having a problem of State overregulation or State intervention. Many of the sectors are quite informalized in many ways and it’s not just that the entities themselves are not formal, because in many times they are legal, registered or whatever, but then the way people interact with each other, the way economic transactions are done, are usually very personalized, very socialized and thus, quite informalized. They are designed in a way, because of the lack of trust actually with the State, so that all the information is kept away from the State and we ended up actually with this situation where you have an economy where like private actors are the ones that produce and distribute most of the value, however, it’s pretty much a sub-optimum, like it’s a sub-optimal, low, low equilibrium. It like functions where like people can start but then they cannot scale up, where jobs are created by most of them are of low productivity, low wages, quite the informal, and it’s this situation where the economy functions but it’s not really growing, it’s not really creating enough jobs, it’s not creating jobs that (inaudible 41:27) like the people, because the problem in Egypt is not really with unemployment, it’s more of with under employment, where like people who will receive some education they don’t get to use it at all in earning the living. So they end up with some like low productivity, low wage job. So we have issues with access to the major, like the main, very classical like inputs for production, like access to capital, be it financial, physical capital and land, and access to human capital, like mainly labor, skill formation, etc, and the three of them have to do with these very deep patterns of marginalization that just go beyond the State being biased, or something. It’s like fixing this is going to require more than some legal change or some like change in the formal realm which actually does not apply to how people function, however, you cannot do it without the State either so it needs some kind of
like the right mix, the right mold of articulation actually, between the formal and the informal so the things can kick in actually. So with access to finance, for instance, we have a bank-based system that is basically there in order to lend money to the government. It’s as simple as this. And this of course crowds out the private sector but not all of the private sector. It crowds out mainly the broadest base of the private sector where it’s very hard to find or to actually secure bank loans, because again, informality here works against the interest of entrepreneur, so the bank doesn’t know anything about the person, it’s too costly, too risky to deal with them, and you don’t have non banking institutions that are well developed and so you end up with, like this dependence on these personalized finance, like family-based, friend-based, which is good because it keeps you surviving, but it doesn’t really help you to scale up. So here comes like this kind of (inaudible 43:31) that we need. With the case of land it’s like much clearer and it’s pretty much linked to what you were saying actually about the, both of you were saying about the issue of land, so Egypt is a country that has, I think it has one big thing, space. It’s like all the people are living on like 4% of the surface area, so 96% is simply in the desert and the only potential actually for the economy to expand is by accessing this abundant, cheap, should be cheap plan, actually, in the desert. It’s actually not cheap, it’s actually not abundant, there’s this artificial scarcity that is created by State policies that have been there for like 40 years where the State is dealing with land in a way in order to, it’s dealing with it as an investor as a matter fact, like they’re just like trying to secure the biggest trend possible in order to make it available to people that can produce something on it, for agriculture, for tourism, or for services. So that’s one of the reasons why a city like Cairo, and getting to greater Cairo including Giza for instance, where they have access to desert land, because they are directly, like they have desert borders, however, they have no mandate over this land, because of the way the whole system was established, so that it becomes very hard to do anything, including for the (inaudible 44:50) themselves, like the people that are governing the cities themselves, they have no access. You have like another body that is in control of the desert land. And of course this body, by the way, the government has been very happy because it could actually get the treasury 60 billion Egyptian pounds last year out of selling public land to investors. So the State itself is like selling public land in a way that makes the land very scarce and very, very costly with an extremely negative impact on the overall economy because simply you are denying people, for social as well as for economic purposes, and just investors actually there’s a problem with housing. So you end up with like informal settlements for instance, like people just take over plots of land, like public land, illegally they have it, they build shanty towns on it and that’s it. So these are like other problems but then it’s not always just about getting the State out. Sometimes you need the State in. So with the human capital this is a typical case of market failure, where you need the State to come in to invest heavily in education and in vocational training. It’s as simple as this, because this is the only way through which you can have cheap labor, which is already the case in Egypt, but we have like an abundance of cheap, unskilled labor,
and this is one of the biggest State failures and market failures and it seems to be like pretty much like one of the critical issues that need to be tackled for like this, it’s like this link between like the public health of the economy, etc. and the private, like the micro and the macro.

Mona Mowafi: So taking it then to that larger strategy, Heba, you and I were talking earlier about comparative countries, and the role also of, you articulated, having a clear definition of need. And Mohamed, you mentioned taking an evidence-based approach as well. This past weekend world leaders gathered at the United Nations to discuss the sustainable development goals. For those who are unfamiliar, it’s sort of a set of goals, 17 goals basically to end poverty all around various parts of development, health education, environment, whatnot, for the coming 15 years. What Judith Rodin, the president of the Rockefeller Foundation noted in a blog a few days ago was that this agenda would require trillions of dollars, but all the government pledges towards this agenda, and global foundations, amounts only to the hundreds of billions. Therefore we have to be thinking about creative ways of finance, and a lot of people are saying now that meeting any development, this is all pie in the sky if we’re not talking about innovative means of finance for this development agenda. What can be done in order for us to focus our attention a bit? You described earlier a diverse entrepreneurial ecosystem if you had to define it. How can we start to consolidate what’s happening on the ground, which is creative and which is important, but to meet national development needs in a more real way and in an evidence-based way?

Heba Elgazzar: Well, I'm hoping to get an answer from Amr. I don't have, I'm sure there’s better people placed. I think based on what we were talking about earlier, Mona, there’s a tension between giving the space to allow and to continue taking those risks that Seif mentioned, versus pooling a portion of some of our startup costs, or some of our administrative costs, towards very defined couple of objectives for the next ten years, because the critique, for example, against the sustainable development goals is there’s, I don’t know, something like 340, including all the int…

Mona Mowafi: (inaudible 49:01)

Heba Elgazzar: Yes, so the costing of that is enormous. The implementation that’s going to be needed is also enormous, but also the relative priority is very different from country to country. So by need it means there is going to need to be a space where at the regional level and the (inaudible) level in Egypt, there are very specific needs to each governor, you know, also change by day, so there’s going to be a need to decentralize some of that decision making and finance generation, at the very local level, and there’s going not be a need for certain other objectives to remain financed at scale, if you will, where some of those entrepreneurs or some of those innovators will have to, in a way, compromise maybe some of the time or
some of the energy channeled to that creative space towards these goals and why is that? Really it’s basically economies of scale, you know? We have the ideas and I think even Egypt has more than enough funding available. I mean, you mentioned the informal sector. It’s not just the taxes that aren’t being collected, but it’s also in kind, right? There’s resources in kind. It isn’t just literally cash, but it’s the value of those assets that we have that are monetized, that are contributing to the resources needed to rather, you know, achieve whatever education or job creating goals that we have, but it’s the lack of an articulation of one to two really critical things. I mean, everything can’t be important and that’s the same critique against the sustainable development goals, and in Egypt everything cannot be top priority. You know? That doesn’t mean that we don’t think there are a lot of priorities, it just means that, okay, are there one or two things that we can collectively work on in the next 15 years, maintaining the creative space and maintaining the energy and not impinging on entrepreneurs and incubators, because that’s where our next big ideas will come from, but are there one or two very clear things that everyone can contribute to? And I personally would say that I think education and specifically better job creation are by far, I mean, there’s no question in my mind that that supersedes any other sort of objective and all roads can lead to Rome, so it’s not to say that entrepreneurs acting and operating in certain diverse sectors shouldn’t continue to contribute, but can they contribute in addition to these one or two very clear needs? So the question becomes, how do we get to those? I mean, I think all of us probably can agree on a few, but what is the platform that we can channel and say, okay, here’s my contribution. I mean, we all pay taxes if you live in certain countries you probably get, you know, that’s my contribution to the social contract. That means I keep the space but I contribute. But we’re not having this clear, unified platform and I don’t think it’s necessarily the government that has to lead that.

Mona Mowafi: I’m gonna open it up to the audience for questions as well to get you engaged as Seif was alluding to earlier. And also I wanted to throw in the mix to think about, you know, where are our private actors in our civil society, our philanthropists, our private equity investors, our Bill Gates types? Where’s the stomach for that sort of leadership in transformative philanthropy and investment and impact investing in Egypt? And doing that alongside you know, basically doing that alongside government funds or others, you know, that are sort of semiprivate, semipublic. There’s the (inaudible 53:01) fund that we heard about that we, you know, don’t know where it’s leading but it has a lot of possibility…

Amr Adly: Nobody knows.

Mona Mowafi: …you know, in thinking about creative solutions to finance? I’d be very interested to hear more also about, and think together, even as (inaudible 53:18) how can we bring those actors to the table to think about, to think about that sort of change? Let’s go ahead and start taking questions, in the front here.
Man: Thank you very much. (inaudible 53:33) Mona you were talking about the elephant in the room. The biggest elephant in the economy in Egypt is the military. How does the control of the military, of more than 40 to 50% of the economy, influence other sectors, other contributors, and how does the military’s denial of acknowledging even the existence of potential partners by adapting an attitude of paranoia, like the investment you’re trying to make, right, is met with paranoia. If we are ruled by paranoia, and the objective is to create fear, to subjugate the population, how are we talk about the (inaudible 54:22) of economy when there is no partnership between the leaders, who hold the power by force, and the populating that is struggling to survive?

Mona Mowafi: Who wants to take that?

Amr Adly: (inaudible 54:38)

Mona Mowafi: Yeah, go ahead.

Amr Adly: Yeah, sure, I’d be happy to. Well, I do disagree actually with like the military is the elephant in the room, because even though we don’t have much information, but them, the 40, 50%, actually like the estimation that was given by (inaudible 55:00) and this was like 40 years ago, it was something between 5 to 40% and the variance actually like dissuades me from taking the thing seriously, and of course like that was like 40 years ago. We don’t have enough information about this but then the military has a strong presence in many sectors. It has actually a presence in many sectors but it’s not that strong, it’s not that big at all actually, when it comes to like the, I think it’s a myth of like crowding out the private sector. If you take a look at many of the activities in which the military is operating, like cement for instance. So the military has a cement factory that produces around three million ton of cement a year, out of 50. And actually 80% of the cement is dominated by two MNCs. Same goes with fertilizers. Same goes with consumption goods. So actually the military is not that big when it comes to crowding out the private sector. The problem with the military I think is actually with the assets that it is controlling, for like national security and defense purposes, and that are either kept completely out of economic use or are actually being approached in a very (inaudible 56:15) way, like trying to maximize the rent that can be got. And this approach, by the way, is not confined to the military. This is like pretty much the attitude of the State in general, and possibly it has to do with the fact the State cannot collect taxes, so they just try to generate as much money as possible from their (inaudible 56:40) and very broad mandate. So I don’t really think that the military is the main problem in the economy. Maybe it is the main problem in politics, possibly. Another thing is that I don’t think that like (inaudible 56:54) is the main problem again with the development. Like you have many cases where development could be achieved under an (inaudible 57:00)
system. Of course this is very bad, bad news, but it's there. If you take a look at China for instance, and it's a country that has been growing, with the rare exemption of (inaudible 57:15) has been growing for like 40 years, where you had like a, well, like a Marxist, Leninist, like totalitarian party, and you have like very high levels of corruption, absence of rule of law, property rights are not formerly protected, but like Asian capitalism has been growing this way. So one of the problems I think is that we reduce everything to politics. Politics is very important here, but... politics is very important but then it's not about formal politics, really. Like there's no doubt that like no matter how big or small military, like the military, no matter how small or big the economic resources that the military is controlling, should be brought under civilian oversight if we are talking about any need for democratic shift in Egypt, but then that is something that is completely different and this is like on principle basis, it's very different from talking about the military being the main economic actor because it is not actually the main economic actor. It's a factual thing, it is not the main economic actor.

Mona Mowafi: So I actually want to take several questions at the same time because we might see some themes in here. Oh, my goodness. We'll take the first one in the front, yeah?

Man: Hi, Greg (inaudible 58:40). My question is for Seif. Can you say is there any movement in state educational institutions to teach entrepreneurship at this point and if not, is there programs that maybe more established entrepreneurs will come to the universities and actually maybe give seminars to students about entrepreneurial skills and things like that? I mean, what is the state of play right now between state education and the entrepreneurial class?

Mona Mowafi: Thank you for that. In the back, middle? I'm gonna try and move around the room so everybody feels loved.

Man: (inaudible 59:30) Consulting. During the film I heard one very disturbing statistic. It seems to me that the real elephant in the room in Egypt remains as it has been for many years, the population concern compared to the resources. Indeed, job creation would have been sufficient to cover the population that was living in Egypt when I lived there in the 1970s. The statistic I heard in the film was that women were being driven out of the workforce, particularly married women, and that 78% of the women are unemployed and that strikes me is that could potentially have devastating impact on the successful efforts that have been made to reduce fertility. So my question is, first of all, any response to that and second, are there efforts being made to focus the development of entrepreneurial resources on the women and to take focused steps to bring them into the entrepreneurial class in order to reverse this very devastating figure? Thank you.
Mona Mowafi: Thank you. And we’ll take the last question on this side of the room. Any questions over here? Is that because our back is to you? Sorry. Okay, here we go in the front.

Man: I have a question about how do you assess the CC economic performance or in other words, like his projects, Suez Canal, the new capital, does it, like do you think it has an impact on people at grassroots levels? Thank you.

Mona Mowafi: Okay, let’s take those three and then also I’ll ask for the panelists to be very focused in response because there are so many questions it would be nice to hear more from the audience. So there was the issue of teaching entrepreneurship, and actually I had to piggyback on it a question also about the responsibility of this current wave of entrepreneurs as you gain your experience in the real world what is the responsibility to being educators for the next class of entrepreneurs, even outside the formal system?

Seif Abou Zaid: So the short answer is, no. But the long answer is that we happen to have Dr. Sherif Kamel in the room with us who happened to be the founding dean of the School of Business at the American University in Cairo and he was very, that was his main focus over the past years with the school. He was focusing on developing entrepreneurship programs that actually gave a lot of very good opportunities for young entrepreneurs to develop their skills and create knowhow for their own enterprises, but that is like one example of I think it’s the only university, and it’s a private university, a nonprofit, as you might know, but it’s not on State level. So on the State level it doesn’t exist. And I have to actually use this chance to sort of cascade this example over other segments as well. So we have in a governorate like (inaudible 1:02:55), for those who don’t know (inaudible) has one-third of the, I don’t know what do they call it, the author…

Amr Adly: Antiquities.

Seif Abou Zaid: Antiquities of the whole world so it’s the main tourist attraction in Egypt and they don’t have a tourism school. And this happens throughout, in so many, many segments. So I was taught by one of my professors that lack of policy is a policy in itself and I think this is something that we need to look at, because if you’re not teaching entrepreneurship and you have a youth bulge, as a lot of people like to call it, seeing it as a problem or depicting it as a problem, then you have to ask yourself questions beyond the education realm. And I have to also, if you allow me, add one more thing. I wasn’t focused at all. I’m sorry for that. We talk a lot about democratizing politics which is of course very important as you all might agree, but there are things that supersede or actually go beyond democratizing politics. We also need to democratize entrepreneurship, we need to democratize education. I can assure you that the oppression regime we all complain from, and the oppressive
ideas we all complain from, start at school, in Egypt, so teaching students that they
don’t have a choice and teaching them that they don’t, cannot have their voice and
they have to abide by the rules and they have to comply with anything being said to
them, is more oppressive than not having a fair election or the other stuff we’re
talking about. So breeding democracy starts in nonpolitical realms I have to say. So
this is something that we also need to look at more realistically and think about when
it comes to policy and the role of other actors in the State, and I’m sorry for being too
long.

Mona Mowafi: No, and I think that that would probably carry on into the discussion
about women and inclusion as well, although women do participate as entrepreneurs
in the Middle East at a higher rate than even in the United States so it is sort of this
interesting catch where you are seeing women very much taking the lead as
entrepreneurs as well and engaging, but at the same time overall rates of
employment among women is still very low. One other thing quickly just to give
credit to some of the organizations that are doing work in entrepreneurship
education you have nonprofits like (inaudible 1:05:32) that are all over the country in
all of the governorates doing education now. (inaudible), well, a lot of capability
building organizations so you know, (inaudible), (inaudible), (inaudible). There are a
lot of organizations that are doing work, but (inaudible) in particular is doing
entrepreneurship education, and they’re doing it at the high school level now, and at
the university level. And we actually have in our fellowship program a product of that
so we’re focused on scale up social enterprises that are at the growth stage, and it’s
great to be able to feed from, you know, these other programs that are doing this
work on the ground but they’re not happening in the schools formally. There was the
issue of resources and population and then overall economic performance, but
again, your focus on Suez Canal and the new capital, those are those large
macroeconomic state infrastructure projects that’s not so much…

Mohamed Zaazoue: It’s way beyond the level of the entrepreneur to have any say in
it.

Mona Mowafi: Right. So I don’t know, I mean, I didn’t know if you wanted to sort of
stay in that or if you wanted an assessment over, you know, anybody want to bite on
that? Yeah.

Heba Elgazzar: Well, I can maybe answer both in a way that question but also the
question about population growth and women as well in terms of the labor force.
Sadly the
Middle East and North Africa region is by far hands down, when you look at all
indicators, has the lowest female labor force participation bar none in the world. And
that includes, you know, high income, low income, middle income, so there’s a
systemic issue and I think it’s related to three things. When I mentioned education I
meant it in the broadest sense. In every analysis that’s done longitudinal, horizontal, up, down, shows that women’s labor force participation is strongly correlated with education, but in a very broad sense. So I think it’s in terms of three, if you break down education in three ways and you see it, you know, whether it’s Korea’s impressive promotion of both, you know, their economy but also women’s labor force participation which started at the same level that the Middle East did in the ‘60s, in three ways education is that promoter, both in terms of health, and you have an expert here, in the broadest sense in terms of information and access to health and access to information, but also access to public spaces. And we have a big problem with that and that’s what I’m gonna sort of, my segue to that, we have a big problem in Egypt for not just public spaces in general, but specifically for women’s access to public spaces, which enables them access to markets, it enables them access to information, to health information, and word of mouth we know is the biggest way of sort of empowering others, but in terms of the big projects, those mega projects, the theory is that those megaprojects spur activity at the grassroots. They bring in the entrepreneurs, so they’re supposed to pulls. Now the question is really, I think the elephant in the room is cronyism. The barrier to that happening is whether they’re captured, whether these big projects, those mega projects, are captured or whether they have those, whether it’s through policy or deregulation, ladders to enable those entrepreneurs and innovators to be, you know, to come. I read a statistic that in Egypt 70% of employment creation is in three main sectors: hospitality, right? Construction and services, miscellaneous services. Now those three, you know, are usually satellites around these big mega projects and it’s usually entrepreneurs and innovators and micro firms and SMEs that are functioning in those three sectors. Right? So hospitality or again, in the broadest sense, services, which may include some of our panelists here, but then obviously construction. Those attract. Now we’ll see if that materializes. So in terms of assessing economic performance it could be you know, do you boost women’s labor force participation, that could be an indicator of these mega projects or of other sub projects. You know, do you boost growth, do you generate other, you know, do you improve health outcomes in those? That’s another economic indicator of health. So we’ll see.

Mona Mowafi: Thank you. Let’s take more questions, in the front, in the middle and in the back.

Man: Thank you all the panelists. My question is to Dr. Mohamed concerning, you have already accused your fellow Egyptians as they do not want to work or do not want to apply for work. I don’t think it’s right because as you know the whole system is corrupted. Most of the graduates already, as you know, and you know more than me, have nothing at all and have what we call it unskilled labor, right? And also why did you do so and accused him of indifference or uncaring about their future jobs or something like that? You have done the same thing. At the same time you didn’t even use your plan B or step two if you found that that person doesn’t respond
positively to your, to your plan or to what you have planned for in your project already, so why didn't you take another step forward to another authority or another in order to implement your ideas already? Thank you.

Mona Mowafi: Okay, and in the middle here.

Man: Thank you very much for a great panel. Ross Harrison. In the previous panel there was a discussion about the amount of money that had flowed from the Gulf to Egypt, about 30 billion dollars, so obviously the Gulf is making an investment in Egypt's future. So I guess in terms of entrepreneurship the question is, is there a way for entrepreneurs or incubators to sort of feed off of what's happening in terms of entrepreneurial activity in the Gulf or in Turkey and other countries which could either serve as markets or as sort of feed off the economic growth that's happening perhaps at a faster rate elsewhere in the region? Thank you very much.

Mona Mowafi: Thank you. And the final question was in the back in the red shirt.

Man: Thank you. Isaac (inaudible) from American University. First off, thank you for speaking to us. And on the issue of education my question is, I guess, is it the educational system that isn't providing the right skills or is it the economy that isn't moving to match the skills being taught in the schools, which side would be easier to sort of solve or work at, and sort of related to what opportunities exist for Egyptians to study outside of the country, possibly accessing better educational systems? Thank you.

Mona Mowafi: Okay. So we have actually two questions that are really around education and employment and the link, so why couldn't you find those right people and your reaction to that and then also again, this mismatch. And then the other on financial flow so let's take the first question kind of together actually.

Mohamed Zaazoue: I'll try to be quick to answer the three questions related to me. So I'm sorry if you perceived it as an accusation to the Egyptian people. Of course I didn't mean the 90 million Egyptian people but I advertised for the three positions on our Facebook page, which has 16,000 people and on my own page which I have 1,500 friends. So at least it has reached 17,500 people with absolutely no applicant. So this was what I meant. Regarding taking it to another authority, if you mean by the Ministry of Education, there's actually a bottleneck when you're a nonprofit trying to deal with an education entity in Egypt because, I will give you an example, that when I say a man with a low IQ dealing with nonprofits he said, "I think I know him," so it's the same bottleneck so I can't go to someone else. Otherwise I would do what was in the video and use the (inaudible 1:14:35) or I go talk to the (inaudible) or the presidential office and tell them I want to put my cartoons in the schools and I can definitely do that, but this won't solve the problem of, there has to be a process that's
smooth and streamlined for whatever activities that are beneficial to the community to work on and I don’t believe in (inaudible 1:14:55). Honestly, I don’t believe that someone who doesn’t deserve to get a certain position would just get it because he knows someone. I’ve done this in my med school, in my work and definitely I would do this in my organization. Regarding, there was a question about the population that it is a problem that we are almost 90 million people. As an economist you might agree with this, but honestly I don’t agree and the examples China. It has ten times more population and it’s still at least ten times more productive than we are. It’s just about how you invest in these populations and this gets us to the third question which is the Gulf funding and the Western funding to the country. There were economists before me that were asking for more drones or more weapons to the country. As a doctor I can’t agree with this. I can’t agree with killing someone. Hopefully he would be educated enough that he wouldn’t be a terrorist, but I’m definitely against wars. But I would really hope that I would see the Gulf countries and the Western countries invest more in our schools, in our universities, in scholarships, the Fulbright Scholarship, the (inaudible 1:16:05) Scholarship from the UK. J1 exchange visas, students to come here and be educated and then find our Minister of Education to be a Harvard grad or our Minister of Finance to be someone educated here. This would definitely benefit the country more than sending weapons. Again, I don’t have a say in whether we get weapons or not, but I’m talking about what I really believe in that if we have better schools, if we have better hospitals, if the US invested in a state-of-the-art hospital in a very remote area in Egypt, just like Professor (inaudible 1:16:40) did from, he’s an Egyptian surgeon who came from the UK to Egypt and opened a hospital down in Aswan which is very, very far, the farthest point from Cairo, and it is the best cardiothoracic hospital in the country. So if we have a (inaudible) new research hospital in Sinai I’m sure the people there instead of picking up weapons they would go and work in this hospital to benefit their community and to see the influx of Egyptians from other parts of the country come to their hospital so that they would be hospitable to them and provide them service and so on. So I have a very strong belief in investing in people and in developing the communities and this would definitely solve the terrorism problem and any other problem more than the weapons.

Mona Mowafi: And then we’ll move to closing comments.

Amr Adly: Yeah, sure. So about the problem with creating jobs. Like the conventional like World Bank perspective has been that there’s this mismatch between skills and it’s definitely there, but then like more recent studies are showing that the problem is that the economy doesn’t have enough investment, be it private or public. And this actually gets us back to what we are talking about and how we can use the money, either within the country or the money that the country receives. Egypt is a country that actually has never had a problem with accessing capital, foreign capital I mean, like in dollar money, but the problem is that most of this
money has flowed for the wrong reasons, or like for the wrong purposes. So I think that the problem is mainly institutional. It’s not about accessing capital per se. Yeah, that’s it.

Mona Mowafi: I wanted to focus, we’re gonna move to close this session because I think we’re out of time, but I wanted to get back to the actual theme of the conference, which is unlocking potential. So we’ve talked a lot about what the risks are, what the barriers are and in some cases also how to reduce those risks. I’m curious, from each one of the panelists, if we remove those barriers what would be the Egypt that you see? What is the potential that you see there? And I want to start with Heba and move down the line and then we'll close.

Heba Elgazzar: Wow. That’s not a small question.

Mona Mowafi: No, it’s a big one.

Heba Elgazzar: Well, I think just coming back to the example I mentioned earlier, the trajectory, you know, it’s a choice. I think yes, there’s a lot of challenges in Egypt but we were brainstorming earlier, there are also a lot of wonderful examples that have happened and that are happening now. So the example of Korea, you know, in 40 years’ time it’s on a completely different trajectory than it was in the ‘60s. So I would imagine that, you know, if the cronyism and corruption is addressed in Egypt at all levels, I think the landscape will probably be a much more decentralized Egypt. I think growth will happen along the Nile, probably in the 96% that isn’t inhabited hopefully. And then thirdly I think that indicators like poverty, and women’s labor force participation specifically, should change dramatically. So for me those are the two indicators of economic performance if Egypt were to get on a different trajectory because those are proxies of many other things. Those tell us that things like security are better because women can go out, for example. Women are obviously important to the educational system and health system. Clearly poverty indicators and inequality indicators are also strong barometers of the political system. So I hope that those are the two that show a different Egypt, you know, in 20 years’ time and maybe we’ll come together again here to see.

Mona Mowafi: And celebrate, yeah.

Amr Adly: Well, I think there are like three things that can help a lot in breaking the spiral in which we have been caught for some time now. The first has to do with enabling the State to collect actually more taxes so that it can increase its tax revenue. The second is using these taxes mainly from property and higher income and to financing public investment instead of public consumption and this covers actually education, healthcare, vocational training together with infrastructure, and the third actually which is something that can be done in the short term actually is
widening access to assets, especially land. This is something that can change lots of things in the economy in the coming, like in the medium to long term.

Mona Mowafi: Mohamed, what is the Egypt you see if these barriers are removed?

Mohamed Zaazoue: Well, the Egypt I see is basically the dream I started Healthy Egyptians with, and by the way, I started Healthy Egyptians as a med student, I wasn’t graduated yet, is that health education, preventive health and public health policies would be incorporated in the culture of the Egyptians I dreamed that there would be a subject called health education given in each and every school in Egypt and the developing world and the problem is increasing. The US is not far away from this problem if you look at the obesity rates here as well. It’s very easy here to get a mega sized Coke than to get milk, for example. And that’s the same in Egypt and that’s the same in the Gulf and so on. So if health education is incorporated in our children they will grow up thinking differently and taking different decisions. I believe in a cartoon series, because cartoons, illustrations and anything that’s childish and innovative and lively it has a universal message. If you’re Chinese, Egyptian or American you would understand Tom and Jerry or Mickey Mouse and so on. If we provide these to our children they would definitely grow up healthier and the last thing is that each and every one here is interested in Egypt in a way or another. Each and every one here is a leader in his organization, in his institute, university and so on. If you believe with me that investing in the Egyptian people would be the future, please do look for someone young Egyptian enthusiast leader and help him to be a better leader in his community. Give him an internship or a scholarship or even a job at your place and let him learn whatever activities and skills you have so that he would take this back to Egypt and help build the country.

Mona Mowafi: Thank you, Mohamed. Seif?

Seif Abou Zaid: I see an inclusive Egypt where everyone has the chance to go up the ladder, socially, politically, economically, and always, where is actually a government that harnessing the energy of all the non-state actors. I mean, whether the private sector, demographically like the youth segment and other sectors of society or otherwise, and I see entrepreneurs taking their responsibility of creating or breaking the barriers into this kind of social mobility, because I believe this is the, again, the idea of not only democratizing politics, but also democratizing education, entrepreneurship and so forth. So I basically see an inclusive Egypt. I think inclusive is the key word, where everyone can speak and be heard.

Mohamed Zaazoue: I totally agree with this.

Mona Mowafi: And I’m gonna jump in as well as we close and say I see a dynamic Egypt emerging, where you know, in the media we get one picture particularly in the
West, but what’s so exciting and I would say definitely was spurred after 2011, was a sense of collaboration and cooperation among many of the organizations that are doing this work on the ground, especially in the entrepreneurship ecosystem, and in thinking collaboratively about how to grow this space and how to build partnership across sectors in order to make this, make the impact that we seek as a country. So I think that, I want to also plug in that spirit of vitality, the type of events that are happening on the ground. So in December there will be for example something called the Rise Up Summit. I’m sure (inaudible 1:25:32) will be happy that I plugged it. On December 12th and 13th in Cairo, but these are the sorts of things which is a huge, you know, couple thousand people gathering in the Greek campus of the old AUC campus downtown. All entrepreneurs or investors or you know, policy people, regional actors, is a big focus this year and bringing in global actors as well and stakeholders and thinking together and working together on pushing forward this entire ecosystem. So there is a dynamism and there’s a lot of work that’s happening on the ground and it needs the support of the people in this room and it needs also to be a part of the conversation and the story, so that the story is not just overwhelmed by the negatives, which do exist and do need to be addressed but also that highlight the positive stories of all of the amazing work that’s happening on the ground. So thank you, Middle East Institute for having us and thank you panelists for doing the work that you’re doing.

[applause]

01:26:38 discussion ends