



*Empowered lives.
Resilient nations.*

The Political Economy of Public Administration

A STUDY OF THE ARAB TRANSITIONS

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Executive summary



Libyan women sing as they wait to vote in the 2012 elections. (Photo: UNDP/Samia Mahgoub)

This paper aims to address the important role of public administration (PA) reform in contemporary Arab states through a political economy (PE) perspective. Since 2011, international attention has focused on the political and security aspects of current developments, often leaving PA reforms (PAR) overlooked. Yet, they have significant impacts on the ability of states to respond to challenges they face. The report builds on and adds to the current knowledge base on PA reform in the region, particularly as established in a previous UNDP report “*Opportunities and Challenges for the Reform of Public Administration Arising from the Arab Transitions*” (2014). The paper serves as background for the UNDP-sponsored Regional Conference on Public Administration Reform in the Arab States, taking place in October 2015.

Political economy analysis refers to the study of the relations between political and economic processes such as incentives, relationships, and the distribution of power between various interest groups in society.¹ In recent years, the importance of political economy analysis (PEA) in influencing policy reforms has been widely recognized in the literature. The PE framework is particularly relevant to studies of PAR, as PE considerations have a large influence on whether, and to what extent, reforms are implemented.²

The objective is twofold: 1) to identify and analyse key political economy variables which affect PA reform and 2) to identify drivers and obstacles to PAR in the MENA region, in order to allow policy makers and the international community to address these in the future. To do this, the report examines PARs in four countries in the

region, which have all undergone significant political transitions since the Arab uprisings in 2011: Tunisia, Egypt, Yemen, and Libya.

UNDERSTANDING PUBLIC ADMINISTRATION REFORM THROUGH POLITICAL ECONOMY ANALYSIS

The study identifies six political economy aspects related to PAR: the actors involved, content and provisions of the reform, salience of the reform, integration of reforms into a broader reform agenda, sequencing of reform implementation, and the country context within which the reform is implemented. The analysis shows that not all of these variables are equally important. Country context, actors, and salience impact PAR obstacles/drivers the most. Indeed, the analysis yields three key findings:

- The outcome and traction of PAR is a result of political battles.
- The outcome of the political battles is shaped by a) the strength of **actors** and their ability to act, and b) the **salience** of the reform among actors, that is, the importance placed on a particular reform by actors, affecting the intensity of incentives to support/oppose the reform.
- The actors’ ability to act and the salience of the reform among actors are in turn shaped by the **national context** within which they operate.

The three remaining PE variables (timeline, integration and content) are, while important, not identified as key variables to understand PAR processes in MENA.

1. (Luttrell & Moncrieffe, 2005)

2. (Grindle & Thomas, 1992) (Beuran, Raballand, & Kapoor, 2011)

Integration and timeline are not key variables as they are the result of political battles that shape PAR and are not factors that affect the battles. Reform content does affect the political battle that shape PAR, through its effect on reform salience. The report finds that the way reform content affects the level of support/opposition a reform meets can be captured through an understanding of reform salience as a key variable.

KEY LESSONS LEARNED FROM ANALYSIS OF THE OBSTACLES AND DRIVERS OF PAR

To identify drivers and obstacles to PAR in the MENA region, the report analyses the three key PE variables across 16 case studies, of 4 specific PARs in the 4 focus countries. In synthesizing the findings of the specific obstacles and drivers that each PAR meets, four overarching lessons emerge:

- PAR benefits from being placed within a larger, Whole-of-Government (WoG) approach.
- Firm reform leadership is crucial for reform success, and firm reform leadership requires clearly delineated leadership provisions and political will.
- There is scope for increased engagement in PAR from the international community, if implemented with sensitivity to two core risks: risk of political tension caused by donor support and risk of donor support treated as a substitute for public support.
- Greater efforts to include citizens, and to address the failure of most reforms to include citizens, are needed to uphold public support for PAR.

PAR benefits from being placed within a larger, Whole-of-Government (WoG) approach

Packaging specific PAR within larger Whole-of-Government initiatives, where public service agencies work across portfolio boundaries to achieve a shared goal, provides impetus for specific reforms and supports progress. The report, particularly drawing on the case study of Schools of Government (SoGs) reforms, offers support for the benefit of adopting an integrated approach to public administration. The WoG approach aids reform as it helps create a coherent vision that identifies, articulates and advocates the reform benefits, and can help explain the aim of the reform to involved actors, thereby increasing the potential for support. In Egypt, the SoG reform was placed within the broader scheme of decentralization and local development, forming part of the explanation for why Egypt is the only country out of the four that have seen sustained progress in SoGs.

POLICY OPTIONS FOR THE INTERNATIONAL COMMUNITY

Support the packaging of reform within broader reform initiatives. In practice, build support initiatives similar to UNDP's support of LARU (the Local Administration and Reform Unit) in Egypt, which is supporting specific reform initiatives such as training of public officials within a greater decentralization reform. However, in supporting the placement of specific reforms within greater reform initiatives, be cognisant that the success of placing specific reforms within WoG initiatives hinges upon two main caveats. Firstly, it hinges on support for the greater reform program, and if the greater reform programme is politically sensitive, the bundling of reforms may hinder reform progress in the less-sensitive reform. Secondly, success hinges on the report's second

lesson learnt: successful PAR requires a clear and delineated leadership (see below). When designing support, be cognisant of the two caveats, and strive to keep the scope of the specific PAR focused, with realistic and well-defined targets, even within the grander reform scheme.

Firm reform leadership is crucial for reform success; firm reform leadership in turn requires clearly delineated leadership provisions and political will

The importance of clearly delineated leadership is crucial for reform success. This is found in the PAR literature and, in this report, exemplified by the successful implementation of Egypt's reform for the reduction of regulatory burdens (the Egyptian Regulatory Reform and Development Activity, ERRADA) and of Tunisia's implementation of citizen-centric One-Stop-Shops (OSS). ERRADA was implemented under a central unit specifically created to lead the reform implementation across 12 ministries, and the successful implementation of citizen-centric OSS in Tunisia was created under a designated e-Governance unit under the Presidency. However, the delineation of clear leadership is not in itself sufficient for reform success – the leadership also needs to be recognized by other actors. This is exemplified by Egypt's experience of business-focused OSS, where the established leadership of the General Authority for Investment and Free Zones is contested by both the Industrial Development Authority and the Federation of Egyptian Industries, limiting reform progress. In this light, the creation of firm leadership requires two main components: clear leadership provisions and the political will among actors to support that leadership.



Secretary-General Ban Ki-moon speaks at a roundtable discussion with members of Egypt's youth movement in Cairo. (Photo: UN Photo/Eskinder Debebe)

POLICY OPTIONS FOR THE INTERNATIONAL COMMUNITY

There are two main spaces for the international community to engage, based on this lesson learnt: a) support the establishment of a unit in charge of the reform, and b) stimulate political will. For the former, this work can in practice be supported through the creation of an authoritative inter-agency board dedicated to the specific PAR. The practical work of the inter-agency board should include the leadership and coordination of the reform, and the development of inter-agency strategies for how to plan and implement the reform. For successful establishment, it is important that the steering body possess sufficient coordination and decision-making power to lead the reform. Concerning the latter, to stimulate political will, the process needs to be greatly tailored to the specific reform. All reforms create losers – even the most

technical of reforms can shift the power of one group over another in a fragile political environment – and therefore there is no panacea for how to create political will, but interventions need to be done recognising the specific power plays at hand. A mapping exercise of the different incentives that drive the key actors – electoral, identity-based or material – can provide a starting point for how to best support political will. Furthermore, the broader PAR literature finds that PAR is most likely to succeed if a main reform champion, at a high level in government, supports it. To draw on these findings in practice, the international community should spend time determining the main reform champion(s) of reform and the underlying incentives.

There is scope for increased engagement in PAR from the international community, if implemented with sensitivity to two core risks: risk of political tension caused by donor support and risk of donor support treated as a substitute for public support

There is scope for the international community to increase its engagement (which has thus far been limited in most of the cases considered here). However, the international community needs to be sensitive to two potential risks. The first risk is that international support may cause political tension among national political actors. This is in particular observed in the case study of Egypt's

A man examines posters and electoral lists in Tunisia's 2011 Constituent Assembly Elections. (Photo: UNDP/Noeman AISayyad)



ERRADA reform, where the support of USAID caused political tension among reform actors, slowing down reform implementation. The second risk is that donor support to reform can free governments from the need to consult with and obtain policy support from their own citizens. In this report, this is primarily observed during the implementation of Yemen's first phase of decentralization in the 1990's, supported by the World Bank. The decentralization was primarily an elite-driven process drawing on the donor support, with little support from the Yemeni population, indicating the risk that donor support may override local opinions and support structures.

POLICY OPTIONS FOR THE INTERNATIONAL COMMUNITY

As PAR is an inherently political area of governance, international engagement needs to be implemented sensitively. Therefore, when engaging in increased support for PAR, take measures to mitigate the two risks facing support (risk of political tension caused by donor support and risk of donor support treated as a substitute for public support). This can be done through establishing a well-defined role for the donor, for which the donor has financial resources and expertise. In practice, draw on best practices from successful cases of PAR support, e.g. UNDP Egypt's support to the SoG in Egypt, which has benefitted from operational support and technical guidance.

Greater efforts to include citizens, and address the failure of most reforms to include citizens, is needed to uphold public support for PAR

Citizen inclusion and public participation is one of the core principles defining the policy agenda at global and national levels. In the MENA region specifically, where

failures of past governance often are attributed to the exclusion of people's voices from policy-making processes, public participation is of particular importance. In PAR literature, the role of citizens most often concerns citizens' role as beneficiaries of public services, rather than advocating for citizens' actual involvement in PAR. The analysis partially supports this notion, as the direct participation of citizens in PAR is not of most importance – rather, the report finds that the key importance of including citizens in PAR is through gaining public support for reform. Reforms that have broad public support gain the most traction, as e.g. observed in the focus countries' decentralization efforts, and the efforts of the Tunisian e-Governance unit (leading the implementation of Tunisian citizen-centric OSS).

POLICY OPTIONS FOR THE INTERNATIONAL COMMUNITY

To stimulate and uphold citizen support, the international community should strive to support interventions that generate genuine commitment from the public. They can do this through providing support for interventions that a) show and make reform progress public, and b) enable citizens to form a full understanding of reform and reform benefits. Showing and publicising reform progress can instil trust in that the reform "is working", and may forge a change in attitude towards reform, ease the fear of change and encourage citizens to support the reform. Equally important in generating public support for a reform is enabling citizens to understand the reform, and in particular, understand the reform benefits. Therefore, coordinated public relations efforts and communication campaigns should be an integral part of reform strategies. These measures will help manage the public expectations on the reform and, if successful, increase the public support for change.

1 | Introduction



*With three-quarters of the Yemeni population under the age of 25, the future of the youth is the future of Yemen.
(Photo: USAID/YMEP/Malak Shafer)*

In the context of heightened political turmoil and economic deterioration, most international attention has focused on the political and security aspects of the developments in the Arab states – on elections, constitutions, conflict mitigation, and security sector reform – while the role of public administration has been neglected.

Since the beginning of the uprisings, starting in Tunisia in December 2010, the MENA region has experienced heightened political turmoil and economic deterioration. Out of the four focus countries (Tunisia, Egypt, Libya and Yemen), only Tunisia has improved on key socio-economic indicators from 2010 to 2013, with increases in both gross domestic product and Human Development Index (HDI). Yemen experienced a contracting economy, but an increase in HDI, whereas Egypt saw an expanded economy, but saw a deterioration of the HDI. Libya's economy and HDI both decreased significantly over the period.³ In the context of heightened political turmoil and economic deterioration, most international attention has focused on the political and security aspects of the developments in the Arab states – on elections, constitutions, conflict mitigation, and security sector reform – while the role of public administration has been neglected. This report is an effort to address this gap by helping to understand the possibilities for public administration reform (PAR) in the transition context.

To achieve its aims – to understand the drivers and blockages to PAR in the transition context – the report examines the process of PAR from a political economy perspective. Specifically, the report identifies three key political economy variables, bearing significant impact on the outcome and traction of PAR: the foundational and historical country **context**, the relationship and power structure among **actors**, and the **salience** of the reform, drawn from the importance actors place on the reform.

3. (World Bank, 2014a), (UNDP, 2014)



Libyans celebrate the ninety-third anniversary of the Republic of Tripolitania in Msallata in November 2011. (Photo: UN Photo/Iason Foounten)

To enable analysis of the transition countries' PARs that reach beyond generalised findings, four specific reforms in each country are presented as case studies. The four case studies were chosen to highlight specific, contextualized drivers/obstacles that the focus countries face. Together, these four reforms represent a broad spectrum of PAR types. The selected reforms are:

- Governance reforms: Decentralization
- Competency reforms: Schools of Government (SoG)
- Citizen-centric reforms / Market-inspired reforms: One-Stop-Shops⁴ (OSS)
- New Public Management reforms: Reduction of the Regulatory Burden.

The data collection for this report came from official government documents, existing reports, and newspaper articles in the four focus countries where country-specific researchers have been employed in each of the focus countries.⁵ These have allowed the team to access sources in Arabic, French, and English as well as conduct in-country interviews. In addition, key resource persons who have specific knowledge of the selected PARs in the focus countries have been interviewed (see Annex 2 for the list of persons interviewed and names of in-country researchers).

4. The OSS case study represents two PAR-types, as the report researchers 2 types of OSS: 1) citizen-centric OSSs focusing on providing improved service delivery to citizens, and 2) business-focused OSSs, focusing on providing a lean business and investment climate for market actor.

5. With the exception of Yemen, where the data-collection has been led remotely by a Yemeni expert.

The report identifies three key political economy variables bearing significant impact on the outcome and traction of public administration reform – and explores how such variables affect the trajectory and outcome reform.

Based on the case studies, the project explores how the three key variables affect the trajectory and outcome of PA reform. The goal is to recognize the importance and interplay between these factors, identify reform-specific obstacles and drivers, and note lessons learnt that help to determine a priori the likely obstacles and drivers to broader PA reforms.

The report is structured in two main parts. The first part, comprised of sections 3 and 4, delineates the political economy perspective that the report has utilized (section 3), and the findings that emerged when applying this perspective to the case studies of specific PARs in the focus countries (section 4). The second part, section 5, is devoted to the case studies that form the fact-base of the study. The section details the findings of the report's 16 case studies (4 reforms in 4 countries), showing how the three main variables are at work in the countries' reform efforts. Each sub-section in section 5 is structured according to the three key factors.

The report includes the following sections:

- Political Economy Analysis of PAR in the Arab States
- Key Political Economy Variables affecting PAR in Egypt, Tunisia, Yemen and Libya
- Case Studies of PAR in Egypt, Tunisia, Yemen and Libya
 - Governance reform: Decentralization
 - Competency reform: Schools of Government
 - Citizen-centric reform/Market-inspired reform: One-Stop-Shop⁶
 - New Public Management reform: Reduction of the Regulatory Burden
- Obstacles and Drivers to PAR
- Lessons Learnt
- Annexes

6. The report researchers 2 types of OSS: 1) citizen-centric OSSs (citizen-centric reform) and 2) business-focused OSSs (market-inspired reform)

2 | Political economy analysis of PAR in the Arab States

Tomorrow's leaders gathered in Cairo, Egypt, for the 2nd Meeting of The Arab Youth Coalition for ICPD in 2013. (Photo: Arab Youth Coalition for ICPD)

This section introduces the concept of political economy analysis (PEA), and how it has been used to analyse PAR in the scope of this report. It first places PEA within a frame for PAR analysis - drawing on the literature on PE and PAR – and identifies political economy variables affecting PAR. Next, three *key* political economy variables are identified, which affect the outcome and traction of PAR in Egypt, Tunisia, Yemen and Libya.

2.1 THE CONCEPT OF PEA

Political economy analysis refers to the study of the relations between political and economic processes such as incentives, relationships, and the distribution of power between various interest groups in society.⁷ In recent years, the importance of PEA in influencing policy reforms has been widely recognized in the literature. The PE framework is particularly relevant to studies of PAR, as PE considerations have a large influence on whether, and to what extent, reforms are implemented.⁸

PAR takes place amidst complex political and economic environments in which different actors, operating within a changing institutional context, interact as they pursue conflicting agendas. Political economy analysis offers a framework to help understand how these factors – the political and economic environments, the actors’ agendas, and the strength of the actors’ incentives to act – affect the outcome and traction of PAR. Thereby, PEA of PAR enables insight into the outcome a reform achieves and the drivers/obstacles to that achievement. By applying the PEA perspective, the report sets out to provide a deeper understanding of the process and

7. (Luttrell & Moncrieffe, 2005)

8. (Grindle & Thomas, 1992) (Beuran, Raballand, & Kapoor, 2011)

outcome of PAR, to complement the wealth of technical understanding of PAR treated in the literature on PAR (e.g. treating PAR outcomes as the result of the fiscal and administrative resources devoted to reform initiatives).

As highlighted above, a PE framework provides a useful lens in studies of PAR, as it enables understanding the dynamics of policy reform processes.⁹ Of particular focus is the power relations between actors, stakeholders’ interests, the latter’s support or opposition to reform, and the sequencing and timing of actions associated with policy reform.

2.2 POLITICAL ECONOMY VARIABLES IMPACTING PAR

In the literature, several important aspects of PE that can affect PAR are identified and discussed, centring on the incentives, relationships, distribution, and contestation of power between different actors and groups.¹⁰ Following a literature review, the report identifies six PE variables affecting the outcome and traction of PAR.¹¹ The variables are:

9. (The World Bank, 2008) (Pownall, 1999)

10. (Copestake & Williams, 2012) (Mchoughlin, 2014) (The World Bank, 2008) (Grindle & Thomas, 1992)

11. Note on gender: The report’s literature review has found that gender is not systematically included in PEA analysis, and only a limited number of studies incorporate gender perspective into the analysis (Studies that do apply a gendered perspective in PEA analysis include e.g. (Booth et al., 2006) and (Denney, 2011). Gender identities can be produced – and reproduced – by the processes of political economy, and there is therefore scope for exploring how political economy process affect men and women in future research. However, it is beyond the scope of the current report to thoroughly incorporate the gender perspective into the analysis. To accommodate for the importance of gender aspects of PE, while keeping within the study scope, the current report makes an effort to address how the PAR affect men and women differently, where possible.

- **Country context:** The country's socio-economic, political, cultural and historical characteristics, in which the reform is applied.
- **Actors:** The actions of key reform actors, as well as the power structures and relationship between players shaping their actions.
- **Content:** The provisions that the reform includes and the assumptions that underpin it.
- **Salience:** The importance that actors place on reform, and thus the intensity of their incentives to act, support and oppose reforms.
- **Integration:** Integration of specific reforms into a broader and/or national reform agenda
- **Sequencing:** The sequencing of reform implementation and its trajectory since initial reform decision.

Identification of political economy variables important for PAR in MENA transition countries

The six variables are tested across the transition countries in the MENA region (Egypt, Tunisia, Yemen and Libya) via case studies and in-field data collection covering the following aspects:

- **Actors**
 - Actors involved in reform process
- **Content**
 - Content of reform
 - Changes in the content over time

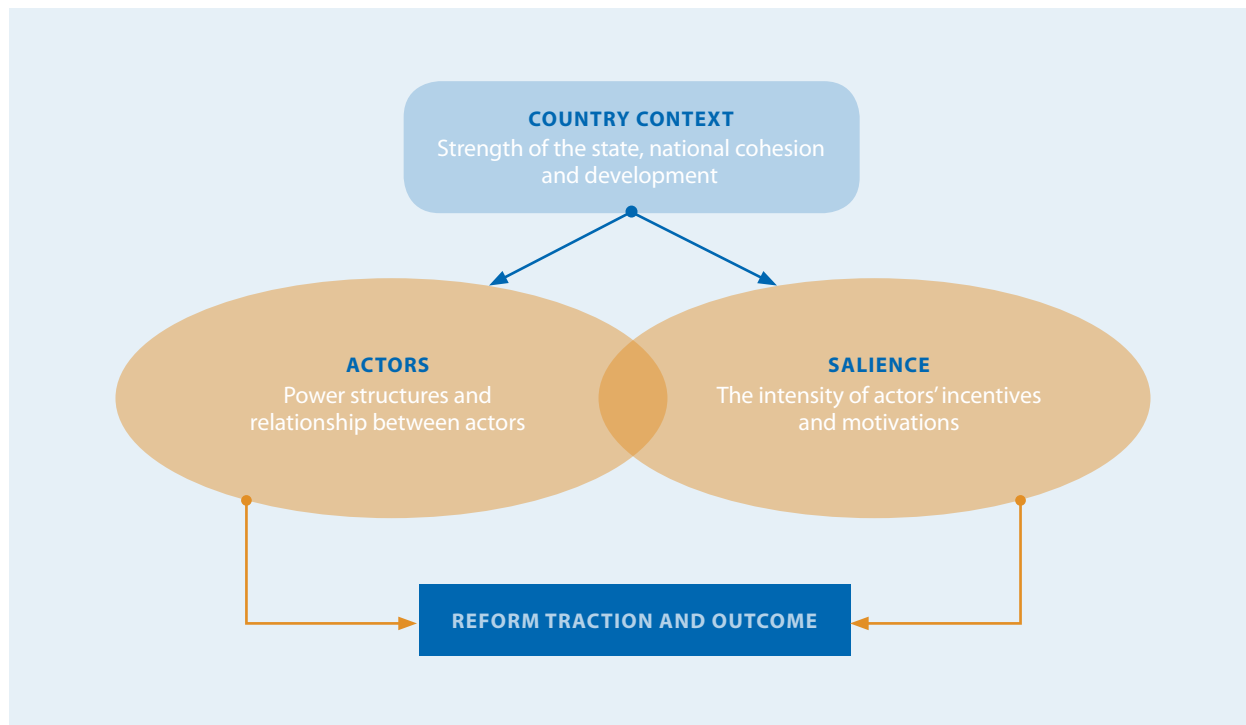
- **Salience**
 - Intensity of incentives and motivations for actors to support reform
- **Integration**
 - Inclusion of reform in greater national reform initiative
- **Sequencing**
 - Timeline of reform implementation
 - Timeline of the passing the reform.

In addition to the five variables tested across the countries, data regarding the historical and foundational **country context** was collected through desk research, to enable country-researchers to focus on reform-specific data collection.

From analysis of the collected data (detailed under the country-specific case studies of PAR and summarized below Figure 1) the report finds that three variables bear significant impact for the outcome and traction of PAR in the four countries: country context, actors, and salience.

The selection of the three variables is based on three key findings from the analysis. 1) The outcome and traction of PAR is a result of political battles. 2) The political battle is shaped by a) the strength of **actors** and their ability to act, and b) the **salience** of the reform among actors, that is, the importance placed on a particular reform by actors, affecting the intensity of incentives to support/oppose the reform. 3) The actor's ability and the importance/incentive to act are in turn shaped by the **national context** within which they operate.

FIGURE 1: POLITICAL ECONOMY VARIABLES AFFECTING PUBLIC ADMINISTRATION REFORM IN MENA



Together, the three variables offer a framework from which PAR in MENA can be understood (further explained in Figure 1). As for the remaining PE variables (timeline, integration and content) they are, while important, not identified as key variables to understand PAR processes in MENA. Integration and timeline are not key variables as they are the result of political battles that shape PAR – not factors that affect the battles. Reform content does affect the political battles that shape PAR, through its effect on reform salience. The report finds that the way reform content affects the level of support/opposition a reform meets can be captured through an understanding of reform salience as a key variable.

The three key political economy variables interact with each other, as displayed in Figure 1. The country context shapes the nature and interaction of the actors, as well as the nature and intensity of the actors' incentives and motivations. The actors' interactions and intensity of their incentives to act affect and shape each other. From this analysis, the report's main finding is the importance of recognizing PAR as a result of political battles, where the strength and incentives of the actors in the battle shape the outcome and traction of reforms. The actors' strength and incentives, in turn vary depending on the country's socio-economic, political, cultural and historical context.

Country context. Historical legacies can have a strong and lasting effect on institutions, power structures and relations, ideologies and perceptions. Contextual explanations may be rooted in a variety of factors, including ethnicity, religion, political development, norms on the role of the state and level of development. In terms of the PAR in the focus countries, the report finds that the three factors country context have a significant effect on the outcome of PAR reform: strength of state, national cohesion, and level of development. Strength of state consists of institutional capacity, strength of military, and government volatility, while national cohesion is the extent of cohesion/fragmentation. Level of development considers citizen “user-readiness” for PAR as internet-penetration and literacy rate, motivation for business sector improvement being economic diversification and need for foreign investment, and wealth and resource distribution measured by GDP, GDP/capita, and income inequality.

Actors. The relative powers of actors, and the relationships between them, are found to be of crucial importance for PAR. In particular, the priorities, resources, degree of influence, actual and potential alliances among actors, and the power balance in actors’ relationships and whether and how this affects the ability of different players to articulate demands, affect reform. There is often a discrepancy between the official policy goal, and the – often changing – goals of political actors. A key take-away from the analysis of actors is the need to take into consideration the many layers of actors, and their interaction with each other. These are national political actors, local political actors, citizens/the public, international community, and business community.

Reform salience. Political will is rarely uniform, and the analysis has shown that consideration of the intensity of actors’ incentives is crucial to understand how political will is built, which in turn affects the outcome of reform efforts. The report has identified three types of incentives that in particular shape the salience and extent of importance actors place on reforms: political incentives, identity incentives, and material incentives. Political incentives include electoral incentives and vested interests to protect the current power structure, identity incentives include ethnic cleavages, tribal/customary cleavages, and civic cleavages (e.g. labour unions), and material incentives include incentives for market improvement and vested interest in current market arrangements.

Key political economy variables analysed in four case studies

To enable analysis of the transition countries’ PARs that reach beyond generalised findings, four specific reforms in each country are examined. Each PAR meets a specific set of drivers/obstacles, and the selection of four specific reforms is a methodological approach to enable the study to highlight specific, contextualized drivers/blocks that the focus countries face.

The reforms were chosen to capture a broad range of PAR, by selecting reforms that represent different PAR types. The selected reforms are:

- Governance reforms: Decentralization
- Competency reforms: Schools of Government (SoGs)

- Citizen-centric reforms / Market-inspired reforms: One-Stop-Shops (OSSs)¹²
- New Public Management reforms: Reduction of the Regulatory Burden.

Together, the case studies form a representative overview of PAR in the region, and analysis of the four therefore capture the variation of obstacles/drivers. The specific reforms within each reform type were selected based on the following selection criteria (for details, see Methodology in Annex 3): relevance of four selected PA reforms to each other, representative overview of general PAR in the region, variation in reform type and variation in implementation: implemented in some countries and not in others, reforms must be present on all countries' agendas to some extent (minimum two year requirement of reform on agenda), and availability of relevant data.

Below follows a short introduction to the four chosen case studies:

Decentralization: Reforms that attempt to transfer authority and responsibility (to various extents) for public functions from the central government to intermediate and local governments, or quasi-independent government organisations. Fiscal, political, administrative and market decentralization are possible to varying extents: deconcentration, delegation, and devolution. Common rationale for reform is democratization and improved service delivery.

12. The OSS case study represents two PAR-types, as the report researchers 2 types of OSS: 1) citizen-centric OSSs focusing on providing improved service delivery to citizens, and 2) business-focused OSSs, focusing on providing a lean business and investment climate for market actor.

Schools of Government: Reforms focus on the establishment of Schools of Government or other training centres for public servants in PA and leadership. Reforms aim to build capacity of civil service to provide improved service and competency, and are seen as essential for the success of public administration reforms due to increased needs of training for low rung civil servants for newly-created levels of government.

One-Stop-Shops: OSSs can be physical offices or online portals that offer cross-government agency information and services. OSSs can be business-centric or citizen-centric in nature, and they are upheld for downsizing bureaucracies as well as increased efficient and user-friendly service provision across multiple government agencies. Citizen-centric OSSs focus on improving and streamlining official service delivery to citizens, while business-centric OSSs focus on providing a lean investment and business climate for the business community.

Reduction of Regulatory Burden: Reduction of the regulatory burden aims to achieve administrative simplification and to limit red tape, often implemented under the umbrella of New Public Management reforms.¹³ Reforms are mostly business-centric and focus on downsizing bureaucracies, thus facilitating increased investment in a given country.

13. New public management (NPM), was conceptualized by (Hood, 1991), and denotes policies aimed to render the public sector more efficient, through market oriented management.

3 | Key political economy variables affecting the outcome and traction of PAR in Egypt, Tunisia, Yemen and Libya



Attendee records the opening of the 2014 Spring Forward for Women Conference organized by UN Women and the European Commission and hosted by the European Parliament. (Photo: European Union 2014 – European Parliament)

Through analysis of the six initially identified aspects of PARs, three aspects were observed as commonly influential to the extent and success of PARs across Egypt, Tunisia, Yemen, and Libya. The following section will explore how country context, actors, and salience of PARs have affected the outcome and traction of reforms in the four countries.

3.1 COUNTRY CONTEXT

The national context in the post-Arab Spring period defines the social, economic, and political setting in which PAR takes place in each country. The four case study countries present divergent national contexts, as can be seen in an analysis of the countries' state strength, national cohesion and development in terms of citizen capabilities (literacy rates and internet access), economic setup affecting the motivation for business improvements, and the countries' wealth and income distribution (for summary and overview analysis, see Annex 4). A particular split can be seen between Tunisia/Egypt, and Yemen/Libya. The Tunisian and Egyptian states are institutionally stronger than Libya and Yemen, and Libya and Yemen are at greater risk of national fragmentation than Egypt and Tunisia, due to secessionist demands. Further, Egypt and Tunisia have a higher motivation for business-oriented reform, due to a smaller oil-reliance and less widespread features of a rentier state, and also have populations that are more ready to embrace and benefit from PAR, in the form of higher literacy rates and internet connectivity. Taken together, these aspects create a more suitable environment for reform in Tunisia and Egypt than Libya and Yemen, which is reflected throughout the case studies.

Politically, the context differed in Tunisia, Egypt, Yemen, and Libya at the outset of the PARs, despite the countries' shared experiences of uprisings and political ruptures. The differences in changes of government and strength of rule of law subsequently affected political will and national stability in which PAR were set. With regards to decentralization reforms (further explored in section 5.1), the national contexts in Libya and Yemen provided the initial impetus for the decentralization debate, as the North and South of Yemen successfully concluded federalization talks, and in Libya the eastern Cyrenaica region further provided impetus for reform talks after a legacy of failed centralization under Ghaddafi's rule.¹⁴ In Tunisia and Egypt, initial post-Arab Spring reforms enhanced rule of law and allowed for a stable environment that was conducive to reforms such as OSSs.¹⁵ Conversely, political instability and severe lack of rule of law have hindered Libya and Yemen to build on initial reform impetus for decentralization and lack any progress on the remaining three reforms. Current infighting between political parties in Yemen and Libya's continued demise is unlikely to provide for a stable political context in the near future. Lastly, the extent to which new constitutions were adopted in the post-Arab Spring revolutions has been of importance to eventual reform success or failure. Lack of clarity in the drafting of the new constitution in Libya led to a further weakening of the state and prevented any reform attempts.¹⁶

14. (Al-Akhali, 2014) (Ibrahim, 2014)

15. (White, 2011) (Tadamun, 2013)

16. (Sadeq Institute and Research and Consulting, 2013) (European Council of Foreign Relations, n.d.) (Chatham House, 2012)

The four case study countries present divergent national contexts, as can be seen in an analysis of the countries' state strength, national cohesion and development in terms of citizen capabilities (literacy rates and internet access), economic setup affecting the motivation for business improvements, and the countries' wealth and income distribution.

Economically, a split is seen between Libya/Yemen and Tunisia/Egypt which has led to varying abilities to pursue PARs. The financial stability and strength of the state affected the extent to which PAR could be implemented, regardless of political will. This is for example observed in Libya's decentralization efforts, where the central government has been unable to capitalize on the political will for decentralization, rooted in a desire to move away from the highly centralized system during the Ghadaffi-era, due to the weakness of the state. Further on the importance of financial stability, Yemen and Libya's dependence on oil, as well as their rentier state status has limited the extent to which PAR could be pursued. This rentier state status has meant that Libya and Yemen suffer from weak economic structures and reliance on oil for economic growth. This has translated into low internal motivation for business-oriented reforms, such as the reduction of regulatory burdens and OSSs (as seen in section 5.3 and 5.4).¹⁷ OSS reforms and Schools of Government reforms are costly, and in many cases have led to skewed implementation. In

17. (Al-Mikhlafi, n.d.)

Egypt and Tunisia, Schools of Government have already been established, but lacked political will in order to expand the number of attendees that the reform reaches. In Tunisia, reduction of regulatory burden reform has been hampered by capitalist elites with vested interest.¹⁸ In Libya and Yemen, SoG reforms have been provided through international assistance or private sector initiatives – however, these programs focus on serving an elite upper echelon of bureaucratic and public servants and thus failed to engender widespread and public support or prioritization.¹⁹ Similarly, in all countries, the need for economic growth has meant that certain reforms remain business-centric, such as OSS reforms, instead of serving constituencies.

User-readiness of constituencies has been important in determining whether reforms have enjoyed critical mass support. Citizen-centric reforms have been received and utilized to a greater extent in Tunisia

18. (Diwan & Cammett, n.d.)

19. (Division for Public Administration and Development Management, 2004) (Libya Business News, 2013a; Libya Institute for Advanced Studies, 2013)

than in Libya and Yemen due to higher levels of literacy and internet penetration (see Annex 4).²⁰ Low literacy and internet penetration has caused attempted reforms by the respective governments to either go unnoticed by citizens (as was the case in Yemen, where the general public remained unaware of OSS efforts, see section 5.3)²¹ or to be difficult for the greater public to utilize. Low levels of trust in the internet and e-Governance as well as low internet connectivity and literacy levels in Yemen and Libya, and also in rural Egypt, have meant that the provision of e-Governance efforts are low, and that the public pressure for simultaneous citizen-centric services is low.²²

3.2 ACTORS

It is crucial to understand which actors are included in the PAR process. Multiple stakeholders are involved in PAR, including local elites, national elites, NGOs and the international community, public and business communities. PARs that are highly divided between multiple stakeholders are thus seen to result in reform champions and reform opponents. Understanding which stakeholders are supportive or opposed to a PAR is vital, as political systems after the Arab Spring largely remain authoritarian and at times geographically divided. Support by national elites is consistent and necessary for political will to push forward PAR. However, which

other stakeholders support or oppose national elite will largely determine whether the reform will succeed or fail. The greatest obstacles and drivers seen within various configurations of stakeholder involvement or opposition will be discussed.

In the post-Arab Spring period, national and local elections have in certain cases led to political party strongholds divided between centre and rural regions. Indeed, with regards to decentralization reforms in Tunisia, polarization between political forces in Tunis and Islamist Ennadha-governed municipal councils has limited the central elites' support for decentralization. Although the Constitution passed in January 2014 was drafted through a National Dialogue, calls for decentralization and clear delineations of roles are still uncertain and implementation unclear.²³ Similarly, in Yemen and Egypt, decentralization was an elite-driven process; however, Yemen's case does present a wider integration of multiple stakeholders. Indeed, the National Dialogue Conference included political parties and key political activists but still excluded local actors (as examined in section 5.1). As local informal structures of government in Yemen play vital cultural and tribal roles, and the exclusion of local strongmen - following a one-size-fits-all approach to federalism - has weakened the support base and opportunity for success.²⁴ Even so, federalism in Yemen allowed for greater participation of the public than in Libya, where the eastern federalist movements by Cyrenaicans have hampered decentralization efforts and public inclusion in the process.²⁵

20. (Instance Nationale des Télécommunications, 2014) (Bureau des Etudes de la Planification et de la Programmation, 2012) (Al-Mikhlafi, n.d.) (World Bank, 2013b) (Ministry of Communications and Information Technology, 2013) (Al-Saqaf, 2013) (National Information Center, 2014) (Directory, 2013) (World Bank, 2013b)

21. Interview with students at the library of ENA (National School of Administration. Tunis, November 21st 2014.

22. (Al-Mikhlafi, n.d.)

23. (White, 2011)

24. Interview Elayah, 2 December 2014.

25. (Ibrahim, 2014)

While an inclusive process is important to PAR successes, the inclusion of multiple stakeholders increases the likelihood of competing interests, which can ultimately stall reform. In Tunisia's reduction of regulatory burden, although business communities were involved in the process, coordination between all levels of government agencies led to criticism of the reform's implementation and the critique of too much stakeholder involvement, hindering the efficiency of reform implementation (see section 5.4).²⁶ Egypt's reforms in business-centric OSSs have also been stalled by the involvement of multiple stakeholders, as disagreement and claims over ownership between Egypt's GAFI and other agencies involved in business and investment led to clear opposition to the reform.²⁷ On the other hand, there are also successful cases, such as Tunisia's business-centric OSS, where coordination between all government actors were conducive to the reform implementation.

Clear ownership of any given reform is of key importance. Reform leadership that continues the reform momentum is not only vital to providing direction of the reform, but in creating a coordinated and cooperative environment in which all stakeholders can contribute. The implementation of Egypt's ERRADA (implemented under a specifically created central unit to lead the reform implementation across 12 ministries) and of Tunisia's implementation of citizen-centric One-Stop-Shops (under a designated e-Governance unit under the Presidency) are successful examples of clear ownership. The obstacles of opaque leadership are observed in Egypt's experience of business-focused OSS, where the established leadership of the General Authority for

Investment and Free Zones is contested by both the Industrial Development Authority and the Federation of Egyptian Industries, limiting reform progress. Also, in Libya, the lack of stable and unified political leadership in the post-revolution environment has led to an absolute halt in progress on all types of reform.

Lack of public awareness of reform has hindered public pressure for reform. In Yemen and Libya's cases, where little previous efforts have been made at citizen-centric OSSs through e-Governance, citizens are ill-informed of the benefits such reforms could bring and thus are undemanding of such services. Lack of awareness also has played a part in Tunisia's case for citizen-centric OSS reforms, where despite reform implementation, citizens are to some extent inactive in providing public pressure and support. These reforms largely existed on paper, and implemented reforms had not led to any discernible improvement in the provision of citizen services.²⁸

The international community and NGOs have had little involvement in most reforms. International actors such as private think tanks, consultancies and UN agencies have at times participated in reforms. In Egypt, Tunisia, and Yemen, the OECD, World Bank, and International Finance Corporation supported governments through training and technical assistance. However, other stakeholders with vested interests or unstable national contexts have, in cases, overpowered international efforts to provide help. PARs could have benefitted from greater international involvement through two channels: 1) technical assistance to support specific reform initiatives such as SoGs and OSSs, and 2) capacity support to oversee larger, Whole-of-Government approaches, such as the

26. (El-Shiaty, 2014)

27. (Egyptian Regulatory Reform and Development Activity, 2012)

28. (Al-Mikhlafl, n.d.)

countries' decentralization reforms. Regarding technical assistance, Egypt's SoG reform led by the LARU (Local Administration and Reform Unit) benefitted from technical support from the international community, and this support could be used as a best practice example for how to increase the support for the stalling SoG efforts in the three other focus countries. Regarding capacity support, the international community has provided support to the Constitution drafting process in the countries, and similar capacity support would be beneficial to support broad, WoG PARs.

However, international community involvement runs a risk of counter-productivity. In the case of Egypt's ERRADA reform, USAID involvement initially hampered reforms efforts and created more division than cooperation between government agencies, as its legacy of cooperation with Mubarak's regime created increased distrust. ERRADA continued to progress after a 20 month halt, not least due to USAID's withdrawal of assistance (section 5.4).²⁹ As such, increased international engagement needs to be done with sensitivity to the context.

Business communities can provide services or impetus for reforms when local and national actors fail to do so. Libya's lack of SoG reform has provided the clearest example of private sector involvement in public administration service provision. Indeed, the Libyan Institute for Advanced Studies was founded in 2012, offering PA training to civil servants in recognition of the need for PA education in a post-revolution context.³⁰ In Tunisia's business-centric reduction of



Citizens chant for a new Yemen. (Photo: Flickr/AJTalkEng)

regulatory burden reform, the non-elite capitalist private sector has played a crucial role in assisting the government pursuing e-Governance processes, streamlining, and investment reforms. However, in the post-Ben Ali era, it is uncertain to what extent former capitalist elites have lost power, and thus still potentially play significant roles in the advancement of reforms.³¹

29. (Egyptian Regulatory Reform and Development Activity, 2012), Interview Fawzi, 28 November 2014

30. (Libya Institute for Advanced Studies, 2013)

31. (Diwan & Cammett, n.d.)

3.3 SALIENCE

A combination of the salience of a reform and the importance placed upon a particular reform by actors, within a certain context, determines the likelihood of success of a reform (cf. Figure 1). Indeed, a reform can be highly prioritized by central government actors but fail to succeed due to contextual obstacles or stakeholder disagreement. Similarly, a reform that is more realistically applicable within a certain context might not be implemented due to lack of political will or prioritization of other reforms. The combination of actors and reform importance can thus promote or impede the implementation of a given reform. Placing a reform within a greater scheme of reforms, often with the goal of democratization, has proven successful to increasing the prioritization thereof.

Success of PAR can depend on the level of importance placed on the reform by the actors. Prioritization of a reform by stakeholders contributes to the success of the reform, such as decentralization and the OSS reforms in Tunisia (section 5.3). With regards to OSS reform in Tunisia, the business communities, the public, and the national government promoted citizen and business-centric OSS reforms within a greater scheme of e-Governance and increased accountability and transparency. Though the context of political stability and high user-readiness should have aided in the reform's successful implementation, opposition from those with vested interests in continuing old business practices in the current investment climate impeded the reform's success.³²

32. (Diwan & Cammett, n.d.)

Placing reforms within greater all-encompassing reform programs can boost prioritization and create political will. Placing Egypt's ERRADA reform within a greater scheme of democratization, built on the pillars of the new Constitution, was crucial to ERRADA's current progress. By repackaging the reform programme with a renewed focus, coinciding with a change in leadership and central government, ERRADA regained prioritization by political actors and the public.³³

Reform salience affects reform outcome, related to the actors' power dynamics. As depicted in Figure 1, the reform salience and the actor variables affect each other, and the mutual effect of these variables determine the outcome and traction of reform. This can be seen by the decentralization in Libya and Yemen, which despite being of high-importance, reforms have seen slow progress due to the disagreement between various actors (section 5.1). In Libya, decentralization was highlighted as a pillar in the post-Ghadaffi constitution following years of centralized rule. Nevertheless, political crises between parties and federalist groups, as well as nation-wide violent conflict make any attempt at decentralization currently improbable and unrealistic.³⁴ In Yemen, decentralization had been prioritized and successfully agreed upon by a panel led by then-President Abed Rabbo Mansour Hadi³⁵, leading to a federal state. However, current political infighting and a discrepancy between two systems of public administration have stalled progress.³⁶ Decentraliza-

33. (Egyptian Regulatory Reform and Development Activity, 2012)

34. (Ibrahim, 2014)

35. On 22 January 2015, Hadi resigned after the Houthis seized the presidential palace.

36. (White, 2011)

A reform can be highly prioritized by central government actors but fail to succeed due to contextual obstacles or stakeholder disagreement. Similarly, a reform that is more realistically applicable within a certain context might not be implemented due to lack of political will or prioritization of other reforms.

tion, though important, may well have been an ill-timed reform given the difficulties for the central government to remain in control of a federalist state, in light of the instable political situation, the very fragile security situation and the active Southern opposition to the central government. The recent events of the storming of Sana'a by Abdul Malik al-Houthi-led insurgents and resignation of Prime Minister Mohammed Basindawa in September 2014, the resignation of President Hadi and his ministers in January 2015, and the dissolution of parliament in February 2015, shows that the central government was indeed unable to remain in control of Yemen as a federalist state.³⁷

Salience can also affect whether or not a realistically achievable reform is implemented. Schools of Government reforms are the least prioritized reforms out of the four case studies across all countries (section 5.2). Indeed, these reforms are often regarded as an afterthought. This finding is surprising considering SoG's great potential to address core issues of PAR in general, as well as improving citizen's experiences with public service provision. In the case of Yemen, government efforts with the help of international think tanks failed to sustain a SoG reform.³⁸ Similarly, though Tunisia has a SoG, reforms lack prioritization despite their relation to decentralization reform.³⁹

37. Interpretation and application of the analysis of Yemen's decentralization efforts should be cognizant of the evolving political situation in Yemen, where the unknown outcomes of the continued political crisis may affect the political economy analysis.

38. (Division for Public Administration and Development Management, 2004)

39. (Jasmine Foundation Constitution of the Tunisian Republic, 2014) (Al Jazeera Centre for Studies, 2014) (Tunisie Politique, 2012)

4 | Case studies of PAR in Tunisia, Egypt, Yemen and Libya

انتخابات المجلس الوطني التأسيسي
23 أكتوبر 2011



*Casting a ballot in Tunisia's Constituent Assembly
Elections (Photo: UNDP/Noeman AlSayyad)*

The following section presents the case studies of four specific PARs in Egypt, Tunisia, Yemen and Libya, which form the fact-base for the report findings. The section is structured according to the four PARs:

- Decentralization
- Schools of Government
- One-Stop-Shops
- Reduction of the Regulatory Burden.

Each section is introduced by a short description of the reform and the main cross-country conclusions. An account of the specific experience of the PAR in each of the four focus countries follows. These 16 accounts (4 reforms in 4 countries), are introduced by a broader conclusion of the PAR in the country, and the report then proceeds to examine the 3 key PE variables (content, actors and salience) of the reform.

4.1 CASE STUDY: DECENTRALIZATION

Decentralization is the most widely implemented reform across all four countries. Its success or failure has been attributed to high institutional capacity of the state, high levels of national cohesion, and local support for political impetus on reform with few calls for federalism. The international community remains supportive after 2011, funding decentralization projects across all countries. Where decentralization has stalled or is yet to be implemented, such as in Libya and Tunisia, clear difficulties lie with calls for federalism as opposed to low centralized governance. Political turmoil and rivalries in

party majority support between the centre and rural areas also have led to varying levels of success. Lastly, despite widespread public support for decentralization, reforms only truly progress when framed within a national dialogue and greater reform effort.

Decentralization is a broad concept, consisting of different types (administrative, political, and fiscal) and forms (deconcentration, delegation, and devolution⁴⁰) of decentralization reform. While all four countries hold decentralization as a key area of focus in their new constitutions, the term “decentralization” is interpreted differently by different actors and across the countries. The different uses of the term decentralization affect the debate on decentralization in all countries. In addition, in Yemen and Libya, the debate is also marked by a discussion on decentralization vs. federalism. Federalism is being discussed in both countries, and is seen as a solution separate to decentralization, whilst still being discussed in the same context. In the countries’ debates, federalism is less about achieving a successful decentralization (bringing decision-making and responsibilities closer to the people, to increase democratization and ensure efficient public service provision) and more about non-centralization (limiting the influence of the central government locally).⁴¹

40. Deconcentration allows for responsibilities of certain services to fall on regional branch offices without transferring authority, and is more an establishment of field offices by the central government; Delegation refers to a reform whereby the central government transfers responsibility for decision-making and PA to local governments that are not fully controlled by the center but are accountable to them; Devolution is the most extensive form of decentralization, whereby the center transfers authority for decision-making, finance, and PA to quasi-autonomous units of local government.

41. (Blindenbacher & Koller, 2003)

Decentralization: Tunisia

In Tunisia, decentralization is established as a priority in the new Constitution and an entire chapter is devoted to providing the framework for democratically-accountable local government. The Ministry of Regional Development and Planning set different goals of the development strategy for the next period (2012-2015), and the new Constitution on January 27th 2014 have all prioritized decentralization.⁴² The content of decentralization focuses on elected municipal and regional governments, and the political, legal, and fiscal powers of local government whilst maintaining state unity through mechanisms of participatory democracy and the establishment of a High Council of Local Authorities as an oversight mechanism, a new concept across the traditionally highly-centralized Arab world.⁴³ Implementation was scheduled to start in 2015 at the earliest, a plan for which is still being discussed.⁴⁴ As such, the Tunisian decentralization reform currently exists in principle rather than in practice.

Tunisia's context is favourable to decentralization reform, as a strong state and stable institutional architecture create a context more conducive to government reform. Tunisia's relatively strong state institutions have been able to lead two elections and successful Constitution drafting, its formalized military is largely able to uphold safety and security and there is a high degree of national identity and social cohesion.⁴⁵ Together, this creates a context relatively conducive to the implementation of PAR.

42. (Jasmine Foundation Constitution of the Tunisian Republic, 2014) (Ministère du Développement Régional et de la Planification, 2012a)

43. (Jasmine Foundation Constitution of the Tunisian Republic, 2014) (Al Jazeera Centre for Studies, 2014)

44. (Jasmine Foundation Constitution of the Tunisian Republic, 2014)

45. See Annex 4.

The Constitution, which outlines the decentralization policies, was crafted through an inclusive National Dialogue despite political tensions between 'secularist' and 'Islamist' perspectives and more broadly between centre and periphery. The Constitution was drafted transparently by the National Constituent Assembly, including participatory dialogue initiatives, in which citizens, civil society, and other key actors were invited to participate. A specific focus was given to include women in order to heighten widespread public support. Within the framework of the National Dialogue on the Constitution, the League of Tunisian Women Voters hence organised a workshop on discussing women's rights.⁴⁶ The public primarily participated through civil society reform proposals, which acted as partners in the process of local governance and in policy development, planning, budgeting, and monitoring and evaluation. Thus, there is harmonization between local authorities and civil society to think about governance, regional development politics, and performance monitoring.⁴⁷ However, while the country context is favourable, the content and provisions of the decentralization reform in the Constitution are inadequate in terms of delineating specific roles of actors in the process. Key informants report widespread political support across political parties for the new Constitution, but tension between majority party Nidaa Tunes and Ennahda (particularly in the South) may hamper levels of official support and further prevent national cohesion around the reform.⁴⁸ In the light of this political cleavage between the coastal region and the South, efforts to strengthen national cohesion would likely support further successful

46. (The Woodrow Wilson International Center for Scholars, 2013)

47. (Ministère du Développement Régional et de la Planification, 2012b)

48. (Interview Stacey, 5 December 2014.) (White, 2011)

decentralization reform. As for support among the public, there is widespread support for the decentralization reform outside Tunis, based on the desire to access government services outside of the capital.⁴⁹

The decentralization reform has been part of a wider dialogue surrounding the new Constitution, and framed within greater efforts to create development opportunities. The National Constituent Assembly resulted from the first democratic elections on 23 October, 2011, and opened space for dialogue. Decentralization was part of the broader dialogue that began from the establishment of the National Constituent Assembly and continued to constitutional adoption on January 27, 2014. PAR and decentralization are prioritized in the new Constitution, and are intended to “support development opportunities” nationally.⁵⁰

Decentralization: Egypt

In Egypt, decentralization reforms started in 2007, which in 2010 led to the drafting of a Local Administration Law by the Ministry of Local Development (MoLD). Reforms stalled in 2012 due to political violence, but new impetus has been seen in 2014.⁵¹ The responsibilities of Local Councils were expanded in the 2014 Constitution (Art. 175-183) in order to allow Local Councils to have independent financial budgets, based on locally generated tax revenues and nationally allocated resources. Nevertheless, the Central Government may intervene when it deems Local Councils to have overstepped their boundaries. Moreover, these boundaries are not clearly

delineated.⁵² The MoLD and the Local Administration and Reform Unit (LARU) are in charge of developing a local administration system and greater national decentralization strategy.⁵³ By September 2014, LARU is in the process of developing local governance assessment methodologies and a national decentralization strategy framework.⁵⁴ Local Councils remain highly subject to central control; decentralization in practice might thus take the form of delegation.

Egypt, like Tunisia, enjoys a relatively favourable context for decentralization reform. Despite five government changes since 2011, it enjoys a strong state apparatus and institutional infrastructure.⁵⁵

The Ministry of Local Development and its sub-organization LARU are in charge of the reforms and pilot projects, but hard-line opponents limited the extent of decentralization in 2012. The MoLD is in charge of reform and pilot projects, and created the LARU as its operative branch. Despite public support, the reform process is largely elite-driven and citizens are not participatory in the reform. Opponents of the Constitution and the Constituent Assembly in 2012 expressed concerns over lack of diversity of the Assembly and dominance of political Islam over the Assembly, pointing to disintegrating national unity and increased corruption. The draft Constitution thus prohibited governor or mayoral elections, gave central government power to dissolve local administrative units, and failed to clarify if and how the local administrative system will be altered.⁵⁶

49. Interview Stacy, 5 December 2014

50. (Stacey & Al-Ali, 2013)

51. (Tadamun, 2013)

52. (Tadamun, 2013)

53. (Urban Institute Center on International Development and Governance, 2011)

54. (Egypt Ministry of Local Development, 2014)

55. (Blindenbacher & Koller, 2003)

56. (Aboulenein, 2012)

International cooperation with private and public sectors was still ongoing in 2014, namely with the European Union Commission's DG EuropeAid and AECOM.⁵⁷

2014 marks renewed impetus for repackaged decentralization, though citizen-government dialogue appears to be limited. Consultation efforts generated official and elite-led support for the decentralization reform, but citizen advocacy movement participation is limited.⁵⁸ However, since 2013 and 2014, civil society groups such as Tadamun have taken the initiative towards greater involvement greater decentralization and democratization debates.⁵⁹ Support for the Muslim Brotherhood in 2014 has decreased as decentralization allowed for improvements in rural-service delivery.⁶⁰

Decentralization: Yemen

Yemen's first decentralization phase was established in the 1990s, initiated by the World Bank. The aim was to replace local strongmen and informal structures with formal, local power structures, and reduce national corruption. The Local Authority Law (4) of 2000 created Local Councils with authority to propose and supervise all economic, social, and cultural projects within their jurisdiction. The second phase, in the post-2011 era, has been framed by the National Dialogue Initiative. The National Dialogue Conference (2013-2014) called for the creation of a unitary modern federal state by the newly elected government, and thus called for decen-

tralization, rather than devolution.⁶¹ The yet to be drafted new Constitution is expected to reflect the recommendations provided by the National Dialogue Conference.⁶² The new federal state will comprise three levels of government: central, regional, and state. According to key informant interviews, the decentralization reforms in Yemen have largely been unsuccessful in addressing the Yemeni context and curbing local strongmen influence.⁶³

Yemen provides a weak context for decentralization reform. State strength is weak: institutionally, politically, legally, and militarily. Southern and Northern secessionist claims have only recently been quelled by plans for federalism, as an extreme form of decentralization. The weak Yemeni state structure has made forms of decentralization with a stronger centre (such as delineation or devolution) unavailable, in the face of separatist claims.⁶⁴

National Government and the international community are leading actors, while local informal power-holders are not included in the reform. In the first phase of Yemeni decentralization, the Yemeni government and the World Bank were the main actors. More recently, the Yemeni government and the international community led in the National Dialogue Initiative, in which women's participation surmounted 27%.⁶⁵ The main official actors involved in the ongoing decentralization process are the Ministry of Planning (MoP), the Ministry of Civil Service and Insurance, and the Ministry

57. (European Court of Auditors, 2013)(AECOM, 2014)

58. (El-Meehy, 2013)

59. (Tadamun, 2013)

60. (ANSAmEd, 2014)

61. (Al-Shami, n.d.)

62. (Al-Akhali, 2014)

63. Interview Elayah, 2 December 2014.

64. (White, 2011) (Blindenbacher & Koller, 2003)

65. Interview Elayah, 2 December 2014.

The success or failure of decentralization has been attributed to high institutional capacity of the state, high levels of national cohesion, and local support for political impetus on reform with few calls for federalism.

of Finance (MoF). Most Yemeni political parties and key political activists participated in the National Dialogue Conference, but the NDC largely excluded local actors.⁶⁶ The agreement for a federal system does not diminish support for local strongmen, and greater inclusion of these actors and avoiding a one-size-fits-all approach to federalism may have increased the success of the reform.⁶⁷ Public support lacked in the first decentralization phase (in the 1990's) as decentralization was not seen as an impactful concept due to state weakness. Still, public support continues to be limited, and citizens are only marginally included in the process.⁶⁸

Reform is part of a larger, long-running initiative to merge two different systems of PA within Yemen, but citizen dialogue is absent. The National Dialogue centred on state-building and good governance, ultimately concluding in January 2014 with an agreement on decentralization through federalism without stipulating a timeline for implementation. Considering political

tension and secessionist movements, decentralization was the focal point of reform in the National Dialogue Initiative and presented the greatest hurdle to consensus.

Decentralization: Libya

Libya's decentralization reforms started strongly in the post-2011 era with new political impetus. The National Transitional Council (NTC)-passed Constitutional Declaration (2011) calls for the establishment of Local Councils. The 2011 Constitutional Declaration and 2012 Local Administration Laws created decentralized political and fiscal power for local councils. The General National Congress (GNC)-passed Local Administration Law (2012) regulates the relationship between the Local Councils and the national Ministry of Local Governance.⁶⁹ The Executive Regulations of the 59/2012 Local Administration Law (2013) was adopted by the Prime Minister's (PM) office. These three documents comprise the current provisions for Libya's decentralization, establishing that Libya should have two levels of government (central and local). In terms of implementation of the reform, elections to Local Councils took place in several

66. These included: General People Congress (GPC), the Yemeni Socialist Party (YSP), Yemeni Congregation for Reform, the Houthis, the Hirak (Mobility) Movement of the South, and other smaller political factions and movements.

67. Interview Elayah, 2 December 2014.) (Al-Akhali, 2014)

68. Interview Elayah, 2 December 2014.

69. (Sadeq Institute and Research and Consulting, 2013) (European Council of Foreign Relations, n.d.) (Chatham House, 2012)

(<50) Libyan municipalities in 2012 and 2013.⁷⁰ Lack of progress can be attributed to: 1) absence of specifications of bureaucratic divisions in the reform provisions, 2) non-existent timelines for reform implementation or local election, and 3) continued nation-wide violence.⁷¹ Due to this lack of clarity, it is not clear what form decentralization will take in practice or whether federalism might ultimately be chosen.

While the Libyan historical context provides impetus for decentralization reform, the same historical context hampers Libya's ability to implement reform. Libya's historic experience of a highly centralist political and administrative system under Ghadaffi has provided impetus for decentralization reform in the transition era, as the dammed up dissatisfaction of the previous system has been expressed after his ouster.⁷² Despite this, the context of Libya is likely to be challenging for reform implementation, primarily due to lack of rule of law and widespread secessionist demands.

Most national actors and the public support decentralization, although those in the east prefer federalism. Key national actors involved in the formulation and management of the reform include the PM's office and Ministry of Local Councils, who pushed for the adoption of the Law no 59 (2012) on Local Administration and its Executive Regulations.⁷³ The NTC and GNC's parliamentary support helped pass the decentralization bills. However, national support has not been

unitary and national government has shown dissent towards the reform. The main argument among these reform opponents is that the central government wants to maintain funding responsibility.⁷⁴ Outside the capital region, decentralization and federalism are supported, due to historic roots of extensive centralization to Tripoli of Libya's Cyrenaica and Fezzan regions. Cyrenaicans feel that their region has been unfairly marginalized, given that 80% of Libya's oil reserves are located in the region.⁷⁵ The drive for federalism is related to the national context of Libya's national wealth, and the distribution of that wealth. The eastern federalists have employed various methods to push their agenda, such as insisting on representative membership of the Constitutions Drafting Assembly (CDA).⁷⁶ In terms of the public support for the two main opinions of decentralization (support for decentralization or a fully-fledged federal system), the support for federalism is quite low, despite the eastern calls for federalism (only 8% nationwide, and 15% in the east.)⁷⁷ The main reason for this is fear that federalism will lead to state disintegration.⁷⁸ Decentralization is widely supported, as it allows public service access out of the capital.⁷⁹ The international community is tentatively supportive of the decentralization efforts, focusing instead on strengthening citizen's ability for political engagement, and bridging the dialogue between governments, local councils and citizens.⁸⁰

70. (Online, 2012) (Herald, 2012b) (Herald, 2012a) (POMED, 2013)

71. (Sadeq Institute and Research and Consulting, 2013) (European Council of Foreign Relations, n.d.) (Chatham House, 2012)

72. (Ibrahim, 2014)

73. (Chatham House, 2012) (Sadeq Institute and Research and Consulting, 2013)

74. (Democracy Reporting International, 2013)

75. (Ibrahim, 2014)

76. (Ibrahim, 2014)

77. (Pickard, 2013)

78. (Ruhanyam, 2013)

79. (Bader, 2014)

80. (Bader, 2014)

Decentralization is a high priority reform. The transitional government quickly put decentralization on the agenda in 2011, the public debate (in particular regarding the degree of decentralization vs. federalism) is widespread, and in a recent speech Prime Minister al-Thinni highlighted decentralization as one of two main priorities in Libya.⁸¹ The central government (which has largely been supportive of the reform) pushed for public debates and inclusive dialogue to generate support, particularly at the state of the reform. Decentralization was marketed as a wider part of Libya's democratization and also as a means of poverty alleviation since local control over taxation and service provision meant greater access for local citizens to central government services.⁸² In comparison to the other reforms in this study, the political and public actors have placed heavy importance on decentralization, and the debate has been active.

4.2 CASE STUDY: SCHOOLS OF GOVERNMENT

As identified in the previous UNDP report on PAR in Arab states, all four countries suffer from an absence of leadership capacity.⁸³ The main aim of SoG initiatives is to increase the responsiveness and capacity of public servants to act efficiently.⁸⁴ SoGs, or other forms of competency management reforms, are usually introduced as part of a broader organisational reform, such as decentralization. SoGs have been implemented in all four countries, but only in Egypt has the government

shown renewed support for the reform in the transition phase. Overall, the governments have not played an active role in the provision of SoGs: in Yemen reform has been small and mainly led by universities. In Libya the private sector has stepped in to provide the leadership, while in Tunisia, the government is providing training through the National School of Administration, but without greater reform commitments. Existing SoGs have not been reviewed, and previously conducted reviews have not been made public. It is thus not possible to comment on the performance of existing SoGs, or how these might need further reforming. Commitment to progress of SoGs or civil servant training is thus the focus of the following analysis.

Schools of Government: Tunisia

In Tunisia, the National School of Administration in Tunis (ENA) provides civil service candidates with training and preparation for the administrative entrance examinations. The Prime Ministry is the main organizational body involved in creating the Administrative Leadership Institute.⁸⁵ Although the ENA was founded in 1949, and has undergone content and structural reform in 1964, 1993 and 2004, more recent reforms were implemented in 2007 and 2011. Decree N.2007-1885 dated 23 July, 2007, reformed the ENA to include several new directorates and institutes.⁸⁶ In 2011, the ENA gained financing from the European Union for a period of six months to strengthen the institutional capacity of the Tunisian Centre for Training and Support for Decentralization

81. (Zaptia, 2014) (Bader, 2014)

82. (Sadeq Institute and Research and Consulting, 2013) (European Council of Foreign Relations, n.d.) (Chatham House, 2012)

83. (Evans, 2014)

84. (Evans, 2014)

85. (École Nationale D'Administration, 2011)

86. (Presidency of the Government, 2014)



First Arab States Regional South-South Development EXPO took place in Doha, Qatar, in February 2014. (Photo: UNDP Arab States)

(CFAD).⁸⁷ The Tunisian plans for decentralization (2015 onward) may come to increase the support and importance of SoGs (as decentralization will require training of lower rung civil servants) but such increased support has not been observed to date.

Despite a lack of progress, Tunisia's strong state infrastructure is conducive to SoG reform. Tunisia's long history of civil service training at the ENA provides the institutional infrastructure and capacity needed to offer advanced training for its civil service. Capacity for progress in SoG reform is thus less of a

87. (Government of Tunisia, 2014)

driver to reform than political will and prioritization of the reform. The current political stalemate on decentralization reform hinders further progress, and political impetus is thus needed.

The Ministry of Employment and Vocational Training is the main organisational body and actor involved in creating the Administrative Leadership Institute. The main responsible agencies include the Ministry of Employment, central government, and the Administrative Leadership Institute. The latter regulates the activities of top-level administrative tiers' capacity development in leadership and modernization of PA management. The Institute regulates training sessions and annual follow-up courses for top-tier Commissioners.⁸⁸

Since 2012, renewed efforts at reforming the School have focused on financing and administrative management without National Dialogue. SoG reform received unanimous support from all deputies of the National Council of the Tunisian people.⁸⁹ National Dialogue between citizens and the government was non-existent in past administration and financing SoG reforms.⁹⁰

Schools of Government: Egypt

The history of Egypt's SoG reform is two-pronged: a first phase led by the AUC and subsequently supported by the CAO, and a recent phase since 2013 of leadership training provision under the LARU's implementation of

88. (Tunisian Ministry of Employment and Vocational Training, 2013)

89. (Jasmine Foundation Constitution of the Tunisian Republic, 2014) (Al Jazeera Centre for Studies, 2014) (Tunisie Politique, 2012)

90. (Ecole Nationale d'Administration de Tunis, 2014)

the decentralization reform. Prior to the recent initiative, the National Democratic Party (NDP) and the Egyptian government spearheaded the 2010 phase of reform, based on a Decentralization Policy Paper in 2007. After three pilot tests, a nationwide 10-year decentralization plan was announced by the MoLD in 2009.⁹¹ The AUC was the driving actor in providing leadership training to public officials, through its School of Global Affairs and Public Policy (GAPP) in 2009.⁹² Initially this was set up as an independent initiative by the AUC, but in 2010 the reform was integrated with the work of the CAO. ⁹³ In the recent phase, the leadership provision has been implemented as part of a larger reform initiative. Political support for the provision of SoGs and trainings by LARU waned in the immediate aftermath of the revolution, but has regained support since 2013 as the MoLD has been mandated to implement decentralization at the national level. This work forms a part of LARU's work to set up a National Decentralization Framework.⁹⁴ LARU has benefitted from operational support and technical guidance from UNDP.⁹⁵

Egypt's state strength and institutional infrastructure are conducive to SoGs, but renewed political will and dialogue has been the key to progress.

Egypt benefits from a strong state structure and institutional infrastructure, including ministries dedicated to civil servant training. Political will has been key to reform progress. Political will is the result of the incentives that

the actors are offered, be it political, identity and material incentives. In the case of Egypt's SoG, the political will spurs political incentives, leading to a broader decentralization reform.

Recent initiatives are led by national and local political institutions (LARU, CAO) as well as domestic private stakeholders and international actors.

Central government has consistently provided the impetus and mandates for reform in national institutions. The recent efforts to provide leadership training are led by the LARU, under the mandate of MoLD. Earlier efforts to provide leadership training in 2010 were led by the GAPP at the AUC. In March 2010, the GAPP signed a Memorandum of Understanding with the CAO (the main government authority), to collaborate on providing high-level quality of leadership training.⁹⁶ The first reform in 2010 was supported by the international community, such as the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)'s program to enhance the Ministry of State for Administrative Development (MSAD) and CAO's training capacity.⁹⁷ The 2013 reform progress is supported by various international organizations, including UNDP.⁹⁸ Since 2013, local actors play a limited role through LARU. Complete stakeholder involvement in the second phase of the reform has therefore been a driver to its current progress.

The recent leadership efforts form part of a larger reform initiative.

The recent efforts to provide leadership training have been implemented as part of a larger reform agenda to decentralize and build up PA in Egypt.

91. (Handoussa, 2010)

92. (Donohue, 2010)

93. (Donohue, 2010)

94. (Egypt Ministry of Local Development, 2014) (UNDP, 2012)

95. (Egypt Ministry of Local Development, 2014) (The American University in Cairo, 2010)

96. (The American University in Cairo, 2010)

97. (GIZ, 2013)

98. (Egypt Ministry of Local Development, 2014)

National Dialogue concerns decentralization rather than SoG reform itself. Nevertheless, improvement in service delivery to citizens is a common motivation for both reforms, meaning citizen participation in decentralization to some extent involves citizen support of SoG. Political will has been vital to progress. In the immediate post-revolution period, political support dropped, and funding for CAOAs was stopped.⁹⁹ Recent efforts to strengthen the capabilities of the public leadership have reinvigorated political support for the reform and the MoLD decentralization efforts.¹⁰⁰

Schools of Government: Yemen

In Yemen, the National Institute of Administrative Studies (NIAS) has provided PA training for middle and senior management in PA since 1963. In 2009, a new initiative was taken in coordination with a donor partner to create new programs at the University of Sana'a to offer leadership training to public officials through the creation of a training centre. Efforts aimed to strengthen the leadership skills of PA officials, to create a professional administrative staff, establish the NIAS and to provide long and short managerial and administrative training courses for civil servants. Central monitoring and coordination of training activities are non-existent. The training also lacks systematic reviews.¹⁰¹ The 2009 reform also established an Executive Master's of Business Administration at Sana'a University. It is unclear whether any progress has been made in the post-2011 period; anecdotal evidence suggests that progress is limited.

99. (de Vries & Bouckaert, 2013)

100. Insert Ref: terms of ref UNDP

101. (Division for Public Administration and Development Management, 2004)

A weak state structure, lacking institutional infrastructure, and political conflict since 2011 have been obstacles to progress in SoG reform, and the Yemeni national context is as such not supportive of SoG reform. Yemen's progress in decentralization should engender progress in SoG reform considering the future development of new levels of government and institutions under the federal agreement. The country's current state-building status could facilitate opportunities for training and new institution building, but hinders fast progress. SoG reform has yet to see any progress post-2011.

The program was initiated by the Ministry of Higher Education and Scientific Research, established at the University of Sana'a, and partially funded by donors. The ongoing capacity building program for PA officials was initiated by the Ministry of Higher Education and Scientific Research, the Ministry of Civil Service, and the National Institute of Administrative Sciences. It was established at the University of Sana'a. In 2005-2009, prior to the launch of the program, the Dutch Institute for Public Administration funded a project to develop the Executive Master Degree in Public Administration at Sana'a University exclusively for senior and mid-level civil servants in management positions, but exclude lower-ranged civil servants.

The reform has not been part of a larger reform initiative. The collected data and key informant interviews do not suggest that the SoG reforms (government or private) have formed part of a larger reform initiative, or featured in a national debate on reforms. Renewed focus on federalization in 2014 may engender higher prioritization of SoG going, as the federalist system will put pressure on the central government to strengthen leadership of the local civil servants.

Schools of Government: Libya

In Libya, there have not been any reforms to establish SoGs. Instead, the private sector in the form of the LIAS has stepped in to offer demand-driven executive training courses to Libyan civil servants in PA and policy since 2012. The LIAS aims to provide training as an impetus and capacity for post-revolution reforms. In 2013 the privately run LIAS opened, which collaborates with international universities. However, in 2013, bilateral cooperation between Dubai and Benghazi Warrior Affairs Commission officials led to a training program at the MBRSG for 300 selected revolutionary fighters as Libyan civil servant officials.¹⁰² The program aimed to provide a better understanding of workflows and best practices learnt in Dubai.¹⁰³ However, this program was not seen as a reform or national project, as all in government at that time did not sanction it. Both initiatives lack relevance for lower rung officials, although training for low-level civil servants might be premature considering lack of national political consensus and dialogue.

Libya suffers from weak state and institutional capacity, hindering state provision of training.

Libya's current situation of near-state collapse, inability to enforce rule of law, and government in-fighting prevents any reform initiative. The context has allowed the private sector to provide training.

Government, citizen, and international community involvement has been non-existent, although private sector service provision includes business

102. (Libya Institute for Advanced Studies, 2013)

103. (Libya Business News, 2013a)

and academia. The privately owned LIAS and the MBRSG each run their own advanced training courses for Libyan civil servants.¹⁰⁴

LIAS is not part of a National Dialogue and separate from government reform efforts. The SoGs in Libya are not part of a Libyan National Dialogue: the MBRSG is a bilateral effort between the United Arab Emirates (UAE) and Benghazi officials of the Warrior Affairs Commission, and the LIAS is a private institution.¹⁰⁵ LIAS has invited the Libyan public to contribute to the programs that are offered by LIAS, and it also has a body of Libyan advisors who provide insights into the work of the Institute.¹⁰⁶

4.3 CASE STUDY: ONE-STOP-SHOPS

OSSs aim to streamline and improve citizens' access to information and transact with governmental departments and agencies. Through OSSs, points of contact are easily identifiable, and approaches to information management, as well as administration arrangements are streamlined, thereby improving coordination and transitions between transactions.¹⁰⁷ Two types of OSSs have been studied: citizen-centric OSSs that aim to provide information and services to citizens, and business-focused OSSs that aim to provide information and services to the business community. Egypt and Tunisia have implemented both types of OSSs, Yemen has attempted to set up a business-centric OSS, while Libya has not made efforts at either type of reform.

104. (Libya Business News, 2013a; Libya Institute for Advanced Studies, 2013)

105. (Libya Business News, 2013a; Libya Institute for Advanced Studies, 2013)

106. Interview with staff at LIAS, December 14, 2014

107. (PWC, 2012)

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One-Stop-Shops: Tunisia

The Tunisian reform to set up citizen-centric OSSs was launched in 2009 through e-Government systems and received impetus in 2011/2012, when four web portals for government-citizen communication and services were launched.¹⁰⁸ The reform process is laid out in the 2009 "E-Government Development Strategy in Tunisia: E-Strategy 2010-2014".¹⁰⁹ The strategy promotes the importance of the right to access information and open global data, participatory approach to involve citizens, the public's ability to consult web-portals for access to information, and integrity/anti-corruption efforts.¹¹⁰ Through these web-portals, primarily through the Tunisia National web-portal (www.tunisie.gov.tn), Tunisian citizens can now access about 200 services.¹¹¹ Tunisia also has implemented business-focused OSSs, and runs three physical, business-focused OSSs aimed to assist investors in navigating through the formalities required to set up a business. The OSSs are located at the Agency for the

Promotion of Industry and Innovation (API) head office in Tunis and with regional offices in Sousse and Sfax. The OSSs have been run by various government agencies since 2006.¹¹²

Tunisia's high literacy and Internet connectivity enables the successful implementation of citizen-centric OSSs. Tunisian citizens are able to use and benefit from citizen-centric OSSs due to high literacy rates (82%) and Internet connectivity (33%),¹¹³ Internet penetration increased during the reform implementation from 11.4% in 2010 to 33.2% in May 2014.¹¹⁴ As the Tunisian state and rule of law is strong, the e-Governance unit of the PM's Office easily enforces and implements rulings. However, the literacy rate (72%) and ICT connectivity is lower for women, raising the concern that e-Governance will disproportionately benefit men.¹¹⁵

108. (El-Shiaty, 2014; Regulatory Policy Division, 2009)

109. (E-Government Tunisia, 2009)

110. (Bouchnak, 2013)

111. (Government of Tunisia, 2014)

112. (Innovation, 2014)

113. (Instance Nationale des Télécommunications, 2014) (Bureau des Etudes de la Planification et de la Programmation, 2012)

114. (Instance Nationale des Télécommunications, 2014) Internet penetration rate: June 2010: 11,4%; June 2012:17.1%; June 2013: 22,9%, March 2014; 33,2%. Interview with students at the library of ENA (National School of Administration. Tunis, November 21st 2014.

115. (The World Bank, 2012)

The public support, due to reform unawareness, does not match that of national actors for the citizen-centric OSSs. The e-Government project is headed by the Presidency while various state institutions work together under defined roles. The Ministry of Finance is involved in the set up OSSs.¹¹⁶ Key informant e-Governance unit staff report high support from these various actors throughout reform implementation. Support among official authorities outside reform implementation is also high. The Council of Ministers and National Constituent Assembly each approved the reform, and local political actors encourage greater access to services outside of the capital.¹¹⁷ The political support for the OSS appears to be the driving force for the reform, as there has not been active public pressure or support for the reform – largely due to public unawareness as reported by half of National School of Administration students interviewed.¹¹⁸ The Minister of Administrative Reform, Mohammed Abou, has similarly stated that the OSS reforms require improved leadership.¹¹⁹

The international community has been both supportive of and pleased with the development of citizen-centric OSSs and e-Governance in Tunisia. The Tunisian Ministry of Foreign Affairs scored the highest in the Arab region in e-Governance, and the Index of Development of e-Government ranked Tunisia first in Africa's ranking, and 75th worldwide (103 in 2012).¹²⁰ Civil society organisations have stated support for the National Action Plan for

116. (Bouchnak, 2013)

117. (State of Governance and Civil Service, 2013) (Bouchnak interview, 28 November 2014)

118. Interview with students at the library of ENA (National School of Administration. Tunis, November 21st 2014.

119. (Magazine Tunisien Figure, 2012) Interview Mr. Mohamed Abbou, Minister of Administrative reform on Wataniya TV and Radio on 20/01/2012

120. (SESRIC, 2010) (L'Economiste Maghrébin, 2014)

Open Government Partnership, which guides the implementation of OSS from 2015 with academic, private and public sector assistance through an advisory committee.¹²¹

The citizen-centric OSS has received increased prioritization under the 2014 Constitution. In line with the National Strategy 2010-2014, the January 2014 Constitution focuses on PA reform for open and integrated PA service provision to citizens and businesses.¹²² The new Constitution, specifically Art. 15, has brought a further shift in terms of e-Governance content and focus, from a streamlining and cost cutting tool to a democratizing one.¹²³ The recent Open Governance Partnership Action Plan (2015-2016) also confirms Tunisia's commitment to OSSs as part of e-Governance reform, commits to developing an Open Data Portal, establishing a legal and regulatory framework for public sector citizen communication, developing various administrative on-line services, and increasing transparency through publication of public procurement and audits.¹²⁴

One-Stop-Shops: Egypt

Egypt's first citizen-centric OSS was implemented in 2004 as part of a wider move towards e-Governance in public sector reforms since 2003. The Egyptian Government Service Portal, Bawaba (www.misr.gov.eg), currently offers citizens approximately 200 informational services, while actual services are provided through forwarding links to other agency websites.¹²⁵ This could be reflective of a low level of overall coordination,

121. (State of Governance and Civil Service, 2013)

122. (Bouchnak, 2013)

123. Interview Bouchnak, 28 November 2014.

124. (Government of Tunisia, 2014)

125. (OECD, 2013b) (Regulatory Policy Division, 2009) (Dawoody, 2014)

absence of a common vision, or lack of skill within the government entities that provide the service – especially when compared to the well-coordinated OSS in Tunisia.

A Presidential Decree conferring prerogatives regarding communication between governmental bodies established Egypt's business-focused OSS in April 2005 by the Prime Minister.¹²⁶ The General Authority for Investment and Free Zones (GAFI) holds ownership and oversees the OSS. Its creation aims to combat the level of corruption that the complex business environment had enabled: prior to this, 22 ministries and 78 government entities, involving 349 procedures, regulated the investment environment.¹²⁷ In 2014, the Minister of Investment has pushed for expanded provisions.¹²⁸ While lacking inter-agency coordination and issues of ownership, the Egyptian business OSS is slowly making progress.

Egypt's high Internet connectivity supports the implementation of citizen-centric OSSs. The Egyptian Internet connectivity is 45%.¹²⁹ The strength of the state, in terms of its ability to enforce and implement rulings, has further supported the implementation of the OSS. However, implementation has not been fully coordinated.¹³⁰

The business-focused OSS is meeting opposition from both national and local government authorities. Though GAFI-led, the Industrial Development Authority (IDA) and the Federation of Egyptian Industries

(FEI) have resisted Investment Minister Salman's expansion of provisions for business-centric OSSs through a unified investment law. Opponents wish to set up individual OSSs, and argue an all-encompassing OSS could deter serious investors.¹³¹ The resistance to the expansion of the OSS indicates the extent of vested interest that the Egyptian business climate is plagued by, limiting the scope and support for PAR. Chairman of the Federation of Egyptian Industries, Mr. Galal El Zorba, claims local authorities have also opposed the centralization of power through a GAFI-led OSS.¹³² The international community, led by the International Finance Corporation (IFC), is supporting Egypt's efforts to collect business practices in an OSS, though notes that inter-governmental agency relations were problematic.¹³³ The national support for the citizen-centric OSS has met less opposition among national officials than the business-focused OSS, as it links more directly to Administrative Reform Work Plan goals.¹³⁴

The business OSS is a high priority reform among national actors, in particular in comparison to the priority of reform to reduce the regulatory burden. The reform to set up a business OSS, led by the GAFI, has been a high-priority, contested reform in Egypt. The widely supported ERRADA initiative also seeks to simplify the investment climate, however, GAFI-OSS has been met with opposition from several national actors. Streamlining stakeholder interests is thus, key to reform success.

126. (OECD, 2010)

127. (OECD, 2013a).

128. (OECD, 2010)

129. (Ministry of Communications and Information Technology, 2013)

130. (OECD, 2013b)

131. (Ayyad, 2014) (OECD, 2013a)

132. (Ayyad, 2014)

133. (OECD, 2010)

134. (OECD, 2013b)



Egyptian women line up to vote in parliamentary elections. Many women ran as candidates in 2011-2012; nine were elected and two appointed. (Photo: UN Women/Fatma Elzahraa Yassin)

One-Stop-Shops: Yemen

Yemen has implemented a reform to set up a business-centric OSS. The reform started in 2010, under the provision of the Investment Law no. 15 and Tax Law no. 12. The reform is directed toward generating local and foreign direct investment and is headed by the General Investment Authority (GIA). While the OSS is up and functioning, research has shown that the use of the OSS is limited and that there have been no serious efforts to extend the provisions of the OSS in the transition period. Yemen lacks citizen-centric OSSs and

easy access to government information.¹³⁵ In 2002, the Ministerial Council's Law no. 4 (2002) established the city of information technology and communications as a comprehensive high technology campus to help prepare for e-Government in Yemen, but the initiative have not received any traction since.¹³⁶ There is an (outdated) Yemen government website, but is more a provider of information than a true OSS.¹³⁷

135. Interview Elayah, 2 December 2014.

136. (Al-Mikhlaifi, n.d.)

137. (Government of the Republic of Yemen, 2015)

The Yemeni context is not supportive of OSS reform: citizens are unable to benefit from citizen-OSSs, and the business sector is not pressuring for the improvement of the investment climate. In terms of citizen-focused reform, the very low literacy rates and internet connectivity leads to low pressure from the citizens to implement such an OSS and low reward for the government to implement reform. This is particularly true for women, who have even lower ICT connectivity and literacy rates than men. Concerning the business sector, the heavy influence of the rentier state and extensive patronage in the economy limits the drive of actors to press for business-focused OSSs.

Support and pressure for OSS is low from most actors. The national government that established the OSS within the GIA, indicated that there are national official actors that are pushing for the reform of the investment climate in order to attract diversified projects.¹³⁸ However as the economic context rewards patronage and corruption, the incentive for power-holders in the current investment environment is low, resulting in low pressure for business OSS.¹³⁹ Public support for OSS is limited for two reasons: low public awareness of and participation in business-centric OSS.

138. (Government of Yemen, 2010)

139. Interview Elayah, 2 December 2014.

Citizen OSS is a low-priority reform in Yemen, given low citizen pressure for reform and low connectivity: business focused reform is somewhat more prioritized. Insufficient IT and electric infrastructure and knowledge, inadequate public ICT literacy, cultural distrust of the internet and high illiteracy rates provide little public pressure for e-Governance.¹⁴⁰ Despite national political motivation to improve the investment climate through business-centric OSSs, the extent of vested interest in the current system, rewarding patronage and corruption hinders OSS prioritization.

One-Stop-Shops: Libya

Libya has not undertaken any confirmed initiatives to set up OSSs. As seen in the mapping exercise of PARs (Annex 3), Libya has generally taken few initiatives within market-inspired PARs. Attempts have been made at reforms with better service delivery and strategic management, but overall, Libya's reform attempt regarding market-inspired reforms is lower than in the other countries (which have undertaken market-inspired reform initiatives in five areas, respectively) Anecdotal evidence exists of the creation of business-focused OSSs in Tripoli and Misrata in 2013, with the aim to fast track overseas investments under the General Authority for Investment Promotion and Privatization Affairs (GAIPPA).¹⁴¹ Citizen-centric OSSs are also lacking. The government portal (<http://www.pm.gov.ly/>) provides only minimal public sector information and updates.

140. (Al-Mikhlaifi, n.d.)

141. (Libya Business News, 2013b)

4.4 CASE STUDY: REDUCTION OF REGULATORY BURDEN

Reforms to ease regulatory burdens aim to limit excessive regulation hindering action or decision-making, through reducing demanding requirements for permits, forms, and reporting and notification for the government, while also balancing the government's need to use administrative procedures as a source of information and as a tool for public policy implementation.¹⁴² Most reforms have been business-focused in nature, though citizen-focused attempts with regards to the tax system have been made. Reforms to reduce regulatory burdens have been implemented in Tunisia, Egypt, and Yemen. Improving the business environment and stimulating economic recovery are stronger drivers for Egypt and Tunisia than they are for Libya, and to a lesser extent Yemen. This is due to the rentier state arrangements in Libya and Yemen, and to Egypt and Tunisia's higher need and commitment to business environment reform.

Reduction of regulatory burden: Tunisia

Between 2013 – 2014, Tunisia has undertaken reforms with the aim to achieve simpler and fairer PA and tax systems led by the Ministry of Planning through the Tax System Reform and later the Finance Bill. During the transition phase, reforms aimed at the re-engineering and simplification of procedures affecting the business environment. A recent reform focuses on neutrality, simplicity, cost efficiency, and fairness of the fiscal and tax systems by the Minister of Planning in May 2013.¹⁴³

142. (OECD, 2009)

143. (Ministère de l'Économie et des Finances, 2014)

Following stakeholder consultations in 2014, the reform was further extended through the Finance Bill (2015) that aims to electronically record fiscal measures.¹⁴⁴ Preparation of the reform has been relatively easy, although legally introducing the reform and passing it as a law has been problematic and remains to be done. Opposition continues from national actors with vested interests in the old system. Proposals for new laws to guide reform on investment law and bankruptcy law are awaiting approval by the government.¹⁴⁵

Tunisia's high state strength, institutional infrastructure and need of investment are conducive to reform. Tunisia's diversified and growing economy and the need for increased investment to reduce aid-dependency have created support for reduction of regulatory burden reforms.¹⁴⁶ Its relatively strong state institutions and ability to enforce regime rulings have meant that these reforms have also been successful.

The Ministry of Planning is the leading actor in establishing and using reforms to reduce the regulatory burden, with international cooperation. The MoP is the leading actor in forming and using reforms to reduce the regulatory burden through reviewing and streamlining tax and customs formalities, with international cooperation, from e.g. IFC.¹⁴⁷ Government representatives are highly qualified, but political instability undermines capabilities. Some World Bank and IFC are completely new to the government, thus making

144. (Tunisian Ministry of Economy and Finance, 2014) (Finance, 2014)

145. Interview Fawzi, 28 November 2014

146. (Watch, 2010) (Parasie, 2014)

147. (El-Shiaty, 2014)

Reforms to ease regulatory burdens aim to limit excessive regulation hindering action or decision-making, through reducing demanding requirements for permits, forms, and reporting and notification for the government, while also balancing the government's need to use administrative procedures as a source of information and as a tool for public policy implementation.

international cooperation vital. Additionally, complaints exist that efficiency suffers from too many stakeholders with varying commitment levels being involved in the reform process. According to the key informants, opposition stems from those with vested interests in the current system and investment law, such as the Trabelsi family under Ben Ali. Although non-elite capitalists supported and facilitated the fall of Ben Ali's regime, it is not clear that all of the former elite have lost power entirely, thus still potentially playing a significant role in hindering reforms.¹⁴⁸

Reform importance is gained through its focus to improve the business environment. The National Dialogue (2013) and new Constitution (2014) have opened up space for dialogue on the reduction of regulatory burdens. Broad and gradual citizen support for the government effort has been based on the development of streamlined, modernized, fair, and simplified PA and tax administration systems, and ultimately addressing socio-economic deficits. The significance of OSS

reforms is thus, of key importance to the reduction of regulatory burden reforms as businesses operate increasingly through the OSS and citizens benefit increasingly from streamlined procedures and open access to information.¹⁴⁹ Support has been wide within government for both reforms in Tunisia as non-elites gain increasing footholds and decision-making power post-Ben Ali.¹⁵⁰ A potential blockage for reform lies within the powerful trade union movement in Tunisia; as a result, successful reform will require engagement of the UGTT and other trade unions for a comprehensive reform. A potential blockage for reform lies within the powerful trade union movement in Tunisia, in which political interests according to some experts have been in favour of status quo. Consequently, resistance from the UGTT cannot be ruled out. Moreover, the role of the UGTT as a social and economic actor has been strengthened by the National Dialogue process. As a result, successful reform will require engagement of the UGTT and other trade unions for a comprehensive reform.

148. (Diwan & Cammett, n.d.)

149. (Tunisian Ministry of Economy and Finance, 2014)

150. (Diwan & Cammett, n.d.)

Reduction of regulatory burden: Egypt

Egypt's reform to reduce the regulatory burden has been carried out through ERRADA, a standalone initiative aiming to cut regulatory guidelines by streamlining and cutting administrative burdens through audits, reviews, and Standard Cost Measurement (SCM) studies, among others.¹⁵¹ Launched by Ministry Decree No. 1089/2008 (2008), a medium-term goal for ERRADA is to amend the trade law to attract investors, while the long-term goals are to simplify procedures for real estate registration and companies' market exits.¹⁵² Prior to the revolution, the reform was implemented in an inclusive decentralized cross-ministry manner, but the support for the reform has wavered many times due to political turmoil. It came to a 20-month long halt from the summer of 2012¹⁵³ until July 2014,¹⁵⁴ and has since enjoyed renewed and increased political support, led by a Board of Trustees.¹⁵⁵ Between 2008 and 2014, Egypt has decreased its ranking on Transparency International's Corruption Perceptions Index (PCI), moving up from 115 out of 176 countries in 2008 to 94 out of 175 countries in 2014; this improvement of transparency and decreased (PCI) ranking might signal a weakening of cronyism by 2014. Renewed political will for this reform among others suggests that those in power are allowing for greater access to investment and more open decision-making with regards to the economic sphere.¹⁵⁶

151. Interview Fawzi, 28 November 2014

152. (Aggar, 2014)

153. (Egyptian Regulatory Reform and Development Activity, 2012)

154. (Aggar, 2014) (Hamza, 2014)

155. (Egyptian Regulatory Reform and Development Activity, 2012) (Aggar, 2014) (Hamza, 2014) (Interview Fawzi, 28 November 2014)

156. (Diwan & Chekir, 2013)

Egypt's need for economic invigoration has been conducive to ERRADA's success. As Egypt is currently deepening economic diversification through widening the service market and manufacturing sector¹⁵⁷ investment would reinvigorate the economy post-2011 and break reliance on the European market.¹⁵⁸ Its strong state institutions, institutional infrastructure and successful constitution drafting have contributed to ERRADA's success.¹⁵⁹

Ministry of Trade and Industry leads the implementation, which has been implemented across twelve ministries. ERRADA is led by a central unit under the Ministry of Trade and Industry, but moved to the MoF in 2011 after which it came to a standstill. During the slow-down period, it was moved back to the Ministry of Trade and Industry where it is currently placed. Since the start-up in March 2014, the Board of Trustees has been re-established.¹⁶⁰ During 2008-2012, the central unit led the work of 12 working units, placed at each of the 12 ministries and three governorates that participated in the inventory and review.¹⁶¹ Efforts have been made to include the consultations and meetings with the private sector and civil society (the Egyptian National Competitiveness Council) in shaping ERRADA. Throughout ERRADA's implementation, issues with the reporting line have been mentioned.

157. (OECD, 2011)

158. (Achy, 2011)

159. (Rotberg, 2014)

160. (Egyptian Regulatory Reform and Development Activity, 2012)

161. (Egyptian Regulatory Reform and Development Activity, 2012)

Political support has wavered at times but is currently strong, despite the reform's contrary stance to OSS reforms in Egypt. ERRADA is a business-centric reform that does not play a large role in the National Dialogue with citizens, although it does encourage them to enter the economy through increased transparency and streamlined regulation e-Registry.¹⁶² Political and official support fluctuated throughout the reform in three periods. In the first phase, there was general, but weak, political support for the reform, without clear leadership. The reform's funding by USAID proved problematic to engendering support due to its ambiguous reputation in Egyptian politics. During the second phase of slow momentum between 2012 and 2014, donor community support for the reform shrank. During the revolution, the reform held negative connotations given its links with the former regime and the reform became politicised. Further, in the second period, an ERRADA review noted that the reform was met with scepticism from business, due to previous failed government reform efforts.¹⁶³ In the third period (post 2014), USAID is no longer a donor,¹⁶⁴ and ERRADA enjoys more widespread political support to improve the business climate and is currently gaining momentum. The inclusive nature of ERRADA could therefore be considered a driver to its success, as is exemplified by OSS reform stakeholder infighting.

162. (Egyptian Regulatory Reform and Development Activity, 2012)

163. (Egyptian Regulatory Reform and Development Activity, 2012)

164. Interview Fawzi, 28 November 2014

Reduction of regulatory burden: Yemen

The business-focused reform to reduce regulatory burdens in Yemen started in 2002, and has since seen little development. It aims to unite two systems of PA (historical legacies prior to the Yemen's unification), and cut government expenditure. Over 61% of local Yemeni companies surveyed by the World Bank group believe that excessive and arbitrary tax regulations and processes have been to the detriment of business (2002). Nearly 61% of them believe that high socio-economic status in Yemeni society is necessary to influence government decision-making processes. Court settlements and disputes are six times more likely to be settled through tribal and informal social mechanisms than official court systems. Reform attempts in 1990 and 1995 were either halted by civil war or slow to produce results. With IMF and WB assistance, reforms aimed to decrease public service staff by 35,000 in July 2007, reduce government expenditure, and approve an Enhanced Structural Adjustment Facility.¹⁶⁵

Yemen's non-diversified economy, weak institutional infrastructure and national cohesion have been conducive to private sector engagement and impetus for reform. Yemen's non-diversified, oil-reliant economy provides 75% of government revenue and accounts for 25% of GDP, but it set to run out in 2017.¹⁶⁶ Widespread fragmented and weak institutional capacity¹⁶⁷ and political conflict hinder government-spearheaded reform to enable economic diversification.

165. (Shamsan, 2004)

166. (Bertelsmann Stiftung, 2014) (de Haan, 2014)

167. (Bertelsmann Stiftung, 2014)

The Ministry of Planning is charged with recent reforms, though private sector provided the impetus for the reform. The MoP is charged with recent reforms of employee training to be implemented in 2015. The private sector (namely the Trade Chamber) in Yemen has played a role in criticizing the government for failed reforms and lacking transparency. The neutral business-minded private sector spurred increased support for the reform as political turmoil of the September 21, 2014 Houthi control of Sana'a, and increased calls for separatism from southern regions, raised fears of economic disadvantage and deterrents to international development aid stemming from perceptions of an Iranian alliance.¹⁶⁸ New plans are set for 2015-2017. Yemeni citizens benefit little from the reform and have not participated. The IMF and World Bank play supporting roles, though political instability and persistence of high levels of corruption have weakened cooperation since the Arab Spring.¹⁶⁹

168. (International Crisis Group, 2015)

169. (Bertelsmann Stiftung, 2014)

The reform is centred in a long-running list of reforms focused on meeting IMF and WB requirements for further cooperation. With regards to earlier reform attempts in the 1990s and early 2000s, dialogue centred around the need to meet IMF and World Bank requirements for further development work by restructuring PA in general, and cutting back on costs and staff in particular within the anti-corruption and economic reform contexts.

Reduction of regulatory burden: Libya

Libya has not undertaken any reforms to reduce the regulatory burden. Libya's one attempt at deregulatory/regulatory PARs is the creation of a regulatory body.¹⁷⁰ Libya's weak reform performance across the board does not suggest that reducing the regulatory burden reforms is currently ongoing or will be developed until political stability and consensus has been achieved.

170. (Evans, 2014)

5 | Conclusion: obstacles and drivers



Visitors attend Arab Priorities in a Time of Change: Knowledge Exhibition, organized by UNDP in 2011 in Jordan. (Photo: UNDP Arab States)

Introductory workshop with activists on women's political participation.

LIBYA

Support to Civic Engagement

Context Libya is at a critical juncture. The transition is facing a number of challenges including:

- (re)building institutions of democracy and governance;
- and establishing mechanisms of justice and accountability;
- and participating in elections and Constitution-drafting, and understanding of these processes. Yet critical decisions on government, and allocation of resources need to be made with historically strong regional and local identities, and a governance system can become a significant source of division.

To support participation in democratic processes, the Support to Civic Engagement for Women's Political Participation (SCELT) was created and included a particular focus on women's role in public life was very limited and deep-rooted traditions. However, the revolution has created a shift in perspective in strength.

Strategy A key strategic objective of this initiative is to participate fully in the electoral and constitution-making process. The emphasis has been placed upon the promotion of national and strengthening Women CSO capacities. The initiative also involves regional experts as well and national and local.

Results In the lead-up to the 2012 elections, providing intensive training to candidates and political parties.

This section accounts for the report findings, including the identified obstacles and drivers to reform. The section is introduced by a summary of the main report findings, presented across the three key PE variables, and followed by an account of the identified key obstacles and drivers to PAR.

5.1 SUMMARY OF MAIN FINDINGS

The main finding of the report is the importance of recognizing PAR as a result of political battles, where the strength and incentives of the actors in the battle shape the outcome and traction of reforms. The actors' strength and incentives in turn vary depending on the country's political, economic and social context. The specific findings within the overall findings are displayed below.

Country context: Historical and contextual legacies have a strong and lasting effect on institutions, power structures and relations, ideologies, and perceptions. Though contextual explanations may be rooted in a variety of factors, the report finds that three country context factors have particularly significant effects on the outcome of PAR: the strength of the state, extent of national cohesion and the countries development level, in terms of citizen "user-readiness" for reform, the countries motivation for business sector improvement, and the wealth and resource distribution.

Specifically, the analysis finds that the political, economic and social contexts affect PAR. Politically, despite the common experience of Arab Spring transitions, the difference in political contexts in Tunisia, Egypt, Yemen, and Libya at the outset of the PARs have had significant impacts on the outcome and traction of

PAR. Economically, a split is seen between Libya/Yemen and Tunisia/Egypt, where the latter's economic setup has been more conducive to successful PAR. Lastly, socially, user-readiness of constituencies has been important in determining whether reforms have enjoyed critical mass support, as exemplified by Tunisia's experience.

Actors: The power structure of actors and stakeholder relationships is of crucial importance for PAR. The priorities, resources, degree of influence, actual and potential alliances among actors, inter-agency power balances, and ability to articulate demand, all affect reform. A key finding from the actor analysis is the heterogeneity of stakeholders involved, including the national political actors, local political actors, citizens/the general public, the international community and the business community.

Specifically, the analysis finds that while an inclusive process is important to PAR successes, the inclusion of multiple stakeholders increases the likelihood of competing interests. Further, clear ownership of any given reform is key: leadership of a reform that sustains the momentum of a reform is not only vital to providing direction of the reform, but in creating a coordinated and cooperative environment conducive to holistic stakeholder contribution. Most reforms have failed to include citizens – apart from citizen-centric OSSs, and elements of decentralization reforms, most reforms have not made efforts to include citizens. As public support can provide impetus for a reform in a post-revolutionary context where government is expected to pursue greater means of public service closer to the citizens, there is scope for greater inclusion of the public.

Salience: Political will is rarely unitary, and the consideration of actors' incentives, and the intensity of those incentives, is crucial to understand how political will is

built, which in turn affects the outcome of reform efforts. The report identifies three types of incentives which particularly shape the salience and extent of importance actors place on reforms: political incentives, identity-based incentives and material incentives.

The placement of reforms within greater all-encompassing reform programmes can boost prioritization, public support, and create political will, granted there is support for the greater reform programme. If on the other hand the greater reform programme is sensitive, the bundling of reforms may hinder reform progress in the less-sensitive reform. This has been observed in Tunisia and Yemen, for example, where reforms that may be logically inter-related, such as OSS, reduction of regulatory burdens and decentralization, have not been jointly pursued due to different incentives and vested interests by actors. Also for specific reforms not pursued under a greater reform programme, salience affects the outcome, as if salience is lacking, reforms that are otherwise realistically achievable may not be implemented (which has been particularly noticed in the case of Schools of Government).

5.2 OBSTACLES AND DRIVERS TO PAR IN TUNISIA, EGYPT, YEMEN AND LIBYA

Drawing on the variable-level findings (section 6.1) and the case studies (section 5), the report has identified one main obstacle and driver to reform, across PAR types. For a detailed account of the specific obstacles and drivers to each of the 16 case studies, forming the base for analysis of the main obstacles and drivers, see Annex 1.

Governance reform: decentralization

The main *obstacle* to decentralization in the focus countries is a lack of political will due to competition between divergent geographic and political forces, hindering decentralization progress. The lack of political will spurs from various actor incentives: in Yemen and Libya it spurs from divergent identity incentives (North and South in Yemen; East and West in Libya), while the lack of political will in Tunisia spurs from political (electoral) incentives, as the central government acts to avoid losing political power to the interior region. Concerning the *driver* for decentralization, the national context, shaped by historical legacy (in Libya and Yemen) or the political power play (in Tunisia and Egypt) provides the initial impetus for decentralization debate. Continued success of decentralization, after initial impetus, hinges on the clear delineation of responsibilities between actors, and delineation of a structure and roadmap for reform. The clear delineation is particularly needed in Libya and Yemen, while a further specified oversight mechanism to uphold decentralization progress is needed to uphold reform drive in Tunisia and Egypt.

Competency reform: schools of government

Schools of Government reforms have across the focus countries been overshadowed by other, more high-profile reforms (most notably, decentralization). The low salience of the reform and prioritization of high-profile reforms is an *obstacle* to SoG reform, and the intensity of all incentive types – political, identity and material – are low among most actors across the countries. Going forward, building on existing institutional infrastructure is one avenue for increased *drive* and success, but the prioritization

of training within a grander scheme of reform is vital. Further, the drive could be strengthened by building upon existing structures and achievements of SoGs, to highlight the need and benefit of SoG reforms, among actors.

Citizen-centric reform/market-inspired reform: one-stop-shops

Citizen-centric OSSs are hindered by low user-readiness, thus leading to a dual **obstacle** of low public demand for the reform and low benefit to national actors to provide the reform. Further, reform is hindered by conflicting agendas regarding prerogatives for ownership among governmental agencies. The main **driver** of citizen-centric OSSs is the prioritization OSSs as a tool for a broader democratization process, through focusing on providing accountability and transparency. For *business-focused OSSs* low salience, spurring from (national and business) actors' material incentives to protect the previous investment codes and oppose reform, is the main **obstacle**. In terms of **drivers**, the national context forms one of the strongest drivers for reform. A high level of national motivation for economic development - significantly more pronounced in Tunisia and Egypt than in oil-dependent Yemen and Libya – drives business-focused OSS reform.

5.3 LESSONS LEARNED, IMPLICATIONS AND OPTIONS FOR POLICY

Through the analysis of the 16 case studies from a PE perspective, the report has identified key obstacles and drivers to PAR in the region (see section 6.1 and Annex 1). Informed by these findings, the report identifies four overall lessons learnt from the PEA of Egypt's, Tunisia's,

Yemen's and Libya's PAR experience. This section presents the four overall lessons learnt and the implications of these lessons, and also identifies potential policy options to guide the successful undertaking of PAR. The policy options have been developed to inform PAR across the Arab countries in transition, specifically for the four focus countries (Egypt, Tunisia, Yemen and Libya) which have all undergone regime change. The recommendations may also be applicable for the Arab countries in transition that have engaged in transformation under existing regimes (Jordan, Morocco).

PAR benefits from being placed within a larger, Whole-of-Government (WoG) approach

LESSON LEARNT AND ITS IMPLICATION

The report finds that packaging specific PARs within larger Whole-of-Government initiatives (also called “joined-up government” and “horizontal management”) provide impetus for specific reforms and supports progress. A Whole-of-Government approach denotes an approach where public service agencies work across portfolio boundaries to achieve a shared goal and an integrated government response to particular issues within e.g. policy development, programme management and service delivery.¹⁷¹ The WoG approach aids reform as it helps create a coherent vision that identifies, articulates and advocates the reform benefits, and can help explain the aim of the reform to involved actors (politicians and public officials), thereby increasing the potential for support. Within PAR, the last decade has seen a shift in emphasis away from structural devolution,

171. (Below & Belzile, 2013)

disaggregation, and single-purpose organisations towards a more integrated approach to public administration.¹⁷² This report, particularly drawing on the case study of SoGs, offers support for this shift in focus. In Egypt, the SoG reform was placed within the broader scheme of decentralization and local development, forming part of the explanation for why Egypt is the only country out of the four that has seen sustained progress in SoGs.

POLICY OPTIONS FOR THE INTERNATIONAL COMMUNITY

Support the packaging of reforms within broader reform initiatives. In practice, build support initiatives similar to UNDP's support of LARU (the Local Administration and Reform Unit) in Egypt, which is supporting specific reform initiatives such as training of public officials within a greater decentralization reform. However, in supporting the placement specific reforms within greater reform initiatives, be cognisant that success of placing specific reforms within greater WoG hinges upon two main caveats. Firstly, it relies on support for the greater reform programme, and if the greater reform programme is politically sensitive, the bundling of reforms may hinder reform progress in the less-sensitive reform. Secondly, success hinges on the report's second lesson learnt: successful PAR requires a clear and delineated leadership (see 2nd lessons learned, below). When designing support, one should be cognisant of the two caveats, and strive to keep the specific PAR focused, with realistic and well-defined targets, even within the grander reform scheme.

Firm reform leadership is crucial for reform success; firm reform leadership in turn requires clearly delineated leadership provisions and political will

LESSON LEARNT AND ITS IMPLICATION

The need for firm leadership and political will for successful PAR is widely recognized in the PAR literature, albeit specific measures for how to achieve this are inconclusive.¹⁷³ The importance of a clearly delineated leadership is found also in this report, exemplified by the successful implementation of Egypt's ERRADA under a specifically created central unit to lead the reform implementation across 12 ministries, and the successful implementation of citizen-centric OSS in Tunisia under a designated e-Governance unit under the Presidency. However, the delineation of clear leadership is not in itself sufficient for reform success – the leadership also needs to be recognized by other actors, as exemplified by Egypt's experience of business-focused OSS (where the established leadership of the General Authority for Investment and Free Zones is contested by both the Industrial Development Authority and the Federation of Egyptian Industries, limiting reform progress). In this light, the creation of a firm leadership requires two main components: clear leadership provisions and the political will among actors to support that leadership.

172. (United Nations Public Administration Network, 2012)

173. (Verma, 2006) (UNDP, n.d.)

POLICY OPTIONS FOR THE INTERNATIONAL COMMUNITY

There are two main spaces for the international community to engage based on this lesson learnt: a) support the establishment of a unit in charge of the reform, and b) stimulate political will. In terms of a) supporting the establishment of a leadership unit, this work can in practice be greatly supported through the creation of an authoritative inter-agency board dedicated to the specific PAR (as e.g. exemplified by the ERRADA reform). The practical work of the interagency board should include the leadership and coordination of the reform, and the development

of inter-agency strategies for how to plan and implement the reform (this type of strategy would have helped the implementation of the Egypt OSS). For successful establishment, it is important that the steering body possess sufficient coordination and decision-making power to lead the reform. Concerning, b) stimulating political will, this process needs to be greatly tailored to the specific reform. All reforms create losers – even the most technical of reforms can shift the power of one group over another in a fragile political environment – and therefore there is no roadmap for how to create political will, but

Thurayya Sithum campaigns for office in Tunisia after attending the UNDP Summer University in 2011. (Photo: UNDP/Jamel Haouas)



interventions need to be taken in recognizing the specific power plays at hand. A mapping exercise of the different incentives that drive the key actors – electoral, identity-based or material – can provide a starting point for how to best support political will. Further, in the broader literature of PAR, it is identified that PAR is most likely to succeed if it is supported by a main reform champion, at a high level in government. To draw on these findings in practice, the international community should spend time understanding who the main reform champions are, and the nature of their incentives.

There is scope for increased engagement in PAR from the international community, if implemented with sensitivity to two core risks: risk of political tension caused by donor support and risk of donor support treated as a substitute for public support

LESSON LEARNT AND ITS IMPLICATION

The literature on PAR calls for more engagement by the international community, in order to bring additional and often needed resources to this issue.¹⁷⁴ The current report broadly supports this notion, as the engagement of the international community has been limited in most case studies, in particular concerning the specific PARs such as SoGs, OSSs and reduction of the regulatory burden (decentralization has received most attention and support). However, the report finds that increased support by the international community may be a double-edged sword with the potential to hinder, rather than drive,

174. (Verma, 2006)

progress. In particular, two risks are observed. The first risk is that international support may cause political tension among national political actors. This particularly observed in the case of Egypt's ERRADA reform, where the support of USAID caused political tension among reform actors, slowing down reform implementation. The second risk that the report finds – which is also addressed in PAR literature – is that donor support to reform can free governments from the need to consult with and obtain policy support from their own citizens.¹⁷⁵ In this report, this was primarily observed during the implementation of Yemen's first phase of decentralization in the 1990's, which was supported by the World Bank.¹⁷⁶ The decentralization was a largely-elite driven process drawing on donor support, with little support from the Yemeni population. This experience indicates the risk that donor support may override local support.

POLICY OPTIONS FOR THE INTERNATIONAL COMMUNITY

As PAR is an inherently political area of governance, international engagement needs to be implemented sensitively. Therefore, when engaging in increased support for PAR, take measures to mitigate the two risks that support faces (risk of political tension caused by donor support and risk of donor support treated as a substitute for public support). This can be done through establishing a well-defined role for the donor, for which the donor has financial resources and expertise. In practice, draw on best practices from successful cases of PAR support, e.g. UNDP Egypt's support to the SoG in Egypt, which has benefitted from operational support and technical guidance.

175. (UNDP, n.d.)

176. (World Bank Independent Evaluation Group, 2008)

Greater efforts to include citizens, and address the failure of most reforms to include citizens, is needed to uphold public support for PAR

LESSON LEARNT AND ITS IMPLICATION

Citizen inclusion and public participation is one of the core principles defining the policy agenda at global and national levels. In the MENA region specifically, where much of the failures of past governance are attributed to the exclusion of people's voices from policy-making processes, public participation is of particular importance, as discussed in the literature.¹⁷⁷ In light of this, the role of citizen participation in PAR in Arab states deserves attention. In PAR literature, the role of citizens most often concerns citizens' role as beneficiaries of public services, rather than advocating for citizens' actual involvement in PAR. The report partially supports this notion, as the direct participation of citizens in PAR is not of most importance – rather, the report finds that the key importance of including citizens in PAR is through gaining public support for reform. Reforms that have broad public support gain the most traction, as e.g. observed in the

focus countries' decentralization efforts, and the efforts of the Tunisian e-Governance unit (leading the implementation of Tunisian citizen-centric OSS).

POLICY OPTIONS FOR THE INTERNATIONAL COMMUNITY

To stimulate and uphold citizen support, the international community should strive to support interventions that generate genuine commitment from the public. Do this through providing support for interventions that a) show and make reform progress public, and b) enable citizens to form a full understanding of reform and reform benefits. Showing and publicizing reform progress can instil trust that the reform “is working”, and may forge a change in attitude towards reform, ease the fear of change and encourage citizens to support the reform. Of equal importance to generate public support for a reform, is to enable the citizens to understand the reform, and in particular, understand the reform benefits. Therefore, coordinated public relations efforts and communication campaigns should be an integral part of reform strategies. These measures will help manage the public expectations on the reform and, if successful, increase the public support for change.

The main obstacle to decentralization in the focus countries is a lack of political will due to competition between divergent geographic and political forces, hindering decentralization progress.

177. (DESA & ESCWA, 2012)

Annexes



*Tunisian youth participate in a roundtable discussion.
(Photo: UN Photo/Eskinder Debebe)*

ANNEX 1: OBSTACLES AND DRIVERS TO PAR ACROSS 16 CASE STUDIES

TABLE 1: REFORM-SPECIFIC OBSTACLES AND DRIVERS IN THE FOCUS COUNTRIES

		TUNISIA	EGYPT	YEMEN	LIBYA
Decentralization	Obstacle	Polarization between political forces in centre vs. periphery limits elite support for decentralization from the capital. Strong public support for Islamist parties in the interior limit political support for decentralization from the Nidaa Tunes-led government, as decentralization could be perceived to weaken central government authority in these areas.	Elite-led reform with little involvement of citizens. The lack of an inclusive process has led to vague language in the Local Administration Laws, which civil society groups currently criticize for not offering any real substantive freedoms for Local Councils but rather sustain central government dominance.	The weakness of the central government makes it unable to lead successful decentralization. In light of secessionist demands – calling for the separation of Yemen rather than decentralization – the central government would need to be stronger (e.g. by holding functioning institutions and monopoly of violence) to be able to lead decentralization reform under a unitary state.	Lack of clear aim of decentralization hampers progress. The Libyan decentralization provisions are vague concerning the type of decentralization Libya wishes to achieve – limiting possibility for concerted effort to achieve decentralization. The negative effects of the split focus are further exaggerated by the vocal secessionist demands in the east.
	Driver	Strong support from the public and local elites maintains the momentum for the reform that was created during the passing of the new Constitution.	The clear and specified delegation of responsibility for the reform to LARU (Local Administration and Reform Unit) may help the implementation process. However, in order for this to fulfil its potential, more inclusion of citizens is needed.	Strong public demand for less centralization drive decentralization reform. Strong public demand for increased power to local areas, and federalism, drives decentralization. However, to avoid the demand leading to country's fragmentation, support needs to be sensitively guided.	Reaping impetus generated from historical legacy of failed centralization has supported decentralization reform. Dissatisfaction among political actors and the public during Ghaddafi's highly centralized system has supported the drive for improvement and change via decentralization.
Schools of Government	Obstacle	Limited political support due to non-prioritization hinder progress in capacity development of civil service despite increased need, due to progress of decentralization reform.	Political conflict during the revolution impeded initial reforms due to lack of leadership and clear identification of roles and direction. The first reform was impeded due to its commencement under Mubarak's rule in 2010.	Lack of central monitoring and evaluation systems in addition to lack of coordination have meant that reforms started in 2009 have led to little progress since, despite international assistance from Leiden University and Dutch PAR experts.	Weak state and state-building status has prevented any government attempt at SoG reform. Despite decentralization featuring heavily in the new Constitution, and consequent need for training, no SoG reform has been attempted.
	Driver	There are few drivers to SoG reform , but the strong state infrastructure and existing SoG are a base from which to build, if political will increases.	Repackaging within greater reforms of decentralization for democratization and inclusivity at all levels of government have reinvigorated political will centrally, regionally, and locally. International assistance has further provided necessary oversight & support.	International assistance from academia and PAR experts provided the necessary impetus for reform in Yemen, putting in place systems and structures for training within the national NIAS and Sana'a University's EMBA program for civil servants.	Private sector entrepreneurship drives SoG provision , and has filled the service gap by providing training programs. However, this also hinders SoG reform, as it reduces demand for public SoGs

Continued on page 60

Table 1: Reform-specific obstacles and drivers in the focus countries (continued from page 59)

		TUNISIA	EGYPT	YEMEN	LIBYA
One-Stop-Shops	Obstacle	Low awareness of reform among the public hinders use and demand for continued citizen OSS reform, while business OSS is hindered by opposition from vested interests in the current investment climate. Public support for citizen OSS reform is limited due to limited public awareness and small public debate, which limits the public use and benefit of the reform, and thereby public pressure for continued efforts.	Conflicting agendas among actors limit reform progress of business-focused OSS. The OSS led by the General Authority for Investment and Free Zones (GAFI) is opposed by other national and local government authorities, as the OSS concentrates investment powers to GAFI. These interests to keep the OSS small have hindered OSS-expansion (which the Ministry of Investment promotes).	The Yemeni economic context limits motivation for business-focused OSSs, and the infrastructural context (e.g. low internet connectivity) limits motivation of citizen-focused OSSs. The long-time legacy of a rentier state has formed an economic landscape where power-holders are rewarded under the current system through patronage and corruption, and therefore oppose business-focused reforms.	Low motivation for business reforms, and low public pressure for citizen-OSS, limits the drive for both business- and citizen-focused OSSs. The high reliance and revenue from the oil sector, limits the motivation for most market-inspired reform, including business- OSSs. Low user-readiness among citizen OSSs limits both the pressure from the public, and the potential gain for political actors to promote the reform.
	Driver	Prioritization of e-Governance as a tool for increased accountability and transparency drives further OSS reform. The January 2015 Constitution shifts the focus of OSS from a tool to cut costs to a tool for democratization, ensuring continued importance of OSS reform.	Interest in economic development by the national government is driving the reform. The Ministry of Investment, supported by the international community, is promoting business-focused OSS expansion, based on the need and goal of improving Egypt's investment climate and economic growth.	The future need for economic development provide some drive for the reform. The proponents for OSS reform in Yemen – while few – argue that OSS is needed because the lack of information and services from governmental agencies hinder investment, which in the long term hinders economic growth.	Libya has no significant drivers for the reform.
Reduction of Regulatory Burden	Obstacle	Minor opposition due to vested interests in the current investment climate among some political, business and trade unions actors could hinder reform.	The ERRADA became politicized and stalled during the time of USAID support, highlighting the lesson the diverse incentives among actors (in this case the national actors and the international community) may reinforce conflict among actors and exacerbate inconsistencies in reform.	Central government unable to spearhead reform progress – despite demonstrated will in the form of reform attempts in the past two decades – in the challenging national context of a non-diversified economy, weak infrastructure and lacking national cohesion.	Weak state status in addition to lacking institutional infrastructure and political leadership has led to zero progress in reform in Libya.
	Driver	National Dialogue and clear vision for economic recovery have provided the impetus, inclusive political will, and clear delegation of responsibilities between all stakeholders. Public participation and support have increased based on support for economic recovery and modernized user-friendly systems of PA.	Need for economic invigoration and clear delineation of tasks for all stakeholders in an inclusive programme has led to the establishment of a well-organized, maintained, and operational reform. Clear direction towards a publically supported goal of economic recovery has been vital.	Private sector involvement has been vital to progress since 2011. Clear criticism by private sector of central government's failure to succeed in reforms, despite the need for economic recovery, has provided the necessary impetus to work towards meeting IMF and World Bank requirements.	Libya has no significant drivers for the reform.

ANNEX 2: RESOURCE PERSONS AND COUNTRY RESEARCHERS

RESOURCE PERSON	ORGANIZATION
Mr. Sherif Fawzi Abdel Gawad	Arab African Advisers
Mr. Mohamed El-Shiaty	International Finance Corporation
Mr. Richard Stacey	University of Toronto (formerly at Centre for Constitutional Transitions at NYU Law)
Mr. Moosa Elayah	University of Leiden
Mr. Chiheb Bouchnak	Public Services Advisor to the Presidency of the Government in Tunisia
Mr. Jonathan Murphy	UNDP Tunisia: Support to the Constitutional and Parliamentary Process and National Dialogue

COUNTRY RESEARCHER	COUNTRY RESEARCHED	TIME OF DATA COLLECTION
Ms. Nahla Awad El-Haddad	Egypt	20 th November - 5 th December
Ms. Rebhi Ibtihel	Tunisia	15 th - 30 th November
Mr. Hajer Al Badri Al Sharif	Libya	20 th November - 5 th December
Mr. Gasim Gasim	Yemen	15 th - 30 th November

ANNEX 3: METHODOLOGY

The methodology section below accounts for the study objectives, the project scope including the selection of the four case studies, and the data collection methodology.

Project objectives

The project’s main objective is to identify the key drivers and obstacles to PA reform, as displayed in Table 3. The final project report will function as a background paper for the upcoming UNDP-led “Regional Conference on Public Administration in the Arab States—Stronger Networks for Responsive Institutions” in Jordan, scheduled to take in place in October 2015. The paper will provide conference participants with a comprehensive background paper drawing out themes, issues, challenges, and lessons of PA reforms, as well as recommendations for a way forward.

TABLE 2: PROJECT OBJECTIVE

PROJECT OBJECTIVE	SUB-OBJECTIVES
Identify the key drivers and obstacles to the reform process of PA systems in the Arab states.	1. Identify and analyse key political economy aspects affecting the outcome and traction for PAR.
	2. Identify lessons learnt from the current PAR experience, to be considered when crafting reform agendas.

Project scope

The project aims to inform the process of key drivers and obstacles to PAR in the MENA region, building on the current knowledge base as established in the UNDP report *Opportunities and Challenges for the Reform of Public Administration Arising from the Arab Transitions*.

The project will focus on Egypt, Libya, Tunisia, and Yemen over a three-year period, from 2011 until 2014.

The specific scope of the report is research and analysis of four carefully selected PARs:

- Decentralization (implemented in Egypt, Tunisia, Yemen, and Libya).
- Schools of Government (implemented in Egypt, Tunisia, Yemen, and Libya).
- One-Stop-Shops (implemented in Egypt, Tunisia, and Yemen).
- Reduction of Regulatory Burden (implemented in Egypt, Tunisia, and Yemen).

The case studies have been chosen according to the following four criteria:

- Variation in reform type
- Variation in implementation: the reforms should be implemented in some countries and not in others
- Reforms must be present on all countries’ agendas to some extent
- Minimum two year requirement of reform on agenda.

The selection of the case studies was made by applying the selection criteria to the mapping of undertaken PA reforms in Egypt, Libya, Tunisia, and Yemen, as outline “*Opportunities and Challenges for the Reform of Public Administration Arising from the Arab Transitions: Defining the Challenge, Making the Change*” and displayed in Table 4.¹⁷⁸

178. (Evans, 2014)

TABLE 3: MAPPING OF UNDERTAKEN PA REFORMS

	EGYPT	TUNISIA	LIBYA	YEMEN
Governance reform				
Anti-corruption reforms	✓	✓	✓	✓
Better data	✓	✓		
Collaborative governance with stakeholders	✓	✓	✓	✓
Codes of ethical practice for civil servants	✓	✓	✓	
Decentralization	✓	✓	✓	✓
E-Government	✓	✓	✓	✓
Quality standards	✓	✓		✓
Open government	✓	✓		✓
Public participation	✓	✓	✓	✓
Standards in public life for politicians		✓		
Competency reform				
Official capability review				
Schools of Government	✓	✓	✓	✓
Integrated Leadership, Learning & Development Framework		✓		
Leadership coaching and mentoring		✓		
Market-inspired reform				
Better service delivery			✓	✓
Business process re-engineering	✓	✓		
Competitive tendering				
One-stop-shops	✓	✓		✓
Performance budgeting	✓	✓		
Program review	✓	✓		
Public finance reform	✓	✓		✓
Shared services				✓
Strategic management			✓	✓
New Public Management reform				
Personnel deregulation	✓			
Purchasing deregulation	✓	✓		✓
Reduction of regulatory burden	✓	✓		✓
Regulatory bodies(creation of)	✓		✓	✓
Regulatory Impact Analysis				

The justification for selecting the four PARs is four-fold:

- Fulfilment of selection criteria
- Relevance of four selected PARs to each other
- Representative overview of general PAR in the region
- Availability of data.

Data collection

The fact base on the five aspects of the four PARs is built up through the collection of documents in the four countries. The documents include:

- Official documents – in Arabic and French.
- Existing reports of PAR, in Arabic and English.
- Newspaper articles/news reports from Arabic media sources.

The data collection has been led by four country-specific researchers, one per each of the focus countries. The country-researches have been located in the countries, and have conducted a thorough data collection on the ground.¹⁷⁹

To supplement the local data collection, the study benefits from a number of interviews with key resource persons, possessing specialized knowledge of the selected PARs. Annex 2 lists the resource persons who have contributed to the project.

To ensure a thorough data collection, in-field data was collected across five dimensions of the specific reforms:

- **Actors**
 - Actors involved in reform process
- **Content**
 - Content of reform
 - Changes in the content over time
- **Saliency**
 - Intensity of incentives and motivations for actors to support reform
- **Integration**
 - Inclusion of reform in greater national reform initiative
- **Sequencing**
 - Timeline of reform implementation
 - Timeline of the passing the reform.

In addition, data on the focus countries' **country context** were collected via desk top research.

In the cases that the reform has not been implemented, as in the case of reforms to reduce regulatory burdens and One-Stop-Shops in Libya, the analysis focuses on the public debate surrounding the specific reform and available data on any attempts to implement the reform.

179. With the exception of Yemen, where the data-collection has been led remotely by a Yemeni expert.

ANNEX 4: COUNTRY CONTEXT

The report finds that from a key set of factors that have affected the experience of PAR in the countries, the country context itself is significantly important. In particular, the following aspects of the country context affect PAR:

- Strength of state
- National cohesion

- Level of Development:
 - Citizen “user-readiness”
 - Motivation for business sector improvement
 - Wealth and resource distribution

The below table provides a summary of the main aspects of the country context in the four focus countries, which has formed the basis for analysis in section 4.1.

TABLE 4: COUNTRY CONTEXT KEY FEATURES

CONTEXT	INDICATOR	TUNISIA	EGYPT	YEMEN	LIBYA
Strength of the State	Institutional capacity Strength of military Government volatility	Strong: Relatively strong state institutions, able to lead two elections and successful Constitution drafting Formalized military, largely able to uphold safety and security. ¹ Volatile government: four shifts in governments since 2011.	Strong: Relatively strong state institutions, able to enforce regime rulings. Highly formalized military, providing relative (yet, heavy-handed) safety. ² Volatile government: five shifts in government since 2011.	Weak: Weak institutional capacity of national agencies and government: central government control does not extend to much of the country. State unable to hold monopoly of power and to provide safety among secessionist demands in south and sectarian tension in north. ³ Volatile government in transition period with latest government announced in November 2014, following protests. ⁴	Weak: Weak institutional capacity due to inability of parliament to form and be uncontested, lack of legitimacy of national institutions and inability to enforce regime rulings and demand obedience to executive commands. Strong militia forces challenging military rule; inability to protect borders from insurgent groups. Volatile government and prime ministry post-revolution: seven PMs since 2011 (including acting PMs, contested PNM. ⁵

Continued on page 66

1. (Rotberg, 2014)
2. (Rotberg, 2014)
3. (Rotberg, 2014)
4. (Masi, 2014)
5. (Cahoon, 2014)

Table 4: Country context key features (continued from page 65)

CONTEXT	INDICATOR	TUNISIA	EGYPT	YEMEN	LIBYA
National cohesion	Extent of cohesion/fragmentation Extent of secessionist demands	High: High level of national cohesion, although some tension along regional-class lines (e.g., coastal vs. interior axis). ⁶ No significant secessionist demands. High degree of national identity and social cohesion. ⁷	High: Widespread support for a strong, unitary state. ⁸ No significant secessionist demands. High degree of national identity and social cohesion. ⁹	Low: Widespread fragmentation due to legacy of weak institutions and creation of unified Yemen only in 1990, from south and north unification. ¹⁰ The Southern Movement ("el-Hirak") demands the south's right to self-determination. They have widespread public support in the south. ¹¹	Low: Widespread fragmentation due to legacy of historical division in three regions and strong localism based on these regions (in terms of interests, identities, and loyalties), challenges the ability to unite under one state. Demands for creation of an eastern semi-autonomous state, as well as strong support for federal state. ¹²
Level of development: Citizen "user-readiness"	Internet-penetration Literacy rate	High: Internet users: 33% ¹³ Literacy: 82% ¹⁴ Literacy among adult females: 72% ¹⁵	High: Internet users: 45% ¹⁶ Literacy: 74% ¹⁷ Literacy among adult females: 66% ¹⁸	Low: Internet users: 15% ¹⁹ Literacy: 53% ²⁰ Literacy among adult females: 50% ²¹	Moderate: Internet users: 17% ²² Literacy: 90% ²³ Literacy among adult females: 84% ²⁴
Level of development: Motivation for business sector improvement	Economic diversification Need for foreign investment	High: Deepening economic diversification: growing service market and manufacturing sector. ²⁵ Need for investment to reinvigorate the post-revolution economy and to break heavy reliance on the sluggish European market. ²⁶	High: Diversified economic structure; large industrial sector, essential primary sector, evolving service sector. ²⁷ Need of investments to restore economy to pre-revolution levels, to reduce dependence on aid, and to ensure inclusive growth. ²⁸	Moderate: Non-diversified, oil-reliant economy: oil contributes 75% of government revenue and accounts for 25% of GDP. ²⁹ Need for investments, diversification is needed as oil reserves are will run out in 2017. ³⁰	Low: Non-diversified, oil-reliant economy: oil accounts for 95% of export earnings and represent 60% of GDP. ³¹ Low investment need due to high and continued revenue stream from oil and energy sector. ³²
Level of development: Wealth and distribution of resources	GDP (Current USD, 2012) GDP/Capita (Current USD, 2014) Resource distribution (Gini index 2008)	Moderate GDP: 46,9 billion USD ³³ GDP/cap: 3,314 USD ³⁴ Gini: 40,0 ³⁵	Moderate GDP: 271,9 billion ³⁶ GDP/cap: 4,316 USD ³⁷ Gini: 30,8 ³⁸	Low GDP: 35,9 billion ³⁹ GDP/cap: 1,473 USD ⁴⁰ Gini: 37,7 ⁴¹	High GDP: 74,2 billion ⁴² GDP/cap: 11,964 USD ⁴³ Gini: 36,0 ⁴⁴

6. Key informant interviews

7. (Darwisheh, 2014)

8. (El-Meehy, 2013)

9. (Darwisheh, 2014)

10. (Bertelsmann Stiftung, 2014)

11. (Tele-SUR, 2014)

12. (Pack, 2013)

13. (Instance Nationale des Télécommunications, 2014)

14. (Bureau des Etudes de la Planification et de la Programmation, 2012)

15. (The World Bank, 2012)

16. (Ministry of Communications and Information Technology, 2013)

17. (World Bank, 2013b)

18. (The World Bank, 2012)

19. (Al-Saqaf, 2013)

20. (National Information Center, 2014)

21. (The World Bank, 2012)

22. (Directory, 2013)

23. (World Bank, 2013b)

24. (The World Bank, 2012)

25. (OECD, 2011)

26. (Achy, 2011)

27. (Watch, 2010)

28. (Parasie, 2014) (Kharas & Abdou, 2012)

29. (Bertelsmann Stiftung, 2014)

30. (de Haan, 2014)

31. (OPEC, 2014)

32. (From Inherited Wealth to Productive Economy - planning the Development in Post-Civil War Libya, 2013)

33. (The World Bank, 2012)

34. (World Bank, 2014a)

35. (CIA World Factbook, 2015)

36. (The World Bank, 2012)

37. (World Bank, 2014a)

38. (CIA World Factbook, 2015)

39. (The World Bank, 2012)

40. (World Bank, 2014a)

41. (CIA World Factbook, 2015)

42. (The World Bank, 2012)

43. (World Bank, 2014a)

44. (Global Peace Index, 2008)

TABLE 5: KEY SOCIO-ECONOMIC INDICATORS 2010 AND 2013

COUNTRY	GDP ⁴⁵ Constant 2005 US\$, in billions		GDP PER CAPITA ⁴⁶ Constant 2005 US\$		HDI INDEX ⁴⁷	
	2010	2013	2010	2013	2010	2013
Tunisia	40,6	43,3	3,848	3,980	0,715	0,721
Egypt	121	128,5	1,559	1,566	0,687	0,682
Yemen	19,9	18,1	878	742	0,484	0,5
Libya	54,9	37,9	9,099	6,125	0,799	0,784

45. (World Bank, 2014b)

46. (World Bank, 2013a)

47. (UNDP, 2014)

ANNEX 5: KEY POLITICAL ECONOMY VARIABLES

The report has identified three political economy variables to be of particular importance for the outcome and traction of PAR. The analysis and findings are rooted in an understanding of how the three variables of context, actors and salience interact and affect the outcome of PAR. To provide an overview of the analytical understanding the report findings are based in, the below table summarizes the findings of the case studies. The table indicates high, moderate or low:

- Extent to which the national context is accommodating the PAR.
- Extent of actors support, and ability to support (based on power structures and relationships) reform.
- Extent of salience/importance of the reform among actors.

TABLE 6: OVERVIEW OF THE STATUS OF KEY PE VARIABLES, IN CASE STUDIES

REFORM	VARIABLE	INDICATOR	TUNISIA	EGYPT	YEMEN	LIBYA
Decentralization	Context ⁴⁸	State strength	High	High	Low	Low
		National cohesion	High	High	Low	Low
		Citizen "user-readiness"	High	High	Low	Moderate
		Motivation improve business	High	High	Moderate	Low
		Wealth	Moderate	Moderate	Low	High
	Actors (extent of support)	National political actors	Moderate	Moderate	Moderate	Moderate
		Local political actors	High	Moderate	High	High
		Citizen/the public	High	Moderate	High	High
		International community	High	High	Moderate	Moderate
		Business community	-	-	-	-
	Importance	Inclusion National Dialogue	High	Moderate	High	Low
		Prioritization of reform	High	High	High	High

Continued on page 69

48. The findings under 'context' are the same across the reforms.

Table 6: Overview of the status of key PE variables, in case studies (continued from page 68)

REFORM	VARIABLE	INDICATOR	TUNISIA	EGYPT	YEMEN	LIBYA
Schools of Government	Context	State strength	High	High	Low	Low
		National cohesion	High	High	Low	Low
		Citizen “user-readiness”	High	High	Low	Moderate
		Motivation improve business	High	High	Moderate	Low
		Wealth	Moderate	Moderate	Low	High
	Actors (extent of support)	National political actors	High	High	High	Low
		Local political actors	Low	High	Low	Low
		Citizen/the public	Low	Low	Low	Low
		International community	Low	Low	High	Low
		Business community	Low	Low	Low	High
	Importance	Inclusion National Dialogue	Low	Moderate	Low	Low
		Prioritization of reform	Low	Moderate	Low	Low
	One-stop-shops	Context	State strength	High	High	Low
National cohesion			High	High	Low	Low
Citizen “user-readiness”			High	High	Low	Moderate
Motivation improve business			High	High	Moderate	Low
Wealth			Moderate	Moderate	Low	High
Actors (extent of support)		National political actors	High	High/Low	Moderate	-
		Local political actors	High	Low	Moderate	-
		Citizen/the public	Low	Moderate	Low	-
		International community	High	High	Low	-
		Business community	Moderate	High/Low ⁴⁹	Moderate	-
Importance		Inclusion National Dialogue	High	Low	Low	-
		Prioritization of reform	Moderate	High	Low	Low

Continued on page 70

49. There is a sharp divide among the national actors’ support in Egypt: some governmental actors support it, and some oppose it – please see section 6.2.

Table 6: Overview of the status of key PE variables, in case studies (continued from page 69)

REFORM	VARIABLE	INDICATOR	TUNISIA	EGYPT	YEMEN	LIBYA
Reduction of Regulatory Burden	Context	State strength	High	High	Low	Low
		National cohesion	High	High	Low	Low
		Citizen “user-readiness”	High	High	Low	Moderate
		Motivation improve business	High	High	Moderate	Low
		Wealth	Moderate	Moderate	Low	High
	Actors (extent of support)	National political actors	High	High/Low	Moderate	-
		Local political actors	High	Low	Moderate	-
		Citizen/the public	Low	Moderate	Low	-
		International community	High	High	Low	-
		Business community	Moderate	High/Low	Moderate	-
	Importance	Inclusion National Dialogue	Low	Low	Low	-
		Prioritization of reform	Moderate	High	Low	Low

ANNEX 6: ACRONYMS

API	Agency for the Promotion of Industry and Innovation
AUC	American University Cairo
CAOA	Central Agency for Organization and Administration
CDA	Constitution Drafting Assembly
CFAD	Centre for Training and Support for Decentralization
EMBA	Executive Master's of Business Administration
ENA	National School of Administration
ENCC	Egyptian National Competitiveness Council
ERRADA	Egyptian Regulatory Reform and Development Activity
FEI	Federation of Egyptian Industries
GAFI	General Authority for Investment and Free Zones
GAPP	School of Global Affairs and Public Policy
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GNC	General National Congress
IDA	Industrial Development Authority
IFC	International Finance Corporation
IMF	International Monetary Fund
LARU	Local Administration and Reform Unit
LIAS	Libyan Institute for Advanced Studies
MBRSG	Mohammed Bin Rashid School of Government

MENA	Middle East and North Africa
MoF	Ministry of Finance
MoI	Ministry of Interior
MoLD	Ministry of Local Development
MoP	Ministry of Planning
MSAD	Ministry of State for Administrative Development
NDP	National Democratic Party
NGO	Non-Governmental Agency
NIAS	National Institute of Administration Studies
NTC	National Transition Council
NYU	New York University
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
OSS	One-Stop-Shops
PA	Public Administration
PM	Prime Minister
SCM	Standard Cost Measurement
SoG	Schools of Government
UAE	United Arab Emirates
UNCDF	UN Capital Development Fund
UNDP	United Nations Development Programme
VAT	Value Added Tax

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