

American University in Cairo

**AUC Knowledge Fountain**

---

Faculty Journal Articles

---

Spring 5-20-2019

## **Prioritizing Public Budget Allocations: The Politics Involved in the United States and Egypt**

Laila El Baradei

Follow this and additional works at: [https://fount.aucegypt.edu/faculty\\_journal\\_articles](https://fount.aucegypt.edu/faculty_journal_articles)



Part of the [Public Affairs, Public Policy and Public Administration Commons](#)

---

This is an author's draft of an article published in the PA Times.

The final version, the version of record, is available online at:

<https://patimes.org/prioritizing-public-budget-allocations-the-politics-involved-in-the-united-states-and-egypt/>



## Prioritizing Public Budget Allocations: The Politics Involved in the United States and Egypt

How can we do a better job of deciding on real priorities when making public budget allocations—and what can we do better as nation states? How can we make sure that all the budgetary allocation decisions contribute to the creation of greater public value, are for the public interest, and help improve citizens' quality of life? **Despite the presence of excellent technical financial advice in all countries, it seems like a lot of politics are involved in the budgetary decision making process. Often, this deviates allocations from citizens' real priorities.**

Let us review the basics. Resources are always limited and cannot cover all rising needs and expectations. Figuring out the uses of funds in any budget involves different types of expenditures. There are the entitlement expenditures that we cannot wait upon, such as the public service employees' salaries, debt service costs and the cost of providing basic government services. The problems and the debates usually lie in the discretionary expenditures where government and political leadership have a say in how to allocate resources.

In the United States, the ongoing debate regarding the wall President Trump wants to build alongside the borders between the United States and Mexico, with an estimated total cost of about \$18 billion, is one such politically charged decision. The debate over the wall led to a five-week government shutdown, from December 2018 to January 2019. It is expected to lead to another budget stand-off later with the next round of budget negotiations. The proposed 2020 budget by President Trump is directing more resources to defense, the wall and possibly cutting down funding on Medicaid and environmental protection. Critics of the wall project point out that President Trump needs it to fulfill his presidential election campaign promises, and possibly to use it for the coming re-election.

In Egypt, the mega infrastructure projects, including the establishment of a new administrative capital housing the biggest church, the biggest mosque and the tallest sky-scraper on the African continent, and lately the construction of a bridge that is deemed the widest worldwide by Guinness Book of Records, may also represent examples for these politically laden decisions. The latter was perceived as extravagant and politically incentivized spending in Egypt. It was especially emphasized after a number of recent proclaimed shortages in resources in other strategic areas of the economy. Just this month the Minister of Education complained about the lack of resources allocated to his national educational reform project involving integrating technology in education and enabling secondary school students to do their exams using tablets. The tablets exams failed because no sufficient budgetary allocations were made to allow for internet access. Similarly, the Minister of Health, during the same month announced publicly the inability to continue with the new National Comprehensive Medical Insurance system, for which a law has been ratified by parliament, again due to a lack of available resources. Education and health are considered national priorities, with clear targeted expenditure percentages of GNP clearly stated in the Egyptian constitution: 3% of GNP for health and 4% of GNP for education. Both percentages have not been met as of yet.

So what have other countries done to ensure more effective budgetary allocations?

- **Enhancing budgetary transparency:** There are a number of global initiatives led by international organizations and by civil society that call for enhanced budget transparency. Examples include a Budget Transparency Toolkit developed by the OECD and a Budget Transparency Initiative by the World Bank, among others. The aim is to encourage

governments to be as transparent as possible about their budget processes and allocations, to simplify the information to citizens and to solicit their feedback in deciding priorities. This would ideally lead to fighting corruption, reducing waste and curbing the occasional unnecessary extravagance by politicians in charge.

- ***Ensuring Budget Equity:*** To make sure that no one is left behind, Equity Budget Tools are available to enable a thorough analysis of budget items and start discussions about what needs to be done to cater to the needs of marginalized groups in any society.
- ***Checks and Balances*** and enhanced role for parliament in approving budgetary allocations: The United States congress is standing up to President Trump and denying him easy access to the required funding for his wall, as they are not convinced it is a national priority. Although this led to a government shutdown, and may possibly lead to law suits against the president, the empowered congress is not just rubber stamping budgetary requests by the executive authority.
- ***Having a working democracy*** where citizens have a real say, either directly through elections at the local level and through public hearings, or indirectly through their representatives in parliament. It is important that citizens have a voice that can be heard in media outlets and through political parties.

Whether in the United States or Egypt, the question remains to what extent citizens are in need of a wall, a skyscraper or the widest bridge ever versus their need for better health insurance and a better quality education. How can we hold our politicians in check and get them to focus on what matters to citizens? This is a continuing debate and struggle.