

IS EGYPT ON THE RIGHT PATH?

Mayda Youssef

(Political Analyst based in Cairo, Egypt)

Copyright: Research Institute for European and American Studies (www.rieas.gr) Publication date: 24 June 2015

Introduction

Following the assassination of President Anwar Sadat in 1981, Mohamed Hosni Mubarak took office ruling under emergency law.

Mubarak ruled Egypt for nearly 30 years during which the population grew by 90% from 45 million to 85 million according to the UN. The vast majority of Egyptians live in the limited area near the Nile River banks, which is an area about 40,000 square kilometers, where the only arable land is found and competing with the need of human habitations.

2011 started with an unexpected uprising against the seemingly iron regime. January 25th revolution had several causes, which were rooted decades ago. No one can forget how the Tunisian revolution was the spark for Egyptians. The success of the Tunisian revolution in December 2010, as a bloodless revolution that resulted in a fast change in the destiny of Tunisia, with the overthrow of the longtime President Zine El Abidine Ben Ali in January 2011, was definitely a reason for Egyptians to start mobilizing, especially that Tunisians were struggling under the same Police brutality

and state-of-emergency law. After Sadat's assassination, the state of emergency law was re-imposed by Mubarak's regime and repeatedly extended every 3 years. The continuous state of emergency was one of the grievances of demonstrators in 2011, as it was the major factor behind the increasing police brutality and the emergence of a police state, which limited non-governmental political activity and permitted indefinite detention without trial and hearings of civilians by military courts. The persistent rule by terror for 30 years, claiming that such powers are used only against suspected terrorists and drug dealers but in fact have also been used against nonviolent political opponents of the regime, was a major factor contributing to the revolution.¹ However, this was not the only one.

Economic and financial inequality and unemployment also had a share. On the socio-economic side, the revolution is largely attributed to the rise of unemployment, inflation of food prices, low income and rising inequality. Although Egypt's GDP per capita based on purchasing power parity increased from \$ 1355 in 1981 when Mubarak took office to \$ 6180 in 2010, this growth was not evenly spread and the government was taking further steps to liberalize the market and decrease governmental social spending, which resulted in more struggling of the majority of the population. "the graduate with no future", according to the Peterson institute for international economics, was a result of the high population growth, where half of the population is below age of 25, along with the increase in urbanization².

Additionally, electoral fraud, especially in 2010 parliamentary election, which was held in Egypt on 28 Nov 2010 and the second round being on 5 December 2010 also contributed to the dissatisfaction of the Egyptian society. The prohibition on political

¹ Eldin, Salah, (2013). *The causes of the Egyptian youth's participation in the Egyptian spring of 2011 and June 2013*. European View

² AbdelMeguid, Nevin & Korayem, Rana et al. (2011). *The economic causes of the Egyptian Revolution: January 25, 2011*. American University in Cairo

rights and civil freedoms and the lack of free and fair elections, especially in 2010 negatively impacted people's morale. The elections were not monitored by national court or international monitors, as the National Democratic Party, the one in power, claimed that the abolition of judicial supervision of elections does not affect the integrity of the elections. The 2010 People's Assembly of Egypt election resulted in the National Democratic Party winning 420 seats out of 508, which made up a total of 81%, while the second largest Party, the New Wafd Party was only able to gain 1.1% of the seats. The results further infuriated the public.

Lastly, the death of Khaled Said by the police force, just like Mohamed Bouazizi's self-immolation in Tunisia, changed Egypt's destiny, especially after the policemen were given a relatively light sentence³.

Hence, Egyptians were determined in their call for change.

Aftermath of the revolution

With the Muslim Brotherhood launching a civil political party, the Freedom and Justice Party, winning in a democratic election, and Mohamed Morsi being sworn in on June 30th 2012 as the 5th President of the Arab Republic of Egypt, the country was starting a new phase, giving tremendous hope to its citizens, that a new era of democratic politics could be built in, not only Egypt, but the whole Arab World. However, soon enough Egyptians started to tumble upon the various obstacles the newly elected regime put in the envisioned blooming path. On November 22nd 2012, just a few months after taking office, Morsi delivered a declaration that granted immunity to his decisions, as well as the decisions of the Constituent Assembly. He also started giving himself unprecedented rights that were seen by most Egyptians, as

³ Michael, Maggie (2011). *Khaled Said, Young Man whose death inspired Egypt's protests, police attackers convicted*. The World Post

being the first layer for having a “new pharaoh” and building a new dictatorship. Moreover, many saw the newly drafted constitution as being undemocratic and non-inclusive. Hence, the second wave of revolution took its path large-scale and small-scale protests taking place starting mid December 2012. Marking the one year anniversary of Mohamed Morsi’s inauguration as president, people, backed by their military, took to the streets, concluded the 7 months of protests and forming mass demonstrations on June 30th 2013. The events ended in the ousting of Mohamed Morsi, destroying his party’s Islamist’s agenda that disregarded the secular opposition, which made up to 50% of the society they are ruling.

After another presidential election, in which only 2 candidates ran for office, Egypt’s ex-army chief, Abdel Fatah-al Sisi, was elected and officially sworn in on June 8th 2014, giving another chance for the Egyptians to hope for a better future⁴. Although al-Sisi had no announced and clear program, he promised elevate the country and its citizens, if Egyptians are willing to work hard and bear the struggle they’ll go through in the short term.

Political development

With the overthrowing of Morsi’s government and his replacement with el Sisi, who won over 90% of the votes in the recent presidential elections, a certain degree of political stability has been restored in Egypt.

Looking at the current political development in Egypt we ought to differentiate between current foreign politics and inner politics.

As the international community found it hard to call the June 2013 uprising a revolution and controversies exists, of whether this was a military coup overthrowing

⁴ Diab, Khaled. (2013). *Egypt's rebels without a pause*. Palestine - Israel Journal of Politics, Economics, and Culture, 18(4), 24-31

a democratically elected president, the regime in Egypt faced some difficulties in restoring their relations with many countries, particularly in the West. Egypt's relations with most countries in the Arab World, Africa, Russia and Israel improved significantly following Mohamed Morsi's removal, with most Gulf countries financially backing El Sisi's government and Russian-Egyptian relations restored with signed arms' deals. (Al-Sisi Ascendant; Egypt).

As once claimed by Gamal Abdel Nasser, Egypt is not only an Arab and Muslim country, but also an African one; a fact, that has been recently ignored. However, with Sisi in power, Egypt is starting to re-engage with the continent. That, although tensions first started, when the African union suspended Egypt for almost a year, as a response of overthrowing President Morsi, the first democratically elected President. Egypt's government has recently struggles with disputes over the usage of the Nile, as African countries who share the Nile, headed by Ethiopia, the source of most of the Nile's water, revolted against the clearly unfair old treaties that gave Egypt the only right to take advantage of building a dam. In 2011, it was hence announced that Ethiopia will also start its developing process by building a dam, which in turn would greatly harm the water flow in Egypt. However, Mubarak as well as Morsi failed to protect Egypt's only source of water and only under Mr Sisi, Egypt is finally starting to enter into negotiations with its fellow African countries and a start for the re-establishing of Egypt's place on the continent is on track⁵.

So to say, although Egypt is still facing critics from some countries, particularly in the West, El Sisi's government is playing a vital and to a certain extend successful role in showing the world the dangers of political Islam and the vital role Egypt has in preventing the widespread "jihadists" in the Arab World to reach the rest of the globe.

⁵ *Looking up the Nile; Egypt and Africa*. (2015, Mar 14). *The Economist*, 414, 49-50

Coming to analyze internal politics, although the emergency law has no longer been in act, El Sisi's Egypt is characterized by many inside and outside the country, as being run with an iron fist. However, unlike Mubarak, he is still being supported by a great number of Egyptians, as they are merely convinced that this is the only way to achieve stability and order, which in turn will result in economic prosperity.

After Sisi took office, the Muslim Brotherhood was crushed and labeled as a terrorist organization and not only Islamists have been jailed, but also a number of secular opposition, claiming, "we do not have the luxury to fight and feud". Monitoring the media, all TV shows that used to talk politics and highlight and failed or misleading governmental actions, shifted away of their role in informing their audience about vital political issues, that would contain any criticism for the government. Getting to the role of the NGOs, "Under President Sisi there is no hope", said Muhammad Zaree of the Cairo Institute for Human Rights Studies.⁶

Although NGOs were tolerated to a certain extend under Mubarak, they are hardly able to operate under Sisi's rule.

However, although one would think such actions would not be tolerated by Egyptians nowadays, especially that people might argue that these steps are paving the way for another phase of a police state, it seems that the majority of Egyptians are convinced, that these are the only tools the government have to stabilize the country and prevent it from being another Syria or Libya, Iraq or Yemen.

Economic reform

Economic stability and development will only take place in a country with political stability. Through Sisi taking office after the 2013 presidential elections a certain

⁶ *Worse than Mubarak; repression in Egypt.* (2015, May 02). *The Economist*, 415, 40-41

degree of political stability was achieved in the country., having the army firmly in control. El Sisi took over Egypt's leadership with its economy being in crisis. Quoting the IMF report released in February 2013 “ Egypt's economy was in a precarious position with low growth, high unemployment, wide fiscal and external imbalances and low reserve buffers”. Hence, the somewhat political stability achieved, automatically reflected on the economy, paving the way for some urgently needed economic reforms and stability.

As per the announced objectives on the economical level, Sisi's government established a macro-economic policy framework, that is working on increasing the real GDP growth from 3.5% in 2014/2015 to 6% by 2019 and decreasing the unemployment rate, which reached 29% in 2013-2014 among 18 and 29 year old highly qualified graduates, to a single digit one. Meanwhile, they are also setting a target for the inflation rate, which was according to the Central Bank of Egypt at 11.5% in 2014, to drop to a single digit one, while also aiming for the debt burden to fall from being 97% of GDP to 80% over the upcoming five years.

Being a country in which over 85% of its population is under the age of 55, the government needs to pave the road for major growth to take place to ensure abundant working opportunities to absorb the high increase in the workforce. To achieve the goals set and get out of the economic problem the country is currently facing, 4 major points need to be discussed; subsidies, unemployment, current budget deficit and the international financial support mainly from the GCC.⁷

Interestingly, the government seems to be willing to enforce, even unpopular policy measures to ensure the accomplishment of the targets set. Subsidies are being gradually lifted, after decades of subsidy reform being a total taboo subject for any

⁷ *Al-Sisi's big task.* (2014). Gulf Business

acting government in Egypt. According to the IMF, fuel subsidies are the core of Egypt's structural and fiscal problems, as by subsidizing fuel, the government generates a bias to capital and energy intensive projects, which are not always the most efficient ones for a populous country like Egypt. Additionally, introducing some tax reforms by increasing income tax and introducing certain real estate taxes will also generate liquid funds needed for social spending. It will also help in decreasing the budget deficit that reached 14% in 2014, and was mainly financed by domestic banks and private sector for the last 4 years and in turn resulted in a slow down in investments and job creation. Additionally, the government needs to work against bureaucracy and minimize the number of workforce in the government. International financial support, especially with the GCC governments providing some \$16.6bn in grants, loans and petroleum products, after the overthrowing of Morsi, has been extremely crucial for Egypt at this point. Additionally, the continued support from the GCC to Egypt in the present is very important, given the size of debt the country is currently dealing with.⁸

The Egypt Economic Development Conference that took place on March 13, 2015 was a successful step to help in the economic reformation. The Egyptian government realized that the international community will be more welcoming of a new Egypt that is more business and economically driven, in this sense the conference was a good step towards a better future for Egypt. The conference was attended by 2000 delegates from 112 different countries, that gave a good image to Egypt and its security, which definitely positively reflected on Egypt's tourism sector, that is considered to provide the country with the second largest income, and was unfortunately facing major sufferings for the past couple of years. Additionally, the conference resulted in shares

⁸ *Restoring order: Sisi puts Egypt back on the right track* (2015). *Euromoney Trading Limited*

of economic gains, as many countries and cooperation pledged massive amount of money in form of liquid loans/grants and major investments in the country. The large financial package the GCC states provided Egypt with, in form of investments and deposits with the Central bank of Egypt played a crucial role in stabilizing Egypt's economy. Moreover, the largest deal in the conference was signed with the Emirati cooperation, Emaar. Although huge investment projects were announced during the conference, projects that would have a positive impact on growth and creating job opportunities, like agricultural and industrial investments, are lacking.

Hence the most significant risk the country is currently undertaking is a sharp decline in Gulf countries' assistance to Egypt, as a result of low oil prices in the market, especially if this took place before the international community sees major reforms in the security, economic and political sector.

Security development

Although the economic conference could generally be seen as a great success, achieving security stability will be the milestone in being able to fully implement the projects agreed upon in the conference and in achieving tangible progression in the economic sector.

Although security was not quite an issue for Egypt before the January, 25th revolution and people, Egyptians as well as foreigners, felt secured living in a country with relatively low crime rates, one of the major reasons behind the 2011 revolution was police brutality and the green-light given to the ministry of interior to mobilize all its forces in order to constantly secure the regime in place. Hence, although people generally felt secure in the country, a gradual hatred to the police officers started to

develop, until the country reached its turmoil, starting its 2011 revolution on the police day.

However things slightly changed when young police officers decided to support the citizens in their uprising against President Morsi on June 30th 2013. Although, Egypt has never witnessed such high level of crime rates and terrorist acts before, one could still see a positive change in the way normal citizens perceived police officers, being again part of the society and not the regime.

However, the country's security is considered to be very fragile nowadays. One cannot observe a major reform in the security sector enabling them to strategically fight and prevent the increased number of terrorist attacks, that are not only taking place in the Sinai Peninsula anymore, but also in the middle of the capital. Instead, taking advantage of the turmoil the country was in and the instability found, many argue that Egypt is headed towards a police state, that's authorized to brutally suppress any kind of opposition and instill fear among citizens. Many opposition figures have been arrested along with Al Jazeera journalists, who have been jailed for months, while all media outlets belonging to Muslim Brotherhood members or any of its supporters have been shut down. The idea of human rights and freedom of expression has been systematically disregarded, instilling in the citizens the idea of "conspiracy", a fear to criticize the regime's action and the idea that Egypt could possibly descent in the fate of its neighboring countries, if the regime and the Egyptian police did not undertake certain measures to prevent that.⁹

Certainly, the country is facing pronounced security tribulations, being trapped between the turbulences taking place in Gaza, Libya and Syria, along with the presence of terrorist organizations in Sinai, that affiliate themselves with el Qaeda and

⁹ Khorshid, Sarah (2014). *Egypt's New Police State*. The New York Times.

the Islamic State in Iraq and Syria. This does not exclude the amount of crime rates, like hijacking and kidnapping, which were not commonly found in the Egyptian society before. Thus, with the presence of new forms of danger, it is the authority's responsibility to put new strategies that encompasses the newly introduced dangers and crimes. In addition, the authority severely needs to stop working with a reactive and mode, and start imposing long term strategies with clear targets and goals, using new technologies and developing the capabilities of the police force to be able to stand against the challenges faced and achieve a better form of security in the country.

Conclusion

As mentioned earlier, security reforms are vital for any economic prosperity. Hence, although the main objective of the projects proposed by Sisi's government and in the conference is to achieve direct benefits to the poor and low-income citizens, who make the majority of the country, this will be hardly implemented if foreigners still feel that the government is not fully in control of the country's security measures.

Hence, although people were hoping for better life conditions and better future for the country when revolts started in January 2011, no clear demands were met up till now. However, people are still hoping, that strategies will be taken seriously and authorities start thinking outside the box to be able to achieve creative results to solve the drastic problems discussed, especially security ones, in a limited timeframe.

The government is still working with a "one man show", President Sisi always being in the leading position, which in turn can hardly be a base to achieve major reforms simultaneously. Though people are by now largely convinced that the country has a shortage in calibers, who can possibly pitch in and help in leading the country to improve and even excel in various sectors, I still believe that among the 90 million

Egyptians we can find experts in all sectors, but the government is still not able to involve all segments in developing Egypt.