

# Egypt: Uncertain and Troubling Times

## Ahmed Morsy

PhD Candidate and Researcher  
University of St Andrews

On 28 January, 2011, Egyptians went to the streets in masses calling for freedom, justice and change. Eighteen days later, President Hosni Mubarak stepped down. For many Egyptian youth who had been protesting in Tahrir Square, Mubarak – often dubbed a modern pharaoh – was the only president they had known in their lifetime. Five years later, with many of the original grievances and demands still unmet by successive Egyptian governments, Egypt continues to experience substantial political, economic and societal unrest. Egypt's future remains uncertain and pessimistic on almost all fronts, and in some cases – particularly regarding human rights – the situation has deteriorated to a state even worse<sup>1</sup> than during the Mubarak years.

Throughout 2015, Egypt witnessed a number of big economic and political events. On the economic front, in March 2015, Sharm el Sheikh hosted the Egypt Economic Development Conference.<sup>2</sup> The international conference was aimed at attracting foreign direct investments (FDIs) to various sectors of the ailing Egyptian economy, and several memoranda of understanding (MOUs) worth billions of dollars were signed. In August, at a lavish ceremony, President Abdel Fattah al-Sisi opened<sup>3</sup> the

\$8.2-billion expansion of the Suez Canal. The project involved digging a new 35-kilometre-long lane and making improvements to existing shipping lanes. Dubbed 'Egypt's gift to the world,' the government championed claims that the new expansion would boost Egypt's position in the world economy and increase the canal's revenue to \$13 billion by 2023.

Nonetheless, Egypt is facing one of the most acute economic crises in recent years. Despite continuing support and pledges from the Gulf monarchies, Egypt's economy remains shaky and the threat of a solvency crisis lingers. Egypt's foreign reserves have been afloat at \$16 billion – worth three months of imports and less than half of the pre-2011 uprising reserves – with little coming into the state coffers. Egypt's traditional foreign currency sources – the Suez Canal, tourism, and remittances<sup>4</sup> from Egyptians abroad – have been greatly affected by domestic and international conditions. According to statistics released<sup>5</sup> by the Suez Canal Authority, sluggish trade, low oil prices and the expensive toll of the Canal have prompted<sup>6</sup> shipping companies to take the 3,500-mile detour around Africa, thereby causing Canal revenues to plunge.

In addition to the aforementioned challenges, the government's erratic economic policies and lack of vision contributed to further dwindling in its foreign currency reserves. 2015 was marked by a scarcity of US dollars, which led to a surge in its value vis-à-

<sup>1</sup> State repression in Egypt worst in decades, says activist, [www.theguardian.com/world/2016/jan/24/state-repression-egypt-worst-weve-ever-seen-activist-hossam-bahgat](http://www.theguardian.com/world/2016/jan/24/state-repression-egypt-worst-weve-ever-seen-activist-hossam-bahgat)

<sup>2</sup> [www.egyptthefuture.com/](http://www.egyptthefuture.com/)

<sup>3</sup> FETEHA Ahmed and EL-TABLAWEY Tarek. *Egypt Opens \$8 Billion 'New Suez Canal' Boosting El-Sisi*, [www.bloomberg.com/news/articles/2015-08-05/egypt-opens-8-billion-new-suez-canal-boosting-el-sisi](http://www.bloomberg.com/news/articles/2015-08-05/egypt-opens-8-billion-new-suez-canal-boosting-el-sisi)

<sup>4</sup> [www.tradingeconomics.com/egypt/remittances](http://www.tradingeconomics.com/egypt/remittances)

<sup>5</sup> *Suez canal revenues falling, despite expansion project*, [www.madamasr.com/news/economy/suez-canal-revenues-falling-despite-expansion-project](http://www.madamasr.com/news/economy/suez-canal-revenues-falling-despite-expansion-project)

<sup>6</sup> NEIL S. *Shippers opting to take longer routes*, [www.royalgazette.com/business/article/20160324/shippers-opting-to-take-longer-routes](http://www.royalgazette.com/business/article/20160324/shippers-opting-to-take-longer-routes)

vis the Egyptian pound on the black market. The challenges of obtaining dollars led to an increase in inflation, the closure of several businesses and halting production at others, like General Electric (GE). Unfortunately for Egypt, any solutions for its economic crisis that would include further devaluation of the pound, lifting subsidies or continuing to rely on foreign aid and loans come with a price. The sooner the government decides on a plan forward the better for the millions of Egyptians who suffer the continued depreciation of the pound and the economy.

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Egypt's attempts to attract tourism faced significant challenges in 2015. On the security front, continued threats in Sinai, political instability and reports of violence have had a negative impact on tourism. Whereas this vital sector witnessed a surge of almost 15 million tourists in 2010, this number fell<sup>7</sup> to barely 9 million in 2015. Tourism not only acts as a source of foreign currency, (attributed to 11.3% of Egypt's GDP and 14.4% of foreign currency revenues) but also as a job creator. According to the World Travel and Tourism Council, direct employment in the tourism industry in 2015 accounted for 1.1 million jobs, falling from 1.3 million in 2014. The council expects a further decrease by 0.9% in 2016. By the end of 2015, two significant attacks against tourists had dealt a major blow to Egypt's international image and tourism industry. The first was the killing<sup>8</sup> of a group of Mexican tourists by Egypt's security forces, who

mistook them for terrorists. The second blow was the crash<sup>9</sup> of a Russian airliner in the Sinai Peninsula that was claimed by a Sinai-based affiliate of the so-called Islamic State (IS). These dreadful incidents will make it harder for the tourism industry to recover in 2016, during which, according to the Minister of Tourism, revenues are unlikely to exceed<sup>10</sup> \$6 billion.

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Egypt continued to face daily security threats in 2015 in Northern Sinai from extremist groups like Ansar Bayt al-Maqdis (ABM), which pledged allegiance to IS. ABM has claimed responsibility for numerous attacks against police and army personnel and posts in North Sinai. According to the Tahrir Institute for Middle East Policy (TIMEP),<sup>11</sup> the rate of attacks in 2014 stood at around 30 per month, four times more than in previous years. These attacks increased to about 100 per month in 2015. The military's strategy of launching airstrikes, creating buffer zones, and attempting to enforce curfews has not proven effective in eliminating the insurgency. The rugged and mountainous terrains of Sinai and the guerilla tactics and warfare used by the insurgents gives them an advantage over the traditional training and tactics of the Egyptian army. There is a need for a new approach to deal with terrorism in Sinai by involving local tribes and the use of technology. In addition, socio-economic development in these underprivileged areas could serve as a powerful tool to combat extremism and disenfranchisement.

<sup>7</sup> [www.tradingeconomics.com/egypt/tourist-arrivals](http://www.tradingeconomics.com/egypt/tourist-arrivals)

<sup>8</sup> LEE, Ian et al. *8 Mexican tourists, mistaken for terrorists, killed in Egypt*, <http://edition.cnn.com/2015/09/15/middleeast/egypt-tourists-killed/>

<sup>9</sup> *Russian plane crash: What we know*, [www.bbc.com/news/world-middle-east-34687990](http://www.bbc.com/news/world-middle-east-34687990)

<sup>10</sup> AL-SHUWEKHI, A. *Egyptian tourism sector hopes for recovery in 2016*, [www.dailynewsegypt.com/2015/12/30/egyptian-tourism-sector-hopes-for-recovery-in-2016/](http://www.dailynewsegypt.com/2015/12/30/egyptian-tourism-sector-hopes-for-recovery-in-2016/)

<sup>11</sup> TAHRIR INSTITUTE FOR MIDDLE EAST POLICY (TIMEP), "Egypt's rising security threat," *Egypt Security Watch*, [http://timep.org/wp-content/uploads/2015/11/Tahrir\\_Report\\_FINAL\\_WEB.pdf](http://timep.org/wp-content/uploads/2015/11/Tahrir_Report_FINAL_WEB.pdf)

Violence and attacks in 2015 were not restricted to Sinai, but also reached Cairo and Giza. A group named 'Islamic State in Egypt' claimed several attacks last year, including an explosion<sup>12</sup> outside Italy's Consulate in Cairo; the bombing<sup>13</sup> of a branch of Egypt's National Security Agency; and an attack<sup>14</sup> on a tourist bus in Giza.

In the political sphere, President al-Sisi completed his first year in office. His international trips and speeches given alongside foreign leaders, in addition to his mega-project ideas were hailed<sup>15</sup> by regime supporters as acceptance by the world of the new regime in Egypt. Al-Sisi has long claimed to be apolitical, labelling politics as a luxury that risks further societal divisions at a time when Egypt needs unity. Ultimately, however, his government's abrupt and authoritarian policies, as well as stifling dissent and cracking down on independent voices – including on the media and human rights organizations –, are increasingly alienating the population.

## Egypt's political authoritarianism, securitized policies and manipulated media have managed to brainwash a plethora of Egyptians under the pretext of fighting terrorism and foreign influence

The apathy of Egyptians was evident in the low turnout<sup>16</sup> of voters in the parliamentary elections. Between October and December 2015, the long-de-

layed parliamentary elections took place for the first time since the dissolution of the previous Parliament in 2012. Despite numerous statements by al-Sisi and government officials committing themselves to neutrality in the elections, several reports<sup>17</sup> of electoral violations<sup>18</sup> were filed and an investigative report<sup>19</sup> detailed the involvement of security sector and intelligence agents in creating electoral lists to support the President.

Nonetheless, Sisi's unrestrained grip on legislative power ended with the election of the new Parliament in 2015. Up until that point, Presidents Mohamed Morsi, Adly Mansour and Abdel Fattah al-Sisi had possessed an unchecked power to produce legislation, issuing more than 300 decrees that were to be ratified by the Parliament within 15 days of its inauguration. Not surprisingly, these decrees were overwhelmingly rubber-stamped by the new Parliament with just one notable exception:<sup>20</sup> the new civil service law. According to the government, the law had been a step towards administrative reform<sup>21</sup> and managing the oversized bureaucracy. Many government employees, on the other hand, fearing possible dismissal, protested and lobbied until the Parliament overruled it.

Since the ousting<sup>22</sup> of Mohamed Morsi from the presidency on 3 July, 2013, a brutal crackdown and demonization process has taken place against the Muslim Brotherhood. The process began with the imprisonment of the group's leaders followed by the forceful dispersal<sup>23</sup> of its supporters in August. In November 2013, the government labelled the Muslim Brotherhood a terrorist organization and dissolved its political party. Other Islamist

<sup>12</sup> FAHIM, K. *ISIS Claims Responsibility for Blast at Italian Consulate in Cairo*, [www.nytimes.com/2015/07/12/world/middleeast/egypt-bombing-at-italian-consulate-in-cairo.html?\\_r=1](http://www.nytimes.com/2015/07/12/world/middleeast/egypt-bombing-at-italian-consulate-in-cairo.html?_r=1)

<sup>13</sup> *Egyptian security building in Cairo rocked by bomb blast*, [www.bbc.com/news/world-middle-east-33998536](http://www.bbc.com/news/world-middle-east-33998536)

<sup>14</sup> HOROWITZ, M. [michaelh992]. (8 January 2016) #ISIS claims responsibility for yesterday's attack against a bus of tourists in Giza #Cairo. [Tweet]. Retrieved from <https://twitter.com/michaelh992/status/685421578880978944>

<sup>15</sup> PASSANT RABIE, *A year of Sisi's highs and lows*, [www.madamasr.com/sections/politics/year-sisi%E2%80%99s-highs-and-lows](http://www.madamasr.com/sections/politics/year-sisi%E2%80%99s-highs-and-lows)

<sup>16</sup> VÖLKEL, Jan. *Why almost nobody participated in the Egyptian parliamentary elections*, [www.opendemocracy.net/Arab-awakening/jan-v-lkel/why-almost-nobody-participated-in-egyptian-parliamentary-elections](http://www.opendemocracy.net/Arab-awakening/jan-v-lkel/why-almost-nobody-participated-in-egyptian-parliamentary-elections)

<sup>17</sup> *2015 Parliamentary Elections*, [www.madamasr.com/tags/2015-parliamentary-elections](http://www.madamasr.com/tags/2015-parliamentary-elections)

<sup>18</sup> *Observers report buying votes, other violations in Egypt's parliamentary election*, <http://english.ahram.org.eg/News/161412.aspx>

<sup>19</sup> BAHGAT Hossam. *Anatomy of an election*, [www.madamasr.com/sections/politics/anatomy-election](http://www.madamasr.com/sections/politics/anatomy-election)

<sup>20</sup> *Amid mass passing of laws, Egypt's parliament rejects civil service law*, [www.madamasr.com/news/amid-mass-passing-laws-egypts-parliament-rejects-civil-service-law](http://www.madamasr.com/news/amid-mass-passing-laws-egypts-parliament-rejects-civil-service-law)

<sup>21</sup> MOSTAFA, M. and Sakr, TAHA. *Civil Service Law sought to achieve reform: Al-Sisi*, [www.dailynewsegypt.com/2016/01/23/civil-service-law-sought-to-achieve-reform-al-sisi/](http://www.dailynewsegypt.com/2016/01/23/civil-service-law-sought-to-achieve-reform-al-sisi/)

<sup>22</sup> KHOURI, R. *The Generals Rule Egypt Again*, [www.thecairoreview.com/tahrir-forum/the-generals-rule-egypt-again/](http://www.thecairoreview.com/tahrir-forum/the-generals-rule-egypt-again/)

<sup>23</sup> HAUSLOHNER, A. and AL-HOURANI, S. *In Egypt, Security forces and Morsi supporters clash*, [www.washingtonpost.com/world/egyptian-security-forces-move-against-protesters-camps/2013/08/14/bc079750-04a7-11e3-9259-e2aaf5a5f84\\_story.html](http://www.washingtonpost.com/world/egyptian-security-forces-move-against-protesters-camps/2013/08/14/bc079750-04a7-11e3-9259-e2aaf5a5f84_story.html)

groups, including the Salafi Nour party, may face a similar fate, as, to date, there remains an open case before the courts demanding the dissolution of all political parties with Islamic roots.

## Only once the Egyptian State recognizes that it alone is culpable for the shortcomings and crises of its own making, can the country take its first steps toward real reform and hope for a better Egypt

Egypt's political authoritarianism, securitized policies and manipulated media have managed to brainwash a plethora of Egyptians under the pretext of fighting terrorism and foreign influence. Government officials and the media continue to blame and connect all Egypt's ailments and disasters to the now-banned Muslim Brotherhood, alleged foreign conspiracies<sup>24</sup> and home-grown fifth columns. As one writer put it, Egypt has become the "conspiracy theory capital of the world."<sup>25</sup>

As a result of a hypnotized populace, any discussions about corruption and human rights violations

or questioning of Sisi's wobbly policies are seen as anti-Egypt attacks and could lead to legal prosecution. Nonetheless, several groups, mainly composed of youth, have been working to expose the deteriorating status of freedoms by documenting<sup>26</sup> hundreds of cases of forced disappearances, police brutality and torture, continued prolonged and illegal incarcerations, and trumped-up charges against political and non-political dissidents.

In its latest saga in the international headlines, Egypt is facing criticism over the case of Italian researcher Giulio Regeni, who was found mysteriously and brutally tortured to death in Cairo. Egypt's officials denied the involvement of its security forces, failing to conduct a proper investigation and present information or evidence of any other culprit. This led Italy, one of Egypt's top trading partners, to recall<sup>27</sup> its ambassador from Cairo expressing its dismay at the way the case had been handled. President Sisi expressed blatant support for Egyptian institutions<sup>28</sup> and placed the blame on Egyptians and social media for circulating 'lies' that damage Egypt's image abroad. The more accurate conclusion, however, is that only once the Egyptian State recognizes that it alone is culpable for the shortcomings and crises of its own making, can the country take its first steps toward real reform and hope for a better Egypt.

<sup>24</sup> MARAM M. *Egypt media says country is facing Euro-Islamist conspiracy*, <http://bigstory.ap.org/article/511f741bfe564b1b934982127011565c/egypt-media-says-its-facing-european-islamist-conspiracy>

<sup>25</sup> TOTTEN M.J. *The Conspiracy Theory Capital of the World*, [www.worldaffairsjournal.org/blog/michael-j-totten/conspiracy-theory-capital-world](http://www.worldaffairsjournal.org/blog/michael-j-totten/conspiracy-theory-capital-world)

<sup>26</sup> ISMAIL A. and WALSH D. *Hundreds Vanishing in Egypt as Crackdown Widens, Activists Say*, [www.nytimes.com/2016/01/27/world/middleeast/hundreds-vanishing-in-egypt-as-crackdown-widens-activists-say.html?\\_r=1](http://www.nytimes.com/2016/01/27/world/middleeast/hundreds-vanishing-in-egypt-as-crackdown-widens-activists-say.html?_r=1)

<sup>27</sup> SCHERER S. *Italy recalls ambassador from Egypt in row over student's murder*, [www.reuters.com/article/us-egypt-italian-investigation-idUSKCN0X522E](http://www.reuters.com/article/us-egypt-italian-investigation-idUSKCN0X522E)

<sup>28</sup> MICHAELSON R. and KIRCHGAESSNER S. *President defends Egypt's investigation of Giulio Regeni murder*, [www.theguardian.com/world/2016/apr/13/italian-student-giulio-regeni-murder-egypt-abel-fatah-sisi](http://www.theguardian.com/world/2016/apr/13/italian-student-giulio-regeni-murder-egypt-abel-fatah-sisi)