Egypt’s transition to democracy is teetering on a precipice. Political strife, increasing poverty and unemployment are adding new trauma to a region already in turmoil. OLGA YOLDI writes.
since President Mohamed Morsi was overthrown in a military coup on July 3, it has been downhill for Egypt, a country now on the brink of a civil war. After only one year in power, Morsi’s Muslim Brotherhood is back where it started, if not worse. It now is struggling to survive as a political force.

The military, which ruled Egypt for 30 years, is fighting for its life. Morsi and the Brotherhood were dissolved as illegal organisations. Their assets, money and buildings have been confiscated, their leaders are either in prison or under house arrest, and the Muslim Brotherhood with extreme brutality. Morsi and a large number of high-ranking Brothers were detained, the television and some of their offices were closed down and the Brotherhood was suddenly cast in the role of a terrorist group, and a political force to be excluded at all costs. The military on the other hand dismissed 17 provincial governors and replaced them with Islamists. Morsi and his supporters say they are not prepared to go quietly and will fight until Morsi is reinstated.

The quest is, will Egypt follow Syria into civil war? Or will it follow the path of Algeria? Where a coup prevented an Islamist electoral victory in 1992 and unleashed 10 years of fighting. What makes the situation so fraught is that both the Brotherhood and the military see themselves as defending the democratic spirit of the uprising and the interests of the nation, wrote Carrie Rosefsky Wickham in Foreign Affairs. “Each believes that its worst suspicions of the other have been confirmed, and that it has the manpower, resources and motivation to continue the standoff for some time to come.” Egyptians now fear a resurgence of violent Jihad. They also fear that the crackdown on Islamists by the military will widen to other dissidents that oppose military rule.

So far violence and turmoil have continued, with the government admitting to killing 36 Islamists in custody and the militants killing 24 policemen in an attack in the Sinai Peninsula, a lawless area now seen as a growing threat.

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The Brotherhood carried out social development and education programs in the slums. At the time religious organisations were among the only forums in which people could organise themselves or participate actively in the lives of their communities. So when Mubarak fell only Islamists had the social and political infrastructure in place to mobilise supporters effectively.

Sheri Burman wrote in Foreign Affairs that the underdevelopment of other civil society and political organisations meant that once the dictatorship disintegrated, there were few institutions capable of channeling, much less responding to popular grievances.

But once in government it was popular grievances that caused the Brotherhood’s demise, particularly Morsi’s Freedom and Justice Party’s lack of commitment to building an inclusive, pluralist, democratic government. While he promised to serve as a president for all Egyptians, he was accused of using his powers for partisan gain. He appointed Islamists to strategic positions in the bureaucracy, media and the judiciary, giving them control of key government ministries.

He dismissed 17 provincial governors and replaced some of them with Islamists. Morsi and his supporters justified such appointments by saying that they needed to cleanse the state of bureaucrats linked to the Mubarak regime.

But it was the economic problems that proved most challenging. Analysts say that Morsi’s great mistake was to ignore the economy focusing instead on consolidating power and using cash injections from neighbouring Arab countries to buy time.

Since the uprising, government revenue has been decreasing and investment has dried up. According to Foreign Affairs, the country’s foreign currency reserves diminished from US$36 billion before the Arab Spring uprising in 2011 to US$16 billion in May 2013. As a result, Egypt’s Standard & Poor’s long-term credit rating was downgraded from B- to CCC+, and the budget deficit reached more than 11 per cent of GDP, up from 8.3 per cent before the uprising.

Increases in government expenditure were mostly caused by salary increases to government workers and the cost of subsidies (food $4 billion a year and fuel $16 billion a year), which continued to be a drain on state finances.

Egypt’s population has grown well beyond the means of the state to support its needs. It imports more than half of its wheat consumption. Even the new government will struggle to secure sufficient supplies of fuel and bread. According to Stratfor, a strategic forecasting organisation, the government has few options but to back off subsidies in the hope that higher prices will help reduce consumption and therefore cut down on the net drain on state finances. But a fear of political backlash stopped the Brotherhood and previous governments from making reforms.

The Brotherhood and the IMF held discussions about an assistance package. The IMF was willing to release $4.8 billion in economic aid as long as the government made the necessary economic reforms that would help stabilise and grow the economy and reassure investors. Instead, they relied on financial support provided by Qatar, Turkey, Saudi Arabia and even Libya. Together they provided more than $10 billion in aid with no strings attached. Economic analysts said that the unpredictability of such measures discouraged investors and postponed the inevitable fiscal consolidation that Egypt needed to stabilise and grow its economy.

To make matters worse Morsi’s long-term economic recovery plan stalled. He blamed a combination of government bureaucracy and internal conflicts. As a result, unemployment grew from nine per cent to 13 per cent and the economy slowed to two per cent from 5.5 per cent.

Other economic growth combined with rising unemployment resulted in an increase in the black economy which now accounts for one third of the

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working labour force, or eight million people. It also resulted in an increase in the number of people living below the poverty line, which has grown to 25 per cent from 20 percent according to Egypt’s Statistics Agency. At the same time, the security vacuum that had persisted since the revolution was never addressed. Since 2011 crime rates have skyrocketed. Egyptian Government statistics indicate a 300 per cent rise in homicides and a 12-fold increase in armed robberies. The proliferation of small arms in Cairo and across Egypt also did not help.

According to press reports, a flood of weapons somehow made their way to Cairo streets and then the market for weapons has boomed. Many of the guns for sale were ransacked from police departments during the revolution. Others were smuggled across Egypt’s borders from neighbouring countries. “Disturbing” of a police force known for being simultaneously abusive and incompetent, and wary of an increasingly politicised judicial system that rarely delivers justice, many Egyptians are administering law on their own terms,” wrote Mara Revkin in Foreign Affairs.

Groups of vigilantes now guard the streets and the Brotherhood outsourced its law enforcement functions to private security companies which functioned as a substitute for police. “These predatory groups operate illicit fields of racketeering, trafficking and prostitution with total impunity, hiring thugs (and sometimes children) to staff their private militias,” Revkin wrote. According to Revkin, outside Cairo the problem is even more severe, with gangs controlling entire sections of major highways in Upper Egypt and Sinai. Minorities, particularly Coptic Christians, were and continue to be most affected by the security vacuum. The attacks on Coptic churches, businesses and schools by Salafists and their supporters showed the failure of the authorities to protect Egypt’s Coptic Christians, the largest religious minority in the country. According to Human Rights Watch, attackers torched and looted scores of churches and property across the country. Security forces failed to intervene and in many cases police stations refused to register complaints. Hardly any arrests were made. Now dozens of churches are ruined. Egyptian law makes it difficult for Coptic Christians to rebuild and repair them because official authorisation is denied.

The Brotherhood was also accused of wanting to Islamise the state and society. While the Brotherhood struggled to find a solution to the country’s economic and political crises, it had no overarching vision. With time it became clear to many Egyptians that it lacked the experience to manage an extremely difficult political and economic transition and demanded Morsi’s ouster.

The military Brotherhood waited for 80 years to seize the chance to reshape the country according to their ideals, but unfortunately they could not root out the economic and social legacies of previous regimes and build a new order inclusive of all.

There is no doubt the new government will face exactly the same problems, which are old and deeply entrenched in the problems that have persisted for decades, so shifting the deckchairs may not solve the crisis. The political and social situation may become increasingly difficult with each passing year, leading to further instability.

The Egyptian armed forces are seen as being too big, too powerful and too influential. They are the largest in Africa and the Middle East and the 10th most powerful in the world. Their lack of accountability and sense of entitlement has posed problems for a long time. They enjoy privileges, resources and powers they should not have. After all, this is an army that has not been in combat for decades and faces no significant threat from external enemies. However, it has intervened in internal politics twice in three years and it is highly likely this coup will not be Egypt’s last. The military also controls about one third of Egypt’s economy. According to press reports, the military’s economic and financial interests have penetrated deeply into every aspect of the political and social systems. “The military has become the main employer, a dominant shareholder and an owner of a large network of investments in everything ranging from the tourism industry, to Egypt Air, to construction companies and so on,” said Professor of Law at UCLA, Khalid Abdul El Fadl.

According to El Fadl, the military’s economic interests had been threatened by the Brotherhood when it entered into agreements with Turkey, China and India. This caused anger among the ranks of the wealthy generals which may have triggered the coup. Media reports said that Morsi nominated al-Sisi as Minister of Defence, replacing Gen Mohamed Hussein Tantawi, former minister of defence under President Mubarak. However, according to Khaled Fahn, Professor of History at the American University in Cairo, it was through an internal military coup that al-Sisi secured his post from Tantawi and Morsi was left with no alternative but to resign. It is possible to show that Morsi did not see al-Sisi as a threat as he is perceived as being patriotic and above all a devoted Muslim who

frequently quotes the Quran in conversations.

Little is known about al-Sisi or his plans for Egypt. All that is known is that he studied in the UK, and at a US Army College for a Master’s degree. He wrote a paper titled Democracy in the Middle East in which he argued that the religious nature of the region needed to be reflected in new democratic systems there. In this paper, al-Sisi complained that governments were on a collision course with Islamists and towards secular rule, excluding large segments of the population who believe religion should not be excluded from government. He wrote that “democracy in the Middle East may bear little resemblance to a Western democracy” and warned that “ideally the legislative executive and judicial bodies should all take Islamic beliefs into consideration when carrying out their duties”. What he proposed was a tripartite government but only if the executive, legislative and judicial branches were all sufficiently Islamic, otherwise there must be an independent religious branch of government.

In his role as defence minister, he made some attempts to modernise the army, removing older officers who had been allied to Mubarak and warning against the military’s involvement in politics.

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Indeed, according to human-rights groups, the political prisons are now holding populations larger than they ever held during the Mubarak regime and security forces are torturing and killing without any restraint.

While the scale of atrocities committed by the military grows, they are justified as necessary to achieve national unity and political stability and save the country from the threat of Islamism and the war on terrorism.

Many segments of society including intellectuals have been silenced. Even the very revolutionsaries who were once driven to the streets to protest against human-rights violations are no longer demanding justice and freedom.

According to press reports, human-rights groups are now being targeted by the military and also by some sectors of the public and media. “Activists are now seen as traitors, foreign agents or troublemakers,” writes director of Freedom House Egypt, Nancy Okail. According to Okail, any criticism of the military government is now met with accusations that human-rights groups are part of the ones contributing to instability and dragging Egypt into a Syria-like war.

Unlike previous crackdowns however, the current attack on civil society is drawing strong backing from the Egyptian public, “Okail writes. “In this context the promotion of political freedom and human rights is deemed a secondary priority.” Al-Sisi remains defence minister, but no one is in

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any doubt where the power lies. The military’s hastily conceived plan is unclear on key issues. Media reports say that it was written in secret, much of the language is vague and concepts like protection of civil rights are ignored.

The plan grants new powers to the military that will not only preserve its financial freedom but would also allow it to nominate its own defence ministers—effectively setting the ministry apart from elected officials.

The plan presents a danger for amending the constitution, putting it to a referendum and holding new elections seems too short to allow for discussion and consensus-building among the different parties and factions. Unfortunately it will be put in place in an extremely tense atmosphere which will be anything but conducive to success, so it is hard to imagine elections taking place in these conditions.

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