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Project on the Middle East and the Arab Spring

Egypt and the Politics of Token Reforms

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Abstract:

This paper discusses two main challenges the current regime in Egypt faces to realize stability in the short or medium term: its ability to reconstitute the political process to make it more inclusive and more participatory and its success in achieving economic recovery. Egypt's Abdel Fattah Al-Sisi has been trying to use regional and international achievements to project regime successes and internal stability. However, the real test for his regime is to address the twin challenges of political restructuring and economic revival. So far the tendency is to consolidate individual authoritarianism that marginalizes policy making institutions and relies on the army as an essential political and economic player..

Introduction

In light of the sharp polarization that is dividing society and the political community, Egypt needs an inclusive political system that allows for effective political participation and a locally driven economic revival. Mubarak's regime, despite its economic successes, became increasingly exclusionary and blocked the institutional avenues for real political change. Its vulgar forgery of the 2010 Parliamentary elections marked the beginning of the end, as it blocked the channels of participation and forced main political forces outside the process. Likewise, Sisi is building his own style of rule which is highly personalistic, ignores political institutions and draws on direct mandates from the people, and seeks to de-politicize the country.

Reconstituting the Political System Individualistic Rule

Since coming to power in July 2014, Sisi has been adopting a personalistic style of rule where the president exercises dominant powers and unquestioned authority. Although the rhetoric of the protection of the "State" and its institutions is a recurring theme, the current regime does not seem confident in the capacity of these institutions to carry out its policies. The regime realizes the fact they are rampant with corruption and cannot count on their slow pace of implementation of what it perceives as pressing plans. On several occasions, Sisi has expressed his disregard to major institutions such as the parliament and political parties. With regard to the former, Sisi has singlehandedly issued 263 decrees in the absence of an elected parliament.¹ As for political parties, he deems them inferior and unreliable at the level of organization and performance

and does not want to be constrained by civilian forces. He expects the political parties to play a subservient role in supporting the state. Sisi's desire to present himself above parties and to transcend the political system to evade accountability represents one of the fundamental obstacles to reconstituting an effective political system.

Instead of participatory political institutions, Sisi feels more comfortable to rule by mandate, a style that was common in the 1950s and 1960s. At critical junctures, he calls upon the population to take to the streets to give him a direct mandate to implement his plans. In July 2013, he solicited "a mandate" to confront potential terrorism and violence which he translated as a mandate to crush his political opponents.² During his election campaign in 2014, he called upon the Egyptians to produce 40 million voters in support of his candidacy. Following attacks against the military in Sinai in February 2015, Sisi's supporters launched a campaign to "renew" the initial mandate to confront terrorism.³ But unlike the popular response back in 2013, the calls, this time, felt on deaf ears. Mobilizing the population through direct entanglement in bloody confrontation with the regime's opponents is accompanied by a deliberate depoliticization and exclusion from the decision making process. This policy explains the regime's reluctance to push for parliamentary elections and forming a new law-making and policy making body.

The 2014 Constitution has left the issue of power distribution between the legislator and the executive undecided. Currently, it allows the parliament to put restrictions on the authorities of the president. Sisi desires to

change the constitution to grant himself broader powers. Any amendments, however, require a majority in parliament to secure this process. It seems Sisi has yet not been able to ensure the election of loyal majority in the parliament and therefore, has no interest in holding parliamentary elections soon, particularly as the current status allows him the opportunity to make laws as he wishes.

Power Base

Any regime needs political and economic alliances to provide a support base, a source of electoral strength and political popularity, and determine its economic and social policy choices. Eighteen months after the July 2013 coup, Sisi's regime does not seem to have a clear power base. There is a remarkable case of evading any commitments or creating formal alliances that may lead the regime to be indebted to any powers -politicians or businessmen. The current regime and its diverse supporters are united behind a single goal: the exclusion of Islamists and revolutionary youth and the eradication of opponents. This is done without paying attention to the importance of creating clear parameters for an inclusive and participatory political system.

Sisi also appears to be decisive in his rejection of the three political alternatives to form a political machine for his regime which his June 30 coalition supporters presented him. The first alternative was to build a new political party, completely relying on youth and fresh faces. This was aimed to form a youth nucleus to carry on the drive for change and create a broad and sustainable base for the regime. Despite the feasibility of this solution, little attention was paid to it as a result of the difficulties faced by the regime in dealing with young people, its continuing doubts about their loyalties, and its inability to control their paths and political choices in the future. Also, there is always the fear of infiltration of Islamists into such formations, in addition to the existing contradiction between the patriarchal military culture of obeying rules and the youthful civil society open culture.

Another alternative suggested the revival of an avant-garde organization to control the state and lead development, in conjunction with a calculated democratic opening to create a contemporary form of a Nasserist model. This alternative was not accepted either. Obviously, Sisi is not Nasser and he does not possess the vision to be in charge of controlling and directing this organization. In addition, this organization might

raise the concerns of the military and the deep-state institutions in terms of the possibility of power struggle between the new organization and the military establishment over state control.

The third alternative was to revive the National Democratic Party (NDP) after excluding corrupt figures and bringing in new faces and young qualified cadres that have popular acceptance. This vision was developed based on the fact there is limited time to create a new entity and that the NDP has broad expertise in governance and their members already exist within the state apparatus. Therefore, they can restore stability and

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form the largest parliamentary bloc in the next parliamentary elections, by virtue of their experience in the election processes. Despite the attractiveness of this alternative, it still reminds the army of Mubarak and his policies and their destructive political and economic consequences for Egypt, which has contributed to the exclusion of this option as well.

All these alternatives were rejected because of the need to keep the state under military control, the predominance of military mindset that distrusts civilian forces; and the fragmentation and indecisiveness of civilians to push back. Pro-coup figures and members of the old regime have attempted to form coalitions to run for the parliamentary elections but all of these have failed. Finally, he urged political parties to form one electoral list to support the state and show loyalty.⁴ In return he pledged to back them up. Now that the parliamentary elections have been postponed, Sisi remains the country's sole decision maker.

Military above Parties

The political leadership has chosen to continue in the current path relying almost entirely on individual rule and the military establishment. There are ample reasons to explain the total reliance on the military establishment, which will lead to two results: the first is

not to expect the army's withdrawal from political life soon, and the second, that any civilian political alliance -regardless of its orientation- will face the problem of the military's constitutional, legal and institutional incursion into the political life, which will impose distortions that will prevent the creation of healthy and undistorted democratic life in the future. One of the understandable reasons for the regime's dependence on the military is that it may be difficult now for Sisi to change the vehicle that brought him to power after the July 3, 2013 coup. Perhaps the recent leaks from the Minister of Defense Office indicate the existence of internal disputes between different factions, in contrast to the conventional image the military institution always promotes.⁵ In light of the turmoil and uncertainty regarding the continuation of the military's loyalty to the regime, a foreseeable and natural result is the regime's efforts of appeasement to the military by increasing its economic and political influence in an unprecedented manner regardless of the adverse implications for the regime and the state in the long term.

Make-Believe Economic Recovery

The economic vision the current regime has adopted relies on massive financial handouts from the Gulf state and on potential foreign investments. It lacks a clear framework for sustainable development that builds on genuine internal capacity. Equally important, it does not put adequate focus on combating corruption and reforming the out-of-date bureaucracy. Both measures are necessary requirements to build a conducive infrastructure for domestic and international investments.

While easing some of the pressure on the government's account balance and foreign reserves, the Gulf financial assistance is not promoting real investment projects. Even the two mega-projects that have directed the limelight still raise serious questions. The first is the

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one million housing units project that the United Arab Emirates (UAE) took charge of implementing in direct cooperation with the military. This promising project was abruptly suspended in 2015 raising doubts about the process and the way these agreements are con-

ducted. Another recent project is the New Capital that was the big surprise of Egypt's economic conference held in March 2015. This particular project exposes the personalistic style of conducting business even at that large scale. The financial and practical feasibility of that project, sources of financing, the process of assigning bids and the criteria of selecting implementing companies are not clear.

Most of the financial handouts came from the usual donors namely Saudi Arabia, UAE, and Kuwait and is directed towards beefing up foreign reserves or is paid in the form of supporting the energy bill. These handouts will not solve Egypt's chronic economic problems. For long, Egypt has been suffering from deep structural economic crises, such as the budget deficit, trade balance deficit, and cash flow shortage, in addition to recent problems namely low growth rates, rising inflation and unemployment and energy and fuel shortages. Egypt's infrastructure needs a massive overhauling. The problem with the Gulf's financial assistance lies in the highly informal style that shapes the process and

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the lack of transparency. Most Egyptians do not know the exact future repercussions of these handouts. The exact amount of these handouts, reported to range from 30-60 billion,⁶ is not known nor are the terms regulating them. There is no popular oversight over these amounts or the process through which they are being channeled.

The past year and a half have not provided opportunities for real investment or hope for Egyptian local investors. "Egypt the Future" economic conference holds a symbolic importance for the regime which has utilized it to project political stability and strong potential for foreign investment. The Egyptian government has tried to reassure foreign investors by issuing an investment law that provided generous incentives and protected the government's investments contracts against any possible litigation by Egyptians in courts. As a media and political show, the conference was successful but its long-term results are still uncertain. The Egyptian government's investment target was \$100 billion but it was only able to harness a total of \$33 billion, in addi-

tion to \$12.5 billion pledged by Gulf countries mainly the usual donors, Saudi Arabia and the UAE.⁷ The regime also signed memorandum of understanding with investors for an amount of \$86 billion without financing mechanisms⁸. The hyperbolic media publicity raised the expectations of the Egyptian population which in the short term will be difficult to fulfill.

This economic drive will face serious structural challenges. Egypt is ranked among the countries with a high corruption rate (94 out of 175).⁹ The regime's has not shown any intention to crack down on corruption and has not insisted on transparency and oversight. Furthermore, the Doing Business Index considers Egypt one of the less favorable countries that are conducive to business investment (112 out of 189 economies in 2015).¹⁰ There are deep bureaucratic and legal constraints in the Egyptian system that seriously undermines the country's investment potential. Sisi's regime has been giving contradictory messages when it comes to attracting investment. The regime's emphasis on the terrorism threat and combating terrorism overshadows its reassurance regarding the country's overall state of stability and security. This narrative cannot attract foreign investments.

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Regional Adventurism

The current regime uses Egypt's regional and international role to consolidate power and generate internal popularity. Since coming to power, Sisi redefined Egypt's regional role along three objectives: preserving the status-quo of the region; protecting his own regime; and generating financial resources for any military service the Egyptian military offers.

This orientation was behind Sisi's close relations with the conservative Gulf countries especially Saudi Arabia under King Abdullah, UAE and Kuwait which considered the Islamists and the popular uprisings as the main strategic threat for their rule. He received lucrative financial assistance to eradicate the Muslim Brotherhood in Egypt, fight Hamas and "secure the borders

with Gaza," support a military coup in Libya and launch airstrikes inside the Libyan territory. With King Salam coming to power, the strategic importance of Sisi might change. Unlike Late King Abdullah, King Salman considers the Iranians, and not moderate Islamists, as the most strategic threat to the region, particularly after the assault of the Houthis on Sanaa and Aden.

Though Egypt has partaken in the military operations in Yemen as part of the Arab coalition, for Saudi Arabia, Pakistan remains a more reassuring ally. For most Gulf states, particularly Saudi Arabia, Turkey is a more balancing ally against Iran than Egypt. In Libya, the Gulf's initial stance of a military action in Libya has been undermined in light of a growing international effort and consensus over the need for a political solution. This, in turn, undermines Sisi's ambition in exercising a military role in this civil-war-torn country. On the Syrian front, there is a clear cleavage in the Egyptian and Saudi positions. The difference in views between the two countries is steadily growing, as the Saudis are taking a more hostile position toward Bashar Al-Assad while Sisi is providing military support for this brutal dictator. In conclusion, the regional positions have shifted quickly eventually calling for new alignments that might affect Egypt's strategic relevance.

Sisi counts the Arab summit one of his regional successes which has international ramifications. The pinnacle of success for this summit was the creation of The United Arab Force. However, this is not a solid front because of the conflicting interests of its major members. Military adventurism could lead Egypt to protracted military conflicts outside its borders at a time, where the Egyptian army is facing serious challenging from military groups in Sinai. This might be one of the major threats Sisi could face from his military commanders if he exposes the military institutions to embarrassing defeats by militants inside or regional adventures outside.

International Recognition

One of Sisi's clear successes is securing international recognition for his authoritarian regime. The West and the international community are dealing with him in the same way they had dealt with Mubarak and Bin Ali. Western policy makers claim that they see no viable alternative to the current regime, which does not threaten their strategic interests in the region. Therefore, they are willing to overlook the regime's massive human rights violations and help it economically and militarily. In April 2015, President Obama lift the arm freeze im-

posed on Egypt since 2013 and implicitly ensured Sisi in his position until 2018.

Sisi, in turn, knows how to speak the language which Western circles like to hear. He projects himself as indispensable for fulfilling their security and strategic interests particularly with the prominence of radical Islamism and ISIS. To endear himself further, he presents himself as the long-awaited Martin Luther that would reform Islam from within and achieve its “reformation”.¹¹

The West does not seem to learn from past mistakes. Their support for Mubarak and Bin Ali who also enjoyed international backing did not prevent their collapse. In the case of Egypt, as well as other Arab Spring countries, the causes for discontent and uprising are still there, namely repression and corruption. The West’s renewed support for authoritarian leaders who commit mass killing, violate human rights and deny self-determination to their people, foments frustration and disbelief in democracy as a viable means for peaceful transition.

Conclusion

The current regime in Egypt has been promoting an individualistic style of rule that undermines political institutions and marginalizes political participation. It draws on short-term regional and international achievements to circumvent addressing the twin challenges of recon-

stituting the political system on participatory and democratic basis and achieving an economic revival that rests on domestic capacity. At this moment Sisi continues to rely on the support of the military and security agencies and the international financial assistance. The regional achievements and the growing international recognition for Sisi’s regime might help him on the short run, but will not be sufficient to remove the underlying causes of discontent and potential upheaval.

The continuation of the current regime in authoritarianism and repression is doubted. Even attempts to consolidate individual rule will be met with the realities of deteriorating infrastructure and the weakness of the economy’s productivity to the extent that there may not be enough resources to buy the loyalties for the new regime whether by carrots or sticks. In this situation, the choices before the state will be either to continue repression and undermine its chances of success, or to transition to democracy as the only solution, although the evidence suggests that the latter option is ruled out by the current regime at the moment.

The West’s déjà vu of weak support for democracy and abetting authoritarianism will result in more popular anti-Western resentment and it will validate the radical approach which sees violence and not democracy as the solution. The basis of a new formula for stability in the region should rest not again on authoritarian rulers but on democracy and national integration.

Endnotes

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⁴ “Al-Sisi calls for ‘1 political coalition’ in meeting with political party leaders,” *Daily News Egypt*, January 13, 2015, accessed March 30, 2015, <http://www.dailynewsegypt.com/2015/01/13/al-sisi-calls-1-political-coalition-meeting-political-party-leaders/>.

⁵ Patrick Kingsley, “Will #SisiLeaks be Egypt’s Watergate for Abdel Fatah al-Sisi?” *The Guardian*, March 5, 2015, accessed April 4, 2015, <http://www.theguardian.com/world/2015/mar/05/sisileaks-egypt-watergate-abdel-fatah-al-sisi>.

⁶ Sara Aggour, “Overview of Financial Aid Packages to Egypt,” *Daily News Egypt*, April 7, 2014, accessed April 3, 2015, <http://www.dailynewsegypt.com/2014/04/07/overview-financial-aid-packages-egypt/>.

⁷ “Egypt signed final investment deals worth \$33 bn at conference: Salman,” *Ahram Online*, March 15, 2015, accessed April 4, 2015, <http://english.ahram.org.eg/NewsContent/3/162/125291/Business/EEDC-/Egypt-signed-final-investment-deals-worth--bn-at-c.aspx>.

⁸“Egypt signs 18 agreements worth \$86B at economic conference,” *The Cairo Post*, March 14, 2015, accessed April 4, 2015, <http://www.thecairopost.com/news/141748/business/egypt-signs-18-agreements-worth-86b-at-economic-conference>. For details on specific figures and the type and nature of agreements please see: “What was pledged at Egypt’s Investment Conference?” *Atlantic Council*, March 16, 2015, accessed April 2, 2015, <http://www.atlanticcouncil.org/blogs/egyptsource/what-was-pledged-at-egypt-s-investment-conference>.

⁹ Transparency International, “Corruption by Country/Territory-Egypt,” 2015, accessed April 5, 2015, <http://www.transparency.org/country#EGY>.

¹⁰ World Bank Group, Doing Business, “Ease of Doing Business in Egypt, Arab Rep.,” 2015, accessed April 7, 2015, <http://www.doingbusiness.org/data/exploreeconomies/egypt>.

¹¹ Michelle Dunne and Katie Bentivoglio, “Is Sisi Islam’s Martin Luther?,” *Carnegie Endowment for International Peace*, January 16, 2015, accessed March 30, 2015, <http://carnegieendowment.org/syriaincrisis/?fa=57738>.

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“We seek to promote democratic values and humane forms of governance that are sensitive to individual and collective human rights.”

About POMEAS:

Project on the Middle East and the Arab Spring (POMEAS) arose in response to the upheavals that started in 2011 across the Middle East and North Africa, as well as the subsequent developments of an unfolding regional process that mixed disappointments with opportunities. Building on the idea that the processes of academic inquiry, debate and public discussion can contribute to the emergence of a democratic political culture, it aims to initiate a forum open and accessible to people throughout the Middle East and beyond. POMEAS seeks to have impacts on both the discourse of experts and the climate of public opinion.

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