

## The futures of Egypt: the good, the bad and the ugly

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### Theme<sup>1</sup>

Egypt has undergone a frantic succession of political and social changes since January 2011. Today it is possible to envisage three different 'futures' for Egypt, described here as the good, the bad and the ugly.

### Summary

Egypt is in a central position in the Arab world. Whatever happens there will have a substantial impact on the future of its wider neighbourhood. Three interconnected factors will determine its transition: the economy, security and its capacity for political and social integration. The main actors need to reach a consensus on basic issues that are essential to stabilising the country, salvaging the economy and pushing the democratic process forwards. The first half of 2014 will provide some clue as to which of the three 'futures' outlined here will be most likely.

### Analysis

Three years after the fall of Hosni Mubarak, Egypt is in a state of profound uncertainty. The euphoria of world-wide resonance that emerged from Tahrir Square in January and February 2011 has given way to other moods, ranging from impatience and disenchantment to stupefaction and disappointment. In Egypt there are not too many people who look back at what has happened over the past 36 months with optimism. Even less optimistic are many of the foreign observers who have followed the events of the Egyptian transition and its continual upheavals, surprising twists and turns and too many serious collective mistakes.

Since 25 January 2011, Egypt has undergone a frantic succession of political and social changes, including: (1) the loss of fear that led the population to demand the overthrow of a President in 2011 and again in 2013; (2) the first democratic election of a head of state in the country's history (June 2012); (3) the coming to power through the ballot box of an Islamist, Mohamed Morsi; (4) a military coup with considerable social support that deposed Morsi after just a year in office; (5) the drafting of two constitutions in only two years, neither of which was based on a consensus; (6) a bloody repression, including modern history's biggest one-day

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massacre between Egyptians; (7) unprecedented levels of social polarisation; and (8) a rapid return to the old police-state methods that kept Mubarak in power for three decades.

Egypt's turbulent transition has so far been marked by: (1) repeated changes in the rules of the game, in a mixture of improvisation and political interference of the courts, sometimes with a questionable legal basis; (2) the inability to reach a consensus on basic issues that would be essential to stabilising the country, salvaging the economy and pushing the democratic process forwards; and (3) a 'zero-sum' attitude among the main players (the military, the Muslim Brotherhood and the state bureaucracy), according to which any improvement in the positions of one can only be achieved at the expense of the others.

To these difficulties, which are present in other transitions after decades of authoritarian rule, should be added other factors, such as the inability so far to create stable alliances with clear objectives that are shared by large segments of society, the emphasis on battles over identity (the role of sharia law, etc.) to the detriment of the discussions on the institutions and mechanisms that ensure good governance and, finally, the repetition of mistakes made by others in the recent past. One of these mistakes has been the drafting of constitutions that are far from providing a framework for coexistence that is both inclusive and widely accepted.

Egypt has devoted much energy and precious time in 2013 to internecine struggles for control over the 'legitimacy' necessary to impose conditions on opponents. Despite their sectarian and incompetent management, Morsi and the Muslim Brotherhood considered that their electoral victory, albeit with 51.7% of the vote, gave them the right to legislate at will, to be above the law and to impose a tailored constitution. The problem that Egypt now faces is that those who have taken over the country after Morsi's overthrow also claim to possess the 'legitimacy of the masses' to approve laws that restrict rights, to draft a non-inclusive constitution and to impose a narrative of 'fighting against terrorism', which is blamed on the Muslim Brotherhood as a whole. This has been done even at the risk of such a generic accusation becoming a self-fulfilling prophecy in the case of some of the Brotherhood's members.

Egypt is in a central position in the Arab world. Whatever happens there will have a substantial impact on the future of its neighbours. Similarly, the implications of its sociopolitical developments will be felt throughout the entire Euro-Mediterranean area. Today, it is possible to envisage three different 'futures' for Egypt, described here as the good, the bad and the ugly.

### *The good future*

One of the most optimistic scenarios is to assume that Egypt can achieve a considerable degree of democratisation within three to five years. This would mean moving towards a democratic and competitive political system where legitimate,

transparent and regular elections are held, and where accountability in the management of public affairs is guaranteed. In order to move in this direction, it would be requisite for well-organised political parties to emerge, so that a particular party or coalition of parties are elected by the people with the commitment to carry out a programme of large-scale reforms.

As for the major players on the political scene, it would be imperative in the face of greater democratisation that the influence of the military institution be reduced in the management of daily affairs. However, its influence has only grown since 30 June 2013, when the *tamarod* (rebellion) campaign called for a broad social mobilisation and led to the military-civil coup that overthrew Morsi. For the trend to be reversed, conditions should be in place to be able to apply the roadmap announced in July 2013, with the aim of returning to a certain degree of institutional and constitutional normality. Furthermore, the armed forces should refrain from submitting a military candidate for the upcoming presidential elections, scheduled for the first half of 2014, and should focus instead on their task of defending and protecting the country's territory.

Meanwhile, civilian actors such as the National Salvation Front –which is now at a low ebb– and the *tamarod* campaign, among others, need to develop their organisational structures and capacities, as well as their mobilisation strategies. Their goal should be to fill part of the void that would be left by the gradual withdrawal of the armed forces and the weakening of the Muslim Brotherhood. This requires long-term planning in order to convince Egypt's voters of their effectiveness and ability to offer society better prospects for the future.

A key step in the path towards democratisation would be the inclusion and integration of the Muslim Brotherhood in the process of change, since they are a part of society that cannot be excluded without giving rise to serious problems. This would require the commitment of the two parties: those who are now in power – supported by the military– and the Muslim Brotherhood, to sit down, negotiate and reach agreements. On the one hand, the current authorities should ensure that the Muslim Brotherhood are part of each step agreed on the roadmap and, on the other, the Brotherhood has to reform its internal organisation, allowing their youth to take up positions in the leadership. This is one of the greatest challenges facing Egypt due to the prevailing mistrust and polarisation between major social groups, which is promoted by official institutions and their media outlets.

Other key factors for the 'good' scenario to materialise are security and the economy. These two factors are highly interconnected, since security conditions profoundly affect the Egyptian economy's main revenue-generating sectors, such as tourism and foreign direct investment. Hence, to restore and maintain stable security conditions are goals of the utmost importance, requiring the cooperation between the police and armed forces in different parts of the country, especially in the Sinai, where jihadi elements are present and pose serious security problems. Cooperation

between the police and the military alone will not contribute to the country's democratisation; for that to occur it would have to be accompanied by a serious reform of the security sector, which today seems complicated.

If an acceptable level of security were to be sustained in Egypt, it would certainly help boost the economy but would be insufficient to improve the economic situation. When the new government is elected, it should place the reform of the economy at the top of its priorities, including the review of many of the laws and procedures relating to foreign investment and Egypt's business climate. In addition to these reforms, the government would do well to design a plan to make good use of the aid packages that Egypt receives from the Gulf in order to reduce budget deficits, stabilise the value of the Egyptian pound against other currencies and control rising inflation rates.

Foreign aid will be useful in the short term, but it must be accompanied by plans for long-term reform in order to ensure economic recovery. Future Egyptian governments could promote the country as a hub for investors, since Egypt has many advantages compared to other markets in the region and the world, such as low labour costs. It also has a young and rapidly growing population, which could translate into a large number of consumers for regional and international investors.

As for regional and international actors, the criticism to which Egypt is currently subjected by the West would be defused if the roadmap were to be implemented in full. This requires the election of a new government with broad popular support that is able to: (1) maintain security and (2) reach an agreement with the Muslim Brotherhood to include them in the process under certain and political conditions. Until this happens, Egypt's rulers will continue to be criticised both from within and from outside the country. Also, the Muslim Brotherhood will continue to exploit its position as the victim of a fierce and corrupt power, which is exactly what earned them most sympathy in the past.

### *The bad future*

A less encouraging scenario than that described above would be a faulty democratisation combined with endemic instability. Should such a combination occur, Egypt's fragile democratisation would be conditioned by a much more complex environment, where there would be no lack of sources of instability. They could come from the continuous protests by supporters of the Muslim Brotherhood, in the absence of a negotiation that incorporates them into the system, as well as from other social sectors dissatisfied with the new rulers. The time period for the country to move forward on the path of democratisation would be extended considerably.

The military would have a considerable political and economic influence, although not rule the country directly. This would greatly hinder the transition to democracy, especially if civil movements like the National Salvation Front and the *tamarod*

campaign fail to be effective in the political arena as a result of their internal weaknesses, limited capacities and underdeveloped communication strategies. As long as they do not correct these structural deficiencies, it is unlikely that they can gain good electoral results. If so, more power would accrue to the armed forces, which would enjoy a significant degree of popularity among certain social sectors, especially the opponents of the Muslim Brotherhood. The question is whether popularity would be unconditional or depend on other factors such as the state of the economy or the perception that corruption and police brutality are on the rise.

In this scenario, the struggle between the state on one side and the Muslim Brotherhood on the other would continue, with the resulting waste of resources and energies on both sides. It can be expected that the Brotherhood's followers, who believe that a great injustice has been committed against them, will resort to continuous protests and that episodes of reciprocal violence might occur. For the Muslim Brotherhood, to sustain a certain level of tension would be seen as a bargaining chip in order to obtain political gains in negotiations with the state. The use of violence by one or the other would maintain social tension, deepen polarisation and transmit an image of insecurity to the rest of the world.

Were instability to spread, it would directly affect the economy and the government's management capacity. The tourism sector, which contributes a significant portion of Egypt's GDP, would be seriously harmed and be reflected in low growth rates. Meanwhile, some Gulf states like the UAE, Saudi Arabia and Kuwait, which now give generous aid to the Egyptian government, could end up asking themselves if more economic stimulus packages should be offered in the absence of more stable conditions at the socio-political level. If so, the Egyptian economy would be in a difficult situation, with the government being pushed to reduce the large subsidies currently in place in the hope of bringing about an economic recovery, while such a move would not be to the population's liking.

A significant deterioration in economic conditions would be the opposite of the hopes for a better future that Egyptians harbour, and therefore cause growing popular discontent, higher levels of violence and, ultimately, new revolts and civil disobedience. This would be disastrous for the government, which would be forced to make constant changes in response to popular demands and to prevent it from falling due to the population's frustration with it. In turn, this would send negative signals to potential investors and cause the further deterioration of an already fragile economy.

Internationally, Egypt would continue to be criticised from the outside and, possibly, be subject to more pressure from some Western governments alarmed by the consequences of a non-inclusive political process that is economically ruinous. The deteriorating security and dysfunction of the economy would raise more international concern about the policies of the Egyptian authorities to ensure a democratic transition. Given the possible Western pressure, the Egyptian government might try

to seek new alliances with powers like Russia and China, although it could hardly put aside its current obligations and international alliances with the US and the EU.

Despite the gloomy picture painted here, Egypt could attain democratisation in the long run, as an agreement would end up being reached between the state, the Muslim Brotherhood and other stakeholders after a period of strife and attrition causing a profound social weariness. It might be necessary to wait for several rounds of elections to pass before adequate civilian candidates appear who are able to translate into policies the demands for 'bread, freedom and social justice' which guided the revolt of 2011.

### *The ugly future*

The ugly scenario that could engulf Egypt would involve the country getting stuck in a prolonged cycle of violence between the two main actors in the social and political scene: the state (represented by the police, the intelligence services and the military) and the Muslim Brotherhood, in a possible coalition with extreme Islamist currents. In an environment of sustained and large-scale violence each party would try to win over public opinion by using all manner of tactics, with no regard for legal or moral considerations. Such a scenario could end with one side monopolising power and crushing its opponents, although another possibility is that the country becomes ungovernable and its institutions collapse.

In this situation, elections would make evident the degree of social confrontation and would be a further twist in the troubled Egyptian scenario. Whether the armed forces exert power more openly in order to weaken or eliminate the Muslim Brotherhood and other opposition groups, or the Islamists regain power, possibly in a more radical version, the Egyptian transition would suffer a serious setback. However, some see it inevitable that a deteriorating situation will become so bad that a new massive popular uprising takes place. According to this view, which combines pessimism and optimism, this might be the only outcome capable of correcting the country's course in the long term.

In the event of military rule imposing itself, security conditions would face enormous difficulties and there would be a return to the logic and practices of the 'police state' that was responsible, among other factors, for Mubarak's overthrow. Different opposition groups, both Islamist and non-Islamist, would fight back using all the means available to wear down the security apparatus and highlight the ruling elites' lack of legitimacy. In the absence of safety valves, and in a context of economic hardship, all parties would have much to lose, including those in control of the country. Although hard to imagine now, one cannot completely rule out the breakdown of law and order, a long period of ungovernability, or a situation resembling –in a way– Algeria's in the 1990s.

A serious deterioration in security conditions would have a devastating effect on the economy. An Egypt ruled by the military or by radicalised Islamists would undermine its options as a destination for regional and international investments and for tourism. It would also negatively affect the development aid it receives and, possibly, the generous donations and soft loans that Egypt currently gets from certain Gulf countries. The combination of these factors could greatly hinder any attempt by the government to tackle problems such as budget deficits, debt and rising levels of poverty and unemployment, which would aggravate the social resentment towards the country's rulers. Should such a point be reached, a new popular uprising would only be a matter of time, and its domestic and regional implications would be unpredictable.

Given this undesirable scenario, one would expect a combination of external support for attempts to impose some form of 'authoritarian stability', as in Mubarak's day, and increasing pressure from various sectors of international public opinion on Egypt's ruling elites. Criticism would grow of what would be perceived as a derailment of the democratic transition and an attempt to return to authoritarianism. There would also be repeated calls to tackle social polarisation and include the different currents in the transition process, in addition to ending the emergency law and other abusive legal provisions that undermine civil and political rights. These demands could lead to a situation where nervous rulers in Egypt adopt a more confrontational foreign policy towards both Western countries and some neighbouring countries whose attitudes are considered unfriendly.

### **Conclusion: A profound yearning for democracy**

The first half of 2014 (in which the referendum on the new constitution is to be held, as well as further rounds of presidential and legislative elections) will provide some clue as to which of the three 'futures' outlined here will be most likely. Given the recent history of surprising and unexpected twists and turns in the troubled Egyptian transition, it cannot be ruled out that one or more aspects of these scenarios might combine to form a hybrid that will be difficult to predict at present. That said, any analysis on Egypt must take into account that a significant number of Egyptians feel a profound yearning for their country's democratisation in order to dignify living conditions that are far from satisfactory. Nor should one forget that many of them have lost their fear to express themselves and to act in order to achieve that goal, even though that does not necessarily mean that the transition to democracy will not take a long time.