

Egypt's Many Game-Changers: Identifying the Drivers of Change

Written by Jacob Kennedy

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JACOB KENNEDY, OCT 7 2012

At the Closing Plenary Session of the 2012 Clinton Global Initiative Annual Meeting in New York, newly-elected Egyptian president Mohamed Morsi spoke passionately and forthrightly about a "new Egypt," one in which "all Egyptians represent the majority" and "all Egyptians have equal rights."^[i] In answering President Bill Clinton's series of critical questions on the various economic and social challenges facing Egypt's future, Mr. Morsi offered rather vague, albeit confident, responses. He was firm in his assertion that the military and national security forces are doing their jobs and that stability has been established in the country. He emphasized the importance of the private sector, the long-felt problems of corruption, and the serious dangers of social imbalance to development. He suggested that solar, wind, and wave energy have the potential to be viable power sources in Egypt. He voiced his commitment to protecting the poor and social justice; to ensuring that subsidized goods fall into the hands of the destitute; and to encouraging the enactment of laws that enhance agriculture.

At face value, President Morsi's hold on Egyptian problems appears comprehensively strong and determined. Perhaps, as his first major global address, a projection of Egyptian optimism and enthusiasm was an appropriate, and safe, start for a president with only 88 days under his belt. However, and more importantly, Mr. Morsi's answers did very little in revealing anything about the future of Egypt.

Bluntly put, Egypt's political future hangs precariously in the balance. Shrouded in obscurity and uncertainty, the path of a successful transition to a democratic, civilian state is difficult and vastly complicated. Despite the success of Egyptians' first freely competitive presidential election, Egypt's president now faces a highly complex and divided political and social landscape. The realities of significant sociopolitical pressures will be heavily magnified within the context of Egypt's dangerously crippling economic conditions.

As regional experts and analysts continue to grapple with the uncertainty currently surrounding the Egyptian state, there are various existing elements and sources of change that can be identified as essential components to a meaningful and comprehensive analysis of Egypt's political future. To bring *some* clarity and security to the unpredictable environment in which the Egyptian people, policymakers and the like find themselves, it is necessary to analyze the more critical forces for change at work in the country that will undoubtedly influence and shape the path of Egypt's development. By doing so, this will help to shed some light on the important players of Egypt's uniquely complex playing field and offer insights into how the interaction of those forces will, in one way or another, impact the course of Egypt's emergent political, economic, and social future.

Internal Pressures

Stepping into the presidency, Mr. Morsi, as did his predecessors, inherited an Egyptian economy marred by historically deep-rooted structural problems. In Egypt's post-revolutionary state, the president will be under increasing pressure to implement economic policies that produce results visible to all Egyptians. In the short-term, Egypt will rely on inflows of foreign currency from aid donors such as the U.S. and possibly the International Monetary Fund (IMF).^[ii] However, if foreign investors are reluctant to return in the face of domestic violence and unrest, Mr. Morsi may have no choice but to turn to others willing to accept the risks of investment. China has demonstrated

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such an interest.[iii] If he seeks to alleviate some of the economic stress on the country's population, mired in poverty and high unemployment, Chinese investment could prove irresistible.

As a matter of domestic security, President Morsi must employ effective policies governing the nation's security forces to restore the political and civil unrest still smoldering from the revolution. With the threat of ongoing protests, Mr. Morsi's leadership will play a fundamental role in addressing the various underlying sources of violence and discontent. His domestic political and social agendas will serve either to mitigate or exacerbate tensions between Muslims and the Coptic Christian population and other minorities. The voices of these minority groups could coalesce around common grievances, culminating into a force that, like the economy, could undermine Egypt's development.

Reminiscent of the food riots of 1977[iv], failure to improve the socioeconomic conditions could spark widespread protests among Egyptians unable to support their families. Sectarian divisions between Egypt's Islamists and non-Islamists could potentially give way to a shared disillusionment with the government over the burdens of high unemployment, shortages in electricity and food, and an overall poor standard of living felt by all members of society. Ultimately, public approval will be the measurement by which Morsi must gauge the effectiveness and legitimacy of the policies he pursues.

The Military

During Egypt's post-revolution interim period of military rule, there were many indications of an emerging power struggle between the military establishment and the rising Islamists. After the military-backed constitutional amendment to strip the power of the presidency was nullified and after Morsi attempted to reconvene the dissolved Islamist-led Parliament, it seemed a future of confrontation, rather than accommodation or collaboration, was in order. Still, much ambiguity remains concerning how relations will develop between the civilian-led government and the military.

After the forced retirement of top military officials, it was unclear whether an accord had been reached among the military's generals and Egypt's new president. As younger officers within the military council were named as replacements, some experts have paralleled Morsi's actions regarding the military to those of Anwar Sadat's, "in which he also cultivated a rung of younger officers to replace a group that was loyal to the previous president." [v] This could prove to be the beginnings of a close relationship between President Morsi and military elites. However, with Field Marshall Mohamed Tantawi and former army chief of staff Sami Anan facing potential trials, President Morsi may seek to continue challenging remnants of the former regime and this will be most unpopular with many government officials.

As of now, the influence of the military on Egypt's leadership and the country's development heavily depends on the provisions of a new constitution.[vi] The significant political influence of the Supreme Council of the Armed Forces (SCAF), particularly given its ties to top judges on Egypt's Supreme Constitutional Court, must be seriously taken into consideration as it could potentially serve as the president's most influential domestic ally or, his most powerful enemy.

The Muslim Brotherhood

There has been much debate over how influential the Muslim Brotherhood, the Islamist party that represents President Morsi, will be in Egypt's new political and social life. The future course of Egypt's development will be heavily affected by the prominence of the Brotherhood and its Islamist ideology in the policymaking realm of governance. From an historical perspective, this represents a major shift in the Muslim Brotherhood's role in Egyptian political life after having been banned and imprisoned various times throughout the rules of Nasser, Sadat, and Mubarak. Given the Brotherhood's traditionally conservative, "deeply illiberal, anti-pluralistic, anti-feminist views," many fear that the group's fundamentalist position will be imposed on society.[vii] And this, ill-fatedly, may very well be the case. Whatever happens, how the Islamist group chooses to employ political Islam – whether mandated by President Morsi or under some independent, on-the-ground implementation of repressive policies – will not only impact the course of change in Egypt, but will also resonate with neighboring Arab observers yet to emerge from the

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Arab Spring.

Regional Insecurities

Volatile instability in the Middle East has the serious potential to gravely impact Egypt's regional and foreign policy priorities and regional insecurities may provide the necessary conditions for the new president to actively redefine Egypt's power politics in the region. However, flexibility to do this will be limited. With Turkey's recent military strike in Syria, the ongoing violence between Syrian President Bashar Al-Assad and company and opposition forces has already proven capable of threatening the security and stability of the region. As focused as President Morsi would like to be on domestic issues, regional upheaval looms dangerously in the near future, as violence in Syria escalates daily, Iranian nuclear ambitions remain defiant, and the specter of an Israeli preemptive strike against Iran continues to linger. The development of these issues is unpredictable, as much so as President Morsi's ability and willingness to address them. However, one thing is certain; the conceivable eruption of one or all of these regional problems will require Egypt's involvement.

Thus far, President Morsi has demonstrated the need to address the crisis in Syria by endeavoring to work through an action committee with Turkey, Saudi Arabia, and Iran. A critical analysis of some of his first foreign policy decisions may be instructive as to how Mr. Morsi plans to approach regional policy in the future. For example, his recent support of a resolution that excludes dealings with the U.S. and its Western allies might indicate the Egyptian president's intention of downplaying American policy in the Middle East. However, as violence in Syria deepens, military intervention by the West will become an increasingly imminent prospect as Turkey's retaliation illustrates. If anything, given the prevalence of anti-Western and anti-American sentiments among Arab populations, this would add another element to the region's complex and tumultuous landscape to which the nature and extent of a response by Cairo is by no means defined.

For the United States, Egypt-Israel relations will be an important focus point, as Egypt has been an essential strategic asset in the effective maintenance of regional stability within the larger context of Arab-Israeli relations. With Egypt's new leadership, analysts have argued that President Morsi is likely to advance a more regional foreign policy in an effort to focus on Egypt's interests in a way that is less amenable to interests of the West.[viii] Restoring full diplomatic relations with Tehran may be among the president's priorities, especially given a rise in Islamist-leaning tendencies in Egyptian politics. However, Egypt's role in a strategic competition with Iran will surely raise concerns among Israelis about how powerful Egypt seeks to become.[ix] If regional insecurities serve to further aggravate relations between Egypt and Israel, with Egypt eager to assert its influence, this will inevitably call into question U.S. support for Israel on the one hand, and U.S.-Egypt relations on the other. Threatened by regional violence and instability, the Egyptian population will have to determine where to throw its support, adding additional impetus to the consequential role of materializing regional threats. If President Morsi and his military are unable or unwilling to control the aggressive activity of Islamist militants operating in the Sinai Peninsula, who pose another potential threat to regional security, Egyptians may resolve to pressure the government to enhance military cooperation with its Israeli, and Western, counterparts.

Conclusion

As exemplary of a "black swan" as the events in Cairo were, Nassim Taleb and Mark Blyth suggest that "it is both misguided and dangerous to push unobserved risks further into the statistical tails of the probability distribution of outcomes and allow these high-impact, low-probability 'tail risks' to disappear from policymakers' fields of observation." [x] With equal significance, this concept should be applied in the process of analyzing Egypt's future trajectory and the myriad risks and consequences that entails. With a new phase of change on the horizon, it is all the more critical that such an understanding be employed when calculating the future implications of such substantial and forthcoming change.

Unfortunately, President Morsi's statements at the 2012 CGI Annual Meeting failed to recognize the variability and degree with which the above-mentioned drivers of change will influence Egypt's future. In reality, the economic and social problems of Egyptian society have long been simmering under the enforced stability of longstanding

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authoritarian regimes and these deeper issues, among many others, are now rising to the surface in the public light of democratic life. To address them effectively, it will take much more than optimism and faith.

At this stage, Egypt's president faces a dangerous balancing act where a tip in either direction – and there are many – could potentially plunge Egypt back into a state of emergency. As the country's political, social, and economic development presses forward, it is imperative that all of the various factors and forces influencing that path be taken into careful consideration.

Ultimately, President Morsi will have to come to terms with the complex playing field he now faces, for it is only through a better understanding of these drivers of change that his 'new Egypt' can be fully realized.

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[i] President Mohamed Morsi made his debut in the United States as a guest speaker at the 2012 CGI Annual Meeting hosted by Founding Chairman, President Bill Clinton. The Closing Plenary Session can be viewed in its entirety at <http://www.clintonglobalinitiative.org/ourmeetings/2012/webcast/archives/player.asp?id=23>.

[ii] On August 22, 2012, Egypt requested a \$4.8 billion loan from the International Monetary Fund. With the request still up for review by IMF officials, already some members within Morsi's Muslim Brotherhood have expressed doubts about accepting the loan indicating a potential source of problems within Morsi's political party.

[iii] Farah Halime, "Chinese Firms Brave Uncertainty in Egypt to Gain a Foothold in Middle East," *Nytimes*, 29 August 2012, Accessed from: <http://www.nytimes.com/2012/08/30/world/middleeast/chinese-firms-brave-uncertainty-in-egypt.html>.

[iv] Food riots broke out in 1977 against the government's efforts to reduce subsidies on food and other essential commodities. See Robert Tignor, "Egypt: a Short History," 2010, p. 279. According to New York Times journalist Scott Sayare, president Morsi has inherited a similar "broken system of food and fuel subsidies." See Scott Sayare, "A Dictator Is Gone, but Egypt's Traffic and Congestion Seem Immovable," *New York Times, Cairo Journal*, 10 September 2012, Accessed from: <http://www.nytimes.com/2012/09/11/world/middleeast/for-egyptians-no-relief-from-cairos-infamous-traffic.html?pagewanted=all>. 11 September 2012.

[v] Steven A. Cook, in interview, "What's Changed In Egypt Since Morsi Took Office?" *National Public Radio: Talk of the Nation*, 2012, Transcript. This transcript can be viewed at <http://www.npr.org/2012/09/04/160551336/whats-changed-in-egypt-since-morsi-took-office>.

[vi] Leila Fadel, in interview, "What's Changed In Egypt Since Morsi Took Office?" *National Public Radio: Talk of the Nation*, 2012, Transcript. This transcript can be viewed at <http://www.npr.org/2012/09/04/160551336/whats-changed-in-egypt-since-morsi-took-office>.

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[vii] Thomas L. Friedman, "What Does Morsi Mean for Israel?" *Nytimes.com*, 3 July 2012, Accessed from: <http://www.nytimes.com/2012/07/04/opinion/what-does-morsi-mean-for-israel.html>.

[viii] Emad Shahin, in "Egyptian Leader Adds Rivals of West to Syria Plan," by David Kirkpatrick, *Nytimes*, 26 August 2012, Accessed from: <http://www.nytimes.com/2012/08/27/world/middleeast/egyptian-president-seeks-regional-initiative-for-syria-peace.html?pagewanted=all>. 27 August 2012.

[ix] Cook, interview, NPR, 2012, Transcript.

[x] Nassim Nicholas Taleb and Mark Blyth, "The Black Swan of Cairo: How Suppressing Volatility Makes the World Less Predictable and More Dangerous," *Foreign Affairs*, Vol. 90, No. 3, Published by: The Council on Foreign Relations, May/June 2011, Accessed from: <http://fooledbyrandomness.com/ForeignAffairs.pdf>. 5 September 2012.