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# **EGYPT AT THE CROSSROADS: PANDEMIC, AUTHORITARIANISM AND GEOPOLITICAL ASPIRATIONS**

edited by **Giuseppe Dentice, Alessia Melcangi**





Almost ten years after the Arab Spring, Egypt is experiencing a counter-revolution that has swept away the momentum of the democratic revolts to make room for a military-dominated autocracy. President Abdel Fattah al-Sisi appears to be Egypt's strongman, but the foundation of his power is fragile and closely connected to the trajectory of the military élites. While the economy suffers the disastrous consequences of the pandemic and civil society is increasingly harassed into silence, Egyptian foreign policy aims at regaining its pivotal position in Africa and the Middle East. As a result, Egypt is a more fragile country than it appears at first sight. Is this a comeback of the Mubarak era? Could a political space be open for the oppositions (including the Islamists) and what role does the military play in today's Egypt? Finally, what are Egypt's international priorities?

\* **Giuseppe Dentice** (Ph.D), an Associate Research Fellow at the Middle East and North Africa Centre at Italian Institute for International Political Studies (ISPI) and Teaching Assistant at the Catholic University.

\* **Alessia Melcangi** is Tenure Track Assistant Professor at the Sapienza University of Rome and Non-Resident Senior Fellow for the North Africa and Middle East Program at the Atlantic Council, Rafik Hariri Center for the Middle East, Washington D.C.

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## Authoritarian Governance in Egypt: A Return to the Past

Marina Ottaway  
 Woodrow Wilson Center

**E**gypt's brief dalliance with free elections after the 2011 uprising led, perversely, to the most authoritarian government since the 1970s. Under the presidencies of Anwar Sadat and Hosni Mubarak, the country had started a slow and uncertain **transition from the full authoritarianism of the Nasser period to a halting semi-authoritarianism**: it had reopened the system to party competition, although it continued to ban the organization with the largest popular support, namely the Muslim Brotherhood. It allowed some, though limited, freedom of the press and of speech. It held regular multi-party elections, while making sure that only the government's National Democratic Party could win. Opposition parties always had some representation in parliament, with the number of seats negotiated in advance with the government. Even the Muslim Brotherhood eventually obtained a degree of representation, either by inserting its candidates into other parties' lists or by having them run as independents. This was done openly and tolerated, because the numbers were small

**Marina Ottaway**, senior scholar at the Middle East Program at the Woodrow Wilson International Center for Scholars and a long-time analyst of political transformations in Africa, the Balkans, and the Middle East.

and did not threaten the government. Egypt, like many other authoritarian countries after the fall of the Soviet Union, had learned to have its cake and eat it too, putting up a somewhat open façade while making sure that power could not pass outside the hands of the ruling establishment.

By the end of the Mubarak presidency the system was functioning smoothly. It was only threatened once in 2005, when American pressure on Mubarak to move toward democracy resulted in an unprecedented 20 percent of the parliamentary seats being won by members of the Muslim Brotherhood running as independents. The outcome frightened the US government into **desisting from putting pressure on Egypt on democracy**, and the Egyptian government and the secular opposition political parties into closing ranks to make sure that the Muslim Brotherhood delegation in parliament would be completely ineffectual.

The uprising of 2011 put an end to the somewhat complacent semi-authoritarianism of the late Mubarak period by restoring the dominant role of the military and security forces first ushered in by the Nasser regime in the 1950s and 1960s. It also reinforced the role of the state in the economy, relegating the private sector to a subordinate position as executor of projects the military controlled. Within two years of the uprising, after a short hiatus during which the Muslim Brotherhood controlled the presidency, **Egypt had restored the authoritarian military state of the Nasser period**. In the 1950s and 1960s, that model had

inspired a generation of Arabs. Now it appears hopelessly anachronistic and is extremely unlikely to influence other countries.

The Free Officers' coup of 1952 brought to power Gamal Abdel Nasser and gave an unprecedented role to the military both in politics and in the economics of the country, creating a model that had an enormous influence in the Arab world and more widely in the Third World. Nasser's regime was authoritarian, but it also **inspired Arab countries that were just emerging from various forms of colonial control and aspired to reassert their national identity and to catapult themselves into a period of rapid economic growth**. In that model, the state was the dominant actor and the military was the backbone of the state. Initially, the model worked and launched a period of industrialization and agricultural expansion under state control. The private sector was not eliminated but reduced to a marginal role. Egypt developed an industrial sector, expanded the amount of land under cultivation by irrigating parts of the desert, and built the Aswan Dam, thus making it possible to bring electricity to most villages and also to cultivate as many as three crops a year in parts of the country. The system also provided free health care and education to the population and guaranteed that university graduates would be given jobs in the civil service. It also subsidized essential food stuff, cooking gas and electricity rates, creating a burden for the state that eventually became unsustainable as the population increased.

The system lacked a solid economic foundation and proved to be a house of cards. But initially it appeared to work well enough to be adopted by others and its legacy still weighs heavily on the region.

In the decades following Nasser's death in 1970 the state continued to be a major force in Egypt's politics and economy. Neither Anwar Sadat nor Hosni Mubarak attempted a radical reform of the system, but **many of its features started fading**. The private sector underwent a revival after the 1990s, the role of the military became more covert and the social reforms initiated by Nasser failed, starved of funds and undermined by the uncontrolled population growth.

The 2011 uprising paradoxically brought back Nasser's authoritarian – rather than semi-authoritarian – system. The uprising was a movement for greater democracy, but **within two years the military was openly back in control**. President Abdel Fattah al-Sisi tried to give the regime a democratic façade, but the attempt was belied by the role military officers, both active duty and retired, wielded. Egypt today is again an authoritarian military state, that sees development as the business of the state to be brought about through the implementation of ambitious big projects launched with little regard for their economic viability and carried out under the supervision of the military by private sector firms acting as subcontractors. It is Nasser's state redux, but with two important differences: the elements

of social reform of the Nasserist project are absent and there is no indication that Egypt is once again inspiring other countries. The Egyptian authoritarian model **looks at the past rather than future**. And once again it is a house of cards built on a weak economic foundation. Many of the big projects launched by al-Sisi, for example the building of a new capital not far from Cairo, are prestige projects without an economic or political justification. Egypt has been initially buoyed by support from Gulf countries, relieved to see the end of the Muslim Brotherhood's control of Egypt and more recently by the discovery of natural gas fields in the eastern Mediterranean. Gas production is crucial for the Egyptian economy, but it is not sufficient to support for long unproductive schemes in a country of over 100 million people.

The revived Nasserist model is **not inspiring a new generation of Arabs**, as the old one did. Times have changed and ideas that were in the mainstream then have long been rejected. Egypt is no longer seen in the region as the country that defied the West by reasserting its control over the Suez Canal and built the Aswan Dam with Soviet help when the World Bank refused a loan. It is no longer seen as the cultural heart of the Middle East. It is now the poor cousin struggling to stay afloat with the help of the rich Gulf countries. Al-Sisi himself has no charisma.

But the **statist trend is alive and well in the region**, and the appeal of authoritarianism remains strong, even if Egypt is not the model.



## The Role of Egypt's Armed Forces: A Military Empire

**Nathan Brown**

George Washington University and  
 Carnegie Endowment for International Peace

**Amr Hamzawy**

Carnegie Endowment for International Peace and  
 Stanford University

**Nathan Brown**, professor of political science and international affairs at George Washington University. He brings his special expertise on Islamist movements, Egyptian politics, Palestinian politics, and Arab law and constitutionalism to Carnegie.

**Amr Hamzawy**, senior associate in the Middle East program at the Carnegie Endowment for International Peace. He served as the research director of the Carnegie Middle East Center in Beirut, Lebanon. He has also served on the faculty at the American University in Cairo, Cairo University, and Stanford University.

Since 2011, the Egyptian armed forces have played an unusual political role, at the **center of Egyptian governance on a very wide range of matters**. The set of crises imposed by the COVID-19 pandemic is shaping — and even diminishing — parts of that role in some ways that are subtle but still very clear from the public record. The result is the emergence (or re-emergence) of a wider field for the cabinet and civilian technocrats.

A new era of direct military oversight of the political system began in February 2011 when the Supreme Council of the Armed Forces (SCAF) announced the departure of Hosni Mubarak as president. The SCAF effectively asserted its place as interim president and even as the body possessing interim constituent authority — able to author interim constitutional documents — until a permanent political system could be designed. The SCAF formally withdrew upon the election of President Mohamed Morsi in 2012, but it stepped in again on July 3, 2013, leading a coalition of state institutions and political actors to depose Morsi. This time the SCAF held back

from direct rule, but it did take a **leading role in writing a new constitution for the country and reconstructing the Egyptian political system — and it sent its leader, Abdel Fattah al-Sisi, to the presidency in 2014.** Since then Egypt has been governed by the presidency, but the military, along with the extensive set of internal security bodies, has played a very prominent role in decision-making.

This has been a partial departure from the past. While it is common to refer to pre-2011 regimes as military in nature, **the military as an institution never ruled directly.** Even when the monarchy was overthrown nearly seven decades ago (1952) and a body called the “Revolutionary Command Council” (consisting of a group of officers who had led the overthrow) governed Egypt, the military as an institution remained formally outside of politics. The military was far from politically irrelevant — all of Egypt’s presidents had military backgrounds, but they had left their uniforms by the time they took office. Other former officers held important positions in the government and in bureaucratic bodies, though their dominance receded a bit over time — especially in the last decade of Mubarak’s long rule, 1981-2011. The military remained a powerful institution, but to describe the pre-2011 political system as “military rule” is not only an exaggeration; it also obscures the variation over the years in the political role of the military as an institution and of officers in politics.

In one sense, the presidency of al-Sisi restores some of these characteristics of Egyptian regimes since 1952 — but with a **much stronger military face and presence.** Since 2011, the

public role of the military has been striking in a manner that seems unprecedented - at a minimum one would have to go back to the first half of the 1960s to find such a prominent role for the military in public affairs. And it is not merely its public prominence but the scope of its apparent mandate - it extends to widespread economic activities, shaping the public discourse on politics through ownership (direct or indirect) of public media, and even the training of civilian state personnel in matters of national security. In recent years, almost all critical decisions have had strong military fingerprints.

When it became clear that Egypt would be exposed to the COVID-19 pandemic, it was therefore not surprising that the military stepped forward to play a strong role. It very publicly called out its soldiers, for instance, to disinfect major thoroughfares in Cairo and other big urban centers. But for variety of reasons, the military quickly stepped back — not merely stepping behind the scenes, but actually **allowing much of the civilian structures of the Egyptian government to set policy within their respective realms.** The Ministry of Health provided medical guidance; the Ministry of Education adjusted school hours, testing, and pedagogy; the official religious establishment provided more leadership; and leading civilian officials provided information — including the public health advisor to the president and to the citizenry and imposed a series of restrictions on public life in the name of public health. The prime minister emerged as a leading voice for policy, and the cabinet, along with a newly formed civilian task force, became the

places where policy was coordinated. Egyptian medical syndicates – which are officially chartered bodies but not generally seen as part of the state – have been able to step forward, advocating very forcefully for their members in an environment in which political activity of almost any other sort is suppressed. Individual doctors and journalists have been treated harshly if their words were deemed too critical or irresponsible, but the regime's monopoly on the provision of public information is partly broken in the resulting environment.

There were **five apparent reasons for the shift**. First, the scope of the required response very clearly exceeded military resources and expertise. Second, the menu of policy options before Egyptian officials resembled that of most other states in the world – meaning that those with international professional networks in fields like epidemiology, public health, and even education were likely to provide far better guidance than the military or security bodies could provide on their own. Third, very early on in the crisis, senior officers themselves were exposed to the virus, making very clear not simply to the public but to the country's senior leadership the gravity of the threat. Fourth, the sort of resources that the military was able to bring to bear on other kinds of problems – those requiring massive mobilization of manpower, material resources, or the ability to cut through the bureaucracy – were clearly insufficient or inappropriate to meeting the challenges posed. Finally, precedents of past involvement of civilian structures in decision-making in Egypt – especially in the last years of Mubarak's rule – were evoked within the government and

public discourse. They helped empower civilian officials and technocratic experts to take the center stage.

The pandemic has led to a new phase for Egyptian governance: one in which **civilian bodies make, explain, and implement policy** – and are the primary sources for information. **Military and security forces participate**, to be sure – they have seats in the cabinet after all – but their **public role in facing a pandemic is quite limited** and their voices in effective decision-making seem limited as well.

It is not yet clear whether this marks a real evolution in the nature of the Egyptian regime. Some of the developments of the past year may have lasting effects as Egyptians learn who to trust and who was able to provide services and expertise through an extraordinarily difficult period. But the newly emergent civilian officials and technocratic government bodies, precisely because they are technocratic, **lack organized constituencies to press for their continued political prominence**. They may be edged out when the challenges posed by the pandemic eventually recede. And the changes in the nature of Egyptian governance, while significant, are clearly evolutionary rather than revolutionary in nature: the same regime and rules of the political game that have governed Egypt since 2013 are still very much in force. But the development should not be dismissed as mere window dressing; it is clear that as the Egyptian state and society face one of the most vexatious challenges imaginable, it is civilian expertise rather than a military command structure that seems to be leading the way forward for now.



## The Road to (In)stability: The Impacts of Covid-19 on the Egyptian Economy

Timothy E. Kaldas  
Tahrir Institute for Middle East Policy

As in many parts of the world, COVID-19 has brought into sharper relief the structural problems in Egypt's economy. In many respects, these problems are far from new. Egypt's economy has had a current account deficit since it was a monarchy. Government efforts at regime-led industrialization and economic growth failed in the 1950s and 1960s under **Gamal Abdel Nasser** due to a combination of poor economic planning and insufficient investment, due in large part to high defense spending. Promises of liberalization to attract economic aid, international lending and foreign investment were made and broken in the 1970s under **President Anwar Sadat**. Privatization being a cover to protect regime elites controlling the economy while undermining open competition was a feature of the presidency of Hosni Mubarak that concluded with an uprising against him in 2011. Mind you, both Sadat and Mubarak were regularly praised by foreign leaders and international financial institutions for their disingenuous "reform

**Timothy E. Kaldas**, non-resident fellow at TIMEP focusing on political analysis. He is a visiting professor at Nile University in Cairo. Mr. Kaldas holds an MA in Arab Studies from Georgetown University's School of Foreign Service.

programs" that were used to shore up their regimes and reward their allies while failing to relieve poverty or develop Egypt's markets.

In light of all this it is not surprising that today's **President Abdel Fattah al-Sisi** has followed in their tradition with innovations of his own, allowing his regime to continue **to extract revenues from foreign partners and the domestic economy** while deepening regime control of the economy, leaving it on an unsustainable footing. Of course, Egyptian officials are also [praised](#) for their economic performance despite the many problems.

The **fragile nature of Egypt's economic** recovery pre-Covid-19 was brought into relief during the pandemic on multiple fronts. The post-reform economy still [depends on a handful of vulnerable sources of dollars](#) that have had a history of volatility. Most of them were hit during the initial phase of the health crisis. The global tourism industry collapsed. Global trade declined, [cutting slightly](#) into revenue from the Suez Canal. **The drop in oil prices has led to layoffs throughout the GCC** where most of Egypt's expatriate workers are based and remittance figures for 2020 are [expected to drop significantly](#). **Drops in energy prices have also cut into the appetite of energy companies to invest in further exploration** at this time, which was one of Egypt's main sources of foreign direct investment (FDI). Finally, Egypt had brought in a large amount of hard currency by selling **short-term debt at high interest rates**, becoming one of the [most attractive carry trades in the world](#), but such

investors are fickle. When the threat Covid-19 posed became apparent, [\\$14 billion of foreign holdings exited Egypt](#) in roughly one month this spring. That's more than the entire value of the 2016 IMF bailout.

As was the case in the latter half of Mubarak's tenure, despite modest GDP growth and growing hard currency reserves, [poverty in Egypt has been rising throughout the economic reform period](#). Indeed, reforms have exacerbated the [drop in standards of living](#) for much of the population as subsidy cuts, sharp [increases in transportation costs](#), a [collapse in the Egyptian pound's value](#), contributing to [years of double digit inflation](#), all helped drive Egyptians into poverty and weaken domestic consumer demand. Weak demand has contributed to the private sector [contracting nearly every month](#) since the IMF bailout in 2016.

[The World Bank estimates](#) that as many as 60% of Egyptians live near or below the poverty line. This high level of economic vulnerability in the population made a serious lockdown untenable for most Egyptians who simply cannot afford to halt work and do not perform jobs that can be done from home. Moreover, the **enormous informal workforce** made [cash transfers to workers extremely challenging](#) as the government has still not developed adequate infrastructure for means-tested cash transfers to cover all those in need. [Approximately 10 million Egyptians](#) (10% of the population) receive such assistance despite the government estimating that **32.5% of Egyptians live below the state's already low poverty line**. The



2016 bailout and reform agenda were meant to expand the state's safety net and use part of the savings from cuts to energy subsidies to mitigate the pain from austerity, but while some progress was made initially, funding is insufficient and cash assistance has failed to reach a majority of those in need.

Unsurprisingly, Egypt's [private sector's contraction accelerated](#) in the early months of the Covid-19 crisis and, while contraction has slowed, it persists. This, however, was a years-long reality exacerbated by pre-pandemic policies. Aside from inflation contributing to depressed domestic demand, [increasingly aggressive regime interventions](#) by companies owned by the military and other security institutions in the economy deterred both domestic and foreign private investors who feared the risks of competing directly with regime owned enterprises (ROEs). ROEs enjoy an array of (anti)competitive advantages such as not being required to pay most taxes or customs duties, or be subject to the same onerous regulations as private companies. Thus, as Covid-19 hit, the private sector, already weak and with limited access to credit, struggled to cope, which contributed to a [sharp rise in unemployment](#).

While **Egypt's debt continues to grow**, poverty rises and the private sector contracts, government spending priorities appear misaligned with the public interest. The government is building an unnecessary new capital in the desert whose construction is estimated to ultimately cost at least \$58 billion. Who is paying for what remains opaque. The

state initially insisted that land sales will offset costs while private investors and developers will cover the rest. That seems increasingly doubtful. **China** has provided financing for some projects in the new capital, [but withdrawn](#) from others, [as Emirati developers did](#) before them. **Military companies** that are technically private (but remain ROEs) and whose finances are secret are playing a large role and [overseeing the project](#) with a commensurate level of transparency. Egypt has, for a number of years now, [been among the top 3 arms importers in the world](#) and is working on a massive and [controversial arms deal](#) with the Italian government valued at between 9 and 10 billion euros. Meanwhile [health and education spending have both consistently missed](#) constitutionally-set spending targets, with some [accounting acrobatics](#) being used to make spending look higher. **New fiscal pressure** is likely to lead to further cuts to spending on already underfunded public services.

To cope with these challenges and regain access to financial markets, the **Egyptian government turned once again to the IMF, securing \$8 billion in additional financing**. While borrowing under such historic circumstances was inevitable, such a solution is increasingly unsustainable. Before the latest crisis, the cost of servicing [Egypt's debt was already consuming 10% of GDP](#) which, thanks to a low [tax to GDP ratio of around 14%](#), means that over 2/3 of tax revenue was being spent on debt servicing before the latest debt was taken on.



Reform going forward must not only focus on accelerating economic growth but also ensure that **the state can expand its tax base to service its debt, provide adequate services to the public and invest in infrastructure and developing the country's human capital.** The IMF has pledged, as it did in 2016, that the reform program attached to its lending will help Egypt promote **inclusive private sector-led growth, vital to Egypt's long-term success.** However, thus far there is no indication that the targets of reforms will offer any such future pathway for Egypt's economy or place it on a sustainable footing. The government appears more interested in deepening the role of ROEs as drivers of Egypt's economic development and limiting the private sector to a role as their junior partners and subcontractors. Such a dynamic deters investments. Moreover, ROEs simply do not pay their share of taxes, further undercutting the government's stated goal of increasing tax revenue. **Eliminating tax and customs exemptions for ROEs will both help**

**increase tax revenue and allow the private sector to compete** on a more level basis with ROEs, potentially encouraging higher levels of investment and economic growth provided unofficial ROE advantages are kept in check.

When officials are questioned about the challenging circumstances Egypt today finds itself in, they reasonably point to the global crisis that has overwhelmed some of the world's most stable economies. While this is undoubtedly important to keep in mind, much of Egypt's economic problems pre-date the pandemic and each time a rescue package is needed the state of economic "crisis" is used to justify minimal structural change that fails to fundamentally put Egypt on a sustainable course. These temporary solutions will stabilize Egypt temporarily but guarantee it will need assistance again in the future as it has for decades prior. Meanwhile, the regime will likely continue to deepen its control of the economy, making needed **structural reforms** all the less probable and difficult to implement.



## Egypt's Repression Against Civil Society

Gennaro Gervasio  
 Roma tre University  
 Andrea Teti  
 University of Aberdeen

**Gennaro Gervasio**, Associate Professor in History and Politics of the Middle East and North Africa at University Roma Tre's Department of Humanities in Italy.  
**Andrea Teti** Associate Professor of International Relations at the University of Aberdeen, Associate Editor of Middle East Critique, co-founder of the Critical Middle East Studies (CMES) group, and Trustee of the British Society for Middle East Studies (BRISMES).

On August 25th, 2020, the Director and co-founder of the Cairo Institute for Human Rights Studies (CIHRS) **Bahey Eldin Hasan** was found guilty of "publishing false news" and "insulting the judiciary." Tried in absentia while in self-imposed exile in Tunis, he **was sentenced to 15 years' prison for tweets critical of the regime**. The trial by the Fifth Terrorism Circuit of Cairo's Criminal Court marks a new low for Egypt's judiciary.

On **February 7th Patrick Zaki was detained upon re-entering Egypt for a short holiday**, based on a warrant which was never notified. Zaki is a student enrolled on an EU-funded Erasmus Masters at the University of Bologna, and formerly a researcher for another human rights organisation, the Egyptian Initiative for Personal Rights (EIPR).

As Director of one of Egypt's oldest human rights organisations, Hasan's case might be explained as a show of force against political opposition by a powerful regime. However, CIHRS had long since left Egypt, focuses

primarily on research not activism, and in no way can be considered a politically relevant opposition force. In combination with thousands of cases similar to Zaki's, Hasan's sentence tells a different story, **illustrating the weakness the Egyptian regime's ferocity betrays.**

### REGIME WEAKNESS AND THE ROAD TO THE 2011 REVOLT

CIHRS and EIPR are part of a group of Egyptian human rights organisations sometimes known as *al-huqūqiyyūn*, which in the 2000s regularly signed collective statements denouncing the regime's human rights abuses. These organisations were an important component of the nationwide ferment which led to the 'Eighteen Days' of popular mass protest and [to the removal of then-President Hosni Mubarak](#). [The *huqūqiyyūn* were not the only opposition groups – independent unions were crucial and numerically more influential – but in the 2000s they were a thorn in the regime's side. **They collected and disseminated information about regime corruption, abuse of power and torture, denouncing these and other flagrant abuses.** While most of the [Muslim Brotherhood was abandoning its supporters among Egypt's poor and working classes](#), the *huqūqiyyūn* focused precisely on those classes' major concerns – corruption, abuse of power, unemployment, poverty. Campaigns like *Shayfeenkum* (We See You) and *Kifaya!* (Enough!) were also experiments in cross-ideological political organisation, involving activists from the left, liberal centre, and progressive Islamist quarters. The threat – and political potential – of these groups lay in

their willingness to formulate and advocate for a truly anti-systemic alternative to the regime. By contrast, the 'pious bourgeoisie' leading the Muslim Brotherhood settled on a programme which, while emphasising 'Islamic' values and delivering charitable help to the poor, did not aim to replace a system of gross inequalities: it merely aimed to replace its ruling elites.

### PAVED WITH GOOD INTENTIONS: THE PARADOXICAL DECLINE OF 2011-13

While the *huqūqiyyūn* were not the sole political motors of Egypt's 2011 uprising, they did achieve **considerable visibility in the immediate post-Mubarak period**, not least because they had "called out" the regime's weaknesses and because it was they who, on the back of the Tunisian revolution, actually called for the January 25th protests which sparked the "Eighteen Days". Indeed, the 2011-13 period saw the **exponential growth of independent trade unions, parties, and civil society groups**. The challenge they faced was enormous: a new system which would guarantee '[bread, freedom and social justice](#)' for all. However, paradoxically, during this period the convergence of purpose and action among *huqūqiyyūn* dissipated. Some groups were co-opted, for others their small size meant attempting to influence transitional government policy detracted time from frontline organisation and mobilisation. Others, like CIHRS itself, were driven into exile by the supposedly 'reformed' security services, which had reasserted themselves. Others yet were so incensed by the high-handed attitude of newly elected Islamist parliamentarians and



President, and believed their actions to be so dangerous that they ended up supporting the *Tamarrod* (Rebel) movement calling for Morsi to step down. Eventually, some supported the Army's intervention to remove Morsi, ending Egypt's democratic experiment.

### THE 2013 COUP AND THE WAR ON DISSENT

The "war on dissent" carried out since the army retook control of the country is one of the most salient features of al-Sisi's regime. Indeed, the new regime was born not on July 3rd, the day of the coup, but on August 13th, in the massacre of roughly 1,000 anti-coup protesters at Rabaa al-Adawiya. Since then, the **new regime has targeted opposition ever more broadly and ever-slighter manifestations of dissent, including within its own ranks.**

Police abuse, mass incarceration and [torture have intensified to levels not seen even under Mubarak](#). Legislative and Judiciary powers have been bent to servicing the regime.

Today, Egypt's opposition is marginalised, scattered, and its public voice and presence have been largely silenced. Nonetheless, and despite having lost part of its anti-systemic and counter-hegemonic impetus due to the initial alignment of most civic activists to the "post-July 3rd" political order, civil society has been targeted by the new regime as early as 2014. Indeed, after al-Sisi's election to the Presidency of the Republic, many secular activists, intellectuals, and academics, including Bahey Eldin Hasan, fled the country in self-exile. The choice to move all CIHRS' activities to Tunisia was a clear sign of the true status of freedoms

in al-Sisi's 'new' Egypt. Notwithstanding this exodus of activists, the regime insisted in persecuting civil society with all the tools available to it, culminating with Law 70 of May 2017. This law **prohibits NGOs from conducting activities that "harm national security, public order, public morality, or public health"**, a vague definition that has *de facto* blocked almost all activities by independent civic activists. **Even harsher legislation was passed in the summer of 2019, making associative life impossible, and harming many activities such as humanitarian aid in the process.** Still, such measures did not stop Egyptians – albeit not in huge numbers – from protesting against government corruption in September 2019. The consequent wave of repression has precipitated the country into a black hole. Despite the Covid-19 emergency, jails are brimming with activists with no clear accusations, as in the case of Zaki, or of socialist human rights lawyer Mahienour al-Masry.

### CONCLUSIONS: CRACKS IN THE COUNTER-REVOLUTION

This is the trajectory which cases like Hasan's, Zaki's, al-Masry's or Regeni's epitomise: the **regime's descent into a frenzied pursuit of threats** even where there are none, and unprecedented levels of violence in doing so. So much so, that even stalwart support from European capitals fearful or desiring al-Sisi's control over migration or his influence in Libya have been forced to publicly blush at the regime's brutality.



On the surface, the regime's actions appear irrational and excessive to the point of paranoia. However, precisely the stark lack of any political realism in this repression betrays its roots. The causes of the 2011 uprising were ultimately the combination of **corruption, material dispossession resulting from the "structural adjustment" of Egypt's economy, and political dispossession epitomised by the repression of security services**. None of those structural problems have even been addressed – indeed, the situation has worsened. However, [Egypt's 'mafa state'](#) is built upon precisely these three 'stool legs': seriously tackling any of them would undermine an already precariously perched regime.

It is exactly these three pillars which Independent Civic Activists targeted before 2011. The unbridled repression unleashed against ICAs indirectly confirms their central role in pre-2011 mobilisation. It also indirectly confirms [the regime's weakness: for all its ferocity, and despite its apparent 'strength and stability', allowing ICAs to again expose its predatory and parasitic extraction of wealth from the Egyptian population, its corruption and its violence is considered too risky.](#)

All this should sound alarm bells in both the Egyptian government and in its European counterparts. [Without a modicum of democracy and social justice](#), Egypt will remain an unstable crucible, one which serves the national interests of neither its people [nor Europe's](#).<sup>[7]</sup>



## Political Islam and Secular Forces: The Struggle for Survival in Egypt

Michael Wahid Hanna  
 The Century Foundation

In the aftermath of Egypt's July 2013 coup that ousted the Muslim Brotherhood President, Mohamed Morsi, and set the stage for the country's current military-led political order, the regime of **President Abdel Fattah al-Sisi** has single-mindedly and ruthlessly sought to eliminate independent political life in Egypt. While the initial focus of the al-Sisi regime was the repression and eradication of the Muslim Brotherhood, the security establishment quickly pivoted to a much broader course of repression to include any and all independent civilian political actors or parties. The al-Sisi regime sought not only **to destroy organized political life** as it existed at the time of their ascension to power, but also **sought to cripple the possibility of future political organization and activity**.

In this, the al-Sisi regime reflected the primary lesson that the security establishment drew from the events of the 2011 Egyptian uprising, namely, that the **Mubarak regime's** approach to dissent and opposition created the environment that led to its own demise.

**Michael Wahid Hanna**, senior fellow at The Century Foundation. He is also a non-resident senior fellow at the Reiss Center on Law and Security at New York University School of Law.

The latter years of the Mubarak era witnessed the rise of **controlled opposition politics** and the **emergence of a semi-free press**, albeit one that was forced to operate within certain red lines. The Mubarak regime allowed these developments to address the concerns of foreign patrons like the United States about the lack of democratization, while also creating a safety valve for popular discontent within Egypt. However, in tolerating opposition politics, the Mubarak regime provided opportunities for the growth of cross-party planning and relationships and created space for more focused opposition political activity. Such political contacts and activities clearly expanded the imagination of Egyptian political actors and created a framework for **dissent and mobilization when the opportunity presented itself in January 2011**.

In response to that recent history, the **al-Sisi regime** saw an opportunity following the ouster of Morsi to establish a **new military-led model for governance**. That model was predicated on a statist conception of political order that understood civilian politics as nothing more than a secondary line of support for the policies and priorities of the government. Constructing that new model of governance followed a series of steps that began first with the complete **repression of the Muslim Brotherhood** that began in earnest with the **Raba'a massacre in August 2013**, which witnessed mass killings of pro-Morsi protesters by the Egyptian security forces. Following the massacre, the entire senior leadership of the Muslim Brotherhood was detained, sent into hiding, or pushed into exile abroad. While

Brotherhood circles continued to try to meet within Egypt, their capacity to function as a political force on the ground collapsed in the face of the ferocious repression of the regime. Brotherhood political life shifted abroad as the group's cadres dispersed, with significant concentrations in Turkey and Qatar.

The stress of repression and exile has posed a unique challenge for the Brotherhood despite their robust organization and deep experience with operating underground. The result has not been the complete eradication sought by the al-Sisi regime, but it has seen the Brotherhood crippled domestically and fragmented and fractious in exile.

While the initial focus of repression was the Muslim Brotherhood and their Islamist fellow-travelers, the scope of repression quickly broadened to encompass **non-Islamist opposition of all types**, including some actors who had supported the July 2013 coup. In short, there has been no course correction since July 2013, even as the al-Sisi regime has continued its process of consolidation. Independent non-Islamist political actors who have sought to challenge the regime or contest elections have quickly been arrested and have ably demonstrated the zero-tolerance policy of the al-Sisi regime.

This **paranoia has at times been seen as an expression of weakness and a testament to potent potential threats to regime stability**. This analysis is often no more than wishful thinking in light of the fragmentation and despair that now typifies independent civilian political life. Instead, this paranoia is a testament

to the regime's unwavering commitment to snuffing out the possibility for future political challenges; the regime is committed to crushing political threats before they are allowed to materialize. This can also be seen in the regime's **intolerance for protest and mass mobilization**. That intolerance has only been further stiffened by the unexpected and short-lived protests that erupted in **September 2019**. As the anniversary for those organic protests approaches, the Egyptian security establishment is clearly seeking to avoid a repeat of those events, going so far as closing cafes and blocking the possibility for public gatherings of football fans.

Alongside this consistent approach to dealing with civilian opposition, the al-Sisi regime has also taken a very firm hand in dealing with challenges from within the security establishment. While the inner workings of the security state remain opaque, it is clear that there is **internal competition and friction between institutions and individuals**. Such internal tensions have at times spilled out into the open, primarily through the attempts of former senior military figures, such as Sami Anan and Ahmed el-Shafik, to contest presidential elections. Despite their military pedigree and standing, such challenges have also been dealt with swiftly and in heavy-

handed fashion. With the weakness and despair of civilian politics, the most consequential risk factor for regime sustainability arises from within the security establishment.

While vigorously enforcing its **zero-tolerance policies for dissent and opposition**, the regime has been keen to cultivate new sources of support through control of media and the establishment of co-opted and wholly controlled political institutions, most notably the rubber stamp parliament that has demonstrated no independent political initiative.

As it has gone about its consistent and ever-expanding course of repression, the standard of governance of the **al-Sisi regime has been poor on almost all fronts**. Alongside its unrelenting repression, the regime is also relying on the exhaustion of society from years of turmoil following the 2011 uprising and fear about the potential course of political instability, which has been informed and reinforced by other regional examples of civil strife, conflict, and war. The end result is a **directionless Egypt**, ill-equipped to deal with the myriad social, economic, and security crises it now confronts, and few alternatives in terms of ideas, policies, or thinking. This brittle and inauspicious political climate may endure, but it is sure to immiserate Egyptians along the way.



## Egypt in the Sinai Peninsula: A Never-Ending Conflict

Guido Olimpio  
 Corriere della Sera

Check-points guarding the entrance to a village or road junction. In January and February, I crossed many of them in the southern regions of Egypt, on the Luxor-Aswan-Abu Simbel axis. The guards do not appear very attentive. Helmets are worn loosely, bullet-proof vests are laid on a mobile shield, coffee mugs lay around, vehicles are under canopies, and there are few mobile barriers. From a turret, the muzzle of a Kalashnikov emerges, but upon closer observation, there is no guard ready to embrace it. The rifle is instead fixed to a firing slit. Maybe they think that this is sufficient and the scene immediately evokes that of scarecrows. The agents guarding the piers along the Nile instead appear more vigilant: their weapons are carried with double magazines fixed with tape.

Images of moments, brief memories that do not claim to have a general value, but that nonetheless represent some indications, given that the measures were enacted to protect (in pre-Covid-19 times) one of Egypt's most

**Guido Olimpio**, professional journalist since 1980. He worked on world news for "Il Tempo" and, from '87 to today, for the "Corriere della Sera" as vice foreign editor and then as vice head of the Foreign News and the department of chronicles.

important resources: tourism. Someone could object that this area does not present the same risks it had during the nineties, when **terrorism had dealt devastating blows in places like Luxor**, where in November 1997, [dozens of people were killed by gunfire](#). However, the violent legacy remains and adds up with the reports that come from other regions in a nation that has now surpassed 100 million inhabitants.

Armed struggle never really left Egypt. It underwent different phases, **rocking urban centers for many years and now finding its new epicenter in the Sinai Peninsula**. The area has never been quiet, never tamed, all too often forgotten by the central authority, with the exception of the southern enclave, reserved to the large hotel complexes. There is a subversive component that is ready to keep pressure alive in the cities, but that often encounters heavy responses – and, compared to the past – demonstrates inferior capacities. In April, a cell planning to attack the Christian Copt community (an often-favored target) was eliminated in East Cairo. The case highlighted the constant threat, always ready to attempt a comeback with a new massacre. For the moment, the data shows that the majority of violent episodes, with the use of improvised explosives, has primarily affected the Sinai: 137 out of 151 attacks. Without forgetting that one of the most serious attacks against civil transportation occurred against a Russian jet that took off from Sharm el Sheikh on October 31, 2014<sup>1</sup> While the act was claimed by the Islamic State (IS), a lot remains to be clarified about the incident.

So, we return to the "origins" – to Cairo's strategy to counter the internal enemy. Commentators insist on one point: the generals have **given up on eradicating the threat and instead aim at a strategy of containment**, accepting a *de facto* war of attrition, in which men in uniform are almost always forced to give chase. On around July 20, the Islamic State overtook the locality of Rabi'a, almost 30 kilometers from the Suez Canal. The outpost was overrun and around 40 soldiers were killed. The subsequent operation then saw the occupation of 4 villages, a message from the "Caliphate" to demonstrate that it has not only the initiative but also the capacity to maintain it. The presence of the militants was reported in some areas up until at least the end of August. Like in other scenarios, insurgents used explosive vehicles to breach defenses and moved only on motorcycles and in light vehicles. The incursion was then celebrated on the web in subsequent days with the diffusion of images of the clashes. [The attack once again posed problems well synthesized by some experts:](#)

- The lack of flexibility of the troops.
- The absence of broad operations (the last one dates back to February 2018).
- The need to establish a central command to coordinate special operations.
- The excessive dependency on the High Command and limited autonomy.
- Limited or insufficient training, even in the simple preparation of a position.

Defense has been entrusted to the usual check points, to the surveillance of streets

and of the most important locations. A routine that certainly cannot guarantee large successes, also because often **accompanied by indiscriminate repressive measures that increase the distrust of civilians, favor the recruitment on behalf of the jihadists**, and complicate everyday life. The imposition of a curfew, the construction of barriers in northern Sinai (with the destruction of houses and land) **to protect Sharm El Sheikh are initiatives that do not contribute to winning the hearts and minds of the population.**

The “central power” has maneuvered, **rediscovering the card of the tribes**. In May an **accord with the “elders” was announced**: they will favor the return home of members that joined the Islamic State, which will then be followed by verifications and interrogations. The communities of Tarabin, Sawarka and Rumailat also formed units to assist soldiers, while traders and citizens offered money. Their knowledge of the territory, local connections and personal ties are important, as the tribal component can develop its own intelligence network. Towards the end of August, the Ministry of Defense announced that its men had eliminated approximately 70 militants, during a number of mop-up operations. The announcement was accompanied by videos published on social media that sought **to counterbalance the propaganda messaging of the jihadists**.

**The Islamists reacted in ways similar to what occurs in Iraq.** Kidnappings, homicides, sniper attacks on officers and tribal elites, who are often considered to be collaborators. Acts

accompanied by the systemic elimination of presumed “spies.” Of particular interest is also the declaration of war by IS on the group Jamat Jund al Islam, further proof of how the **“Caliphate” does not accept rivals and seeks to establish a role as a hegemon**

President al-Sisi asked and, obviously, obtained a **hardening of the anti-terror law**. The powers of intervention have been expanded, military advisors have been appointed in every governorate, carte blanche has been given to neutralize anyone who may constitute a real threat to security, but also to those who dissent. The harshening of the law has sparked protests from human rights advocates. Several “exemplary” capital sentences have also been carried out. On March 4, Hesham Ali Ashmawy, a former officer who passed to the ranks of Bait al Maqdis, and to whom many attacks were attributed, was executed. He had fled to Libya where he had been captured two years ago: a trajectory that blends with Cairo’s narrative of the dangers of the spread of the Libyan crisis.<sup>2</sup>

## THE WESTERN BORDER

The Western border is, after the Sinai, a point to keep an eye on, as **what goes on in the neighboring country is at the center of Cairo’s focus**. The country supports Haftar’s Cyrenaica, contrasting the influence of Qatar and Turkey, and while it threatens to directly intervene, its own failing in the peninsula has raised doubts among analysts. The second execution was carried out in June against Abdel Rahim Mismari, another member of al Maqdis. Then on August 28 authorities announced **the capture of**



[Mahmud Ezzat](#), the 70-year-old leader in hiding of the Muslim Brotherhood. While rumors circulated about his presumed presence abroad, he was instead found hiding in the capital. According to the official version – which is to be verified – agents found proof of his ties with other figures of the faction. Egyptian media added that investigators believe that Ezzat was involved, as the inspirer, of numerous attacks. The version however, was different among less aligned commentators, according to whom Ezzat instead belonged to the less radical wing of the organization, which is against armed struggle. As usual, a double truth that often accompanies events in countries like Egypt.

## CONCLUSION

Al-Sisi, considered to be a middle-ground between the guardian of Egypt and a guarantor against chaos by Russian, Western and Arab allies, will have to be cautious about the future. The repercussions from the pandemic, the economic crisis, and the unrelenting demographic growth require answers and not pharaonic projects with an uncertain future. In this context, any social fracture, exasperated by the iron fist, may bring about devastating consequences.

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1. A. Kutz and A.Roth, "[Photo released by Islamic State purports to show bomb that downed Russian jet](#)", *The Washington Post*, 18 November 2015.
  2. The second execution took place in June and hit Abdel Rahim Mismari, a member of Ansar Bayt al-Maqdis.



## Shifting Priorities: The Evolution of Egypt's Foreign Policy

Giuseppe Dentice  
 ISPI and Catholic University

**A**nalysing the evolving trajectories in contemporary Egyptian foreign policy is not simple for several reasons related to its history, the cultural importance in the Arab and Muslim world, the geostrategic relevance of the country, and, finally, for the role of military in national and international politics. Here are **several inputs and determinants in explaining foreign policy behaviours** or a peculiar approach in the external dimension of the state.

From Nasser to al-Sisi, Egypt adopted a security approach to explain its foreign policy in order **to protect its national interests abroad and to expanding its regional leverage and soft power in the MENA region as a whole**. An approach re-envisaged, on January 2018, by the Egyptian foreign minister, Sameh Shoukry. During an interview to State Information Service, Shoukry stated that Cairo's foreign policy is primarily focused on safeguarding its own interests and national security. "Egypt faced several challenges in 2013 and 2014, as there was a transitional government working on

restoring Egypt's stability and institutions and implementing a political road-map", [the top diplomat said](#). In fact, Egyptian foreign policy seems to be an extension of its domestic one, especially depending on the management of internal dynamics related to security. In this sense, **Egypt's foreign policy, even under al-Sisi, would seem perfectly in line with that of its predecessor Mubarak** by adopting a careful strategy to maintain the existing balance domestically and to contain any threat to regional order. Apparently, a policy inclined to avoid hard strikes or sensational actions. But the Arab uprisings in 2011 and the Morsi ousting in 2013 created new challenges and changes in Egypt's idea of foreign policy.

In order to better understand Egypt's current foreign policy, in terms of its past evolution and expectations moving forward in the medium and long terms, it is useful to consider what factors define its guidelines to foreign policy, especially in the Middle East. In this way it may be possible to better grasp which alternative approaches emphasize the multi-layered dimensions in the external processes, the relevancy of the state's geopolitical regional environment and the interests of its ruling regime in conditioning its responses to external constraints and determining its foreign policy outcome. At the same time, it must be clear that neither of these elements can be understood without taking into account a inter-linked combination of domestic forces and changes, regional linkages, and developments at the international level, together with the role played by peculiar personalities and their specific choices. In other words, any

attempt to understand the foreign policies of Egypt is only possible by **integrating internal domestic political factors and complexities in international dynamics**<sup>1</sup>.

From this emerges Egypt's image as an important player in the MENA region and with a foreign policy based on few but fundamental and clear pillars, such as a strategic partnership with the United States and the role of the mediator in Israeli-Palestinian negotiations. At least this was the case until 2011, when the Arab Spring and the subsequent demise of Hosni Mubarak's regime (2011), the rise and fall of Muslim Brotherhood presidency led by Mohamed Morsi (2012-2013), and the birth of transitional government – led by the former Field Marshal Abdel Fattah al-Sisi – have created a divide in the Egyptian history. These events also caused **repercussions in foreign policy, opening a new chapter, especially in the last years when Cairo tried to promote multidimensional and multivariate diplomacy**.

Unlike Mubarak's tenure (1981-2011), during which state institutions oversaw stable foreign policy, al-Sisi and his inner circle **recovered an assertive doctrine in foreign policy that has prioritized to Egyptian national interests over those of global and regional patrons**. An approach also known as "Egypt First doctrine" or "Sisi doctrine". A policy not new in the Egyptian history that referred to Nasser's ideas in foreign policy. An al-Sisi's clever attempt to reprise the same political strategies adopted during Nasser's presidency in order to glorify the rais' legacy as well as celebrate al-Sisi's widespread popularity through a form of

misguided patriotism. This doctrine includes: 1) a balanced relationship with the great powers and key regional actors; 2) respect for traditional notions of sovereignty and non-interference; 3) nationalistic reassertion of Egypt's freedom of manoeuvre within the region. A revised approach that produced a significant number of policy shifts in the [regional and international levels of the Egyptian foreign policy](#).

On the international level, Egypt has sought **to balance its relations with the great powers after decades of its traditionally pro-American foreign policy**. This is evident both in the Sino-Russian strategic pivot towards Egypt and in the downgrade of bilateral ties with the United States. Despite this shift, al-Sisi and Donald Trump maintain a strong personal relationship. Egypt's importance is clearly declining in the eyes of American leadership, with Trump preferring to strengthen Washington's "special relationship" with Saudi Arabia and Israel. This shift dampens Cairo's ambition of becoming a stronger leader in the Arab world. At the same time, the **over-dependence on US military aid and diplomatic support has limited the promotion of Egyptian interests abroad**.

Also for this reason, al-Sisi has tried to expand Egypt's diplomatic network by building better relations with Russia and China, and other Asian powers (such as India and Japan). While these measures did not replace Cairo's strategic alliance with the United States, it did, however, enable it to balance Western alliances and interests with stronger ties (economic and strategic) in Asia. This fundamental shift not only helped to project Egyptian ambitions abroad,

but also enabled [the regime to consolidate power domestically](#).

On the regional level, Egypt has become a key defender of state sovereignty and regional stability in the Middle East, thereby abandoning the sectarian agenda that had dominated Middle East politics since the American invasion of Iraq in 2003. In this regard, if the deteriorated regional context in the Wider Middle East has pushed – with limits – al-Sisi to adopt a multi-layered diplomatic and military actions, **these developments have considerably exposed Egypt to new types of hard security threats**.

This is more evident, for example, in Egypt's main issues in Africa (Libyan war, Sudanese transition post-Bashir and Nile Dam crisis), as well as in other two competitive scenarios: the Red Sea and the Eastern Mediterranean. In fact, this recent assertiveness on key regional questions suggest a re-adjustment of Egyptian foreign policy in an attempt to contain new regional challenges and to propose an effective and credible strategy. On the other hand, the Egyptian external economic dependency, in particular from the Gulf countries, and the deterioration of [regional security context](#), undermined by power competition and transnational terrorism (as in the Sinai Peninsula), [continue to pose a threat to the Egyptian state](#).

From this perspective, the greatest challenge for Egypt's geopolitical ambitions is to transform the several factors of instability (the upheavals in Libya, the growing militarization and conflicting interests the MENA region, and the growing tensions between Cairo and Ankara)



into positive outcomes in order to capitalize on its potential in the neighbourhood and **to create geostrategic opportunities**. Therefore, the new activism in its foreign policy could be an extraordinary benefit for Egyptian leadership to bridge the existing gap between the torments of the Arab Spring and its historical legacy. This represents a chance to regain its important role in the region, and to bolster the regime's legitimacy domestically. In conclusion, it is hard to determine whether "Sisi doctrine" will change the role of Egypt in the Middle East and in the world. However, it's very likely that the al-Sisi's attempt to adapt Egyptian projections to the external conditions and simultaneously preserve its national interests **will maintain a growing importance in Cairo's posture in coming years**. In al-Sisi's view, Egypt will seek to pursue a strategy more independent from traditional alliances in order to maintain its basic security needs. Therefore, Cairo's regional policies will define the success (or the failure) of "Sisi doctrine" in foreign policy.

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**1.** For more information on the foreign policies of Middle Eastern countries, see: R. Hinnebusch and A. Ehteshami (eds.), *The Foreign Policies of Middle East States*, Boulder, Lynne Rienner Publishers, 2014; G. Nonneman (ed.), *Analyzing Middle East Foreign Policies and the Relationship with Europe*, London-New York, Routledge, 2005.



## Egypt's Prospects as an Energy Export Hub Across Three Continents

Michaël Tanchum  
 University of Navarra and AIES

**E**gypt is on the threshold of becoming a **natural gas and electricity export hub**, a development which, if it materializes, carries the potential to radically reconfigure the pattern of energy connectivity between Europe, Africa, and the Middle East. Reorienting the energy architecture at the intersection of three continents, Egypt's program to develop its energy exports has already started to reshape geopolitics from the eastern Mediterranean to the Horn of Africa.

For the Mediterranean's most populous nation long mired in economic woes, the prospect of becoming an inter-regional energy hub is a stunning turnaround. In 2019, thanks to its large offshore natural gas deposits, Egypt achieved natural gas self-sufficiency and became a net energy exporter. Cairo's advances in developing Egypt's renewable energy resources have already created a marketable electricity surplus that is set to grow significantly in the near future as Egypt's new renewable and nuclear power projects come online. Developing electricity interconnections to Europe, the Middle East,

**Michaël Tanchum** teaches international relations of the Middle East and North Africa at the University of Navarra, Spain and is a senior fellow at the Austrian Institute for European and Security Studies (AIES).

and sub-Saharan Africa, **Egypt is positioned for the long-term to play a preeminent role in the emerging energy architecture of the eastern Mediterranean.**

Egypt's central position in a new pattern of energy connectivity is not just a matter of geography. It is the result of the convergence of four main factors over the past five years — offshore natural gas discoveries, fiscal reform, renewable energy resources development, and the construction of electricity interconnections. The game-changing event that set the convergence of these factors into motion was the August 2015 discovery of Egypt's massive Zohr natural gas field by the Italian energy major Eni. The largest eastern Mediterranean gas find to date with 850 billion cubic meters of gas in place, **Zohr's advent meant that Egypt could become energy self-sufficient and the eastern Mediterranean region collectively had marketable volumes of natural gas.** Five years later, daily production at Zohr accounts for **40 percent** of Egypt's total gas production per day.

Eni, also the lead operator in Cyprus's natural gas development and lead stakeholder in one of Egypt's two liquefaction plants, **began promoting a plan** to pool Egyptian, Cypriot, and Israeli gas and use Egypt's liquefaction plants to cost-effectively market the region's gas to Europe as liquified natural gas (LNG). By 2019, Cyprus and Israel had signed supply contracts with Egypt while French energy giant Total partnered with Eni in all of its Cypriot operations. In January 2020, the Eastern Mediterranean Gas Forum (EMGF), a multi-national cooperation

platform for developing the region's natural gas, was formed. With Italy, France, Egypt, Greece, Cyprus, Israel, the Palestinian Authority, and Jordan now as members, the Cairo-headquartered EMGF is emblematic of **Egypt's central role in organizing the regional export of eastern Mediterranean gas.**

In August 2016, one year after Zohr's discovery, the International Monetary Fund (IMF) concluded a staff-level agreement with Egypt for a \$12 billion financial infusion on condition that Cairo devalue its currency. Egypt's Central Bank floated the Egyptian pound in November 2016, resulting in a **50 percent currency devaluation** that severely impacted the living standards of most Egyptians. Coming at a great social cost, the **bitter medicine brought Egypt's economy out of critical condition.** By 2018, Egypt's foreign reserves reached almost **\$40 billion**, equivalent to six months of imports of goods and services, putting the Egyptian economy on firmer footing. By the time it completed the IMF program in 2019, Egypt had experienced a revival of foreign investment in its energy sector. The June 2020 staff-level agreement between Egypt and the IMF on a \$5.2 billion stand-by arrangement to offset COVID-19's adverse economic impact will help ensure that the Egyptian energy juggernaut maintains momentum.

Egypt's long-term prospects as an energy export hub rest with its **impressive development of renewable energy sources (RES) to create a surplus power supply.** Recently as 2014, preventing power blackouts in Egypt was deemed **"impossible"** by

government officials. Between 2016 and 2018, Siemens in partnership with Cairo installed [three massive combined-cycle power plants](#) in Egypt. Collectively, the gas-fired plants have a 14.4 GW capacity that can provide over 40 million Egyptians with a reliable electricity supply. In 2018, Egypt's [total installed capacity](#) was 42 GW, 91 percent of which was hydrocarbon-based power generation. RES then accounted for only 8.6 percent of Egypt's power production with hydropower accounting for over three-quarters of that total. With further RES development, Egypt's installed capacity now stands at about 50 GW with over 10 GW being surplus capacity.

Egypt's [2035 Integrated Sustainable Energy Strategy](#) aims **to raise power production from RES to 20 percent of Egypt's total power production by 2022 and 42 percent by 2035.**

Cairo's ambitious energy policy calls for 61 GW of installed capacity from RES – 32 GW from photovoltaic (PV) solar power, 12 GW from concentrated solar power, and 18 GW from wind power.

Egypt is awash in **abundant solar energy** resources, with direct normal irradiation in many areas reaching or exceeding 2,300 kWh/m<sup>2</sup>. Egypt's flagship solar project is the massive 1.8 GW [Benban solar park](#) outside of Aswan. Touted as the world's largest operational PV solar park, the [\\$4 billion solar complex](#) consists of about 40 solar plants developed by [over 30 foreign companies](#) from 12 countries including Germany (Ib Vogt), France (Total Eren and EDF), Italy (Ennerray), Spain (Acciona Energía). Aligning with EU energy

transition objectives, the Benban complex will prevent the annual emission of two million tonnes of carbon dioxide.

Egypt is also experiencing a **wind power development** boom. In November 2019, Egypt's largest wind power generation complex, the 262.5 MW [Ras Ghareb wind farm](#) near the Gulf of Suez, came online and is expected to [supply power to 500,000 households](#) when fully operational. Exploiting the Gulf of Suez's exceptional wind resources, the \$380 million near-shore plant was constructed by a joint venture comprising France's ENGIE, Japan's Toyota Tsusho, and Egypt's construction firm Orascom. In August 2020, the European Bank for Reconstruction and Development (EBRD) awarded the French-Japanese-Egyptian consortium a \$50 million loan to construct a 500MW wind power project at Ras Ghareb, which the EBRD [estimates](#) will result in annual CO<sub>2</sub> emissions avoidance of approximately 1,000,000 tonnes.

Egypt's RES power production will be augmented with **nuclear power**. In 2021, Russia's ROSATOM will begin building Egypt's first nuclear power plant. With a \$25 billion loan from Moscow to cover 85 percent of the construction costs, the 4.8 GW [Dabaa nuclear power plant](#) will consist of four 1.2 GW VVER reactors, the first of which will become operational in 2026 and the remainder in 2029. Helping to ensure baseload capacity as Egypt expands its reliance on RES, the output from Dabaa is expected to be equivalent to 10 percent of Egypt's consumer demand. The Dabaa plant also provides Russia with a



significant position in Egypt's energy market outside of Rosneft's share in the Zohr field.

By 2035, Egypt's surplus capacity could reach as high as an [estimated](#) 74.4 GW. **The development of electricity interconnection with Europe, the Middle East, and sub-Saharan Africa will enable Egypt to market its considerable quantity of surplus power,** along with surplus power produced in the GCC countries, to Europe and Africa – potentially transforming Egypt into an electricity trading hub.

In 2019, Egypt [signed an agreement](#) to create a 2 GW electricity interconnection with Cyprus and Greece. The phase 1 development of [the Euro-Africa interconnector](#) linking Egypt to Cyprus, Crete and mainland Greece is scheduled to be operational by December 2023 with a capacity of 1 GW. By comparison, the Tunisia-Italy interconnector scheduled for completion in 2025 will have a capacity of only 0.6 GW.

Egypt and Saudi Arabia are in the process of constructing a [3 GW electricity interconnection](#). The first 1.5 GW of the \$1.6 billion project is expected to be operational in 2023. Egypt already possesses interconnections with Libya and Jordan, whose [combined capacity](#) stands at about 800MW. Libya has a 2,500 MW deficit during peak demand. With the percentage of Libyans enjoying access to electricity having dropped to 67 percent from the pre-civil war level of 81 percent, increased Egyptian [electricity exports to Libya](#) could help ameliorate the gap and enhance Cairo's economic cooperation with its western neighbor.

Beyond Libya, Egypt is poised to contribute to the electrification of sub-Saharan Africa where access to electricity averages under 50 percent. In December 2019, Egyptian President Abdel Fattah al-Sisi [announced](#) that Egypt was prepared to export 20 percent of its surplus electricity to African nations. Sudan, Egypt's neighbor to the south has an [access to electricity rate](#) of 60 percent. Egypt and Sudan's grid connection became [operational](#) in April 2020, and will reach 300 MW upon completion. Through Libya and Sudan, Egypt could theoretically export electricity to neighboring countries such as Chad whose 2018 access to electricity rate stood at only 12 percent.

Egypt's rise as an energy clearing-house for Europe and Africa **runs afoul of its two main geopolitical rivals Turkey and Ethiopia.** For Turkey, the Egypt-based LNG marketing scheme leaves no role for Turkey's pipeline infrastructure to transport eastern Mediterranean gas to Europe. Turkey's exclusion deals a major **setback for Ankara's own previously developed plans to become a regional energy hub.** The Euro-Africa interconnector, especially in combination with its "cousin" the Israel-Cyprus-Crete-Greece [Euro-Asia interconnector](#), furthers the marginalization of Turkey in the emerging eastern Mediterranean energy architecture.

The energy rivalry between Egypt and Turkey exacerbates the wider [systemic competition](#) that pits **Egypt and its GCC partners against Turkey and Qatar for political and economic influence in the Middle East and Africa.** The inclusion of Turkey in the



EMGF along with some [arrangement for Turkey to participate](#) in the marketing of eastern Mediterranean energy could bridge the region's geopolitical fault-lines and serve as a foundation for further cooperation.

Egypt's conflict with Ethiopia is more local and **centers on Ethiopia's massive hydro-electric project the Grand Ethiopian Renaissance Dam (GERD)** on the Blue Nile whose downstream effects will impact 90 percent of Egypt's water supply derived from the Nile river. Across the border from Sudan, the GERD project will also impact Sudan's own segment of the Blue Nile. Ethiopia is looking toward the added hydro-electric power to spur desperately needed economic development. A trilateral agreement among Egypt, Ethiopia, and Sudan over protocols to ensure downstream water security could be incentivized by

incorporating cooperation mechanisms for joint development power capacity and the trilateral marketing of electricity in East Africa.

Egypt's emergence as natural gas and power export hub is already **shaping the geopolitical contours of the larger strategic architecture of Europe's extended "eastern neighborhood"** – from the eastern Mediterranean to East Africa. With France, Italy, Greece, and Cyprus each having deep economic and political stakes in Egypt's progress, the orientation of Egypt's energy diplomacy is now a matter of vital importance for the European Union's foreign policy. From its position of partnership in Egypt's emerging energy connectivity, Europe can encourage regional economic cooperation across the lines of conflict in the eastern Mediterranean, Libya, and the Horn of Africa.



## A Two-Pronged Egyptian Strategy To Deal with the Libyan Chaos

Alessia Melcangi  
 Sapienza University and Atlantic Council

**Alessia Melcangi**, tenure track assistant professor of Contemporary History of North Africa and the Middle East and of Globalization and International Relations at the Sapienza University of Rome and non-resident senior fellow for the North Africa and Middle East Program at the Atlantic Council, Rafik Hariri Center for the Middle East, Washington D.C.

The drums of war being beaten by Egyptian President Abdel Fattah al-Sisi in June 2020 in response to the Government of National Accord (GNA) forces' advance on the Sirte-Jufra frontline towards Cyrenaica, Egypt's declared red-line seem to have been set aside to **favour a possible agreement between the parties, as a consequence of the ceasefire** announced at the end of August by Libya's UN-backed and internationally-recognised GNA.

In the light of these developments, the Libyan issue proves once again to be of **fundamental importance for Egyptian foreign policy and for its regional geopolitical projection due to a plurality of factors**: first, from a domestic security perspective, to avoid the spillover of violence into its territory, especially into Egypt's Western Desert, due to the possible penetration of jihadist groups from the porous frontier bordering Cyrenaica; secondly, from an economic point of view, to deal with the consequences of the drastic decrease in remittances from Egyptian emigrants working

in Libya, which represent a serious threat to Egypt's stability and internal security that Cairo cannot underestimate. But also, to reaffirm its image as a geostrategic regional pivot ready to defend its interests in a disputed area as vital as Libya.

Following Gaddafi's downfall in 2011, Egypt supported a two-pronged strategy, playing **political mediator** through several attempts to support a diplomatic solution to pacify the Libyan conflict, while it never hid its **logistic and military support for General Khalifa Haftar's war** against the Tripoli-based GNA of Prime Minister Fayez al-Serraj.

In this strategic stance, Cairo aligned with the United Arab Emirates (UAE) and Saudi Arabia, two monarchies that have financially supported the fragile country's economy for years and with whom Egypt created an informal pivotal alliance based mainly on a **military, political and ideological-religious fight against political Islam**, which is backed and boosted by Turkey and Qatar. One of the natural theatres of this dichotomous opposition was obviously Libya, where the rift between Islamist forces and the so-called secular and anti-Islamist movements was reified in the opposition between the government of Tripoli and that of Tobruk. For this reason, the Egyptian-Saudi-Emirates alliance did not hesitate to violate the ineffective United Nations arms embargo, in force since 2011, to strengthen Haftar's forces, with the delivery of armoured vehicles, aircraft, drones and spare parts for the general's air force.

This strategy went into crisis following the ill-planned attack by Haftar in April 2019 against

Tripoli: the general attempted an all-in move to conquer power in the country, but he failed. The stalemate weakened Haftar's position and that of his supporters and prompted Turkey to intervene massively in late 2019 to support the Serraj government, repeatedly defeating the general's forces. In order to prevent Haftar's collapse, his regional supporters, fearing losing their grip on Cyrenaica and their interests in the country, tried to resume the diplomatic path by demanding a ceasefire. On June 6, 2020, Egyptian President al-Sisi announced a **new political endeavour aimed at finding a diplomatic resolution for the conflict**. The so-called "Cairo Declaration" backed by Haftar and Libya's parliamentary speaker, Aguila Saleh, proposed an intra-Libyan resolution based on a presidential council election, the drafting of a constitutional [declaration to regulate elections for a later stage and the resumption of the 5+5 Libyan Joint Military Commission under the auspices of the UN](#). The declaration was quickly welcomed by Arab states, such as Saudi Arabia, the UAE, Jordan, and Bahrain, which each voiced their support for an end to the ongoing disputes in Libya. But, unsurprisingly, it provoked the strong refusal of Ankara and Tripoli. As a consequence, **the diplomatic option was transformed into a warning of war against the GNA and its supporters**: looking for an official call-up, which could boost its legitimacy for engaging in a battle against Turkey's forces, on July 13, Egypt got a statement by the Libyan House of Representatives allowing the Egyptian Armed Forces to enter the country; simultaneously, [President al-Sisi obtained similar support from](#)

**Libyan tribal leaders.** Eventually, on July 20, the Egyptian House of Representatives approved sending troops to Libya. All these moves raised the concerns of the international community: was Egypt really going to war or did its aggressive posture represent only a strategy to warn Turkey and to avoid Haftar's collapse?

On the one hand, what could have prompted Egypt to act - besides the need to protect its western border, avoid Haftar's downfall and roll back the Turkish forces in the west - were al-Sisi's hopes to increase his reputation in the Arab world and domestically, since the economic and social post-pandemic crisis risks crushing his popularity. On the other, a military adventure would have created many problems: at an international level, because both the United States and Russia did not welcome direct Egyptian intervention in the Libyan affair, while the EU and UN would probably have formally condemned it. In the regional context Algeria and Tunisia, which maintained a broadly neutral stance regarding the conflict, could have seen Egyptian intervention as an unwanted escalation and **a threat for diplomatic hegemony within the Maghreb.** Domestically, as **underlined by some analysts**, the Egyptian military was reluctant to engage in a cross-border campaign with ambiguous military objectives and risk losses that could damage its credibility and fuel internal strife. Indeed, according to the Foreign Policy Research Institute report, a possible direct involvement in Libya means that "for the army, long supply lines may require fighting formations to amass stockpiles to be transported with them rather than rely on consistent resupply, given

**the distance from Sirte-Jufra to the border, allowing only for short offensives".** What could really represent a source of concern for Egypt is its military equipment: the country is committed to a military deterrence strategy to face national security threats coming from its western borders with Libya and challenges linked to **tensions in the eastern Mediterranean region** along with faltering Renaissance Dam negotiations with Ethiopia. But **it needs military resources that seem unready for a protracted, exhausting intervention outside its borders**, especially after the Egyptian army's poor performance in the North Yemen civil war and the North Sinai struggle against ISIS, which **highlighted longstanding systemic tactical and operational frailties.** Moreover, a hypothetical confrontation with Turkey, with its highly technological defence system as a NATO member, could have represented a serious threat that could lead Egypt to have to rebalance its regional projection.

For all these reasons, it is possible to imagine that, during the summer of 2020, Cairo was ready only to launch a **symbolic intervention in Libya** to counterbalance a hypothetical Turkish offensive in Cyrenaica and force Libya's warring parties into **negotiations under Egyptian supervision.**

Therefore, the GNA's latest ceasefire proposal offered a chance **to resume a diplomatic and political exit strategy:** in fact, Egypt, as well as the eastern-based parliament of Tobruk led by **Aguila Saleh, who commands one of Libya's strongest armed tribes, had agreed to observe the truce and welcomed it.** What

emerges clearly is that Egyptian support for Haftar is a means not an end, functional to preserving Egyptian interests: it seems ready to reduce its support for the general if its interests could be defended by other actors. Unlike the UAE, which in Libya exhibits only their military attitude, Cairo has above all a political strategy: after the military attempt failed, Egypt realized that it was necessary to re-launch a political and diplomatic path, showing itself as the most credible actor among Haftar's supporters. It is not a coincidence that Egypt immediately supported the proposed agreement together with Aguila Saleh. The convergence between al-Sisi and the Libyan parliament's speaker is based on the common intention to distance themselves both from the Haftar front, which is increasingly split and less credible, and from the UAE's that, although they have accepted the truce, continue to support the general's aggressive posture. Egypt could see in Saleh the most convenient candidate for a diplomatic operation and at the same time could distance itself from the Gulf monarchies whose rigidity and short-sighted geopolitical vision al-Sisi fears. Through this manoeuvre, Egypt was able to position itself as a credible interlocutor for a

possible peace process also at the international level: to boost this move soon arrived the official declaration of UNSMIL deputy head for political affairs, [Stephanie Williams, who praised Egypt for its role in the Libyan political crises.](#)

At the moment, betting on a political resolution more than on a military one seems to have **saved al-Sisi from a difficult-to-control escalation in Libya and re-launched the political process.**

However, anyone who is dealing with Libya knows that all diplomatic attempts to stabilize the country have inevitably failed and al-Sisi is perfectly aware of these difficulties. Therefore, while focusing on this diplomatic solution, he remains open to a plurality of other possible strategies and solutions. The pivotal element dictating Egyptian strategy is that, regardless of changing alliances or international initiatives, Egypt knows that it cannot abandon the Libyan conflict. Now the war drums are silent, but if the initiative should fail and the military confrontation resumes, Egypt will be ready to flex its muscles again. Whether this can lead to a conflict depends only on how important the Libyan issue is, compared to other international problems.



## Egypt-Gulf Powers: Partners or Competitors?

Gawdat Bahgat  
National Defense University

One of the key developments in the Middle East in the last few decades has been the **growing alliance between Egypt and some of the Gulf Cooperation Council states** (Bahrain, Kuwait, Oman, Qatar Saudi Arabia and the United Arab Emirates/ UAE). For most of the 1950s and 1960s Egypt under President Gamal Abd al-Nasser viewed the Gulf's ruling families as reactionary and medieval regimes whose days were numbered. Meanwhile, the Gulf leaders felt threatened by Nasser's vision of Arab nationalism and socialism. In the early 1960s Riyadh and Cairo engaged in a proxy war in Yemen that ended in 1967 with the resounding defeat of Egypt in the war with Israel. Since then the two sides have forged a close economic and strategic alliance, marrying the Gulf's financial assets to Egypt's political and cultural influence. The ouster of President Mohamed Morsi and the ascendancy of President Abdel Fatah al-Sisi in 2013 reinforced the close partnership between Cairo and the Gulf states, particularly Riyadh and Abu Dhabi.

## GEO-ECONOMIC AND STRATEGIC FORCES DRIVING THE ALLIANCE

The close and growing partnership between the Egyptian government and those of Saudi Arabia, UAE, Bahrain, and to a lesser degree, Kuwait and Oman, is based on **shared economic and strategic concerns and objectives**. With more than 100 million people (about one-third of the Arab states' population) and limited natural resources, [the Egyptian gross domestic product \(GDP\) per capita \(\\$3,020\) is much smaller than those in the GCC states \(Bahrain \\$22,504, Kuwait \\$32,032, Oman \\$15,474, Qatar \\$64,781, KSA \\$23,139, and UAE \\$43,103\)](#). Despite severe fluctuations in oil prices, the Gulf states are not becoming poor. Most of them established sovereign wealth funds to invest their oil revenues. These funds hold substantial financial assets, i.e. [Abu Dhabi Investment Authority \\$579 b](#), [Kuwait Investment Authority \\$533 b](#), [Saudi Arabia's Public Investment Fund \\$360 b](#) and [Qatar Investment Authority \\$295 b](#). Stated differently, Egypt is a relatively poor country while some of the GCC states are among the richest in the world. **Cairo needs Gulf money to address overwhelming socio-economic challenges.**

The **Suez Canal and SUMED pipeline are strategic routes for Persian Gulf crude oil, petroleum products and liquefied natural gas (LNG) shipments** to Europe and North America. The Suez Canal connects the Red Sea with the Mediterranean Sea, and it is a critical chokepoint because of the large volumes of energy commodities that flow through it. Total oil flows through the Suez Canal and the

SUMED pipeline accounted for about 9% of total seaborne traded petroleum (crude oil and refined petroleum products) in 2019 and LNG transiting through the [Suez Canal and SUMED pipeline accounted for about 8% of global LNG trade](#). About half of the total petroleum transiting the Suez Canal, mostly from Persian Gulf producers, is sent northbound to Europe and North America. Similarly, LNG cargos from Qatar pass through the Suez Canal to Europe. The SUMED pipeline is the only alternative route to transport crude oil from the Red Sea to the Mediterranean Sea if ships cannot navigate through the Suez Canal.

On the other hand, **Saudi Arabia and the UAE perceive Iran and the Muslim Brotherhood (MB) as existential threats**. Iran occupies one side of the Persian Gulf and the other side is occupied by the six GCC states and Iraq. Given Iran's large size and population, massive resources, strong national identity, powerful military and Shiite majority, its Arab neighbors have always been suspicious of Tehran's intentions. Furthermore, the UAE accuses Iran of occupying three strategic islands – Abu Musa, Greater and Lesser Tunbs. Iran denies these accusations. The conflicts in Iraq, Lebanon, Syria and Yemen reflect and are driven by Iranian-Saudi rivalry. Given their small size and population, Gulf leaders understand the limitations of their defense capabilities and the need to partner with regional and global powers.

The MB used to be tolerated in most Persian Gulf states. However, this policy drastically changed since the birth of the so-called Arab

Spring in late 2010. Some Gulf states were alarmed about the MB's rising power, fearing in particular the movement's **alternative blueprint for state power derived from political Islam and obtained through the ballot box**. In 2013, then Minister of Defense al-Sisi overthrew elected President Mohamad Morsi and made himself president. Given Egypt's demographic and cultural leverage, al-Sisi's fight against the MB has become the Saudi and Emirati fight. Riyadh and Abu Dhabi perceive a return of MB to power in Cairo as an existential threat. This explains their strong support for President al-Sisi.

### EGYPT-GULF ALLIANCE – THE WAY FORWARD

Despite shared perceptions and objectives, the alliance between the two sides faces key challenges. First, it will take some time to accurately assess the full impact of the Covid-19 virus on Gulf economies, but the combination of the pandemic and low oil prices has forced Gulf states to lay off and send home millions of expatriates (including Egyptians) with devastating socio-economic impact on Egypt's economy and society. In the coming months and years, the scarce jobs available are certain to go to Gulf nationals not to foreigners. The tightening economic conditions are certain **to reduce Gulf financial aid to and investment in Egypt**.

Second, almost all Egyptian presidents from Nasser to al-Sisi have claimed that "Gulf security is a major Egyptian priority" and vowed to defend Gulf states. But relations between Cairo and Tehran have never been either too

tense or too warm. Iranian leaders see Egypt as a major regional power and value its civilization while the Sunni-Shiite divide is less an issue in Egypt than in most Gulf states given that the former has a very small Shiite minority. In short, rhetoric aside, it is very **unlikely that Egypt would send troops to fight Iran**. Since the disastrous war in Yemen in the 1960s Egyptian public opinion has been strongly against sending troops to fight a long-distance war. This explains why Cairo has not contributed to the Saudi/Emirati war in Yemen ongoing since 2015.

Third, there is no doubt that the MB is down but it is not clear that it is out. Political Islam is a broad umbrella that includes the MB and other Islamic movements. The ongoing fights with some of these movements suggest that **al-Sisi's government has yet to win the war against political Islam**. Furthermore, the MB is a regional movement with followers and organizations in several countries including Kuwait, Jordan and Morocco. It receives support from Qatar and Turkey. Finally, in addition to the coronavirus, Egypt faces two major crises – instability in neighboring Libya and the Renaissance Dam in Ethiopia. It is not clear whether the al-Sisi government will be able to overcome these major crises or if the MB will take advantage and launch a comeback and return to power.

The analysis in this essay suggests that the Egypt-Gulf alliance is fragile and unsustainable. **A change in the leadership in Cairo, Riyadh or Abu Dhabi can alter the strategic calculation**. For decades Egyptian leaders have presented their country as "too big to fail." This argument



is not completely wrong. A failed state in Egypt would be a disaster for the Middle East, Europe and indeed for the entire world. The problem is that the price is getting too high to prevent Egypt from falling and keep it in the alliance with the Gulf states.

*\*The opinions expressed in this piece are the author's alone and do not represent the views of the U.S. government or the policies of the Department of Defense.*



## In Search of Balance: Egypt and Great Powers

Nael M. Shama  
 Independent Scholar

In his recently-published memoirs, Egypt's former foreign minister, Nabil Fahmy, painted a clear picture of the prevalent mood inside Egypt's ruling establishment concerning the country's stance towards great powers. In the 2000s, he explains, former president Hosni Mubarak and many of his aides "came to believe" that the United States was pushing for a regime change agenda in Egypt. While Mubarak is long gone, **Washington's unsupportive attitude towards the Egyptian government during the events of the Arab Spring consolidated such views** among a large number of Egyptian officials and policymakers. Hence, an "extremely widespread" and potent "conspiracy theory" has come to rule the day with regards to Egypt's international relations. Fahmy was no proponent of this theory, but in a meeting held with senior officials soon after he took on the mantle of minister of foreign affairs in 2013, he put forth what would become the motto of Egyptian foreign policy: "Over-dependence on the United States or any other state is detrimental to our interests".

**Nael M. Shama**, independent political researcher and writer. His research focuses on the international relations and comparative politics of the Middle East

In terms of impact, Egypt's historic turn to the United States in the aftermath of its 1973 war against Israel was one of the greatest reversals of alliance in the modern history of the Middle East. It paved the way for decades of a **deep and multifaceted alliance between the two countries**. Since the late 1970s, the US has provided Egypt with at least \$80 billion in military and economic aid, cooperated with Cairo in promoting Arab-Israeli peace, combatting terrorism, and evicting Saddam Hussein's forces from Kuwait. Bilateral cooperation also included significant levels of trade and investment, and biannual military exercises. However, the gradual US retreat from the Middle East over the course of the last decade and rising Egyptian concerns about frequent US denunciations of Cairo's human rights abuses made the alliance look like it had run its course.

Indeed, seeing US assistance suspended or delayed several times from 2013-17 over its human rights record, **Cairo decided to diversify its international allies**, heavily engaging with the two rising stars on the stage of world politics: Russia and China. **Moscow had upgraded its involvement in the Middle East**, propping up Bashar al-Assad's regime in Syria and becoming a major player in the Libyan civil conflict. Two months into his presidency, President Abdel Fattah al-Sisi visited Moscow. In the following few years, the value of bilateral trade increased, Egypt purchased billions of dollars' worth of Russian military hardware (including fighter jets and attack helicopters), a Russian industrial zone in Egypt was created, and the two countries signed a strategic

partnership agreement. Moreover, Russia bought a 30% stake in Egypt's giant Zohr gas field, and it is currently constructing Egypt's first nuclear power plant, located on the Mediterranean coast, pursuant to a deal to the tune of \$25 billion. Politically, the two countries are apprehensive about the specter of radical Islamist movements, and they see eye-to-eye on developments in both Syria and Libya. Of all these spheres of cooperation, the military one seems to be the most crucial for Cairo. It includes not only the purchase of sophisticated jets and weapons systems, but also military drills and efforts to enhance the interoperability of the two armies.

If military ties cemented Egypt's relations with Russia, it was economic and business considerations that brought Egypt and China closer together. **Egypt had taken notice of China's coming into bloom as an economic superpower**, and a political superpower-in-waiting. Keenness about upgrading its ties with Beijing led to an extensive deepening of bilateral relations over the past few years. Sino-Egyptian ties now involve numerous and frequent presidential meetings, vigorous trade, investment and industrial relations, a vibrant joint economic zone in Egypt's Suez region, broad participation by Chinese companies in the construction of Egypt's new capital, and plans for a vital Egyptian participation in China's ambitious Belt and Road Initiative. As a result, China has become Egypt's main trading partner, surpassing the US, Germany and Italy, Egypt's traditional business partners. Low levels of military and security cooperation have also been put in place in recent years.



A defining feature of Egyptian foreign policy over the decades was the **congruence between its policy towards superpowers on the one hand and domestic economic policies and political plans on the other**. In the 1950s and 1960s, for instance, Nasser's socialist policies and his quest for regional leadership compelled him to turn to the Soviet bloc. In contrast, Sadat's quest in the 1970s for economic development, modernization and peace with Israel dictated closer ties with Western nations, especially the US.

Today, the **picture looks more ambivalent**, and the lines have not been clearly drawn. After all, America's single-superpower moment seems to have passed, but no bipolar or multipolar world structure has yet emerged in its place. Cairo is clearly hedging its bets, wishing to have it all ways: US military aid and diplomatic support, Russian military hardware and Chinese capital. Whether simultaneously courting all parties is a viable policy over the long-run, let alone at what cost, still remains to be seen. President's al-Sisi's friendly relationship with US President Donald Trump notwithstanding, the US administration had already threatened to impose sanctions on Egypt if it went ahead with plans to purchase sophisticated fighter jets from Russia. At any rate, if the Democratic candidate Joe Biden makes his way to the White House, Egypt may have to make some hard choices.



## The Nile Conflict and Egypt's Failed Power Projection and Alliance Building

Stephan Roll  
 SWP

**T**he Nile River conflict between Egypt and Ethiopia still appears to be at an impasse. But even if an agreement is reached on the filling and operation of the Grand Ethiopian Renaissance Dam (GERD), Egypt will be on the losing side. For decades, Cairo had opposed any expansion of the water infrastructure on the upper reaches of the river. However, the country was **unable to prevent dam construction in Ethiopia**. Such dams are particularly dangerous from an Egyptian perspective because over 85 percent of Egyptian Nile water comes from the Ethiopian highlands. Recently, Addis Ababa even started filling the reservoir without coordinating with Cairo.

The strategy of several Egyptian governments to impose their own demands through open or hidden threats and to internationalise the conflict was not very successful. On the contrary: the repeated threats have largely **shattered trust between Addis Ababa and Cairo**, which is not likely to foster a long-term settlement of the conflict if such a settlement materialises.

**Stephan Roll**, head of the Middle East and Africa research division at SWP, Germany's Institute for International and Security Affairs. Roll's areas of expertise include Egypt, Saudi Arabia, elites and social mobilisation in Arab countries.

The conflict with Ethiopia clearly shows that **Egypt's projection of power has failed**. Under President Anwar Sadat, Cairo had already warned of war if Egypt's water supply was put at risk by upstream riparian states. Presidents Hosni Mubarak and Mohamed Morsi also did not rule out military action. Only under President Abdel Fattah al-Sisi has this war rhetoric been abandoned; he recently explicitly ruled out the possibility of taking up arms.

What at first glance looks like a **positive de-escalation is in fact a recognition of reality**. At no time did Egypt have a military option in the Nile conflict, and it still does not have one today. Due to the distance between the two countries, only an airstrike would have been a realistic military option to stop the dam's construction, especially in the early years. However, the Egyptian Air Force does not have the operating radius for such an intervention.

This is all the more remarkable as Cairo has spent billions of US dollars on new weapons systems in recent years, including substantial purchases for the air force. However, Egypt does not have an air-to-air refuelling capability through tanker aircraft, which significantly **limits the air force's range beyond national borders**. In addition, the country has no military bases in its southern neighbourhood that could be used to carry out such attacks.

The Nile conflict, however, is also a defeat for Egypt's policy of alliances. Under President al-Sisi, the country has aggressively **diversified its foreign relations, which previously focused on the United States and Europe**. It has entered into a close economic and security partnership

with Saudi Arabia and the United Arab Emirates. It also has strengthened its relations with the People's Republic of China and Russia. Additionally, it has expanded its long-standing security partnership with its neighbour Israel.

This foreign-policy diversification has **done little to help in the conflict with Ethiopia**. The two Gulf monarchies maintain close economic relations with Addis Ababa, which they do not want to damage by unilaterally taking sides with Egypt. The same is true for China, which is involved in the expansion of the Ethiopian electricity infrastructure through contracts worth billions of US dollars. Russia, for its part, has no influence over the Ethiopian government and is trying to develop its own economic and political contacts with the country. Israel has supplied Ethiopia with the missile defence system that is now protecting the dam from air attacks.

However, Egypt's diversification strategy likely has been **detrimental to relations with its traditional partners**, the United States and members of the European Union. It is striking that the Europeans, who for years tried to improve cooperation between the Nile Basin countries within the framework of the Nile Basin Initiative, showed little interest in the recent rounds of negotiations, especially in being a custodian for Egyptian interests.

Even more striking is the restraint of the US government. President Donald Trump has attempted to mediate, tending to support the Egyptian position. However, he has **put hardly any political weight into solving the conflict**. After the first phase of filling the reservoir,

the United States withheld some bilateral aid to Ethiopia in early September 2020, likely at Egypt's insistence. However, this late and half-hearted US intervention is unlikely to change much with regard to completing the dam and continuing to fill the reservoir.

Egypt's recent inability to mobilise the US government to act in its interests is attributable not only to Washington, D.C.'s good relations with Addis Ababa, but also to the **development of Cairo's relations with Russia and China.**

Despite President Trump's repeated expressions of sympathy for President al-Sisi, Egypt-US relations have deteriorated. Recently, Egypt's purchase of Russian fighter jets irritated the United States. Washington will be unwilling to take sides with such an unstable partner, especially if there should be a change of government in November.

Egypt's defeat in the Nile conflict will have repercussions both regionally and internally. **Other states on the upper reaches of the Nile may be encouraged to expand their water infrastructure** as well. Dam construction projects in Sudan, for example, could become a much greater foreign policy challenge for Cairo than GERD is. Therefore, Cairo may be tempted

to increase its regional weight, for example by establishing military bases in its southern neighbourhood. Given the empty state coffers and the lack of support from friendly states, this would not be easy, and it would provoke the people of the Upper Nile to accelerate the expansion of their water infrastructure.

In Egypt, there could be growing public discontent with the political leadership. For decades, Egyptian governments have portrayed dam construction projects on the upstream riparian lands to be an existential threat to the country and an issue of national security, while at the same time emphasising their own military superiority in the region. Ultimately, they have used this, besides the "war against terrorism" to justify the country's high defence expenditure. For many Egyptians, it is **incomprehensible that their government is now unable to assert itself in the conflict with Ethiopia.** Should the water supply deteriorate in the medium and long term, this incomprehension could quickly turn into anger. In that case, it is unlikely to matter whether supply bottlenecks are due to dam construction on the upper reaches or to dilapidated domestic water infrastructure.