



Thinking Ahead
for the Mediterranean



WP2 – Geopolitics & Governance

Egypt: Changes and Challenges of Political Transition

Maria Cristina Paciello

MEDPRO Technical Report No. 4/May 2011

Abstract

Hosni Mubarak's regime and its power system enjoyed remarkable stability for over 30 years. On 11 February 2011, after 18 days of mass protests, the Egyptian president was forced to step down, revealing the unsustainability of the political and economic system that had ensured his continuity for so long. While the revolution of January 25th led to a major success – the fall of Hosni Mubarak – Egypt's political future is still opaque and exposed to a number of risks. This paper first highlights the factors underpinning the former stability of Mubarak's regime; it then assesses the causes of its underlying unsustainability, leading to the anti-government popular mobilisation in January-February 2011 and the removal of Mubarak; finally the paper evaluates the prospects for a genuine democratic transition in Egypt, by looking at the main political and socio-economic challenges facing the country.

This paper was produced in the context of the MEDPRO (Mediterranean Prospects) project, a three-year project funded under the Socio-economic Sciences & Humanities Programme of DG Research of the European Commission's Seventh Framework Research Programme. MEDPRO Technical Reports give an indication of work being conducted within MEDPRO thematic Work Packages (WPs) and aim at stimulating reactions from other experts and academics in the field.

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ISBN-13: 978-94-6138-101-9

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Introduction

Hosni Mubarak's regime and its power system enjoyed remarkable stability over thirty years. On 11 February 2011, after 18 days of mass protests, the Egyptian president was forced to step down, revealing the unsustainability of the political and economic system that had ensured his continuity for so long.¹ While the revolution of January 25th led to a major success – the fall of Hosni Mubarak – Egypt's political future is still opaque and exposed to a number of risks. This paper first highlights the factors underpinning the former stability of Mubarak's regime; it then assesses the causes of its underlying unsustainability, culminating in the anti-government popular mobilisation in January-February 2011 and the removal of Mubarak; finally the paper evaluates the prospects for a genuine democratic transition in Egypt, by looking at the main political and socio-economic challenges facing the country.

1. Behind the veil of stability of Hosni Mubarak's regime (1981-February 2011)

1.1 "From Relative Tolerance to Neo-authoritarianism"²

Hosni Mubarak rose to power in 1981, after Anwar Sadat's assassination. After a period of relative tolerance in the 1980s, Mubarak's authoritarian rule deepened in the 1990s: civil and political rights were restricted; the party law was amended; press freedom was significantly limited and repression was used against political opponents, particularly the Muslim Brotherhood (MB).³ Owing to these restrictions and to widespread interference in the electoral process through fraud, repression and intimidation, the parliamentary elections of 1990, 1995⁴

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¹ For insights on the analytical framework that informs this paper, including the distinction between short-term stability and long-term sustainability, see Silvia Colombo's paper (Colombo, 2010), published within the MEDPRO project.

² This expression is taken from Benin (2009: 21).

³ Relevant constitutional changes included the 1993 Syndicates Law and 1999 Nongovernmental Associations Law, which curtailed the freedom of association by imposing governmental regulations and harsh penalties for violations; the Amendments to the party law, voted in December 1992, which barred founders of new parties from accepting foreign funds and from conducting any political activity in the name of their party before it is officially recognised; and the 1995 Press Law, which significantly limited press freedom (for details, see Kienle, 1998; Dunne, 2006; Benin, 2009; Pioppi, 2004; Al-Din Arafat, 2009).

⁴ The 1995 elections represented the peak in terms of direct interference by the regime, fraud and repression. Although, unlike in the 1990 elections, in 1995, the Muslim Brothers participated, none of their 150 candidates, who stood as independent candidates or candidates of the Labour Party, was able to win a seat (Naguib, 2009).

and 2000⁵ resulted in an unprecedented majority for the ruling party, the National Democratic Party (NDP).

In the early 2000s, alongside the second Palestinian *Intifada* and, successively, the American invasion and occupation of Iraq in 2003, Egypt started experiencing growing political dynamism. In 2004-05, protests intensified, with a number of opposition parties and movements (e.g. the *Kifaya* movement, the Judges Club, *al Ghad* party and the MB) demanding political reform, including the amendment of the constitution in order to allow for competitive presidential elections, the end of the state of emergency, the removal of restrictive legal constraints on the activities of parties, civil society organisations and the media, and a free and fair electoral process.

In response to the above-mentioned pressures, the regime was thus forced to make some, albeit limited, concessions, enacting a series of amendments to the constitution (El-Issandr, 2005; Benin, 2009; Dunne & Hamzawy, 2007; Dunne et al., 2007). However, in spite of the constitutional changes that allowed for the direct popular election of the president, the conditions for candidate eligibility remained very strict, effectively enabling the NDP to decide who could run against the incumbent (Dunne, 2006).⁶ Moreover, the party laws still precluded a realistic possibility of anyone other than the NDP coming into power (ibid.).⁷ As a result, although the first multi-candidate presidential elections were held in September 2005 and nine candidates ran against the President, Mubarak, as expected, won the election with 87% of the vote.⁸ Similarly, at the 2005 parliamentary elections, the NDP continued to manage electoral politics, through vote buying, fraud and intimidation.

Nevertheless, at the 2005 elections, the Brotherhood candidates were allowed to campaign much more openly than in the past, albeit as independents, and non-governmental organizations monitored the elections (Sullivan, 2009).⁹ So, while the ruling NDP maintained its two-thirds majority, the Muslim Brothers made significant gains, for the first time, obtaining, with the victory of 88 candidates, more seats (20% of total) than any other opposition group (ibid.).

The unexpected electoral success of the MB paved the way for the regime to take a series of de-liberalisation measures: cracking down on political opponents and popular protests, particularly

⁵ The 2000 parliamentary elections were, by most accounts, somewhat more credible than previous ones because for, the first time, they were supervised by judges. Nonetheless, as long as the emergency law was in force, the regime continued to interfere in the electoral process through fraud and widespread arrests of MB candidates as well as intimidation of voters outside polling stations. So, while the NDP performed poorly compared to previous elections and seventeen of the independents candidates elected belonged to the MB, the ruling party maintained its absolute majority in the People's Assembly (Abdulbaki, 2008).

⁶ Amended Article 76 of the Presidential Election Law gives each licensed party the right to field a candidate in the ballot, subject to stiff conditions. The party may only nominate a candidate that has been on its executive committee for at least one year, thereby preventing any party from nominating a popular figure outside the small circle of mostly elderly, well-known politicians (Dunne, 2006).

⁷ The amended Political Parties Law maintained bans on parties with a religious identity (effectively barring the MB). It also revised the composition of the Political Parties Committee (PPC), which considers applications by new parties, by increasing its control over parties and the presence of senior NDP members, thus reinforcing the ruling party's domination over the opposition (Dunne, 2006).

⁸ Ayman Nour, the leader of *al-Ghad* Party, came second with 7% of the vote. This led to his five year imprisonment sentence.

⁹ Unlike in 2000, none of the Brotherhood's campaigners were arrested in the run-up to the first round. Arrests took place after the first-round results, which revealed the strong showing of the Muslim Brotherhood (Sullivan, 2009).

on MB members; postponing local elections, scheduled for April 2006, in order to avoid another success of the Brotherhood; and extending the state of emergency for another two years (see Sullivan 2009; see also el-Ghobashy, 2010; Shehata, 2009). Moreover, in 2007, the regime introduced a series of amendments that further constrained political freedom, such as removing the judiciary's role as electoral supervisor, empowering the president to dissolve parliament without referendum, banning explicitly religious parties, thus curtailing attempts by the Brothers to form a political party, and giving Mubarak the authority to refer civilians suspected of terrorism offences for trial in military tribunals (see Brown et al., 2007).

From 2007, these and other restrictions, together with an increased use of police detention and arrests, reduced significantly the participation of opposition forces in political life. In the 2007 elections for the upper house parliament, the Shura Council, the Muslim Brothers did not win any seats, while at the local elections of April 2008, they announced a last-minute boycott of the elections after nearly all of its candidates, as well as most candidates from legal opposition parties, were prevented from registering.¹⁰ Finally, the 28 November 2010 legislative elections were marked by unprecedented widespread violations, arrests of hundreds of MB activists before the vote, violence and pressure on the media, leading to the inevitable victory of the NDP, with an overwhelming majority of seats (Dunne & Hamzawy, 2010). The MB failed to win a single seat at the first runoff election and, together with the New Wafd party, they decided to boycott the runoff election a week later.¹¹

1.2 The weakness of opposition forces

Under the rule of Hosni Mubarak, the political opposition in Egypt was very weak due to many factors. As said above, the regime implemented a number of instruments to weaken opposition: repression and harassment; refusal to legalise parties and organisations that could threaten the regime; electoral manipulation; and co-option of many non-governmental associations and trade unions.¹² Furthermore, the long-standing emergency law, in place since 1981, served to prohibit strikes, censor newspapers and constrain any activities of the opposition in the name of national security.

Aside repression, legal secularist parties were weak also because of internal deficiencies: lack of internal democracy, little organisational capacity, lack of resources and, most importantly, limited constituencies (Holger, 2005, El-Shobaki, 2010, al-Din Arafat, 2009). New movements such as *Kifaya* (the Egyptian Movement for Change – “Enough”), which appeared in the winter of 2004, initially appeared more dynamic than legal parties, engaging in numerous public protests, directly criticising Mubarak and his family, and opposing his re-election and Gamal's hereditary succession. However, *Kifaya* was rather ineffective in obtaining concrete concessions from the regime and after 2006 became dormant (al-Sayyid, 2009; al-Din Arafat, 2009). In addition to harsher repression by the regime, the movement also failed to mobilise large popular support, being limited to students, intellectuals and middle-class professionals; it lacked a clear long-term strategy, with no positive democratic demands. After 2007 it was weakened further by internal divisions that led to the resignation of the movement's founder George Ishak (ibid.).

¹⁰ “Salary and Price Increases in Egypt; Local Elections; Brothers Sentenced”, *Arab Reform Bulletin*, 12 May 2008 (<http://www.carnegieendowment.org/arb/?fa=show&article=20502>).

¹¹ “Egypt's November 28 parliamentary elections”, *Arab Reform Bulletin*, 30 November 2010 (<http://www.carnegieendowment.org/arb/?fa=show&article=42032>).

¹² The only official trade union was the state-controlled Egyptian Trade Unions Federation (ETUF). On Egyptian trade unions under Mubarak, see Clément (2009), Moore & Salloukh (2007), UNDP (2008), al-Din Arafat (2009), Beinin & el-Hamalawy (2007); on NGOs, see Guirguis (2009).

The Islamist movement of Muslim Brothers, the only opposition force with mass popular support, was unable to seriously challenge the regime and press for genuine political change. The MB was able to attract a large number of supporters, mainly because it took over the task of providing social services, from which the state progressively disengaged over the mid-1980s-1990s (Harrigan & el-Said, 2009). Due to its large social basis, the MB succeeded in winning an unprecedented number of seats in the 2005 elections. However, after 2005, when the Muslim Brothers won a large share in parliament, the regime sought to oust the movement from the political scene through increased repression and amending the constitution in 2007. Because the MB was subject to frequent harassment, leadership arrests and confiscation of financial assets, especially in recent years, it generally kept a moderate, cautious, and non-confrontational approach towards the regime, fearing to be completely eliminated from political life (Pioppi, 2011). So, although the movement remained the main opposition force in the country, it was reluctant both to take any clear action against the regime and to make formal alliances with other opposition actors, leaving to other opposition movements the political initiative (ibid.). In this light, the Muslim Brothers did not adhere to Muhammad al-Baradei's call for a boycott of the 2010 parliamentary elections; they did not clearly oppose the re-election of Hosni Mubarak in 2005 and the potential candidacy of his son Gamal in 2011; and they lacked a clear political programme, revealing their incapacity or unwillingness to represent a solid alternative to the regime (Pioppi, 2011; el Shobaki, 2010). Lastly, deep ideological divisions between the MB and many secular opposition groups prevented the emergence of a united and organised political opposition to the regime (Al-Din Arafat, 2009; Brown et al., 2006).

Opposition beyond the strict confines of political activity revealed greater dynamism. Since mid-2004, social protests and demonstrations, reflecting the rising discontent among people, became a prominent feature of Egyptian life. Egypt experienced an unprecedented wave of street protests, particularly labour strikes, reflecting the increased hardship experienced by large swathes of Egyptians (Beinin, 2009; Clément, 2009; Beinin & el-Halamawy, 2007a, 2007b). In 2010, labour unrests continued, spreading in particular to those private sector workers whose companies were affected by the financial crisis.¹³ Unlike political parties and other organised opposition forces, the labour protests were successful in attracting an unprecedented number of people,¹⁴ but they did not translate into a real political challenge to the regime, pressing for political transformation. Unlike the January-February 2011 protests, these protests remained apolitical, meaning that they focused on socio-economic problems and did not put forward political demands (El-Mahdi, 2010; Hamzawy, 2009; Ottaway & Hamzawy, 2011). Furthermore, the protests did not coordinate their action with political organisations, instead they were sporadic and totally dispersed. The major opposition parties and other movements, such as the Muslim Brothers, were detached from the social and labour protests of the last years, reflecting the interests of a different constituency, namely urban upper middle class. Also the MB was suspicious about a rapprochement to the labour movement, because, due to its social composition¹⁵ and conservative worldview, it is hostile to class conflict (Pioppi, 2011; Naguib 2009).

¹³ "Labor unrest persists among private sector workers", *al-Masry al-Yom*, 6 August 2010 (<http://www.almasryalyoum.com/en/news/labor-unrest-persists-among-private-sector-workers>).

¹⁴ From 2004 to 2008, more than 1.7 million workers participated in over 1,900 labour-related protests (see Shadi Hamid, "Egypt's Old and New Opposition – And Why They Need Each Other December 2010" (http://www.brookings.edu/articles/2010/12_egypt_politics_hamid.aspx)).

¹⁵ The MB has never had a strong base in the industrial working class and, in fact, 60% of the 88 MB's MPs elected to the People Assembly in 2005 were educated professionals (see Beinin, 2009).

1.3 Economic reforms as a tool to consolidate/restructure the regime's power system

In the mid-1980s, due to the decline in oil prices and remittances by Egyptian expatriates, Egypt was faced with rising economic difficulties associated with serious foreign debt problems. To cope with the crisis, in 1991, Egypt committed to pursue market-oriented reforms, after signing an agreement under the auspices of the International Monetary Fund (IMF) and the World Bank (WB). The economic reforms initiated in the early 1990s are among the major tools exploited by Mubarak's regime to consolidate its power system and preserve its stability.

While stabilisation measures were implemented rapidly, structural reforms such as privatisation and trade liberalisation were carried out gradually (Paciello, 2007), at least until 2004, when, under Prime Minister Ahmed Nazif, they were accelerated (Wurzel, 2009; Alissa 2007). Selective economic liberalisation served to stabilise the regime in various ways. First, by keeping untouched politically sensitive economic sectors, selective economic reforms did not harm the interests of the established ruling elite, thus preserving the privileged position of many regime supporters such as the military (Heydemann, 2007). Thanks to its vested interests in the status quo, the military was very influential in ensuring Egypt's stability and the continuity of the regime (Droz-Vincent, 2009). Second, given the gradual pace of reforms, the negative social effects generally associated with full scale (neo)liberal economic reforms were, at least initially, mitigated (Paciello, 2007). For example, in the 1990s, the regime postponed important privatisation steps in order to avoid a fundamental restructuring of the public sector causing major social dislocations, which could have potentially threatened its support base and stability. Yet, mass lay-offs resulting from privatisation measures were initially avoided by an arrangement, whereby workers were entitled to keep jobs in the privatised companies for at least three years (El-Mikawy & Pripstein Posusney 2000). Third, while retaining control over strategic economic sectors, the regime used economic liberalisation to re-distribute privileges to regime supporters and co-opt important segments of the private sector, thus reinforcing its social basis (Alissa, 2007; Beinlin, 2009; Wurzel, 2004, 2009; Heydemann, 2007; Richter, 2007). Privatisation is a case in point, as it benefited only men with connections to Egyptian politicians and the military establishment (Wurzel, 2009; Heydemann, 2007; Alissa, 2007; Droz-Vincent 2009; Sfakianakis, 2004). The cooption of well-connected businessmen, whose businesses profited only thanks to their privileged links to the regime, meant that they had no interest in challenging the power structure, thus ensuring the regime's stability.

1.4 The role of external actors

Beyond entrenching authoritarian practices, weak opposition forces and the manipulation of socio-economic reforms, the survival of Mubarak's regime was also aided by the support conferred to it by Western governments. Both the EU and the US were very cautious, moderate and inconsistent in advancing political reform in Egypt, fearing that this would destabilise the country and therefore, their vital interests in the region (Durac, 2009).¹⁶ The Euro-Mediterranean Partnership and the ensuing European Neighbourhood Policy (ENP) are both indicative of this cautious approach by the EU. For example, the ENP Action Plan for Egypt was adopted in a context of serious political regression in the country, epitomized by the 2007

¹⁶ The 9/11 terrorist attacks temporarily changed this strategic approach, with the US being more assertive in pressing the Egyptian regime for political change, but since early 2006, a number of regional developments (including the deteriorating situation in Iraq and the need to ensure Egypt's support in the global war on terror, the Muslim Brothers' success at the 2005 elections, Hamas' victory in the 2006 Palestinian elections, and the war between Israel and Lebanon in the summer of 2006) led to a significant decline in democracy promotion efforts in Egypt and in the region as a whole (Droz-Vincent, 2009).

constitutional amendments. Notwithstanding, the Action Plan omitted any mention of changing these regressive laws, discussing only the need to “strengthen participation in political life, including the promotion of public awareness and participation in elections” or “to exchange experience in the field of elections and jointly develop cooperation in areas of shared interest including through providing assistance on registering electors and capacity building”.¹⁷ The US response to the 2007 constitutional amendments was also very timid.¹⁸

Similarly, the US and the EU were ambiguous towards opposition forces in Egypt. For example, they were silent about the repression of Islamist actors, concerned of the security consequences of an Islamist empowerment in the country (Balfour & Cugusi, 2010; Droz-Vincent, 2010). Both the EU and the US privileged relations with the ruling elite, while doing little to promote dialogue with non-state actors. Unlike the case of the eastern neighbours, the Action Plan was not discussed with major political actors and civil society organisations, but was instead negotiated with a select group of senior policy-makers who ensured that reforms did not destabilise their grip on power (Youngs, 2006).

In addition, in spite of Egypt’s poor record in political reform, Western governments continued to renew their economic support to the Egyptian regime, renouncing to attach any positive or negative conditionality to their aid. Egypt under Mubarak was among the largest recipients of US aid, second only to Israel. Furthermore, the Obama administration in early 2009 discarded all references to human rights or democracy in statements on Egypt (Dunne, 2011). Despite a deepening of authoritarianism, for the period 2011-2013, the EU increased its European Neighbourhood and Partnership Instrument (ENPI) funds to Egypt, while reducing the ENPI funds specifically allocated to the promotion and protection of human rights.¹⁹

2. Explaining the Unsustainability of Hosni Mubarak’s Regime

A combination of political, socio-economic and external factors ensured Hosni Mubarak’s rule over thirty years. Politically, Mubarak’s regime was able to tightly control the political process, by alternating phases of relatively, albeit limited, opening, to phases of deepening authoritarianism and harsh repression. The regime thus limited civil and political rights, repressed political opponents, and managed carefully the electoral process. At the same time, it also created some space for dissenting political expression and allowed opposition forces, such as the Muslim Brothers, to participate in elections as independent candidates. Economically, the regime managed to implement market-oriented reforms gradually, resisting deep structural reforms that would have both harmed the ruling’s elites’ economic interests and entailed disrupting social dislocations. Also, while retaining its control over strategic economic sectors, the regime used economic liberalisation to re-distribute privileges to its supporters and co-opt important segments of the private sector, thus extending its support. All this was done with the active support of the West. However, over the last decade, the underlying unsustainability of Mubarak’s regime increasingly came to the fore, leading its stability to ultimately crack. Rapid economic growth matched by growing inequalities, worsening poverty levels and rising youth unemployment among educated, and deepening political repression matched by grassroots mobilisation, lie at the heart of the destabilisation of Mubarak’s regime.

¹⁷ See *EU/Egypt Action Plan*, pp. 5-6 (http://ec.europa.eu/world/enp/documents_en.htm).

¹⁸ Andrew Exum and Zack Snyder, “Democracy Demotion in Egypt: Is the United States a Willing Accomplice?”, *Policy Watch*, 23/03/2007.

¹⁹ See European Commission, *European Neighbourhood and Partnership Instrument Egypt and Egypt Country Strategy Paper*.

2.1 Rapid economic growth with no re-distribution

In the period 2003-07, Egypt experienced strong economic growth, which reached the peak of 7.1% in 2006-07, as well as a rapid increase in exports and FDI inflows (see Achcar, 2009; IMF, 2007). However, promoting strong economic growth and market-oriented economic reforms were not sufficient to address Egypt's main socio-economic challenges. In spite of its outstanding macro-economic performance, a growing part of Egyptians, from the lower-middle class, experienced a dramatic increase in hardship. This meant that most Egyptians did not benefit from the rapid economic growth. While Egypt's economic and social policies were insufficient to address its main socio-economic challenges, their ineffectiveness primarily depended on political factors. As said above, economic reforms served the interests of the ruling elite and their close associates, allowing them to reinforce their power, while excluding the rest of the population. Moreover, opposition forces were unable to influence decision-making, particularly with regard to economic and social issues, because they were repressed and because parliament lacked authority. However, in the long term, this form of economic management, which was profoundly rooted in the authoritarian and coercive nature of the Egyptian regime, proved unsustainable. It perpetuated economic inefficiencies, hindered the emergence of an autonomous, competitive and productive private sector and led to widespread corruption.

Diminishing purchasing power and rising income poverty

Consumer purchasing power in Egypt significantly diminished over the last decade. In the 2000s, mainly driven by a rise in food prices, the consumer price index (CPI) shot up, reaching an unprecedented peak of 23.6% in August 2008 (Alissa, 2007; Jones et al., 2009). Since then, although food price inflation declined, it remained quite high and volatile.²⁰ Moreover, real wages in both the public and private sectors continued to decrease over the last decade (Abdelhamid & el-Baradei, 2009), meaning that, for many Egyptians, wages were inadequate to cover rising prices and sustain a decent standard of living.²¹ This inflationary trend over the last decade had a disproportionate effect on middle and lower income Egyptians, for whom a large share of income is spent on food items (Klau, 2010). Soaring food prices was the main cause of rising income poverty over the last decade. In particular, the incidence of absolute poverty²² increased from 16.7% in 2000-01 to 23.4% in 2008/2009 (Jones et al., 2009; UNICEF, 2010; World Bank, 2007), reversing the gains made in the second half of the 1990s.²³

²⁰ Niveen, Wahish, "Of prices and interest rates", *Al-Ahram Weekly*, 19-25 February 2009 (<http://weekly.ahram.org.eg/2009/935/ec2.htm>); Ali Abdel Mohsen, "Meat market mystery", *Al-Masry al-Youm*, 2 April 2010 (<http://www.almasryalyoum.com/en/news/meat-market-mystery>); "Egypt inflation steady in October, rates seen on hold", *Al-Masry al-Youm*, 10 November 2010 (<http://www.almasryalyoum.com/en/news/egypt-inflation-steady-october-rates-seen-hold>); Ashraf Khalil, "Egypt's vegetable crisis: 'This is how revolutions start'", *Al-Masry al-Youm*, 26 October 2010 (<http://www.almasryalyoum.com/en/news/egypt's-vegetable-crisis-how-revolutions-start>).

²¹ Interviews with academics and journalists carried out in Egypt, October 2010; "Workers, not voters, worry Egypt's government", *Al-Masry al-Youm*, 23/11/2010 (<http://www.almasryalyoum.com/en/news/workers-not-voters-worry-egypts-government>); Mona el-Fiqi, "Not Even Minimum Wage", *Al-Ahram Weekly*, 20-30 July 2008 (<http://weekly.ahram.org.eg/2008/907/ec1.htm>).

²² Absolute poverty is calculated using the total poverty line and therefore consists of spending less than needed to cover absolutely minimal food and non-food needs.

²³ However, the poverty estimates and trends presented above are likely to be highly underestimated (see for example Sabry, 2009).

The Egyptian government attempted to mitigate the negative impact of rising prices and growing dissatisfaction among Egyptians by continuing to finance the country's expensive food subsidy system and by raising civil servants' salaries.²⁴ However, while the increase in public spending spurred inflation, these measures proved insufficient to sustain the Egyptian people's purchasing power. The food subsidy system is poorly targeted and reaches only a limited share of the real poor (World Bank, 2007), while the salary increases were insufficient to keep pace with rising inflation.²⁵ The recent – and still ongoing – debate on the minimum wage was emblematic of gap between government's proposals and public employees' demands. For example, while, in November 2010, the National Wage Council raised the legal minimum wage to LE400 per month, teachers demanded a minimum wage of at least LE1200.²⁶

Deteriorating labour market conditions, particularly among young

Over the last two decades, labour market problems, particularly among young educated Egyptians, also worsened dramatically. Although in the last ten years, total unemployment improved, youth unemployment among university graduates increased (from 9.7% in 1998 to 14.4% in 2006) (Assaad, 2007). Moreover, persisting in the trend of the 1990s, most jobs created in the 1998-2006 period were in the informal economy, in which workers are poorly paid, lack social security coverage and work contracts, and, therefore, are more exposed to the risk of poverty (ibid.). The global crisis further exacerbated labour market challenges in Egypt. Employment growth slowed down, lay-offs increased and even total unemployment started to rise, albeit slightly (from 8.9% in 2007 to 9.4% in 2009).²⁷ Youth, again, were particularly affected by the global crisis.²⁸

The economic policies undertaken by the Egyptian government had a very limited impact on job creation and, in many cases, worsened the employment situation. In fact, in spite of economic

²⁴ See Abdelhamid and el-Baradei (2009); Wael Gamal, "Remembering the poor?", *Al-Ahram Weekly*, 7-13 July 2005 (<http://weekly.ahram.org.eg/2005/750/ec1.htm>); Mona el-Fiqi, "Not Even Minimum Wage", *Al-Ahram Weekly*, 20-30 July 2008 (<http://weekly.ahram.org.eg/2008/907/ec1.htm>).

²⁵ In addition to the sources quoted above, see also Noha el-Hennawy, "School teachers form Egypt's and Independent Union", *al-Masry Al-Youm*, 20/07/2010 (<http://www.almasryalyoum.com/en/news/school-teachers-form-egypts-2nd-independent-union>); "Education Ministry employees continue sit-in", *al-Masry Al-Youm*, 27/06/2010 (<http://www.almasryalyoum.com/en/news/education-ministry-employees-continue-sit>). Mohamed Azouz, "Investors' federation calls for upping minimum wage to LE600/month", *al-Masry Al-Youm*, 2/11/2010 (<http://www.almasryalyoum.com/en/news/investors-federation-calls-upping-minimum-wage-le600month>); Noha el-Hennawy, "School teachers form Egypt's and Independent Union", *al-Masry Al-Youm*, 20/07/2010 (<http://www.almasryalyoum.com/en/news/school-teachers-form-egypts-2nd-independent-union>).

²⁶ Mohamed Azouz, "Investors' federation calls for upping minimum wage to LE600/month", *al-Masry Al-Youm*, 2/11/2010 (<http://www.almasryalyoum.com/en/news/investors-federation-calls-upping-minimum-wage-le600month>); Noha el-Hennawy, "School teachers form Egypt's and Independent Union", *al-Masry Al-Youm*, 20/07/2010 (<http://www.almasryalyoum.com/en/news/school-teachers-form-egypts-2nd-independent-union>).

²⁷ CBE (2010), Center for Trade Union and Workers Services (2009), Abu Hatab (2009); "The War on Prices", *Al-Ahram Weekly*, 26 March-1 April 2009 (<http://weekly.ahram.org.eg/2009/940/ec54.htm>); "Hard times ahead", *Al-Ahram Weekly*, 12-18 March 2009 (<http://weekly.ahram.org.eg/2009/938/ec3.htm>); "Acting to save jobs", *al-Ahram Weekly*, 24-30 December 2009 (<http://weekly.ahram.org.eg/2009/978/ec1.htm>).

²⁸ "Forget unemployment", *al-Ahram Weekly*, 26 March-1 April 2009 (<http://weekly.ahram.org.eg/2009/940/ec2.htm>); "Acting to save jobs", *al-Ahram Weekly*, 24-30 December 2009 (<http://weekly.ahram.org.eg/2009/978/ec1.htm>).

reforms, Egypt's economic performance remained largely dependent on external factors and therefore unsustainable. The country's economic boom during 2003-2008 was largely due to the boom in the global oil market, which benefited Arab oil exporting countries, resulting in higher FDI and remittances from Gulf Cooperation Council (GCC) countries. By contrast, with the global financial crisis and the consequent decline in the fortunes of GCC countries, Egypt's economic growth slowed down through declines in the major drivers of its economic success, namely exports, FDI, remittances and tourism revenues (Paciello, 2010; Radwan, 2009; Abu Hatab, 2009).

Furthermore, in spite of the attempts at improving Egypt's competitiveness, its export structure remained heavily dominated by natural resources and low-tech manufacturing exports, which provide very low quality jobs and limited opportunities for well-qualified young workers. In addition, FDI flowed to capital-intensive sectors that did not generate sufficient employment opportunities, and its large increase in recent years reflected privatisation, rather than new investment opportunities, that would have contributed to job creation (Alissa, 2007; El-Megharbel, 2007). Economic reforms did not bring about an increase in private investment as initially expected. Thus, while the prospects of public sector employment declined significantly in recent years, employment opportunities in the formal private sector remained limited (UNDP, 2010).

The retrenchment of state welfare provision

Over the last two decades, the state social welfare system in Egypt has gone through a serious crisis, which accelerated in the last years. While the government continued to be the main provider of education and health services, such services were no longer free and their quality worsened dramatically because public expenditure on social services declined.²⁹ The retrenchment of the state's welfare provision accelerated in recent years. Public expenditure on education and health services was cut. For example, public spending on education declined, from 19.5% in 2002 to 11.5% in 2006, as a percentage of total expenditure, and from 5.2% to 4.0%, as a percentage of GDP (UNDP, 2008). Similarly, although total health expenditure as a percentage of public spending increased from 1.2% in 2001/2002 to 3.6% in 2008/2009, its share remained low relative to other countries of comparable income levels. Most of this spending went towards paying salaries, which, however, were insufficient to guarantee a dignified life for health sector workers (EIPR, 2009). Egyptian families increasingly incurred a wide range of private costs when they accessed public social services. Private out-of-pocket health spending, for example, increased faster than public spending, from 63% of total health expenditure in 2002, to 70% in 2008 (EIPR, 2009).³⁰ Lastly, the dramatic deterioration in the quality of public education contributed to creating a generation of young Egyptians who are ill-prepared for the job market.

2.2 Rapid regression in the political sphere and the emergence of a spontaneous grassroots mobilisation

Since 2005, the Egyptian regime increasingly tightened the political space and undermined the opposition to such an extent that, as Ottaway (2010) argued: "politically, Egypt has become a

²⁹ For a review, see Galal (2003), UNDP (1998); Bayat (2006); Paciello (2007); Tadros (2006), Harrigan and el-Said (2009).

³⁰ For private costs in education, see Noha el-Hennawy, "School teachers form Egypt's 2nd independent union", *al-Masry al-Youm*, 20/07/2010 (<http://www.almasryalyoum.com/en/news/fixing-egypt's-schools-we-need-competete>); Gamal Essam El-Din, "Education ministers face down critics", *al-Ahram Weekly*, 20-30 December 2009 (<http://weekly.ahram.org.eg/2009/978/eg3.htm>).

one-dimensional society where there is no true alternative to the present ruling establishment". Combined with the dramatic deterioration of socio-economic conditions, political regression in the last five years, and especially last few months exasperated people's frustration and resentment, particularly among the young. The murder of Khaled Saieed in June 2010, beaten by police forces before a crowd, revealed the brutality and arrogance of the regime and was followed by weeks of demonstrations against police use of force.³¹ According to Ashraf Khalil, this event helped to politicize untold numbers of Egyptians.³²

The regime's politics of political exclusion culminated in the 2010 November elections, that led to a parliament where no real opposition was present.³³ The perspective of a hereditary succession through Hosni Mubarak's son Gamal or another candidature of H. Mubarak himself also contributed to frustrate any expectation for political change through formal channels. In this regard, the November elections definitively limited the pool of presidential candidates, insofar as only parties that won seats in parliament were eligible to nominate a presidential candidate for the next presidential elections, meaning that none of the opposition forces could run.³⁴ A signal that many Egyptians had definitely lost confidence in formal channels of political expression was the low voter turnout at the 2010 November competition.³⁵

The economic and political situation discussed above contributed to exasperate Egyptians. The absence of viable large organised opposition forces and formal channels of political expression in a context of deteriorating socio-economic conditions proved unsustainable and people's anger and frustration against the regime coalesced into spontaneous street protests. Organised political forces, including the largest opposition movement in the country, the MB,³⁶ played no role in the early phase of mobilisation, adhering to the protests only a few days later, on occasion of the "Day of Anger", on 28 January.

While Egypt had been experiencing a wave of labour and social protests since 2005, a number of favourable factors transformed the protests of January-February 2011 into a real political challenge to the regime, leading to the overthrow of Mubarak. First, the Tunisian revolution was a key factor in triggering Egyptian protests, as Egyptian people, particularly the young, realised that overthrowing a dictator was possible and that state institutions were weaker than what they appeared (ICG, 2011, 2-3). Second, in the early phase of the revolution, thanks to social

³¹ Ashraf Khalil reports that Khaled was dragged from an internet café and assaulted by two plain-clothed police officers. The reasons for the aggression are still unclear, but Saieed's family and friends claimed at the time that his murder was due to a posted video online showing police officers dividing up the spoils of a recent drug bust (Ashraf Khalil, "Dispatches From Tahrir: Inside Egypt's revolution and the last days of Mubarak", 3/03/2011 (http://www.rollingstoneme.com/index.php?option=com_content&view=article&id=94)).

³² Ibid. The "We Are All Khaled Saieed" Facebook page became one of the main gathering points for the organisers of the protests that forced Mubarak to step down.

³³ This argument is made by many sources (ICG, 2011; Ashraf Khalil, "Dispatches From Tahrir: Inside Egypt's revolution and the last days of Mubarak", 3/03/2011 (http://www.rollingstoneme.com/index.php?option=com_content&view=article&id=94); Achcar, 2011.

³⁴ According to the 2006 and 2007 amendments, candidates for the presidency must either be leaders of a party represented in the parliament or receive the endorsement of a large number of lawmakers and members of the municipal councils, which, however, were under the control of the former ruling party.

³⁵ See "Egypt's November 28 parliamentary elections", *Arab Reform Bulletin*, 30/11/2010 (<http://www.carnegieendowment.org/arb/?fa=show&article=42032>).

³⁶ For an interesting and complete analysis of the role of Muslim Brothers during the protests, see Husam Tammam and Patrick Haenni, "Egypt: Islam in the insurrection", *Religious Globe*, 22/02/2011 (http://religion.info/english/articles/article_519.shtml).

networking, young people with no political affiliation were instrumental in calling for the first mass protest of 25 January and organising an unprecedented mobilisation rallying half-million people for that day.³⁷ Once protests began, however, the revolution rapidly extended to a broad range of people, including many who did not have Internet access at home (Lindsey, 2011). Third, unlike previous social protests in Egypt,³⁸ the mass mobilisation of January-February 2011 immediately linked socioeconomic grievances to political demands, asking for the resignation of H. Mubarak,³⁹ and involved diverse social, religious, political and generational constituencies. The concessions made by Mubarak, which would have been considered as inconceivable earlier before the start of the protests, arrived too late and were unsatisfactory. Finally, the military also played a role in the Egyptian revolution, but in a different way, as compared to the military in Tunisia. The Egyptian military was ambivalent: it did not act against the protesters, but, contrary to what happened in Tunisia, it did not side with them either and, in many cases, did not intervene to stop the violence by pro-Mubarak supporters against protesters. However, when it became clear that Mubarak's tactics had failed, the military started to pressure Mubarak to step down, eventually forcing his resignation. While the army in Tunisia had little loyalty to Ben Ali and no economic interest in maintaining his regime, the Egyptian military was an integral part of the political and economic system set up by Mubarak.⁴⁰

3. The Challenges Ahead

On 11 February 2011, Hosni Mubarak stepped down after thirty years in power and the Supreme Council of the Armed Forces, led by Field Marshal Mohammed Hussein Tantawi, the country's defence minister, took on the temporary rule of the country, with the aim to administer its affairs until parliamentary elections are held and a new president is elected. While street protests in Egypt continue, the direction of the country's political transition is still unclear and the prospects for real political change appear particularly bleak. The sections below highlight the main challenges that are likely to influence Egypt's trajectory as well as to hamper the country's democratic transition towards a sustainable steady-state.

3.1 The limits of transition: The Military Council and the interim government

The Military Council has been governing the country since revolution ousted President Hosni Mubarak on 11 February. Although the military enjoys a relatively high level of credibility among many Egyptians and it has been trying to put on a civilian façade in the administration of the country, the extent of its commitment to real political change is unclear and ambiguous.

³⁷ See Lindsey (Feb. 2011); Amr Hamzawy, "Egypt's Bread and Butter Issues", *The New York Times*, 27/01/2011 (<http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=42393>). ICG (2011) reports that, although the regime decided to stop telecommunication connectivity in January, this did not prevent the protests going on because once they began, people continued to meet in Tahrir.

³⁸ The protests which had started in the early 2000s were important in preparing the ground for the 25 January revolution. As the journalist Hossam el-Hamalawy argues "The uprising that started on 25 January 2011 was the result of a long process in which the wall of fear fell, bit by bit", (Hossam el-Hamalawy, "Egypt's revolution has been 10 years in the making", *The Guardian*, 2/02/2011 (<http://www.guardian.co.uk/commentisfree/2011/mar/02/egypt-revolution-mubarak-wall-of-fear>).

³⁹ Amr Hamzawy, "Egypt's Bread and Butter Issues", *The New York Times*, 27/01/2011 (<http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=42393>).

⁴⁰ Clement M. Henry and Robert Springborg, "Why Egypt's Military Will Not Be Able to Govern", *Foreign Affairs*, 2/02/2011 (<http://www.foreignaffairs.com/articles/67475/clement-m-henry-and-robert-springborg/a-tunisian-solution-for-egypts-military>).

According to Samer Soliman,⁴¹ what is at stake in the current process of transition is “the extent of change”.⁴² While the military will certainly fulfil its promises for elections and the transfer of power to a civilian government,⁴³ the political transformation it has in mind is likely to differ considerably from the one that protesters in Tahrir Square aspire to. This is due to the fact that the Supreme Military Council is drawn from men who supported Mubarak’s regime until his departure and have little interest in giving up their economic and political powers.⁴⁴

Since the Council aims to restore stability very rapidly and wants to preserve its interests,⁴⁵ it has made very little effort so far to discard the old system of power, which continues to permeate all major institutions (local governorates, the administration, the judiciary, the media and so on). A case in point is that the government nominated by H. Mubarak on 31 January 2011, and therefore formed by Mubarak loyalists, was kept in place until 22 February. Although the interim government was then reshuffled, Prime Minister Ahmed Shafiq, who was appointed by Mubarak shortly before he stepped down, remained in office until 3 March, when, following a wave of protests, he was forced to resign. The new cabinet, formed on 7 March and headed by Essam Sharaf,⁴⁶ has been accepted by opposition forces and Egyptians in general. However, even if those too close to Mubarak were removed from government, there is no reason to expect a profound change until decision-making remains firmly in the hands of the military and the interim government continues to include ministers who served under Mubarak or had strong ties with the previous regime. In the same way, most of the new governors appointed by the Military Council on 14 April 2011 were chosen from the military and the police.⁴⁷

Moreover, the Council has managed this early phase of transition through a top-down approach, signalling the limited potential for genuine change under the interim authorities. Although the army has created a Facebook page to communicate its actions, transparency and consensus-building have certainly not characterised the Council’s decision-making.⁴⁸ The constitution, for example, is to be reformed with no involvement of political forces and no space for public

⁴¹ Professor of Political Science at the American University of Cairo.

⁴² Neil MacFarquhar, “Egypt’s Generals Struggle in New Role”, *The New York Times*, 3/03/2011 (http://www.nytimes.com/2011/03/04/world/middleeast/04egypt.html?_r=1).

⁴³ Many argue that there is no risk that the military will not relinquish power after elections. See Ahmed Zaki Osman, “Powerhouse and powerbrokers: A profile of Egypt’s military”, *alMasry alYoum*, 16/02/2011 (<http://www.almasryalyoum.com/en/node/320687>), Amr Abdulrahman, “Why fear the military?”, *alMasry alYoum*, 17/02/2011 (<http://www.almasryalyoum.com/en/node/321282>).

⁴⁴ See Amr Abdulrahman, “Why fear the military?”, *alMasry alYoum*, 17/02/2011. (<http://www.almasryalyoum.com/en/node/321282>). Jeffrey White, “Egypt’s Military in Power: Dynamics, Challenges, Prospects”, *Policy Watch*, 22/02/2011 (<http://www.washingtoninstitute.org/templateC05.php?CID=3310>).

⁴⁵ Neil MacFarquhar, “Egypt’s Generals Struggle in New Role”, *The New York Times*, 3/03/2011 (http://www.nytimes.com/2011/03/04/world/middleeast/04egypt.html?_r=1); Amr Abdulrahman, “Why fear the military?”, *alMasry alYoum*, 17/02/2011 (<http://www.almasryalyoum.com/en/node/321282>).

⁴⁶ Essam Sharaf is a former transport minister who is said to have stepped down from his post several years ago because of disagreements with Mubarak, giving him credibility today. He went to speak to protesters in Tahrir Square during the revolution.

⁴⁷ “New governors appointed by the old Mubarak method”, *al Masry al Youm*, 14/04/2011 (<http://www.almasryalyoum.com/en/node/400373>).

⁴⁸ Nathan J. Brown, “The Struggle to Define the Egyptian Revolution”, *Foreign Policy*, 17/02/2011 (<http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=42670>); Marwan Muasher, Marina Ottaway, Michele Dunne, Amr Hamzawy, “After Mubarak”, Carnegie Endowment, 16/02/2011 (<http://carnegie-mec.org/events/?fa=3166>).

debate. Even though many notable jurists were appointed to the constitutional committee to draft the amendments, the Supreme Council nominated the committee without consultation with other political forces and without clarifying the criteria for selecting its members.⁴⁹ Tahani al-Gebali, Egypt's first female judge and vice president of the Supreme Constitutional Court, denounces, for example, that the Military Council did not give the Supreme Constitutional Court any chance to comment on the amendments.⁵⁰ Women also lamented the fact that none of their representatives were appointed to the committee. In addition, while the constitutional proposal was presented by the committee on 26 February, the Referendum that approved it was held on 19 March, leaving very little space for public debate and for any campaigning (see below for details on constitutional reform). Yet, although Egyptians were called to approve constitutional amendments in the Referendum, two weeks later, the Military Council issued a constitutional declaration including additional articles not mentioned in the Referendum and replacing Egypt's 1971 Constitution, without consultation with political and civil society groups.⁵¹ Similarly, the New Political Parties Law, amending Law 40 of 1977 and issued by the Military Council at the end of March 2011, was drafted by an unrepresentative committee without any public debate or consultation.

Furthermore, the Military Council has so far made very limited and hesitant political concessions to the revolution. For example, it has not addressed protesters' demands such as the sudden end of the emergency law,⁵² the immediate release of all political prisoners and the issuing of a general amnesty. No systematic investigation has started regarding those responsible for killing protesters during the upheaval, while many are still missing.⁵³ In addition, although, to circumscribe the monopoly of the military and to allow for a more inclusive transition, several political forces have proposed to include civilians in the transitional council, nonetheless this proposal has gone unheard.⁵⁴ Also the decision by the interim authorities to replace a number of heads of state media, who were appointed under Mubarak's

⁴⁹ "ElBaradei criticizes Egypt's military rulers", *al Masry al Youm*, 17/02/2011, <http://www.almasryalyoum.com/en/node/321820>; Marwan Muasher, Marina Ottaway, Michele Dunne, Amr Hamzawy, "After Mubarak", Carnegie Endowment, 16/02/2011 (<http://carnegie-mec.org/events/?fa=3166>).

⁵⁰ She notes that "These modifications were presented as if they were a sacred book that should not be discussed. However, drafting a constitutional text is a political process in the first place. It should not be handled exclusively by a group of technocrats or legal experts" (Noha El-Hennawy, "Q&A with Tahani al-Gebali: Say 'no' to constitutional amendments", *alMasry alYom*, 10/03/2011" (<http://www.almasryalyoum.com/en/node/347797>).

⁵¹ Nathan J. Brown, Kristen Stilt, "A Haphazard Constitutional Compromise", *Commentary*, Carnegie Endowment, 11/04/2011 (<http://www.carnegieendowment.org/publications/?fa=view&id=43533#>).

⁵² On 28 March, the Council of the Armed Forces announced that the emergency law will be lifted before parliamentary elections.

⁵³ An independent committee, formed by volunteer judges, activists and law experts, was formed after the so called "Battle of Camel" with the task of investigating on the violence against protesters during the 18-day uprising (see Mohamed Abdel-Baky, "Blood on their hands", *Al-Ahram Weekly*, 21-27 April 2011 (www.weekly.ahram.org).

⁵⁴ This proposal, for example, was made by M. ElBaradei, a few days the inception of the Council ("ElBaradei criticizes Egypt's military rulers", *alMasry alYom*, 17/02/2011 (<http://www.almasryalyoum.com/en/node/321820>), by youth groups ("Back to the table", *al-Ahram Weekly*, 3-9 March 2011 (<http://weekly.ahram.org.eg/2011/1037/eg33.htm>) and by other civil society organisations ("Press release: From civil society organisations", 1/03/2011 (www.cihrs.org/English/newssystem/details.aspx?id=2769)).

regime, arrived late, at the end of March,⁵⁵ and has not altered much the situation, as most have been substituted by key figures within these institutions under the previous regime.⁵⁶ Only in mid-April 2011, the Military Council started to address a number of key requests made by protesters, in an attempt to placate street demonstrations. Mubarak and his sons, Gamal and Alaa, were arrested on 12 April,⁵⁷ while investigations on a number of men close to Mubarak have intensified.⁵⁸ The former ruling party, the NDP, which had continued to function in the post-Mubarak era,⁵⁹ was also dissolved on 15 April.

As street protests continue at the time of writing in mid-April 2011, the military's response to demonstrations has become more and more intransigent through a greater use of force, arrests and human rights violations.⁶⁰ The most violent episodes occurred on 9 March in Tahrir Square, when protesters were arrested, tortured and prosecuted in military courts,⁶¹ and, on 9 April, when a large protest in Tahrir Square was dispersed through force, causing the death of one person. Moreover, on 24 March, in response to growing labour unrest, the interim government approved a draft law that punishes anyone organising, inciting or participating in protests that

⁵⁵ Mohamed Elmeshad, "Thursday's papers: Interim constitution and shake-up of state media", *al Masry al Youm*, 31/03/2011 (<http://www.almasryalyoum.com/en/node/381350>).

⁵⁶ Ursula Lindsey, "State media clean-up?", *The Arabist*, 3/04/2011 (<http://www.arabist.net/blog/2011/4/3/state-media-clean-up.html>).

⁵⁷ At the time of writing, Mubarak is being detained at the Sharm el-Sheikh International Hospital owing to unclear health problems.

⁵⁸ Mubarak's chief of staff Zakaria Azmy and former Housing Minister Ibrahim Suleiman were sent to jail pending further investigation; Safwat El Sherif, the former Shura Council speaker, was put under investigation (see "Egypt ministers face corruption charges", *al Jazeera*, 17/04/2011 (<http://english.aljazeera.net/news/middleeast/2011/04/201141715562214192.html>)).

⁵⁹ The NDP, for example, asked its members to approve the proposed constitutional amendments, put to referendum on 19 March. ("NDP calls on members to vote in favour of constitutional amendments", *alMasry alYoum*, 13/03/2011, <http://www.almasryalyoum.com/en/node/351392>). Also see Virginie Collombier, "Can Egypt's National Democratic Party be reformed again", *Foreign Policy*, 09/03/2011 (http://mideast.foreignpolicy.com/posts/2011/03/09/can_egypt_s_national_democratic_party_be_reformed_again).

⁶⁰ The Egyptian army used force to disperse activists gathered in Cairo's Tahrir Square to demand the removal of Hosni Mubarak loyalists from the interim cabinet on 28 February. Similarly, on 4 March, soldiers fired in the air and used stun guns to disperse hundreds of protesters who attempted to enter the state security offices inside the Ministry of the Interior in downtown Cairo. The same day, military police clashed with more than 300 protesters near the prime minister's office. On 23 March, the military used sticks and Tasers against students demanding the resignation of deans associated with the Mubarak regime at Cairo University. For recent clashes between workers and the army at Shebin El-Kom Textile Company, see Dina Samak, "Army uses force to end textile workers strike, withdraws from factory", *Ahram online*, 7/04/2011 (<http://english.ahram.org.eg/NewsContent/1/64/9545/Egypt/Politics-/Army-uses-force-to-end-textile-workers-strike,-wit.aspx>). For recent clashes between students and security forces, see "Cairo university students clash with security personnel", *al Masry al Youm*, 22/04/2011.

⁶¹ Amnesty International reports that at least 18 women were held in military detention and were forced to have 'virginity tests' and threatened with prostitution charges (Amnesty International, "Egyptian Women Protesters Forced To Take Virginity Tests", 23/03/2011 (<http://www.amnesty.org/en/news-and-updates/egyptian-women-protesters-forced-to-take-virginity-tests-2011-03-23>)). See also HRW, "Egypt: End Torture, Military Trials of Civilians Demonstrators and Journalists Arrested, Abused as Army Clears Tahrir Square", 11/03/2011 (<http://www.hrw.org/en/news/2011/03/11/egypt-end-torture-military-trials-civilians>).

damage the economy by imprisonment for at least one year or/and paying fine.⁶² A few weeks later, in spite of strong criticism, the draft law was ratified by the Military Council. Also the recent arrest of a blogger,⁶³ who criticised the military of continuing the repressive methods of the previous regime, as well as the Military Council's demand that local editors do not publish any information regarding the Armed Forces without first consulting with them, point to worrying impediments to press freedom in Egypt.⁶⁴ These facts signal the risk of a return to the repressive methods used during Mubarak's era.

Finally, re-emerging sectarian tensions can pose further problems to Egypt's political transition, increasing chaos, divisions and political instability. In spite of the signs of rapprochement during the popular uprising against Mubarak, tensions between Copts and Muslims have reappeared,⁶⁵ while increasing acts of intolerance apparently carried out by Salafist groups against Sufi and Copts have been reported in the March-April 2011.⁶⁶ Interim authorities have been both ambivalent and incapable in coping with these problems,⁶⁷ which may result in exacerbating sectarian divisions. Demonstrations and sit-ins by Copts have been violently repressed by the army, while the intolerant acts carried out by Salafist groups have not received any response by the interim authorities; the constitutional referendum gave rise to unprecedented polarization between Islamists and Copts, with the Muslim Brotherhood and Salafist groups supporting the constitutional amendments endorsed by the military, while the Coptic Church calling for an entirely new Constitution.⁶⁸

⁶² See "The 3rd meeting of the Cabinet of Ministers", 23/03/2011 (<http://cabinet.gov.eg/Media/NewsDetails.aspx?id=2260>).

⁶³ The Egyptian blogger Maikel Nabil Sanad was arrested on 28 March 2011 (Freedom Alert, <http://www.freedomhouse.org/template.cfm?page=581&alert=48>).

⁶⁴ See Committee to Protect Journalists, "Substantial setback for press freedom in Egypt", 13/04/2011 (www.cpj.org).

⁶⁵ In the second week of March 2011, a church was partially burned and demolished in the village of Sol in Atfeeh, Helwan. The discovery of a relationship between a Christian man and a Muslim woman ignited fights between the two families that led to the death of two Muslims. The incident triggered large Copt demonstrations in Cairo throughout the week, that led to clashes resulting in at least ten deaths and over 100 injuries (Heba Afify, "In Atfeeh, sectarian clashes might be a conspiracy", *alMasry alYoum*, 10/03/2011 (<http://www.almasryalyoum.com/en/node/347499>)).

⁶⁶ Yasmine Fathi, "The revolution's honeymoon is over", *Ahram online*, 31/03/2011 (<http://english.ahram.org.eg/NewsContent/1/64/8914/Egypt/Politics-/The-revolutions-honeymoon-is-over.aspx>); Ahmed Zaki Osman, "Sufis feel pressure as Salafi power grows", *al Masry al Youm*, 5/04/2011 (<http://www.almasryalyoum.com/en/node/388126>). However, it is still unclear who actually has been behind these acts. A number of Salafi preachers, for example, have condemned the use of violence and disapproved the acts of intolerance against Sufi, Copts and women (see "Alexandria Salafi scholars say Egyptian media tainted their image", *Ahram online*, 2/04/2011, (<http://english.ahram.org.eg/NewsContent/1/64/9090/Egypt/Politics-/Alexandria-Salafi-scholars-say-Egyptian-media-tain.aspx>)).

⁶⁷ See for example Wael Eskandar "Copts fear Islamic state and say 'No' to constitutional amendments", *Ahram Online*, 18/03/2011 (<http://english.ahram.org.eg/NewsContent/1/0/7803/Egypt/Copts-fear-Islamic-state-and-say-'No'-to-constitut.aspx>); "Army violently disperses new Copts' protest", *Ahram online*, 16/03/2011 (<http://english.ahram.org.eg/NewsContent/1/64/7807/Egypt/Politics-/Army-violently-disperses-new-Copts-protest.aspx>).

⁶⁸ Noha el-Hennawy, "Muslim Brotherhood-Coptic relations: A dubious rapprochement", *al-Masry al-Youm*, 4/04/2011 (<http://www.almasryalyoum.com/en/node/386176>).

3.2 Restoring public security

Beyond the Council, another major challenge to Egypt's political transition is posed by the persistent lack of security since the onset of the protests against Mubarak. Although, at the time of writing, the security situation has improved compared to February-March 2011, it remains fragile and unpredictable. In addition to rising episodes of religious intolerance, common criminality continues to be widespread,⁶⁹ while thugs or groups who are said to be connected to the former-ruling party and the security apparatus, continue to foment tensions and attack protesters.⁷⁰ This persistent state of insecurity reflects two main problems: a lack of law enforcement, owing to the police's reluctance to return on the streets, fearing people's hostility;⁷¹ and a lack of reform of the powerful security apparatus in place under Mubarak.

The interim government has been completely silent on these problems until the last reshuffle, while the Military Council has approached the issue of security by simply attempting to stop demonstrations, ignoring instead reports of arbitrary arrests and torture by security forces. Under the first two interim-governments, the only concrete actions taken were the beginning of investigations into a number of Interior Ministry officials, accused of ordering the use of force against protesters during the 18 days of demonstrations.⁷² The new cabinet took an important step toward the right direction, announcing the dissolution of the State Security Investigation Service (SSI) on 15 March 2011. One major problem now is the reconstruction of the security apparatus to make it responsive to citizens' needs and accountable to the rule of law. While a real reform of the security apparatus will take a long time,⁷³ if and how, in the phase of political transition, the Military Council will pursue this goal is open to question. Thus far, the restructuring of the security apparatus appears to be more cosmetic than real: the SSI was renamed the National Security Agency and many of those working at the SSI have been simply moved to the new Agency.⁷⁴

Restoring public order and ensuring citizens' security are necessary preconditions for Egypt's political transition and the conduct of free and fair elections. Moreover, the persistent state of insecurity in the streets and the spread of religious intolerance may increasingly favour counter-revolutionary attitudes among citizens, working in favour of those seeking to keep the old regime in place. In addition, the incapacity, or unwillingness, of transition authorities to clearly restore the rule of law and particularly to reform the security apparatus exposes the country to rising resentments, confusions and tensions among Egyptians. The re-emerging tensions between Copts and Muslims are a case in point. The recent clashes between Copts and Muslims are reported by some to have been instigated by the state security forces in order to distract activists who were demanding the dismantling of the security apparatus and to compromise

⁶⁹ Many prisoners (about 15,000) are reported to have escaped during the protests (Ali Abdel Mohsen, "Law-abiding citizens: Egyptians struggle to cope with police absence", *alMasry alYom*, 8/03/2011 (<http://www.almasryalyoum.com/en/node/344501>)).

⁷⁰ See "Govt pledges to thwart counter-revolution schemes", *alMasry alYom*, 10/03/2011; (<http://www.almasryalyoum.com/en/node/347564>)).

⁷¹ The police withdrew from the streets on 28 January 2011.

⁷² "Alexandria officials investigated for massacring protesters", *alMasry alYom*, 11/03/2011, (<http://www.almasryalyoum.com/en/node/348877>); "Four Ministry of Interior officials detained on charges of murdering protesters", *alMasry alYom*, 11/03/2011 (<http://www.almasryalyoum.com/en/node/348896>)).

⁷³ Michele Dunne and Mara Revkin, "Rethinking internal security in Egypt", *Commentary*, Carnegie Endowment, 16/03/2011 (<http://carnegieendowment.org/publications/index.cfm?fa=view&id=43081>)).

⁷⁴ "Reform security, secure reform", *al Masry al Youm*, 23/03/2011 (<http://www.almasryalyoum.com/en/node/371098>)).

political change.⁷⁵ While these claims need to be proved, they are nonetheless indicative of the risk posed to political transition if public security and trust in public authorities, and in the rule of law, are not restored soon. Yet, re-emerging sectarian tensions could be exploited by the interim authorities as an excuse to keep the emergency law and justify the return to repressive methods in order to restore security.

3.3 Constitutional reform

A third set of challenges regards the constitutional reforms. When the Supreme Military Council took power, it suspended the constitution and appointed a ten-member Committee with the sole task of amending eight articles and cancelling a ninth article of the constitution that restrict civil liberties.⁷⁶ Just a few days after its establishment, on 26 February 2011, the Committee presented the proposed constitutional changes and, on 19 March, 77% of Egyptians approved them in a popular referendum. The referendum saw an unprecedented turnout, 18 millions of people out of 45 millions eligible voters.

Nevertheless, the approval of the amendments raises concern with regard to the direction of political transition in Egypt as it could undermine the chances to break with the old system of power. One major problem lies in the fact that, as said above, the process of constitutional reform was imposed from above, with no national dialogue and no time for campaigning, thus preventing a shared and inclusive political transition. For this, many in Egypt, including politicians, judges and experts, rejected the proposed amendments,⁷⁷ calling instead for opening a broad national dialogue over the constitutional reform and eventually electing a constitutional commission/assembly by the people to rewrite the constitution before parliamentary and presidential elections.⁷⁸

Regarding the amendments themselves, the proposed constitutional revisions have undoubtedly introduced some positive changes regarding the election of future president: they limit presidential terms to two consecutive four-year periods, expand eligibility criteria, restore judicial supervision of elections, make it complicated for a president to maintain the state of emergency,⁷⁹ and require the president to appoint a vice president within 60 days of taking office. However, the eligibility criteria for presidential nominations continue to be too

⁷⁵ See Heba Afify, "In Atfeeh, sectarian clashes might be a conspiracy", *al Masry al Youm*, 10/03/2011 (<http://www.almasryalyoum.com/en/node/347499>).

⁷⁶ The amended constitutional articles are 75, 76, 77, 88, 93, 139, 148 and 189. The article 179 was removed.

⁷⁷ Among those who asked for cancelling or postponing the referendum are elBaradei, the young coalition, and Amr, Moussa head of the Arab League. Those who were in favour are the Muslim Brothers and the former ruling party, the NDP.

⁷⁸ This argument is supported by el-Baradei, and a number of several Egyptian judges and law experts. See "Law experts want article allowing further constitutional amendments", *alMasry alYoum*, 17/02/2011 (<http://www.almasryalyoum.com/en/node/321924>); "ElBaradei says he'll run for Egyptian president", *alMasry alYoum*, 10/03/2011, <http://www.almasryalyoum.com/en/node/347518>; Noha El-Hennawy, "Controversy heightens over proposed constitutional amendments", *alMasry alYoum*, 9/03/2011 (<http://www.almasryalyoum.com/en/node/346480>); Noha El-Hennawy, "Q&A with Tahani al-Gebali: Say "no" to constitutional amendments", *alMasry alYom*, 10/03/2011" (<http://www.almasryalyoum.com/en/node/347797>).

⁷⁹ The emergency law cannot be extended to a maximum of six months and depends on the approval of a parliamentary majority. Extending it further would require a public referendum, "Brotherhood leader: Proposed Constitutional amendments mostly reasonable", *al Masry al Yom*, 27/02/2011 (<http://www.almasryalyoum.com/en/node/332661>).

restrictive: the candidate must be endorsed by 30 members from the People's Assembly or the Shura Council, collect 30,000 signatures from 15 governorates, or be a member of a party that holds at least one seat in parliament. Moreover, the Committee introduced a rule that disqualifies any Egyptian who has dual nationality or is married to a non-Egyptian from running, eventually excluding a large number of expatriates.⁸⁰ In addition, despite these amendments, the 1971 Constitution cannot ensure a real transition to democracy. As Amr Hamzawy notes, "the 1971 Constitution supports an authoritarian system of government that gives too much control to the president, violates the powers of the legislative and judicial branches, and suspends citizens' liberties and rights. It is therefore unsuitable for managing a safe transition to democracy, which requires a parliamentary constitution and balanced powers among all three branches of government, along with strong mechanisms of inter-branch oversight and accountability".⁸¹ As a result, as the political forces opposing the constitutional amendments argue, holding parliamentary and presidential elections under the current constitution could lead to a presidential system that is not so dissimilar from the one in place under Mubarak's regime.

Yet, according to the amendments, the new parliament and president are obliged to elect a commission of 100 members to draft a new Constitution within six months from the time parliamentarians are elected, after which the document will be subject to a popular referendum. However, the modalities to elect this commission remain unclear. Whether or not the members of the commission will be taken from the parliament itself or from a large spectrum of political and social forces outside the parliament is a crucial issue. Moreover, should the new parliament not be representative enough, the chances for an inclusive and acceptable process of constitutional reform are limited (see below).

The interim Constitution issued by the Military Council at the end of March mostly includes provisions from the 1971 Constitution, thus leaving the above-mentioned problems unsolved. In addition to incorporate the nine amendments approved in the last Referendum, the constitutional declaration, which is made of 62 articles,⁸² preserves controversial provisions such as the one stating that half of the parliamentary seats have to be reserved to representatives of workers and peasants. According to some criticisms, this could advantage well established political forces such as the Muslim Brotherhood's party and political groups tied to the former ruling party as well as it could distort the composition of the future Parliament.⁸³ Yet, while including many

⁸⁰ Nathan J. Brown and Michele Dunne, "Egypt's Draft Constitutional Amendments Answer Some Questions and Raise Others", Commentary, 1 March 2011 (<http://carnegie-mec.org/publications/?fa=42817&lang=en>). Among these, the Egyptian-American Ahmed Zewail as well as Mohammed ElBaradei who is believed to have dual citizenship and whose Egyptian-born wife has foreign ties. However, ElBaradei himself seems to have refuted these considerations.

⁸¹ Amr Hamzawy, "Egypt: Evaluating Proposed Constitutional Amendments", *Los Angeles Times*, 7/03/2011 (<http://www.carnegie-mec.org/publications/?fa=42923&lang=en>). See also Noha El-Hennawy, "Controversy heightens over proposed constitutional amendments", *alMasry alYoum*, 9/03/2011 (<http://www.almasryalyoum.com/en/node/346480>).

⁸² For the content of the constitutional declaration, see "Supreme Council of the Armed Forces Constitutional Declaration", Carnegie Endowment, <http://egyptelections.carnegieendowment.org/2011/04/01/supreme-council-of-the-armed-forces-constitutional-announcement>.

⁸³ See Nathan J. Brown, Kristen Stilt, "A Haphazard Constitutional Compromise", *Commentary*, Carnegie Endowment, 11/04/2011 (<http://www.carnegieendowment.org/publications/?fa=view&id=43533#>); Mona el-Nahas, "Not understood", *al Ahrām Weekly*, 7-13 April 2011 (<http://weekly.ahram.org.eg/2011/1042/eg6.htm>); Gamal Essam El-Din, "Egypt's constitution: A controversial declaration", *Ahrām Online*, 30/03/2011 (<http://english.ahram.org.eg/NewsContent/1/64/8960/Egypt/Politics-/Egypt's-constitution-A-controversial-declaration.aspx>.)

articles from the 1971 Constitution, the constitutional declaration also discards many others, thus omitting important details and suffering from significant lacunae that add further confusion and ambiguity to Egypt's political transition.⁸⁴

A major related factor regards the reform of the electoral system and laws governing political parties. The amendments to the Law governing the establishment and operation of political parties do not introduce substantial changes and may favour well-established parties. For example, the new law requires that any new political party must have at least 5000 members across ten governorates in order to be registered, whereas under Mubarak, they needed only 1000 members.⁸⁵ This provision is likely to disadvantage emerging political groups that may not have time to recruit so many members across all governorates.

3.4 The role of political and other civil society groups

The pace and extent of political change in Egypt will very much depend on the capacity of political and civil society forces to take active part in the transition process and bargain with the Military Council and future public authorities. However, most of the existing political and other civil society forces in Egypt are very weak. They lack experience and a clear strategic political and economic agenda to be proposed as an alternative to the Military Council. In spite of the cohesion reached during the protests against Mubarak, political and civil society groups are also very fragmented and have been unable so far to elaborate a common platform.⁸⁶ These problems, and particularly the lack of a coherent unified front, have profoundly affected their ability to negotiate with the military, which, as said above, has made only marginal and belated political concessions aimed at containing street protests.

Moreover, if, as announced by the Military Council, parliamentary elections are held in September 2011, followed by presidential elections at the end of the year,⁸⁷ many political forces, especially those which emerged during the protests, will not have enough time to develop, organise their structures and mobilise support. This concern is now shared by many political and civil society actors that are demanding to extend the transitional phase at least for 12 months.⁸⁸ By contrast, regime loyalists and the MB are likely to gain the most from early

⁸⁴ Nathan J. Brown, Kristen Stilt, "A Haphazard Constitutional Compromise", *Commentary*, Carnegie Endowment, 11/04/2011 (<http://www.carnegieendowment.org/publications/?fa=view&id=43533#>).

⁸⁵ Yasmine Fathi, "The revolution's honeymoon is over", *Ahram online*, 31/03/2011 (<http://english.ahram.org.eg/NewsContent/1/64/8914/Egypt/Politics-/The-revolutions-honeymoon-is-over.aspx>).

⁸⁶ The Youth Revolution Coalition, which was established during the revolution, includes a range of youth groups that may have different demands: 6 April Youth Movement, Youth for Freedom and Justice, the El-Baradei Campaign, the Muslim Brotherhood Youth Group, the Democratic Front's youth group, the National Association of Change, We are all Khalid Said and so on.

⁸⁷ Initially, a few days after the establishment of the interim government, parliamentary elections were scheduled for June 2011, followed by presidential elections later in the summer.

⁸⁸ According to el-Baradei, "Egyptians need time to form political parties and to communicate with the people (...) and this cannot happen in just six months" (Gamal Essam El-Din, "Farewell to Pharaohs", *al-Ahram Weekly*, 3-9 March 2011 (<http://weekly.ahram.org.eg/2011/1037/fr2.htm>)). The youth group under the Youth Coalition of the Revolution (YCR) said "We are not ready for parliamentary election now. We all agree that a delay is necessary" and demanded to extend the transitional phase to 12 months, ("Back to the table", *al-Ahram Weekly*, 3-9 March 2011 (<http://weekly.ahram.org.eg/2011/1037/eg33.htm>)). For *al Wasat*, see Noha El-Hennawy, "Interview: The official birth of a moderate Islamist party", *alMasry alYom*, 23/02/2011 (<http://www.almasryalyoum.com/en/node/327640>); "Political parties urge military council to delay government handover", *alMasry alYom*, 6/03/2011 (<http://www.almasryalyoum.com/en/node/341706>).

elections. The former ruling party and the MB were indeed the only political forces to support the referendum.

Given such a tight timeframe, there is the risk that the new parliament will only include a narrow spectrum of political forces, namely the Muslim Brothers and Mubarak regime loyalists.⁸⁹ With regard to the latter, the dismantlement of the NDP will not be sufficient to weaken the past power system or prevent members of the former ruling party from taking part in future elections under new political formations, given their extensive alliances.⁹⁰ This will have serious implications for the direction of political transition. If the upcoming parliament is dominated by a limited number of forces, this means that, as anticipated above, the new constitution as well as future political and economic reforms will be elaborated by a restricted number of people according to their specific interests.⁹¹

In this gloomy context, many people, particularly the youth, increasingly feel that the spirit of the revolution has been lost in the name of stability and that the new parliament could be insufficiently representative. Hence, street protests have regained momentum, on Friday 1 April, and, particularly on 8 April. In this phase of political transition, street protests may play an important role in influencing the pace and direction of political events. However, they may also amplify divisions among political and civil society groups, namely between those calling for an open confrontation with the Military Council through continuing demonstrations and those opting for greater accommodation.⁹² Trying to go beyond street demonstrations, a number of youth groups have started to upgrade their strategies, preparing also for the next elections. The Youth Revolution Coalition (YRC), for example, has decided to prepare a list of hundreds of candidates across the country that they will support in next parliamentary elections.⁹³ Similarly, another coalition of twenty-three political groups,⁹⁴ including numerous youth movements, has been formed with the aim to influence future elections by creating a list of candidates to back

⁸⁹ See Gamal Essam El-Din, "Farewell to Pharaohs", *al-Ahram Weekly*, 3-9 March 2011, <http://weekly.ahram.org.eg/2011/1037/fr2.htm>; ICG (2011), Nathan J. Brown, Michele Dunne "Egypt's Draft Constitutional Amendments Answer Some Questions and Raise Others", *Commentary*, 1 March 2011 (<http://carnegie-mec.org/publications/?fa=42817&lang=en>).

⁹⁰ According to reports by *al-Masry al Youm*, before the NDP was dissolved, it continued to receive the support of businessmen, security officials and other remnants of the ousted regime ("NDP calls on members to vote in favour of constitutional amendments", *al-Masry al-Youm*, 13/03/2011 (<http://www.almazryalyoum.com/en/node/351392>)).

⁹¹ This point was raised by Tahani al-Gebali (Noha El-Hennawy, "Q&A with Tahani al-Gebali: Say "no" to constitutional amendments", *alMasry alYom*, 10/03/2011 (<http://www.almazryalyoum.com/en/node/347797>)).

⁹² On 9 April 2011, *Al Masry al Youm* reported that, after the demonstration on 8 April, protesters planned for an open-ended sit-in in Tahrir Square, calling for the downfall of the head of the Supreme Council of the Armed Forces, while a coalition of political groups, including Muslim Brotherhood, George Ishak of the National Association for Change and Amr Hamzawy of the newly founded Egyptian Social Democratic Party, urged protesters to maintain good relations with the military ("Political leaders call for peace with army as protesters pledge to continue", *alMasry alYoum*, 9/04/2011 (<http://www.almazryalyoum.com/en/node/393206>)).

⁹³ Mohamed Abdel Baky, "Back to square one?", *al-Ahram Weekly*, 31 March-6 April 2011, No. 1041 (<http://weekly.ahram.org.eg/2011/1041/eg11.htm>).

⁹⁴ Among the most relevant groups, El-Lotus, Association of the Progressive Revolution Youth, Masry Hor and the National Front for Justice and Democracy. For a complete list, see Salma Shukrallah, "Egypt's revolution groups to unite to back candidates", *Ahram online*, 6/4/2011 (www.english.ahram.org.eg).

and a central office to coordinate their campaign and political demands.⁹⁵ Moreover, the April 6 Youth Movement has recently announced that it will form a non-governmental organisation in order to play a more influential political role.⁹⁶

3.5 The role of the Muslim Brothers

The Muslim Brothers are expected to play a role in the political transition in view of their large constituency and well-organised structure. Their full inclusion into Egyptian political life is an indispensable step toward a real democratic transition in Egypt. As Carrie Rosefsky Wickham underlines, “The Brotherhood has demonstrated that it is capable of evolving over time and the best way to strengthen its democratic commitments is to include it in the political process, making sure there are checks and balances in place to ensure that no group can monopolize state power and that all citizens are guaranteed certain freedoms under the law”.⁹⁷ Moreover, the non-inclusion of the Brotherhood or other moderate Islamist groups into political life could strengthen the most violent and intolerant Islamist groups, namely the Salafists.

However, the precise role of the Muslim Brothers in the post-Mubarak transition remains to be seen. The MB still has to elaborate a clear strategy vis-à-vis the changed political context. On various occasions, the Muslim Brothers have reiterated that “they do not intend to take a dominant role in the forthcoming political transition” and that they will not nominate any of members to run in the upcoming presidential election.⁹⁸ Meanwhile, they have announced the creation of a political party, the Freedom and Justice Party, whose platform, however, is still unknown. As for their relations with the Supreme Council, the MB, which would benefit from quick elections, appears to be in favour of the discrete and rapid transition endorsed by the army. In the words of Gilbert Achcar (2011): “a newly respectable Muslim Brotherhood, supportive of the army, is emerging”. In this regard, the military appointed a member of the MB, Sobhi Saleh, lawyer and former member of parliament, to the Constitutional Committee, while the Brotherhood expressed its official support for the amendments.

Another issue to be considered is that the MB is a large organisation, with many different and conflicting positions within it. Much of the future role of the MB will likely depend on whether and how these divergences will be harmonised. The so-called conservative wing, which is influenced by Salafi thinking and is more interested in prioritising social and religious education than engaging in political life, has been dominant in the movement, especially after the election of the General Guide in late 2009.⁹⁹ By contrast, the so-called reformist wing, more committed

⁹⁵ Salma Shukrallah, “Egypt’s revolution groups to unite to back candidates”, *Ahram online*, 6/4/2011 (www.english.ahram.org.eg).

⁹⁶ They refused to form a political party because they believe that Egyptians do not trust political parties. Jenna Krajewski, “Looking beyond protests, 6 April to form NGO”, *al Masry al Youm*, 7/04/2011 (www.almasryalyoum.com/en/node/390145); “April 6 Movement presents a draft for discussion to legalise political movements”, *April 6 Youth Movement*, 30/03/2011 (<http://6april.org/english/modules/news/pdf/pdf.php?storyid=41>).

⁹⁷ Carrie Rosefsky Wickham, “The Muslim Brotherhood After Mubarak”, *Foreign Affairs*, 3/02/2011 (<http://www.foreignaffairs.com/articles/67348/carrie-rosefsky-wickham/the-muslim-brotherhood-after-mubarak?page=3&cid=emc-mar11promo-content-030811>).

⁹⁸ See “MB: We call for a civil state to serve all of Egypt” (<http://www.ikhwanweb.com/article.php?id=27992>). See also the interview with Abdel Moneim Abou el-Fotouh in “Democracy supporters should not fear the Muslim Brotherhood”, *The Washington Post*, 9/02/2011 (<http://www.washingtonpost.com/wp-dyn/content/article/2011/02/09/AR2011020905222.html>).

⁹⁹ The elections resulted in the complete marginalisation of the most reformist figures of the MB such as Abdel Moneim Abou el-Fotouh and Mohammed Habib.

to political dialogue with other forces and to democratising their ideology, has been marginalised.¹⁰⁰ After the revolution, divisions inside the movement have been emerging strongly, particularly between the young generation that participated in the revolution and the old guard. Young members within the group have questioned its internal democracy, calling for dissolving the Guidance Bureau and Shura Council, and demanding free and fair elections for the group's leadership.¹⁰¹ Now that the movement, which includes contradictory schools of Islamic thought ranging from Salafi fundamentalism to liberal Islamism, is elaborating a political platform for the new party, internal differences are likely to come to the fore.¹⁰² In the process of revising their platform, for example, the MB appears internally divided over whether women and Copts should be allowed to run for president.¹⁰³ While these divergences could trigger organisational and ideological reforms within the MB, they could also lead the reformists to establish their own Islamist political party or to join ranks with the moderate Islamist *al-Wasat* party.¹⁰⁴

In addition, the MB's capacity to mobilise the largest popular support in the post-revolutionary period should not be taken for granted. First, in a context of political pluralism, the MB will have to compete with new opposition forces, eventually including different Islamist parties, which could undermine its political hegemony.¹⁰⁵ For example, *al-Wasat* party, which was created by a number of young Brothers in 1996 to offer a reformist version of political Islam, finally obtained its legalisation in the post-Mubarak period, on 19 February.¹⁰⁶ Second, in the post-revolutionary period, the popularity of the MB and its credibility may be undermined by a number of factors: the movement was part of the past system of power; it played no role in triggering the uprising; and the revolution was inspired by young Egyptians who were not ideologically, let alone religiously driven.¹⁰⁷ Third, as Pioppi (2011) argues, the MB's capacity to mobilise large support through its provision of social services should not be overemphasised,

¹⁰⁰ Husam Tammam, "Egypt's New Brotherhood Leadership: Implications and Limits of Change", Carnegie Endowment for International Peace, February, 2010.

¹⁰¹ See Hany ElWaziry, "Brotherhood leadership opens dialogue with internal opposition", *al Masry al Youm*, 7/03/2011 (<http://www.almasryalyoum.com/en/node/343169>); Husam Tammam and Patrick Haenni, "Egypt: Islam in the insurrection", *Religious Globe*, 22/02/2011 (http://religion.info/english/articles/article_519.shtml). For recent developments, Khalil Al-Anani, "Brother-tarianism", *al-Masry al-Youm*, 6/04/2011 (<http://www.almasryalyoum.com/en/node/388620>).

¹⁰² Noha El-Hennawy, "The Muslim Brotherhood after the uprising: What next?", *al Masry AlYoum*, 15/02/2011 (<http://www.almasryalyoum.com/en/node/320044>).

¹⁰³ Tarek Salah, Mounir Adib Hany ElWaziry, "Brotherhood divided over minority presidential candidates", *al-Masry al-Youm*, 25/02/2011 (<http://www.almasryalyoum.com/en/node/32998>).

¹⁰⁴ Ashraf El-Sherif, "Re-inventing the Muslim Brotherhood", *alMasry alYoum*, 21/02/2011 (<http://www.almasryalyoum.com/en/node/325755>)

¹⁰⁵ Ashraf El-Sherif, "Re-inventing the Muslim Brotherhood", *alMasry alYoum*, 21/02/2011 (<http://www.almasryalyoum.com/en/node/325755>); Carrie Rosefsky Wickham, "The Muslim Brotherhood After Mubarak", *Foreign Affairs*, 3/02/2011, (<http://www.foreignaffairs.com/articles/67348/carrie-rosefsky-wickham/the-muslim-brotherhood-after-mubarak?page=3&cid=emc-mar11promoa-content-030811>); Amr Hamzawy, "Revolution in Cairo", PBS'S *FRONTLINE*, February 2011, (<http://carnegie-mec.org/publications/?fa=42773&lang=en>).

¹⁰⁶ Unlike the Muslim Brotherhood, the *Wasat* platform supports women's right to hold higher public office, including the presidency. They have included three women and two Christians in their Supreme Committee (Noha El-Hennawy, "Interview: The official birth of a moderate Islamist party", *alMasry alYom*, 23/02/2011, (<http://www.almasryalyoum.com/en/node/327640>)).

¹⁰⁷ Scott Atran, "Egypt's Bumbling Brotherhood", *New York Times*, 2/02/2011 (http://www.rcgd.isr.umich.edu/news/Atran_02032011_NYTimes.pdf).

as today the Brotherhood-related social activities are extremely reduced.

3.6 Socio-economic problems

The Egyptian economy, particularly foreign investment, construction and tourism, has been inevitably affected by the revolution, although definitive estimates of the impact are not available yet. About 210,000 tourists left Egypt at the end of January 2011, which meant that tourism revenues plummeted by \$178 million (roughly LE1 billion) that week, while in February, tourist reservations were cancelled, amounting to losses of \$825 million (LE4.8 billion).¹⁰⁸ Income from the Suez Canal has dropped by 1.6% since the start of the revolution,¹⁰⁹ while foreign direct investment is expected to decrease by over 40% in 2011.¹¹⁰ As a result, growth projections for 2011 have been revised from 5% to 2%.¹¹¹ Moreover, the Egyptian stock exchange resumed its activities on 23 March, after its reopening had been postponed three times from the start of the revolution, fearing that investors could flee the country.¹¹²

Recent political events have exacerbated previous socio-economic problems: the employment implications of the current economic crisis are likely to be dramatic, if we think that the tourism sector employs more than 2.5 million Egyptians.¹¹³ Tourism localities are still empty¹¹⁴ and, unless security is restored on the streets, the tourism industry will not return to normality. Workers' strikes, demanding better wages, have been ongoing, despite the military rulers prohibited demonstrations and warned workers that labour unrest threatened national security and that the strikes must stop.¹¹⁵ The dramatic events in Libya have compounded Egypt's economic woes, in view of the loss of remittances and the thousands of returnees who will aggravate the labour market situation. At the time of writing, for example, between 120,000 to 140,000 Egyptians have returned from Libya.¹¹⁶

Egypt now faces a double problem: coping with the negative effects of the current economic crisis resulting from the revolution and dealing with the structural socio-economic problems, which were left unaddressed under Mubarak's regime, and contributed to its demise. The Military Council and the interim government have devoted so far almost no attention to socio-economic problems, apart from announcing the usual measures that Mubarak himself used to

¹⁰⁸ "Revolution cost tourism, real estate, industry sectors over LE10 billion", *alMasry alYoum*, 17/02/2011 (<http://www.almasryalyoum.com/en/node/321811>).

¹⁰⁹ "Reopening of Egypt's stock exchange may be postponed for third time", *alMasry alYoum*, 4/03/2011 (<http://www.almasryalyoum.com/en/node/338787>).

¹¹⁰ Salma El-Wardani, "Market report: Egypt's stocks end week lower as market eyes corruption cases", *Ahram online*, 7/04/2011 (www.english.ahram.org.eg).

¹¹¹ "Egypt finmin says economy shrank 7 pct in Q3", *Ahram Online*, 21/04/2011.

¹¹² Mohamed El Dahshan "The economic revolution is yet to happen", *alMasry alYoum*, 5/03/2011 (<http://www.almasryalyoum.com/en/node/340023>).

¹¹³ Ibid. Early estimates say that tourist facilities dismissed temporary staff and decreased salaries for permanent workers for a total loss in income of LE70 million, ("Revolution cost tourism, real estate, industry sectors over LE10 billion", *alMasry alYoum*, 17/02/2011 (<http://www.almasryalyoum.com/en/node/321811>)).

¹¹⁴ "Hotel occupancy down by 65% after revolution", *alMasry alYoum*, 11/04/2011 (<http://www.almasryalyoum.com/en/node/395390>).

¹¹⁵ See "Egypt's army should bring opposition to manage workforce's expectations, say experts", *alMasry al Youm*, 20/02/2011 (<http://www.almasryalyoum.com/en/node/324523>); "Thursday's papers: Interim constitution and shake-up of state media", *al Masry al-Youm*, 31/03/2011 (<http://www.almasryalyoum.com/en/node/381350>).

¹¹⁶ *Ahram Online*, 21/04/2011 (<http://english.ahram.org.eg/>).

promise to calm people's discontent, namely rises in government salaries and protecting food subsidies,¹¹⁷ and exceptional measures, including the allocation of LE100 million to enable the employment of Egyptians returning from Libya,¹¹⁸ pay unemployment subsidies for people who prove to have lost their jobs as a result of the revolution,¹¹⁹ and the creation of a bank account to support the Egyptian economy with donations.¹²⁰ However, while these measures may be unavoidable in this early phase of political transition, current and future governments should not forget that, under Mubarak, they proved ineffective to respond to Egypt's socio-economic problems. In order to seriously address its main socio-economic challenges, Egypt needs to radically rethink and reform its economic and social reform agenda with a view to diversifying its productive structure diminishing its vulnerability to external shocks; redirecting economic policy to create more and better quality jobs so as to satisfy the growing supply of educated youth and reduce regional and income disparities; reforming its social welfare system (e.g. health security system, food subsidy system, education system, etc) extending the coverage of public social services; and investing in education and training so as to train young people to meet the demands of the labour market. Unless social and economic policies in Egypt are reformed in this direction, the deterioration of the socio-economic conditions is expected to continue.

A profound structural change of the Egyptian economy requires above all a deep restructuring of the country's political economy, which is necessary to deal with widespread corruption and allow an independent private sector to emerge. The prosecution of a few businessmen with close links to Mubarak's political establishment may not suffice to discard business cronies and corruption. While a deep restructuring of the country's political economy requires a long time, it will depend on whether and how political transition proceeds. The military, which so far has exercised widespread control over the Egyptian economy and now also directly controls politics, will probably refrain from adopting the economic measures needed for a more transparent business sector.¹²¹ Among others, the army may oppose changes in the restrictive laws that regulate trade union activities inside military industrial and commercial firms.¹²²

Moreover, because the elaboration of an inclusive agenda requires the involvement of a broad spectrum of political and social forces, the latter need to elaborate clear economic programmes to be able to negotiate with the interim authorities and, in a post interim phase, propose effective solutions to Egypt's socio-economic problems.¹²³ While political forces need time to develop adequate expertise on socio-economic issues, a positive step is that Egypt's first post-1957 independent trade union federation was established on 3 March, and, across the country, a

¹¹⁷ Michele Dunne, Mara Revkin, "Egypt: How a Lack of Political Reform Undermined Economic Reform", *Commentary*, 23/02/2011 (<http://carnegie-mec.org/publications/?fa=42710>); Sherine Nasr, "Costly democracy", *al Ahram Weekly*, 3-9 March 2011 (<http://weekly.ahram.org.eg/2011/1037/re105.htm>).

¹¹⁸ "LE100 million for the employment of Egyptian returnees from Libya", *al Masry al Youm*, 02/04/2011 (<http://www.almasryalyoum.com/en/node/383594>).

¹¹⁹ Mona El-Fiqi, "Facing unemployment", *al Ahram Weekly*, 17-23 March 2011 (www.weekly.ahram.org.eg).

¹²⁰ "Support the Egyptian Economy", *al Ahram Weekly*, 17-23 March 2011, (www.weekly.ahram.org.eg).

¹²¹ Michele Dunne, Mara Revkin, "Egypt: How a Lack of Political Reform Undermined Economic Reform", *Commentary*, 23/02/2011 (<http://carnegie-mec.org/publications/?fa=42710>).

¹²² Amr Abdulrahman, "Why fear the military?", *alMasry alYoum*, 17/02/2011 (<http://www.almasryalyoum.com/en/node/321282>).

¹²³ Ibid.

number of workers are organizing their own independent associations.¹²⁴ However, there is the risk that, in the next months, all political forces will concentrate their efforts on political matters, while marginalising socio-economic questions.

Finally, fiscal problems may constrain the capacity of current and future Egyptian governments to deal seriously with the country's socio-economic challenges. Despite some progress in the last decade, Egypt suffers from a high budget deficit and large public debt ratios. The current crisis has worsened fiscal problems as government's revenues have dropped owing to the collapse in tourism and foreign investment. The decline in remittances associated with Egyptian migrants escaping from Libya, along with rising salaries, and oil and food prices, which will translate into higher subsidy bills, will put high pressure on the budget's deficit. Egypt could partially cope with these problems by recurring to external aid, but this will entail a limited margin of manoeuvre for the Egyptian government in choosing its future economic policies. For example, under a possible intervention by the IMF and the WB, Egypt would be pressed to contain its expansionary policies, by cutting public expenditure, and particularly eliminating food subsidies, privatising the health insurance system and retrenching the wage bill. If implemented, these measures could further damage Egypt's socio-economic conditions.

4. Possible scenarios for the future

While the direction of Egypt's political transition is still unpredictable, in the long run, moving towards a new equilibrium of state sustainability will be conditional on whether and to what extent, Egypt will be able to marginalise the old power system.

In the early phase of transition, a number of factors could make the old power system particularly resilient, setting up the stage for the worst case scenario, which consists in either an authoritarian involution or a limited, unfinished, political transformation. The interim phase is managed and controlled by the military, which wants a rapid but circumscribed political transition, reflecting their strong economic and political ties with the previous regime; most political forces and civil society groups, particularly emerging ones, are still weak and would need time and resources to develop in order to be able to counterbalance anti-revolutionary pressures; lack of public security and radical constitutional reform may hamper transparent and inclusive elections over the next months; and the dramatic socio-economic situation, if not adequately addressed, may inhibit the process of political transition, aggravating discontent and instability.

If, in the next months preceding the parliamentary elections, the Military Council continues to conduct the interim phase as it has so far done, namely through a top-down and opaque approach, the old power system will remain intact. Any commitment by the Military Council to reform the security apparatus, the media or the judicial system before elections is likely to be merely cosmetic or insufficient. In so far as these key institutions fail to be deeply restructured, supporters of the old regime will continue to be strategically placed to influence the trajectory of political events, including upcoming parliamentary and presidential elections.

If, as expected, parliamentary elections are held in September 2011, followed by presidential elections at the end of the year, most political forces, especially those which emerged during the revolution, are unlikely to organise and mobilise support given the tight timeframe and their lack of internal cohesion. In turn, the new parliament is likely to include only a narrow spectrum of political forces, namely the Muslim Brothers and regime loyalists, who may hide under new guises. In this event, the new constitution will be drafted by a restricted number of people

¹²⁴ Jano Charbel, "After 50-year hiatus, Egypt's first independent labor union is born", *alMasry alYom*, 3 March 2011 (<http://www.almasryalyoum.com/en/node/337515>).

according to their specific interests, which may reflect those of the old power system. So, there is the risk that both the parliament and the new constitution will not be accountable to many Egyptians, particularly the new political and social forces which emerged from the revolution. A parliament that fails to integrate the main actors of the revolution, particularly the young and women, will enjoy scarce legitimacy, fomenting frustration and discontent. Moreover, holding parliamentary and presidential elections under the current constitution could lead to a presidential system that is not so dissimilar from the one in place under Mubarak's regime. Furthermore, over the next months, if the interim authorities fail to restore security and the rule of law in the country, acts of intimidation, unfair practices and frauds are likely to resurface in upcoming parliamentary and presidential elections.

As people increasingly feel that the spirit of the revolution has been lost in the name of stability and socio-economic conditions are not tackled, protests and labour unrest are likely to intensify. As a result, frictions between the army and protesters may emerge more forcefully, with the former being tempted to make large-scale use of force and repression against demonstrations, particularly if protests are not sustained by a large popular consensus. Also sectarian tensions could degenerate if the interim authorities fail to restore the rule of law. The persistent state of insecurity on the streets, protests, labour unrest and the spread of religious intolerance may increasingly strengthen counter-revolutionary tendencies among citizens, working in favour of those seeking to keep the old regime in place. Most Egyptians could acquiesce to the current status quo and support the kind of moderate transition proposed by the military, opting for less substantial, but at least certain, change. The outcome of the recent constitutional referendum, which was held on 19 March 2011, may in part suggest that most Egyptians support this kind of conservative change.¹²⁵ Another possible implication of growing social, political and sectarian tensions is that the Supreme Council, which now appears united and homogeneous, could become factionalized based on rival personalities and competing interests. In this context, an overt military coup should not be ruled out.¹²⁶

These developments could open the stage for an authoritarian involution and further aggravate Egypt's socio-economic challenges. If Egypt's political transition takes the direction of a controlled and unfinished political transformation, which preserves the old system of power, the country may fail to address its main long-term socio-economic challenges. Since Egypt's political transition is backed by the military and regime loyalists, public authorities will have no interest in tackling crony capitalism and pervasive corruption. Moreover, in so far as Egypt's political situation remains unclear and unstable, this may discourage private and foreign investment. In addition, if the new parliament will be poorly representative, Egypt's future economic and social policies will continue to reflect the interests of a limited number of people, eventually the most conservative forces of the country. This said, in the absence of effective policies that ease the crisis and respond to Egypt's urgent socio-economic problems, social discontent is unlikely to be contained.

The chances for a transition towards state sustainability, that is Egypt's transition to democracy, appear thus unpredictable. However, the trajectory of Egypt's political transition will depend on

¹²⁵ However, some of those who voted yes to the referendum may have had a different argument, which is that they want to move quickly to a civilian government in order to start a radical transition (see for example, Ursula Lindsey, "Referendum around the corner", 17/03/2011 (<http://www.arabist.net/blog/tag/constitution>)).

¹²⁶ Jeffrey White, "Egypt's Military in Power: Dynamics, Challenges, Prospects", *Policy Watch*, 22/02/2011 (<http://www.washingtoninstitute.org/templateC05.php?CID=3310>). As the Jeffrey White notes "the Egyptian military contains multiple centers of power, with senior officers standing at their heads".

whether or not a broad spectrum of political and social forces will be able to influence the future course of events. In particular, youth groups appear to have a great potential in conducting Egypt's transition toward a more promising scenario as they appear among the most dynamic and vibrant actors in the current political landscape. Albeit still divided and fragmented, they could play a more incisive role in next months and years provided that they scale up their strategy. Among others, this means: elaborating a clear and effective platform vis-à-vis the Military Council and the next government with regard to both political and socio-economic matters; evolving into more organized forces and identifying their leadership; and trying to respond to ordinary people's demands. Coordination among youth and other civil society groups is also necessary in order to articulate a more effective response to the top-down approach so far adopted by the Military Council. Should youth groups and other civil society groups, including independent labour unions and women's movements, succeed in bringing some of their representatives into the new parliament, they will be well placed to shape Egypt's political and economic agenda and ensure that Egypt's transition to democracy moves forward.

In order to ensure Egypt's transition to state sustainability, the EU is called to play a key role, supporting both political and economic reforms. The EU could contribute to encourage Egypt's transition to democracy in multiple ways. To avoid an authoritarian involution, the EU should send clear and unequivocal signals of condemnation to the interim and future authorities in case of violations of human rights or evidence of political regression. In this regard, for example, the use of conditionality by the EU should also be revamped (Cassarino & Tocci, 2011). Moreover, the EU should start dialoguing with a whole range of political and social actors in the country, from moderate Islamists to new secular political and social forces, as well as discuss future EU support to Egypt's political transition jointly with governmental authorities as well as civil and political groups. Furthermore, the EU should rethink its whole strategy toward Egypt by mainstreaming a "youth perspective" in the political and economic reforms it supports. This means, for example, prioritising economic policies that explicitly target job creation for the young; assessing the specific impact of structural economic reforms such as trade liberalisation on youth; engaging directly with youth movements and assist them, and so on. A gender-sensitive approach to political and economic reform should also be adopted. Finally, the EU needs to establish appropriate mechanisms to make it sure that new funds allocated to support Egypt's political transition do not serve the interests of the old power system (Cassarino & Tocci, 2011).

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About MEDPRO

MEDPRO – Mediterranean Prospects – is a consortium of 17 highly reputed institutions from throughout the Mediterranean funded under the EU's 7th Framework Program and coordinated by the Centre for European Policy Studies based in Brussels. At its core, MEDPRO explores the key challenges facing the countries in the Southern Mediterranean region in the coming decades. Towards this end, MEDPRO will undertake a prospective analysis, building on scenarios for regional integration and cooperation with the EU up to 2030 and on various impact assessments. A multi-disciplinary approach is taken to the research, which is organised into seven fields of study: geopolitics and governance; demography, health and ageing; management of environment and natural resources; energy and climate change mitigation; economic integration, trade, investment and sectoral analyses; financial services and capital markets; human capital, social protection, inequality and migration. By carrying out this work, MEDPRO aims to deliver a sound scientific underpinning for future policy decisions at both domestic and EU levels.

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Title	MEDPRO – Prospective Analysis for the Mediterranean Region
Description	MEDPRO explores the challenges facing the countries in the South Mediterranean region in the coming decades. The project will undertake a comprehensive foresight analysis to provide a sound scientific underpinning for future policy decisions at both domestic and EU levels.
Mediterranean countries covered	Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia and Turkey
Coordinator	Dr. Rym Ayadi, Centre for European Policy Studies (CEPS), rym.ayadi@ceps.eu
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Budget and Funding	Total budget: 3, 088, 573. 20€. EC-DG RESEARCH contribution : €2,647,330
Duration	1 April 2010 – 31 March 2013 (36 months)
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