Egypt After Mubarak:
The Challenges Ahead

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EGYPT AFTER MUBARAK: THE CHALLENGES AHEAD

The events in Egypt in November 2011, and in preceding months, are stark reminders that the Middle East is changing in ways which a decade ago were rarely contemplated, either in the countries concerned or beyond them. A new solar system is emerging in the Arab world in which the gases are still swirling. In time, they will cool and solidify into more predictable and hopefully more productive forms—but how long that may take is far from certain.

The core argument I presented at Durham University in November 2010 was that the coming decade would witness a leadership transition in Egypt whose impact — for better or worse — would be felt across the region. The demographic clock was ticking. The political, economic, and social outlook was uncertain. And political, economic, social and strategic issues were inter-related.

The future of Egypt, and by extension, the Arab Middle East hinged on a conundrum – its capacity to change fast enough to meet emerging demographic and other pressures depended on empowerment, inclusiveness and growing equalization of opportunity.

However moving in those directions would have existential implications for any Egyptian regime. At least in the short term, it would advantage Islamist political and social forces more than secular forces, which had sheltered behind the repressive power of secular regimes. The process would challenge the existing, secular Arab political order, and the predictability of the regional security environment. But the greatest risk to the region was the marginalization and growing alienation of its youth if regimes failed to address the empowerment issue effectively.

Overall, there was reason to be cautiously optimistic about the capacity of Egypt to sustain the momentum of social progress, and to continue with economic reform. I did not anticipate political overthrow of the Egyptian regime, believing instead that it had the capacity to adapt sufficiently to the requirements of the emerging situation, and to achieve further progress in terms of human security and economic development. But two cautionary notes were added. If the gaps between Egypt and the globalizing world were to be reduced, political reform needed to be part of the process of economic transformation. And secular parties had to be more active and effective in seeking to capture the political imagination of the emerging Egyptian middle class.

Twelve months on, what can be said about that analysis?

Instead of incremental reform, we saw a sudden political collapse on the part of the old regime, and the beginning of a period of political transition whose ultimate direction is not yet established. The traditional political class has failed to capture the imagination and support of the younger generation of middle class political activists, while
‘revolutionists’ have struggled much of the time to sustain popular support for their causes in the absence of coherence of vision and effective political and communication skills; and amidst the debilitating effects of economic uncertainty on most Egyptians.

Economic insecurity has palpably increased. There has been a rapid growth of the salafist phenomenon, adding to increased sectarian tensions, and there are signs of social breakdown, ranging from the behavior of football supporters to the flouting of law by street hawkers.

There are nevertheless important elements of continuity to be borne in mind. Authoritarianism remains more deeply rooted in Egyptian society and politics than liberalism. The popular understanding of democracy in Egypt remains largely associated with notions of economic security and social justice, rather than the ability to replace leaders through elections.

The revolution was mostly about political change, not social reform. There remains no consensus in Egypt in support of secularism and human rights as social or political values. From family, to education systems, to the military and security apparatus, Egyptian society remains both chaotic and authoritarian. Resistance continues among the Egyptian elite to widening effective political space to the advantage of organizations and interests beyond their control. Islamism remains a key challenge to the values by which the secular elite attach themselves to a wider cosmopolitan world. Antipathy toward it is visceral as well as ideological in many quarters. The Egyptian bureaucracy remains highly resistant to change, innovation and procedural transparency.

There is also some degree of continuity, or at least predictability, where the Egyptian military is concerned.

The SCAF is not naturally attuned to politics. Increasingly estranged from the popular audience since receiving accolades for its part in the removal of Hosny Mubarak from power in February, it has proved at times to be politically inept. It is secretive, intolerant of criticism, and heavy-handed in its methods: the brutality employed by the military, security and police forces during the violent confrontations of late November 2011 was reminiscent of the worst moments of the January revolution. At the same time, the military leadership displays an aversion to political —as distinct from physical— confrontations. Its susceptibility to political pressure remains a matter for speculation, with multiple interpretations being advanced of its relationship, in particular, with the Muslim Brotherhood.

Perhaps the most serious error of judgment on the part of SCAF to date has been its failure to engage effectively with those Egyptian political parties and activists who are sceptical, at best, of the military’s commitment to revolutionary change. The introduction of draft supra-constitutional principles and other documents that included a secrecy clause protecting the military budget from parliamentary oversight was a colossal mistake. It helped to restore the flagging momentum of the revolutionists and restored a
degree of coordination among the major elements of the opposition movement beyond the Muslim Brotherhood.

In its efforts to shape the political terrain in advance of the hard bargaining which will follow the elections it is increasingly clear that the military will not be willing to relinquish political control without being certain of its capacity to protect — by whatever means necessary — its economic interests and its responsibility for national security. Its relations with the Brotherhood, which expects to dominate the election outcomes, have suffered accordingly, despite the fact that the Brotherhood shares the military’s determination that elections should go ahead.

Whether the SCAF regards the military as the guardian of the secular Egyptian state is unclear. But even if the military prefers not to become — and especially in the light of the events in Tahrir Square of November, is increasingly unlikely to become — the ultimate arbiter of Egyptian politics, it will still have to arrive at a consensus about the values which it will want to promote, the interests it will be keenest to preserve, and the degree of risk it is prepared to tolerate in the emerging Egypt.

Provided it believes its core interests are safe, the Egyptian military is perhaps more likely to prefer inaction than intervention on domestic political and social questions. It is unlikely to repeat the Algerian experience when, with the active support of secular liberals and Europeans, military intervention against elected Islamists resulted in a civil war for the following decade and 150,000 dead. But one can only speculate about the inner workings of the military elite, and its level of coherence on political matters.

**What is not continuing?**

While remaining adept at coping with bureaucratic and political dysfunction, the base of the social and economic pyramid of Egypt is somewhere between anger and despair, fuelled by the economic insecurity generated by the revolution. There is genuine economic fear and distress among ordinary Egyptians. Cash reserves of many individuals, never high to begin with, are exhausted.

The situation is quite capable of producing — without warning — renewed surges of violence driven by economic frustration in urban areas. There is little evidence that the political and military elite circles of Egypt understand the depth and volatility of the frustration below the surface of urban Egyptian society. Should the situation degenerate further in that respect, and if economic conditions continue to deteriorate, the violence which would follow would be more destructive than the politically-driven events witnessed early in the revolution.

Egypt’s single most urgent need at this stage is to complete its electoral and constitutional processes expeditiously. For all the practical and other problems they entail, elections are the only basis to bring about political authority which is grounded in an established degree of popular support for the competing streams in Egyptian politics. There is little indication however that the levels of political authority and economic policy predictability that are required will be achieved any time soon.
For the moment, the bottom line, and it is one against which contingency planning on the part of policy makers would be well advised, is that of a significant risk of further strife on the streets of Cairo if the belief takes hold that the military will not effect the handover of power to an elected civilian government according to a predetermined timetable. As the clashes in November showed, trust in the military has largely and rather suddenly collapsed.\textsuperscript{iv} And in the absence of agreement on core issues the legacy of the November clashes will be higher levels of popular alienation from the political class, both Islamist and secular alike, as well as the military.

It also needs to be borne in mind that despite occasions on which the military and the Brotherhood have, for their respective reasons, found it convenient to cooperate, neither side has yet made any serious political concessions to the other. Both have differences of interest, both material and ideological, which will be difficult to reconcile. The risks of a prolonged, highly damaging political stand-off following the elections are real.

The connection between political developments and economic prospects is no less crucial for Egypt’s outlook. Any moves that delay the sorting out of new constitutional arrangements and informal power sharing deals between the military and the parties which emerge successful from the forthcoming elections will be further blows to the recovery of the tourism sector — which provides around 3.5 per cent of Egypt’s GDP\textsuperscript{v} — and private investment. The economic cost of the revolution has been estimated at around $10 billion up to September 2011.\textsuperscript{vi}

Strengthening the private sector to achieve social justice through economic growth is a key element of the way forward. There is a need to get the liquidity within the banking system directed into small and medium enterprises, possibly through the underwriting by government of such credit facilities. But the government is not focusing on sectoral strategies to bring those outcomes about, and it is seeking instead to finance its budget deficits by domestic borrowing at rates which are unsustainably high, and by continuing to run down foreign currency reserves.\textsuperscript{vii}

The private sector and foreign investors are waiting for the political situation to stabilize and return to a reasonable level of business predictability. Foreign direct investment (FDI) dropped from $6.2bn in the 2009/2010 financial year ending in June to $2.1bn in 2010/2011. The number of new firms registered between January and September 2011 fell by 15.8 per cent from the same period of 2010.\textsuperscript{viii} Five Cabinet reshuffles in 2011 have undermined business confidence.

Economic reformists and advocates for reform policies favouring stronger global and regional economic integration and openness (who could at least rely on protection, if not political support, under Hosny Mubarak) may not find a champion in the new order. Populist suspicions and post-colonial anxieties about foreign interventions and agendas remain strong, and have the potential, if left unchecked, to damage prospects for private sector-led economic growth, including foreign investment. Among Islamists there is a
positive view of business as a general principle, but the actual operations of the institutions of the economy and business sector are little understood.\textsuperscript{ix}

The regional environment may look more unstable as populist pressures also place strains on the normalized relations between Egypt and Israel. Despite the undertakings given to Israel and the United States by the Egyptian military and privately by senior figures in the Muslim Brotherhood to uphold the Egypt-Israel peace treaty, pressure may build within Egypt to match Turkey regarding its rhetoric and, within limits, its behaviour toward Israel. To the extent that Islamist parties come to dominate the Egyptian political scene and publicly question the legitimacy of the treaty US Congressional and media attitudes to the bilateral relationship with Egypt, including the military assistance program, will continue to harden. That would generate increasingly negative and defensive responses from the Egyptian side.

In short, there is a real risk that within the coming year a combination of political malaise and economic insecurity; a standoff between the military and the Muslim Brotherhood over the division of authority and responsibility for various functions of government; further breakdowns in social order; growing strains in relations between the Egyptian military and the United States; and a financial mess and macroeconomic stagnation or regression could produce a crisis that an Egyptian government — Islamist or military — may be unable, or unwilling, to manage.

Islamists

Debate among Egyptian Islamists about involvement in democracy has moved on, mostly in favour of such engagement. Islamists are aware that there is some risk to the brand through compromise over political issues, or responsibility for economic failure. Some prominent salafists are still decidedly lacking in democratic spirit where they address or encounter sectarian issues. But these are no longer central issues. The issue on which it seems most Islamists now focus is not whether democracy is compatible with Islam and vice versa, but how democracy should be used to support Islam and the umma.\textsuperscript{x}

That is a deeply problematic area. Electoral success will bring with it the need to debate and compromise on basic values. Islamists, from the Muslim Brotherhood to the Gama’a Islamiyya and all political viewpoints in between will no longer be able to hide behind the role of victim.

If ‘Islam is the solution’, as the rhetoric has long claimed, someone will now have to decide what that means in practice—that is, what is meant by Islam, and what is meant by solutions. Islamist politicians face the altogether novel, and for some, perhaps, uncomfortable prospect of being held accountable for their platforms and their performance.

It is not clear, especially given the current values of Egyptian society at large, whether liberal \textit{ijtihadi} views would prevail over neo-traditional Islamist approaches to the so-called grey zones of policy\textsuperscript{xi}—including women and minorities— and the responsibility
(indeed for some, the obligation) of governments to use the power of the state to foster a stronger Muslim society. The Islamist approach to regional security issues is also far from clear.

Egypt is not Tunisia, or Turkey. A key unknown of the elections is the extent to which salafist elements may emerge to challenge the political pretentions of the Moslem Brotherhood. But especially in the coming 2-4 years, or at least until the next electoral cycle, empowerment at political but not social levels means the odds favour neo-traditional Islamists associated with the Brotherhood, or the small salafist parties and preachers.

Pessimists may argue that the mobilizational capability of traditionalists and salafists favouring literalist and puritanical approaches to matters of religion and politics are bound to outweigh the more inclusive approaches of liberal Islamist reformists who mostly focus on the principles of Islam. The electoral successes of the Turkish AKP (Freedom and Justice Party) also indicate that, over time, Islamist reformists can operate better (if necessary) under a secular constitution than their secular political counterparts.

But socio-economic drivers of change are irreversible; and the neo-traditionalists and salafists probably have no better answers in the emerging context than their more pragmatic rivals. Generational change, education, women’s empowerment and the seductive power of the Internet will shape values in favour of some form of Arab/Islamic modernity over time—especially if pietists do not succeed in entrenching themselves politically.

The slope of the political and social terrain in the longer term outlook favours the Islamist reformists, rather than their neo-traditionalist and salafist rivals. In future, they will probably be increasingly inclined to build common ground with their secular counterparts and vice versa—although that process has barely begun to develop.

If that analysis is broadly correct, then the key issue at this stage is not so much the political character, but rather the constitutional basis of the emerging government. In particular, how do Egyptians expand the (secular) space within which values can be debated; and how can such debates and the values arising from them be seen as part of organic processes of change, not as external implants into those processes?

While in western contexts freedom of political debate may be sufficient to protect rights, in the contemporary and emerging Egyptian context a more robust and carefully articulated set of constitutional provisions is probably required. In an environment certain to be dominated by populist politics and a degree of xenophobia towards the West and its perceived values, a great deal hinges on what guarantees will be available to ensure respect for the rights of those secular Muslims who the salafists and neo-traditionalists regard as an affront to their concept of Islamic orthodoxy. Provision also needs to be made for the protection of the rights of Coptic Christians and other minority groups such as the Bahais and the Shia.
Outlook

The coming year will see multiple contests between the military and Islamists over the respective roles and responsibilities of executive and parliament domains. The most likely result will be an informal preservation of military’s key interests, in return for an enhanced level of Islamist influence over social policy. At the same time societal, political and economic divisions, including divisions relating to access to opportunity and the preservation of privilege will continue to widen.

Consensus within Egyptian society on the question of national values is unlikely, but a clear delineation of power and authority is probably a higher priority need. It would be deeply unfortunate if the end result of the elections and post-election bargaining were a government which lacked both authority and political accountability, because its decisions were subject to review by the military.

Looking further ahead, the key ingredients of a successful transition will be the institutions and processes it embodies, including constitutional arrangements, civil society and media freedoms, rather than short term electoral outcomes. The age of the ‘Arab hero’ immune from public criticism is over. Ideology will ultimately be less important in shaping the prospects for reform in Egypt than demography, education, and demands to be modern within an Arab identity; and the degree to which empowerment, inclusiveness and respect for constitutionality emerge or survive as genuinely held values.

Five years from now the situation may look more settled and promising, as new institutions mature and the reformists, having acquired new levels of political experience, regain momentum. But whether the values associated with reform apply or not, the social and economic drivers of change are inescapable.

An Egyptian born in 2000 among 65 m people will be living among 130m by 2050xiv, with less water (perhaps 60% less flow in the Nile) and less arable land.xv Pressure will build to find sustainable economic and social alternatives as the basis for social progress. A situation where, in 2007, one square metre of land in newly-constructed gated suburbs on the outskirts of Cairo was selling for more than annual income of 40% of Egyptiansxvi is simply unsustainable.

We should not overlook the progress that has been made in reducing levels of absolute poverty, illiteracy and average ages of males on marriage.xvii However there are major structural challenges. Egyptians with post- secondary education comprise 42 per cent of the Egyptian labour force but 80% of the unemployed.xviii Consumption subsidies (which have averaged 8% of GDP over the past four years) are unsustainable without strong economic growth. Internet usage in Egypt rose from less than one per cent to almost 25% in the period from 2000 to 2011, but Egypt still had a broadband penetration rate of under 1% at the end of 2008.xix Egypt spends a mere 0.02% of GDP on research and development, compared to a developing country average of 1%.xx
Only a strong, confident, innovative, globally-connected and competitive Egyptian private sector, backed by a government which enjoys a considerable measure of popular authority and respect, and which has the strong support of the international financial and political community, can deliver the outcomes that Egyptians need. And if progress is to be sustainable, the driving force of the private sector has to be accompanied by political reform and harnessed to a more effective income redistribution mechanism.

Conclusion

At this moment the shadow of the future hangs rather ominously over Egypt. But we are seeing a process which may lay the foundations for a different, and when it comes to government, a more accountable sort of Arab society. Its success or failure will influence much of the wider Arab world.

When they look back a decade hence, Egyptians will probably conclude that for all its problems, the operation was necessary. The old order did not change fast enough to meet the demands of the new generation of Egyptians that was better educated and nourished, more technologically adept and vastly more politically sophisticated than before.

If the patient should die, we will all be the poorer. But it is incorrect to argue that the revolution was either premature or ill-conceived.

The capacity to make further progress in terms of human security and economic development will improve over the coming decade, if Egypt’s elected political leadership is effective. It will degrade if Egypt’s political leadership fails.

The state will continue to mediate between Egyptian Arab society and world society. It will seek to preserve privilege, by adaptation and cooptation of reform where necessary. But over the coming decade the decline of the primacy of the state in the economic life of Egyptians is likely to continue, while opportunities as well as risks for individuals will expand.

In the short term we should expect a period of instability and democratic deficit. Some populist approaches will have to be tested before being set aside in favour of more pragmatic policies. But over the coming decade the empowerment of individuals may increasingly shape the political environment to the benefit of the centrist part of the spectrum.

The initial excitement and optimism of the Arab uprisings will become a distant memory for many Egyptians, but demands for popular empowerment and government accountability will continue to be drawn upon by the current generation of political activists and those that will follow.

What approach should external parties take? My presentation in 2010 made three interconnected points on that score. First, Egypt reminded us to beware of academics and
commentators blundering around in highly contested political, economic and social space. Second, for a wide range of cultural and historical reasons, the resilience of Egyptian state and society in response to unwelcome and unsolicited external pressure went to the core of what it meant—at least to most decision-makers—to be Arab and Egyptian. Third, for Egypt’s political culture to change, and for political reform to be durable, the core values of Egyptian society would have to be rebooted by Egyptians themselves.

Those remain my views. I would add that amidst the complexity and uncertainty which surrounds the outlook for Egypt, and the inevitable calls in some quarters to welcome promises of stability, however illusory, at the expense of empowerment, we should remember that authoritarian rule in Egypt became fundamentally damaging to social progress. It served ultimately to highlight the connection between political dysfunction and the problems of achieving human development.

It is also appropriate to remember that the part played by the United States, the EU, Australia and other western countries in support of popular demands; and in regard to Palestine and other major political issues, and in regard to capacity building in Egypt, will continue to shape the political culture not only of Egypt, but of the Middle East as a whole.

There will be moments of intransigence and recidivism among political actors and regimes, including in Egypt, in the years ahead, despite the optimism initially generated by the Arab uprisings. But we cannot resign ourselves meekly to accepting uncritically arguments of Arab exceptionalism from those quarters, nor can we delude ourselves into believing that external pressure for reform can be productive. Both approaches on our part, if adopted, would risk engendering perceptions that the West and its values are largely irrelevant to the region’s future.

For sound reasons of national interest, the battle of values is there to be won, not abandoned.

We have to stay engaged in the processes and events unfolding in Egypt and elsewhere, as best we can, where our assistance is sought. Recognizing that successful transitions will have to be internally-driven, credible and effective civil society organizations must be expected to rely largely on domestically-raised finance. Seed funding aside, the insertion of external support into Egypt’s reform processes is fraught with risk of changing the perceived character and intent of those measures. Direct support to civil society organizations almost always backfires, for both the donor and the recipient, when it intended to affect political and security issues.

There are certain areas however where outsiders may have comparative advantage and experience in capacity building which may be useful to those who advocate reform from within those societies. Scholarships, support for research and development capacity-building, and sharing of lessons learnt may provide indirect support to progressive ideas
especially among the young and among the business sector. They are potentially valuable ways forward for all sides.

It is important for outsiders to reaffirm the positives in the regional outlook at a time when optimism is under some pressure. It is a matter of buckling down to the hard work of judging where interests may be shared, and working to widen that arena, and doing what we can to hold the line regarding our own values and interests while the region recalibrates itself over the next few years.

There is reason to be concerned at the short-term outlook, especially in Egypt and Syria, and the prospects of counter-revolutionary forces mobilizing in defence of the privileges and values of the authoritarian order. The dinosaurs may be on the defensive, but they remain dangerous. But we should remain modestly optimistic that five years from now the regional outlook overall will be somewhat better than it is today. Not every country will rise up, but every country will be changed. The Arab world will never be the same again.

In three to five years Arab political audiences in Egypt and beyond will be drawing their own conclusions about whether their rulers — be they monarchs, republican presidents or military — are merely temporizing and therefore part of the problems those citizens face, or genuine about reform and therefore part of the solutions. Assessments of leadership credibility, together with national economic performance, will have far-reaching political consequences.

In the meantime there is nothing to be gained — and some useful opportunities will be lost — if we are mainly preoccupied with beating our breasts over changes largely beyond our control. For the most part we should refrain from offering unsolicited advice, and let our policies and principles speak for themselves. Our primary goal should be to add value to the efforts of Egyptians to build their own futures.


iii Author’s discussions with long standing friends and acquaintances in working class neighbourhoods in Cairo, November 2011.

iv Author’s discussions in Cairo, early November 2011.


vi Reuters, 24 October 2011.


viii Reuters, 24 October 2011.


xii Rutherford, op. cit.


xvi Robert Bowker, Egypt and the Politics of Change in the Arab Middle East, Edward Elgar, UK 2010, p. 44, fn. 59.

xvii According to various sources, including the UNDP Arab Human Development Report series, absolute poverty in Egypt has fallen from 52% in 1981, to 42% in 1990 to around 20% today. Male and female literacy have doubled and trebled respectively in 30 years. Contraception rates have risen from 30% in 1984 to around 60 %. The average age of marriage for Egyptian males is falling, from 63% unmarried at 30 in the 1990s to 45% unmarried in 2006. See Bowker, op. cit., pp. 23-27.

