

# EGYPT UPDATE NUMBER 6



## CHRONICLES OF THE CONTINUED EGYPTIAN REVOLUTION OF 25 JANUARY 2011

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## EGYPT UPDATE 6

### Egypt Update No. 6

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Those who believe that the situation in Egypt is moving along the path of a normal transition towards reform and democracy may be in for a rude awakening. In the best case scenario, one can expect some reforms (by comparison to the corruption under the Mubarak regime, anything would be considered positive), but a full democracy is not likely to occur. A democratic process may develop in a best case scenario, but it is not likely to produce a presidential candidate and a parliament likely to foster democracy. This is something that takes decades of practice, and a culture of individual mutual respect and institutional protection of human and civil rights. Egypt is far from all of that. In the worst case scenario described below, the economic crisis will bring about the equivalent of a tsunami effect on Egypt, which will lead to a complete military takeover likely to last for a few years.

In the end, however, the awakening of the Egyptian peoples' sense of Egyptianhood and their desire for democracy is not going to be suppressed. Notwithstanding the bleak picture described herein, it could still happen; and at worst it will just be a matter of time before the people's aspiration for democracy and good government will materialize.

\* \* \*

1. On March 3, Lt. Gen. Ahmed Shafik resigned as Prime Minister after having performed poorly in a television interview with the well-known writer Alaa Al Aswany. He was replaced by Essam Sharaf who had previously served as Minister of Transportation from 2004 to 2006. Even though he was a candidate of the opposition, the "Revolution", he has historically been aligned with the Mubarak regime.



Figure 1 Ahmed Shafiq, the last prime minister under Hosni Mubarak. (Photo credit: AP).

2. The modest constitutional amendments which were described in Update No. 4 will be submitted to a public referendum on March 19. As predicted by this writer, it establishes that the candidate for presidency has to be at least 40 years of age, married to an Egyptian (excluding anyone married to a non-Egyptian), and not having obtained dual citizenship. This is intended to eliminate any candidate who may have lived abroad and

## EGYPT UPDATE 6

obtained another citizenship (there are currently some eight million Egyptian expatriates). Many assume that Mohamed ElBaradei has another citizenship, and that this provision is intended to eliminate him as a candidate. Another purpose of this condition is to pave the way for a similar restriction with respect to future Members of Parliament. This was a Mubarak regime initiative which was revived in this transitional era. It should be noted that the Mubarak regime consistently refused to have Egyptian expatriates exercise their right to vote at Egyptian consulates abroad in presidential and parliamentary elections, because it was assumed that Egyptian expatriates would not be in favor of the regime's candidates. This trend seems to continue, and it evidences that the regime is still intent on staying in power. Another indication of this goal is the rush to presidential elections in six months, which would not give enough time for new political parties to organize and to coordinate their campaigns.

3. One of the constitutional amendments is to allow anyone with petitions signed by 30,000 persons (out of 81 million population) from 10 governates (out of 26) to stand for the presidential office. In addition, any political party having one elected member in Parliament (presumably from previous legislatures) could also nominate a presidential candidate. Reducing the conditions for candidacy to this low level is sure to increase the number of candidates. Moreover, it appears that a new election law will allow any political party to be formed with registration as the only requirement, without any other conditions. On its face all of this appears to be very democratic, but in reality it is intended to make sure that future political parties will neither have the time to organize nor the ability to coordinate their efforts in the selection of viable candidates for the presidency. This way, the regime can organize a new political party, use the infrastructure of the old National Democratic Party, and be in a position to ensure the success of its candidate while at the same time presenting to the world an appearance of democracy. In other words, there will be a democratic process, but the outcome is not likely to produce democracy.

Figure 2 Minister of Interior  
Mahmoud el-Essawy.

4. The regime is successfully co-opting the "Revolution", as I have indicated in previous updates. The Supreme Council of the Armed Forces (SCAF) has continued to go along with the reform requests of the "Revolution", and showed itself to be willing to respond in a



positive manner to various requests, including the removal of Prime Minister Lt. Gen. Ahmad Shafik. However, many in Egypt are starting to realize the scenario that is unfolding. During the protests, as of January 25, the army appeared as the protector of the

## EGYPT UPDATE 6

people, allowing the peaceful “Revolution” to take its course up until February 24, when two million people took to the streets. From that point on, the political demands of the “Revolution” were met, but mostly as to matters involving changes in the cabinet, some token arrests (described below) and eventual prosecutions, and the constitutional changes mentioned above, which in the opinion of this writer are not designed to foster democracy, but are designed to create a democratic process.

5. The most serious failing of the present government is that the Ministry of Interior has not been reorganized, although a new Minister has been appointed, General Mansour El Essawy. The state security police is ostensibly in the process of being dissolved, but that has not been confirmed. It is rumored that the old state security police will be folded into general investigations. The “Revolution” has requested that human rights advocates be appointed within the Ministry, as well as a more rigid inspection process. The police, however, are still not present in the streets, the crime level has increased significantly, and organized criminal groups have formed and are engaging in a number of high visibility crimes (for example, going to weddings and taking the women’s jewelry and the men’s money and watches, sending one of them to knock at the doors of wealthier persons and asking for them to “donate” money or else, stopping cars on the streets and either taking the driver’s money, watch and jewelry, or taking the car, etc.). This increasing level of crime has caused a great deal of concern throughout society and has had a negative impact on commerce. A number of in-country observers have attributed the lack of public security to a purposeful design by the surviving political establishment of the Mubarak regime working to create a situation of such public insecurity that the democracy and reform demands of the “Revolution” would be set aside in favor of a strong government, and presumably a strong president, who would restore order.

Indeed, it is inconceivable that since the beginning of February, the Ministry of Interior has not been sufficiently reorganized to deploy public security forces in the streets in



order to ensure public safety. Whatever army elements are still in the streets have not been able to cope with the situation, although they have performed a number of arrests and have even prosecuted some individuals in the military justice system for violations of public safety, theft, burglaries, and other common crimes.

**Figure 3** The Central Bank of Egypt. (Photo credit: Reuters).

## EGYPT UPDATE 6

6. Prosecutor General Abdel-Megid Mahmoud, a well-known figure of the Mubarak regime, ordered the investigation and arrest of several high-visibility personalities, including five former cabinet officers. They have all been charged with corruption-related offenses, one of them being the former Minister of Interior, Habib Al Adly. As stated in Update No. 5, he has not been charged with murder, torture, arbitrary arrest and detention, or other abuses – only with financial misdeeds. None of the principal symbols of power under the Mubarak regime have been indicted or investigated, and that includes Ahmed Fathi Sorour, former Speaker of the House, Safwat el Sherif, former President of the Senate, or Zakariah Azmi, former Chief of Staff of President Mubarak. Many in Egypt believe that these and others will not be prosecuted, or if they are, it will be for minor offenses because the political establishment is in a position to blackmail the military establishment for its own financial abuses described in Update No. 5 (in connection with military industries, as well as sales of weapons and military equipment abroad and purchases of weapons and military equipment for which the Ministry of Defense receives commissions which are unreported in the Ministry's budget).

7. An economic crisis is looming large in the near future, and possibly even a collapse of the Egyptian economy. The reasons are described in Update No. 5, namely, the oligarchy's spoliation of the Egyptian economy by means of inflated investment projects funded by private bank loans, which were in turn guaranteed by the Central Bank and the transfer of the oligarchs' funds overseas. The guestimate of this historically unprecedented public theft reaches \$500 billion, and some even think it could reach a trillion dollars. If that is the case, it would be proportionately many times worse than the economic crisis which occurred in the United States at the end of the Bush Administration in 2008. The difference between the two situations is that the Egyptian economy will be unable to cope with the loss, and its Central Bank will be unable to pump enough funds into the economy to shore up the private bank losses deriving from inflated valuation of investment projects. Also, as stated in Update No. 5, the contingent liability of the Egyptian Central Bank for these private loans has not been disclosed. The discovery that the Central Bank has such an undisclosed contingent liability which will soon become an actual liability is going to create a serious economic crisis. By the time this situation develops, which is likely to be within a matter of weeks, its immediate impact will be a significant increase in prices and in the cost of living. With 50% of the population



Figure 4 Protestors gather at Tahir Square in the uprising that resulted in the resignation of President Hosni Mubarak. (Photo credit: EPA).

## EGYPT UPDATE 6

(approximately 40 million people) living between two and five dollars a day, the social and economic consequences will be devastating. This will mean rioting, looting, theft, destruction of public and private property, as well as a general condition of lawlessness that will require the forceful intervention of the armed forces. If that happens, it will surely be the end of hopes for a transition to democracy. The cynics are already considering the possibility that the former regime will blame the “Revolution” for the economic crisis by contending that it was the “Revolution” that brought it about. This would obviously be a perfect cover for the regime oligarchy’s massive theft of the economy.