

EGYPT UPDATE NUMBER 7



CHRONICLES OF THE CONTINUED EGYPTIAN REVOLUTION OF 25 JANUARY 2011

CONTACTS

Tel:

+1 312.943.5797

Fax:

+1 312.943.2756

Email:

cbassiou@depaul.edu

Twitter:

@cherifbassiouni

Facebook:

www.facebook.com/mcbassiouni

Web:

www.mcherifbassiouni.com



M. CHERIF BASSIOUNI

Emeritus Professor of Law
DePaul University College of Law
Chicago, IL, USA



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1. Introduction

1-1. The problems faced by Egypt since the January 25 “revolution” have been referred to as falling into the following categories: economic, security and sectarian, transition to democracy, and restoration of order and stability. These problems are inter-related and the government of Prime Minister Sharaf is trying to address them to the best of its ability. There is no doubt that the Prime Minister and the members of the cabinet are all dedicated Egyptians whose sense of duty and integrity is beyond question.

1-2. The SCAF has been supportive of the government and responsive to the demands of “the street”, sometimes going beyond what the majority of Egyptians would have expected. The SCAF is considering questions of public order as a priority. Understandably, stability and public order must be the primary concern of the country’s leaders. This task becomes particularly difficult in light of changing economic, social, and political conditions, all of which are to a large extent beyond the control of the SCAF and the government. The economic situation is a product of the prior regime’s corruption and abuses over the last thirty years. Its consequences are being felt now, and it is impossible to expect that these problems can be solved in a relatively short period of time.

1-3. The problems faced by Egypt in all of the sectors mentioned above are the product of a long-term accumulation of factors, and will require time to be resolved. More importantly, their resolution will not come solely from the top, but also from the bottom. The Egyptian people need to assume responsibility for changing their ways and becoming socially responsible in every aspect of life. This will require a change in popular culture which has been in place for the entire period of the military rule regime of Egypt, since the mid-1950s. The Egyptian people as well as the present leadership are very much aware of this social phenomenon and of the need to transform it. Everyone is conscious of the fact that this and other problems facing Egypt and the Egyptian people will require one or more decade of time to overcome, assuming no counter-revolution occurs in the meantime.

1-4. The January 25 “revolution” was an extraordinary accomplishment, perhaps unique in history. It brought down a corrupt and abusive regime which lasted for over thirty years and which was the extension of previous regimes under Sadat and Nasser going back to 1952. The January 25 “revolution” is a historic link to Egypt’s 1919 revolution against British colonialism and a continuation of that effort between 1919 and 1952. As of 1923, Egypt had a constitution, a parliament, and a political system based on parliamentary democracy. Unfortunately, it did not work well because of the interferences of the monarchy and British colonial interests, and this led to the 1952 revolution which, though a military coup, was strongly supported by the people.

1-5. Even though the Mubarak regime has been toppled and its remnants are being dismantled, two considerations must be kept in mind. The first is that former President Mubarak and some in his inner circle during the 18 days of the “revolution” must be credited with their concerns for Egypt and for Egyptians, and for Mubarak’s willingness to resign and the SCAF to take over. This peaceful transition saved Egypt the bloodshed that other revolutions have suffered and whose consequences would have been felt for years. Admittedly, there were efforts by state security police and some in the Mubarak regime to turn the peaceful “revolution” into a violent one. Tragically, this resulted in the death of an estimated 800 persons. The memory of those martyrs is being remembered and those responsible for their killings are being investigated and prosecuted. Justice demands that, and it is being pursued.

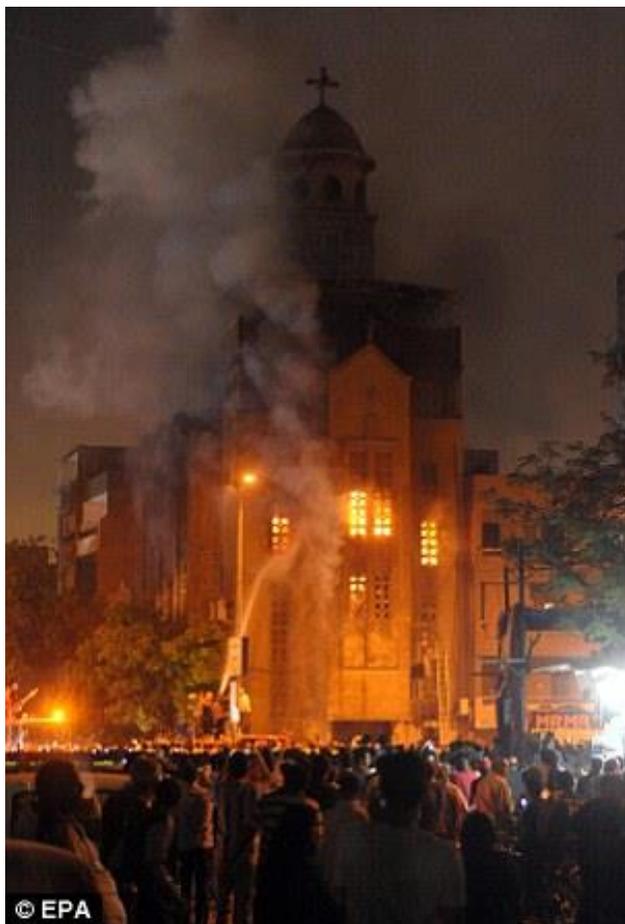
Figure 1 Firemen fight a fire at a church surrounded by angry Muslims in the Imbaba neighborhood in Cairo on May 13, 2011. (Photo credit: EPA).

1-6. What follows are a series of observations highlighting some of the problems currently faced by Egypt. The reader should be mindful that the identification of these problems is intended to present them in a realistic assessment. It is not to be viewed as a pessimistic outlook on Egypt’s future.

2. Update

2-1. Since Update No. 6 many events have taken place; perhaps too many to report on, particularly because they were a product of pressures by the “revolution”, either through additional mass demonstrations in Tahrir Square or simply through meetings of the young leadership with members of the SCAF.

The SCAF has been consistently responsive to the demands of “the street” or the few leaders who have been allowed to meet with some of the SCAF representatives. These demands included the arrest of former President Mubarak, his wife Suzanne and his two sons Alaa and Gamal, the former Speaker of Parliament Ahmed Fathi Sorour, the former President of the Senate Safwat al-Sharif, the former Chief of Staff of the President Zakariya Azmi, and others. The former Prime Minister Ahmed Nazif was also imprisoned, as was the former Minister of Interior Habib al-Adli, former Minister of Information Anas al-Feky, former Minister of Housing Ahmed al-Maghraby, the former Secretary General of the NDP, Ahmad Ezz, and a few business associates of the regime. Former Minister of Tourism Zohair Garana has been sentenced to five years in prison after being found guilty on corruption charges. Certain former officials are being



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interrogated and/or prosecuted for two or more charges. These officials include Habib al-Adli, Safwat al-Sharif and Ahmed Fathi Sorour. A number of former Ministers and high-ranking officials have not been the subject of formal interrogation, among whom are former Minister of Culture Farouk Hosni, and former Minister of Justice Mamdouh Marcie who is known for his role in the forged ballots scandal during the 2005 presidential and parliamentary elections. Recently, Marcie was asked to appear before the Inspector-General of the Ministry of Justice to answer 58 reports accusing him of various misdeeds. Among the reports are accusations of Marcie of having exercised pressure on a judge at Kafr al-Sheikh Court to rule in favor of his nephews on a land dispute on twelve acres owned by the agrarian reform. When the judge refused, the former Minister of Justice referred him to a disciplinary committee. Another accusation relates to the former Minister's interference in the work of judges at the "Illegitimate Gain Agency", which resulted in the resignation of the head of the Agency in 2008. Marcie did not appear before the Inspector-General, claiming health reasons.

2.2. Mubarak and his two sons Alaa and Gamal were referred on May 24 to criminal trial over the killing of protestors and charges of corruption. Businessman Hussain Salem, who had been close to the Mubarak family and who remains at large abroad, has also been charged with corruption-related crimes. The general feeling is that the impunity of the former regime power-holders has ended. Habib al-Adli was convicted in one case so far and given a twelve-year sentence. However, in the second week of May, Mrs. Mubarak was released, having allegedly agreed to return anything of value that she had obtained by abuse of power or by illegitimate means. Zakariya Azmi was released on the representation that he had accumulated his fortune on the basis of gifts and donations by foreign heads of states as well as by senior foreign business officials. The arguments made in these cases were part of the artful scheme developed by the regime over many years, namely to make "lawful" certain practices which were clearly unethical and which would have been deemed criminal under other circumstances. The fact that Mrs. Mubarak and the former President agreed to return property and money (which they presumably obtained through abuse of power or through unlawful sources) would under no valid legal circumstances be deemed a factor exonerating them from criminal responsibility. Similarly, the contrived legal argument of Zakariya Azmi flies in the face of both ethics and logic, namely that the law which prohibits public officials from receiving gifts from Egyptians does not extend to non-Egyptians. These cases portend of the future course of prosecutions of corrupt members of the previous regime and reinforce the suspicions that these corruption investigations were merely designed to assuage public opinion.

2.3. The Prosecutor General Abdel Megid Mahmoud has historically been linked to the prior regime. He was appointed by the former President, was known to be a close personal friend of Zakariya Azmi, and has been known to follow the instructions of former Minister of Interior Habib al-Adli and other regime leaders. Under pressure he submitted his resignation twice, but it was not accepted.

2.4. It should be noted that President Mubarak's arrest and the insistence that he be transferred to a hospital prison has not been well received by many in Egypt because of his age, health, conditions, and the fact that he was not at risk of flight. Moreover, many

think that as the former head of state and former chief of staff of the Air Force, he should be treated with some consideration, even though he is to be investigated for criminal conduct.

3. The SCAF and the Transition to Democracy

3-1. As noted in Update No. 3 dated February 15, the SCAF appointed a committee of eight to make proposals for constitutional amendments to the 1971 constitution which was amended in 2007, so as to reduce judicial oversight of the elections to a minimum as well as eliminate any opportunity for real competition. These amendments were limited to: a) the conditions required for the candidates to the presidency, eliminating those with dual nationality and those married to non-Egyptians, and reducing other requirements for presidential candidacies; b) limiting presidential candidates to a total of two consecutive terms of office; c) the restoration of judicial oversight of elections; d) entrusting the Court of Cassation with the competence to decide disputed electoral results and the validity of membership of Members of Parliament (MPs); e) requiring the President to choose a Vice President to be appointed within sixty days of the President taking office; f) requiring the new 2011 parliament to elect a committee to draft a new constitution within sixty days of its convening; g) imposing restrictions on the declaration and duration of a state of emergency; and, h) abrogating Article 179 which gives the President the power to refer civilians to military courts for terrorism-related cases. The proposal was then submitted to a referendum on March 19, which resulted in 77.27% of the voters in favor (approximately fourteen million as opposed to four million). Those who opposed it were mostly from the pro-democracy movement who were concerned with the fact that the hastily called legislative elections for September 2011 and the Presidential elections of November would not give them enough time to organize political parties and establish grassroots level participation. Of note is the fact that the SCAF had no constitutional authority to appoint a committee to revise the constitution, and yet because of popular acceptance the process was accepted.

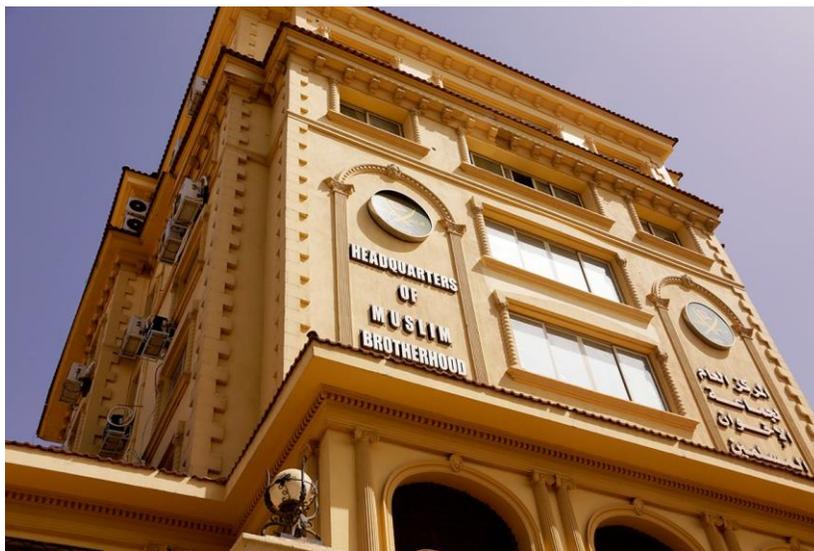


Figure 2 Headquarters of the Muslim Brotherhood in Cairo. (Photo credit: Robert Johnson - Business Insider).

3-2. On March 30, the SCAF issued a constitutional declaration of 63 provisions (including the eight amended constitutional provisions approved by referendum on March 19) that would continue to have effect as a replacement for the 1971 constitution until the drafting and promulgation of a new constitution has been completed – a process estimated to take a year and a half, according to a schedule prepared by the SCAF. The declaration further identifies the executive and legislative powers of the SCAF during the transitional period. The declaration is silent on the issue of the succession of the President in the case of his death or inability to perform his duties for any reason, leaving a legal gap. While an answer to this situation is found in the 1971 Constitution, the constitutional declaration that followed the constitutional amendments supersedes and replaces it. The declaration is noted for having maintained the provision on principles of Islamic Sharica as the primary source of legislation untouched, especially following heated debates and threats by fundamentalist groups in case any attempt is taken to amend or remove that provision. The SCAF kept this provision as the “Second” Article, as it has always been known since its addition to the Constitution in 1981 to avoid confusion or doubt about a subject which is so dear to the Islamicists.*

What is truly exceptional in this situation is that the SCAF took an initiative which had no constitutional or legal basis and was able to transform it into something with popular legitimacy. It should be noted that the self-selection of the SCAF as the repository of all powers in the country is in itself without any basis in constitutional legitimacy. While some political commentators have mentioned the concept of revolutionary legitimacy, this would have essentially applied to revolutionary decisions, but in this case, this is very much an establishment decision. Because it did receive the support of those in the “revolution,” it presumably acquired revolutionary legitimacy.

4. The SCAF and “the street”

4-1. The SCAF continues to make and unmake appointments to cabinet positions and other positions on the basis of pressures from “the street” with many throughout the country, questioning the wisdom of such appointments including the suspension of the SCAF’s own appointment of the Governor of Qena General Emad Mikhail, a former Police General who was the only Coptic Governor appointment. The suspension was due to a number of Qena Muslim fundamentalists blocking the railroad track from Assiut to Cairo, which is the lifeline between the capital and the south of Egypt. Many similar actions have been taken, including the nomination of former Ambassador and former MP Mustafa al-Fekki to be Egypt’s candidate for Secretary General for the League of Arab States. Popular reaction changed that because he had been first appointed to parliament by former President Mubarak and then re-elected when the ballots were exchanged by State Security Police in order to ensure his victory against his opponent, who was believed to have won the elections. With Mustafa al-Fekki gone, the SCAF nominated the present Minister of Foreign Affairs Nabil al-Arabi, leaving open speculations as to who would be the next Foreign Minister to be appointed next month. The currently

* The term ‘Islamicist’ denotes organizations or groups whose objectives include the establishment of a system of government based on Islamic law, irrespective of the diversity of such organizations or groups definitions of such a goal, or the strategies they pursue to obtain it.

avored candidates are Nabil Fahmy, former Ambassador to the U.S., and Fayza Aboul Naga, who for years has been Minister of State for International Cooperation and before that a respected career diplomat. Both are considered very capable diplomats who are highly respected in the diplomatic service, and also persons of integrity. It is important to note that the SCAF seems to be engaging in an almost constant process of appointing and removing people from high offices, supporting investigations and prosecutions of former high-ranking officials and businesspersons associated with the regime. Beyond that, it is doing very little in terms of advancing a national program, let alone shaping a national vision of the future.

4-2. Limited reforms and the pursuit of justice have occupied the attention of the Egyptian people and quieted the anxieties of those outside Egypt who are concerned about the country's stability and future. The SCAF, however, has not articulated a vision or plan for the future. Such a vision for the future must be carefully articulated, and it must be diffused throughout society to have maximum popular buy-in. More importantly, there must be a working group of the SCAF and others in government, as well as dialogue among intellectuals and civil leaders to plan for contingencies in order to face the potential economic crisis and to be ready for the public security crisis described above. This situation has once again led many to think that the SCAF's goal is simply to keep things calm and quiet until the parliamentary election in September and the presidential election in November, which are to be followed by an exercise that is surely going to involve a great deal of the public's attention, namely the drafting of a new constitution.

5. Political Concerns

5-1. The fear of a military takeover of power in Egypt, repeating the scenario of the military coup in 1952, has been behind persistent calls by protestors in Tahrir Square for the establishment of a "Presidential Council", formed of two civilians and one member of the military. The idea of a Presidential Council is derived from the experience of two Councils of Regency in modern Egyptian history. The first was established between 1936 and 1937 after the death of King Fouad I and before King Farouk's accession to the throne. It consisted of two members of the royal family and one civilian: Prince Mohamed Ali, Sherif Sabry Pacha (the brother of Queen Nazli and uncle of heir apparent King Farouk), and Aziz Ezzat Pacha. The second Council was formed after King Farouk abdicated in favor of his young son in 1952 who was proclaimed King Fouad II. It lasted from 1952-53 and was comprised of two civilians and a member of the military. They were: Prince Muhammad Abdel Moncem, Bahey al-Din Barakat Pacha, and Brigadier Rashad Mehanna. Recently, a group has started to collect signatures calling upon the SCAF to remain in power until the upcoming presidential elections and not turn power over to a presidential council. It is feared that such calls could be renewed whether based on security or other concerns, putting the SCAF in a position where it would have to concede to popular demands and assume a more permanent role.

5-2. For these and other reasons, Egyptian activists called for a "second Friday of anger" on May 27 because many demands of the "revolution" had not yet been fulfilled.

Protestors had four main demands: changing governors; purging the judiciary; framing a constitution before holding elections; and, the abolition of military trials for civilians. There were several other demands, such as prosecuting all those who took part in the killing of protesters during the “revolution”; removing Prosecutor General Abdel Megid Mahmoud; the execution of Mubarak and former Minister of Interior Habib al-Adli for treason and the killing of demonstrators; prosecuting the Chairman of the Central Auditing Agency, Gawdat al-Malt, for purportedly hiding corruption reports pertinent to the former President and his associates; and the trial of the Suez Canal Authority Chairman Lieutenant-General Ahmed Fadel for allegedly allocating the revenue of the Canal to the institution of the Presidency. News reports put the number of demonstrators in Tahrir between 50,000 to 250,000 people. Approximately 200,000 demonstrators took to the streets in Alexandria as well as 10,000 in Suez. Smaller demonstrations were reported to have taken place in fifteen other governorates across Egypt. The great discrepancy in reporting numbers of participants in the second Friday of anger is probably due to the corresponding great divergence in views on the participation therein. Supporters of the protests have tended to raise their estimates, while the SCAF and the Muslim Brotherhood (which boycotted the demonstrations) announced lower numbers.

5-3. The January 25 movement wanted to change the regime, whereas others who joined them were only desirous of bringing about reforms. The January 25 movement should not be confused with other oppositionist movements such as the “April 6 Youth” which began in 2008 in support of a call to strike by Egyptian workers in the city of Ghazl al-Mahalla, or the “Egyptian Movement for Change – Kefaya” (meaning: enough) established in 2004 by a coalition of 300 Egyptian public figures and political activists. So far some reforms have been made, but for all practical purposes the regime has not changed, nor is it likely to change even with the new legislative elections. In fact, it is most likely to be consolidated if the presidential elections produce a President that is supported by the remnants of the NDP and the military establishment. It should be kept in mind that there are six million Egyptians who are employed by the government and the public sector, all of whom are deeply attached to what revolutionaries call “the establishment”.



Figure 3 A protester holds a Quran at a Salafi rally for the enforcement of Islamic Shariah law at Tahrir Square. (Photo credit: Reuters Landon).

sector, the military establishment, and the remnants of the NDP are not likely to bring about a new regime. They are likely, however, to bring about reforms whose lasting nature will depend on the influence of other political factors in the course of events.

6. Security Issues

6-1. Public security and sectarian conflict have never been in the precarious situation that they have been in since March. The crime rate has increased significantly, in large part because

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13,000 criminals have escaped from prisons. They and others are now active on the streets, engaging in a variety of forms of individual and group thefts, robberies, and extortions. News of burnings and escapes from police stations are no longer surprising. Nearly 100 police stations and 4,000 police cars have been destroyed by demonstrators and criminal elements since January 25. That which started as infiltrated army, or security breaches, is now on the verge of being called a public security void. If one adds up the consequences of the economic factors mentioned above and the present increase in criminality, the results are likely to be significantly harmful to Egypt and Egyptian society. Whether this means that Egypt will become a failing state or whether it will be taken over by the military is beyond anyone's predictions. However, the likelihood of either of these two predictions exists, and certainly many other intermediate possibilities also exist. None of these possibilities are in the best interest of the country, and none are likely to produce a positive transition towards democracy, the rule of law, and the protection of human rights.

6-2. Since March there have been a number of attacks on Coptic churches, leading to violent conflicts between Muslims and Copts. This occurred in Alexandria, Helwan, Cairo (Imbaba), and Qena, as well as in several other cities and villages across the country. March and May witnessed sit-in demonstrations by Coptic demonstrators in response to the attacks to which they were subject. In May, Coptic demonstrators camped in front of the Radio and Television building (Maspero) after sectarian violence in the region of Imbaba. On May 14, a group of thugs attacked the Coptic protestors sitting in Maspero from three directions using live ammunition and other weapons. The attack resulted in the injury of 78 people who suffered gunshot wounds, minor burns, fractures, and bruises. On May 17, 18 accused attackers were referred to immediate criminal trial. Eventually, Coptic demonstrators agreed, after several failed attempts, to end their sit-in which had lasted more than ten days after an agreement with Egyptian Prime Minister Essam Sharaf and Minister of Interior General Mansour al-Issawi, upon which it was promised that 16 closed churches would be re-opened, that perpetrators of the events of Imbaba would be arrested, and that a number of young Christians who had been arrested in the March and May sit-ins would be released.

6-3. This situation is alarming and the SCAF is aware that these dangers are capable of escalating beyond control. The Coptic community is rightly very concerned. The Muslim religious establishment has unequivocally denounced these acts of extremism, but this has been a long-term, ongoing danger that the Mubarak regime did not properly address. More needs to be done by the government. Public security is a real problem and police forces must be reconstituted to assume that task without further delay.

7. The Islamicist Factor

7-1. The Muslim Brotherhood was established in Egypt in 1928. It was not a clerical movement, nor did it evolve into one. It was and continues to be a secular religious movement, insofar as all of its members are secular individuals. As of the 1940s, it was the subject of extensive governmental repression which increased as the years went on, driving the movement underground and giving it more popularity and legitimacy than it

would have earned had it been treated as any other social organization. The repression decreased during the Mubarak era, both as a result of extreme measures taken against its members and supporters (such as extrajudicial executions, disappearances, torture, arbitrary arrests, and detention), and also as a result of secret political deal making. In the 2005 elections they were allowed to field candidates, and out of the 120 or so positions in parliament for which they presented candidates, 88 representatives were elected. Between 2005 and 2010, these 88 MPs proved to be among the most responsible and reliable serving in parliament. Nevertheless, within the organization a generational gap developed between the leadership who are in their late sixties and seventies, the mid-level who are between their forties and sixties, and the youth who are in their thirties and forties. While the latter may not have enough power to have an impact on the Shura council (and certainly not on the Maktab al-Irshad, the Bureau of Guidance), they nonetheless have greater popular influence than their elders. They, as well as those in the intermediate generational level, have on occasion shown greater tendencies in accepting a secular form of government, though still relying on Article 2 in the Egyptian constitution, which provides that the principles of Sharica are the primary source of legislation. (It should be noted that because this provision is part of the constitution, it is subject to interpretation by the constitutional court, which is a secular court whose members are mostly career judges).

7.2. The Muslim Brotherhood has supported the pro-democracy movement of Tahrir Square, but not until after they saw that the movement was gaining success. On February 21, the leader of the Muslim Brotherhood, Mohammed Bade'i, announced that the Brotherhood would pursue the establishment of a political party (Freedom and Justice Party – Hezb al-Horreya wal-Adala) to be officially registered, run candidates in the September legislative elections, and presumably support a presidential candidate in the November elections. Unlike the ordinary practice of starting a new party, where the founders choose a representative to undertake the necessary procedures toward establishment, followed by elections that determine the party leaders from down up, this party was established the other way around. The Brotherhood named prominent member of the Bureau of Guidance and former MP Mohamed Morsy as President of the party, the Official of the Brotherhood's Political Bureau Essam al-Erian as Vice-President, and member of the Bureau of Guidance and Head of the parliamentary block of the Brotherhood members during the 2005-2010 term, Mohamed Saad al-Katatny as Secretary General. The fact that the Brotherhood named the leaders of the newborn party without allowing for an election among founders to that effect has been the subject of criticism by political commentators. The Brotherhood as an establishment has officially declared that it will run candidates with a goal



Figure 3 Samira Ibrahim, one of the victims of the virginity tests carried out by military police. (Photo credit: AP).

to winning one-third of the parliamentary votes. Presumably this was done in order not to alarm the Egyptian population and the rest of the world that they may be gaining more seats, and therefore create concern about a Brotherhood takeover of the country. In order to accomplish that goal, the new political party, presumably with the support of the establishment, recently announced that it will run candidates in at least one half of the electoral districts. The Brotherhood declared that there will be an administrative separation of the party from the Brotherhood itself, though it will remain ideologically bound to it. Furthermore, the President of the party, his Vice-President, and Secretary General shall submit their resignations from the Bureau of Guidance. The extent to which the Freedom and Justice Party will operate independently from the Brotherhood is unknown, although it is expected to be low. Liberal thinkers are skeptical about the Brotherhood's assertion of administrative independence of the Party, and believe it will remain subordinate to the decision-making process of the Brotherhood. In line with their public relations campaign and attempts to improve their image as a democratic institution open to all Egyptians, the Brotherhood named Coptic thinker Rafiq Habib as Vice-President of the Freedom and Justice Party, and announced that the Party also includes another hundred Coptic members and about one thousand female members. Furthermore, it is worth noting that Abdel Moncem Aboul Fotouh, a prominent figure of the Brotherhood and a former member of its Bureau of Guidance, has declared his intention to run for President in November.

7-3. A number of commentators see the internal situation of the Brotherhood as possibly splintering between the younger members and the older generation that wishes to wait and see how things will develop rather than become engaged in the political process. For this older leadership, there is the belief that Egypt's political system, no matter what its shape may be, is doomed to collapse and when that happens the Brotherhood can simply move in because it will be the only option left for the country. The younger generation wants to be part of the solution and not wait for a doomsday scenario. They are therefore willing to accept a secularization program as part of a democratic form of government,

though they too are not giving up on their ultimate goal of establishing a nation based on the religious dictates of Islam.



Figure 5 People take part in a demonstration to ask EU countries to freeze the assets of former President Mubarak, Paris 18 Feb. 2011. (Photo credit: Getty Images).

7-4. A survey of the behavior of the Brotherhood after the removal of Mubarak shows that they have not engaged in any effort or event of any sort that would have the potential of criticizing the SCAF. The Brotherhood was explicitly in favor of the constitutional amendments,

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unlike most other political factors which saw the need for an entirely new constitution instead. Furthermore, the Brotherhood failed to appear twice in the ‘Conference of National Reconciliation’, where the need to postpone parliamentary elections was emphasized – something not in the best interest of the Brotherhood which enjoys more popular support and a head start over all other political opponents for the time being. This attitude has provoked accusations by many of political opportunism. More precisely, there is reasonable fear of a political deal between the SCAF and the Brotherhood in light of the latter’s passive position on many critical occasions. It should be remembered that the SCAF gave the Brotherhood an advantage over other political opponents when it appointed prominent Brotherhood member Sobhy Saleh to the ‘Constitutional Amendments Committee’. For that reason, demonstrators in Tahrir Square on May 27 expressed their resentment over the Brotherhood’s absence, but Brotherhood leader Mohamed al-Beltagy described the criticism of Tahrir Square as “nonsense led by some who want to drive a wedge between the people and the Muslim Brotherhood.” Another crack in the relation between younger and older generations of the Brotherhood has been caused by the latter’s decision to withdraw from the “Coalition of the Revolution Youth” after many youth of the Brotherhood participated in the ‘Friday of Anger’ on May 27. More precisely, the Brotherhood announced “it had no representatives in the Coalition” after having had two representatives: Mohamed Al-Qassass and Islam Lotfy. Al-Qassass commented on the announcement by stating that he had not been informed that he no longer represented the Brotherhood in the Coalition, and believed such a move came in reaction to the participation of youth members of the Brotherhood in the second ‘Friday of Anger’. By rejecting participation in the Friday demonstrations, the Brotherhood said those in protests are “against the people and seek to drive a wedge between the people and the army.”

7-5. Events in the last three months have demonstrated, however, that a new element exists in “the street”, namely, the Salafi. While they are not organized and structured like the Brotherhood, they are nonetheless a very popular grassroots movement of persons usually referred to as fundamentalists, and they are largely influenced by the Salafis and the Wahabis of Saudi Arabia. They are mostly of a lesser-educated class and low-income earners. Their propensity to violence has been manifested in a number of recent incidents, and they are deemed to present a threat in terms of public safety and public security. It is not known what their structure may be or whether they are effectively controlled from within or outside the country. The Salafi movement has emphasized its rejection of democracy on the grounds of it being a form of substituting man-made law for God’s law. There have been recent reports of flyers being handed out to the public in Cairo titled “democracy allows the people to govern themselves even if they are violating the rule of God.” The flyers urge people to support a religious state and reject any state model based on democracy or liberalism, for these systems “exclude the provisions of God.”

7-6. There are other extremist Muslim organizations known to have existed in Egypt and to likely still be active, such as “al-Gamaca al-Islamiyya”, “Islamic Jihad”, and other smaller groups of jihadists, some of whom have left the country and are believed to be returning. Politically, they do not constitute a factor to be reckoned with, but they do constitute a threat to public safety. On March 10, the SCAF ordered the release of 80

politicians and leaders of Islamic groups by decree No. 27/2011. Those released included leaders of Islamic Jihad Abboud al-Zomor and his cousin Tarek al-Zomor – plotters of the assassination of late Egyptian President Anwar Sadat in 1981 – after 30 years behind bars. Abboud al-Zomor remained in prison despite having served his sentence in 2001 because of the Interior Ministry’s discretionary power to hold a prisoner for up to five additional years on grounds of security. Abboud al-Zomor’s release created a media frenzy, and his frequent appearances in the media and controversial opinions have irritated many Egyptians. In particular, many Egyptians disliked how the media treated al-Zomor as a hero, to the extent that he was described by some as “Egypt’s Mandela”. Al-Zomor declared his intention to participate in political life, and asserted that Islamic political efforts should not be restricted to only those of the Muslim Brotherhood. Al-Zomor participated in a protest near to the American embassy in Cairo by members of Islamic groups calling for the release of Sheikh Omar Abdel Rahman; a leader of al-Gamaca al-Islamiyya serving a life sentence in a North Carolina prison since 1993 after being found guilty of seditious conspiracy for issuing a fatwa encouraging acts of violence against U.S. civilian targets, particularly in the New York and New Jersey metropolitan area. Following the death of Osama bin Laden, Al-Zomor described Bin Laden as a “martyr” but pleaded against revenge attacks. It is worth noting that some 200 demonstrators gathered outside the American embassy in Cairo on May 6 protesting the killing and burial at sea of Bin Laden, considering it another act of hatred and attack against Muslims by the United States.

7-7. It is ironic that while in Egypt (as well as the rest of the world) the assumption was that the Muslim Brotherhood posed the most significant danger to Egypt’s security, that it is now by comparison to these other groups considered reasonable and politically acceptable.

7-8. One of the confusions that exists about all of these organizations relates to the sectarian violence by Muslims against Copts. No one knows with any degree of certainty whether this sectarian violence has been produced intentionally or whether it has arisen on its own. It is also uncertain as to whether it is directed by a given religious organization. It is likely that the sectarian violence is the product of economic and social frustrations, which tend to manifest through inter-social conflicts.

8. The Economic Problem

8-1. The principal sources of income for Egypt are tourism, the Suez Canal, remittances from Egyptian expatriates, and foreign investments. Except for the Suez Canal, all have been in serious decline since January. The exact numbers are not known, and understandably the government is not publicizing them for fear that it would cause a negative impact on the Egyptian pound as well as on general confidence in the economic climate. Precise figures notwithstanding, these economic indicators have a way of becoming public knowledge. Surely the dramatic downturn of tourism is visible to all Egyptians. Foreign investment was for a number of years manipulated by the Mubarak regime, and is in fact much less than what actually ever came into the country. More

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importantly, it is much less than what has remained in the country, as described in Update No. 6 dated March 15, as well as below. Remittances by Egyptians abroad have also been reduced because of general lack of confidence in the economy and doubts about Egypt's political future. There has also been a tendency for Egyptians and non-Egyptians with assets in Egypt to convert them into dollars and Euros, further weakening the pound. The expectation for a rebound in any of these sectors is doubtful, especially the prospect of a return to 2009-10 tourism levels for the 2011-12 season. Estimates put it at maybe 25-30% of the preceding season. Foreign remittances by Egyptians may pick up. Real foreign investments will depend on not only the stabilization of the economic situation, but also on political stability and public security and safety. A brief description of some of these issues follows.

8-2. The economic situation facing Egypt is serious. Foreign currency reserves have dropped since February from \$46 to \$24 billion US, with a loss of 8% in the value of the Egyptian Pound. Moreover, there is another looming crisis whose dimensions are unknown and which derive from the facts described in Update No. 6, namely, private bank liabilities for loans relating to investment projects whose value is believed to have been significantly inflated. The risk of loss when these loans become insolvent is unknown, because neither the banks nor the Investment Authority have kept an accurate record of them. Perhaps more problematic is the fact that the Central Bank does not have the necessary data of the extent of these potential losses. Moreover, it is not known what guarantees the Central Bank has given to the private sector for foreign investment loans, which may now be at risk. The discovery of these guarantees by the Central Bank may also cause a crisis with the IMF, since it is believed that these guarantees were never disclosed to the IMF as a contingent liability or as part of the public debt. This may explain why the IMF at the end of April refused to reschedule foreign debts or delay their payment. It also explains why the Prime Minister and others travelled throughout the Gulf States in April in the hope of securing sources of funding or financial backing for Egypt's economy. Saudi Arabia has pledged \$2.75 billion US to support Egypt. The default on payment for such loans may not occur immediately and certainly not at once, but they may be in succession and likely to cause a domino effect by creating a liquidity crisis (which already exists in the private banking sector) as well as a run on the bank by private depositors (banks are already limiting what private depositors can withdraw to EGP 50,000 per day, equivalent to \$8.4 US), and lastly a weakening, if not collapse, of the economy.

8-3. It should be noted that 50% of the population is under thirty, and within that group there is a 50-60% unemployment rate and a medium income fluctuating between two and five dollars a day. An economic crisis resulting in an additional 6-8% real inflation with a 10% cost of living increase would drive an estimated ten million people below the poverty level. Those with secondary education and university degrees represent close to ninety percent of those unemployed within the under-thirty age group. The frustrations of men within that group, particularly between the ages of 25 and 29, in which only 50% are married and the other 50% who aspire to marriage but are unable to do so for economic reasons, should not be taken lightly. What effect this will have on society cannot be determined, but the likelihood that there will be a series of hunger demonstrations leading

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to looting and theft is considered to be high. The numbers of those persons that might take to the streets, namely anywhere between two and four million people, makes it unlikely that the army would be in a position to stop them by force even if it wanted to. The expectation is more likely that the army would let such hunger strikes run their course until a massive popular demand arose for public security, and that would then lead the army to use force and take complete control over the country.

8-4. During the meetings of G-8 leaders in France on May 26-27, a multibillion-dollar aid plan for the fledgling democracies of the Arab Spring was a priority of the summit's agenda. It is believed that economic stability is key to the advancement and maintenance of democracy in the Arab world. The G-8 are concerned that radical Islamicists will "hijack" revolutions initiated by pro-democratic forces in Tunisia and Egypt due to poverty and grueling economic frustrations. Leaders of G-8 members – Britain, France, Germany, Italy, Russia, Japan, Canada and the United States – have declared their intention to work on securing up to \$20 billion US in aid for both Tunisia and Egypt. Hopes are that the International Monetary Fund may provide an additional \$10 billion US in loans, in addition to a similar amount from Arab countries as Saudi Arabia, Qatar, and Kuwait. There have not been any further clarifications on when these funds will be made available, nor the share of each of the recipient states.

9. Recovery of Assets

9-1. One estimate is that the Mubarak family alone has reportedly amassed a fortune of \$40 billion US, and that some forty government officials and businesspersons close to the Mubarak family may have made an estimated \$1 billion US each. These sums and others are believed to be subject to seizure abroad and returned to Egypt, which has raised high expectations among the people, particularly in connection with the looming economic crisis. There are three factors to consider, however, the first being the likely inflation of these numbers. The second is that even if the numbers are real, what may be discoverable may be much less. Thirdly, within the Prosecutor General's office and the Ministry of Justice there is insufficient technical personnel and staff capable of engaging in a long-term financial investigation to ascertain where these funds are, under what corporate or legal entity they are being held, what laws are applicable in the countries where the funds are being held, and how to pursue a legal way to obtain cooperation from these countries for the freezing and then seizing and return of these funds to Egypt. Anyone knowledgeable about money laundering also knows that there are unfortunately all too many skilled lawyers, bankers, and accountants in different countries in the world who will use a variety of legal techniques which take advantage of laws in many countries which are designed to encourage bringing in funds of doubtful origin. The assumption that there will be enough financial investigation personnel who know different languages and financial regulations of different countries, as well as legal personnel who know of the legal requirements of different countries, is not the case in Egypt. Consequently, the only way that some of these funds can be repatriated is through the voluntary consent of the persons who are charged with these crimes and who would agree to cooperate with Egyptian authorities.

10. Conclusion

Revolutions are usually the beginning of a historical process which is, more frequently than not, a much longer evolutionary process. Even after this rather exceptional, peaceful revolution, it must be assumed that the outcomes for any democratic, stable regime will require at least a decade, if not more. That is assuming that there will be no counter-revolutions, civil war, or major economic or social crises, which are likely to bring about the need for more time. As history demonstrates, democracy and the rule of law are goals which are achieved over a period of time, during which the people in question must earn their attainment. When revolutions are violent, the subsequent processes take longer, as in the cases of the French Revolution of 1789 and the Russian Revolution of 1917. The American Revolution, though involving violence against a colonial power, nonetheless took nearly 200 years to mature, and it had to endure a very costly civil war which produced significant harmful results.

Only ostriches believe that by putting their heads in the sand the dangers they see are averted. Human experience has taught us that the fact that we do not see a storm coming does not mean that the storm will be diverted. Egypt must find the strength to face these potential dangers, some of which can be prevented or mitigated. But that depends on whether the SCAF and the government have a plan which can make the country ready to face certain crises, and to address them effectively rather than be taken by surprise without a plan and become overwhelmed by events.