Egypt as a Conflict/Fragile State

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Abstract
Egypt has experienced a very turbulent four years since the eruption of the Arab Spring in January 2011. Millions of Egyptians have demonstrated across the country dozens of times, resulting in the ouster of two presidents and Egypt moving from a state of ‘transition’ to a ‘fragile state’ by the OECD’s annual standards. This paper will analyze the current political situation in Egypt through the lens of the OECD’s definition of fragility. It will then seek to explore the merits of moving Egypt to a ‘fragile state’ by examining the primary conflict and fragility factors, the historical context by which these factors arose, and finally, it will consider the impact on the current ability to deliver services to the people.
Introduction
The Arab Spring fundamentally changed the existing order for many countries in the Middle East. Since January 25, 2011, Egypt has undergone a major transition that has shaken the status quo to its core and made Egypt relatively less stable. It is imperative to test whether Egypt has become a fragile state through these changes, which may dramatically alter financial donors’ inflow of assistance. A plethora of indices are available to measure whether or not a state is ‘fragile’ or ‘failed.’ Given that the European Union (EU) and its member states are the largest donor body in the world, the Organisation for Economic Co-Operation and Development’s (OECD) definition should be valued the most, since, ultimately, the OECD’s classification affects a large amount of cash flow. As such, this paper will be based on the OECD’s mindset that, "lack of legitimacy is a major contributor to state fragility because it undermines state authority, and therefore capacity." The OECD report then outlines four sources of legitimacy:

Input or process legitimacy, which is tied to agreed rules of procedure; output or performance legitimacy, defined in relation to the effectiveness and quality of public goods and services (in fragile situations, security will play a central role); shared beliefs, including a sense of political community, and beliefs shaped by religion, traditions and "charismatic leaders"; and international legitimacy, i.e. recognition of the state’s external sovereignty and legitimacy.\(^1\)

The OECD further expounds an essential concept that “none of the sources of legitimacy listed above exists in isolation, and no state relies solely on one of them … the core message of this report is that policy makers should look, without preconceptions, at how different sources of legitimacy play out in a specific context.” In examining how all four bases come together to create a fragile situation in Egypt, it is important to keep in mind that legitimacy is the primary determinant of fragility.\(^2\)

Fragility Factors
Egypt has serious legitimacy issues according to the OECD framework. These concerns have dire consequences for state building and for resolving conflict in the country. This section strives to provide a historical context for fragility in Egypt, and then examine Egypt through the four legitimacy factors and analyze the short-term dynamics of the conflict in Egypt.

It is crucial to explore the history of post-colonial Egypt in order to understand the root causes of fragility and conflict in the country. Under the British colonial rule of Egypt, certain elites such as urban nobles and British sympathizers were promoted, and they benefited disproportionally from their cooperation with the Europeans. As Egypt transitioned to a monarchy, the rich continued to gain affluence and power while the poor were exploited. Prior to the 1952 ‘Free Officers’ revolution, which deposed the monarchy, the wealthy Egyptians controlled overwhelming portions of the land in the country: six percent of the citizens controlled nearly seventy percent of the land, and 0.5 percent dominated one third of the land.\(^3\) Thus, when Gamal Abdul Nassar governed Egypt after the 1952 revolution, he appealed to populism and socialism, and instituted key land reforms to try even out this disparity. In addition, in an attempt to create an educated middle class, he established a free universal public education system that enabled all Egyptians of all

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classes to attain the highest education level they desired. However, while these policies may seem noble, ultimately they were unsuccessful. Nasser followed the economic doctrine of import substitution industrialization, which rendered his new land laws useless as the country moved to become an industrialized nation rather than agrarian. Moreover, while his education plan generated the most educated Egyptian populace in history, the lack of jobs meant that many college graduates were forced to drive taxis and take blue-collar jobs, seeding discontent among the general public in the long run. When Hosni Mubarak ruled, he tried to transition to what was supposed to be a high-growth, jobs-creating economic model: the Washington Consensus. However, this model of economic liberalization was unsuccessful due to the rampant corruption of Mubarak’s regime. Rather than creating jobs and helping the population en masse, Mubarak allowed officials who were closest to him and the wealthy elites to profit at the expense of the populace. This was one of the drivers causing a massive dissatisfaction that led to the 2011 protests. In February 2011, Mubarak stepped down from his role as President following weeks of demonstrations and, after a year of military rule, Egyptians voted for Mohammad Morsi, whose one-year tenure was marked by further economic decline and political restlessness. One year after his inauguration, the military toppled Morsi from power in June 2013, and Abdel Fattah El-Sisi has been ruling Egypt since. Sisi has made it a primary goal to help Egypt recover from fragility and conflict and return the country to economic, social, and political stability.4

The OECD has outlined the first source of legitimacy as process or input legitimacy, which is described as “the procedures and mechanisms through which [a state] governs, notably the mechanisms by which those who appropriate and use public power are held accountable by their constituencies.” Furthermore, input legitimacy relies on a set of “agreed rules of procedure through which the state takes binding decisions and organizes people’s participation.” Egypt fails to achieve these objectives. After the ouster of Mohammad Morsi from office, interim President Adly Mansour tapped Amr Moussa to head a new Constituent Assembly tasked with drafting a new constitution. The Assembly-formed constitution issued a set of new laws guiding the government in Egypt. However, it was largely boycotted by the Muslim Brotherhood, who were excluded then from the process, as evidenced by the fact that only one member of the Muslim Brotherhood was on the 50 person committee.5 This exclusion has created a major input dilemma, considering polls show 26% of the country supports the Muslim Brotherhood’s efforts and opposes this new government, and that a swath of the population was entirely left out of the conversation.6 The rules of procedure are not agreed upon but rather, tailored to a certain swath of the population and rejected as illegitimate by almost a quarter of citizens, which represents a failure on the part of the government. Furthermore, the OECD argues that the officials who are in power must be held accountable to their constituents. The OECD places the issue of nepotism and corruption in politics as a violation of this principle. In cases of legitimacy, the issue of perception of corruption is more relevant and significant than the actual corruption itself. If a government is very corrupt but perceived as honest and fair, it is more likely to be considered legitimate by the people than vice versa. Thus, the Corruption Perception Index can provide a valuable measure of Egypt’s corruption perception as a threat to legitimacy. Indeed, during Morsi’s rule in 2013, Egypt rated 114 out of 177 in the global index, with an abysmally low score of 32. The majority of Egyptian citizens perceive the country to be corrupt. Al-Ahram Newspaper, the main daily newspaper in Egypt, reports, “In a 2011 study by the Global Financial Integrity Organisation, Egypt was ranked 25

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globally in terms of illicit financial outflow. From 2000 to 2008, $57.2 billion was taken out of Egypt through illegal means, according to the study. About 60 percent of the total figure, $3.8 billion annually, was due to corruption and crime. Trade mispricing accounted for an annual illicit outflow of $2.54 billion. In fact, Al-Ahram Centre for Political and Strategic Studies discovered that “47% of small and medium businesses in Egypt are forced to offer government clerks cash bribes in order to obtain business licenses and must continually bribe them in order to avoid fines.” Such bribery and corruption matters reinforce the failure of Egypt’s government to reign in corruption, and Al-Ahram concludes, “Corruption in the government extends far beyond a single controversial law” that can be changed and can reverse the low perception amongst citizens. In contrast to the old ways in Egypt, rooted in corruption, Sisi has made an active effort to root out corruption and bribery. While it is difficult to compare empirically corrupt transactions before and after Sisi, his efforts seem to have some limited initial success as the perception of corruption in Egypt is beginning to reverse. In the 2014 Corruption Perceptions Index, Egypt has advanced to rank 94 out of 175 countries with a score of 37, marking the first time that Egypt’s score has improved since 2009, and with the lowest perceived corruption since 2006. While this is a trend in the right direction, Sisi must continue to boost the perception of corruption in Egypt to help strengthen input legitimacy.

The second source of legitimacy according to the OECD is output legitimacy. This is measured by the “effectiveness and quality of services and goods that the state delivers,” primarily: security, social services, and economic activity. Egypt’s government fails on all three counts. Egypt has faced a rapidly deteriorating security situation since the overthrow of Hosni Mubarak. Bombings and shootings have become a common occurrence, and the Sinai Peninsula has turned completely ‘lawless.’ Egypt’s main oil and gas pipelines have been blasted, harming both exports as well as security. A bombing of a bus killed several South Korean tourists as well as an Egyptian police officer in February 2014, prompting international outcry. Ansar Bayt Al-Maqdis, a terrorist group rampant in the Sinai, pledged support to ISIS in November 2014. While Sisi has tried to take new measures to prevent terrorism and protect Egyptians from violence, the security apparatus has been unable to truly maintain safety and legitimacy after repeated attacks from Islamists; thus, it has failed in this front. The OECD argues that a state must either provide or facilitate NGOs to deliver social services to its citizens. This is one of Egypt’s considerable quandaries. The government has failed to provide many public services for decades, but other groups have usually filled the void (for example, prior to Morsi, the Muslim Brotherhood garnered lots of goodwill from people by delivering such services). Since Morsi’s overthrow and a declaration from an Egyptian court banning the Muslim Brotherhood, social services delivery has been impaired. In fact, Michele Dunne of the Carnegie Endowment for International Peace says that many social services organizations formerly associated with the Muslim Brotherhood were “forced to disassociate themselves from the Brotherhood if they want to keep operating. And so, some of them are now publicly run; they’ve basically had to turn the keys over to the government so that the kindergarten or the clinic or whatever it is can keep delivering services.” Since Morsi’s overthrow and a declaration from an Egyptian court banning the Muslim Brotherhood, social services delivery has been impaired. In fact, Michele Dunne of the Carnegie Endowment for International Peace says that many social services organizations formerly associated with the Muslim Brotherhood were “forced to disassociate themselves from the Brotherhood if they want to keep operating. And so, some of them are now publicly run; they’ve basically had to turn the keys over to the government so that the kindergarten or the clinic or whatever it is can keep delivering services.”

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operating.” Ultimately, the failure of Egypt’s government historically to provide security, social services, and economic wins has undermined output as a source of legitimacy.

The third source of legitimacy outlined by the OECD is shared beliefs. This basis is explained as “a sense of political community and beliefs shaped by social practices and structures, political ideologies, religion and tradition that allow people to see the state or other form of public authority as the overarching, rightful authority.” The OECD also nests ‘charismatic legitimacy’ based on a popular ruler under this category. Furthermore, “shared beliefs can evolve from accustomed practice … the more people become used to such common procedures, and see them as offering benefits, the more they see them as part of a legitimate way of participating in, regulating, and transferring power.” The organization specifically refers to the shared beliefs legitimacy in the context of elections, but argues that it can be used more broadly in other situations as well. Egypt has mixed results with this type of legitimacy. Prior to the Egyptian Arab Spring, there was a collective homogeneity around being an ‘Egyptian’ and Egypt was considered more united as a country than other Arab countries, whose nation-states were more poorly drawn under the Sykes-Picot Agreement. However, the Arab Spring has exposed a deep-rooted division in the Egyptians’ identities along religious versus secular lines. As Shibley Telhami writes, “Much of Egypt’s crisis comes down to a battle over identity. Morsi and the Muslim Brotherhood overestimated the extent to which Egyptians identify with Islam. And now, with their violent repression of the Brotherhood, the generals who ousted Morsi risk underestimating it.” What was once universal in Egypt—identity—is now collapsing and challenging the state in the process. Neither the Morsi nor the Sisi governments have been able to find a delicate balance between the religious and the secular factions in Egypt, thereby driving people further apart. This imbalance risks undermining the one and only source of legitimacy that Egypt’s successive governments have had. Furthermore, ‘military takeovers’ of elected governments can undermine the shared beliefs legitimacy. One hallmark of democracy is respect for the outcomes of elections—when the citizens elected Morsi, the act of voting increased the legitimacy of the state in Egypt. So, when Sisi and the military removed Morsi from power, this toppling seriously undermined legitimacy. While millions of Egyptians in the streets supported this move, the other millions of the Muslim Brotherhood supporters were told that their votes were irrelevant, thereby—potentially—permanently erasing all lines of legitimacy for all future governments in Egypt. A delicate balance must be struck by Sisi moving forward: he must appease both the religious and secular factions in addition to including Morsi’s supporters to ensure that they are not everlastingly disenfranchised, which may cause a long-term legitimacy crisis.

The fourth and final source of legitimacy is international legitimacy. The OECD defines this as the “recognition of the state’s sovereignty and legitimacy by external factors, which in turn has an impact on its internal legitimacy.” Two primary concerns rest within this source: regional/international organizations and human rights. Egypt has no problem with the first concern, but it is increasingly weakening its international legitimacy in terms of human rights. In the earliest days of the downfall of Morsi’s government, the international community at large was hesitant to immediately endorse the actions of Sisi, since it was unclear what the long-term ramifications would be. However, the Sisi government has gained international support slowly and reluctantly, as countries around the world recognize that he is the most suitable leader for Egypt. However, concerns for human rights violations in the new Egyptian government have become widespread. Reports of violent crackdowns on dissenters and pro-Morsi supporters are rampant, and

there have been many arrests of journalists for reporting these incidents. These abuses have caused a decline in Egypt’s Freedom House rankings in 2014, and they have triggered many concerns in the international community about the future of human rights in Egypt. Nonetheless, many people in Egypt view this as a necessary evil to move the country forward in the short-run.

Drivers of Fragility and Conflict

There are three primary drivers of fragility and conflict in Egypt: geography, values, and socioeconomics. The historical narrative has shaped three matters that have become more relevant in the post-Mubarak Egypt. The failure of successive governments in Egypt to address the three drivers has seeded discontent amongst the people, creating a downward cycle, and causing continual deterioration in the fragility and conflict in Egypt.

The first historical narrative in Egypt has created three major divisions in the country based on geography: urbanized cities, rural farmlands, and the Sinai Peninsula. People in urban areas tend to be the most educated, yet they endure the greatest disparity in wealth. While people who benefited the most in Egypt over the past 50 years have been from urbanized areas, many still have not been able to improve their lives. Corruption has forced many people in urban areas, including many educated citizens, to suffer from poverty while they witness the elites become richer at their expense. However, these urban areas, primarily Cairo and Alexandria, remain the most sympathetic to western development efforts. In contrast, many people in the agrarian-based rural areas of Egypt either gained the most from Nasser’s land reforms, or were able to increase their own land ownership during this period. Nevertheless, under the Mubarak regime, they were largely ignored from the standpoint of delivery of social services. As a result, the Muslim Brotherhood was able to increase sympathy in this area by delivering basic goods that the government failed to, increasing Morsi’s popularity prior to his election. It has yet to be seen whether this support will have long-term destabilizing consequences for Egypt in a post-Morsi era. In order to ensure that legitimacy of the government will increase, Sisi’s government must expand services to these rural areas and include them in the process. Finally, the Sinai Peninsula has faced a unique set of circumstances over the past fifty years, causing the region to become ‘lawless,’ as described previously. Since the birth of Israel in 1948, the Sinai Peninsula has faced war between Egypt and Israel multiple times. Until Egypt recovered it back in the 1978 peace treaty, the region has changed hands between Egypt and Israel several times. However, this historical narrative means that no Egyptian government maintained a strong presence in the region or was ever able to truly establish credibility in the eyes of the citizens. Instead, a few local prominent tribes, who are considered the legitimate rulers by the residents of that area, control the region. Since the downfall of Mubarak, the Sinai Peninsula has become a hub for attacks against the police and military forces of the government, generating massive conflict in the region.

The second driver of conflict in Egypt is values—primarily a division along secular and religious lines. This separation is not between those who are secular and those who are devout; as Shibley Telhami explains, “Egyptians see themselves as the most religious people in the world.”\(^\text{15}\) Rather, this partition is between those who believe that government and religion ought to be intertwined as opposed to those who think that religion and government should be separated. At one extreme, the 2012 presidential candidate, Hazem Salah Abu Ismail, argued for a deep intertwining of religion and the legal code and government functionality; whilst at the other extreme, the 2012 and the 2014 presidential candidate, Hamdeen Sabahi, contended for a strict division between religion and politics. It remains to be seen whether this split will continue to be a source of fragility and conflict in the long run, or whether it will

dissipate if the economy improves in the short run. Egypt must seek to rectify the conflict as soon as possible. As the United Nations 2011 World Development Report explains, “90 percent of the last decade’s civil wars occurred in countries that had already had a civil war in the last 30 years.” If Egypt’s instability and conflict is protracted, it risks becoming mired in a permanent state of flux, inhibiting any form of development.

The final driver of fragility and conflict in Egypt is socioeconomic. As explained through the historical narrative, Egypt’s socioeconomics have been an issue for many years now. There was a false belief by many that the Arab Spring protestors in 2011 were seeking democracy when, in reality, the primary reason was economic circumstances. Chants for “bread and butter” were those most called, and a Pew survey in 2012 confirmed that 83% of Egyptians viewed “improved economic conditions” as “very important,” this being the predicament that garnered most support. Morsi’s inability to improve the economic situation disappointed the masses and resulted in protests toppling his regime in 2013. Many experts believe that Hazem el-Beblawi’s inability to stop the hemorrhaging of Egypt’s economy contributed to the resignation of the interim Prime Minister in February 2014. Thus, socioeconomics are arguably the most significant driver of fragility in Egypt. For development practice, the most important goal to increase overall legitimacy of the government and decrease fragility of the state is to focus on this issue, which is intrinsically linked to output legitimacy.

The three main drivers of conflict in Egypt are internal stresses that Egypt needs to handle on her own. In addition to human rights abuses, the geographical division has worsened political stresses. With an increasing mistrust between religious and secular factions in the country, the conflicting values have helped shape recent security stresses. Finally, the socioeconomics of Egypt have formed the economic stresses such as low incomes, unemployment, and corruption.

Impact of Fragility and Conflict on Economic and Social Development

The impacts of fragility and conflict in Egypt on economic development have been severe. For the first time in years, the government posted a budget surplus of $757 million in the second half of 2013. This excess cash flow is largely attributable to the massive influx of $12 billion in aid from Arabian Gulf countries, which has helped Egypt to be upgraded from “negative” to “stable” by Fitch Ratings Agency. Nonetheless, many fundamentals of the economy remain weak: tourism is at a low, most of the government’s budget is based on subsidies, GDP growth is only 2.6%, unemployment is estimated at 14%, and Moody’s rated the banking system “negative.” While unemployment is a residue from the Mubarak regime, GDP growth has become anemic compared to the final years of the Mubarak era when it was hovering at roughly 5-6% annually, indicating a direct impact of fragility and conflict. An example of this economic weakness can be illustrated by the gas industry in Egypt. Although Mubarak’s government did not deliver many basic social services, his government provided the basic necessities of electricity and energy. In contrast, the post-Mubarak Egyptian governments have failed to adequately supply these commodities for the past four years. BG Group and Petronas had exploited Egypt’s gas reserves for many years to make Egypt a net exporter of energy; hence the Egyptian government had been able to supply energy at a low, subsidized rate to its citizens. However, Egypt’s gas reserves are maturing, making drilling more difficult. BG is reluctant to invest in Egypt due to weak security conditions, thus it is unable to take extra steps to bolster dwindling production, causing Egypt, for the first time in many years, to be a net importer of energy in 2014.

Furthermore, due to the gas shortage, Egypt is no longer able to provide gas at a subsidized rate for its people, which has led to daily power outages and rolling blackouts. While Sisi took the bold step of cutting oil subsidies in Egypt, causing prices to rise as much as 80%, the country still suffers from a dependence on subsidized gas prices to keep the economy afloat. This overdependence will continue to strain the budget. While the 2014–2015 oil price crash has potentially helped Egypt up to $8 billion due to reduced subsidies, if prices rise again, Egypt will continue to be handicapped economically. As Justin Dargin, Middle East energy expert at the University of Oxford concluded, "Sisi is still very popular, but he realizes that Egyptians can go to Tahrir Square tomorrow if his administration is seen as not being as efficient as promised." Ultimately, Egypt has suffered severely from the instability of the government, the increased conflict, and deterioration of the security apparatus.

Egypt lost years of social development in the post-Arab Spring period, primarily in regards to gender equality. A Thompson Reuters annual poll of gender experts found that Egypt was the “worst Arab state for women.” The BBC explains, “the poll asked experts to assess factors such as violence against women, reproductive rights, treatment of women within the family and women’s role in politics and the economy … However, sexual harassment was cited as the main factor. A UN report in April said 99.3% of women and girls in Egypt had been subjected to sexual harassment.” Women's rights have deteriorated in Egypt since the toppling of Hosni Mubarak, even falling behind Saudi Arabia now on civil liberties for women. The Arab Spring has led to a tremendous increase in sexual harassment, with the Council on Foreign Relations stating, “according to a study by the Egyptian Center for Women’s Rights, 86 percent of the women surveyed said they had experienced harassment, and 72 percent of these were wearing either the hair-covering hijab or the face-covering niqab.” As Reuters reports, “The whole image of women during Morsi’s rule was that a woman is a mother who should be bearing children and that is the most important thing,” Fatma Khafagy, who heads the Ombudsman office for gender equality in Egypt, told Reuters. “The whole discourse was against women’s rights and gender equality.” There have been reports of gang rapes and police brutality against women during the protests in Egypt—a direct impact of the conflict zone. Sisi, however, has taken a much firmer stance against sexual assault than his predecessors. He has arrested and jailed several offenders involved in high-profile sexual assault cases, including those responsible for a gang rape during the celebrations of his electoral victory. To create a future deterrent, Egypt passed new laws criminalizing sexual assault for the first time in history.

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These new laws resulted in the punishment of an assailter with a maximum sentence of 20 years in prison.\textsuperscript{29} However, draconian prison sentences are not the best way to prevent sexual assaults. Rather, if Egypt is able to resolve the discord and decrease the fragility, it will incrementally reduce the protests—leaving women unharmed. Furthermore, Egypt must take extra measures to continue punishing those who commit sexual harassment and create a culture where such behavior is not tolerated.

**Conclusion**

Egypt's government is losing legitimacy due to the volatility that is caused by the post-Arab Spring disorder. According to the OECD's four sources of legitimacy, Egypt has been labeled a fragile state since it has failed to effectively secure input, output, shared beliefs, and international authority. The three drivers of conflict in Egypt—geography, values, and socioeconomics—have exacerbated internal stresses on the government. Ultimately, there is a direct correlation between fragility and conflict and the economic and social development of Egypt. Economically, Egypt's financial system has been steadily declining due to conflict and fragility. Foreign companies such as BG Group and Petronas are apprehensive and unwilling to invest in the country, creating a downward spiral. The past year has seen a slow turnaround economically, but the long-term economic outlook remains questionable at best. Moreover, weak institutions, whose management has changed hands several times in the past few years, are unable to handle the consequences of fragility and conflict, further intensifying the crisis. Socially, conflict has produced a situation where women's rights were completely violated. In protests, women are frequently harassed and attacked, leading Egypt to be one of the worst countries for women in the Arab world. All the progress that Egypt has achieved, from the 1952 revolution up to the ousting of Mubarak, has been undone by fragility and conflict. Egypt needs to improve the legitimacy of the government and institutions in order to create a positive feedback loop that will help put the country back on a stable footing again.

**Bibliography**


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