



# Egypt's Unfulfilled Promise: Implications for Domestic and Regional Security

## Introduction

Given Egypt's size of population, strategic location and history, events in Egypt are of paramount importance to the political security of the Middle East, with potentially wide-ranging impact on regional security and on migration into Europe. Two years after the ousting of President Mohammed Morsi and the Muslim Brotherhood (MB) from power, promises of a resurgent, safe and stable Egypt have not been fulfilled. For a number of reasons – principally the ongoing conflict in the volatile Sinai Peninsula, crackdowns on internal political dissident movements and the consequences of the latest events on the Egyptian economy – President Al-Sisi and the armed forces command are in a precarious position.



**“We will not stop until the Sinai Peninsula is purified of all the hideouts of those terrorists,”**

**- Egyptian Army Statement, 2nd July 2015**

## The Sinai saga

On 1st July 2015, only hours after the 30th June anniversary of the 2013 revolution (or, as the MB would have it, counter-revolution), major attacks were launched in the key cities of Arish and Sheikh Zuweid in northern Sinai. The attacks left dozens dead (both civilians and army personnel), marking the most severe assault against the security forces in years. The casualty toll still remains uncertain as conflicting figures have been provided by media outlets and government officials. The attacks were launched by the ‘Sinai Province’ (SP), an affiliate of the Islamic State (IS). SP has declared the peninsula to be part of the IS’s caliphate and has vowed to defeat Egypt’s military government.

These attacks revealed a great deal about the Sinai insurgency. Firstly, SP - previously known as Ansar Bait al-Maqdis (ABM)<sup>1</sup> - has grown in size, capabilities and tactical sophistication. Hints of this growing threat were already apparent from attacks that took place in January and February this year when the group started using rocket-propelled grenades (RPGs), Grad rockets, and mortars to mount simultaneous attacks on various checkpoints.

More than 70 militants took part in the precisely timed attacks. The security forces’ exact shifts had been reconnoitred and it appears they were caught completely by surprise. SP planted mines on the road to disrupt the army’s efforts to rush reinforcements to the area quickly. Even though the attacks ended in failure, they are indicators of new heights of coordinated planning and the insurgents are now without any doubt copying IS tactics used in Syria and Iraq<sup>2</sup>.

As expected, Egypt’s armed forces responded by conducting air raids on insurgent hideouts, claiming that stability had returned and promising the introduction of new counter-terrorism legislation to crack down further on groups such as SP. Nevertheless more soldiers, tanks, curfews, and hard-line rhetoric may not be the right approach to restore real peace in Sinai.

This increased level of conflict has not come out of thin air; it can be traced to the Egyptian government’s long-standing neglect of the local tribes, ineffective domestic counter-insurgency policies, and a power vacuum originating in the 1978 Camp David Accords. As is so often the case, this radical Islamist campaign is based upon long-standing local grievances. On top of local grievances are layered wider issues, such as the Egyptian government’s general suppression of political dissent since 2013 and unpopular foreign policy initiatives in relation to Israel, Gaza, Libya and the Gulf.

Furthermore, even though the Egyptian armed forces are some of the strongest in the region, they have not been able to subdue the SP threat in Sinai. The major attacks that have come at three to six month intervals have continued despite on-going government defence procurement and hundreds of thousands of new recruits to the security forces. The Egyptian army may be lacking in counter-insurgency expertise and technology, but more crucially its heavy-handed tactics tend to exacerbate the situation rather than improve it. Strategically, too, there is confusion: the lack of a clear reconciliation policy aimed at local tribes who have suffered decades of marginalisation and the lack of sustainable development are strong recruiting sergeants for IS and SP, who are adept at using the internet and other means to foment growing opposition to the government.

1. ABM swore allegiance to Abu-Bakr al-Baghdadi and IS on 10th November 2014

2. Al-Jazeera, Inside Story, Available online : <http://www.aljazeera.com/programmes/insidestory/2015/06/egypt-sisi-150630200934160.html> (Accessed 5 July 2015)

**“What happened is unacceptable and state criminality and murder outside the law,”**

**- Wael Abbas,  
prominent Egyptian Blogger,  
2nd July 2015**



## Political Crackdown and Growing Insurgency

The assassination of Hisham Barakat, Egypt’s state prosecutor, on 19 June 2015 and the subsequent increase in the crackdown on Muslim Brotherhood (MB) supporters showed how precarious the security situation is in Egypt as a whole, not just in Sinai.

Hisham Barakat, who oversaw the acquittal of Hosni Mubarak and the sentencing of hundreds of MB supporters, was killed after a car bomb was detonated close to his motorcade in the Heliopolis district of Cairo. This attack sent a clear political message in defiance of the government’s campaign against the MB and those opposed to the removal of Mohammed Morsi’s administration. The government’s campaign has been characterised by extra-judicial punishments, politically-motivated sentencing, and what is commonly perceived as the return of Mubarak’s ‘deep state’ regime.

The killing at the beginning of July this year of nine alleged MB members in a flat in the Sixth of October City (a suburb of Cairo) is a graphic example of the divisions in the country. Opposition sources maintain that the meeting included some MB activists, but also many others who were not members of the MB, that no-one was armed, and that the meeting was intended to organise legal, humanitarian and psychological support to non-violent opposition to the government. The authorities maintain that the nine alleged MB members were armed and fired first.

The divide between the state and the ‘outlawed’ opposition is becoming critical. The violence is now spreading to middle-class districts in Cairo, Alexandria and other Delta cities. But this is combined with the signs of a growing insurgency. The Italian Consulate was bombed in July. A Croatian citizen, working for a French company, was kidnapped “in the Cairo area” on 24 July 2015<sup>4</sup> – this is the first kidnapping of a foreigner in Cairo for some considerable time.

Parliamentary elections were initially planned for May 2015 but have been rescheduled for December. The administration has postponed the elections on the grounds that there is a need to improve security conditions, and out of fear that turbulence during the electoral process would destabilize the country. With a fragmented secular front, a now alienated Salafist (Nour) party and outlawed MB, there is no coherent political opposition. This tends to promote the radical Islamists as the only viable option for those that do not back the government.

On the other hand, there is widespread distrust of radical political Islam. Much of the population is strongly nationalist in sentiment and many were dismayed by the Morsi government’s perceived lack of progress during its brief period in power. Many believe that President al-Sisi is the sort of ‘strong man’ that is needed in such strenuous times.

Polarisation is growing rapidly. The Islamic State is in the wings, well-positioned geographically and strategically. The actions of both the Government and the Islamic State are destroying the middle ground and fomenting extremism.

3. Middle East Eye available online at : <http://www.middleeasteye.net/news/9-muslim-brotherhood-members-killed-cairo-688879342> (Accessed July 2014)

4. <http://uk.reuters.com/article/2015/07/24/uk-croatia-egypt-kidnapping-idUKKCN0PY1HD20150724>

## Two years on, whither the Economy?

Much like its neighbours across the Middle East (excluding Gulf oil exporters), Egypt's economy has been overwhelmingly stagnant in recent decades and is in desperate need of structural reform. With its population accounting for a quarter of the Arab world, the country's unemployment rate in 2014 was over 13%. Moreover, of those employed in both private and public sectors, the majority work in agriculture (29%) or industry (24%), two sectors which have failed to gain a significant footing in regional export markets.



Without adequate economic reforms accompanying the recent regime change, Cairo has continued its reliance on foreign aid to maintain its high level of public and military spending. Sponsors have changed depending on the foreign ties of the different governments. Under the rule of Hosni Mubarak, Egypt enjoyed almost \$50 billion in economic and military aid from the US between 1979 and 2003. As the second largest USAID beneficiary, this sum was intended to maintain stability between Egypt and its historically hostile neighbour, Israel.

As the regime change brought about by the Arab spring took shape, however, the MB's support to Hamas (considered a terrorist organisation by both the US and Israel) threatened to lead to a cut in this much-needed financial support. In 2012, Qatar stepped in with pledges to resurrect the now-crippled economy which was beset by stagnation in the industrial and tourism sectors (a result of the prolonged internal instability) and lower agricultural export demand (brought about by a slow global recovery from the financial crisis). By early 2013 Qatar had supported Morsi's government with financial aid of over \$5 billion, and had pledged a further \$18 billion in investments over five years to support infrastructure projects such as the redevelopment of the Suez Canal.

However, the revolution against the MB government later that year stopped these investments in their tracks. On gaining power, President Sisi repeatedly accused Qatar of sponsoring terrorism, and he soon burnt all financial bridges with the oil-rich peninsula. But while there has been increasing pressure from the US also to cut aid to Egypt (due to Washington's laws against funding governments which have gained power through a coup d'état), this has by no means left Sisi isolated from international donors. The UAE and Saudi Arabia – whose relations with Qatar have deteriorated over the past few years (although they show signs of recovering in 2015) – swiftly stepped in to fill this void.

Immediately after consolidating power, al-Sisi's government was awarded a financial package of \$4.9 billion from the UAE, followed by a combined investment by Kuwait, Saudi Arabia, Oman and the UAE of an additional \$12.5 billion in 2015 "to support existing development projects". Perhaps the most extravagant investment pledge Egypt has seen in its recent history came in March 2015 when the UAE announced it would be constructing a new city to replace Cairo, the country's capital for the past 1,300 years. The Capital City project, which will cost in excess of \$30 billion in real estate and infrastructure investments, aims to create a new 700 sq. km. economic hub in the Middle East.

Egypt's economic reliance on its newfound Gulf partners was best expressed by al-Sisi himself who, when confronted by an adviser about reducing the fiscal deficit, reportedly answered,

**“It's fine, we'll just get them [the Gulf States] to pump in another \$10 billion. It's nothing for them, they have money like rice”.**

However, such statements coupled with internal instability may very well jeopardize foreign aid, investments and dreams of building a new capital city. Signs of disagreement between Egypt and the UAE have begun to appear. Meanwhile, other non-Arab partners will hesitate to start large-scale projects if security in the country remains uncertain and its political direction obscure. Poverty, corruption, and other social problems have still not been addressed, compromising the likelihood of sustainable or equally distributed economic development in the future. Egypt's economic success depends on deep political reform and an improvement in the security situation - neither of which appear to be imminent prospects.



# Conclusion

The Sinai insurgency continues as the IS' local branch, the SP, challenges the security forces. The inability of the Egyptian army to deal effectively with this threat, coupled with a history of poor relations with the local tribes, make it likely that insurgency will continue to thrive in the peninsula. The army needs to develop alternative strategies and review its counter-insurgency approach to change the dynamic in the Sinai peninsula. Otherwise there will be a heavy economic and military cost, as well as in civilian lives.

The hopes of the 25 January 2011 revolution have been dashed. The Sisi government has resumed and increased the former regime's hard-line approach towards any form of opposition. The government's policy of limiting space for political expression and participation has destroyed the political opposition, much to the advantage of the radical Islamists. Attacks against officials such as the state prosecutor reveal the weakness of the state. The parliamentary elections scheduled for the end of the year could provide a new sense of direction and hope, but it is very possible that radical Islamism has already gained a secure foothold and that a widespread violent insurgency may be inevitable.

Economically the country is still largely dependent on foreign aid, now in the form of an influx from its Gulf partners. Investments have been promised, however the volatility of the security situation,

the lack of fundamental economic reform and some unguarded remarks by Egyptian political leaders have created uncertainty.

The resumption of strategic dialogue between the US and Egypt and the recent announcement of a return to a stronger base in bilateral ties between the two countries may be a positive development for the Egyptian government but it remains to be seen how this plays out in practice and what the net effect will be at domestic and regional levels.

The poor regional security situation, with Libya in disarray and the influence and reach of Islamic State in the area increasing, adds to Egypt's woes. The prospects for a stable future for Egypt and its people are arguably at their poorest since 2011. It is increasingly possible that Egypt may move from a situation of isolated insurgency to one of a more widespread, grievance-based, radical Islamist-fuelled civil conflict. If this were to happen, the regional implications could be very significant, with consequences for Gaza, the Palestinian Authority and Israel, as well as neighbouring north African states. Given what we have seen so far of the Mediterranean migration crisis, the impact on Europe of widespread insecurity or conflict in Egypt – the most populous Arab nation by far - might also be very significant.

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