

# EGYPT'S

## Uneasy Transition: Internal and External Dynamics and Challenges for India

**Rajeev Agarwal**



INSTITUTE FOR DEFENCE  
STUDIES & ANALYSES

रक्षा अध्ययन एवं विश्लेषण संस्थान

# Egypt's Uneasy Transition: Internal and External Dynamics and Challenges for India

Rajeev Agarwal



INSTITUTE FOR DEFENCE  
STUDIES & ANALYSES

रक्षा अध्ययन एवं विश्लेषण संस्थान

© Institute for Defence Studies and Analyses, New Delhi.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photo-copying, recording or otherwise, without the prior permission of the Institute for Defence Studies and Analyses (IDSA).

ISBN: 978-93-82169-45-1

First Published: August 2014

Price: Rs. 150/-

Published by: Institute for Defence Studies and Analyses  
No.1, Development Enclave, Rao Tula Ram Marg,  
Delhi Cantt., New Delhi - 110 010  
Tel. (91-11) 2671-7983  
Fax. (91-11) 2615 4191  
E-mail: [contactus@idsa.in](mailto:contactus@idsa.in)  
Website: <http://www.idsa.in>

Cover &  
Layout by: Geeta Kumari

Printed at: M/s A. M. Offsetters  
A-57, Sector-10, Noida-201 301 (U.P.)  
Mob.: 09810888667  
E-mail : [amoffsetters@gmail.com](mailto:amoffsetters@gmail.com)

# Contents

|   |    |
|---|----|
| <i>Introduction</i> .....                                       | 5  |
| Part 1  |    |
| Why has the transition in Egypt faltered so Far? .....          | 8  |
| Part 2  |    |
| Major Domestic Players in Egypt and<br>their Key Interests..... | 24 |
| Part 3  |    |
| Egypt and External Influences .....                             | 38 |
| Part 4  |    |
| Egypt and India .....   | 55 |
| Conclusion .....  | 63 |



# Introduction

The jubilation of ousting President Mubarak from power in February 2011 is now history as Egypt struggles through a transition seeking a peaceful democratic state. Egypt's former army chief Abdel Fatah al-Sisi has won the presidential elections held in May 2014<sup>1</sup> and the world now watches with cautious optimism as Egypt seeks to chart a new future. The transition has however been turbulent and complex till now. Unlike other nations which too bore the brunt of public uprisings in 2011 popularly called as the 'Arab Spring' and are still struggling to emerge from its effects, Egypt is different. This is because developments in Egypt not only affect the nation but the region at large due to its old civilization, rich history and strategic significance in the region. Perhaps recognising Egypt's role and importance, UN Secretary General Ban Ki Moon, on February 08, 2011 expressed hope that Egypt, while braving the protests and revolutions, would preserve its important regional status while stating *"The very strategic role which Egypt has been playing in the overall Middle East peace process should also be preserved. That is why I am asking that all this transition should be orderly and peaceful so that there should not be any negative sudden impact."*<sup>2</sup>

Why is Egypt important? Straddling three continents; Asia, Africa and Europe (across the Mediterranean Sea), Egypt is a key pillar of the Arab world, a critical pole in the Arab-Israeli Peace process and an important American ally in the region for decades. The Suez Canal connecting the Mediterranean Sea and the Red Sea offers

---

<sup>1</sup> Abdel Fatah al-Sisi sweeps to victory in Egyptian presidential elections, *The Guardian News*, May 29, 2014, <http://www.theguardian.com/world/2014/may/29/abdel-fatah-al-sisi-sweeps-victory-egyptian-election>

<sup>2</sup> Egypt's 'key role' in Middle East peace must be preserved in any transition – Ban, UN News Centre, <http://www.un.org/apps/news/story.asp?NewsID=37494&Cr=palestin&Cr1#.Ux60ic7ELIU>, February 08, 2011, (Accessed March 11, 2014)

the shortest sea link between the East and the West. As the largest Arab nation with a population of over 80 million, it has played a central role in West Asian politics for decades. It was the cradle of pan-Arabism pioneered under President Gamal Abdul Nasser in 1950s as also the Non-Aligned Movement (NAM). Arab League, the pan Arab regional organisation has its HQ in Cairo since its formation in March 1945 (except for a period of 11 years from 1979 to punish Egypt for signing peace treaty with Israel) and its Secretary General too is from Egypt. Known for its pyramids and River Nile, it is also the intellectual and cultural leader in the region with the head of Cairo's Al-Azhar Mosque recognised as one of the highest authorities in Sunni Islam. TV shows and films produced in Egypt are watched all over the Arab world. Egypt also boasts of one of the largest, modern and well-armed armies in the region and the 10th largest in the world. Egypt's importance to the region is therefore undeniable. As a result, there is always a strong connect between the various developments within Egypt and the region. It is therefore no surprise that Egypt soon became the centre of attention when protests in the region 'Arab Spring' broke out. Tunisia may have been the trigger for the 'Arab Spring', but it was the revolution in Egypt which caught the world's attention.

The swift ouster of President Mubarak in February 2011 gave hope of ushering in a new political order in the region. But more than three years down the line, Egypt, after a roller coaster ride oscillating between protests, elections and even 'soft coup' on July 03, 2013, is virtually back to where it started. Fatah Al Sisi has been elected as the president in a rather one sided election and his military pedigree as well as his ongoing crackdown on Muslim Brotherhood and other forms of protests too stoke fear of the possibility of a Mubarak type rule in Egypt for another period in history. Three years into the revolution, two ousted presidents in jail, six interim governments and two constitutions, Egypt is a divided society and remains far from achieving the goals set out after ousting Mubarak. People on the street are disillusioned, real democracy still looks distant and the armed forces are back in the fore front. Egypt's elite too have failed to formulate a fresh institutional set-up or an economic model for a successful transition.

As Egypt traverses through the present uncertain political turmoil, India keenly watches the developments. Egypt forms an important link in India's engagement in West Asia and North Africa. There were attempts to revitalise bilateral relations when (now ousted) President Morsi visited India in March 2013. With Morsi deposed and former army chief Abdul Fatah al-Sisi the newly elected President, India watches the ongoing developments in Egypt closely. If Egypt can make a successful transition to democracy, it could usher in a new era in the region and prompt others to follow suit. However, if it succumbs to another phase of military dictatorship, it could threaten a long turbulent and perhaps violent period in the region. As the flag bearer of Arab voice, outcome of transition in Egypt holds the key to peace and prosperity in the region as well as India.

Egypt is therefore in a very important and delicate phase of its history. **This paper argues** that despite the faltering transition over the past three years, Egypt remains one of the key pillars of the Arab world and vitally important for the region. For India with vital economic and strategic interests in the region, Egypt is an important link in ensuring stability and equilibrium in the West Asian region. Any positive or adverse developments in Egypt therefore have far reaching consequences not only in Egypt but also in the complete region. Keeping this in view, the paper will attempt to answer the following key questions:

- (a) Why has the transition in Egypt faltered so far?
- (b) Who are the major domestic players in Egypt and what are their key interests?
- (c) How is Egypt affected by external influences and what is the likely effect of developments in Egypt on the West Asian region?
- (d) What are India's key interests in Egypt and how does India view the current developments in Egypt?

## Part 1

# Why has the transition in Egypt faltered so Far?

The swift ouster of President Mubarak in just over two weeks raised hopes that finally the long-overdue political reform would take place, bringing forth a more responsive political system which would be accountable to the people, address public concerns and reconstruct a fledgling economy. The fact that it was mainly non-violent, practically leaderless, that the Armed Forces refused to be drawn into quelling the protests and that no overt outside support was reported gave it a distinct edge over messy and bloody protests as witnessed in Libya, Syria and others. Why did the transition then falter? Answers range from a poorly administered transition process, taking over power by the Supreme Council of Armed Forces (SCAF) after Mubarak's ouster, multiple elections and referendum without any clear focus, lack of credible political institutions and leadership and an overbearing economic crisis that could not be addressed owing to mistrust and fractured opinions.

Hopes for a speedy and peaceful transition have been laid bare as Egypt has moved from one revolution to another over the past three years, still in search of an ideal formula for its political transition from an autocratic dictatorship. Egyptians have endured seven national elections or referenda. Unfortunately each election and referendum has brought forth more confusion, increased differences and widening splits in the society. As we look forward with hope towards yet another attempt at transition with Al Sisi elected as the new president, it is necessary to look back at the process till now and examine why the transition has faltered till now.

### **Power to SCAF**

Despite Mubarak's attempts to hang onto power, finally on February 10, 2011 Egypt's SCAF met and issued a communiqué indicating

that Mubarak would relinquish his post. On February 11, newly appointed Vice President Omar Suleiman announced that Mubarak had resigned and the SCAF would administer Egypt as an interim measure. This political role was something new for SCAF which had earlier been assembled by Presidents to administer military advice and on issues affecting national security only. It is also interesting to highlight that among all countries in the region undergoing transition, Egypt was the only one where the military took on the mantle of the transitional government. Elsewhere, in Tunisia it was the National Unity government, in Libya it was the National Transitional Council (NTC) and in Yemen it was the Vice President Hadi led and Gulf Cooperation Council (GCC) brokered interim government.

Once in power, SCAF was clearly in no hurry to get on with the transition. The fear that a truly democratic arrangement could undermine the unbridled powers enjoyed by the military under Mubarak<sup>3</sup> and the fact that Muslim Brotherhood, an Islamist organisation could be a front runner in the race to power, goaded SCAF to not only consolidate power but also delay the electoral process as much as feasible.

The first step taken by the SCAF was to hold a referendum on constitutional amendments on March 19, 2011. It was surprising as the existing constitution of 1971 had been suspended immediately after Mubarak's ouster. So, moving amendments on a suspended constitution was curious to say the least. As pointed

---

<sup>3</sup> "Egyptian military owns and manages significant economic enterprises in civilian industries, agriculture, and national Infrastructure that amount to an estimated minimum of 25 per cent of the value of Egypt's economy. In addition, military leaders were granted unchecked powers in defence procurement and control of international military international aid, particularly the Annual \$1.3 billion from the United States. For decades, the military's budget and business affairs have remained out of public scrutiny" as quoted in Policy Brief 'Crunch Time for Egypt's Civil-Military Relations' written by Moataz El Fegiery, Policy Brief No. 134, August 2012, FRIDE (A European Think Tank for Global Action). Robert B. Satloff, *Army and Politics under Mubarak's Egypt*, Policy Paper No.10, Washington Institute for Near East Policy, 1988

out by Nathan J Brown too in his paper “Egypt’s Failed Transition”<sup>4</sup>, the SCAF opted to write a new, temporary constitutional declaration that inserted the clauses voters had approved into a forest of other articles on how the state would be run during the transition. That document was issued by military fiat, thus setting the dangerous precedent of insisting that the constitution was whatever those in power said it was.

The timetable for parliamentary and presidential elections dragged on after the constitutional declaration. Every delay in conduct of elections heightened doubts over the SCAF promise to return to the barracks. The so-called draft ‘Selmy Document’<sup>5</sup> released in November 2011 led to massive outrage and protests across all sections of society. It outlined supra-constitutional principles that gave the SCAF the right to oversee its own military budget and an increasingly strong hand in the country’s future politics and the writing of the next constitution. It led to “million man march” on November 18 led by the Muslim Brotherhood and thereafter the protests on November 25 which also included major youth movements such as ‘April 6<sup>th</sup>’ and the ‘Revolutionary Youth Coalition’. To make matters worse for the SCAF, Amnesty International (AI) released a report on November 22<sup>6</sup>, highlighting how the ‘SCAF has undermined the struggle for democracy and that Egyptians’ hopes for human rights reform are being crushed and popular demands for equality and social justice are being ignored’.

---

<sup>4</sup> Nathan J Brown, Egypt’s Failed Transition, *Journal of Democracy*, 24 (4), October 2013, p 47, National Endowment for Democracy and the John Hopkins University Press, United States

<sup>5</sup> Egypt: The dictatorship mentality, Jerusalem Post, November 27, 2011, <http://blogs.jpost.com/content/egypt-dictatorship-mentality>,

Supra-constitutional debate heats up again, Egypt Independent, November 03, 2011, <http://www.egyptindependent.com/news/supra-constitutional-debate-heats-up-again>, (Accessed March 14, 2014)

<sup>6</sup> Broken Promises: Egypt’s Military Rulers Erode Human Rights, Amnesty International, <http://www.amnesty.org/en/library/asset/MDE12/053/2011/en/47be269e-b67a-42f4-835b-787f91044e04/mde120532011en.pdf>, (Accessed March 13, 2014)

The SCAF had also promised to lift the state of emergency in force since 1981 before the parliamentary elections, but instead of lifting it, it expanded the scope by issuing a decree on September 13, 2011 to widen the scope of the 'Emergency Law' (restricted in 2010 by ousted president Hosni Mubarak to narcotics and terrorism cases) to now target labour strikes, spread of false rumours as also acts that "disrupt traffic thus outlawing demonstrations and protests like the ones held after an uprising overthrew Mubarak in February<sup>7</sup>. The SCAF also ordered detention of political activists and used military courts to try thousands of citizens creating great discontent and triggering protests against the SCAF.

Despite protests and international criticism, SCAF hung onto power till June 2012, when Mohammad Morsi, after a second round runoff won the Presidential elections. By that time however, 16 precious months had been lost. SCAF's actions during the period perhaps stemmed from the fear that its powers could be undermined by a popular political movement as also a possible understanding that a delayed electoral process would undermine the gains and momentum of the revolution while the SCAF consolidated itself. This along with others proved to be one of the major reasons for failure in Egypt's quest for quick and smooth transition.

### **Multiple Elections and a Constitutional Mess: Lack of Clear Direction**

The initial euphoria of having deposed Mubarak was short-lived as the Egyptians found themselves facing the ballot box at recurring intervals. There was lack of clarity on what should be the next step; elections or a new constitution. Also, in the intervening period, how should Egypt be governed? In the meantime, SCAF slowly

---

<sup>7</sup> Egypt's military widens state of emergency, *The Telegraph*, September 13, 2011, <http://www.telegraph.co.uk/news/worldnews/africaandindianocan/egypt/8759110/Egyptys-military-widens-state-of-emergency.html>, (Accessed March 14, 2014)

but surely consolidated its power, making sure that in any future dispensation, military would remain a major power broker.

Egyptians cast their first vote on March 19, 2011 to vote on a referendum to validate and approve ‘certain amendments’ to the suspended 1971 constitution. 77 per cent of voters backed the changes<sup>8</sup>. Muslim Brotherhood embraced it in a hope that it would usher in quick elections while others thought that a constitutional framework would give them an additional cover as well as time to organise themselves before first major elections. The SCAF however surprised everyone when it came out later with a full-fledged constitutional declaration<sup>9</sup> on March 30, 2011 retaining the core framework of the suspended 1971 constitution and including some of the amendments passed by the referendum. The declaration however created confusion<sup>10</sup> as Egyptians thought that this was not what they had voted for. Again, the very same constitutional declaration was to undergo amendments when, just before Presidential elections runoff, the SCAF came up with a supplementary constitutional declaration<sup>11</sup> on June 17, 2012 which gave the SCAF strong legislative powers in the light of the dissolution of parliament and complete control over all army affairs. It also stated that the SCAF will play a significant role in the

---

<sup>8</sup> Egypt referendum strongly backs constitution changes, *BBC News*, March 20, 2011, <http://www.bbc.co.uk/news/world-middle-east-12801125>, (Accessed March 13, 2014)

<sup>9</sup> Pdf version of Constitutional declaration available at [http://www.wipo.int/wipolex/en/text.jsp?file\\_id=297156](http://www.wipo.int/wipolex/en/text.jsp?file_id=297156), (Accessed March 20, 2014)

<sup>10</sup> Nathan J. Brown, Kristen Stilt, A Haphazard Constitutional Compromise, Carnegie Endowment for International Peace, April 11, 2011), <http://carnegieendowment.org/2011/04/11/haphazard-constitutional-compromise/2q1#>, (Accessed March 20, 2014)

<sup>11</sup> English text of SCAF amended Egypt Constitutional Declaration , Al Ahram Online, June 18, 2012, <http://english.ahram.org.eg/News/45350.aspx>, The Constitutional Declaration (with June 17, 2012 Annex), Carnegie Endowment for International Peace, June 19, 2012, <http://egyptelections.carnegieendowment.org/2012/06/19/the-constitutional-declaration-with-june-17-2012-annex-added>,

constituent assembly that will draft the new constitution. The very first vote by the Egyptians turned out therefore to be an exercise in futility contributing nothing to the transition process.

The transition was thereafter virtually frozen thereafter till November, when under pressure due to massive protests, SCAF finally conducted Parliamentary election from November 28, 2011. Conducted over three phases, it resulted in resounding victory from the Muslim Brotherhood's Freedom and Justice Party (FJP) while the Salafist Nour Party came second<sup>12</sup>. The joy again was false and short-lived, as just before the Presidential elections in June 2012, the Constitutional Court issued a ruling ordering the dissolution of the lower house of parliament in its entirety because the law upon which the elections were held is contrary to rules of the constitution<sup>13</sup>. Later, despite President Morsi's attempts to reconvene the Parliament<sup>14</sup>, he had to accept the verdict of supreme Constitutional Court<sup>15</sup>.

Meanwhile, elections to the Shura Council (Upper House) were held in January-February 2012, once again giving a victory to the FJP<sup>16</sup>. However, once again these elections proved to be a futile

---

<sup>12</sup> Egypt's Islamist parties win elections to parliament, *BBC News*, January 22, 2011, <http://www.bbc.com/news/world-middle-east-16665748>, (Accessed March 13, 2014)

<sup>13</sup> Egypt court says whole parliament unconstitutional, orders dissolution, *Al Arabiya News*, June 14, 2012, <http://english.alarabiya.net/articles/2012/06/14/220654.html>, (Accessed March 2014)

<sup>14</sup> Egypt: Mohammed Morsi annuls dissolution of parliament. *The Telegraph*, July 08, 2012, <http://www.telegraph.co.uk/news/worldnews/africaandindianocean/egypt/9385101/Egypt-Mohammed-Morsi-annuls-dissolution-of-parliament.html>, (Accessed March 14, 2014)

<sup>15</sup> Egypt supreme court freezes Mohammed Morsi parliament decree, *The Telegraph*, July 10, 2012, <http://www.telegraph.co.uk/news/worldnews/africaandindianocean/egypt/9390592/Egypt-supreme-court-freezes-Mohammed-Morsi-parliament-decree.html>, (Accessed March 14, 2014)

<sup>16</sup> Results of Shura Council elections, Carnegie Endowment for International Peace, <http://egyptelections.carnegieendowment.org/2012/02/29/results-of-shura-council-elections>, (Accessed March 14, 2014)

exercise as the Shura Council was dismissed on June 02, 2013 when Egypt's Supreme Constitutional Court (SCC) ruled that the Shura Council and the Constituent Assembly, which drafted Egypt's post-Mubarak constitution, were illegitimate<sup>17</sup>.

Next were the Presidential elections held in May and June 2012. After a first round stalemate, Mohammad Morsi from Muslim Brotherhood won the runoff against Ahmed Shafik, a former air force general by garnering 52 per cent of votes. Once again, this election proved ineffective as Morsi was ousted from power on July 03, 2013 by the Army<sup>18</sup>, thus undermining the whole transition process and returning Armed forces to the fore front in the role of power broker.

In addition to the elections, there were two new constitutions too which were put to vote under national referendum. The first one was the draft constitution prepared under President Morsi's watch which threatened to impose an Islamic agenda in Egypt<sup>19</sup>. The entire process was virtually a story of confusion and hidden agenda. Firstly, there was no consensus on the drafting committee. After many deliberations and disagreements, a 100 member Constituent Assembly was formed on March 25, 2012 with 50 members being from the elected parliament and 50 from outside. The constitutional committee however ended up having nearly 60 Islamists in all,

---

<sup>17</sup> Egypt: Supreme Constitutional Court invalidates Shura Council, Constituent Assembly, World Socialist website, June 11, 2013), <http://www.wsws.org/en/articles/2013/06/11/egypt-j11.html>, (Accessed March 14, 2014)

<sup>18</sup> Egypt crisis: Army ousts President Mohammed Morsi, *BBC News*, July 04, 2014, <http://www.bbc.com/news/world-middle-east-23173794>, (Accessed March 20, 2014)

<sup>19</sup> Egypt's draft constitution translated, Egypt Independent, December 02, 2012, <http://www.egyptindependent.com/news/egypt-s-draft-constitution-translated>, The new Egyptian constitution: an initial assessment of its merits and flaws, Open Democracy, December 26, 2012, <http://www.opendemocracy.net/zaid-al-ali/new-egyptian-constitution-initial-assessment-of-its-merits-and-flaws>, (Accessed March 20, 2014)

including 37 legislators selected by parliament's two chambers<sup>20</sup> and was criticised for being unrepresentative and dominated by Islamists. Over the next few days, almost every assembly member not affiliated with the two main Islamist parties formally withdrew from the constitutional committee. Even representatives of Egypt's Al-Azhar University and the moderate-Islamist Wasat Party ultimately quit the assembly<sup>21</sup>. Struggling to stay afloat, it was dealt a jolt when the constitutional committee was suspended by a court order on April 10 as it did not reflect the diversity of Egyptian society<sup>22</sup>. A new constituent assembly was again announced on June 12, 2012<sup>23</sup> which too faced constant threats of dissolution<sup>24</sup>. In an attempt to save it, President Morsi announced a Presidential decree on November 22<sup>25</sup> which gave him sweeping powers and immunity from legal oversight including any judicial ruling over the constituent assembly. Under the decree, described as temporary until the new constitution is drawn up, the president was "authorised to take any measures he sees fit in order to preserve the revolution, to preserve

- 
- <sup>20</sup> Islamists are majority on Egypt constitution panel, *Fox News*, March 25, 2012, <http://www.foxnews.com/world/2012/03/25/islamists-are-majority-on-egypt-constitution-panel/>, (Accessed March 20, 2014)
- <sup>21</sup> Egypt Constitution Faces Islamic Colouring, *Inter Press Service News Agency*, April 04, 2012, <http://www.ipsnews.net/2012/04/egypt-constitution-faces-islamic-colouring/>, (Accessed March 20, 2014)
- <sup>22</sup> Egypt court suspends constitutional assembly, *BBC News* April 10, 2012, <http://www.bbc.com/news/world-middle-east-17665048>, (Accessed March 20, 2014)
- <sup>23</sup> New 100-member constituent assembly announced, *Asia News.it*, June 13, 2012, <http://www.asianews.it/news-en/New-100-member-constituent-assembly-announced-25020.html>, (Accessed March 20, 2014)
- <sup>24</sup> Constituent Assembly escapes dissolution yet again, *Daily News Egypt*, October 02, 2012, <http://www.dailynewsegyp.com/2012/10/02/constituent-assembly-escapes-dissolution-yet-again/>, (Accessed March 21, 2014)
- <sup>25</sup> Morsy issues new constitutional declaration, *Egypt Independent*, November 22, 2012, <http://www.egyptindependent.com/news/morsy-issues-new-constitutional-declaration>, Mohammed Morsi grants himself sweeping new powers in wake of Gaza, *The Telegraph*, November 22, 2012, <http://www.telegraph.co.uk/news/worldnews/africaandindianocan/egypt/9697347/Mohammed-Morsi-grants-himself-sweeping-new-powers-in-wake-of-Gaza.html>, (Accessed March 21, 2014)

national unity or to safeguard national security”. Then, in a rather hurried fashion, the parliament passed the draft constitution over night long deliberations on November 30, leading to renewed street protests calling for the return of revolution<sup>26</sup>. Unmindful, President Morsi put the constitution through a nationwide referendum in December which was approved by a vote of 64 per cent<sup>27</sup> though only 32.9 per cent of eligible voters cast their ballots<sup>28</sup>. It led to widespread protests and widening rift between different political forces contesting that the constitution is unrepresentative, Islamic in nature and fails to safeguard rights and freedoms of all Egyptians. This move of President Morsi ultimately proved to his downfall as it led to mass protests over next six months, birth of a youth movement called ‘Tamarod’ and his ultimate ouster on July 03, 2013 by the Army which also dissolved the constitution. The hurry, confusion and the alleged Islamist agenda in making the constitution did not help Egypt in moving any step forward but rather brought it back when Morsi was removed from power on July 03, 2013.

The interim government under President Adly Mansour promised a more balanced and reformist constitution and to eliminate any public fears of extended military backed rule, quickly presented a ‘Road Map’<sup>29</sup> for the country setting clear timelines for framing of

---

<sup>26</sup> Thousands flood streets in Cairo protesting Egypt’s draft constitution, *Fox News*, November 30, 2012, <http://www.foxnews.com/world/2012/11/30/thousands-flood-streets-in-cairo-protesting-egypt-draft-constitution/>, (Accessed March 21, 2014)

<sup>27</sup> Egypt’s constitution passes with 63.8 percent approval rate, *Egypt Independent*, December 25, 2012, <http://www.egyptindependent.com/news/egypt-s-constitution-passes-638-per-cent-approval-rate>, (Accessed March 21, 2014)

<sup>28</sup> Mohamed Morsi signs Egypt’s new constitution into law, *Guardian News*, December 26, 2012, <http://www.theguardian.com/world/2012/dec/26/mohamed-morsi-egypt-constitution-law>, (Accessed March 20, 2014)

<sup>29</sup> Egyptian army announces roadmap for post-Mursi transition, *Alakbbar English*, July 03, 2013, <http://english.al-akhbar.com/node/16313>, Egypt Political Roadmap Announced Amid Mass Protests, *Huffington post*, July 09, 2013, [http://www.huffingtonpost.com/2013/07/09/egypt-political-roadmap\\_n\\_3565902.html](http://www.huffingtonpost.com/2013/07/09/egypt-political-roadmap_n_3565902.html), Accessed May 24, 2014)

a new constitution followed by parliamentary and Presidential elections. The Road Map stipulated formation of an interim government and constitution of panels to make amendments to the Islamist-backed constitution passed under Morsi's government. Those changes were to be put to a referendum within about four and half months. Parliamentary elections would be held within two months after that, and once the new parliament convenes it would have a week to set a date for a presidential election. The interim president was however given the prerogative to switch between parliamentary and presidential elections.

The new constitution was drafted by the interim government who appointed a 50-member panel to draft it. It finalised and passed the draft on December 03, 2013 followed by a national referendum on January 14-15, 2014. The new constitution<sup>30</sup> was approved by an overwhelming majority of 98 per cent<sup>31</sup>. When compared to the 2012 constitution<sup>32</sup>, it did remove the controversial Islamist articles but gives the military special status by allowing it to select its own candidate for the job of Defence minister for the next eight years and empowering it to bring civilians before military tribunals in certain cases. The increased powers to military and the election of former army chief Al Sisi as the president however question the efficacy of democratic and civilian rule as mentioned in the Preamble.

---

<sup>30</sup> Unofficial English translation available at <http://www.sis.gov.eg/Newvr/Dustor-en001.pdf>

<sup>31</sup> Egypt's new constitution gets 98 per cent 'yes' vote, *Guardian News*, January 18, 2014, <http://www.theguardian.com/world/2014/jan/18/egypt-constitution-yes-vote-mohamed-morsi>, (Accessed March 21, 2014)

<sup>32</sup> Egypt's constitution 2013 vs. 2012: A comparison, Al Ahram Online, <http://english.ahram.org.eg/NewsContent/1/0/88644/Egypt/0/Egypt-constitution-vs-A-comparison.aspx>, December 12, 2013, <http://english.ahram.org.eg/NewsContent/1/0/88644/Egypt/0/Egypt-constitution-vs-A-comparison.aspx>, (Accessed March 21, 2014)

There have been thus seven elections and referenda in past three years in Egypt ending with the election of Fatah Al Sisi as the president in June 2014. Each process, though promising much, has been undermined with each progressive development in the country. It has not only resulted in a virtual stalemate in Egypt's transition but has left the electorate frustrated and despondent as vote after vote, their approvals have been nullified. This failure of elections to take Egypt forward has been one of the major contributing factors to its failing transition.

### **Muslim Brotherhood: A Story of Hurried and Mismanaged Agenda**

The story of Muslim Brotherhood has been one of contradictions, confusion and even betrayal of public trust. It did not form part of the initial revolution to oust Mubarak and it was only later that it took the decision to lend support to the leaderless revolution. In fact, it was supportive of the neutral stance taken by the military during the protests and even supported the referendum on constitution sponsored by the SCAF in March 2011. A spokesman for the Brotherhood, Essam al-Aryan, even called the result of referendum a "*victory for the Egyptian people*", which would allow the country to "*turn a page and enter a new phase*"<sup>33</sup>.

Its initial stance was that it would maintain an apolitical stance and that it might not even contest parliamentary elections. However, in April 2011, it formed its political party named Freedom and Justice Party (FJP)<sup>34</sup>. Again, after declaring that it would not contest more than half of parliamentary seats, it contested all seats,

---

<sup>33</sup> Egypt referendum strongly backs constitution changes, *BBC News* March 20, 2011, <http://www.bbc.co.uk/news/world-middle-east-12801125>, (Accessed March 24, 2014)

<sup>34</sup> Egypt: Muslim Brotherhood sets up new party, *BBC News*, April 30, 2011, <http://www.bbc.co.uk/news/world-middle-east-13249434>, (Accessed March 24, 2014)

mustering up a majority in the parliament constituted in January 2012<sup>35</sup>. As discussed earlier, it repeated its good performance even in the Shura Council elections in February 2012. On the Presidential elections, again, after declaring that it would not contest<sup>36</sup>, it contested and won the elections in a run off.

Again, it sowed seeds of doubts in public minds when it filled up the first constituent assembly with majority of Islamists. President Morsi's handling of the military in dismissing the chief<sup>37</sup> and the supra-constitutional decree of November 22 also drew huge public outrage and anger. Although, President Morsi tried to downplay the dismissal of the Chief of Armed Forces by awarding Field Marshal Tantawi the highest medal in the country, "The Order of the Nile", his attempts to undermine the armed forces was clearly visible. The rather hasty and suspicious manner in which the drafting of constitution was completed and put to referendum in December 2012 and the fact that it attempted to push in a majority Islamist agenda too was also drew large protests led to the birth of the youth movement 'Tamarod' and the massive protests through the 'June 30, 2013 revolution'<sup>38</sup>. The protests prompted the SCAF to issue an ultimatum finally which finally led to Morsi and Muslim Brotherhood downfall on July 03, 2013.

---

<sup>35</sup> Egypt's Islamist parties win elections to parliament, *BBC News*, January 22, 2011, <http://www.bbc.com/news/world-middle-east-16665748>, (Accessed March 13, 2014)

<sup>36</sup> Muslim Brotherhood's political party will not run for presidency, *Al-Abram Online*, July 26, 2011, <http://english.ahram.org/NewsContent/1/64/17343/Egypt/Politics-/Muslim-Brotherhoods-political-party-will-not-run-f.aspx>, (Accessed March 24, 2014)

<sup>37</sup> Egypt defence chief Tantawi ousted in surprise shakeup, *The Guardian News*, August 13, 2012, <http://www.theguardian.com/world/2012/aug/12/egyptian-defence-chief-ousted-shakeup>, (Accessed March 24, 2014)

<sup>38</sup> Millions flood Egypt's streets to demand Mursi quit, *Reuters News*, June 30, 2012, <http://www.reuters.com/article/2013/06/30/us-egypt-protests-idUSBRE95Q0NO20130630>, (Accessed March 24, 2014)

### *Failure to Revive Economy*

Rapidly failing economy was one of the primary reasons for public discontent in Mubarak era and one of the primary triggers for the revolution. Mubarak had failed to rein in inflation, unemployment was on the rise and the youth bulge in the country added to the government's woes. Despite growth in economy during the first half of the first decade of Twenty First century, Egyptian economy saw a declining trend towards the second half of the decade. The 2008 financial crisis was one of the contributing factors which resulted in inflation rising up to 24 per cent. What however hurt Egypt the most as a prelude to the 'Arab Spring' was the severe drought in Russia in 2010 which forced Russia to cancel all wheat exports. Egypt which imports more than 50 per cent of its wheat from Russia was the worst hit. In its efforts to buy wheat from other international exporters, the Egyptian Government spent up to 78 Million US dollars leading to a price increase of 68 per cent<sup>39</sup>. Food prices too concurrently shot up. In October 2010, vegetable prices shot up 51 per cent, while meat and poultry increased by nearly 29 per cent, which meant that people could not even afford to buy vegetables<sup>40</sup>. The inflationary trend observed had a disproportionate effect on the Egyptian people, particularly on the middle and lower income groups, as a large share of their income was spent on food only.

The revolution in 2011 further resulted in the economy contracting by 4.2 per cent in the first three months of the year and the unemployment rate shot up to 12 per cent from nine per cent. Investment grounded to a halt and tourist numbers plummeted. Foreign Direct Investment (FDI) inflows, which peaked at an annual

---

<sup>39</sup> The Impact of Russia's 2010 Grain Export Ban, *Oxfam Research Report*, June 2011, p. 22.

<sup>40</sup> Egypt: A Neo-Authoritarian State Steering The Winds Of Change, The German Marshall Fund of the United States, Mediterranean Paper Series 2011, p. 12

13 Billion US dollars before the 2008 global financial crisis, evaporated. Egypt lost one-third of its Foreign Exchange Reserves (FOREX)<sup>41</sup>.

Although Morsi Government could claim that it inherited a messy economic situation when the SCAF handed over power in June 2012, it failed to live up to one of its major poll promises to revive the economy. Muslim Brotherhood proposed ‘The Al Nahda Project’ in its election campaign, an ambitious project to revive the economy. As proclaimed on its official website ‘Ikhwanweb’<sup>42</sup>, it was based on empowering the people and placing their destinies in their own hands, rather than the hands of a corrupt bureaucracy. The project aimed to build a state that provides people access to education, healthcare, jobs, investment, and business building opportunities; and protects their rights and dignity within and outside the country. The project revolved around three principle stakeholders in the society: the state, civil society, and the private sector. With the permeation of Egyptian State control and influence in the civil and private sectors, the project aimed to establish reformation mechanisms at the strategic and executive levels, so as to achieve the desired balance between the three stakeholders and their institutions. The Al Nahda Project however failed to mobilise the resources or revive the economy<sup>43</sup>. From just before 2011 to June 2013, GDP growth came down (from nearly six per cent to under two per cent); FOREX down from 35 Billion US dollars to just under 15 Billion US dollars; the budget deficit more than doubled

---

<sup>41</sup> Roula Khalaf, Heba Saleh and Abeer Allam, The economics of the Arab spring, *The Financial Times*, October 09, 2011, <http://www.ft.com/intl/cms/s/0/9565ebac-fd0-11e0-aec8-00144feab49a.html#axzz1mZets9XZ>, (Accessed May 24, 2014)

<sup>42</sup> Dr. Morsi’s Electoral Program – General Features of Nahda (Renaissance) Project, Ikhwanweb, April 28, 2012, <http://www.ikhwanweb.com/article.php?id=29932>, (Accessed May 24, 2014)

<sup>43</sup> Farah Halime, Egypt’s Long-Term Economic Recovery Plan Stalls, *New York Times*, May 02, 2013, [http://www.nytimes.com/2013/05/02/world/middleeast/02iht-m02-egypt-renaissance.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2013/05/02/world/middleeast/02iht-m02-egypt-renaissance.html?pagewanted=all&_r=0), (Accessed March 24, 2014)

from nearly 110 billion Egyptian pounds to over 230 billion<sup>44</sup> as a quarter of that budget was as subsidies to poor and middle class; approximately half of the total population. Tourism was down significantly due to security concerns; and direct foreign investment declined sharply. On talks with the International Monetary Fund (IMF) on securing a 4.8 Billion US Dollars loan, talks dragged on and Morsi failed to reach common grounds with the IMF for the critically required loan<sup>45</sup>. Increasing burden of subsidies, pressure on government to increase taxes and growing unrest proved to a critical factor in undoing of Muslim Brotherhood.

By the time Morsi was ousted, economy was in a dire state. The World Bank noted<sup>46</sup> that at the end of June 2013, amid the political turmoil, economic growth remained weak with a high fiscal deficit and gross public debt (domestic and external) rising to nearly 100 per cent of GDP. Low growth rates posed the danger of fuelling social frustration as they could not deliver the numbers of jobs and opportunities needed. Unemployment reached over 13 per cent in June 2013. Critically, more than three-quarters of the unemployed were between 15 and 29 years of age. Although President Morsi could argue that 11 months was too short to revive a bleak economy, his inability to chart a clear economic path and convince people of his intentions proved to his downfall and provoked powerful street opposition.

---

<sup>44</sup> Beyond the Coup: Egypt's Real Problem Is Its Economy, *The Atlantic*, July 10, 2013, <http://www.theatlantic.com/international/archive/2013/07/beyond-the-coup-egypts-real-problem-is-its-economy/277676/>, (Accessed March 24, 2014)

<sup>45</sup> IMF loan talks still in limbo a year into Morsi's tenure, *Daily Beast*, June 29, 2013, <http://www.dailynewsegypt.com/2013/06/29/imf-loan-talks-still-in-limbo-a-year-into-morsis-tenure/#sthash.l2vlzvWp.dpuf>, Beyond the Coup: Egypt's Real Problem Is Its Economy, *The Atlantic*, July 10, 2013, <http://www.theatlantic.com/international/archive/2013/07/beyond-the-coup-egypts-real-problem-is-its-economy/277676/>, (Accessed March 24, 2014)

<sup>46</sup> Egypt Overview, World Bank, <http://www.worldbank.org/en/country/egypt/overview>, (Accessed March 24, 2014)

It is thus difficult to perhaps comprehend what the Muslim Brotherhood actually wanted out of the revolution. Emerging from the 2011 revolution, it provided the most practical and popular option for transition from Mubarak's era. It however failed to cash on to it and could not provide Egypt the required transitory support. At times it seemed that Morsi was indeed the President of Muslim Brotherhood than of Egypt! Its confused and often contradictory stance on various issues provoked public anger, its Islamist leanings in drafting constitution drew criticism as well as outrage from secular parties and the minorities and its failure to revive the economy was one of its biggest let downs. Its unwarranted hurry in pushing through the constitutional reforms and societal changes were surprising. It would have been better if it had taken a leaf out of AKP government in Turkey which displayed tremendous restraint and patience over five years after coming to power in 2002 before ushering in critical changes there.

Egypt's failure to transition has thus been a cumulative effect of various compelling and often overlapping issues. Lack of effective leadership, confused agendas and failure to come up with a decisive transition plan are major factors. External influences too have played a major part in the process, while some key domestic players hold the card to Egypt's future and are being discussed in the next section.

## Part 2

# Major Domestic Players in Egypt and their Key Interests

Attempting to emerge from decades of autocratic rule, Egypt is being pulled in opposite directions internally and in the region. The Armed Forces have enjoyed unbridled powers for over five decades under successive military rulers and have major stakes in Egypt's future. At the same time Muslim Brotherhood and other political organisations, which have been suppressed under previous rule are trying to exert influence and project themselves as major power brokers. Even among the emerging political movements, there are various competing and often conflicting power centers vying to exert influence like the Islamists, Salafists, liberals and seculars. The other groups vying for attention are the various youth movements credited with actually spearheading the revolution, leading people disenchanted with failing economy and concentrated autocratic power. There is also the question of judiciary exerting power, perhaps at the behest of the military. It is important to discuss each of these players and their key interests to examine the trajectory of Egypt in future.

### **Egyptian Armed Forces**

Modern history of Egypt and military are closely interlinked. The birth of Israel in 1948 and the humiliating defeat of Arab Armies at the hands of Israel was a vital factor in the downfall of monarchy in Egypt through a military coup in 1952. Thereafter the military has been an important factor in Egypt's history. It has exercised power and influence through its successive military rulers but has refrained from direct involvement in governance. As an institution of strength and faith, it has been a symbol of nationalism and a guarantor of national integrity and is regarded as the most respected, trusted and efficient institution in Egypt. Conscription gives it a flavour of being seen as the representative institution of the country.

Commencing from 1952, when Gamal Abd Al Nasser led the coup against King Farouk, military has remained the most powerful power broker in Egypt. Over time through successive military rulers; Anwar Al Sadat (1970-81) and Hosni Mubarak (1981-2011), military has remained predominant in Egypt. Even after the present revolution, it was the SCAF which governed Egypt for 16 months till it paved way for Muslim Brotherhood led civilian government. At the end again, it was the military which removed President Morsi in July 2013 and is now back in the fore front. The overthrow of first democratically elected President and the passing of military backed constitution in January 2014 once again acknowledge the importance of Armed forces and gives them primacy in critical decision making. With former chief of armed forces General Abdul-Fattah el-Sisi winning the Presidential elections, a new era of military dominated rule is in the offing for Egypt. It has raised fears among the Egyptians of the return of military dictatorship, akin to the Mubarak era or even worse. Irrespective of the fears, it is clear that military is likely to remain a major power centre in Egypt.

### *Military and Egyptian Economy*

Egyptian armed forces also draw their strength and power from the fact that apart from being the largest and amongst the most modern armed forces in the Arab world<sup>47</sup>, they have tremendous influence and stakes in Egyptian society. The stakes that Egyptian military has in economy are well known. Though, not officially declared under the shroud of 'national security', most estimates suggest that Egyptian military controls huge chunk of national economy which could range from five to 40 per cent of national

---

<sup>47</sup> Egypt is ranked 13<sup>th</sup> in the world by Global Firepower, highest in the Arab world and second only to Israel. <http://www.globalfirepower.com/countries-listing.asp>. Military Balance 2014 from IISS states that Egypt boasts of a strength of 4,38,500 active personnel and 4,79,000 reservists in its armed forces which is the largest in the entire region, Military Balance 2014, IISS, p. 315.

output<sup>48</sup>. Military's involvement in economy took roots under President Nasser in the 1950's when high-ranking officers were involved in Nasser's nationalisation project and "import substitution industrialisation" model—a model that favours domestic products over foreign alternatives<sup>49</sup>. Economic liberalisation under President Anwar Sadat further increased the involvement. Large-scale privatisation took place under Hosni Mubarak after the 1979 peace treaty with Israel, when it chose to reassign personnel to newly opened military factories and business ventures. More recently, military-economic ties have grown through privatisation programmes that allowed the officer class to purchase state assets at heavily discounted rates. As a result, the army is heavily involved in construction, including large infrastructure projects, as well as the manufacture of consumer durables. It is also active in the agricultural sector, developing from the early 1980s an extensive network of farms. Other military- owned entities reportedly provide banking, tourism and healthcare services. These activities are divided among a plethora of subsidiaries and overseen by vast holding companies, such as the National Service Products Organisation (NSPO), the al-Nasr Company for Services and Maintenance, the Arab Organization for Industrialisation (AOI), alongside others administered by the Ministry of Military Production. Documents published by Wikileaks quote Minister Sayed Meshal, a former general, saying that Egypt's Ministry of Military Production revenues from the private sector are about 2 billion Egyptian pounds a year (\$345 million) and it employs 40,000 civilians<sup>50</sup>.

---

<sup>48</sup> Military Commercial Activities, Military Balance 2014, IISS, p. 306

<sup>49</sup> Safa Joudeh, Egypt's Military: Protecting its Sprawling Economic Empire, Atlantic Council, January 29, 2014, <http://www.atlanticcouncil.org/blogs/egyptsource/egypt-s-military-protecting-its-sprawling-economic-empire>, (Accessed March 24, 2014)

<sup>50</sup> [Fwd: Re: RESEARCH REQUEST - EGYPT - military's money], Wikileaks, Released on April 04, 2013, <http://search.wikileaks.org/gifiles/?viewemailid=220683>, (Accessed March 25, 2014)

## *Military and Judiciary*

In addition to the economic clout, the military has enjoyed a privileged status in the judiciary too. It has run its own military courts which have had the power to prosecute even civilians. The influence of military over the judiciary has been on clear display over the past three years. Whereas the various elections and decree (as discussed earlier) were declared unrepresentative or unconstitutional under President Morsi by several courts of law, the courts were liberal and indecisive in convicting the officials under trial from the Mubarak era. The interim President chosen by the SCAF after President Morsi's dismissal was a former head of the constitutional court and he along with the judiciary did not raise any red flag over the 'privileges and powers' extended to the military under the new constitution passed in January 2014. The handing over of death sentences to 529 Muslim Brotherhood cadres by a trial court in March 2014<sup>51</sup> as also the conviction of three Al Jazeera reporters to harsh prison sentences<sup>52</sup> in June 2014 are clear evidence of military's influence over the judiciary. While the death sentence of all except 37 of the 529 sentenced to death was commuted to life imprisonment later on April 28, the same court sentenced Mohammed Badie, the supreme leader of the Muslim Brotherhood along with 682 other people to death<sup>53</sup> on April 28

---

<sup>51</sup> Egypt court sentences 528 Morsi supporters to death, *BBC News*, March 24, 2014, <http://www.bbc.com/news/world-middle-east-26712124>, (Accessed March 27, 2014)

<sup>52</sup> Egypt Sentences Al Jazeera Journalists to Harsh Prison Terms, *Wall street Journal*, June 23, 2014, [http://online.wsj.com/articles/al-jazeera-english-journalists-sentenced-to-seven-years-1403516568?tesla=y&mg=reno64-wsj&utm\\_source=Sailthru&utm\\_medium=email&utm\\_term=%2AMideast%20Brief&utm\\_campaign=2014\\_The%20Middle%20East%20Daily\\_6.23.14](http://online.wsj.com/articles/al-jazeera-english-journalists-sentenced-to-seven-years-1403516568?tesla=y&mg=reno64-wsj&utm_source=Sailthru&utm_medium=email&utm_term=%2AMideast%20Brief&utm_campaign=2014_The%20Middle%20East%20Daily_6.23.14), (Accessed June 27, 2014)

<sup>53</sup> Egypt Mass Trial: Judge Sentences 683 To Death In Single Mass Trial, [http://www.huffingtonpost.com/2014/04/28/egypt-mass-trial\\_n\\_5224509.html](http://www.huffingtonpost.com/2014/04/28/egypt-mass-trial_n_5224509.html), (Accessed May 24, 2014)

after finding them guilty of inciting riots in the town of Edwa during the summer of 2013 after the ouster of President Morsi. With over 16,000 Muslim Brotherhood cadres in jail, such abrupt sentencing have continued over the summer of 2014, raising doubts over fairness of trails and independence of judiciary. The widespread crackdown on Muslim Brotherhood leadership and mass sentencing to death or life term has received global criticism. The sentencing of three Al Jazeera reporters was clearly seen as a vindictive stance by the judiciary, acting at the behest of the military. While Egypt's prosecutor general praised the verdict as a "deterrent", Philip Luther, director of the Middle East and North Africa at Amnesty International called it "a dark day for media freedom in Egypt, when journalists are being locked up and branded criminals or terrorists simply for doing their job."<sup>54</sup>

Also, while President Morsi was charged with treason and inciting violence, President Mubarak was acquitted by courts and his appeal for re-trial admitted. Again, it is very unlikely that it could have happened without the military influence. International Bar Association (IBA) too in its report "Separating Law and Politics: Challenges to the Independence of Judges and Prosecutors in Egypt"<sup>55</sup> published in February 2014 noted that under the short period of military rule that followed the 2011 revolution, more civilians were allegedly prosecuted for 'crimes against the military' – including such crimes as 'insulting the military' – than had ever been prosecuted during 30 years of Mubarak rule. Another example

---

<sup>54</sup> Egypt Sentences Al Jazeera Journalists to Harsh Prison Terms, *Wall street Journal*, June 23, 2014, [http://online.wsj.com/articles/al-jazeera-english-journalists-sentenced-to-seven-years-1403516568?tesla=y&mg=reno64-wsj&utm\\_source=Sailthru&utm\\_medium=email&utm\\_term=%2AMideast%20Brief&utm\\_campaign=2014\\_The%20Middle%20East%20Daily\\_6.23.14](http://online.wsj.com/articles/al-jazeera-english-journalists-sentenced-to-seven-years-1403516568?tesla=y&mg=reno64-wsj&utm_source=Sailthru&utm_medium=email&utm_term=%2AMideast%20Brief&utm_campaign=2014_The%20Middle%20East%20Daily_6.23.14), (Accessed June 27, 2014)

<sup>55</sup> Report available as English text under "Panel discussion - Challenges to the Independence of Judges and Prosecutors in Egypt, February 10, 2014", <http://www.ibanet.org/Article/Detail.aspx?ArticleUid=c1b63761-48b8-41e2-ae5-c7a3a357aacd>, (Accessed April 15, 2014)

of close relationship between the military and the judiciary was witnessed when the Anti-Protest Law was passed in Egypt in November 2013<sup>56</sup>. Unopposed by the judiciary, the law virtually ruled out any Tahrir Square kind of protests and gave powers to the police to arrest people and prosecute them without much resistance. The law prohibits the kinds of mass demonstrations that forced presidents Hosni Mubarak and Mohamed Morsi from power. It forces would-be protesters to seek seven separate permissions, and bans overnight sit-ins such as the Tahrir Square protests of early 2011. Activists will have to go to court to appeal against any rejected applications – a restriction lawyers argue will render legal demonstration almost impossible. The law also bans any unsanctioned gatherings – either in public or in private – of 10 or more people, and will give the police the final say on whether a protest can take place. The law came under severe criticism from Human Rights Watch (HRW) too which said quoting Joe Stork, the deputy Middle East director “This new Egyptian government’s first major legislative act clearly shows that its goal is to sharply restrict peaceful assembly and to let security shut down protests at will. This law will reverse the freedom to demonstrate that Egyptians seized in January 2011, and risks putting that freedom, which brought about momentous change, into reverse.”<sup>57</sup> The arrests, the arbitrary death sentences as well as the anti-protest law clearly highlight the deep and well developed relationship between the military and the judiciary.

With such deep rooted interests and stakes in power as also influence over economy and judiciary, the military is often called

---

<sup>56</sup> Egypt’s interim president Adly Mansour signs ‘anti-protest law’, *Guardian News*, November 24, 2013, <http://www.theguardian.com/world/2013/nov/24/egypt-interim-president-anti-protest-law>, (Accessed May 24, 2014)

<sup>57</sup> Egypt: Deeply Restrictive New Assembly Law, *Human Rights Watch*, November 26, 2014, <http://www.hrw.org/news/2013/11/26/egypt-deeply-restrictive-new-assembly-law>, (Accessed May 24, 2014)

the ‘Deep State’<sup>58</sup> in Egypt. Coupled with it is the fact that the military has been seen as the ultimate protector of peoples’ rights in Egypt, especially so with political movements suppressed in Egypt for over six decades. This sentiment was clearly on display when the SCAF was welcomed to power by cheering public in February 2011 and then again in July 2013 after the military ousted President Morsi. The military thus have major stakes in Egypt. With former chief of armed forces General Fatah Al Sisi elected as the president and the new constitution safeguarding their rights and privileges, military will continue to enjoy its dominant role in Egypt.

### **Political Parties**<sup>59</sup>

Another key player in Egypt is the newly emerging political parties. Under the rule of military dictators right from the 1950s, political parties were banned in Egypt. There was thus a virtual lack of political leadership when the protests broke out in Egypt on January 25, 2011. The only organisation which had survived under successive rulers was the Muslim Brotherhood which too had survived as a social and public welfare organisation without any formal political presence. Rest of the political parties that are seen today came up only in past three years.

---

<sup>58</sup> The idea of the “deep state” was first used to describe the political structure of Turkey, which has a democratic government, but also a powerful military that steps in to intervene when the leadership veers too far, in its view, towards Islamism, said Nathan Brown, a professor of political science and international affairs at George Washington University. Quoted in “The Deep State: How Egypt’s Shadow State Won Out”, *Frontline*, 17 September 2013, <http://www.pbs.org/wgbh/pages/frontline/foreign-affairs-defence/egypt-in-crisis/the-deep-state-how-egypts-shadow-state-won-out/>, (Accessed March 25, 2014)

<sup>59</sup> For a broad overview of various political parties and alliances, refer to *Parties and Alliances*, Carnegie Endowment for International Peace, <http://egyptelections.carnegieendowment.org/category/political-parties/> Accessed March 25, 2014)

### *Muslim Brotherhood*

Formed in 1928 by Hassan al Banna, Muslim Brotherhood in its inception was a part of a nationalist movement seeking independence from colonial powers. It sought to establish a pan Islamic, religious and social movement across the region aimed at establishing Muslim unity and Islamic caliphate and soon established itself as a grass root social movement. It even supported the 1952 revolution but was officially banned and dissolved following an assassination attempt by its military wing on President Nasser in 1954. There was a brief period later when Muslim Brotherhood came over-ground to reorganise when President Anwar Sadat initiated an opening of the political system in 1971. During this period too, although Muslim Brotherhood remained illegal, Sadat released some imprisoned members as also allowed it to resume publishing its newspaper al-Dawa in 1976. Under President Hosni Mubarak, Muslim Brotherhood, although banned as a political party, was permitted to support independent candidates in elections. 2005 elections were termed as the first multi-party elections in Egypt wherein the Muslim Brotherhood, whose candidates stood as independents, won a record 87 seats in the 454 seat Assembly, almost six times the number it had before. People believed that they were entitled to more seats and say that rigging and intimidation led to their being beaten in some constituencies. In 2010 elections however, Mubarak ensured a severe crackdown on Muslim Brotherhood people. Allegations of voter fraud and rigging by the ruling National Democratic Party (NDP) led Muslim Brotherhood to announce its boycott of the second round of elections leaving ruling NDP with more than 450 seats in 518 member assembly.

Apart from elections, the Muslim Brotherhood has consolidated itself over the years as a charitable and social movement wielding considerable influence over professional associations, vast network of Islamic charitable institutions and people across various strata of society. It runs hospitals, schools, banks, community centres, and facilities for the disabled in cities and towns all over the country. It also runs care centers for poor widows and orphans and employment training for the unemployed. The Islamic Medical

Association, an organisation affiliated to and supported by the Muslim Brotherhood runs 24 hospitals across Egypt<sup>60</sup>.

Coming through the January 25 revolution, it emerged as the most well organised political movement in the country. It showed clearly in the results of the elections in 2011-12 wherein it garnered clear majority in Parliamentary (Lower and Upper house) as well as the Presidential elections. However, due to its skewed policies and confused agenda (as discussed earlier), it was soon ousted from power. It has now again been banned<sup>61</sup> and designated as a terrorist group<sup>62</sup>. Its political movement has been crushed and known assets frozen. Having been banned for most of its 85 year history, it is nothing new for Muslim Brotherhood but a definite blow to its political future. Another major challenge for Muslim Brotherhood would however arise from the fact that Article 74 of the new constitution bans formation of political parties based on religion. However, having contested elections earlier too fielding independent candidates, this may not be too critical issues for it in the future.

Muslim Brotherhood is thus likely to remain a key player in Egypt which would have a major say not only in domestic politics but Egypt's regional engagement too. Key to its future is how the new regime treats Muslim Brotherhood and whether Muslim

---

<sup>60</sup> EGYPT: Social programmes bolster appeal of Muslim Brotherhood, IRIN, February 26, 2006, <http://www.irinnews.org/report/26150/>, Egypt's Muslim Brotherhood promotes moderate path, BBC News, February 20, 2011, <http://www.bbc.com/news/world-middle-east-12504820>, Challenges ahead, Al ahram weekly, (1178), January 02,, 2014, <http://weekly.ahram.org.eg/News/5016/24/Challenges-ahead.aspx>, (Accessed March 25, 2014)

<sup>61</sup> Muslim Brotherhood banned by Egyptian court, *Guardian News*, September 23, 2013, <http://www.theguardian.com/world/2013/sep/23/muslim-brotherhood-egyptian-court>, (Accessed March 25, 2014)

<sup>62</sup> Egypt declares Muslim Brotherhood a terrorist group, *Fox News*, December 25, 2013, <http://www.foxnews.com/world/2013/12/25/egypt-declares-muslim-brotherhood-terrorist-group/>, (Accessed March 25, 2014)

Brotherhood too is keen towards some rapprochement. There are already indications of it seeking reconciliation when Gamal Heshmat, a member of the Brotherhood's Shura council said "*The Brotherhood seeks to reach political agreement like the one reached by [Tunisia's Ennahda movement] leader Rachid al-Ghannouchi*".<sup>63</sup>

### ***Secular Parties***

Other political parties in Egypt converge in two basic blocks; secular and Islamist parties. The National Salvation Front (NSF) or Gabhat al-Inqath al-Watani is an umbrella for secular-leaning parties formed in November 2012 opposing President Morsi's controversial Presidential decree. Its prominent members included three leaders who had contested Presidential elections in 2012; Mohamed ElBaradei, co-founder of the liberal Constitution Party; Amr Moussa, co-founder of the secular Conference Party; and Hamdeen Sabahi, co-founder of the Egyptian Popular Current. ElBaradei became the organisation's first general coordinator on December 5, 2012. Some of the most prominent parties in the alliance included the Wafd Party, the Free Egyptians Party, the Dignity Party, the Egypt Freedom Party, the Egyptian Social Democratic Party (ESDP), the Kifaya Movement and the April 6 Youth Movement. It was at the fore front opposing Morsi's constitution and even collaborated with the 'Tamarod' movement to organise protests against Morsi government. With entrenched interests and fear of change that the Muslim Brotherhood promised, NSF found itself naturally aligned to the SCAF and following Morsi's ouster it supported the SCAF led government. ElBaradei was appointed as the Vice President for International Relations and Hazem El-Beblawi, a member of the ESDP appointed Prime Minister (who has since resigned). In the aftermath of brutal military crackdown

---

<sup>63</sup> Egypt Brotherhood seeks Tunisia-styled reconciliation: Leader, *Turkish Press*, March 22, 2014, <http://www.turkishpress.com/news/396275/>, (Accessed March 25, 2014)

against pro-Morsi protesters on August 14, 2013, however, ElBaradei resigned from vice presidency and the NSF spokesperson Khaled Dawoud also resigned. There are increasing differences with the SCAF wherein the NSF had voiced opposition to the idea of Abdel Fattah el-Sisi, running for president as well as its opposition to parts of the interim government's road map and some articles of the new constitution (despite the Article 74 provisions of new constitution suiting its secular profile).

### *Islamist Parties*

Among the Islamist Parties, Al Nour, the largest Salafist party and winner of over 25 per cent seats in 2011-12 parliamentary elections is the most significant. Formed after the January 25 revolution, it initially sided with Muslim Brotherhood in forming the Democratic alliance but broke off soon in September 2011 to form the Islamist Alliance. It later supported the protests against President Morsi in 2013. There have been however major issues within the party, major among them the split in January 2013 when its leader and founder Emad ad-Din Abd al-Ghofour resigned and formed another party, Al Watan Party<sup>64</sup>. Even thereafter, stability continued to elude the new party with reports of more than hundred members from various specialist committees resigning from the party in June 2013<sup>65</sup>. With another group of Salafists forming Al Asala party, there is a definite lack of consensus and unity among the Salafists. The infighting could cost the Salafists in terms of public following as well as

---

<sup>64</sup> Egypt's Salafist Parties Split, Weakening Influence, Al Monitor, January 03,4r2e 2013, <http://www.al-monitor.com/pulse/politics/2013/01/salafist-schism-nour-watan-egypt.html>, Salafist splits bring new choices, complications for voters, Al Ahram Online, January 23, 2013, <http://english.ahram.org.eg/NewsContent/1/64/62908/Egypt/Politics-/Salafist-splits-bring-new-choices,-complications-f.aspx>, (Accessed March 25, 2014)

<sup>65</sup> Mass resignations in Egypt's Salafist Al-Watan Party, Al Ahram Online, June 15, 2013, <http://english.ahram.org.eg/NewsContent/1/64/74006/Egypt/Politics-/Mass-resignations-in-Egypt-s-Salafist-AlWatan-Party.aspx>, (Accessed March 25, 2014)

election prospects. With Article 74 of new constitution proving to be anti Islamist, Islamist parties are caught in a conflicting situation between the need to retain its Islamic identity and some leaders trying to follow a more pragmatic approach in siding with the military. Al Nour Party perhaps realises the requirement for a pragmatic approach when it decided to back Al Sisi's candidature for presidency in May 2014 stating the "Egypt is in need of decisions that can only be carried out by stable elected authorities."<sup>66</sup>

### *Youth Movements*

The last set of political actors is the numerous youth movements which have sprung up in last three years. Some of them like the 'April 6 Youth Movement'<sup>67</sup> drew upon their past experience of organising protests (the movement was born in 2008) and in conjunction with others formed the Revolutionary Youth Coalition (RYC) which was at the fore front in ousting of Mubarak. It listed its demands on February 06, 2011 calling for Mubarak's departure, ending state of emergency, dissolving the parliament and constitution, depoliticising the military, and abolishing all the restrictions limiting freedoms of opinion and expression. It kept the pressure on the SCAF throughout 2011 to hand over power to civilian interim government and conduct elections earliest. Having lost some steam after the presidential elections in June 2012<sup>68</sup>, it is

---

<sup>66</sup> Islamist Al-Nour Party backs Al-Sisi, *Daily News Egypt*, May 04, 2014, <http://www.dailynewsegypt.com/2014/05/04/islamist-al-nour-party-backs-al-sisi/>, (Accessed June 25, 2014)

<sup>67</sup> The April 6 Youth Movement, Al ahram Online, November 26, 2010, <http://english.ahram.org.eg/NewsContent/1/0/35/Egypt/The-April—Youth-Movement.aspx>, The April 06 Youth Movement, Carnegie Endowment for International Peace, <http://egyptelections.carnegieendowment.org/2010/09/22/the-april-6-youth-movement>, (Accessed March 27, 2014)

<sup>68</sup> UPDATED: Revolution Youth Coalition disband with end of Egypt's 'transitional phase', Al ahram Online, 07 July 2012, <http://english.ahram.org.eg/NewsContent/1/64/46988/Egypt/Politics-/UPDATED-Revolution-Youth-Coalition-disband-with-en.aspx>, (Accessed March 25, 2014)

presently campaigning for an end to the military rule<sup>69</sup>. The effect of the movement is however considerably less than what it is was in 2011. The other prominent movement is ‘Tamarod’ which led the protests against President Morsi in June 2013 facilitating his ouster by the military. After Morsi’s ouster, the movement has failed to retain focus. There have been disagreements on whether it should form a political party too<sup>70</sup>. While majority of the movement supported Gen Al Sisi for presidency, there are reports of split in support on that account too<sup>71</sup>.

The political parties in their present form, therefore do not present a formidable front. Muslim Brotherhood is banned and labeled as a terrorist organisation, Islam based parties have been banned by the constitution and other secular or youth movements have not been able to consolidate themselves. April 6 Movement too has been banned<sup>72</sup> by an Egyptian court on April 28, 2014. Among the rest, most of them supported Al Sisi winning Presidential elections. However, one thing seems clear. If and when Egypt needs another revolution, there will be plenty to fall back on and on that account these parties and movements become key players in transition.

It would thus seem that in present circumstances, the military is the most influential and powerful actor domestically. Muslim

---

<sup>69</sup> Egypt’s 25 January Revolution Youth Coalition vows to protest against military rule, Middle East Monitor, January 22, 2014, <https://www.middleeastmonitor.com/news/africa/9364-egypts-25-january-revolution-youth-coalition-vows-to-protest-against-military-rule>, (Accessed March 25, 2014)

<sup>70</sup> Egypt’s Tamarod plagued by division, Al Monitor, 04 March 2014, <http://www.al-monitor.com/pulse/originals/2014/03/tamarod-movement-egypt-divisions-elections.html>, (Accessed March 25, 2014)

<sup>71</sup> Splits in the movement, Al Ahram weekly, (1184), February 13,, 2014, <http://weekly.ahram.org.eg/News/5396/17/Splits-in-the-movement.aspx>, (Accessed March 25, 2014)

<sup>72</sup> Egypt bans April 6 youth movement, Arab News, 28 April 2014, <http://www.arabnews.com/news/562476>, (Accessed May 28, 2014)

Brotherhood will have to find ways and means to re-emerge (including possible reconciliation?) while other parties would have to fight inner dissension and find credible goals for themselves. Judiciary is another key player in Egypt, primarily due to the close patronage it has enjoyed in the past with the military rulers.

Apart from the domestic players, Egypt has been influenced in large parts by external factors, both regional as well as extra-regional. These have been discussed separately in the next section.

## Part 3

# Egypt and External Influences

A major factor affecting transition in Egypt is the external influences. Unlike Tunisia, Libya or Yemen, Egypt attracted great attention in the region and was benchmarked as the success or failure of the Arab uprisings. While other countries, after the ouster of their dictators, were virtually left alone to deal with the uprisings and find their own path towards a peaceful transition, Egypt has remained the centre of focus in the region for past three years.

External influences on Egypt can be divided into two clear categories; the *regional* and the *extra-regional* ones. Among the regional influences too, there are two distinct strains; the anti-Muslim Brotherhood camp consisting of Saudi Arabia, UAE, Bahrain, and Kuwait and pro Muslim Brotherhood group which includes Turkey, Qatar and Iran. Already, the diplomatic spat between Qatar on one side and Saudi Arabia led group on the other side are threatening to split the GCC down the middle. The reason; support or opposition to Muslim Brotherhood in Egypt!

Among the extra regional influences, the US and Russia are prominent while China could emerge as an important economic support. There is then the case of Israel which is most directly affected by any change in Egypt especially in context of the continuation of the 1979 peace treaty. Effect of these external influences on Egypt also needs to be also seen in the context of 'how Egypt impacts the region' as also 'the prevailing regional context' in which Egypt is transitioning.

### **Egypt's Impact on the Region**

As discussed earlier, Egypt is the most populated Arab nation, a powerful military force and a powerful voice in Sunni Islam. With its traditional leadership role in the Arab world, developments in Egypt have a significant influence on the region. Al Azhar University and mosque is a great source of Egypt's influence, especially in the Sunni sect. The role and importance given to Al Azhar by the regimes could dictate Egypt's influence in the region.

President Morsi's attempts to give prominence to Al Azhar in the constitution in 2012 had raised eyebrows. Also the spread of 'political Islam' through various affiliates of Muslim Brotherhood in the region had caused discomfort among regimes in the region. Jordan, Syria, Morocco and Kuwait witnessed spread of influence of Muslim Brotherhood and its call for democratic order which was perceived as a threat to the regimes.

Regional peace and security is another issue of regional concern. One of the major reasons for averting major wars in the region after 1973 is the Egypt Israel peace treaty and any future regime in Egypt would be mindful of that. Israel felt threatened on the issue when the Muslim Brotherhood government was in power and it remains its prime concern irrespective of the nature of regime in Egypt. Egypt's role on the Palestine issue too is significant. President Morsi's support to the Palestine cause, his support to Hamas in Gaza strip as also role in brokering cease fire between Israel and Hamas during conflict in Gaza in November 2012 is another pointer to Egypt's influence in the region. Again, the presence of over 40 jihadi groups including Al Qaeda in Egypt as also security issues across Sinai desert are another pointer of how developments in Egypt could influence regional peace. Also, given Egypt's size of armed forces and strategic location, there cannot be any viable regional security architecture without Egypt.

Suez Canal remains one of the most significant manifestations of Egypt in the region and the globe. An estimated seven per cent of global trade passes through it saving on the distance and time by around 43 per cent when compared to travel via Cape of Good Hope. 35 per cent of this trade is loaded from and to the Red Sea and Arabian Gulf ports, 20 per cent from and to the Indian and South East Asian ports and 39 per cent from and to the Far East area<sup>73</sup>. Any developments in Egypt having adverse impact along the Suez Canal could have disastrous consequences for world trade.

---

<sup>73</sup> The Suez Canal , State Information Services, Government of Egypt, <http://www.sis.gov.eg/En/Templates/Articles/tmpArticles.aspx?CatID=22#.U1X39D8aazU>, The Suez Canal - A vital shortcut for global commerce, World Shipping Council, <http://www.worldshipping.org/pdf/Suez-Canal-Presentation.pdf>, (Accessed April 21, 2014)

Egypt is also been an important link in the US policies and engagement in the West Asian region. US support to the fall of regimes in Tunisia or Libya did not draw too much criticism but US support to the call for Mubarak to leave and its subsequent support to democratic transition through Muslim Brotherhood drew public criticism from Arab Nations. It was seen as betrayal of key US ally in the region and countries like Saudi Arabia even commenced working on plans hedging their bets against reduced US support in the region.

### **The Regional Context**

The regional context in which Egypt's transition is taking place is also critically important. The Israel-Palestine peace talks which commenced with much promise in September 2013, ended without any concrete movement forward when Israel withdrew from the talks in April 2014, days before the final deadline of nine month period. With the unity government between Hamas and Fatah in the Palestinian governed areas sworn in<sup>74</sup>, Israel's walking out of the talks virtually puts a cold freeze on this issue. The US has more than once expressed setting in of frustration and fatigue on the issue and if the US interest declines, the prospects for peace and a two state solution could drift further away.

Next is the talk on Iran nuclear issue. The talks with P5+1 have been encouraging with the *International Atomic Energy Agency* (IAEA) report in May 2014 confirming to Iran cutting down on its enriched uranium stockpile as well as restricting its enrichment programme. A final resolution could have a major impact on the geo-politics of the region. The recent conflict between Saudi Arabia and Qatar over support to Egypt is another critical factor in the region and is being discussed at length in succeeding paras.

The elections in Iraq in April 2014 and the possibility of Maliki retaining power could further consolidate Iran's influence in Iraq

---

<sup>74</sup> Palestinian unity government of Fatah and Hamas sworn in, *Guardian News*, June 02, 2014, <http://www.theguardian.com/world/2014/jun/02/palestinian-unity-government-sworn-in-fatah-hamas>, (Accessed June 29, 2014)

which could have lasting impression on the region. However, the sudden rise of Islamic State of Al Shams (ISIS) which overran major towns and cities in Northern and Western Iraq in June are threatening Iraq as well as the entire region. The neighboring Syria too is in a state of civil war and the ISIS advance in Eastern Syria has blurred the boundaries between Iraq and Syria as the ISIS threatens to capture more territory and threaten more nations in the region. The leader of ISIS Abu Bakr Al Baghdadi has already proclaimed himself as the Caliph<sup>75</sup> and has called for the establishment of a Caliphate across the entire region including Egypt. In such a scenario, Egypt can not remain untouched by the prevailing security situation in the region. Added to this is the rise of Al Qaeda based terrorism in the Maghreb region which too effects Egypt's transition.

### **Saudi Arabia-UAE-Kuwait**

This group of regional countries is led by Saudi Arabia and evenly supported by the UAE, Kuwait and Bahrain. They were distinctly uncomfortable when Muslim Brotherhood led government took over reins of Egypt in June 2012. Although, Saudi Arabia approved \$430 million in project aid a \$750 million line of credit to import oil products in June 2012 as a financial support<sup>76</sup>, it was clearly apprehensive of the developments in Egypt. With the ouster of Mubarak, it lost an ally who had ensured the bulwark of American alliance and influence in the region. The fact that the US too called upon Mubarak to leave power was seen as a betrayal of an American ally by Saudi Arabia with fears that something likewise could happen to them in future. Muslim Brotherhood's message to spread the mantra of democracy across the Arab world too was a direct threat

---

<sup>75</sup> Aymenn Jawad Al-Tamimi, Abu Bakr al-Baghdadi's Message as Caliph, Middle East Forum, July 02, 2014, <http://www.meforum.org/4744/abu-bakr-al-baghdadi-message-as-caliph>, (Accessed July 09, 2014)

<sup>76</sup> Saudi Arabia approves \$430 million in new aid to Egypt, *Al Arabiya News*, June 08, 2012, <http://www.alarabiya.net/articles/2012/06/08/219433.html>, (Accessed April 01, 2014)

to the monarchies. Although President Morsi undertook his first foreign visit as President to Saudi Arabia in July 2012 with an aim to highlight the importance of bilateral relations and the message that his country is not seeking to “export” its revolution beyond its borders, it failed to reassure the Saudi rulers.

The mistrust of Muslim Brotherhood does not merely stem from the current revolution but is ideological in nature too. Saudi Arabia has always propagated Wahabism as a religious doctrine — a form of conservative Salafism, which advocates strict public obedience and prohibits revolt against the political regime. Muslim Brotherhood on the other hand has sought a more liberal, often democratic and flexible doctrine which sought to establish its own form of Muslim unity and rule across the region combining Islamic traditions and Western democratic models. The formula prompted by Muslim Brotherhood was therefore considered hostile by Saudi Arabia and a threat to its monarchy.

Muslim Brotherhood’s support to Iraq’s invasion in Kuwait in 1990 was seen as deeply antagonistic and subversive by the Gulf countries especially Saudi Arabia, Kuwait and the UAE. Saudi Interior Minister Late Prince Naif considered Muslim Brotherhood as the cause of most problems in the Arab world. In an interview with Kuwait’s *Al-Siyasah* newspaper in November 2002, he said, “*The Brotherhood has done great damage to Saudi Arabia. All our problems come from the Muslim Brotherhood. We have given too much support to this group... The Muslim Brotherhood has destroyed the Arab world*”<sup>77</sup>.

There is also a regional dimension to the conflict with Muslim Brotherhood as Saudi Arabia and Gulf countries fear that the rise of an alliance between Egypt, Turkey and Qatar may marginalise their dominant regional influence across the Gulf region. Also the fact that Iran too was aligning with Muslim Brotherhood in Egypt

---

<sup>77</sup> Naif says Muslim Brotherhood cause of most Arab problems, *Arab News*, November 28, 2002, <http://www.arabnews.com/node/226291>, (Accessed April 01, 2014)

was seen as a dangerous development by the Gulf countries. The arrest of 11 Egyptians in December 2011 by the UAE<sup>78</sup> suspected to be from the Muslim Brotherhood and allegedly training local Islamists to overthrow the government in UAE was seen as a clear manifestation of the fear.

It is therefore no surprise that Saudi Arabia along with the UAE welcomed the ouster of President Morsi in July 2013. The Saudi King Abdullah's message of congratulations to the interim President of Egypt, Adli Mansour said, "*In the name of the people of Saudi Arabia and on my behalf, we congratulate your leadership of Egypt in this critical period of its history.*"<sup>79</sup> Saudi Arabia along with UAE and Kuwait even assured Egyptians that in case the US does not release the annual military aid of 1.3 Billion dollars soon, they would more than compensate for it. Following it up, Saudi Arabia, UAE and Kuwait announced an aid of 12 billion dollars to Egypt in July 2013<sup>80</sup>, immediately after removal of Morsi. Saudi Arabia even announced an additional aid of four billion dollars in January 2014<sup>81</sup> to bail out Egyptian economy.

Saudi Arabia had perhaps wanted a subservient Muslim Brotherhood which was ideologically non-challenging and financially dependent, which Muslim Brotherhood was not ready to do and it's spread across the region was seen as a direct threat to

---

<sup>78</sup> Emirates' Arrest of Egyptians Raises Ire in Cairo, *The Wall Street Journal*, January 03, 2013, <http://online.wsj.com/news/articles/SB10001424127887323689604578219604172584188>, (Accessed April 01, 2014)

<sup>79</sup> World reaction to the ousting of Egypt's Mohammed Morsi, *BBC News* July 04, 2013, <http://www.bbc.com/news/world-middle-east-23175379>, (Accessed April 01, 2014)

<sup>80</sup> The Arab Gulf states have pledged 12 billion dollars in aid to Egypt., *World Politics Journal*, July 15, 2013, <http://worldpoliticsjournal.com/2013/07/the-arab-gulf-states-have-pledge-12-billion-dollars-in-aid-to-egypt/>, (Accessed April 01, 2014)

<sup>81</sup> Saudi Arabia to give Egypt up to \$4 billion more in aid, *Gulf News*, January 30, 2014, <http://gulfnews.com/news/region/egypt/saudi-arabia-to-give-egypt-up-to-4-billion-more-in-aid-1.1284200>, (Accessed April 01, 2014)

the regime in Saudi Arabia. Given their interests and concerns from Egypt, Saudi Arabia along with UAE and Kuwait clearly favour the current political climate in Egypt. Saudi Arabia has declared Muslim Brotherhood a terrorist organisation on March 07, 2014<sup>82</sup> which found prompt support from UAE too. If reports are to be believed, Saudi Arabia played a significant role in propping up and even financing the opposition<sup>83</sup> to Morsi's government and its ultimate ouster.

### **Turkey-Iran-Qatar**

Unlike Saudi Arabia led group of countries which consider Muslim Brotherhood a threat, Iran, Turkey and Qatar formed the opposite pole which welcomed the revolution, offered support to it and saw in the Egyptian revolution, opportunities for each of them in enhancing their regional agenda.

Turkey's Prime Minister Recep Tayyip Erdogan took 'Arab Spring' as an ideal opportunity to promote and project Turkey as a model of Islamic democracy. Egypt, the cultural hub for the Arab world was seen an important cog in Turkey's regional policy of seeking better relations with Arab nations and the revolution was an ideal opportunity to align itself positively with Egypt. He visited Egypt, Libya and Tunisia in September 2011 as a show of solidarity to the new emerging order and was attempted to sell the idea of Turkey

---

<sup>82</sup> Saudi: Muslim Brotherhood a terrorist group, *Al Arabiya News*, March 07, 2014, <http://english.alarabiya.net/en/News/middle-east/2014/03/07/Saudi-Arabia-declares-Muslim-Brotherhood-terrorist-group.html>, (Accessed April 01, 2014)

<sup>83</sup> Saudi Arabia accused of giving Egypt \$1B to oust Morsi, *Washington Times*, July 30, 2013, <http://www.washingtontimes.com/news/2013/jul/30/saudi-arabia-accused-giving-egypt-1b-oust-morsi/>, Saudi leaders supporting infidels in Egypt: Al Qaeda - See more at: <http://www.dailynewsegypt.com/2013/08/26/saudi-leaders-supporting-infidels-in-egypt-al-qaeda/#sthash.0Yidoogk.dpuf>, *Daily News Egypt*, August 26, 2013, (Accessed April 01, 2014)

as their partner in transition. The ouster of President Morsi was however a setback and Turkey was one of the very few regional countries to denounce it openly. In an official statement, the foreign minister Ahmet Davutoglu said, “*It is unacceptable for a government, which has come to power through democratic elections, to be toppled through illicit means and, even more, a military coup.*”<sup>84</sup> The relations with Egypt’s interim government have thereafter continued the downturn with Egypt accusing Turkey of interfering in its internal affairs leading finally to Egypt expelling Turkish Ambassador and recalling its own on November 23, 2013<sup>85</sup>.

Iran too, like Turkey, welcomed Egypt’s revolution, calling it the ‘Islamic awakening’ and linking it to its own revolution in 1979. It saw it as a strategic opportunity to cultivate good relations with a powerful Arab nation in a regional environment where Iran found itself by and large isolated by the GCC as well as US-led economic sanctions. Egypt too responded symbolically to this recognition from Iran when the SCAF government permitted two Iranian warships to cross the Suez Canal in February 2011<sup>86</sup>, first time since 1979 when the two countries had broken off bilateral ties. In August 2012, Egyptian President Morsi visited Iran to attend the NAM summit, again an unprecedented event in the recent history of the nations. During his reciprocal visit on 07 February 2013 to Cairo to attend the *Organisation of Islamic Cooperation* (OIC) Summit, Iran President Mahmoud Ahmadinejad called on Egypt to form a

---

<sup>84</sup> World reaction to the ousting of Egypt’s Mohammed Morsi, *BBC News* July 04, 2013, <http://www.bbc.com/news/world-middle-east-23175379> , (Accessed April 01, 2014)

<sup>85</sup> BREAKING: Egypt withdraws own ambassador, expels Turkish ambassador, *Egypt Independent*, November 23, 2013, <http://www.egyptindependent.com/news/breaking-egypt-withdraws-own-ambassador-expels-turkish-ambassador>, (Accessed April 01, 2014)

<sup>86</sup> Iranian warships cross Suez canal, *Guardian News* , February 22, 2011, <http://www.theguardian.com/world/2011/feb/22/iranian-warships-cross-suez-canal>, (Accessed April 01, 2014)

strategic alliance with Iran saying: “*The political geography of the region will undergo a major change if Egypt and Iran take a common stance on the Palestinian cause*”<sup>87</sup>. Ahmadinejad’s February 2013 visit was the first by an Iranian President to Egypt in 33 years (after 1979 revolution). Earlier, in his maiden speech at the UN General Assembly (UNGA) on September 24, 2012<sup>88</sup>, President Morsi voiced his support for Palestinian nationhood and also called upon Israel to join the *Non-Proliferation Treaty* (NPT) and professed that there cannot be two different standards on the nuclear issue with respect to Iran and Israel. Both these statements were to the obvious liking of Iran. The Gaza conflict of November 2012 too brought the two countries together when they both announced total support for the Palestinians and denounced Israel as well as the international community for inaction against Israel.

However, the ouster of President Morsi did not evoke sharp comments from Iran like Turkey. Iran’s initial reactions were conflicting and even contradictory. Initially, Iran did not react. The first response came through foreign ministry spokesman Abbas Araqchi on July 8, 2013 who said, “*The intervention of the Egyptian armed forces in political affairs is unacceptable and disturbing.*”<sup>89</sup> Under pressure from Egypt, it however retracted it when Iran’s foreign minister Ali Akbar Salehi said on July 11, “*Egypt’s fate should be determined by its own nation and any decision made by the Egyptian people should be respected by all.*” The Supreme leader did not publicly react

---

<sup>87</sup> As the relationship grows, factions fear an Egypt modeled on Iran, *Al Arabiya News*, February 07, 2013, <http://www.alarabiya.net/articles/2013/02/07/264973.html>, (Accessed April 01, 2014)

<sup>88</sup> Egypt’s Mohamed Morsi UN General Assembly Speech 2012, Transcript available at <http://www.themuslimtimes.org/2012/10/africa/egypts-mohamed-morsi-un-general-assembly-speech-2012-transcript>, (Accessed April 01, 2014)

<sup>89</sup> News Analysis: Morsi’s ouster unlikely to affect Egypt’s ties with Iran, *Xinhuanet*, July 14, 2013, [http://news.xinhuanet.com/english/world/2013-07/14/c\\_132538727.htm](http://news.xinhuanet.com/english/world/2013-07/14/c_132538727.htm), (Accessed April 02, 2014)

however hardline cleric Ayatollah Ahmad Khatami denounced Muslim Brotherhood during Tehran's Friday prayers on July 05 saying that "*Instead of inviting the Islamic world to unite, (Morsi's government) supported the murdering infidels. On political front they dealt with the Zionist regime in a way that was against their previous principles.*"<sup>90</sup>

Iran has been thereafter calibrated in its dealing with Egypt. There is a clear realisation that Muslim Brotherhood is unlikely to reclaim power soon. In fact, in December 2013, Hadi Soleimanpour, Iran's deputy minister of foreign affairs, during a meeting with visiting Egyptian diplomacy delegation stated that Iran's foreign policy was based on the presence of Egypt within the "regional equation" and that both countries can build a "strategy for Mideastern collaboration."<sup>91</sup> Iran was quick to welcome the election of Fatah al Sisi as the president and sent its deputy foreign minister to his swearing in. Iran's Deputy Foreign Minister Amir Abdollahian underlined Egypt's important role in the region and the Muslim world and said in a press conference after participating in the swearing-in ceremony "Egypt's security and stability leads to stability in the region."<sup>92</sup>

Qatar, like Turkey has been consistent in its support for Muslim Brotherhood. Unlike Saudi Arabia, Muslim Brotherhood's ideologies

---

<sup>90</sup> Iran's Ayatollahs Blame Morsi's 'Pro-Israeli, Pro-U.S.' Stance For Egypt Crisis, Radio Free Europe Free Liberty, July 05, 2013, <http://www.rferl.org/content/iran-ayatollahs-blame-morsi-egypt-crisis-israel-us/25038079.html>, (Accessed April 02, 2014)

<sup>91</sup> Tehran seeks close 'regional cooperation' with Egypt: Iranian official, Al Ahram Online, December 12, 2013, <http://english.ahram.org.eg/NewsContent/2/8/88929/World/Region/Tehran-seeks-close-regional-cooperation-with-Egypt.aspx>, (Accessed April 02, 2014)

<sup>92</sup> Iranian Deputy FM Underlines Egypt's Pivotal Role in Regional Stability, *Fars News*, June 10, 2014, <http://english.farsnews.com/newstext.aspx?nn=13930320000353>, (Accessed July 02, 2014)

of spreading a ‘democratic’ Islam appealed to Qatar ruling family. It is home to Yusuf al-Qaradawi, the Egyptian-born cleric widely viewed as the Brotherhood’s spiritual leader and has even dedicated its famous ‘Al Jazeera’ channel to mouth piece the revolution in Egypt. It has been open in its support to Muslim Brotherhood and even pledged that it will not let Egypt ‘go bankrupt’ during Morsi’s government in January 2013 and gave five billion dollars in direct aid and deposits<sup>93</sup>. Though, it was cautious in its reaction to President Morsi’s ouster in July 2013, Qatar has been steadfast in its support to Muslim Brotherhood with Qatari Emir even calling support to Muslim Brotherhood ‘a duty’ in December 2013<sup>94</sup>. Qatar was vocal in denouncing Egypt’s interim government labelling Muslim Brotherhood as a terrorist organisation leading to not only diplomatic flare up with Egypt<sup>95</sup> but also isolation in GCC when Saudi Arabia, UAE and Bahrain recalled their ambassadors from Qatar in March 2014<sup>96</sup>. Qatar’s stance on Egypt and Muslim Brotherhood has virtually isolated it among the GCC nations, split the organisation vertically down the middle and exposed its fragility.

---

<sup>93</sup> Qatari PM says won’t let Egypt go bankrupt, Al Ahram Online, January 16, 2013, <http://english.ahram.org.eg/NewsContent/3/12/62603/Business/Economy/Qatari-PM-says-wont-let-Egypt-go-bankrupt.aspx>, (Accessed April 02, 2014)

<sup>94</sup> Qatar Emir support for Muslim Brotherhood is a “duty”, *Middle East Monitor*, December 31, 2013, <https://www.middleeastmonitor.com/news/middle-east/9000-qatar-emir-support-for-muslim-brotherhood-is-a-qdutyq>, (Accessed April 02, 2014)

<sup>95</sup> Amid tensions, what lies ahead for Egypt-Qatar diplomacy?, *Al Arabiya News*, January 07, 2014, <http://english.alarabiya.net/en/perspective/analysis/2014/01/07/Amid-tensions-what-lies-ahead-for-Egypt-Qatar-ties-.html>, Egypt warns Qatar over Muslim Brotherhood support, *Al Arabiya News*, February 05, 2014, <http://english.alarabiya.net/en/News/middle-east/2014/02/05/Egypt-warns-Qatar-over-Muslim-Brotherhood-support.html>, (Accessed April 02, 2014)

<sup>96</sup> UAE, Saudi Arabia and Bahrain recall their ambassadors from Qatar, *Gulf News*, March 05, 2014, <http://gulfnews.com/news/gulf/uae/government/uae-saudi-arabia-and-bahrain-recall-their-ambassadors-from-qatar-1.1299586>, (Accessed April 02, 2014)

## The US

The US and Russia are the two major extra regional powers influencing developments in Egypt. While Egypt was a staunch Soviet ally during the cold war, pragmatic approach by Egyptian President Sadat in 1970s led not only to Egypt re-establishing diplomatic relations with the US but also the peace treaty with Israel in 1979.

Thereafter Egypt has been an important link in US influence in the region, especially the Arab world. The US has considered Egypt as a gateway to its interests in the Gulf region. It has received over 30 billion dollars in military aid and assistance including an annual military aid of 1.3 billion dollars since 1980s and has benefited from economic packages from time to time. In current times too, Egypt was considered the centre of gravity of the Arab and Muslim world when President Obama delivered his famous speech at Cairo University in June 2009 beckoning the Muslim world to join hands and work towards peace in the region<sup>97</sup>. Robert Springborg, professor of national security affairs at the Naval Postgraduate School in Monterey, highlights the importance of Egypt to the US when he writes<sup>98</sup>, *“a brief look at a map reveals that Egypt is the only secure maritime and air gateway to the Gulf. US investment of some \$40 billion of military assistance in Egypt has vastly reduced the logistical costs of maintaining what is now some 20,000 military personnel under Central Command... It is also the primary gateway for both to volatile East Africa”*.

Although the US had enjoyed a good understanding with the Mubarak regime, it was quick to welcome the popular revolution in Egypt and soon called for Mubarak to leave. It supported the

---

<sup>97</sup> Text of the speech at [http://www.whitehouse.gov/the\\_press\\_office/Remarks-by-the-President-at-Cairo-University-6-04-09](http://www.whitehouse.gov/the_press_office/Remarks-by-the-President-at-Cairo-University-6-04-09), (Accessed April 21, 2014)

<sup>98</sup> Robert Springborg, US Should Reform, Not End Military Aid to Egypt, *Al Monitor*, September 21, 2013, <http://www.al-monitor.com/pulse/originals/2013/09/us-should-retool-military-aid-to-egypt-robert-springborg.html>, (Accessed April 02, 2014)

transition process as reflected in President Obama's speech on May 19, 2011<sup>99</sup> as also forming of Muslim Brotherhood government in a hope that it would deliver some form of democracy. The role of Egypt in brokering ceasefire in the Gaza conflict in November 2012 was greatly appreciated by the US.

The ouster of President Morsi by the military on July 03, 2013 was however a setback. Although it stopped short of calling it a coup, the US reacted by stating, "*We are deeply concerned by the decision of the Egyptian Armed Forces to remove President Morsi and suspend the Egyptian constitution.*"<sup>100</sup> The US canceled a joint U.S.-Egypt military exercise (Operation Bright Star), suspended the deliveries of certain military items to Egypt, and cancelled planned cash transfers of economic aid including the annual military aid. There is however a recognition that the US in future will have to deal with a military led government in Egypt which is reflected in President Obama's speech to the UNGA in September 2013<sup>101</sup> as also Secretary of State John Kerry remarks during his visit to Cairo in November 2013 when he said, "*So this aid issue is a very small issue between us, and the Government of Egypt, I think, has handled it very thoughtfully and sensitively.*"<sup>102</sup> The US has already released a part of its military aid to Egypt as also announced sale of 10 Apache helicopters to Egypt<sup>103</sup> in a signal of

---

<sup>99</sup> Remarks by the President on the Middle East and North Africa, <http://www.whitehouse.gov/the-press-office/2011/05/19/remarks-president-middle-east-and-north-africa>, (Accessed April 02, 2014)

<sup>100</sup> World reaction to the ousting of Egypt's Mohammed Morsi, *BBC News* July 04, 2013, <http://www.bbc.com/news/world-middle-east-23175379>, (Accessed April 03, 2014)

<sup>101</sup> Jeremy M. Sharp, Egypt: Background and U.S. Relations, US CRS report, January 10, 2014, p. 17, <http://www.fas.org/sgp/crs/mideast/RL33003.pdf>

<sup>102</sup> Jeremy M. Sharp, Egypt: Background and U.S. Relations, US CRS report, January 10, 2014, p. 17, <http://www.fas.org/sgp/crs/mideast/RL33003.pdf>

<sup>103</sup> US to deliver Apache helicopters to Egypt, *Al Jazeera*, April 23, 2014, <http://www.aljazeera.com/news/middleeast/2014/04/us-deliver-apache-helicopters-egypt-201442342717528713.html>

breaking ice. President Obama also welcomed the election of Fatah al Sisi as the president and Secretary of State John Kerry visited Cairo on June 22 to meet the new president seeking repair of frayed ties with Egypt<sup>104</sup>.

US policy on Egypt in recent times has been a story of contradictions, confusion and stark paradoxes. Mubarak was a key US ally yet the US supported calls for its ouster. Muslim Brotherhood got initial support from the US yet it represented a strain of Islamist activism, something which has always caused concern in the US. While denouncing the ouster of President Morsi on one hand, the US had hurriedly recalibrated to extend support to the SCAF backed interim government and now looks forward to working with newly elected President Al Sisi. US has also borne the brunt of criticism of Saudi Arabia led block for supporting Muslim Brotherhood while its policies against the interim military led government provided space and opportunity for Russia to claw back into Egypt in an attempt to carve out another sphere of Russian influence.

Despite a turbulent transition, there is a clear realisation in the US that Egypt will continue to be a significant player in West Asia and North Africa. It is critical to US interests in the region, controls the lifeline of sea trade via Suez Canal and is a key pillar in peace treaty with Israel.

## **Russia**

Russia was a marginal player in Egypt after the 1979 peace treaty. Even during and after the January 25 revolution, it remained largely neutral. The removal of President Morsi has however given opportunity and space for it to reclaim some its space lost out after

---

<sup>104</sup> Kerry seeks repair of frayed Egypt ties, *Washington Post*, June 22, 2014, [http://www.washingtonpost.com/world/africa/kerry-seeks-repair-of-frayed-egypt-ties/2014/06/22/f9a14872-fa0b-11e3-b836-a372189b76a6\\_story.html](http://www.washingtonpost.com/world/africa/kerry-seeks-repair-of-frayed-egypt-ties/2014/06/22/f9a14872-fa0b-11e3-b836-a372189b76a6_story.html), (Accessed July 09, 2014)

1970s. Soon after the ouster of President Morsi and cancellation of aid and support by the US, Russia has attempted to provide a suitable alternative. The visit by Russian Foreign Minister Sergei Lavrov and Defence Minister Sergei Shoigu to Cairo in November 2013<sup>105</sup> signaled the reset in their fledgling relationship while the visit of Gen Sisi to Russia in February 2014<sup>106</sup> and his meeting with President Putin was a confirmation that Egypt is looking beyond the US in its critical phase of transition. The reports of Egypt's 2-4 billion US dollars military aid deal with Russia could prove to be a game changer in the regional power game. During a recent visit to the US in April 2014, Egyptian foreign minister Nabil Fahmy, speaking at the Centre for Strategic and International Studies (CSIS), signaled at Russia being a suitable alternative to the US while saying "We will continue to maintain and indeed enhance our strategic relationship with the United States and Europe. However, we will also look elsewhere. Our emerging relationship with Russia is one that we will seek to nurture and leverage<sup>107</sup>."

## China

China's relations with Egypt have focused mainly on trade ties. Although Egypt was the first Arab country to establish diplomatic ties with China on May 30, 1956 and signed a joint Communiqué

---

<sup>105</sup> Top Russian officials in landmark visit to Egypt, *Al Arabiya News*, November 13, 2013, <http://english.alarabiya.net/en/News/middle-east/2013/11/13/Russia-s-defence-and-foreign-ministers-in-landmark-visit-to-Egypt.html>, (Accessed April 03, 2014)

<sup>106</sup> Nicola Nasser, Historic Breakthrough in Egypt-Russia Relations. 'Towards a Strategic Shift?', *Global Research*, February 21, 2014, <http://www.globalresearch.ca/historic-breakthrough-in-egypt-russia-relations-towards-a-strategic-shift/5369912>, (Accessed April 03, 2014)

<sup>107</sup> Fahmy: Egypt will 'diversify' foreign policy with closer ties to Russia, *Al Monitor*, April 28, 2014, [http://www.al-monitor.com/pulse/originals/2014/04/egypt-russia-foreign-policy-diversify-washington.html?utm\\_source=Al-Monitor+Newsletter+%5BEnglish%5D&utm\\_campaign=4836c08ccf-January\\_9\\_20141\\_8\\_2014&utm\\_medium=email&utm\\_term=0\\_28264b27a0-4836c08ccf-93084897](http://www.al-monitor.com/pulse/originals/2014/04/egypt-russia-foreign-policy-diversify-washington.html?utm_source=Al-Monitor+Newsletter+%5BEnglish%5D&utm_campaign=4836c08ccf-January_9_20141_8_2014&utm_medium=email&utm_term=0_28264b27a0-4836c08ccf-93084897)

on Establishing Strategic Cooperative Relationship in April 1999 during President Mubarak's visit to China, the primary bilateral engagement has focused on trade. Trade exchange was a modest \$11 million in 1953 even before diplomatic relations were formally established with \$10 million in exports to China and \$600 thousand imports. The first trade agreement was signed on August 22, 1955 which was followed by many successive agreements and protocols. Trade exchange between Egypt and China in 1995 reached \$452 million; \$439.63 million in Chinese exports to Egypt; \$13.6 million in Egyptian exports to China. It got a major boost when Egyptian Prime Minister Kamal al-Ganzouri in April 1997 visited China and signed several agreements and MoU. As a result, trade exchange in 1997 jumped to \$520.7 million; 464 million in Chinese exports to Egypt; \$56.7 million in Egyptian exports to China. The figure continued to grow over the years until 2005 when it hit a high of \$2 billion and \$150 million for the first time in the history of the two countries<sup>108</sup>. Even when uprisings broke out in Egypt in January 2011, China was among the few countries where trade volumes expanded instead of decreasing. Bilateral cooperation increased to US\$8.8 billion in 2011, up from \$7 billion in 2010<sup>109</sup>.

Trade remained the focus even after Mubarak's ouster when China welcomed President Morsi during his foreign visit in August 2012 and signed eight major trade agreements. Earlier, the Chinese Ambassador to Egypt Song Aiguo was quoted stating during his visit to the industrial zone in Giza in April 2012 that the Chinese investments in Egypt increased by 60 per cent over the past two years to exceed \$500 million<sup>110</sup>. Even after Morsi's ouster, China

---

<sup>108</sup> Egyptian Chinese Relations, State Information Service, Government of Egypt, <http://www.sis.gov.eg/En/Templates/Articles/tmpArticles.aspx?CatID=194#.U70Rr6Mn0xx>, (Accessed July 09, 2014)

<sup>109</sup> Morsy's visit to China reinforces old regime's economic ties, Egypt Independent, August 30, 2012, <http://www.egyptindependent.com/news/morsy-s-visit-china-reinforces-old-regime-s-economic-ties>, (Accessed July 09, 2014)

<sup>110</sup> China's investments in Egypt increases by 60%, China Wire, April 2012, <http://china-wire.org/?p=28626>, (Accessed July 09, 2014)

has concentrated on trade rather than politics. During the visit of Egyptian Foreign Minister Nabil Fahmy in December 2013, Chinese Vice President Li Yuanchao announced that China would give Egypt a \$24.7m non-refundable grant (CNY 150 million)<sup>111</sup>.

According to United Nations trade data quoted in a news report, in 2011, Chinese commodities exports to Egypt hit \$7.28 billion, beating out US exports to Egypt at \$6.18 billion<sup>112</sup>. China has thus been steadfast in its focus in enhancing relations with Egypt; increase trade and stay clear on internal political issues of Egypt. Egypt on the other hand is struggling to put its economy back on track and welcomes the Chinese investments. China is thus emerging as the dark horse in context of external influences in Egypt.

Each of the external powers has thus exerted significant influence on the transition in Egypt by siding or contesting the change. Egypt too, in turn is influencing the region in a big way. Developments within Egypt have drawn strong reaction from the region. In fact it is virtually becoming a testing ground of increasing/decreasing influence of other powers in the region. The ongoing developments in Egypt and the race to influence it from outside are likely to have significant impact not only on Egypt but also the transitioning regional power dynamics in the region.

---

<sup>111</sup> China gives Egypt USD 24.7 million non-refundable grant, *Daily News Egypt*, December 16, 2013, <http://www.dailynewsegyp.com/2013/12/16/china-gives-egypt-usd-24-7-million-non-refundable-grant/>, (Accessed July 09, 2014)

<sup>112</sup> Is China 'buying' Egypt from the US?, *Global Post*, September 05, 2012, <http://www.globalpost.com/dispatch/news/regions/middle-east/egypt/120905/china-egypt-us-economy-aid-debt-morsi>, (Accessed July 09, 2014)

# Egypt and India

India and Egypt are two of the world's ancient civilisations with a history of close contact. A number of historians have recorded the common heritage of the ancient civilisations of these two countries. In fact, some of the historians have attempted to draw conclusively that the Dravidians from India laid the foundations of the Egyptian civilisation. Egyptians too believe in the traditional discourse that they originally came from the South, from a land called Punt, which a historian, Dr. H.R. Hall, thought referred to some part of India. Adolf Erman (1854-1937) author of the book "Life in ancient Egypt" and "A handbook of Egyptian religion", too claims that the people responsible for the Egyptian civilisation were from Punt, an Asiatic country- a distant country washed by the great seas, full of valleys, incense, balsum, precious metals and stones; rich in animals, cheetahs, panthers, dog-headed apes and long tailed monkeys, winged creatures with strange feathers to fly up to the boughs of wonderful trees, especially the incense tree and the coconut trees. M A Murray author of the book "Legends of Ancient Egypt" writes that the Egyptians as a race are more Asiatic than African.

There is clear mention of good relations with Egypt even in Emperor Asoka's edicts in ancient times. A strong evidence of India's direct relations with Egypt is, found in Emperor Ashok's thirteenth rock edict, inscribed in the early decades of the third century B. C. In it, Ashoka mentions his contacts with Ptolemy II Philadelphus of Egypt (285-246 BC), in connection with the expansion of his policy of the propagation of the Law of Righteousness (dharma).

In modern history, the freedom movement of both countries had common threads wherein Mahatma Gandhi and Saad Zaghloul shared similar goals towards gaining independence. The formation of Non Aligned Movement (NAM) was a clear manifestation of

not only very close relations between Prime Minister Jawaharlal Nehru and Egyptian President Gamal Abdel Nasser but also a common vision of global order. India-Egypt relations could not however maintain the positive momentum in the coming decades, especially after Anwar Sadat became President. With Sadat choosing to align with the US and India ideologically aligned with the USSR during the cold war period, the relations remained at a low key although trade and visits continued. During President Mubarak's time, there were attempts to once again revitalize the relations leading to a number of high level visits from both sides including four Prime Ministerial visits from India to Egypt: Shri Rajiv Gandhi (1985); Shri P V Narasimha Rao (1995); Shri I K Gujral (1997); and Dr Manmohan Singh (2009). From the Egyptian side, the President visited India thrice in 1982, in 1983 (NAM Summit) and again in November 2008.

Major breakthrough came about in November 2008 when Egyptian President Hosni Mubarak visited India. There was a clear realisation that the bilateral ties have not flourished due to mutual neglect and that time was ripe to enhance the ties to the highest level. This was highlighted when Indian Prime Minister Dr Manmohan Singh stated "*The visit has opened a new chapter in our relations. We have both agreed that all conditions are ripe for transforming relations to correspond to contemporary realities...We have agreed to make up for lost time, and to elevate our relations to a level that reflects our mutual strengths and complementarities.*" The two countries inked five pacts, including an extradition treaty, and agreed to jointly combat terrorism after holding extensive delegation-level talks on a wide range of bilateral, regional and global issues. In order to give a boost to the ties, both countries also decided to establish a Strategic and Security Policy Dialogue at the level of foreign ministers<sup>113</sup>. President Mubarak too emphasised on establishing "a sound basis for a vibrant strategic partnership" with India. Mr Mubarak was also honoured

---

<sup>113</sup> Ministry of External affairs (MEA), Government of India Annual Report 2008-09, p. 42

with the prestigious Jawaharlal Nehru Award for International Understanding for year 1995. The two countries also pledged to enhance bilateral trade from US \$3 billion to US \$ 10 billion by 2010. Addressing Indian businessmen, President Mubarak said “*Egypt has emerged as one of the leading economies in Africa and Middle East and is ranked as the most attractive destination for foreign direct investments in its region*”. He invited the Indian investors by saying that Egypt had become a hub in West Asia and the Arab world. Through trade agreements with the European Union (EU) and Common Market for Eastern and Southern Africa (COMESA), Egypt had become an important gateway to the vast European and African markets and an attractive destination for Foreign Direct Investment (FDI), he added.

### **Indian Interests in Egypt**

India's interests in Egypt go well beyond historical relations. There is a clear and definite recognition in India of the status that Egypt enjoys in the West Asian region. Stability in Egypt is a key to stability in the region. With India having strategic interests in the region, especially the Gulf region, India seeks peace and stability in the region and Egypt forms an important vector in this equation. Any development in Egypt affects the region and has a trickledown effect on India too. India has the world's third largest Muslim population (160 million, 2009 est<sup>114</sup>) and world's largest Muslim population in terms of minority population. Of the Muslims in India, Sunni sect forms the majority. Although no official census data exists in India on Shia or Sunni population, estimates suggest that Sunni population is about 85 per cent of the total Muslim population. Among other Muslim voices from the region, Egypt's Al Azhar University and Mosque are an important influence on

---

<sup>114</sup> Mapping the Global Muslim Population, *PEW Research*, October 07, 2009, <http://www.pewforum.org/2009/10/07/mapping-the-global-muslim-population/>, (Accessed April 14, 2014)

Muslims of India. Egypt is also a part of a complex geo-political mix in West Asia where issues like Egypt-Israel peace treaty, the Egyptian stand on Palestine issue, Egypt's relations with Iran, Turkey or Saudi Arabia led GCC have direct bearing on Indian interests in the region. A strong Egypt could not only lead the region but also ensure that intra-regional conflicts remain sub-surface or resolved which would be beneficial to Indian interests.

In addition, the Suez Canal and the Gulf of Aden are key routes of trade for India. The Ministry of Shipping, Government of India estimates Indian imports and exports through the Gulf of Aden route valued at several billion dollars. About 20-24 Indian flagged merchant ships transit the Gulf of Aden every month. Although, this accounts for only 13 per cent of our trade (the remainder is carried in foreign 'bottoms'), the crew of the most foreign flagged vessels comprise Indian nationals, as India's large seafaring community accounts for nearly seven per cent of the world's seafarers.<sup>115</sup>

Trade too has been an important link between the two countries. Egypt has traditionally been one of India's most important trading partners in the African continent. The India-Egypt Bilateral Trade Agreement has been in operation since March 1978 and is based on the Most Favoured Nation (MFN) clause. Bilateral trade has grown significantly and consistently in the recent past. Trade between India and Egypt during the last financial year (April 2012 - March 2013) was recorded at US\$5.45 billion. Most importantly, India is the seventh largest trading partner of Egypt, third largest export destination and 12th largest import source for Egypt. Since FY 2006-07, India has been among the top five importers of Egyptian products. There are around 50 Indian companies operating in Egypt with a combined investment of roughly US \$ 2.5 billion

---

<sup>115</sup> Anti Piracy Operations, Indian Navy website, <http://indiannavy.nic.in/operations/anti-piracy-operations>

of which approximately 25 companies are joint ventures and wholly owned Indian subsidiaries. Major companies include Dabur India, The Oberoi Group, Kirloskar, Ashok Leyland, Tata Motors, Maruti Suzuki and Mahindra & Mahindra. Indian Public Sector Undertakings (PSUs) like Gas Authority of India Ltd (GAIL), ONGC Videsh Ltd (OVL), and Gujarat State Petroleum Corporation (GSPC) also have projects in Egypt<sup>116</sup>.

Culture is another close bond between the two countries. The Maulana Azad Centre for Indian Culture (MACIC) was set up in Cairo in 1992 to promote cultural cooperation between the two countries, through the implementation of the Cultural Exchange Programme (CEP). In March 2012, a portrait of Tagore was unveiled at the House of Poetry in MACIC. India is also assisting in up gradation of vocational training facility in Cairo as well as establishment of a Centre for IT Excellence in Al Azhar University.

### **Arab Spring and Beyond**

India was among the nations which welcomed the success of people's revolution in Egypt. Indian Foreign Minister S M Krishna, stating India's position stated, *"We welcome the decision of President Mubarak to step down in deference to the wishes of the people of Egypt. We also welcome the commitment of the Supreme Council of the Armed Forces to ensure a peaceful transition of power in a time bound manner to establish and open and democratic framework of governance."*<sup>117</sup> India welcomed the Muslim Brotherhood government and hosted President Morsi during his state visit to India in March 2013. Prime Minister Manmohan Singh, highlighting the importance of Egypt said,

---

<sup>116</sup> India Egypt relations, Ministry of External affairs India, January 2014, [http://www.mea.gov.in/Portal/ForeignRelation/Egypt\\_January\\_2014.pdf](http://www.mea.gov.in/Portal/ForeignRelation/Egypt_January_2014.pdf), India Egypt Economic Relations, FICCI, [http://www.ficci.com/international/75182/Project\\_docs/India-Egypt-Economic-Relations.pdf](http://www.ficci.com/international/75182/Project_docs/India-Egypt-Economic-Relations.pdf), (Accessed April 14, 2014)

<sup>117</sup> Hosni Mubarak resigns: World reaction, *BBC News*, February 12, 2011, <http://www.bbc.com/news/world-middle-east-12435738>, (Accessed April 14, 2014)

*“Egypt’s location, as a bridge between Asia and Africa, astride a major global trade route and together with its skilled human resources makes it an attractive business destination for India”*<sup>118</sup>. Egyptian President Morsi too said he would welcome India’s contribution in the ambitious ‘Suez Canal’ corridor project that is aimed to become a bridge connecting the continents of Europe, Africa and Asia. The corridor project had the potential of making Egypt a hub for India’s exports to the West boosting the Indian exports to \$200 billion and beyond. During the visit, Indian companies agreed to spend almost US \$ 400 million on projects in Egypt.

On regional issues, Egypt’s stand on Palestine and the active role played in brokering ceasefire during the Gaza conflict in November 2012 too was appreciated by India. During President Morsi’s visit, six MoUs and two ‘Letters of Intent’ were signed including five MoUs in the field of cyber security and information technology<sup>119</sup>. There were indications on developing cooperation in the field of Defence too during the visit when the (then) Egyptian Defence Minister General Abdel Fattah al Sisi separately met India’s Defence Minister, AK Antony and agreed to enhance the scope of defence exchanges and interactions, particularly in the area of training exchanges, especially in the backdrop the Joint Defence Committee established in 2006.

Bilateral trade too has seen an upswing. India’s ambassador to Egypt, Navdeep Suri noted this stating on November 25, 2013 that trade between Egypt and India rose to \$5.5bn over the past

---

<sup>118</sup> India, Egypt to step up defence ties, *The Hindu*, <http://www.thehindu.com/news/national/india-egypt-to-step-up-defence-ties/article4525640.ece>, (Accessed April 14, 2014)

<sup>119</sup> India-Egypt Joint Declaration on the State Visit of H.E. Dr. Mohamed Morsy, President of the Arab Republic of Egypt (18-20 March, 2013), MEA, India, <http://mea.gov.in/bilateral-documents.htm?dtl/21436/IndiaEgypt+Joint+Declaration+on+the+State+Visit+of+HE+Dr+Mohamed+Morsy+President+of+the+Arab+Republic+of+Egypt+1820+March+2013>, (Accessed April 14, 2014)

year, compared to \$2.89bn prior to the January 25, Revolution, confirming the rise of Indian investments in Egypt regardless of political circumstances. He added that economic relations between the two countries have seen a remarkable rise since India became the second largest market for Egyptian exports and the eleventh largest exporter to Egypt, highlighting that the Indian exports are mainly concentrated in Tuk-Tuks, motorcycles, pharmaceutical industries and meat, in return for importing petroleum products, gas, phosphate and chemical material<sup>120</sup>.

### **Challenges**

The ouster of President Morsi was however a setback to the improving ties. India was cautious in its response stating that they were closely monitoring the evolving situation in Egypt and urged all political forces to abjure violence, exercise restraint, respect democratic principles and the rule of law and engage in a conciliatory dialogue to address the present situation. The visit of Egyptian foreign minister Nabil Fahmy to India in December 2013 was an important step in gauging the status of relationship in developing situation in Egypt. India was keen to move forward on issues discussed during (now ousted) President Mohamed Morsi's visit. Nabil Fahmy too, who had chosen India as the destination of his first visit to Asia, agreed to take forward issues of cooperation. Following it, the visit of Secretary East, Ashok Kantha from India to Egypt on December 21, 2013 focused on carrying forward the bilateral ties as also discussion and possible consensus on broader issues affecting the West Asian region.

Given the inevitability of return of ex-military general ruled Egypt, India was cautious in its response to the constitutional referendum

---

<sup>120</sup> Trade between Egypt and India reaches \$5.5bn, *Daily News Egypt*, November 25, 2013, <http://www.dailynewsegypt.com/2013/11/25/trade-between-egypt-and-india-reaches-5-5bn/>, (Accessed July 10, 2014)

in January 2014 as also the recent election of former chief of armed forces, Fatah Al Sisi as the president.

India realises the importance of Egypt as a front runner in all issues affecting the Arab world. Peace and development in Egypt is important to India not only from trade point of view but also from its overall interests in the region. As India reaches to extend its influence beyond its immediate neighbourhood, West Asia forms a very important region for India. Along with all other countries in the region, Egypt with its history of pan-Arab leadership and largest population is critically important to India. The same was highlighted by Prime Minister Dr. Manmohan Singh during President Morsi's visit in March 2013 when he acknowledged the courage and sacrifices of the people of Egypt in ushering in a new era of democracy and said "*I am convinced that Egypt's successful transition would be an important model for the region and the world.*"<sup>121</sup> Egypt as the Arab nation with largest population and India as the largest democracy hold great potential to enhance bilateral ties in all spheres of inter-state dealings. Key among all issues remains Egypt's early and successful transition.

---

<sup>121</sup> India, Egypt to step up defence ties, *The Hindu*, <http://www.thehindu.com/news/national/india-egypt-to-step-up-defence-ties/article4525640.ece>, (Accessed April 14, 2014)

# Conclusion

The story of Egypt in past three years has been a *case of missed and messed up opportunities*. As one of the few countries along with Tunisia which were able to remove the dictators from power swiftly, Egypt gave hope to the region. Numerous mistakes, deliberate and politically motivated moves by parties with vested interests and more than three years down the line, Egypt is nowhere near completing the transition. Whereas giving power to SCAF instead of a technocratic government was an initial mistake, the rush for reforms by Muslim Brotherhood government only gave the extra space and opportunity to the SCAF to exploit the situation and people's sentiment to oust the first democratically elected president in nation's history. Frequent elections and referenda only added to the prevailing confusion and the inability to rein in economy added to the public ire. Fragmented domestic politics coupled with strong external influences made the situation worse.

In absence of any credible opposition, Al Sisi has won the recently conducted presidential elections with a significant majority. What does this indicate? With Muslim Brotherhood banned and labeled as a terrorist organisation, there are no major political parties or movements left. Most of the youth movements hurriedly organised during the revolution are virtually disbanded, now that their task is over. The 'April 6' Movement too is banned. The military along with the police has been proactive in putting down any protests. Whether it was the brutal killing of Muslim Brotherhood cadres in August 2013 or sentencing to death of more than a thousand Muslim Brotherhood cadres or many other cases of mass prosecution, there is fear of return of the 'Security State' in Egypt. The new constitution too safeguards military's interests and gives enhanced privileges to its hierarchy. With General Sisi's presidency, there could once again be a case of an autocratic military general in power in Egypt. Could then Egypt be once again headed towards becoming a 'Republic of Fear' where authoritarianism is legitimised? Would it then imply that **“the more the things change, the more they remain the same”** in Egypt?

Like many other observers, Fatah al Sisi too would be mindful of such apprehensions. With the huge mandate received during elections as well as support from Islamist parties like Al Nour Party, he carries the burden of huge responsibilities on his shoulders. Key however will be the intent and delivery on promises. Amongst them, economic resurrection and political reconciliation would be crucial to Egypt's revival. President Al Sisi will also need to open channels of communications with Muslim Brotherhood. Judiciary will have to be freed from the back door influence of the armed forces and the trials and judgments will need to be seen as fair. There cannot be any place in a truly democratic Egypt for mass sentencing to death or life terms without even giving an opportunity of a fair hearing to the alleged perpetrators of crime.

For India, Egypt is an important player in its engagement with West Asia and North Africa. Egypt's peaceful transition not only offers business opportunities for India but is vital to its engagement with the Muslim world. Perhaps, this the reason that India was not only cautious in its reaction to the ouster of President Morsi, but attempted to move on with the interim government. The new government under Al Sisi, would be another case of India interacting with an ex-military General led government but then, it would not be the first time that India would be dealing with such a set up.

The region too watches the developments in Egypt cautiously. Most of the regional players are already hedging their national interests keeping in tune with the ongoing developments in Egypt. The outcome of Egypt's transition could be the lead for the future and style of democracy in the region as well as an important marker towards the rapidly evolving balance of power in the region.

Whatever might be the case, Egypt is slowly realising that democracy is not easy, especially in a nation where the political movements have been suppressed over decades of dictatorship and people sentiment can be easily swayed either way. The process of democratisation and peoples' awakening however seems irreversible. With trials and errors, Egyptians may find the correct formula for themselves. The only question is when, how and at what cost.

**A**midst the 'Arab Spring' nations, the most keenly watched and followed developments have been in Egypt. Being one of the largest Arab nations, lynchpin of peace treaty with Israel, key US ally and a nation of potent and modern armed forces, Egypt deserved the attention. And so, the success or otherwise of the Arab revolutions hinged on the success or failure in Egypt. However the transition in Egypt has been far from smooth so far. Two ousted presidents, numerous constitutions, number of elections and a busted economy have been the hallmark so far. The transition so far has been a story of misguided goals and badly implemented policies whether it was the army led interim government of SCAF or the Muslim Brotherhood. As President Al Sisi now takes charge, the challenge before Egypt is to emerge from the past and rebuild itself.



**Colonel Rajeev Agarwal** was commissioned into the Regiment of Artillery in June 1990 and has had varied operational and service experience for over 24 years. He has also been a military observer with the United Nations in DRC and holds a Master's degree in Defence and Strategic Studies from Madras University.

His published work include "Security in the Gulf Region: India's Concerns, Vulnerabilities, Interests and Engagement Options" in Rumel Dahiya (ed) *Developments in the Gulf Region: Prospects and Challenges For India in the Next Two Decades*, Pentagon Press, New Delhi, 2013. 'Arab Spring' and Democracy: Possibility or an Elusive Idea, *Indian Foreign Affairs Journal*, Vol 8, No.4, October to December 2013. Monograph on "Turkey and its Quest for Leadership Role in the West Asian Region, *IDSA Monograph Series No.32*, January 2014. "US Pivot to the Asia Pacific: Impact and Implications for West Asia" (Co-authored) in S D Muni and Vivek Chadha (ed) *Asian Strategic Review 2014: US Pivot and Asian Security*, Pentagon Press New Delhi 2014. *IDSA Occasional Paper No. 34* "Threat of Israel's Regional Isolation and Imperatives for the Future", June 2014.

### **Institute for Defence Studies and Analyses**

No.1, Development Enclave, Rao Tula Ram Marg,

Delhi Cantt., New Delhi - 110 010

Tel.: (91-11) 2671-7983 Fax: (91-11) 2615 4191

E-mail: [contactus@idsa.in](mailto:contactus@idsa.in) Website: <http://www.idsa.in>