

The NATIONAL INTEREST FOUNDATION

Is Egypt on the Verge of Another Arab Spring?

Egyptian President Abdel Fattah el-Sisi currently stands amid an economic crisis never seen before in Egypt. Currently, with the pound devaluing to an exchange rate of 29 pounds to 1 U.S. dollar and decreasing, Egypt is slowly running out of resources. The Gulf leaders that once supported Egypt are slowly losing faith, discontinuing much of their economic aid. Economic mismanagement is not a new trait for Egypt. Rather than spending cash influxes on education, healthcare, affordable housing, or revenue-generating projects, they chose to spend billions fueling Egypt's military economy through their roadways, a monorail, presidential palaces, and luxury hotels, even last year purchasing a \$500 million-dollar jumbo jet for President el-Sisi himself. These acts of poor leadership and decision-making are leading to distrust in President el-Sisi from the Egyptian citizens as the poverty level is increasing rapidly, with little change or acknowledgment of the fact. These instances have been seen before, and we have seen what these indicators can lead to. The first Arab Spring began as the consequence of evident corruption in government and stagnation, in some cases decline, in the economy.

12 years ago on January 25th, the result of dissatisfaction with the rule of government led to an event we all know as the Arab Spring. Egypt's participation in the string of revolts began during the 18-day national uprising leading to the removal of a 30-year dictator Hosni Mubarak. Years of fair and clean elections followed this uprising and Mohamed Morsi was the first-ever civilian president. The military leaders of Egypt did not agree with Morsi's democratic policies and orchestrated a 2013 coup d'état. The coup was led by Abdel Fattah el-Sisi, who was Morsi's defense minister, promised economic prosperity and transitioned to national authoritarianism. The coup was financed by dictatorships in the Gulf. El-Sisi received tens of billions in grants from the United Arab Emirates and Saudi Arabia as well as large loans from UAE, IMF, the World Bank, China, and more. In 2016 construction amounted to over \$50 billion to enhance a capital city with the building projects primarily serving wealthy Egyptian elites. Average citizens have been getting extreme subsidy cuts and are left without the ability to meet their basic needs. Inflation quickly increased under el-Sisi's rule reaching up to 22% and the debt of Egypt tripled to \$160 billion. El-Sisi gave multiple speeches calling on "brothers (in the Gulf)" for further financial aid. These pleas for more funding fell upon deaf ears. This prompted the Egyptian president to call into question their alliances with the Gulf states, who were tired of pumping money into Egypt without any positive results. To get back in good economic standing President Sisi allowed the UAE to start buying state-owned Egyptian assets, like corporations and banks, in trade for substantial grants and loans. In the past, he has commanded his citizens: "Do not listen to anyone but me." This rhetoric clearly displays el-Sisi has grown concerned about the rising complaints of poverty in the country. In many of his recent speeches, he tells people to stop complaining with "empty talk" about the ongoing problems they are facing.

There is a high degree of civil unrest, distrust from the actors in the Gulf, and economic devastation in Egypt. President el-Sisi has displayed poor leadership and decision-making. This mismanagement has caused untold suffering. As there continues to be isolation from other actors, corruption within the government, and economic stagnation, the people's discontent will grow. In efforts to control the country, the government has utilized torture, targeted arrests, and repression of civil societies. The president's recent remarks about the Arab Spring have been increasingly critical, indicating that he is aware of the precarious position he finds himself in. There is a clear route forward for el-Sisi. This would involve him allocating resources toward education, healthcare, and other institutions that will improve the quality of life for all Egyptians. Deeply entrenched corruption does not make this likely, but if policies similar to this are not implemented, el-Sisi may suffer the same fate as his predecessor.