

Egypt: The Struggles of the Sisi Regime

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More than three years after General Abdel Fattah el-Sisi rose to power in Egypt, the Egyptian regime still faces acute problems. Some of these problems are fundamental and have plagued Egypt for many years, and some have worsened in recent years in response to the sweeping changes in the Middle East. The challenges facing el-Sisi's leadership are rooted in three interrelated spheres: the political sphere, particularly the need to consolidate the regime's status in the face of its political rivals, first and foremost, the Muslim Brotherhood; the internal order, led by the need to fight terrorism, particularly Islamic terrorism, which is on the rise in Egypt; and the economic sphere, particularly the need to strengthen the economy, which affects both the political struggle and the war on terrorism.

El-Sisi's Regime and the Muslim Brotherhood

One year after the Muslim Brotherhood rose to power in Egypt in a relatively free election, it lost the trust of the public, and was forced to pay the price for its pretensions, errors, and inexperience, as well as the cost of the deteriorating economic situation and the gradual loss of order, neither of which the Brotherhood was able to control. In a move supported by most of the Egyptian public, the Muslim Brotherhood was toppled in June-July 2013 and replaced by a military regime, with el-Sisi at the helm. Although a relatively new figure in the political arena, el-Sisi won a great deal of popularity and raised hopes that he would be able to build a stable and effective regime.

One of the first problems el-Sisi's regime had to face was the threat posed by the Brotherhood. The Muslim Brotherhood understood that it enjoyed a broad popular base of support and that its opportunity to lead was earned legitimately in a democratic process that reflected the will of the people – and that this mandate was wrested from it by force and illegitimate means. Its sense of victimhood did not allow compromise or rapprochement with the army and with liberal elements, and therefore it rejected proposals – also issued by the army – to participate in the government established under the military's aegis. The Muslim Brotherhood demanded that reconciliation and cooperation be contingent on the return of Mohamed Morsi to the presidency and recognition of the constitution drafted during his term in office.

These demands were unacceptable to the army, and the lack of a basis for cooperation led it to an all-out confrontation with the Brotherhood. Indeed, since the summer of 2013, the regime, in a show of power, has taken a series of moves against the Brotherhood: the movement was declared a terrorist organization and enemy of the regime; its political and social activity was banned; its political party, the Justice and Freedom party, was dispersed, with branches closed and assets and money frozen; its leaders were arrested on the charge of incitement to violence and some were sentenced to death (though the verdict has not been carried out); and thousands of its members were killed in confrontations with the security forces or fled into exile.

Even if the 2012 election proved that the Muslim Brotherhood has a fairly extensive base of support, at this point, the threat it poses to the regime and the possibility of its return to power is not great. Some of the popular support for the movement has waned, the regime's countermeasures have significantly weakened the Brotherhood and paralyzed leaders and activists, and those who remain free in Egypt fear that many of them will be killed if they take to the streets in protest. The movement's dire situation has led to internal dissatisfaction, rifts, and disagreements between the veterans and the younger generation. Among the Brotherhood's leaders, some feel that the public would condemn a recourse to a violent struggle, ascribe responsibility for the deterioration to the movement, and justify its repression by force. On the other hand, the aversion to a violent struggle has aroused criticism within the organization's own ranks. In fact, the Brotherhood does not have a clear sense of how to deal with its difficult situation: the path of

violence will lead to even greater damage from the regime, while the path of passivity will lead nowhere.

The Brotherhood must also confront the propaganda spread by the regime, which seeks to link the movement's activity to the wave of terrorism afflicting Egypt in recent years and creates the impression that the Brotherhood takes part in or bears responsibility for the attacks. In practice, it is difficult to assess the measure of the Brotherhood's involvement in the terrorism, and the extent to which the regime is right in its accusations. Perhaps individuals from the movement are involved in terrorism or have joined Islamist organizations operating in northern Sinai and urban centers. In any case, one may assume that Islamist elements, mostly linked to the Islamic State, are trying to enter the vacuum and exploit the Brotherhood's confusion and weakness to build terrorist cells in different locations and draw in Brotherhood members favoring a violent struggle.

The War on Terrorism

Since the upheaval that began in early 2011 with the toppling of Mubarak's regime, Egypt has experienced the worst wave of terrorism in recent decades. This spree of violence encompasses three principal trends: terrorist activity by Islamist organizations in Sinai, especially in the north; growing Islamist violence in other parts of Egypt, especially its urban centers; and terrorist activity caused by the deterioration in Libya, which periodically spills over into Egypt, and includes arms smuggling to organizations operating in Egypt and the Gaza Strip.

The first dimension is the most urgent and problematic. The Sinai Peninsula has been a difficult and lawless region since Mubarak's tenure, but the situation has grown worse because of the struggle between the regime and Islamist elements, and even more so since the appearance of the Islamic State on the global stage. The most important and violent organization is Ansar Bayt al-Maqdis ("The Guardians of Jerusalem"), which gained notoriety in late 2011 after the toppling of Mubarak. The organization attacked infrastructures; military targets – including security forces personnel, particularly in Rafah, Sheikh Zuweid, and el-Arish; and tourist spots in southern Sinai in order to destroy the economy and security in Sinai. In November 2014, the organization took an oath of loyalty to the Islamic State

and changed its name to Wilayat al-Sinai (the Sinai Province, i.e., of the Islamic State). Organization activists include jihadist Bedouins, veterans of other Egyptian terrorist organizations, former members of Hamas from the Gaza Strip, and foreign volunteers who entered Sinai from outside Egypt. The largest attack carried out by the organization occurred in July 2015, when hundreds of members invaded Sheikh Zuweid, the third largest city in northern Sinai, as a small scale reproduction of the Islamic State's seizure of territories in Syria and Iraq.

In January 2015, el-Sisi's regime established a united command to lead the activity against Wilayat al-Sinai. However, despite infusing Sinai with troops, expanding operations, and killing hundreds of organization members, the regime has yet to uproot the organization and oust it from Sinai. In part, this is because of the army's limitations in the war on terrorism. The army is not eager to carry out ground operations; its presence is fairly static and its movements often predictable. In contrast, the organization is slippery and quick, manages to surprise the military with its initiatives, and gets help – in the form of money, weapons, and fighters – from the Islamic State. The regime is beginning to understand that part of its struggle must be political: it must gain the support of the local population and drive a wedge between it and the terrorist organizations. However, to date the security forces have often achieved the opposite result, turning the locals against the government. For example, the government declared the establishment of a security zone along the border with the Gaza Strip in the Rafah area, which involved destroying hundreds of homes and tunnels and evacuating local residents from the area, as well as establishing checkpoints, closing roads, and severing lines of communications – all measures that affect the local population. While the tribal leaders in Sinai promised to cooperate with the security forces and not help Wilayat al-Sinai, they also expected the government to launch significant investments in infrastructures and services, which would reduce unnecessary harm to the people because of emergency situations, and would at least yield greater protection against the jihadists' retaliations.

Since mid-2013, terrorist attacks and other manifestations of violence have spread elsewhere in Egypt, including Cairo and Alexandria, and, to a lesser extent, western Egypt near the Libyan border. Wilayat al-Sinai has

likewise assumed responsibility for attacks in the Nile Delta. While its ability to carry out attacks in the heart of Egypt is lower than its potential in northern Sinai, such attacks have become more frequent, especially in Cairo. The attacks target the various security forces, government representatives, infrastructures, transportation, and banks, the overarching goal being to damage the government's ability to impose law and order. In the summer of 2016 the Egyptian security forces achieved considerable success in the struggle against the organization, when a series of precise attacks killed dozens among the organization's top commanders. Yet while the complexity and effectiveness of the ongoing frequent attacks by the organization against military and police targets have declined, it is too early to determine whether it is on the verge of defeat.

The terrorist attacks on the Libyan borders are less significant. Their scope is much smaller than those in Sinai, and since the middle of 2015 they have been less frequent, as Libyan terrorist groups are focusing their efforts within Libya itself, where two governments compete for supremacy. Since June 2014, the country has known an armed struggle between Islamist and nationalist militias, including groups linked to the Islamic State. The problem is that Libya serves as the infrastructural and logistical rear for Egyptian jihadist groups thanks to the vacuum and the vast amounts of weapons stolen from Qaddafi's huge weapons caches now trafficked across the border to Egypt, Sinai, and the Gaza Strip. The long Libyan border is difficult to seal, and the Egyptian air force, aided by UAE airpower, has attacked Islamist militia and Islamic State targets within Libya twice (in 2014 and 2015).

The terrorist attacks generate a general sense of insecurity and have a negative effect on the government's standing. The government is worried about the possibility that the attacks will grow more sophisticated, spread to other regions, and focus on critical targets, such as the Suez Canal, especially with attacks on ships passing through the Canal, which would lower international trust in Egypt's ability to protect its shipping lanes. The regime sees the Muslim Brotherhood's activities, the terrorist attacks in Sinai and elsewhere in Egypt, the terrorist organizations in the Gaza Strip, and the Islamist militias in Libya as a single, cohesive, inter-connected entity of radical Islamist challenges. In particular, the regime accuses the Brotherhood of encouraging violence in Sinai. The bonds forged between

the armed groups in northern Sinai and Libya on the one hand, and the Islamic State on the other, help the regime present the struggle in Sinai and the steps taken against the Brotherhood as part of the international war on jihadist terrorism and accuse the Brotherhood of all that ails the country.

This attitude has made the regime focus on the use of military force and punitive measures to stop the waves of attacks. For now, most of the public supports the approach, given the disasters in Syria and Libya, and especially because of the Islamic State's worrisome growth in Sinai. But reliance on military tools without incorporating political measures vis-à-vis the opposition makes it difficult to restore stability and order; besides, it has yet to defeat the terrorists. Moreover, the approach has generated criticism of el-Sisi's regime in the United States and Europe for disproportionate use of force, including extra-legal killings, torture of prisoners, and restrictions on freedom of expression, freedom of the press, and the freedom to organize and assemble.

The Economic Plight

For decades Egypt's economy has suffered from inherent dysfunction, particularly given several weaknesses: rapid population growth; high population density, especially in the Delta and Nile Valley, which results in only minimal expansion of agricultural land and produce; high government involvement in manufacturing and marketing processes; the government's reluctance to implement drastic cutbacks, and in general, apply necessary reforms, fearing domestic resentment; and a severe budgetary deficit coupled with rising internal debt. All of these have resulted in low economic growth, rising inflation, depletion of foreign currency reserves, and relatively high unemployment among the young.

Since the fall of the Mubarak regime, the economy has suffered other blows: the internal political struggle; the wave of terrorism, which has affected tourism and economic targets; the inexperience of the new governments; and the reluctance of many foreign companies to invest in Egypt given the uncertainty and teetering internal security. The GDP growth rate between 2011 and 2014 was approximately 2.1 percent, less than the population growth, which was 2.2 percent in the same period. This means that because of the accelerated population growth, the per capita GDP dropped and the

rate of unemployment rose. The government's budget continued to shoulder a very large annual deficit, and any attempt to balance the deficit was liable to lead to worse social unrest; almost 75 percent of the budget was spent on salaries, subsidies, and interest payments.

2015 was the first year of more significant growth, and the GDP rose to an annual rate of 4.2 percent. This growth was the result of an infusion of large amounts of cash and investments from the Gulf states, which want stability in Egypt and oppose a Muslim Brotherhood-led regime. Since the middle of 2013, only a few days after Morsi and the Brotherhood regime were ousted, Saudi Arabia, Kuwait, and the UAE promised urgent economic aid to Egypt for a total of \$12 billion. They subsequently continued transferring billions of dollars to the Egyptian economy and treasury, provided grants in cash and credit, and invested billions more in the private sector. 2016 saw the rise of tension between Egypt and Saudi Arabia, caused by harsh rhetoric and damaging moves on both sides, including suspended shipments of oil from Saudi Arabia to Egypt. Thus far the tensions have not risen uncontrollably, and both sides are making an effort to prevent further deterioration in their relations.

The help from the Gulf states has strengthened el-Sisi's regime and provided it with breathing room and an ability to take certain unpopular steps to stabilize the economy, such as reductions in fuel subsidies. It has also expanded Egypt's foreign currency reserves, enabling it to import critical goods. However, as important as these have been, the fundamental problems have not been solved, and some of the negative economic indexes have not improved. Moreover, in August 2015, the new Suez Canal was inaugurated. The canal runs parallel to the original one, and thus allows two-way traffic of ships. The canal project, which was carried out with impressive speed by the Sisi regime, aroused great expectations in Egypt. The government had hoped that the double canal would double the income from shipping fees, create hundreds of thousands of new jobs, and help develop the urban centers along its banks. Some of these hopes have already been dashed, however, and it is still unclear if the project can meet the high expectations, and if the projection of doubling traffic in the canal and doubling the related revenue will in fact occur.

The Stability of the Sisi Regime

El-Sisi's appearance on the Egyptian political stage and the rapid ouster of the Muslim Brotherhood regime was met with widespread approval among the Egyptian public. The public's reservations regarding the failing Brotherhood regime and the lack of order prevalent then in Egypt were so great that el-Sisi was greeted like a savior who had come to extricate Egypt from its morass of problems. The Brotherhood regime was taken over by a loose coalition of the army, liberal groups, the business sector, and veterans of the Mubarak regime. They did not share many goals other than the ouster of the Brotherhood from power, the return of law and order, and improvements to the Egyptian economy, and were not aligned on how to achieve these goals.

The confrontation with the Muslim Brotherhood and the war on terrorism made it clear to the regime and its supporters that it would be necessary to use force, including widespread arrests, a series of military operations in Sinai, the repression of hostile political activity, and other emergency measures. This meant a return to the period of political repression typified by Mubarak's term in office, when the army was the major political force in the country standing squarely behind the civilian government, at least until the return of order and stability. But the persistent lack of order, the wave of terrorism, and especially the teetering economy have damaged el-Sisi's standing and his ability to mobilize others to his cause, among his partners in the regime and even within the army. Liberal elements as well, including those that supported el-Sisi in the past, have criticized the political repression that at times has targeted them – in their opinion, to a much greater extent than necessary.

Is the Sisi regime facing the threat of collapse? Some factors are at work to stabilize the regime and help it survive. One, it came to power through general support. Even though some of that support has been lost, there is still hope in Egypt that el-Sisi will manage to improve the situation. Moreover, in the meantime, no viable potential replacement has appeared on the political stage. Two, the army is the strongest political force in the country, and despite the criticism, it supports el-Sisi, at least for now. In any case, the failure of the Brotherhood government united most of the public against it, and only a few desire the return of an Islamist regime to power.

Three, despite the faltering economy, there is still hope for improvement. The economic and political assistance provided to Egypt by the Gulf states is significant, and sometimes the nation rides the waves of high expectations, such as were attached to the Suez Canal project and the discovery of natural gas reserves off of Egypt's coast. Four, the ongoing horror in Syria, and to a lesser extent in Iraq, Libya, and Yemen, deters even the regime's opponents from trying to revolt. Therefore, the general sense in Egypt – at least among the regime's supporters – is that, at least for now, no popular uprisings or serious political earthquakes are about to occur.

At the same time, there are factors liable to undermine the regime. Above all, if the economic situation worsens, the political problems might be exacerbated in kind. One possibility that could have negative ramifications for the economy is a significant reduction – certainly a cessation – of economic aid from the Gulf states, for either economic or political reasons. This might occur if Cairo and Riyadh are unable to overcome the tension between them. Another possibility is that el-Sisi's status will be affected if there is a split in the upper echelons of the regime and army. In practice, a significant surge in terrorism might motivate top leaders in the security forces to try to change the leadership of the regime, claiming that the current leadership is incapable of meeting expectations.

At this point, there are no signs pointing to regime collapse, and factors operating in favor of the regime seem to outweigh the factors endangering it. But among the lessons of the Arab Spring in 2011-2012, including in Egypt, is that internal deterioration can happen quickly and without much advance notice. In addition, unrealized great expectations yield greater disappointments, which in turn can lead to unrest. If such a development occurs in Egypt, it will presumably originate not with the Islamist groups, including the Muslim Brotherhood, but rather from within the military and the younger generation.

Implications for Israel

The Sisi era has been a good period in Egypt-Israel relations, with the nations' respective interests converging more than ever before. Israeli sources say that relations with Egypt have never been better. The starting point for this improvement is increased security cooperation. The major change stems

from the terrorist attacks in and from Sinai, and to a lesser extent in other parts of Egypt. Israel is actively supporting the Egyptian effort to curb and eliminate the terrorist loci in Sinai, primarily by agreeing to Egyptian army boots on the ground beyond what was stipulated in the military appendix to the peace treaty. Israel is also helping the Egyptian army by transmitting intelligence about terrorist bases, and there may be other types of military cooperation as well. In another context, Israel took action in Washington when the Obama administration suspended guaranteed weapons shipments to Egypt following Morsi's ouster from government. Israel's help in improving Egypt's hold on Sinai and the Israeli effort to smooth the wrinkles in Egypt's relationship with the US administration have presumably been appreciated by el-Sisi's regime.

In this context, there is great importance in Egypt's attitude to Hamas. The Sisi regime views Hamas – particularly its military branch – as a terrorist organization and an enemy, representing the link connecting the Muslim Brotherhood (Hamas's parent organization) to tribal and Islamist groups in northern Sinai and cooperating with them. This attitude was reflected by the Egyptian court's decision of February 2015 to declare Hamas a terrorist organization. While this decision was later changed when Egyptian-Hamas relations improved (in tandem with worsening Iranian-Hamas relations), the regime's fundamental stance toward the organization still stands. Based on this attitude, and in order to isolate Hamas and harm its terrorist capabilities, Egypt destroyed the smuggling tunnels on the Egyptian-Gaza Strip border, which were also used to smuggle arms into the Gaza Strip, established the security zone on the border, and imposed severe limits on passage between Sinai and the Gaza Strip, with the Rafah crossing opening only three days a month for humanitarian aid.

The improved relations between Egypt and Israel are likewise reflected in the Sisi regime's attitude to the peace treaty with Israel. Like the Mubarak regime, the Sisi regime views peace with Israel as a strategic asset, but el-Sisi shows a more positive attitude to normalization and stresses its inherent benefits to Egypt, not only in terms of security but also in the political and economic spheres. Thus, el-Sisi returned the Egyptian ambassador to Israel in early 2016, and in July the Egyptian foreign minister visited Israel, the first visit of this kind in nine years. After his return to Egypt, the Foreign

Minister, in a meeting with high school students, refused to define Israel's actions toward the Palestinians as terrorism. The Egyptian oil minister has stressed that importing gas from Israel is acceptable and legitimate. The regime continues to show interest in promoting an Israeli-Palestinian agreement, its attitude stemming from a real desire to achieve a settlement rather than from a desire to apply pressure to Israel.

Improved relations with Israel also have regional significance. Egypt has always been interested in normalization between Israel and other Arab nations so as not to remain the only Arab state with peaceful relations with Israel (joined in 1994 by Jordan). The fact that at present there is a quiet process of messages being exchanged between Israel and Saudi Arabia, and there are closer relations between Israel and other Gulf states, is certainly seen as positive by the Sisi regime. To Egypt this is important not only because of its own relations with Israel, but also for its strengthening the group of moderate states in the Middle East, given the regional shocks, the emergence of Islamist terrorist organizations, first and foremost the Islamic State, and the challenge Iran continues to pose to the moderates.

Yet the regime's desire to strengthen cooperation with Israel does not necessarily reflect the attitude of a large portion of the Egyptian public. Elements such as the Islamic establishment, the trade unions, groups of leftists and Nasserites, and some of the intellectual and student groups still show hostility to Israel. The main reasons may be the difficulty of accepting Israel as a legitimate nation after the signing of the peace treaty, a sense of frustration in light of Israel's military and technological power, and fury toward what they perceive as Israel's evading its responsibility in promoting a resolution to the Palestinian problem. It is precisely this hostility that emphasizes the importance of the Sisi regime when it stresses the benefits to Egypt from peaceful relations with Israel. If the regime continues to stress these advantages, and if Israel acts in a way that demonstrates them in practice, this could gradually effect a changed attitude among some of the Egyptian public that is hostile to Israel.