

Egypt: A failed revolution?

The most populous of the Arab countries, situated at the crossroads between Africa and the Middle East, Egypt is an important partner for Europe. Since 2004, bilateral EU-Egypt trade has almost tripled, from €11.8 billion to €27.7 billion in 2015. At the same time, the EU and Egypt share many foreign policy concerns, including the Middle East peace process, migration and the fight against terrorism. Under the revised European Neighbourhood Policy, the challenge will be to reconcile growing EU concerns over the deteriorating human-rights situation in post-revolutionary Egypt with the importance of enhancing cooperation with Egypt as a partner for stability in the region.

The January 2011 revolution and the ensuing years

From December 2010 [onwards](#), several Arab countries witnessed mass demonstrations against poverty, unemployment, corruption and political repression that challenged the authority of some of the longest-serving rulers in the Middle East and North Africa. In Egypt, demonstrations began in the capital and in cities around the country in January 2011, bringing public and economic life to a standstill. Initially organised by youth groups that were largely independent of Egypt's established opposition parties, the protests grew to encompass ordinary citizens from all walks of life. Protesters called for the resignation of Hosni Mubarak, who had presided over the Republic since 1981. As the [demonstrations gathered momentum](#) throughout January, the Mubarak regime increasingly used violence to quell the protests, resulting in hundreds of injuries and deaths. After almost three weeks of mass protests in Egypt, focusing on the Tahrir Square in Cairo, Mubarak resigned as president on 11 February 2011, leaving the Egyptian military in control of the country. [Parliamentary](#) and [presidential](#) elections in 2011 and 2012 brought to power the Muslim Brotherhood, long persecuted under years of military rule. However, the rule of the Muslim Brotherhood met with growing popular discontent, culminating in mass protests and the removal of [Mohammad Mursi](#), the elected Islamist president, by the army on [3 July 2013](#). The rule of [President Abdel-Fatah al-Sisi](#), the former defence minister and commander of the armed forces who was elected to the presidency by 96.91% of the vote in June 2014, has arguably been [more repressive](#) than that of Hosni Mubarak. The economic woes of the country, which provided the main impetus for the 2011 uprising, are considered to be [worse](#) than they were before the revolution.

The situation in Egypt today

The situation in Egypt today bears many similarities to the situation just before the unrest in 2011. Economic growth has slowed (from 4.2% in 2015 to an expected 3.8% in 2016), currency reserves are strained, inflation is expected to rise and youth unemployment is still very high and growing. The political situation is marked, now as it was then, by struggles between the military and businessmen for economic and political influence, human rights violations, police brutality, economic problems, and an Islamist insurgency in the Sinai. The government has announced plans and [programmes](#) to improve Egyptian citizens' living standards, but significant systemic problems still hamper economic reform. Generous financial support from several Gulf countries, namely Saudi Arabia, the United Arab Emirates and Kuwait, has helped bolster Egypt's foreign reserves and reduce budgetary pressures on the government. At the same time, fears over terrorism have deterred foreign visitors, and revenue from tourism, a major source of foreign exchange, [declined](#) by 15% in 2015. Revenue from the [Suez Canal](#), another major source of foreign exchange, also fell between 5 and 10% in 2015, despite a multi-billion dollar investment in its expansion. The recently elected 598-seat Egyptian parliament, sworn in on 10 January 2016, is dominated by Sisi loyalists, who have formed an alliance of 400 members called 'Support Egypt'. The [composition](#) of the parliament is reminiscent of the Mubarak era: the military and security services are strongly represented, wealthy business people and members of influential



families have made a come-back, Salafi Islamists are mostly excluded and the Muslim Brotherhood has been banned. A [new constitution](#) was adopted in January 2014, following its approval in a referendum. In spirit, the constitution is more liberal and offers protection for human rights and civil liberties. In practice, the human rights situation in the country has deteriorated significantly, with over 22 000 arrested since July 2013 for being critical of the government. Human-rights organisations report an increase in '[enforced disappearances](#)' in 2015, as well as a [rise in cases](#) of torture, medical neglect and ill-treatment in detention. In March 2016, the Egyptian authorities launched a new series of investigations of human-rights groups, who stand accused of accepting [foreign funding](#) to destabilise the country after the 2011 uprising.

The European Parliament strongly criticised the human rights situation in Egypt in its [resolution](#) of 16 March 2016, highlighting the torture, death in custody and enforced disappearances that have occurred across Egypt in recent years, including the case of Italian research student [Giulio Regeni](#).

The EU's response in the framework of the European Neighbourhood Policy

Egypt is one of the countries covered by the [European Neighbourhood Policy](#), the policy by which the EU seeks to achieve the closest possible political association and the greatest possible degree of economic integration with its southern and eastern neighbours. The 2001 [Association Agreement](#), which entered into force in June 2004, forms the legal basis of EU-Egypt relations. In 2010, political dialogue with Egypt through the Association Agreement structures was suspended until 2015, but financial aid, mainly for development cooperation, continued to be made available. Since 2011, Egypt has had access to around €800 million in financial support from the EU, under various financial instruments. The [EU-Egypt Action Plan](#), adopted in 2007, provided the framework for cooperation throughout, with a focus on providing support for political reform and good governance, competitiveness and productivity of the economy, and socioeconomic sustainability of the development process. In 2013, following a violent crackdown on protesters, EU support was temporarily [reduced](#) to responding to the needs of the country's most vulnerable groups, through income-generating activities in rural areas, emergency employment schemes and community development programmes in informal sectors. For the [2014-2016](#) programming period, three priority sectors for cooperation have been agreed with the Egyptian authorities, for which the EU has set aside €311–380 million. The EU will continue to support the Egyptian authorities in promoting good governance, increasing transparency, improving the business environment, alleviating poverty, promoting local socioeconomic development, enhancing social protection, and protecting the environment. In line with the revised European Neighbourhood Policy, the EU and Egypt are currently negotiating the partnership priorities that will guide their future cooperation. The EU will continue to support economic development in Egypt as well as efforts to enhance the country's stability through support for human rights, the rule of law, good governance and security. At the same time, more focus will be placed on cooperation with Egypt as a partner in foreign policy, including in the areas of migration, terrorism and the illegal arms trade. Egypt has opted [not to pursue](#) negotiation of a [Deep and Comprehensive Free Trade Agreement](#) with the EU.

Outlook

Egypt ranks 108th out of 188 countries in the [2015 Human Development Index](#) (HDI), with an HDI value of 0.690. Between 1980 and 2014, Egypt's HDI increased by 52%. Based on the current population growth rate of 2.2%, the total population is expected to exceed 100 million by 2030. This poses numerous development challenges, considering that more than a quarter of Egyptians live below the poverty line. While the overall unemployment rate is 12.8% (2015), unemployment is particularly high among young people (34%). Significant inequalities persist between urban and rural areas, and the quality of public services, including health care and schooling, is decreasing under the strain of a growing population. Within this context, the army-backed government faces a range of immediate challenges including reducing Egypt's [dependency on aid from the Gulf countries](#) (around [€35 billion](#) since 2013), [cutting government spending](#) through [subsidy reform](#), attracting foreign investment despite a growing Islamist insurgency, ending recurrent [strikes](#), and avoiding economically-motivated protests. If these many demands are not met, the army may lose popularity, threatening government stability. At the same time, even though discontent is widespread, ordinary Egyptians do not seem ready for another 'revolution'. The European Parliament recently [recalled](#) that relations between Egypt and the EU are to be based on respect for democratic principles and fundamental human rights, as enshrined in Article 2 of the 2001 [Association Agreement](#), which the EU considers to be a precondition for the country's stability.