

Beware of Egyptian Political Shocks

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ABOUT THE AUTHORS



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Brief Analysis

Technically, Egypt's political transition is on schedule. The first round of the presidential election was held May 23-24, the second round is set to occur June 16-17, a winner will be announced by June 21, and the Supreme Council of the Armed Forces (SCAF), which has ruled the country since Hosni Mubarak's ouster last February, has promised to hand power to a civilian government by July 1. But this timetable belies Egypt's deeply uncertain political environment, in which sudden developments could significantly alter, if not entirely scuttle, the political process. Here are three possible shocks:

1. Ahmed Shafiq could be disqualified -- after winning.

To prevent former Mubarak regime officials from competing in the election, Egypt's parliament passed an amendment to the 1952 Disenfranchisement Law in April. Although the SCAF quickly ratified it, the presidential elections commission referred it to the Supreme Constitutional Court. The SCC will begin hearing the case on June 14, two days before Shafiq, who served as Mubarak's last prime minister, is set to compete against Brotherhood candidate Muhammad Morsi in the presidential runoff.

The SCC's decision could create severe instability in several ways:

- If the court approves the Disenfranchisement Law before the run-off, thus disqualifying Shafiq, Morsi would run unopposed. The Mubarak-like absence of political competition could destroy Morsi's electoral legitimacy, rendering him a weak president.
- If the SCC approves the law after a Shafiq victory, Egypt might have to repeat the elections entirely. This would postpone the SCAF's withdrawal from power and might invite a new round of protests against the junta.
- If the SCC rejects the law, the judiciary's reputation as an independent authority -- already under attack since last week's verdicts in the Mubarak trial, which many Egyptians viewed as far too lenient -- would suffer considerably. Many political forces would argue that the SCC's chairman, a Mubarak appointee who also chairs the election commission, fixed the case in Shafiq's favor to benefit the old regime. In response, new protests could erupt specifically targeting the judiciary.

Perhaps the only scenario under which the SCC's ruling would not affect Egyptian politics is if Morsi wins before the decision is announced.

2. Some of the parliamentary election results could be invalidated.

The SCC is also weighing the constitutionality of the parliamentary elections, which concluded in January. Under the electoral law that the SCAF issued in October, one-third of the legislature's seats must be determined through individual-candidacy voting and reserved for independents. Egyptian political parties rejected the latter stipulation, however, demanding that their candidates be permitted to run for all seats. Ultimately, the SCAF relented, but it did not change the law accordingly.

If the SCC rules that the individual-candidacy portion of the elections was conducted illegally, one-third of the parliament would be disqualified. This would be especially damaging to the Muslim Brotherhood, since 108 of its affiliated legislators were elected in this manner. Accordingly, the Brotherhood would probably view an unfavorable ruling as evidence of the SCAF conspiring against it. Mass protests would be likely, and the parliament's legitimacy would suffer significantly.

3. Egypt may suffer economic calamity.

Cairo's currency reserves have plummeted from approximately \$36 billion to \$15 billion since last year's revolt; according to Egyptian economist Mohammed Samhuri, that is "barely enough to cover three months' worth of imports." Meanwhile, Egyptian bonds have sold poorly, international aid pledges have largely failed to materialize, and the Brotherhood-dominated parliament rejected an International Monetary Fund loan negotiated by the interim government. Although allowing the Egyptian pound to depreciate would ease the pressure on currency reserves, the government apparently fears that doing so would make commodities more expensive for the public -- over 40 percent of whom live on less than \$2 per day -- and thus invite mass protests.

If economic calamity unfolds, the consequences would be severe. Egypt imports approximately 60 percent of its food and 40 percent of its fuel, both of which are heavily subsidized. The state's inability to continue providing these basic commodities could provoke unprecedented instability.

RECOMMENDATIONS FOR U.S. POLICY

Policymakers have few options for preventing these scenarios: Washington cannot productively interfere in Egypt's judicial processes, and the country has already rejected a loan that might have helped its struggling economy. In the short run, however, the United States can encourage Egypt's various players to respond to any crisis with caution.

Specifically, Washington should urge the SCAF to maintain order without resorting to violence, since previous crackdowns have only intensified unrest and weakened the military's legitimacy. It should also tell the Muslim Brotherhood that acting as a democratic player requires accepting judicial outcomes, however imperfect they might be. Although the organization is suspicious of Washington, it also cares deeply about its international reputation -- the prospect of being branded as undemocratic might persuade it to rethink its confrontational impulses.

Still, even if the presidential runoff and the SCAF's July 1 deadline for handing over power proceed on schedule, Egypt is unlikely to stabilize any time soon. More mass protests are likely, and the legitimacy of major governmental institutions -- the presidency, parliament, judiciary, and military -- will suffer considerably as a result. For this reason, long-term strategizing should focus on ways to reduce Washington's reliance on Egypt as a regional partner.

Eric Trager is the Next Generation fellow at The Washington Institute. ❖



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