

EGYPT'S REGIME FACES AN AUTHORITARIAN CATCH-22

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The regime of Egyptian President Abdel Fattah el-Sisi is stuck between a rock and a hard place. The country's current economic crisis deprives the regime of the financial and economic resources needed to sustain a solid social base among public sector employees, and hence hinders the consolidation of authoritarian rule. But at the same time, the regime's reliance on this group gives it little latitude to pursue economic reform. The regime may survive, but at the high price of continued repression and an inability to alleviate worsening socioeconomic conditions.

A Self-Defeating Alliance for the Sisi Regime

- Past Egyptian authoritarian regimes consolidated power through rules governing interaction in state bodies and between the state and the society. They sustained themselves by depending less on repression and more on efforts to establish institutions of control through which the interests of key constituencies could be represented.
- Despite relative stabilization of the country following the military takeover in 2013, Egypt's macroeconomic situation has improved little.
- To secure its power, the Sisi regime has relied on an alliance between the military, the security forces, and public sector employees that formed in opposition to the January 2011 uprising against Hosni Mubarak, as well as repressive tactics.
- Egypt's economic and fiscal challenges deny the regime the resources needed to maintain support among public sector employees. To avoid alienating the public sector, the Sisi regime will not pursue reform that would make resources available. This catch-22 will continue to hinder its consolidation efforts.

Egypt's Economic Challenges

- Egypt's economic crisis is structural and has deep sociopolitical roots. Overcoming this crisis, therefore, requires structural solutions.
- Egypt's economy is highly dependent on external factors—above all the health of the regional and global economic orders—that face great uncertainty in 2016.
- Policy options to increase revenues and ameliorate the economy are limited. The regime has shown an inability to undertake the necessary measures to address its fiscal problems or relaunch economic growth.
- The regime could take one of two paths. It could maintain the current situation, which would lead to social and economic decay, or it could reform the state bureaucracy in a way that would endanger its base of support. Either way, the regime would face obstacles to consolidating its power.
- Given the dearth of economic alternatives, the regime can work on creating a more open political climate, allowing greater freedom of expression. This may defuse mounting disenchantment with Egypt's socioeconomic conditions and help build a consensus around austerity measures, which will be unpopular.

ABOUT THE AUTHOR

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