

THE EGYPTIAN ARMED FORCES AND THE REMAKING OF AN ECONOMIC EMPIRE

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The Egyptian military has gained unprecedented power since overseeing the ouster of two Egyptian presidents, Hosni Mubarak in 2011 and Mohamed Morsi in 2013. With its major political rivals sidelined, more than \$20 billion in Gulf aid, and widespread domestic support for General-Turned-President Abdel Fattah el-Sisi, the Egyptian Armed Forces (EAF) has restarted its defunct industrial operations, secured control over massive infrastructure projects, and inserted generals at virtually all levels of government. But political overreach and internal rivalries may prove obstacles to long-term EAF control.

Regaining Lost Ground

- Since the uprising that removed Mubarak, the EAF has proved itself the ultimate arbiter of Egypt's economic and political system.
- By protecting the strategic assets of its major investment partners during periods of unrest and taking control of the bidding process for major government procurement, the EAF has become the primary gatekeeper for the Egyptian economy.
- Morsi's Muslim Brotherhood government acquiesced to many of the EAF's key demands. But that temporary pact broke down when Morsi tried to sideline the military on megaprojects such as the Suez Canal development plan and Toshka, a land reclamation project.
- Sisi continues to attract substantial support from international investors and foreign governments, notably Saudi Arabia and the United Arab Emirates, which have replaced the United States as the regime's top patrons.

Future Scenarios

Divisions within the military could surface. The EAF's new allies and heightened influence may bring out cleavages that had been submerged, as factions struggle to stake a claim to new economic and political turf.

Evidence that the military worked behind the scenes to foment protests and weaken rivals could undercut its power. Revelations that began to emerge in late 2014 about the military's direct role in financing anti-Morsi protests, as well as the leadership's overt manipulation of the legal system and the media, may ultimately drive a wedge between the regime and its liberal supporters.

Institutional survival may trump the military's economic and political aspirations. The EAF's greatest concern is not a threat to its economic empire but the return of widespread antigovernment protests. If a military-led government must call on its own troops to violently put down protests, it risks both an internal schism and a legitimacy crisis.

The U.S. government is likely to continue military assistance despite the program's failure to elicit reform from or enhance accountability of the EAF. This partnership, underscored by the March 2015 lifting of a temporary U.S. ban on weapons to Egypt, will become an even greater political liability for Washington as violence against Egyptian civilians continues.

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