



**POLICY BRIEF
ON SOCIO-ECONOMIC RIGHTS
IN EGYPT**

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**THE SOCIOECONOMICS OF EXCLUSION:
RE-QUESTIONING CITIZENSHIP
IN RELATION TO
SOCIAL JUSTICE IN POST-ARAB SPRING EGYPT**

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“Wherever we lift one soul from a life of poverty, we are defending human rights. And whenever we fail in this mission, we are failing human rights.”
Kofi Annan, United Nations Secretary-General¹

1. INTRODUCTION

Developing countries often suffer from increasing levels of social inequality, a lack of a well-structured public sector, pervasive corruption and little social mobility². Under Mubarak, Egypt’s socioeconomic conditions of inequality reached a peak, forcing people to take to the streets and demand the fulfilment of their most basic rights of citizenship including the right to live in dignity. With the advent of the fifth anniversary of the Arab Spring, Egypt is not only still undergoing a challenging political transition but also, its socioeconomic context is still undermining the very slogans that were once at the heart of the nationwide revolts five years earlier. ‘Bread’ and ‘social justice’ remain unrealized demands of a large majority of the poor in Egypt. This is because the country has plunged into an economic crisis due to a prolonged period of political instability. Poverty is on the rise (26.3% in 2014/15 compared to 21.6% in 2009/10, according to the national poverty line – see Fig. 2) and the socioeconomic conditions of inequality are preventing the majority of the poor to access and enjoy their basic human rights.

The most recent official statistics reveal that over a quarter of Egypt’s population still live in poverty, a third of its youth are unemployed and three out of five children are malnourished³. Much of the criticism of Egypt’s human rights record, particularly after the Arab Spring, remains focused on the country’s civil and political rights, and freedoms with an intentional (or unintentional) disregard⁴ to socioeconomic rights, fuelling widespread poverty, deteriorating living standards, socioeconomic exclusion and unequal and/or degrading treatment⁵. This paper examines the socioeconomic policies of exclusion that are still undermining the enjoyment of basic citizenship rights in Egypt.

2. MUBARAKISM: THE DEADLOCK OF A FAILED ROUTE FOR ‘DEVELOPMENT’

T. H. Marshall defined citizenship as “a status bestowed on those who are full members of a community” and who “are equal with respect to the rights and duties with which the status is endowed.”⁶ As such, citizenship is not confined to the realm of civil and political rights but rather, it encompasses economic, social and cultural rights – rights that are at the very core of the status of being an equal member of the national community. When it comes to the case of Egypt, the struggle for social justice and equality in the enjoyment of socioeconomic rights lies at the heart of the question of citizenship.

¹ Office of the United Nations High Commissioner for Human Rights, Poverty, Human Rights Dimension of Poverty, Web: <http://www.ohchr.org/EN/Issues/Poverty/DimensionOfPoverty/Pages/Index.aspx>.

² Abdou, Doaa and Zaazou, Zeinab, “The-Egyptian Revolution and Post Socio-economic Impact”. *Topics in Middle Eastern and African Economies*, 15:1 (May 2013), 92-115, p. 93.

³ Corkery, Allison and Khalil, Heba. “Egypt Must Stop Penalizing the Poor”. *Foreign Policy* (23 May, 2014).

⁴ Adly, Amr. “The Economics of Egypt’s Rising Authoritarian Order.” *Carnegie Endowment for International Peace*, 2014.

⁵ Corkery and Khalil (2014), *op. cit.*

⁶ Marshall, T.H. “Citizenship and Social Class” in Manza, Jeff, and Sauder, Michael. *Inequality and Society*. New York: W.W. Norton, 2009, pp. 149-150.

With the Mubarak regime, Egypt was transformed into a rentier economy⁷ – one that is dependent on external sources of income (rents), while neglecting its two main production sectors: agriculture and manufacturing. As such, it is an economy that remains mainly dependent on external rents in the form of oil and natural gas sales, Suez Canal fees, labour remittances and revenues from tourism, as well as politically motivated external financial flows in the form of grants and other forms of aid. This dependence has made the economy particularly vulnerable to international fluctuations and other externalities⁸. Unlike the East Asian model, Egypt's model for liberalization was not based on an export-oriented economy. Instead, it was based on investment (and aid) under an open economy that was slowly oriented towards de-industrializing and privatization, which was beyond the state's limited capacity to tax. The "Open Door Policy" of Sadat failed to generate direct investments and employment for an expanding labour force, so much so that it was described as achieving 'jobless growth'. Unemployment, which was as low as 2.2% in 1960, rose to 4.3% in 1974 and reached its peak of 11% in 1986⁹. By the early 1990s, the Egyptian economy was already in crisis. Unlike his predecessors, Mubarak had no economic plan of his own. Therefore, he preferred to make 'structural adjustments' to Sadat's Open Door Policy. This is clearly demonstrated in the high level of dependence on aid (predominately US aid). This reached its peak in the years 1991/2, when Mubarak turned to the IMF and World Bank for urgent financial aid (see Fig. 1). The IMF and World Bank focused on proposing stringent fiscal and monetary reforms. The World Bank focused on reforming the Egyptian economy through investment, liberalization and privatization (Farah 2009: 42)¹⁰. As a result, the Mubarak regime embarked on a process that turned into aggressive privatization, which was quickly coupled with high levels of corruption. Therefore, it failed to achieve any 'structural' adjustments or real 'reforms'. Instead, it created a deficient economic system in a supposed 'liberalized' and 'open' capitalist economy, characterized by monopolies. This led to an unequal distribution of wealth, increased unemployment, a recession and, most importantly, the denial of basic social and economic rights. Coupled with rising political corruption, repression and the suppression of basic freedoms and police brutality, a disastrous situation has emerged¹¹.

⁷ Farah, Nadia Ramsis. *Egypt's Political Economy: Power Relations in Development*. Cairo: The American University in Cairo Press, 2009, pp. 39-41 See generally Amin, Galal A. 1995. *Egypt's Economic Predicament: A Study in the Interaction of External Pressure, Political Folly, and Social Tension in Egypt, 1960-1990*. Leiden: E.J. Brill.

⁸ Ibrahim, Fouad N, and Ibrahim, Barbara. *Egypt: An Economic Geography*. London: I. B. Tauris, 2003, pp. 110-113.

⁹ World Bank: Country Report; International Labor Organization (Country Report), 2000; The Central Agency for Public Mobilization and Statistics (CAPMAS); Egypt's Ministry of Planning; Farah (2009), op. cit., p. 41.

¹⁰ "Egypt: Structural Reform, Privatization, and the Road to the Cairo Summit." *The Washington Institute for Near East Policy* (Policy Watch no. 222: Special Forum Report), October 1996, Web: <https://www.washingtoninstitute.org/print.php?template=C05&CID=1101>.

¹¹ Abdel-Alim, Taha. "Social Justice After the Egypt's Revolution." *Al-Ahram Online* (2011), Web: <http://english.ahram.org.eg/NewsContentP/4/7098/Opinion/Social-justice-after-Egypt%E2%80%99s-revolution.aspx>.

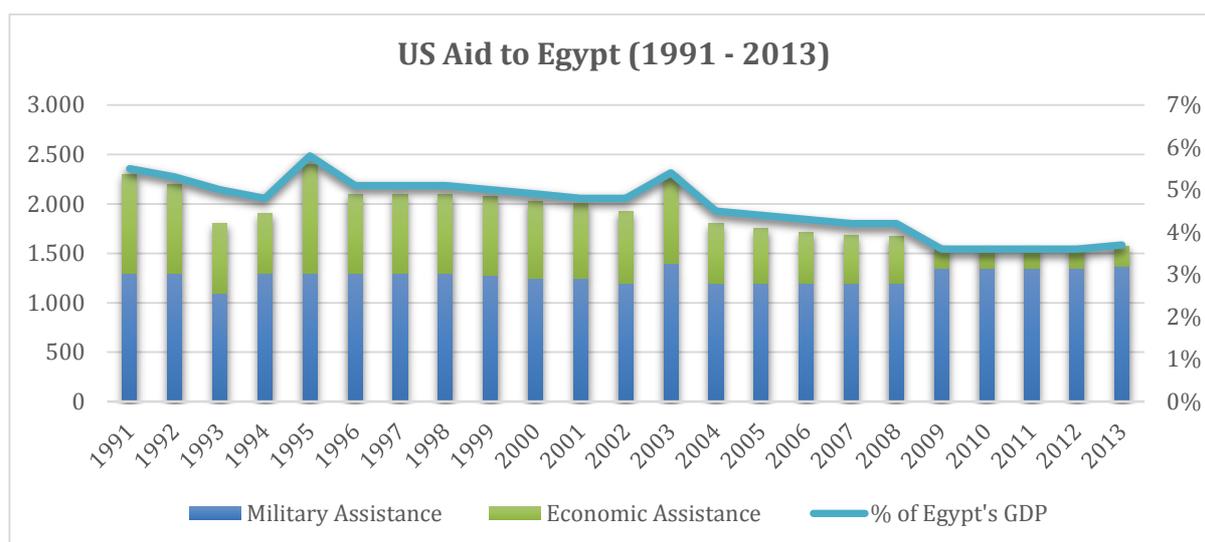


Figure 1: US Aid to Egypt from 1991 to 2013 (in \$Million)
 Source: Based on calculations from decode economic and financial consulting
 (<http://dcodeefc.com/military-aid/>)

Despite a large number of development initiatives that were, at least officially, aimed to combat poverty and create jobs among the youth, such as the New Valley (Toshka) project, the East of Port Said hub project and the “Mubarak’s Youth Housing” project¹², Egypt’s socioeconomic conditions have steadily worsened under the Mubarak regime. Though Egypt’s economic growth performance prior to the Arab Spring was, in fact, exemplary in terms of numbers on the macro-level, the socioeconomic reality of the poor was far from this. Between 2002/3 and 2006/7, growth more than doubled from 3.2% to 7.1% and trade increased from 46.1% to 65.1% of Egypt’s GDP during the same period. Yet, poverty remained ‘a significant problem’ under the Mubarak regime (Bush 2012: 59-60). Noland and Pack (2007), among others, have contended that reforms have not gone far enough. “Crony capitalism” and the rise of the “networks of privilege”, coupled with myopic short-term interests, have been central to the socioeconomic isolation of the poor (Chekir and Diwan 2013). The World Bank (2009) further argued that, while economic reforms throughout the region look impeccable on paper, “a differentiated application has led to a rising difference between de jure and de facto rules.” This is characterized by a private sector that grants privileges to a selected few, thereby reducing the competitiveness and dynamism of the economy¹³. Utilizing the upper national poverty line, the 2009 Arab Human Development Report indicated that poverty in Egypt rates as high as 41%¹⁴.

“Poverty is a logical by-product of spending possible savings in overconsumption, and uneven investment in mostly non-production or marginal real estate sectors at the expense of investment in production, and enforcing conflict of interests through the marriage of wealth and power.”¹⁵ Mubarak’s route to ‘development’ failed to deliver equitable and inclusive

¹² See generally Warner, Jeroen. *Flood Planning: The Politics of Water Security*. London: I. B. Tauris, 2011; Adriansen, Hanne K. “Land Reclamation in Egypt: a Study of Life in the New Lands.” *Geoforum*. 40, 4 (2009): 664-674.

¹³ Chekir, Hamouda, and Diwan, Ishac. “Crony Capitalism in Egypt.” *Journal of Globalization and Development*. 5.2 (2014):177: 211, p. 180; “From Privilege to Competition: Unlocking Private-led Growth in the Middle East and North Africa.” *World Bank (2009)*, Washington, D.C.: World Bank.

¹⁴ “Arab Human Development Report: Challenges to Human Security in the Arab Countries”, *United Nations Development Program (UNDP) (2009)*, Web: <http://arab-hdr.org/publications/other/ahdr/ahdr2009e.pdf>. According to the report, the World Bank \$2/day threshold may not be the most illuminating measurement.

¹⁵ Abdel-Alim (2011), *op. cit.*

growth. Deepening poverty, inequality and social injustice led to a deadlock, characterized by political repression and undermined socioeconomic rights. This fuelled the January 2011 uprising.¹⁶

However, the country's continued political turmoil and instability in the post-Arab Spring is causing a severe economic and social decline that is crippling Egypt's future. Annual GDP growth fell from 5.1% in 2010, to 1.8 in 2011 and now stands at a mere 2%. As of May 2014, the Egyptian pound lost more than 19% of its value, inflation reached 10% and the budget deficit continues to increase, reaching 11.5% in 2014/15¹⁷. Egypt's foreign currency reserves have halved from \$36 billion in 2011 to just \$13.5 billion today¹⁸. The socioeconomic conditions and continued repression is exacerbating the vulnerability of the poor and the excluded have-nots of society. Post-Arab Spring Egypt is failing to take adequate legislative, administrative and, most importantly, budgetary measures to overcome the alarming rise in poverty and inequality. Since 2011, the successive administrations are continuing a trend of "deregulation, privatization and shrinking government expenditure."¹⁹ However, the focus has been on long-term mega 'development' projects and short-term austerity measures, as well as cutting food and fuel subsidies and raising revenue through increasing regressive taxes. As we will discuss below, these aspects are aggravating the socioeconomic condition of the average citizen²⁰.

3. BEYOND MUBARAK: AUSTERITY AND POVERTY IN THE POST-ARAB SPRING

3a. THE SOCIOECONOMIC POLITICS OF EXCLUSION AND INEQUALITY

Egypt's socioeconomic context is characterized by increasing poverty. The percentage of Egyptians living at or below the World Bank's poverty line of \$2/day increased from 19.6% in 2005 to 26.3% in 2014 and remains on the rise (Fig. 1).²¹ According to the national upper poverty line, poverty increased from 41% in 2009 to well over 51% in 2015, as reported by the Central Agency for Public Mobilization and Statistics (CAPMAS).²² At the same time, poverty in Egypt can be characterized as being multidimensional, multifaceted and intergenerational. As a multifaceted condition, poverty is further exacerbated by corruption, oppression, a lack of

¹⁶ "Submission to the Committee on Economic, Social and Cultural Rights: On the Occasion of the Review of Egypt's Periodic Report by the Pre-sessional Working Group of the Committee's 51st Session" (ECESR Submission – Pre-sessional Working Group, 51st Session), *Economic Center for Economic and Social Rights* (21-24 May, 2013), p. 2.

¹⁷ "Egypt UPR Briefing: Poverty and Austerity", *Center for Economic and Social Rights/Egyptian Center for Economic and Social Rights* (Factsheet no. 1/2014), p. 1; "Egypt budget deficit fell to 11.5% GDP in FY2014/2015: Finance minister", *Ahram Online* (2 November, 2015), Web: <http://english.ahram.org.eg/NewsContent/3/12/162500/Business/Economy/Egypt-budget-deficit-fell-to--GDP-in-FY-Finance-mi.aspx>

¹⁸ (ECESR Submission – Pre-Sessional Working Group, 51st Session) (21-24 May, 2013), *op. cit.*

¹⁹ "Human Rights Council: 20th Session of the Universal Periodic Review Working Group: Joint NGO Submission on the Situation of Economic, Social and Cultural Rights in Egypt" (ECESR – Joint NGO Submission – 20th Session of the UPR Working Group), *Egyptian Center for Economic and Social Rights* (March, 2014).

²⁰ Egypt UPR Briefing: Poverty and Austerity" (2014), *op. cit.*

²¹ "Egypt: Promoting Poverty Reduction and Shared Prosperity: A Systematic Country Diagnostic (P151429)." *World Bank* (September 2015), Web: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2015/09/29/090224b08310cc07/1_0/Rendered/PDF/Egypt000Promot0c0country0diagnostic.pdf; "About Egypt" United Nations Development Program (UNDP), Web: <http://www.eg.undp.org/content/egypt/en/home/countryinfo.html>.

²² Aggour, Sara. "26.3% of youth unemployed, 51.2% suffer poverty", *Daily News Egypt* (11 August, 2015), Web: <http://www.dailynewsegypt.com/2015/08/11/26-3-of-youth-unemployed-51-2-suffer-poverty/>.

political freedom and democracy, as well as poor access to all of the available resources. UN estimates show that 13.7 million Egyptians or 17.2% of the population suffered from food insecurity in 2011, compared to 14% in 2009.²³ The gap between the rich and poor has become so wide that it has become difficult to imagine the life of the “other”. “The poor”, if we may classify them as a social group, have been pushed to the margins of society due to their invisibility to the functioning of the system of rights. They have become isolated either in rural Egypt or large squadrons of slum surrounding the urban cities. At the same time, the middle class has been slowly disappearing.²⁴ Whereas more than half of Egypt’s youth (51.3%) suffered from poverty in 2012/13, almost half of the population of Upper Egypt’s rural areas (49.4%) lived in poverty during the same period.²⁵

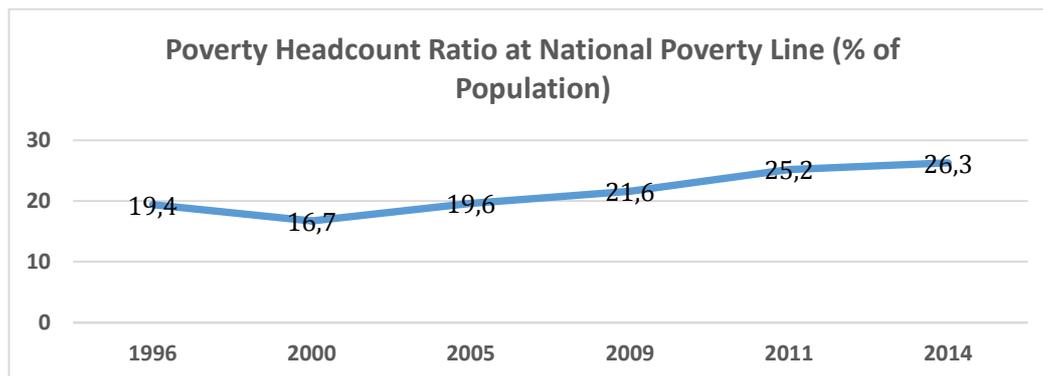


Figure 2: Poverty Headcount Ratio at National Poverty Line (% of Population)
Source: World Bank/CAPMAS.

Historically, the socioeconomic role of the state can be described as being increasingly centralized, where it indirectly depends on the role of charity organizations in providing for the poor. In fact, over the last two decades, Egyptian NGOs have assumed a major role in the spheres of socioeconomic development. This is reflected in their increasing number, diversification of activities and the large amounts of funds that are received through bilateral and multilateral donor organizations.²⁶ Most notable in this category are religious charity organizations. They have largely succeeded to attract a ‘following’ through their ideological and religious references, which they have demonstrated as the most ‘righteous’ by providing for the socioeconomic welfare of citizens in the absence of the state. Azer (2012) notes that the main reason behind the rising importance of the role of charity organizations is the deteriorating role of state institutions, particularly on the socioeconomic level. This led to the emergence of civil society organizations to complement (and, some cases, to even act as an alternative) to state institutions.²⁷ The crackdown on civil society under the successive administrations in the post-

²³ “Food Security: the Status of Poverty and Food Security in Egypt.” *United Nations: Egypt*. Issue 35 (May, 2013), Web: http://www.un.org.eg/pdf/39_United%20in%20Egypt%20issue%20May%202013.pdf; “The Status of Poverty and Food Security in Egypt: Analysis and Policy Recommendations” *World Food Program* (May, 2013), Web <http://documents.wfp.org/stellent/groups/public/documents/ena/wfp257467.pdf>, p. 1.

²⁴ Springborg, Robert. “The Precarious Economics of Arab Springs.” *Survival*. 53.6 (2011); Balata, Sundus. “The Egyptian Uprising: A Movement in the Making.” *Inquiry and Insight* 4.1 (2011); Joya, Angela. *The Arab Revolts against Neoliberalism*. Toronto: Centre for Social Justice, 2013; Mansour, Dina (et al.). *Identity, Difference and Belonging*. Oxford, UK: Inter-Disciplinary, 2014; Sadiki, Larbi. *Routledge Handbook of the Arab Spring: Rethinking Democratization*, 2015.

²⁵ (ECESR – Joint NGO Submission – 20th Session of the UPR Working Group) (March, 2014), *op. cit.*, p. 5.

²⁶ Abdelrahman, Maha M. *Civil Society Exposed: The Politics of NGOs in Egypt*. London; New York: Tauris Academic, 2004.

²⁷ Azer, Sherif. *Cyberactivism in Egypt: A New Social Movement: A Pre-Revolution Insight*. Lap Lambert Academic Publishing, 2012.

Arab Spring has contributed to a rise in political repression. Furthermore, it has had socioeconomic repercussions on the marginalized in society. In December 2013, for example, the Ministry of Justice directed banks to freeze the assets of over 1,000 NGOs and the Ministry of Education ordered the confiscation of 147 'Brotherhood schools' across 10 of Egypt's 27 governorates, for what they claimed to be financial and administrative 'irregularities'.²⁸ Between January and March 2015, 380 NGOs scattered across eight governorates were forcibly dissolved for alleged ties with the Muslim Brotherhood despite their socioeconomic charity work.²⁹

Observers have emphasized Egypt's shift from a full revolution to an almost-full restoration of the Mubarak regime: civilian, as well as military and oligarchic, networks are on the rise, Mubarak-era political parties are forcing their way back into the political sphere, and political and civil liberties have been severely curbed.³⁰ The last parliamentary elections saw a total of 124 seats (or a quarter of the assembly) go to former National Democratic Party (NDP) members and the pro-Sisi political coalition, "For the Love of Egypt", claiming all 120 seats allotted for party members.³¹ At the same time, protest movements continue unabated. According to the International Development Centre, Egypt witnessed 1,353 protests in the first three months of 2015 (40% of which focused on socioeconomic demands). Muslim Brotherhood supporters organized 552 protests, while labourers, business owners and craftsmen had 323 protests and school and university students staged 183 protests.³² As for the labour protests (see Fig. 3), 2013 witnessed the highest number of protests since 2010. However, labour protests have witnessed a downslope since then, which can also be attributed to increased security measures.



Figure 3: Labour protests in Egypt (2010-2015).

Source: Data collected from Adly (2014); Barma (2014); and news reports: "Major Strikes in 2015" (2016); "Report: 2,274 Labor Protests Staged in 2014" (2014).

²⁸ Brooke, Steven. "Egypt's Crackdown on Islamist Charities." *Foreign Policy* (27 December, 2013), Web: <http://foreignpolicy.com/2013/12/27/egypts-crackdown-on-islamist-charities/#sthash.7f0TCw46.S3hQRKly.dpbs>.

²⁹ With latest crackdown, state dissolves 380 NGOs in just 2 months." *Mada Masr* (Mar. 18, 2015), Web: <http://www.madamasr.com/news/latest-crackdown-state-dissolves-380-ngos-just-2-months>.

³⁰ Adly (2014), *op. cit.*

³¹ Auf, Yussef. "Egypt's New Parliament: What Do the Results Mean?" *Atlantic Council* (7 January, 2016), Web: <http://www.atlanticcouncil.org/blogs/egyptsource/egypt-s-new-parliament-what-do-the-results-mean>; "Mubarak-era MPs make comeback in Egypt parliament polls." *Anadolu Agency* (AA) (7 December, 2015), Web: <http://aa.com.tr/en/politics/mubarak-era-mps-make-comeback-in-egypt-parliament-polls/487197>;

³² "Top News: No Parliamentary Elections Before Ramadan, Says Minister." *Atlantic Council* (23 April, 2015), Web: <http://www.atlanticcouncil.org/blogs/egyptsource/top-news-no-parliamentary-elections-before-ramadan-says-minister>.

Development continues to follow a top-down approach. Following the same trend of the successive presidents of the post-1952 regime, since his inauguration, Sisi has announced a large number of state-led development projects, among which at least six are classified as 'mega' national projects. These include: The New Suez Canal, the New Suez Canal Zone, the reclamation of 1.5 million feddans of desert land, the establishment of a new capital east of Cairo, the East Port Said project and the revival of Mubarak's Toshka project. Such projects are estimated to cost billions of dollars, at a time when the economy is already in crisis. The New Suez Canal project alone already cost \$8.2 billion, which could have been deployed on improving infrastructure and public services.³³ Moreover, to meet Sisi's ambitious timeline to complete the Canal in one year, he failed on his promise to employ only Egyptian firms for the project and resorted to hiring foreign contractors at a cost of \$2 billion – a quarter of the project's total budget. At the same time, the long-term returns of the project have been viewed with scepticism, where it is argued that the New Suez Canal is not likely to have any direct effect on the lives of ordinary Egyptians, particularly in terms of job creation.³⁴

Despite Egypt's long failures of state-planned agricultural mega-projects, most infamously Mubarak's Toshka project, in December 2015, Sisi announced the new and ambitious plan for the reclamation of 1.5 million feddans of desert land. The state-administered "Egyptian Rural Development Company" would oversee the sale and distribution of desert lands earmarked for reclamation throughout. In 2014, he even boldly announced the revival of the Toshka project.³⁵ In March, 2015, Sisi unveiled his plan to build a new capital to the east of the present capital, Cairo. The project, which is estimated to cost \$45 billion and take five to seven years to complete, is planned to build a city of about the size of Singapore with an airport that is larger than Heathrow. The new capital's principal aim is to ease congestion and overpopulation in Cairo over the next 40 years. It promises to have over 2,000 schools and colleges, over 600 health care facilities and create an estimated one million new jobs.³⁶ By November 2015, Sisi inaugurated the East Port Said Project, which is set to be completed in two years. The project, which aims to dig tunnels in southern Port Said to connect east and west of governorate, includes building a giant maritime port, an industrial zone, a logistic area, a housing unit and a fishery farm. It also includes a shipping lane (at an estimated cost of \$60 million) that aims to facilitate the passing of ships through the Suez Canal, which will be completed by the end of June 2016³⁷.

Aiming to reduce the budget deficit by 10%, an equivalent to 50 billion Egyptian pounds (EGP), or \$6.9 billion, the Sisi government announced, on the other hand, harsh austerity measures as part of the general budget in June 2014.³⁸ Harsh austerity measures undertaken by the government are particularly harmful to the most vulnerable in society. Such measures included

³³ "Egypt launches Suez Canal expansion." *BBC News* (6 August, 2015), Web: <http://www.bbc.com/news/world-middle-east-33800076>.

³⁴ Linn, Emily Crane and Linn, Nicholas. "Sisi's New Suez Canal: Egypt's Great Development Project Might Not Develop Anything." *International Business Times* (6 August, 2015), Web: <http://www.ibtimes.com/sisi-new-suez-canal-egypts-great-development-project-might-not-develop-anything-2041956>.

³⁵ Sisi inaugurates 1st phase of 1.5 million feddan reclamation project" *Mada Masr* (31 December, 2015), Web: <http://www.madamasr.com/news/sisi-inaugurates-1st-phase-15-million-feddan-reclamation-project>.

³⁶ "Egypt unveils plans to build new capital east of Cairo." *BBC News* (13 March, 2015), Web: <http://www.bbc.com/news/business-31874886>.

³⁷ "Sisi inaugurates East Port Said Development project." *Cairo Post* (28 November, 2015), Web: <http://thecairopost.youm7.com/news/179592/news/sisi-inaugurates-east-port-said-development-project>.

³⁸ Dimian, Hani. "Financial Statement for the General Budget for the Financial Year 2014/15", (June 2014), Web: http://www.mof.gov.eg/MOFGallerySource/Arabic/budget2014-2015/Financial_statement14-15.pdf.

lifting fuel and electricity subsidies, as well as adopting progressive taxes and broadening the tax base. Sisi's speech calling for austerity fell as a dim reminder of Sadat's speeches regarding "belt-tightening" and Mubarak's speeches about "rationalizing spending" on the average Egyptian.³⁹ In seeking to gain the support of the average Egyptian citizen for such measures, Egyptian Finance Minister, Hani Dimian, affirmed that "lifting subsidies will mostly affect high-income classes, but will also negatively impact low-income classes." He further added that "economic reform decisions were related to measures taken to protect the poor through social justice projects."⁴⁰ "Social justice" remains a trademark of the speeches of government officials without any real programs on the ground to realize Art. 8 of the 2014 Constitution, in which the State pledges "to achieve social justice and provide the means to achieve social interdependence, in order to ensure a decent life for all citizens."⁴¹ The income of over 50% of Egyptians goes to daily consumption. Yet, in the absence of social security networks, austerity measures are destroying this category of people. Moreover, while austerity may solve the budget deficit and raise the credit rating, it will inevitably lead to inflation, which will heavily affect those who live on the margins of society.⁴²

3b. UNEMPLOYMENT

Increasing unemployment (Fig. 4), coupled with a growing informal sector, are two major factors that are further isolating the poor. Moreover, with deteriorating working conditions, there are no means to guarantee the rights of workers within the informal sector. Assessing the conditions of workers in the informal economy – as well as its size – has been a challenge. However, data from the 2006 Labour Market Panel Surveys suggest, "58.3% of all Egyptian workers were informally employed, including 42.6% of urban workers and 70% of rural workers."⁴³ Latest census data indicate, "the total number of workers in the informal sector increased to 7.9 million, up from 5 million in 1996."⁴⁴ At the same time, "the highest levels of informality are found among workers aged 15-24 (87.1%), relative to those aged 25-34 (61.4%), 35-54 (43.4%), and 55-64 (51.2%)."⁴⁵ However, the government has failed to take actions to address the working conditions in Egypt, in general, and in the informal sector of the economy, in particular.⁴⁶ According to the 2010 Human Development Report, "[a]t least 90% of the unemployed are aged less than 30 years."⁴⁷ In June 2014, the Ministry of Finance declared that unemployment had skyrocketed to 25% among the youth.⁴⁸

³⁹ Fouad, Ahmed, "Sisi's call for austerity falls flat with Egyptians" (20 March, 2014), Web: <http://www.al-monitor.com/pulse/tr/originals/2014/03/egypt-sisi-austerity-calls.html#ixzz3yw73rsbN>.

⁴⁰ Aman, Ayah, "Austerity measures won't save Egyptian economy", (13 August, 2014), Web: <http://www.al-monitor.com/pulse/originals/2014/08/austerity-measures-will-not-save-egypt-economy.html#ixzz3yqyxBRcr>.

⁴¹ Constitution of the Arab Republic of Egypt (2014), Web: <http://www.sis.gov.eg/Newvr/Dustor-en001.pdf> (Art. 8).

⁴² Aman (2014), *op. cit.*

⁴³ (ECESR Submission – Pre-Sessional Working Group, 51st Session) (21-24 May, 2013), *op. cit.*

⁴⁴ Handoussa, Heba, et al. "Egypt Human Development Report: Youth in Egypt: Building our Future." United Nations Development Program (UNDP) (Institute of National Planning, Egypt). 2010. Web: http://hdr.undp.org/sites/default/files/reports/243/egypt_2010_en.pdf.

⁴⁵ (ECESR Submission – Pre-Sessional Working Group, 51st Session) (21-24 May, 2013), *op. cit.*

⁴⁶ *Ibid.*

⁴⁷ Handoussa, Heba, et al. (2010), *op. cit.*

⁴⁸ Dimian (2014), *op. cit.*, p. 2.

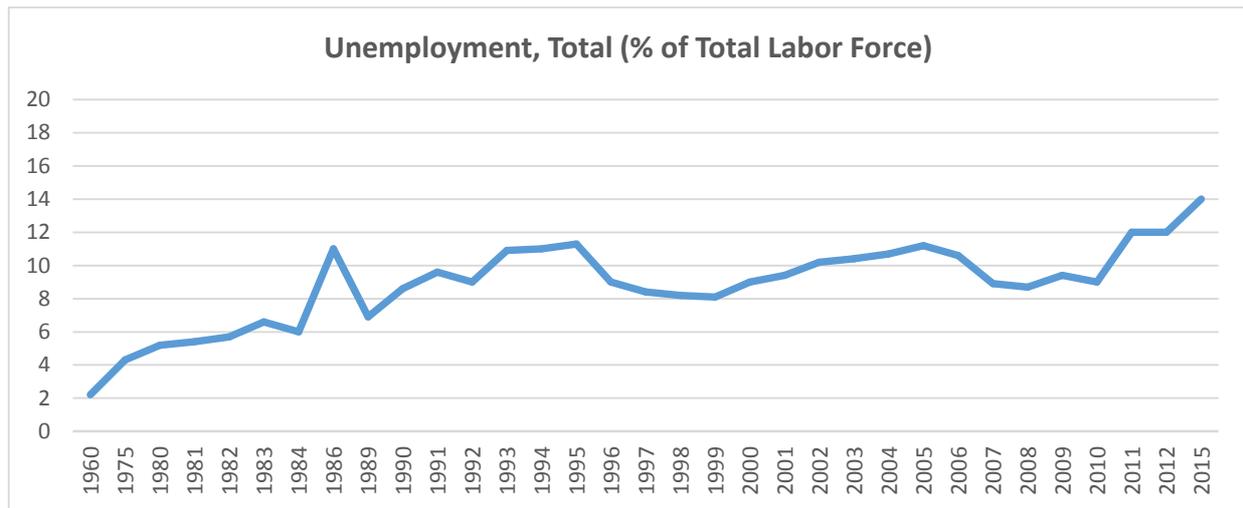


Figure 4: Unemployment rates (1960-2011).

Source: Data collected from World Bank; ILO (2000); CAPMAS; MOP; Farah 2009: 41; MOF (2015).

3c. CONTINUED GENDER DISPARITY

An exacerbating consequence of Egypt's growing poverty has been gender inequality (Fig. 5). In fact, gender disparity remains on the rise and has not only led to the unequal treatment of women and girls in education and in the workforce but also, contributed to the rise of gender-based violence. In 2012, unemployment among women in the workforce reached an average of 24%, compared to 9% among men. Moreover, women also face wage disparities in the private sector, as well as other forms of discrimination including sexual harassment and arbitrary suspensions.⁴⁹ When it comes to education, the twin problems of school drop-outs and non-enrolment continue, particularly in the case of the poor, with Upper Egypt being the most disadvantaged region in this regard.⁵⁰ It is largely contended that young women in Egypt usually face the most difficult school-to-work transition. In fact, "Egypt has one of the lowest female labor participation rates in the world at 18.5%."⁵¹ This is driven partially "by market conditions, by cultural norms, and partly by women's choices. The unemployment rate is highest among those aged 18-24."⁵² Despite the fact that the legal minimum age for marriage for girls has been raised from 16 to 18, many girls are forced into early marriage due to a combination of financial needs and cultural factors.⁵³

⁴⁹ (ECESR Submission – Pre-Sessional Working Group, 51st Session) (21-24 May, 2013), *op. cit.*

⁵⁰ Handoussa, et al. (2010), *op. cit.*, p. 46.

⁵¹ *Ibid.*

⁵² *Ibid.*

⁵³ *Ibid.*

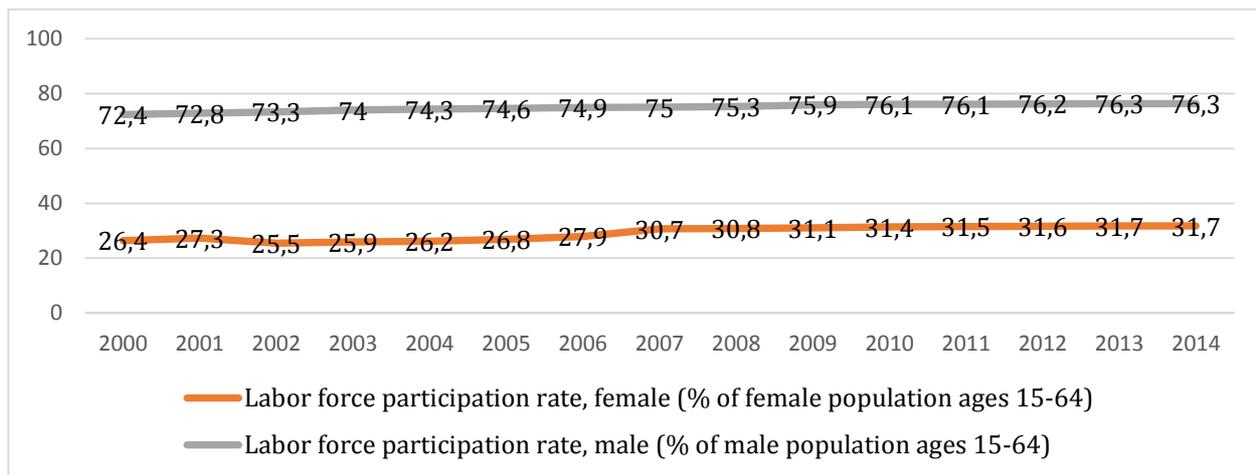


Figure 5: Gender disparity within the labour force.
Source: World Bank.

3d. STREET CHILDREN AND CHILD LABOUR

Poverty in Egypt has also produced two major phenomena in the case of children born in poverty: child labour and street children. The child population in Egypt (between the age of 1 to 19) is the largest group of the Egyptian population pyramid with children below the age of 15 representing around 37.5% of Egypt's total population.⁵⁴ Child labour is usually the result of families forcing their children to drop out of school for financial reasons. This has become a persistent phenomenon among poor families and female children are usually the subject of such pressure, being most commonly sent to work as servants. Financial needs and the availability of those children to work at low prices (usually informally) makes them a rather "cheap" alternative to adult labour, which further contributes to increasing unemployment rates among adults in Egypt. Statistics reveal a staggering number of almost one million street children in Egypt. Such children have either left their hometowns in rural Egypt to look for work in the city or have escaped their homes due to abusive treatment. According to a recent study published by the UNICEF, "86% of street children stated that violence was a regular issue, while another survey showed 50% had been exposed in some manner to rape."⁵⁵ These deteriorating conditions of the most vulnerable of the population have remained absent from the agendas of the successive administrations that came to power in the post-Arab Spring.

3e. LIVING ON THE MARGINS: THE SLUM AREAS PHENOMENON

In September 2015, police forces raided and forcibly evacuated the inhabitants of the Sudan Nest, a slum area near the Dokki neighbourhood in Cairo, using bulldozers and shooting tear gas to disperse the inhabitants as they resisted the destruction of their homes. Slums started to crop up in Cairo in the 1950s, mainly as a result of increased internal rural-urban migration in search of better living conditions and higher birth rates. The living conditions in these areas have worsened to such an extent that the inhabitants suffer from a lack of basic services such as electricity, water and a sewage system. State neglect, a lack of any agenda for urban planning and control and a policy that partly 'blames the victim' is exacerbating the problem even further. On average, children living in slums suffer from malnutrition, as the inhabitants are left

⁵⁴ "The Demographic Profile of Egypt." ESCWA. 2012. Web: <http://www.escwa.un.org/popin/members/egypt.pdf>.

⁵⁵ Ibid.

to the aid of charity and, often, form a socioeconomic network of families and neighbours to satisfy the minimum of their subsistence existence.

In a recent report, CAPMAS reported that the number of slums in Egypt was over 1,000, with more than 300 of them found in Greater Cairo.⁵⁶ “Of the 17 million inhabitants living in Greater Cairo in 2009, a conservative 11 million – or 63 percent, inhabit areas that have been developed informally or extra-legally since 1960.”⁵⁷ The Mubarak regime tried to tackle the problem with the construction of new cities, such as Obour and the 15 May cities, in the desert surrounding Cairo. However, their distance from Cairo, coupled with lacking basic services and infrastructure, such as schools and hospitals, rendered the cities unattractive for the cumbersome move, which would have isolated the poor even further. This grim manifestation of poverty that literally and physically puts those suffering from extreme poverty on the margins of society, remains absent from a socioeconomic agenda that represents the very disconnect between the state and society, which fuelled the Arab Spring revolts.

4. CONCLUSION: THE ROAD AHEAD

The slogans of the Arab uprisings, “bread, liberty and social justice”, are at the core of a renewed understanding of citizenship by the average Egyptian. Demanding to live with dignity and rights, the slogans represented the suffering of those who lived at the margins. The socioeconomic exclusion has manifested in social, economic and political inequalities and the denial of social justice, where poverty transcended the realm of wealth and has become what can be termed as ‘the poverty of rights’ under the Mubarak regime. Five years after the uprisings, the successive administrations are still following a top-down approach to socioeconomic development. Poverty, social justice and inequality remain unaddressed and are rather used to justify harsh austerity measures that provide only temporary solutions. Political repression against civil society and charity organizations serve to marginalize the have-nots of society even further.

There is no denying that Egypt is undergoing a severe economic crisis as a result of a prolonged period of political instability that has heavily affected the main pillars of the economy, namely tourism and investment. This makes the road ahead a rather challenging one. Yet, adopting the same policies of the past will only serve to provide temporary solutions to a longstanding problem. The current government needs to adopt a more inclusive understanding of citizenship. By increasing the minimum wage; creating a stable environment for investment; initiating projects that would create jobs and rationalizing public spending on projects, which would empower the poor economically and politically; the regime would be taking the first steps to overcome the disconnect between state and society - something that once doomed the Mubarak regime. Inflation and budget deficit can be addressed by macro-level policies but socioeconomic and political inequalities and social justice cannot.

⁵⁶ Musa, Miriam, “Life in the Slums of Cairo”, *Middle East Eye* (4 September, 2015), Web: <http://www.middleeasteye.net/in-depth/features/cairo-part-world-slums-180211194#sthash.IrLlFoCT.dpuf>.

⁵⁷ Sims, David. *Understanding Cairo: The Logic of a City Out of Control*. Cairo: The American University in Cairo Press, (2011), p. 91.

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