

**Egypt:**  
You Have No Match  
The  
Geo-Strategic  
Pillar

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*Our Lives Have many Problems  
With Lessons we must learn  
And there are things to challenge us  
At every twist and turn  
We're told to count our blessings  
It's sometimes hard to do  
And yet the world is wonderful  
It's there for me and you*

*And though sometimes the sky is dark  
The Clouds will move away  
A hopeful new awareness  
Will lift and light the day  
So greet each new tomorrow  
Whatever comes along  
This life has much to offer  
Be cheerful and be strong!*

*Iris Hesseldon*

This Paper is written for a Lecture to be delivered on the 12th July 2019, at the ECEB, as the Opening Lecture in, hopefully, a series of Lectures, and / or Forums, on the Prime Topic "Egypt: You Have No Match".

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# **Abstract**

## **Egypt You Have No Match the Geo-Strategic Pillar**

Based on 14 Strategic Diversified Pillars, a hypothesis is proposed, for appropriate testing, that Egypt Has No Match. Focused on one Pillar, the Geo-Strategic one, an in-depth empirical and analytical study is presented. Two novel instruments are used in the analysis; namely: Now-Casting, as opposed to Forecasting, and Geo-Dynamics, instead of Geo-Political.

In dealing with the Geo-Strategic Pillar two fundamental subjects are addressed. One is the Uni-Multipolar World Security Structure, with focus on the US Grand Macro-Strategy for the Middle East. The second focusses on Egypt as a Pivotal State; Past, Present and Future.

Based on the thorough analysis of the two subjects, separately and interactively, a proposal is advocated of a “Five-Pronged Strategy for Egypt, as a Stable Pivoting State”. It is hoped that implementation for such a Strategy, in the near future, would strengthen Egypt’s negotiating powers, ultimately and strategically, not only in the Middle East, but perhaps in a much wider sphere of influence.

It is hoped this study will represent the first coverage on the Geo-Strategic Pillar, to be followed by more studies covering the remaining 13 Pillars, hopefully confirming the hypothesis of Egypt as having No Match, geodynamically.

## Key Definitions

- **Geo-strategy:** Specifically, is a subfield of geopolitics, is a type of foreign policy guided principally by geographical factors, as they inform, constrain, or affect political and military planning. As defined by Zbigniew Brzezinski the “words geopolitical, strategic, and geostrategic are used to convey the following meanings: geopolitical reflects the combination of geographic and political factors determining the condition of a state or region, and emphasizing the impact of geography on politics; strategic refers to the comprehensive and planned application of measures to achieve a central goal or to vital assets of military significance; and geostrategic merges strategic considerations with geopolitical about securing access to certain trade routes, strategic bottlenecks, rivers, islands and seas. It requires an extensive military presence and power.
- **Now-casting:** is the prediction of the present, the very near future and the very near past in economics. The term is a contraction of “now” and “forecasting” and has been used for a long time in meteorology. It has recently become popular in economics as standard measures used to assess the state of an economy, e.g. gross domestic product, are only determined after a long delay. In sum, nowcasting, as opposed to forecasting, describes the process of monitoring, depicting, and analysing ongoing developments in international relations as they occur.
- **Geodynamics:** is a more neutral and broader term than the more familiar- but, also, more value-laden- geopolitics. Geodynamics refers to ongoing dynamic patterns and trends in various key aspects of the international system. Five key aspects are focused on: geo-economic, geo-political, geo-societal, geo-judicial, and geo-indentations.







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# **I**

## **Part One**

### **What is meant by “Egypt: You Have No Match”**

**Introduction, Scope, Definition**

**The Way Forward**

## **I.1. Introduction**

When one writes or talks about any country, in one way or the other, it is customary to focus on three dimensions. These are: Land, People, and, Governance. Then a topic follows, such as: what, who, subject, issue, purpose, analysis, and so on, and so on. Based on the choice, a story is told, a topic is analyzed, or an evaluation is made. Then a conclusion is reached, and a credit or discredit is attributed to an entity or entities.

Obviously, conclusions reached should relate, scientifically analytically, partly to fundamental pillars, as well as actions taken or not taken. Also, partly, to events that occurred or should have occurred, or to somebody or a group or a community who did something or should have done something(s) specific.

Focusing on Egypt, one can confidently say that no country on earth has been written about, in many contexts, like Egypt. Historically, one does not exaggerate in saying millions of books, articles, films, plays, musicals, artistic objects, and more and more have been done in relation to Egypt. In fact, one can easily and confidently say that in historical subjects, Egypt stands unmatched.

Similarly, but not equally, other subjects relating to Egypt are frequently addressed. Talks, walks, songs, plays, dances, politics, economics, culture, ethical, moral, sports, successes, failures, discoveries and many other dimensions refer to Egypt, or for Egypt, or in Egypt, or about Egypt, cannot be missed: anywhere, any month, any season, and so on and so on.

## **1.2. Scope: Egypt's Main Pillars**

While recognizing the exceptional values of the wealth of literature that exists in relation to Egypt in many subjects, on one hand. However, on the other hand, in this paper I am much happier to deviate from the standard way of dealing with countries, with specific reference to Egypt. The Egyptian story in this paper will, be hopefully, very different. My focus will be on one question only. That is the "Why" question.

In other words, imagine a building called Egypt, that has "Foundations", which I call "Pillars", and has "Floors" after Floors, built, being built, or planned to be built. Addressing the Pillars of this hypothetical building should enable us to answer the principle question of Why? Hence the main focus in this paper would be focused on the foundations, so-to-speak.

While Multi-Pillars for the majority of the world's countries are more or less the same. Their only difference is on quality, on one hand, and grade, if feasible and quantifiable, Egypt's quality of Pillars, on the other hand, in my considered opinion, can be summarized, as follows:

- Strategically: Unique Pivotal
- Economically: Potentially Prosperous
- Historically: Oldest Civilization
- Culturally: More than 10,000 years of an amazing blend of Cultures.
- Artistic: A Unique Beauty
- Geographic: Heart of the World
- Population: Intrinsically Intelligent with a Fascinating Sense of Humour
- Socially: Very Friendly, Peaceful and Homogeneous
- Faith: Multi-Loving Faith
- Holy Books: Named Repeatedly
- Inventions: One of the First Inventors in History,
- Ethical & Moral Standards: Truly Imbedded in Her Identity,
- Patriotism: In Her People's Blood
- Future: Potentially Glorious

The above stated Pillars, and their descriptions have to be viewed, for the time being, as my personal "Themes". At this stage, your sharing or otherwise such assessments depend on the extent to which one is willing to trust my judgement in this paper. However, the hope is that these Pillars will ultimately be addressed, one by one, scientifically and analytically, in depth, so they become properly confirmed. As a start of this process, one Pillar only would be addressed, in depth, in this paper; namely the Geo-Strategic Pillar. It is to be noted that instead of using the standard term "Geo-Political", the term "Geo-Strategic" is preferred. The part word "Geo" is shared in both terms, due to the fact that Geography is almost the main unchangeable basis for any country, However, selecting for the second part the word "Strategic", instead of the commonly used "Political" is that the term Strategic is a much broader term that includes some other dimensions of many of the other foundations, and not confined to political only. However, before proceeding with this Pillar, one needs to clarify: What is actually meant by "Egypt you have no Match"

### **I.3. Definition: Egypt's No Match: Compound, Consistent and Conditional.**

To relate Egypt's described Pillars, as stated before, to the title of the paper "Egypt You have No Match" requires some clarification. On one hand, to say "Egypt's having no match" does not mean "having no match in each and every Pillar". As will be elaborated later on, Egypt shares with many other countries similar Pillars.

On the other hand, describing Egypt as having no match should not be regarded as intrinsically, fully and totally unconditional. Amongst the specified ones, only a few, such as the Geographical Pillar that can be free of conditions, to some extent.



Moreover, in addition to the “Compound and Conditionality” of most of the Pillars, there must be, a high degree of internal Consistency, by and large. Therefore, taking into account Pillar by Pillar, there is no doubt there are many countries that match Egypt, even in more important ways. However, compounding most, if not all, the Pillars, it should be possible to consider the hypothesis that Egypt as unmatched.

To proceed further with this description of Egypt, the start should be with the “River Nile”, logically, and geopolitically.

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**II**  
**Part Two**  
**Egypt's Geopolitical**  
**Nile-Based**  
**Status, Framework & Imperatives**

## **II.1. Egypt the “Challenged” Gift of The Nile?**

An old saying for centuries until today does highlight “Egypt as the Gift of the Nile”. This description of Egypt is passed on spontaneously through the minds of most people over the world without paying attention or realizing its real meaning. One can guess the reasons to be very simple. That is, the majority of the Egyptian population being concentrated around the Nile. Similarly, the majority of non-Egyptians know Egypt as simply the Nile and the Pyramids and the like.

Moreover, records, since ancient Egypt until now, provide clear evidence that the River Nile is essential for people, crops and livestock. In brief, the River Nile meant the survivability of Egypt, to the extent that it had a very important place from the religious aspect in ancient Egypt. Hence the words “gift of the Nile” became the most commonly used describing Egypt. However, what is not normally known is that the so-to-speak gift of the Nile structurally confronts Egypt with significant challenges.

The Nile is hardly the perfect river. On its upper course, water hazards, i.e. Cataracts, block navigation by all but the smaller vessels. On its lower course, the Nile becomes sinuous that bars maritime traffic by boats of any significant size. These characteristics of lack of navigability and sinuous nature of the Nile deeply affect Egypt’s social, political and economic development.

## **II.2. Egypt’s Geographic Status**

Asia, Africa, the Mediterranean, the Red Sea, the Middle East, and the Nile Basin are all geographic entities in which Egypt is either part of or is in the periphery of. The Suez Canal links the two Seas and is, also, the path that joins the Indian and Atlantic oceans. The giant River Nile also traverses the country, carrying water and alluvium, building links and relationships, also ensuring encounters between civilizations.

This multi-dimensional geographic position makes Egypt the crossroad between continents and several geopolitical regions. Needless to say, Egypt’s borders have hardly changed throughout history, remaining the same from the Pharaonic dynasties to the present.

## **II.3. Egypt’s Nile-based Geopolitical Main Challenges and Framework**

The multitude of areas, positions and positioning is an advantage for Egypt just as much as it is a handicap and difficulty. The advantage is that the country can benefit from this multiple belonging in order to diversify its relations and establish

itself as a meeting point. The handicap is that Egypt's neighbourhood has so many contradictions and differences of interest that an alliance with one can be interpreted as hostility towards another.

The challenge for Egypt is to balance its policy between the various partners and geopolitical areas that surround it. Though very linked to Gulf countries by economic and geopolitical interests, Egypt is not considered a country belonging to that integration space. The same contradiction applies to the Maghreb and to North Africa's Geopolitical framework, that can logically contain Egypt, which until today has no political existence.

Accordingly, one can easily say that this multiplicity of potential areas of integration is one of Egypt's challenging vulnerabilities. Thus, we are back again to the Nile basin, as the most natural framework, geopolitically, that Egypt is to be involved and integrated in.

With the Nile's lack of navigability and sinuous nature being the country's dominant feature, and adding the fact of concentration of population, resources and power, as its dominant characteristic, this means that isolation and domination become the prevailing themes of Egypt's foreign and military policy.

More than in any other country in the Eurasian-African landmass, Egypt is alone. The sheer size of the country's surrounding deserts sharply limits interaction, much less invasion. With the significant changes in the world, Egypt's isolation was overcome quite easily by smaller powers. Invasion by many powers, often successful, by far smaller powers, such as Nubians, Assyrians, Persians, Greeks, Romans, Byzantines, Arabs, Ottomans, French and British.

Invaders approached Egypt from one of three routes. The first is down the Nile from the south. The second approach is from the east along the coastal plain, where an invader could cross the Sinai Desert from the Levant and reach the Nile Delta. The third approach to the Egyptian core is from the sea, say from the Mediterranean to dominate Alexandria.

## **II.4. Egypt's Geopolitical Strength Weaknesses and Imperatives.**

Egypt holds several geopolitical cards that can become major assets, if played rationally. Together with Jordan, Egypt is the prime player in any dialogue or negotiations between the Israelis and the Palestinians. Egypt is the largest demographic power in the Arab World. No other country in the region exceeds half of the Egyptian population. More importantly, the Egyptian Army has kept its supremacy in the region. Being the first army in the Arab World, all joint Defense plans in the area cannot forgo this army's contributions, on the one hand.

On the other hand, Egypt encounters many challenging vulnerabilities. There is



the major difference of substance with Saudi Arabia in relation to the Al Assad regime in Syria and the associated civil war. Also, there were the difficulties associated with the Camp David Accords, and continue to share with the Arab and Muslim World's position relating to the Palestinians rights. The so-known as the Arab Spring presented Egypt's geopolitics challenges, particularly, in relation to the Muslim Brotherhood's role. It led to some degree of division in the country and had some adverse impact on foreign investment and tourism.

Back to the Nile again, and, in particular, the Nile Basin, the most significant geopolitical challenge relates to the failure in reaching an agreement, so far, regarding the Renaissance Dam between the Nile Basin countries. Egypt considers "historical rights" over the Nile are guaranteed by both treaties from the 1929 and 1959. These treaties provide guarantees to both Egypt and Sudan to 87% of the total flow of the Nile River and the right to veto any up-river project.

These agreements are contested by most of the other Nile Basin countries, including Ethiopia which signed another agreement in 2010. The said agreement allowed it to develop projects on the river, including dams. No approvals were required from Cairo in advance. As a consequence, Egypt expressed her objection to the said treaty, withdrew from the Nile Basin Initiatives (NBI), which includes ten states bordering the river. But, in February 2015 Egypt rejoined the NBI.

In March 2015 a new agreement on sharing the Nile waters was signed by Egypt, Sudan and Ethiopia. The aim was to end years of tension between the Nile Basin countries, and to open the doors for an integration structure corresponding to the Nile Basin. Unfortunately, implementation of the majority of what was agreed in the new agreement faced significant obstacles, to the extent that optimistic hopes were replaced by even talks about possible military actions.

Turning attention to the imperatives, the first imperative is the need for Egypt to secure the Nile from the Delta to as far upstream as feasible. Pushing north to the Nile Delta is a clear requirement for any successful Egyptian Defence strategy. The opposite is the case when Egypt pushes upstream where it quickly encounters very reduced returns. Precipitation in the Nile River Basin, as well as population density represent major and challenging obstacles. However, the need to secure the Nile from the Delta make it a top priority.

The second imperative is the strategic need to command the Suez Isthmus completely. Securing the 160-Kilometers Isthmus where Africa meets the Sinai Peninsula has always been critical to Egypt, going back to the time of the Pharaohs. Then, there is the issue of canals. The modern day version of this Isthmus route is the French-built fresh water canal, that allows, in addition to international navigation, good irrigation and therefore an Egyptian population footprint in a strategic area.

The third imperative is to maintain friendly relations with the dominant sea power of the Mediterranean. As mentioned before, Egypt is an inveterate land power.

As a result, Egypt's independence, and even survival, can easily be threatened by any land power that can cross the desert, or any hostile sea power that can take over Alexandria or simply limit Egypt's contact with the outside world.

Accordingly, Egypt must pursue any relevant form of alliance by any means necessary. In Modern times, this means seeking a meaningful peace treaty with Israel, and not to act as a proxy for any entity that is hostile to the interests of United States, whether it is a State, such as Russia, or Stateless entities, such as Jihadists.

## **II.5. Egypt's Geopolitical reflections To a New World Order.**

Horizontally, Egypt is in the middle of a very fragmented Middle East, on one hand, and an Arab-Muslim/West that is, also, very fragmented, on the other hand; Vertically, Egypt is split, also, especially via the Nile Basin, between Africa and Europe; Diagonally, Egypt is rocked between emerging traditional poles without finding a positioning base.

The challenge for Egypt is to convert these aspects or uncertainties into productive catalysts for cooperation with its many neighbourhoods, and to capitalize on their contradictions by positioning itself as a joint venture that moderates the contrasts, so-to-speak. This faces any of Egypt's Governments with another equally significant challenge. That is to deal with the internal socio-political and economic situation, in a constructive and popularly acceptable way.

As a very important Pivotal State, Egypt is very capable with dealing with such international and internal challenges, provided that well-balanced, fully-inclusive and rational strategy is adopted as soon as possible. Later on in this paper attention will be focused on the challenging agenda that Pivotal Egypt should adopt in the New World Order.

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**III**  
**Part Three**  
**The Uni- Multipolar Structure**  
**And**  
**The US Middle East's Grand Macro-Strategy**

### **III.1. The US Superpower and The Uni-Multipolar Power Structure**

Many decades have passed since the collapse of the Soviet Union, changing the World Power Structure from basically a “bipolar” one during the Cold War to one in which there is only one Superpower; namely the United States of America. This is based on the unmatched magnitude of the US utilized and un-utilized resources, and its economic and military might.

However, being the only one Superpower does not mean that the World Power Structure can be regarded as “Unipolar”, having one Superpower, no significant major powers, and many minor powers. That is a World Power Structure in which the Superpower could effectively resolve any important international issues alone, and no other combinations of other states would have the power of preventing it from doing so.

The United States is not a Superpower in this Unipolar sense, neither is the system a bipolar one as it was during the Cold War period, or a simple multipolar either. The question is what sort of system? According to Huntington “Contemporary international politics does not fit into any of these three models. It is, instead, a strange hybrid, a uni-multipolar system with one superpower and several major powers”.

This means that “The settlement of any key international issues requires action by the single superpower, but always with some combinations of other major states”, on one hand, but, “The single superpower can, however, veto action on any key issues by combinations of other states”, on the other hand,

Based on this, Huntington concludes: “The United States, of course, is the sole state with pre-eminence in every domain of power- economic, military, diplomatic, ideological, technological, and cultural- with the reach and capabilities to promote its interests virtually in every part of the world”.

At the same time, according to Huntington “At a second level there are major regional powers that are pre-eminent in areas of the world, without being able to extend their interests and capabilities as globally as the United States. They include the German-French combination in Europe, Russia in Eurasia, China and potentially Japan in East Asia, India in South Asia, Iran in Southwest Asia, Brazil in Latin America, and South Asia and Nigeria in Africa”.

At a third level are secondary regional powers whose interests often conflict with the more powerful regional states. These include: Britain in relation to the German-French combination, Ukraine in relation to Russia, Japan in relation to China, South Korea in relation to Japan, Pakistan in relation to India, Saudi Arabia in relation to Iran, and Argentina in relation to Brazil”.



Although, in general, one agrees, with Huntington's definition of the Uni-Multipolar system, and his analysis concerning the powers and constraints of the USA as the superpower, the composition of the second and third levels is partially meaningful. Its partiality can be attributed to what appears to be a classification relating to some specific events, disputes or conflicts per se, and is not justified, in some cases, by other strategic factors such as geography, demography, or other factors.

Given the Superpower role of the US in the Uni-Multipolar World Order, and given the critical importance of the Middle East to the US varied interests, and before addressing the role of Egypt as a Pivotal State, one needs to briefly review the US strategy for the Middle East as it evolved in the last thirty years or so.

## **III.2. The US Middle East's Grand Macro-Strategy**

To begin with, one needs to clarify three definitional matters. The first relates to what is meant by the US Strategy. It focusses on the US interests geopolitically, militarily, and economically.

The second defines the Middle East in the context of American strategic interests, broadly speaking, to include many areas and countries in Asia, Africa, and Europe. It starts from the Caspian Sea countries, to the Indian Ocean, The Arab/Persian Gulf, the Red Sea, the Mediterranean Sea, and ending in the African borders with the Arab West.

The third clarifies the role of the Western Allies in the US Strategic interests. Although the adopted version of the strategy is finalized by the relevant authorities in the American "establishment". However, the Western Allies normally play some roles; such as; in initial designing of the strategy, in the policies of implementation, in some "tactical" policies, and in the execution of some strategic elements. There is always some limited margin, and degree of flexibility, allowing protection of the regional interests of the Western Allies.

The US interests in the Middle East can be summarized, to include but are not limited to, in the order of priority the following:

- Israel first regarded as forming a critical part of US interests in the region, and a country that has important impact on the US, politically, militarily and economically,
- Second, Egypt and Iran's geopolitically
- Third, the Gulf Oil
- Fourth, the Caspian Sea Oil
- Fifth, Containing Russian influence in the Region
- Six, The Sea Entrance to the Far East
- Seven, the Rear Sea Entrance to Africa, and
- Eight, The European Belt to the Region

Accordingly, ranking Middle East countries on the basis of the US Strategic Interests in the Middle East, as defined above, can be listed in the following order:

- Israel First, Israel First, and Israel Always
- Pivotal States, to include: Egypt, Iran, Turkey and Saudi Arabia
- Countries in the Strategic domain: Syria, Lebanon, Jordan, Iraq & Palestine
- US Military Basis: Qatar, Bahrain and to some extent Kuwait
- Oil Sovereign Based: Kuwait, Oman, Emirates
- Tactical Pivotal: Emirates
- Other Tactical Cards: Yemen, Ethiopia, Sudan, Somalia, Arteria
- Entry to Africa, Arab Exits, and Mediterranean Entry: Libya, Morocco, Algeria, and Tunis.

It is possible to say that there is a US Grand Macro-Strategy for the Middle East, that can be perceived as multi-dimensional. However, each can be regarded as a strategy in its own right, each focusing on serving specific objective or objectives, or a specific area or areas, or even a specific country or countries. Nevertheless, each form an integral part of the Grand Macro-Strategy. Each has its own time horizon, certain objectives, specific route(s), and other details, but all converge under one umbrella, and ultimate goals serving US interests.

While totally unable to understand or polarize recent changes in the US Grand Macro-Strategy under Trumps Presidency (a position shared by many specialists, as per the May 2019 of Foreign Affairs), one can, still, describe the US Strategy for the Middle East as consisting of the following, as named in this presentation by the author:

- The Stable Disequilibrium Strategy (SDS),
- The Dual Strategy for the Gulf (DSG)
- Constructive/Creative Anarchy (C/CA)
- The Terrorism Equation (TE)
- The New Middle East (NME), and the return to the Two Policemen of the ME, and the Pivotal Legitim�er (PL)

The first two can be regarded as representing what might be described as “The Defense Strategic Umbrella”, which has been in place, implemented, and under implementation for a long time. The third and the fourth aim to ensure the implementation of the fifth; namely “The New Middle East”, with the third providing the theoretical underpinning, while the fourth is one of the implementation instruments, provided the variables of the Terrorism Equation have been activated. Given the time and space limitations, these dimensional strategies of the Grand Macro-Strategy will be briefly discussed.

## **The Stable Disequilibrium Strategy(SDS)**

The terminology used for the Stable Disequilibrium Strategy (SDS) is borrowed from an economic situation where a market disequilibrium remains in place despite many attempts of covering any disequilibrium between demand and supply. Hence this market disequilibrium is perceived as stable.

Applying this scenario to the SDS means that the US Strategy not only accepts certain existing discrepancies in certain imbalances of power in the Middle East, not attempting seriously to solve them, but it represents their preferred status quo. Hence, while the disequilibrium in Economics is a De Facto one, it is a proffered De Jure in the US Stable Disequilibrium Strategy. The explanation is simple: The Singular Nuclear Israeli Capability of Total Destruction, and the absence of any possibility of Mutually Assured Destruction ensures Stability, even if many fundamental problems remain unsolved.

## **The Dual Strategy for The Gulf (DSG)**

Turning attention to the Dual Strategy of the Gulf (DSG), this strategy focusses primarily on the Gulf Area and stands on two pillars: one is geopolitical, while the other is economic. The former compliments in the Gulf Area the Stable Disequilibrium Strategy in the Arab East. It ensures Israeli Nuclear Singular Total Destruction also applying to the Gulf area. The latter focuses in securing the oil and Gas supplies to the US not only from the Gulf, but goes beyond it to the Caspian Sea area.

In both the geopolitical and the economic pillars, as well as in the Stable Disequilibrium Strategy, Iran is perceived as the main obstacle and threat to the strategic interests of the US and Israel. Iran becoming a Nuclear Power is regarded in the US Strategy for the Middle East as the main threat to the US global interests. Hence, it is not an exaggeration if one sums up both strategies in a sentence: all roads lead to Tehran.

## **Constructive/Creative Anarchy (C/CA)**

As to the Constructive/Creative Anarchy (C/CA), contrary to the common belief, this strategy goes well back before Condoleezza Rice. It formed an important idea, under various names, in many intelligence services, and in particular, the American Intelligence entities. Also, the claim that the idea surfaced out, wrongly and by chance, by leaks from intelligence services is not correct. The fact is that it was announced by the US Secretary of State in a Press Conference. The purpose was, obviously, to test the “reaction”, or even meant to be a “disguised threat”, prior its formal approval, and commence its implementation.

Needless to say that this strategy implies replacing existing structures by new ones. The process of change involves, according to Condoleezza Rice,

“democratic reforms and changes in the Middle East which would be “constructive” to the extent of creating better and more acceptable status compared with the current situations in this part of the world”. The question is “better” for who? The implicit answer must have been “better and more acceptable to the United State of America, and, no doubt to its extension in the Middle East; namely “Israel”!!

## **The Terrorism Equation (TE)**

The Terrorism Equation (TE), as mentioned before, is based theoretically on the Constructive/Creative Anarchy, as it implies the words “destroy and build”. It can be expressed mathematically as:

$$Y = F(X, Z, U)$$

where: Y is Terrorism, X, Z are Money/Finance and Islam respectively, while U is a stochastic variable, reflecting uncertainties, such as “omitted variables”, for example. This equation treats Terrorism(Y) as an Endogenous Variable, depending on two Exogenous Variables; namely, X, For Money/Finance, and Z for Islam.

It is, also, a non-linear one, implying that the impact of the two exogenous variables on the endogenous variable is not additive but interactive. In a non-mathematical explanation, the message is simply that the relationship between Finance, Islam and Terrorism is a complex one. The inclusion of the stochastic variable means the existence of many other factors that might have an impact on the level and type of Terrorism, in addition to other uncertainties.

Turning back to the essence of this equation, and, in particular, to which country or countries it was designed for? The answer is, on one hand, focusing on “Oil Revenue” as the main source of the Money/Finance Variable, X. On the other hand, the reference to Islam is twofold: Sunni Islam and Shia Islam (Z), with a focus, geopolitically to both Saudi Arabia and Iran. As to Terrorism, this means all types of Terrorism Jihadists, and another Islamic Extremist violent movements.

According to this equation, to end Terrorism it is necessary to ensure ceasing any financing to the Islam’s extremist’s groups, who carry out terroristic activities and who claim to be fighting for Islam. In the US implicit strategy, the priority is to implement this Equation on Saudi Arabia by, specifically, separating the Eastern Province, where there are significant oil reserves, and, hence, money, from the Western Part, where Islam, and revenue from Pilgrimage is the prime source of revenue.

This strategy, in addition to turning Saudi Arabia into two small and competing states, and given that the Eastern Province is predominantly Shia Muslims, two scenarios are entertained in the US Strategy for the Middle East.

One scenario is based on the assumption that Iran witnessed a radical change in the present political system, and reverted to a political system similar to the one under the Shah, and, in particular, becoming a strategic ally of the United States. In this case, the US would support the Eastern Shia main Oil Producer Province becoming united with Iran. If this happens, Iran would become the most important Oil producer in the world, and the stronger country in the Gulf Area. Under this scenario, Iran can play the role of the trusted agent of the United States in the Middle East region.

The other scenario is based on the continuity of the current political system in Iran, perceived as an enemy to the US strategic interests in the Middle East. In this case, the US will play a competitive card between the Eastern Shia Province and the Shia regime in Iran, oil-wise, Shia-Islam-wise, and political-wise.

### **The New Middle East (NME), The Two Trusted Policemen (TP) and The Pivotal Legitim�izer (PL)**

Under the umbrella of the Stable Disequilibrium Strategy, and the Dual Strategy of the Gulf, and based on the theoretical framework of the Constructive/Creative Anarchy, and within the framework of the Terrorism Equation, the idea of the New Middle East can be explained.

According to Condoleezza Rice, considerable blood needs to be shed to create a new System in the area that is rich in hydro-carbonite resources, which represent the birth of the New Middle East. Similar views were expressed by both Zbigniew Brzezinski and Bernard Lewis, specifying the area for the map redrawing as stretching from the rich Gulf to the Caspian Sea through the Persian Gulf. In their view, this requires redrawing of borders, states and political systems. The idea of a New Middle East can be explained in a very simple way. On one hand, it requires replacing the states that resulted from the fall of the Ottoman Empire by relatively smaller quasi- states, based on sects or religion or race, and activate hostilities between them.

On the other hand, in creating this structure of small quasi-states, destruction of a number of existing states is to be regarded as a top priority, the sooner the better, as advocated by Leo Strauss, stretching from Sudan to Syria, Lebanon and Iran. In his view, shedding huge amount of blood in achieving this (sinister) plan is a better substitute to what he called "Market Democracy".

Despite changes in governments in the United States, the New Middle East plan remains forming an important part of the US Global Macro-Strategy for the Middle East, still based, primarily, on the Constructive/Creative Anarchy idea. However, given the failures of the US military actions in Afghanistan and Iraq in achieving US interests, and the so-called Arab Spring, a 'New/Old" plan of indirect intervention was adopted.

It consists of four pillars:

- Create new regimes in the states, and quasi-states, in the Middle East, whose main objective is to serve the interests of the US in the region, without the need for spreading American Military Bases in the area,
- Return to the “Area Policeman” system with: Israel as the “Punitive Policeman”, and the other is for Iran to return to playing the role of the “Preventive Policeman”, especially in the Gulf area. (A role that Iran used to play during the Shah’s time),
- Create a Major US Army Base in a small Quasi-State in the Gulf, to be regarded as, simply, a ‘Conscript’- Read my Lips!!! And
- Use all possible types of pressure to convert Egypt from playing the role of a “Pivotal State” in a proper independent way, to become rather a “Pivotal Legitimizer”, implementing and/or justifying American plans that, solely, serve the geopolitical interests of the United States in the Middle East. As the US prefers the use of a Pivotal state, rather than any other non-pivotal state, the US strategy has been, anxiously, determined to protect Egypt’s “Pivotal Status”, but to “legitimize” only in the US interests.

The question that arises is: Will the US Strategy vis-à-vis Egypt succeed? The Answer is No, No, and Never, as will be explained later on.

### **The US Strategy (if any) in President Trump’s Dark Gambling Casino.**

In covering the US Grand Macro-Strategy in the Middle East, the analysis was based, primarily, on what was regarded as the fundamental pillars of the United States Strategies, as developed by the “Establishment” entities in the United States Governance system.

However, it is very difficult to claim that the said analysis in this presentation of the constituents, contents, and priorities apply, in one way or the other, to the policies pursued by Donald Trump. It is virtually impossible to decipher.

The difficulties that are encountered in trying to understand the Trump somethings?? Is, virtually shared by many academicians, politicians, and many others. For example, as far as I can recall as a person who has been a reader for a very long time of the Foreign Affairs monthly publication, I never came across a consensus in the main Essays on one conclusion or the other, except in the May/June 2019 issue of Foreign Affairs.

Under the overall heading of “Searching for A Strategy”, the Four Main Essays seem to agree, as the titles of their Essays state:

- Why U.S. Foreign Policy Will Never Recover, by Daniel W. Brezner
- What America can Achieve After Trump, by Mira Rapp-Hooper and Rebecca Friedman,
- The New Age of American Restraint, by Stephen M. Walt, and
- How to Make Right What Trump Gets Wrong, by Kori Schake.

### **III.3. The Middle East's US Grand Macro-Strategy: Zbigniew Breziniski Warning.**

“America is the only Superpower. But, our leadership is being tested in the Middle East, and some of the things that we have done in the Middle East are contributing to a potential explosion region-wide. And if that explosion gets out of hand, we may end up being bogged down for many years to come in a conflict that will be profoundly damaging to our capacity to exercise our power, to address the problems implicit in this global awakening, and we may face a world in which much of the world turns away from us, seeks its own equilibrium, but probably slides into a growing chaos”.

To it I add “Egypt is not just any other country. Egypt is a Unique country, will never ever be subservient to any power on earth. To not only Trump, but to any President of the United States, in a friendly way I say “watch it” do not step any wrong foot when it comes to Egypt. Why, some answers follow in the next part.

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**IV**  
**Part Four**  
**Egypt**  
**A Pivot State: Yes, Past, Present & Future**



## **IV.1. Pivot State; Concept, Identification, Associations, Behaviour and Regional.**

### **Two Studies**

#### **The Hague Institute of Strategic Studies**

The topic of Pivot States has been the focus of many research studies and, in particular, since the end of the Cold War. More recently, The Hague Institute of Strategic Studies published four detailed studies, two of which addressed the Pivot States role in international affairs in depth. One, in 2014, dealt with the question “Why Are Pivot States so Pivotal?”, in which it covered the “Role of Pivot States in Regional and Global Security.” The second, in 2016, focused on “Now-casting Geodynamics-Great Powers and Pivoting.”

While both studies covered the topics of Pivot States and Great Powers, they differed in their specific focus. The former centered on the Pivot States in multi-dimensional ways, and no attempt was made to introduce dynamic and updating considerations, on one hand, nor addressing impact issues, relating to the degree of assertiveness, on the other hand. However, these two dimensions; i.e. dynamism and assertiveness, represent the focus of the second study.

### **Forecasting /Geopolitics Versus Now-casting /Geodynamics**

For this purpose, in the second study, two new terms were introduced. One is “now-casting”-as opposed to forecasting- meaning “the process of monitoring, depicting, and analyzing ongoing developments in international relations as they occur”. The other is “geodynamics”, meaning “the complex dynamics of international interactions in different fields- diplomatic, economics, legal, military, etc.”

The implicit main difference between the two studies relate to the primary purpose in both. Using the primary ambition term of “geodynamics” in the second study meant to stay away from value-laden terms like geopolitics or geo-economics, and, thus, not to be ideological or theoretical, but empirical while the opposite is the case in the first study. However, needless to say the two studies share many concepts, definitions, and substance.

### **Pivot States: Concept**

In both studies, the one based on forecasting and geopolitics, and the second, based on now-casting and geodynamics, pivot states are defined as: “Pivot states possess military, economic, or ideational strategic assets that are coveted by great powers. They are in the middle of overlapping sphere of influence of these great powers as measured by associations that consist of ties that bind (military and economic agreements and cultural affinities) and relationships that flow

(arms and commodities trade and discourse). A change in a pivot state's association has important repercussions for regional and global security”.

This definition purposively relies on a dual meaning in the first study, in which ‘pivot’, both as a noun, and as a verb. In the second study, a third meaning, as an adjective; namely ‘pivotal’, to illustrate the importance of a pivot state for both regional and global security.

## **Pivot States: Identification**

The analysis in both studies starts with the identification of pivot states. The process commences with naming the Great Powers that play a defining role in global politics, in terms of interests, military capabilities and economic strength, and, thus, their actions have a significant impact on the international security environment. As described by Jack Levy the Great Powers, they are disproportionately engaged in alliances, wars, and their diplomatic weight is often cemented by their strong role in international institutions and forums.

## **Great Powers**

Based on these ideas and what is called the three Great Power Criteria that consists of: Military Power, De facto Identification as a Great Power by international conference or organization, and economic wealth, four entities are named as Great Powers. These are named in the first study as: The United States of America (US), Russia, China and the European Union (EU)-whereby the EU is considered to be the sum of its parts. In the second study names great powers as: China, ‘EU’, India, Japan, Russia, the United States.

## **States with Strategic Goods and Pivot States**

To identify Pivot States whose pivoting movements, have the greatest consequences for international security, The Hague Centre created a composite measure that assesses a number of military, economic and ideational strategic goods in the countries that are regarded as strategically important.

The Military Goods encompass three factors; namely, Adjacent to great power, Adjacent to theatre of conflict, and Military expenditure. The Economic Goods covers five factors. They include: Adjacent to SLOC's/LLOCs, Governs a key (air)port, Foreign Direct Investment, Foreign Direct Investment as a % of Gross Domestic Product, Resource Rents, and Resource Rent as a % of Gross Domestic Product. The Ideational Goods are: Secular sites of importance, Religious sites of importance, Religious battleground, Political battleground, Secular leadership and Religious leadership.

In the first Study, based on the scores of each country for the number of strategic goods a state possesses, and on the basis of a specific cut-off, it yields 33 countries, which includes states that are strategically important in one dimension.

This defines the following countries:

- Countries with Economic Goods only are: The UAE, Singapore, Malaysia, Djibouti, and Thailand,
- Countries with Military Goods only are: Georgia, Kuwait, Oman, Mongolia, Turkmenistan, Australia, and Brazil,
- Countries with Ideational Goods only are: Cuba, Ukraine, Venezuela and Syria,
- Countries with Military, Economic and Ideational Goods are: Iran, Turkey, Saudi Arabia, and India, and,
- Countries with Military and Ideational Goods are: Afghanistan, Myanmar, Pakistan, Israel and Egypt.

In the second study, 35 pivot states are identified, being considered to be of strategic importance to the international system. Based on the composite measure of the strategic goods as well as on expert judgment, the following pivot states include: Afghanistan, Australia, Belarus, Brazil, Canada, Cuba, Djibouti, Egypt, Georgia, Indonesia, Iran, Israel, Kazakhstan, Korea, Kuwait, Malaysia, Moldova, Mongolia, Myanmar, Nigeria, Oman, Pakistan, Philippines, Saudi Arabia, Singapore, Syria, Thailand, Turkey, Turkmenistan, Ukraine, United Arab Emirates, Venezuela and Vietnam.

In this second study, it was noted that ‘pivot states’ now tend to make portfolio choices of relationships that they think are likely to enhance their chances to prosper. Rather than projecting their economic, security and political influence on one great power. The dynamic nature of the interconnections that ensue from these new dynamics arguably make today’s international system more fluid.

## **Pivot States-Great Powers’ Association**

### **Ties That Bind**

Before addressing the behaviours that states with strategic goods can make in their associations with multiple great powers, it is necessary to address first the different types of associations that can occur between the two groups. The phrase association is used to put sphere of influence on a more exact and, objectively, measurable footings. It is conceptualized as a combination of what might be called “ties that bind and relationships that flow”.

When reference is made to ‘ties that bind’, it does focus, primarily, on structural bonds between states with strategic goods and great powers. Referring back to the three dimensions of the strategic goods, three proxies are used; namely, Military Alliance for the Military dimension, Trade Agreements for the Economic dimension, and Polity, Religion and Language for the ideational dimension. Each has a Source, a Definition and a Scoring.

To measure ties that bind between great powers and states with strategic goods, scores are, appropriately, added up across the three dimensions. Comparing the spread of ties that bind between the four great powers, US, EU, China and Russia

in 1980, 1995, and 2012 reveals a very interesting feature. As reported in the first study “The overall trend is that, perhaps somewhat paradoxically, states have become generally more tied to great powers than they were in 1980 when they were more concentrated around the centre of the charts of ties that bind, signifying that they were less dependent on any of the great powers”.

As to the people of Egypt, it was in 1980 and in 1995 in the top square of China and Russia, but changed to the top square, marginally, nearer to the EU.

## **Relationships that Flow**

Under the Relationships that flow, dynamic year-to-year factors that change inherently, there is more fluidity in relationships that flow, which are not necessarily bound to existing formal ties. Of course, this does not undermine the importance of the ties that bind. For example, to the contrary, countries that are more likely to engage in military sales; i.e. a flow, if they are members of military alliance, so are trade volumes for countries that are part, say, of an economic bloc. Again, focus is on the three dimensions, Military, Economic, and Ideational. The Proxies used in the measurements are: Arms Transfers, Commodities Trade and Media discourse. In measuring the flow between great powers and states with strategic goods, scores are added across these three dimensions for the years 1980, 1995, and 2012.

The results show there has been significant evolution over time in the relationship between great powers and countries with strategic goods. During the period from 1980 to 2012, the US has been able to largely consolidate its relations with key states with strategic goods. The EU's overall relative influence dramatically declined, but, still, remaining in the lead. Over the same period, Russia has been stagnant, while China rising. This has been, primarily, due to China's dramatic increase in trade volumes with several states with strategic goods, in particular with neighbours in central Asia, Southeast Asia and, to a lesser extent, the Middle East.

As to Egypt, in both 1980 and 1995, the position remained, more or less, the same. It remained stably somewhere in the center of the US/EU square. However, Egypt's position changed in 2012 it moved downward in the negative dimension, but much nearer to Europe, at the expense of the US.

## **Behaviour From States with Strategic Goods to Pivot States**

In both the La Hague's two studies, most important countries that possesses strategic goods have been identified. Now, attention is focused on the different types of behaviors that states with strategic goods can take with multiple great powers.

In the first study, four archetypes of behaviour over the 30 years' period were identified. These four behaviors are: aligning & distancing, pivoting, pivoted and non-aligned.

Aligning & distancing refers to states that are predominantly aligned with one great power. Options for these countries varies from moving closer to (aligning), or further away from (distancing) a great power without necessarily approaching another great power. In this context Western great powers, US & EU, realignment with either does not make a lot of difference in practice.

Pivoting can encompass a wide range of situations. However, all of which have in common a state with strategic goods which is not clearly aligned anymore with anyone great power, and is moving, or being drawn, into the sphere(s) of influence of another great power or multiple great powers. This makes a state with strategic goods a pivot state, that might remain in overlapping spheres of influence for an indefinite period, or a pivot state that might be moving into the sphere of one great power in particular.

Pivoted means that a pivot state has completely transitioned from the sphere of interest of one great power into that of another. In the process of calculating the scores, the period of stay in one sphere of influence is minimum 5 years in classifying a state with strategic assets as a pivoted. It is, also, the case that both the US and EU are not perceived as two separate spheres of influence in classifying a state with strategic good as pivoting or pivoted.

Finally, in the first study non-aligned corresponds with a situation in which a strategic state cannot be considered to be associated with great powers. The results of the calculation of compound scores identified 10 countries as Aligned; namely: Brazil, Canada, Israel, Japan, Mexico, Malaysia, Singapore, South Korea, Turkmenistan, and Turkey. As the Pivoting countries, 20 countries were identified as Pivoting; namely: Afghanistan, Australia, Cuba, Djibouti, Egypt, Indonesia, Iran, Kazakhstan, Kuwait, Myanmar, Magnolia, Oman, Pakistan, Saudi Arabia, Syria, Thailand, Ukraine, Uzbekistan, Venezuela, and United Arab Emirates. Pivoted states were identified as Georgia and Iraq, while India was the only Non-Aligned country.

In the second study of The Hague Centre of Strategic Studies (HCSS), and based on a number of events, and change in the scores, as well as a change in the share of influence held by the great powers, five new categories of identified pivot states' pivoting behavior, as follows:

- Aligning: moving to become more firmly embodied within a great power's sphere of influence (>40% of total influence);
- Distancing: moving away from a great power without leaving its 'sphere of influence';
- Pivoting: moving out of the sphere of influence of a particular great power and being drawn towards the 'sphere of influence' of another great power;
- Stable: being stable in the 'sphere of influence' of a particular great power, showing no significant sign of change;
- Triangulating: adaptively adjusting their portfolio without clear signs of direction;

The results identified the countries under each category as follows:

- Aligning: Cuba (E28), Ukraine (E28), Israel (E28), Moldova (E28), South Korea (E28), Georgia (E28), Kazakhstan (E28 increase, Russia-decrease), Uzbekistan (E28),
- Distancing: Syria (E28), Kuwait (E28), Iraq (E28), Australia (E28), Canada (E28), Mongolia (E28), Nigeria (E28), Pakistan (E28), Indonesia (E28), Turkmenistan (E28), UAE (E28), Venezuela (E28), Vietnam (E28), Iran (E28),
- Pivoting: Myanmar (EU-decrease, China-increase),
- Stable: Brazil (E28), Djibouti (E28), Malaysia (E28), Turkey (E28), Egypt (E28), Oman (E28), Philippines (E28), Saudi Arabia (E28), Singapore (E28), Thailand (E28), Afghanistan (E28-stable, moving slightly towards US),
- Triangulating: Belarus (E28+ Russia, relatively stable).
- Egypt (and Brazil) has been part of a dominant E28 sphere of influence, rising to > 70% in 2005 and nearly 80% in 2006 respectively, and since fluctuating around 73% and 80%. Since the E28 influence rose above 70%, the US influence has dipped below 20%, and has been hovering at around 10% thereafter in the case for Egypt (and around 15% thereafter in the case of Brazil).

## **Pivot States by Region**

Distinguishing between states with strategic goods that are pivoting or pivoted from those that are either firmly aligned or non-aligned, 22 pivot states that are caught in overlapping sphere of influence, are spread out geographically in clusters throughout the system.

There are five principle zones of pivot clusters: The Caribbean (Venezuela and Cuba); Europe's Eastern Borders (Ukraine and Georgia); the Middle East (Egypt, Syria, Iraq, Iran, Kuwait, Saudi Arabia, The Emirates, Oman and Djibouti); Central Asia (Kazakhstan, Uzbekistan, Afghanistan, Pakistan and Mongolia); and South East Asia (Myanmar, Thailand, Indonesia and Australia).

These pivot states are wedged in between sphere of influence of great powers, with ramifications of potential security risk.

## **IV. 2. Pivotal Egypt's Future Pivoting Strategy**

### **Pivotal Egypt's Analytical Definition**

In the two research studies of The Hague Institute of Strategic Studies, Egypt was identified as a Pivot State with relevant strategic goods. In terms of behaviour it was defined as a 'Pivoting' state in the first study, while in the second study it was regarded as a 'Stable/Pivoted' country. These identification of Egypt as a Pivot State, in both types of behaviour, were, both, based on an empirical measurement relying in a composite index of military, economic and ideational goods. The same method was used in the association classifications.

Defining Egypt as a Pivotal state was also advocated in other studies relying primarily on analytical justification. For example, in a very in depth study of Pivotal States, Robert Chase, though focusing in US interests only, starts by defining a Pivotal State stating that “what really defines a pivotal state is its capacity to affect regional and international stability. A pivotal state is so important regionally that its collapse would spell trans-boundary mayhem: migration, communal violence, pollution, disease and so on. A pivotal state’s steady economic progress and stability would bolster its region’s vitality and political soundness, on one hand and benefit American trade and industry, on the other hand”.

Based on this definition, he proposed a framework for the US foreign policy that assumes that of the world’s 140 developing countries, there is a group of pivotal states whose futures are poised at critical turning points, and whose fates will strongly affect regional and even global security. He named nine States- Indonesia, India, Pakistan, Turkey, Egypt, South Africa, Brazil, Algeria and Mexico. He proposed that these are the countries upon which the United States should focus its scarce foreign policy resources.

Based on the above definition, both Robert Chase (1996), and Roger Owen (in Chase 1999) argue, most strongly and eloquently, for selecting Egypt as a “Pivotal State” in both internationally and in the Middle East, in both positive and negative aspects. According to Owen, Egypt is well placed to play a number of regional roles, whether as a potential leader of the Arab world, an ally of the United States and with peace with Israel, or an essential component of the burgeoning Euro- Mediterranean partnership, and as one of the Middle East’s major military powers. Also, it has critical interests in demography, land and water use, and the environment, many of which can best be promoted in a regional or international context. More importantly, Egypt is the one best placed to act as intermediary between America and Israel, on one hand, and the rest of the Arab world, including, in particular the Palestinians, on the other hand.

However, while agreeing with Chase and Owen’s definition of Egypt as a Pivotal State, there are serious concerns relating to the Composition of its Strategic Goods, the Association with Great Powers, Pivotal Behaviour, and some domestic issues. These are addressed in what follows.

Nevertheless, an important observation needs to be made, in general, prior to dealing with Egypt’s specific-related issues. That is “Pivot states have different security roles in the international system. Some pivot states are spoilers; others are flag bearers. Some are frail vassals; others are weak but surely not meek. Some would be kept at a safe distance from, others, despite being in dire straits, should not be abandoned”. To conclude, one can say that “all these roles are crucial for understanding how pivot states can, if not necessarily will, shape the security environment. And it is these roles that policymakers should take a close look at before formulating policies that will shape the (our) security environment”.

## **Egypt's Pivotal Behaviour From Stable (Neo-Colonial) Pivoted To Stable (Non- Flirtatious) Pivoting**

In the 2012 study of The Hague Centre of Strategic Studies (HCSS), Egypt, a Pivot State, was classified, in behaviour, as a Pivoting State. However, due to growing international volatility, as a result of changes in conflict and cooperation in great powers assertiveness, in allegiance between states, pivot states became prone to shifting between great powers alliances. Thus, in the 2015 study of The HCSS, Egypt, as a Pivot State, changed in behaviour's classification, to be defined as "Stable". It should be noted that, in comparing the two differing classifications of Egypt, one needs to take into account that the two Studies did apply two, slightly, differing general classifications. This was due to the application in the later of the "Now-casting Geodynamics" analysis.

To understand the ramifications of the change from "Pivoting", in 2012, to "Stable" in 2015, and to compare the de facto change in Egypt's pivotal behaviour, one needs to recall what the two terms share between them. This would prove that the "Stable" definition is in essence based, fundamentally, on "being stably in" the sphere of influence (interest) of a particular great power, showing "no significant sign of change". Without a doubt the classification of "Stable" is, in effect, and using the 2012 definitions, classified Egypt in 2015 as having changed from a "Pivoting State" to a "Pivoted State".

This raises three questions: one whether Egypt continued since 2015 until now as de facto "Pivoted"? and, more importantly, the second as to whether it is in the best interest of Egypt to remain "Pivoted", and in this context remained Pivoted to the EU28? Or, even, Pivoted to any other Great Power? But the third, which is the most important one, relates to what position Pivotal Egypt should play if it ceases to be classified as a "Pivoted State"?

To address, rather than answer the first question, one has to emphasize the fact that the world scene has witnessed since 2015 until now an unprecedented period of conflicts, instability, and a much greater period of uncertainty. In particular, the Middle East region is in a disastrous state. In Syria and Iraq there is an almost, a complete disintegration of state structures. Even the two states that remain intact and, to some extent, stable, and the ones, Turkey and Iran, with the most historic record of being relatively great regional powers, are, now, under significant threats.

This situation has unleashed old antagonisms in the whole region: Sunni versus Shia, Arabs versus Persians and proxy wars in Syria, Iraq and Yemen between Wahhabi Saudis and Shia Iran. Even Egypt, known historically as the most stable great regional power, had to fight for its survival against fanatic attempts to abolish its sovereignty as a state, in favour of a so-called a sinister "Kalifate Empire", which, of course, failed. Libya is virtually in a civil war, Algeria and Sudan are, both, boiling, so-to-speak, in 'dark rooms' with unknown futures, and, hence,



gross instability, while Tunisia's governance is quasi-stable. As to the Gulf area, apart from Kuwait and Oman, the remaining countries are in total turmoil. Iran has developed a "Shia Arch" reaching from Lebanon (Hezbollah), to Syria, South Iraq and the Gulf States (supporting Shia Arabs), which for Iran is a self-defence system.

If one, also, takes into account the international scene, the picture is not any better. Not only the possibility of a repeat of another Iraq catastrophe appears on the horizon. This time a US war against Iran is not to be ruled out, with the possibility of Saudi Arabia and the Emirates being pressurized into this irrational Trump's policies. In addition, implicit and disguised pressures are pursued, by the US and other regional powers, to drag Egypt into these totally chaotic and dangerous conflicts. As to the global picture, one can, sadly, recall the cover page heading of the May 18th-24th issue of the Economist magazine; that is "A NEW KIND of COLD WAR".

With this background of gross uncertainty, and in absence of any recent updates of the HCSS's studies, one is inclined to have no option but to assume that the classification of Egypt, a Pivot State, remains a de facto Pivoted, but perhaps not a "stable" one, which should be regarded as totally unacceptable for many reasons.

On one hand, the real meaning of "Pivoted" could be regarded as a modern efficient and hardly costly form of "Neo-Colonialism". On the other hand, the current saga of Brexit, and the unfairness, in principle, of the negotiating relative powers of one pivoted country, Egypt, versus 27 or 28(?) countries, certainly, are, not in the best interest of Egypt in the future. Hence, what remains to be addressed is the second question: is it in the best interest of Egypt to remain classified as, stably(?), a "Pivoted" state? In a wise considered and a loving- to Egypt- modest person's view the answer is: simply and categorically: NO!

At the outset, one is inclined to say that it is most likely that Egypt became a "Stable; Pivoted" by chance, rather than as planned. Egypt's long history has always been one that regarded "independence", as the most important goal that the people of Egypt never had any substitute. That does not mean that moving away from the Pivoted to, say, a Pivoting State can, also, be allowed to happen by a chance. Neither does it mean that the alternative choice, to be pursued, would be unconditional, rather than a truly bespoke one, if possible.

Faced with the dilemma, so-to-speak, with the one alternative, the best option for Egypt to adopt is to 'move' from being a (stable) Pivoted, to playing the role of "Pivoting". However, this does not imply Egypt moving from the one choice to multiple choices unconditionally. To the contrary, a number of specifics associated with moving in that direction must be satisfied. As a start, the move should not occur by chance over time, but should come about as a result of a carefully thought out strategy, plan and programme for implementation over a reasonable time horizon. In a nutshell, Egypt's Pivoting should not be applied "flirtatiously". Neither it should be pursued, as if in a 'gambling casino'. No repeat

ever of the 1967 special gambling war!! But, it should be a “Strategic, Systematic and with a detailed Programme”.

The Pivoting Strategy should have some specific aims. These should include, but are not limited to: 1- Pivoting Egypt Versus Great Powers, aiming to strengthen Egypt’s negotiating hand, so-to-speak, 2-Pivoting Egypt versus Pivotal Israel, with the aim of restoring regional balance of power and, hopefully, achieving, meaningful peace in the Middle East, 3- Pivoting Egypt versus Pivotal Iran, with the aim of, hopefully, achieving regional stability, 4- Pivoting Egypt not ruling out, at least tactically, leading other alliances with other Pivotal and non-pivotal countries, and 5- Pivoting Egypt versus Pivotal Egypt, with the aim of strengthening domestic foundations. In this connection the term “Four-a-Pivoting” or “Four-a-gulating” would be used. For Egypt’s Pivoting Strategy, Great Powers are to be defined as: The United States and The United Kingdom, jointly and interactively without ruling as other options, The EU 27(or 28) based on the outcome of Brexit, if any, China and Russia.

In order to ensure the “effectiveness and assertiveness” of any Pivoting policies, at least two essential conditions, amongst others, must be satisfied.

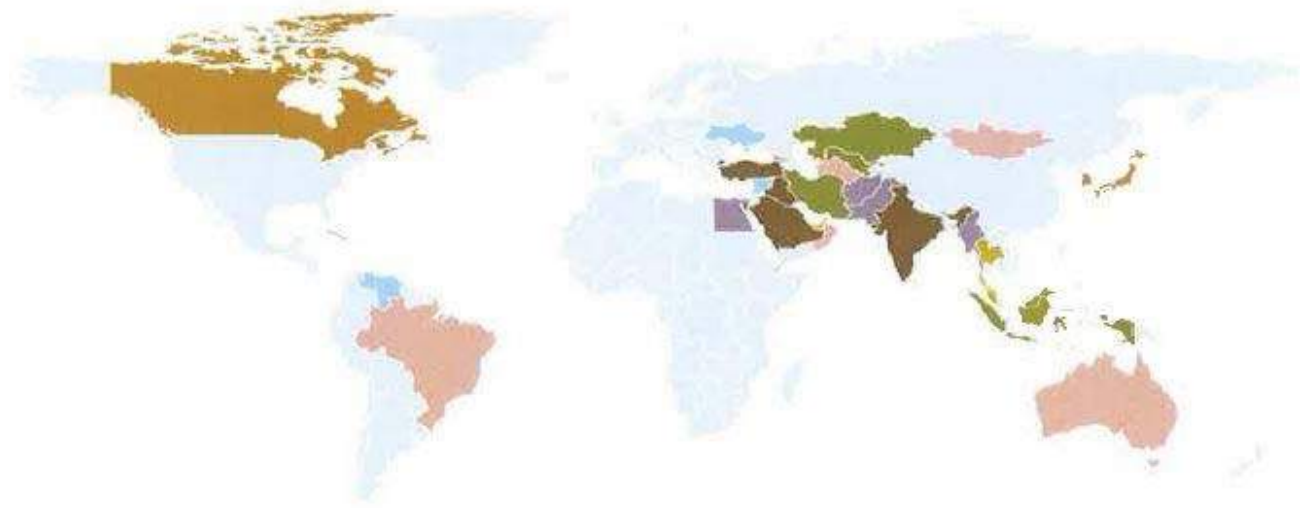
One relates to the clarification and avoidance of any confusion about Egypt’s “Identity”. With all due respect for other historical, and geographical dimensions that might have had, and still do have, influence on Egypt’s identity, the focus should be on the revival of “Egyptian Nationalism” as the one and only one identity for Egypt and the Egyptians. Egypt, desperately, needs to return to the “golden age”; a return to the fever and zeal of Egypt’s 1919 Revolution, which was Egyptian Nationalistic in every single detail. This can be achieved by “populism”; i.e. by direct appeal to the people, to their acquisitive and patriotic instincts.

In this connection, religious harmony is an essential requirement for domestic stability and consolidation of identity. Despite some recent improvements, the Egyptian Copts are still suffering from serious discriminations and inequality. It is time to return to the Crescent and Cross days of the 1919 Revolution, under the sole banner of “Egyptian Nationalism”, only and no other nationalisms!!!

The other relates to the inadequate composition of Egypt’s definition as a “Pivot State”, which was calculated on the first study of the HCSS as based only on two strategic goods; namely: Military Strategic Goods, and Ideational Strategic Goods. (Figure 1.1) A very important instrument of Pivoting is critically need to be, legitimately, added; namely the Economic Strategic Goods.

Their exclusion from Egypt’s definition as a Pivot State was due to two specific serious problems relating to the Egyptian Economy. One is attributed to the very significant deficit in the Balance of Trade, with imports, particularly of food, exceeding exports, in a significant and increasing way. While the other relates to the significant, and continuously increasing, deficit in the Government Budget, with the very alarming level of Public Debt, domestic and foreign.

Although there has been significant improvement in Egypt's Economy, unless those two strategic economic problems are to show, at least, some improvement, the continuity of these problems are likely to have adverse effects in Egypt's assertiveness as a Pivoting State.



Map 1.1: States with Strategic Goods, excluding the Great Powers

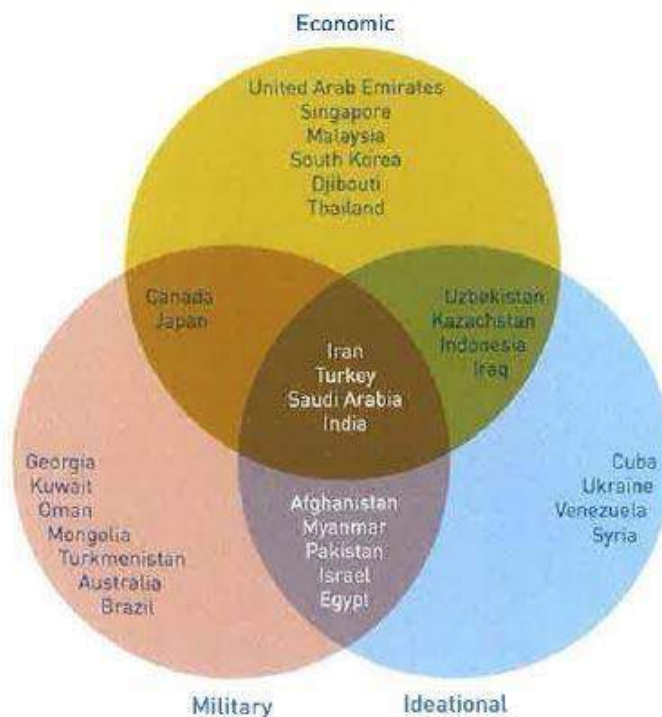


Figure 1.1: States with Strategic Goods

### **IV.3. Egypt's Five-Pronged Pivoting Strategy**

Based on the previous analysis of the desired Pivoting role of Egypt, and, in particular, attention now turns to what Egypt's Pivoting Strategy, given the aims desired for and such strategy. As a start, it is desirable to define what is meant by such a strategy.

Quoting Robert Chase, Pivotal State Strategy “encourages integration of new security issues into a traditional, state-centered framework and lend greater clarity to the making of foreign policy. This integration may make long-term consequences of the new security threats more tangible and manageable, and it would confirm the importance of working chiefly through state governments to ensure stability while addressing the new security issues that make these states pivotal”.

While this definition might sound as interpreting the Pivotal State Strategy as relating, only, to traditional military security; i.e. as Old Security, rather than to the new security issues of, say, environmental degradation, overpopulation and underdevelopment. This is, certainly not the case given the repeated reference of ‘integration’ in the above definition. Similarly, reference to ‘Foreign Policy’ as if it is the (sole) instrument of pivotal strategies’ arm of action should be regarded in the context of the entity that has responsibilities for expressing the State’s policies overseas.

Based on the above concept/definition of a Pivotal State Strategy, a Five-Pronged Pivoting Strategy for Egypt is proposed. The said Strategy is structured in such a way in order to maximize the possibilities of fulfilling the strategic aims of Egypt’s Pivoting policies in the Middle East, and other associated areas of the interest. The Five-Pronged Strategy is presented below. However, again, to comply with scientific analysis’ requirements, the proposed pillars of the said strategy should be regarded as “an integrated hypothesis”, that can only be confirmed or otherwise once it has been subjected to appropriate testing.

#### **The First Strategic Prong: A Quasi-Pivoted Strategic Relationship between Egypt and the U.S. and the U.K.**

This pillar aims to signify the need to put in place an effective structure of a relationship between the US, as a Superpower, the UK, as a Great Power and with a historical Special Relationship with the US, on one hand, and Egypt, as a regional Pivotal State, on the other hand.

For this Trio-Strategic Relationship to be formalized, three conditions must be satisfied:

- The first condition is the need for a Special Relationship between the three parties,

- The second condition that there should exist a formal basis for the relationship between the three key parties, which must go beyond a normal diplomatic embassy representation, and
- The third is that all the key parties are to be involved in any situation requiring their involvement, by definition or formal agreement, until a decision is reached between them.

With the fulfillment of the above conditions, a “Uni-Multipolar Consultative and Policy Structure” is proposed, as per Figure (C 1.2). This proposed structure is assumed to be, primarily, applicable to the Middle East, broadly defined.

Focusing on the upper part of the graph, the main feature is the establishment of a Permanent Policy Panel (PPP) between Britain and Egypt, in which both countries are represented at the Under-Secretary level. As the title indicates, the purpose is to reach agreement in policies, rather than to consult only. Also, it is in the form of a Panel in order to ensure appropriate representation. The Permanent Panel interacts with others, as appropriate. It interacts on policies with the US- the double arrows- while consultative activities- dotted lines-continues, on the one hand.

On the other hand, two committees are established: The Middle East Consultative Committee and The Europe Consultative Committee. The main scope is consultative. However, both Committees would be permanent.

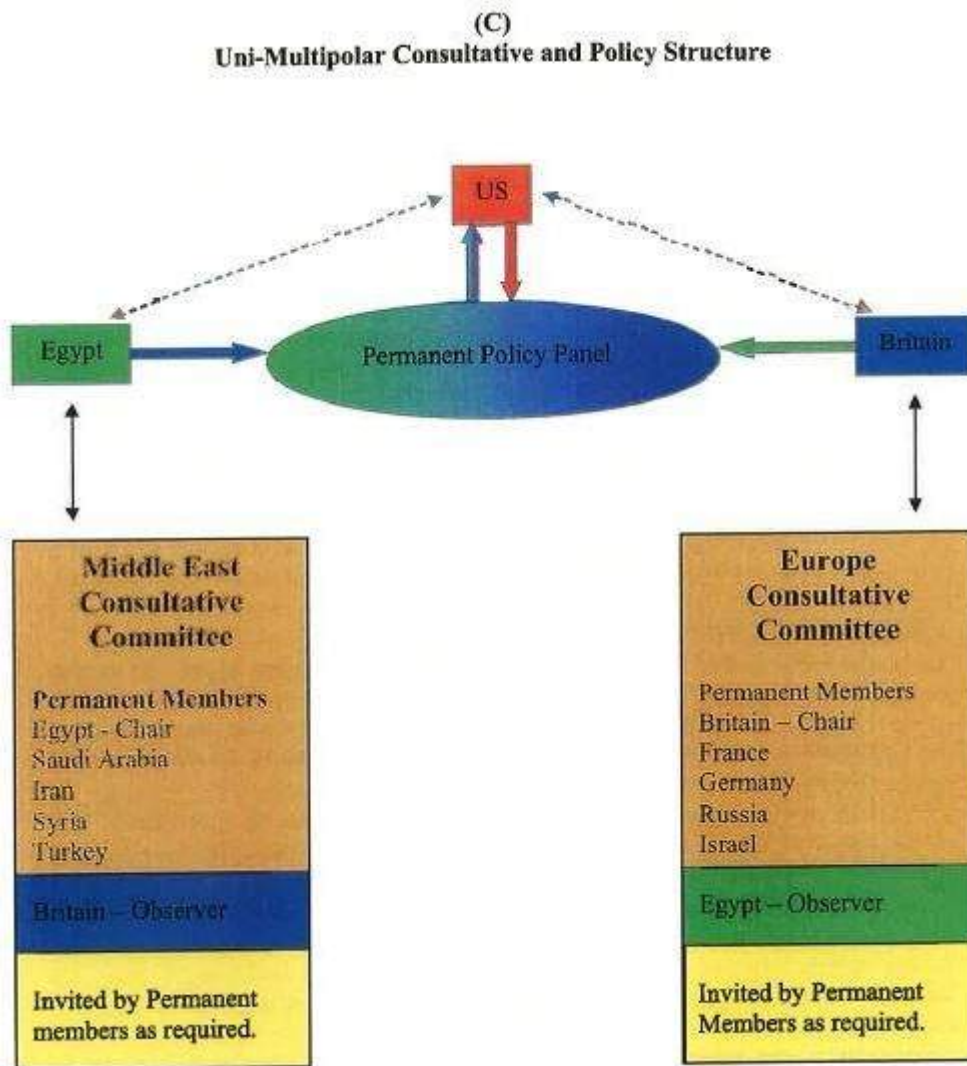
Membership of the two committees would be of three types: permanent, observer and invited. Permanent membership is reserved for Great Power, Britain, and the regional Pivotal, Egypt, chairing, respectively, the relevant committee. Other permanent members are other important players. As shown in the lower part of the graph, these consist: in the Middle East Committee; Saudi Arabia, Iran, Turkey, and Syria, and the case of the Europe Committee; France, Germany, Russia, and Israel.

An observer status is reserved ultimately for Britain and Egypt. As to the seats reserved for invited guests, they are not meant to be permanent members, but as invited by the Chair, in consultation with permanent members, and in relation to specific situations. As indicated by the double arrows, consultative activities are interactive and two-ways, and,

Also, one can assume consultation with others, as appropriate. For instance, the Middle East Committee can liaise with, say, the Arab League, and, similarly, the other Committee liaising with the EU. One should not exclude consultation with international organizations, such the United Nations.

\*\*\*\*\*

Figure 1.2



## **The Second Strategic Prong: A New Framework for a Just and Lasting Peace in the Middle East.**

I feel rather hesitant to start the above subject with a controversial message. One that reflects controversies in both Israel and the Arab World. The most significant one relates to politician's handling of the Arab-Israeli conflict, normally in an aggressive one-sided way, on one hand. On the other hand, there is the reference to people's fluctuating attitudes for and against politicians and, also, as to the way they should behave in a people-to-people's views. To avoid being misunderstood in this saga in one way or the other, that has been continuing since 1948, or even since the Balfour Declaration in 1917, hence, the chosen decision is, wisely, to address this part of the paper to "Peace-Seekers" only, being Israelis, Arabs or others.

*To the Peace-Seekers of the people of Israel I say:*

*"You, the people, are not my enemy, and I have no hostility towards You"*

*As my brothers, People of the Book:*

*"Your faith is an integral part of my faith" and I follow Lord Jesus in Loving my Neighbor".*

*And as per Psalm 103:7-8, I listen to the Lord, Who:*

*"Made known His ways unto Moses. His acts unto the children of Israel.*

*The Lord is merciful and gracious, slow to anger, and plenteous in mercy'.*

*To those, particularly Egyptian Jews, who, in harmony shared with us, Muslims and Copts, centuries of one happy history, I say:*

*"You are, still, part of "Us", and we wish you no evil".*

*And repeat, dear God:*

*"Lead us not into temptation, but deliver from evil".*

As time of the essence, we need, now without delay, to put our hands together, fairly and lovingly, and work together with the aim of achieving genuine, and lasting peace. For this purpose, one should start by revisiting the Camp David Treaty.

## **Camp David Peace Treaty: Not an Appropriate Framework for A Future Peace Strategy.**

When the Camp David was signed, the Treaty was celebrated as an end to wars and hostility, achieving a real peace. However, in reality, it would be more appropriate to describe it as a "Truce Understanding", cosmetically dressed up in a "Treaty Format", so-to speak.

Fundamentally, the Treaty did not recognize Israel's Nuclear Weapons, nuclear resources, and nuclear plans. Probably, the 'excuse' was that Israel's nuclear capabilities at the time were perceived(?) to be, unthreatening, limited, and had only few nuclear warheads. Even if this was acceptable, this did not represent the only unequal treatment between the two parties in the Treaty.

Furthermore, the Multinational Force and Observer (MF&O) was not approved by the UN, contrary to what the Treaty stipulated. Instead, a separate Protocol was signed in Rome in August 1981 between the US, Israel and Egypt. It (MF&O) named the Forces to be predominantly US forces, which has never been approved by the UN until now.

In a recent special issue (Winter, 2019) of “The CAIRO REVIEW of Global Affairs) that focused on “From Camp David to Oslo To.....?”, most of the Articles regarded the Camp David Treaty, in substance and applicability, as totally out of date, and cannot be used as a base, or even a framework, for future peace in the Middle East. Mr. Nabil Elaraby, who was a member of Sadat’s Delegation who, all, except one, disapproved the Camp David Treaty, wrote an article in this issue with a title of “No- Solution”, referring to the Camp David Treaty. He summed up the reasons in a very parsimonious heading for his article, as:

*“Peace did not prevail because certain ambiguous provisions contained in the Camp David Accords enabled Israel to deliberately evade its obligations and frustrate the entire peace process.”*

Furthermore, since then significant serious changes in the Israeli-Egypt/Arabs situation have taken place, which is summarized, as follow:

- Current Israeli Nuclear Military Doctrine is “An Offensive” one
- Israel Has a formidable Singular -Mass-Destruction Capability
- Israel Is the Sole Power with Thermo-Nuclear-Field’s Capabilities
- A Short and Long-Range Diversified Delivery System
- An Advanced Cyber Attack System
- Readiness to Use such Arsenal almost Immediately
- Israel’s Missile Defence system is an Integrated one, as part of the US Strategy
- Israel ‘s Conventional Weapon System is one of the most advanced, worldwide,
- Israel’s Chemical and Biological Weapons are a Reality, reflected in Israel’s refusal to sign the relevant CWC and BWC Agreements,
- Most significantly, Egypt is classified as an “Enemy” in Israel’s Defence Strategy, and
- Moreover, there is a “Claim Over Sinai” adopted by many Israelis, particularly as the Camp David Treaty included, sadly, an infringement in Egypt’s sovereignty over significant parts of Sinai.

Given the above, Nabil Elaraby sums up the situation, in his recent articles, in a very impressive two conclusions:

Conclusion One: “At present and in the light of Israel’s policy of obstructionism and the Trump administration’s obvious bias, the Camp David Accords represent an echo of the past, rather than a model for future peace. Stalled negotiations



present an opportunity to rethink a deeply flawed and outdated approach to Arab-Israeli peacemaking". And,

Conclusion Two: "Perhaps it is time to abandon the US-led peace process that Camp David set up in favor of a more proactive approach and a process that is building continuous, and anchored in justice and the rule of law".

If this is the case, what options are available?

## **Camp David Is Dead and (de facto) Buried, What and When "NEW BABY TWINS" hopefully, Will Be Born?**

Before addressing this question, few matters need some clarification. To begin with, by stating that Camp David Treaty/Accord is "Dead & Buried", it is meant that Camp David, as it is, will not be on the table for any further negotiations, or for any attempt to make any amendments. This Treaty was born deficient, mentally retarded and disabled, so-to speak. Faulty yesterday, Faulty today, and would be Treble-Faulty if it is to be, madly, considered tomorrow.

Another clarification relates to what scope the above query is all about? One thing is to highlight that in dealing with either of the questions of "What and When", logical and systematic analysis will be the methodology to be adopted. Specifically, no political negotiations will, even, start unless and until equality in the negotiating hands are ensured. (However, as a patriotic Egyptian, my hope is inequality in the negotiating hands in favour of Egypt !!). This means that any Military gaps that are not in favour of Egypt must be bridged, in substance and meaningful ways.

This, also, means the start of analysis in what follows will be focused on defence capabilities and doctrines. Once these defence issues are addressed in a satisfactory way. Political matters will then become the focus, with the main aim of being able to propose, at least, a framework for a meaningful Middle East's just and lasting peace.

However, at this stage, it is emphasized that the choice of the words "NEW BABY TWIN", was not randomly selected. To the contrary, the words NEW BABY means a "New Framework and Agreement" to be entertained, primarily and totally away from either "Camp David or Oslo" obsolete so-called Treaties or Agreements. As to the word "TWIN", the choice of this word is to highlight the essential need for "EQUALITY" amongst the parties involved, with the word Parties to be broadly defined. In a nutshell what would be Born, being a Twin, could be regarded as One and only One; in other words, One and only one Framework/Agreement, and by a Baby it is meant a "First Framework/Agreement", which will grow, happily, healthy and constructively over time. Ultimately, as a mature grown-up, Just and Lasting Peace will have been reached. The question that presents itself in this connection: are there any

Security Options available that can form the basis of meaningful political settlements?

## **Balance of Power: Not Applicable.**

Starting with conventional weapons only, it is possible to entertain the “Balance of Power” as a possible base-option for, at least, the start of a peace process between Egypt and Israel, and, as a consequence, to be applied to the other parties of the Arab-Israeli conflict.

From Egypt’s side, this can be justified on the following basis:

- Nuclear capabilities aside, Egypt’s Army is, and has been, ranked amongst the top world leading armies, and, most certainly, ahead of the Israeli Army,
- The relative sizes of the two countries, and the sizes of their armed forces, provide significant advantages for Egypt.
- Mobilization of respective forces places Israel, and the length of period of mobilization places it particularly its economy, in a very disadvantageous position.
- This becomes worse for Israel in the event of any type of engagements, including, but not limited to, intermittent war of attrition.
- Going beyond the short term, the demographic factors do not favour Israel, and
- Egypt’s October 1973 remarkable achievements is clear evidence of Egypt’s capabilities.

Under these circumstances, is it possible to entertain the “Balance of Power” concept as a potential base for a new Peace arrangement. Particularly as historical European evidence of the 18th and 19th centuries, and up to the first half of the 20th century, was that of a European balance of power order!

However, as argued by Robert Cooper, the following should be noted:

- “With the balance of power went the doctrine of reason d’état, which was first put forward by Machiavelli. It is based on the proposition that states should not be subject to the same moral constraint as individuals”.
- “The balance of power had an inherent instability. It was a system in which a war is always waiting to happen”.
- Moreover, one should not generalize, for as Cooper adds “The kind of world we have depends on the kind of states that compose it; for the pre-modern world, success is empire and failure is chaos. For the modern world, success entails managing the balance of power, and failure means falling back into war or empire.”

In the case of Egypt, and, also, taking into account, Israel’s Nuclear Capabilities, this leads to one conclusion, with Israel’s Singular nuclear capabilities, this makes “Balance of Power” totally inapplicable as a base for future peace.

## **Mutually Assured Destruction: No, Except as a last Resort.**

Mutually Assured Destruction (MAD) is a doctrine of military strategy and national security policy, in which “a full-scale use of high yield mass destruction weapons by two opposing sides would, effectively, result in the complete, utter and irrevocable annihilation of both the attacker and the defender”.

The MAD theory assumes each side has enough nuclear weaponry to destroy the other; and that either side, if attacked for any reason by the other, would retaliate without fail with equal or greater force. The expected result is an immediate irreversible escalation of hostilities resulting in both combatant's mutual and assured destruction.

The doctrine further assumes that neither side will dare to launch a first strike because the other side will launch on warning (also called fail-deadly) or with secondary forces (a second strike), resulting in unacceptable losses for both parties. The pay-off of the MAD doctrine is expected to be a tense but stable global peace. As a form of nuclear deterrence, it depends on several assumptions. Examples are: Second Strike Capability, Perfect Detection, Perfect Rationality, and Inability to defend.

Given the above, the pertinent question that arises:

Should Egypt aim to acquire matching, to Israel's, nuclear capabilities, for MAD to be applicable, as the underlying basis for Peace?

In terms of potential, the answer is simple. Should Egypt decide to pursue this approach, Egypt has all that it takes to achieve it in a reasonable period of time. However, the majority of Egyptians, myself included as a pacifist who hates wars, would not go along with the view of building up matching weapons of mass destruction capabilities- and associated sub-systems- in order to base a just and lasting peace on a potential mutual lake of blood!! Perhaps, only as a last resort if all fails, which hopefully NEVER.

## **Mutually Assured Peace (MAP): The Way Forward.**

Mutually Assured Peace (MAP) was first put forward in a Canadian Initiative to the UN in 1989. The proposal involved sponsoring the “creation of a new United Nations Office of Mutually Assured Peace (UNOMAP)” **Here are a few are worth.** It envisioned that the initiative will give the UN a capability to act synergistically to bring common security, peace planning and associated activities into a new relationship, on the one hand.

On the other hand, Mutually Assured Peace is based on the concept of “Universal Security”. Its main idea is that of “Common Security” on the world scene. Hence, the principles of Universal Security “obviously impose limits on an individual's

state sovereignty to take any military, or ideological steps which might bring the world to the brink of nuclear conflict”.

By Mutually Assured Peace (MAP) it is meant that each of the principal parties concerned, Egypt and Israel, both separately and mutually, have genuine “intent” to seek real and lasting Peace. Also, they should have the “capability” to achieve Peace. Intentions for Peace are not sufficient, as they will be reflections of wishful thinking, so-to-speak. Capability, alone, is not desirable for unless it is associated with genuine intentions for Peace, there is a danger of turning into a sort of “balance of terror”, which may not, necessarily, be of a WMD type. In other words, either of the two, intent and capability, is not sufficient. Only both, intent and capability, are necessary and sufficient. As always, the question, is how to turn it into reality. It is action, not words, that matters, as the saying goes?

As to intentions, one can easily say that when it comes to people, Egyptians, Israelis, Palestinians, and Arabs are all, without any doubt, peace-seekers. They dream of a world without wars, one would, with love, compassion and tolerance amongst all, hope to replace hatred, animosity and revenge. A return to this part of history when all Jews, Christians and Muslims lived happily together, replacing the sufferings and human losses since 1948 until now.

However, one cannot say the same about the area government’s intentions, or, at least not to generalize. Depending on their political agendas, governments sometimes show intentions of being peace-seekers. Other times, they play tactical games, say for election purposes, in order to act as heroes. Also, one cannot ignore the roles that are frequently played as a result of foreign interventions, regional and international.

Hence when it comes to intentions for peace, one can do one’s best endeavour to persuade them to work hard, and in a genuine way, for real lasting peace. However, there are some actions that should be taken in order to confirm the party’s real peace intentions. Here are a few worth mentioning:

- One is to try to unify Palestinians and Israelis in a meaningful and active way aiming, jointly, for achievement for real peace. In this connection, perhaps it is a time for the Palestinians and Israelis to rise, jointly, in, say, a Palestinian/Israeli Spring against those who have been governing them for a very long time, with nothing achieved whatsoever.
- Another is to show, in action not words, respect and implementation of relevant UN Resolutions relating to just and lasting peace.
- Also, foreign intervention in the area’s affairs must stop. Along the same lines, certain regional powers must stop using the Arab-Israeli conflict as a tactical card in a zero-sum game.

With both Egypt and Israel sharing the views of the great humanist Cervantes that “Peace is the greatest good that people can wish for in life”, now attention, is, focused on revisiting their capabilities to achieve it. The answer is, simply, that both have the capabilities to take some significant steps, separately and jointly, in that direction. Examples can be recalled, as follows:

- For Israel, more realistic steps, can, at least, be taken by beginning a serious program of rationalizing its Military Doctrine, and to adjust its military capabilities accordingly. By peace being adopted, an Offensive and Pre-emptive doctrine becomes unnecessary. Also, this change should, also, be associated with ceasing all other hostile actions, such as continuous espionage within Egypt and about Egypt’s affairs, to threatening Egypt’s African sources of the Nile.
- For Egypt, a new integrated policy could place in action, modifying the existing very hostile publicity campaign, with a carefully thought out one, focusing, positively, on real peace, on one hand. Also, Egypt’s Military Doctrine might need some revisiting to reflect, cautiously, the genuine move towards peace.
- For both Israel and Egypt to entertain the possibility of entering an “Anti-Ballistic Missile (ABM) Treaty, and to be regarded as a top priority.

The above measures are only examples of what policies can be pursued in order to aim, jointly, for a Mutually Assured Peace(MAP) between the parties.

The question that arises relates to how to make this strategic objective; namely the Mutually Assured Peace, a reality, leading, ultimately, to just and lasting peace? In this connection, the role of Great Powers in the achievement of this important step presents itself as a priority.

It is proposed that Egypt takes the Initiative. After consultation with the Arab League, Egypt is to submit a proposal to the “Uni-Multipolar Consultative and Policy Structure”, as proposed in the “First Strategic Prong”, referring to the “Quasi-Pivoted Strategic Relationship between Egypt and the US and the UK’. The proposal should, parsimoniously, be focused on “A framework of Principles”, for a “Mutually Assured Peace”.

Although Iran, as a Pivotal Power, is, theoretically, proposed as a member of the “Middle East Consultative Committee” in the proposed Egypt/US/UK structure, this does not guarantee Iran’s endorsement of any proposals relating to Egypt/Israel’s future relationship. Hence, the next important issue relates to “The Role of Iran “, as an important regional power-player in the Middle East?

### **The Third Strategic Prong: A Special–Regional Relationship with Iran.**

To begin with, both Egypt and Iran share many important strategic features. In addition to being both Pivot States in accordance to the definition of The Hague Institute of Strategic Studies, there are a number of similarities between the two

countries; for example, in size, population, location, economy, and even religious history (Egypt was a Shia Muslim country, before conversion to Sunni-Muslim). However, their sphere of influences is not identical. While their geo-political scopes share large areas, they differ in the geopolitical main objective and the tools of execution.

- Iran's geo-political area, as perceived by the current Iranian ruling system, stretches from the Caspian Sea to the Mediterranean through the Red Sea,
- Egypt's geopolitical area, as recognized over a very long history and as based on geography, stretches from the Indian Ocean/ Arab (Persian Gulf) to the Mediterranean,
- Therefore, apart from the area from the Arab/Persian Gulf to the Caspian Sea, both countries have the same remaining area, with some important differences. That is, the area from the Bab AL Mandab Strait to the Mediterranean is included in Iran's Geo- Strategy by "influence" only, and not recognized internationally.
- However, there is a major difference between Egypt and Iran when it comes to how the said areas are perceived by the two countries, and, more importantly, the policies adopted by them.
- Egypt regards its Geo-Strategic Area as a "Sphere of Interest", while Iran defines its "perceived" Geo-Strategic Area as a "Sphere of Influence", and, as result the policies of the two countries differ.
- Egypt relies on "Ambitious Friendly Diplomatic" policies, while Iran adopts rather "Aggressive Offensive, almost, Non-Diplomatic" policies (including disguised hidden policies).

It is true that Iran lies at the very heart of the greater Middle East, and in one way or another is implied in each of the many regional problems, but Iran's guiding principle of Middle East policy is Shia "empowerments". Accordingly, The Iranian Government tended to patronize Shia parties and militants, in a similar way to the past Mosco Communist policy towards the third world. Proxy armies are used by Tehran to push back Saudi influence in the region.

However, the Shiazation of Iranian foreign policy might prove to be a costly mistake. First Shia constitute a small minority in the Muslim world. Iran should take into account its relationship with Sunni-majority states, such as Indonesia, Malaysia, and Pakistan. The relationship with the Palestinian could suffer as a result of Iran's backing of Hamas. Iran could, in addition, pay a very heavy price as a result of interference in Iraq, Syria, Bahrain and Yemen.

Even domestically, while Iran has a large majority of Shia Muslims, Iran is far from being homogenous. The discrimination policies amongst the minority Sunnis led to extremism and terrorist activities. Last, but not least, however, the greatest long-term threats to Iran's interests is Turkey. While faced with a fundamental geopolitical question, Turkey must decide whether it can live with Iran as the major regional power, or it must assert its own claims on the region.

One needs to add the recent upheavals that were brought about by Trump's

reckless gambling policies, a war against Iran might become inevitable, or, at best, might result in an extraordinary unstable Middle East, at large.

Hence, a special role for Egypt becomes a matter of urgency. In the immediate and short term, Egypt must use its highly respected and pivotal role to act as “Proactive Mediator” between Iran and Saudi Arabia, on one hand, and between Iran and the United States on the other hand. In this respect, let one remember that both Egypt and Iran are in control of two critical and strategic Bab AL Mandab and the Hurmuz Straits, respectively. Closure of the Hurmuz Strait could cause significant damage to the Suez Canal navigation, and, hence to Egypt’s revenue. In addition, it would legitimize US offensive military action in the area.

In the long term, Egypt should aim to establish an alliance between: Egypt, Iran, Iraq, Saudi Arabia and the United Arab Emirates. Such an alliance would create a formidable not only geopolitical regional/world power, but, also, a very significant economic and energy power. Obviously, this is likely to be a very challenging ambitious task, and, hence, it won’t be easy to materialize. For one thing, many great powers, and not just one, are likely to interfere, explicitly and implicitly, to prevent such a grand project from coming to life. Nevertheless, Egypt should be determined and optimistic and pursue such an alliance, cautiously but optimistically.

## **The Fourth Strategic Prong: A Pivoting-Pivotal Dynamic Alliance.**

This strategic prong serves two main purposes. One is balancing and expanding the group of pivotal countries with whom it is advisable for Egypt to have a special pivoting relationship. The second is to introduce some degree of dynamism. These countries do not include the countries that were included in the previous three strategic prongs.

The ones included in this prong are partly amongst what were included as Great Powers in the second study of The Hague Institute of Strategic Studies. These are: China, Europe, India, Japan, and Russia. There are, also, other countries that a pivoting relationship might be of benefit to Egypt. Amongst those countries selected are: South Africa, Malaysia, South Korea and Brazil.

Egypt’s pivoting relationship can be prioritized amongst these above listed countries and, also, to be focused in specific areas. Amongst the first priority list are: Russia, on primarily Military strategic goods plus Economic strategic goods and China on primarily Economic strategic goods plus Military strategic goods. The second priority are Japan and India with a focus on Economic Strategic goods. As to South Africa, Malaysia, South Korea and Brazil, the areas of cooperation can remain open, to be arranged case by case. Needless to say, the EU will remain as one with which there exists, already, very important relationships.

Last, but not least, as mentioned above, in making pivoting decisions, balancing out, in particular, and expanding, in general, should, always, be taken into account. In addition, the allocation amongst strategic goods, on one hand, and pivot states, on the other hand, should be subject to regular reviews and retain dynamism.

## **The Fifth Strategic Prong: Egypt's Stable Growth and Sustainable Economic Fairness.**

To start with, I am assuming that in the future, and amongst the series of talks/forums that will follow this paper there will be another talk/forum addressing Egypt's Economic Pillar. Accordingly, a rather unusual approach is proposed in this respect, especially under the assumption that whoever will address the Economic Pillar is most likely to be an Egyptian, and, hence, might be emotionally influenced, like myself whenever even the word Egypt is mentioned.

The approach proposed, therefore, aims to advise, with all due respect, whoever Egyptian who is likely to deal with this subject, should adopt an independent scientific approach, with minor emotionalist's Egypt inclination!! What is proposed is therefore, to assume: Pivot Egypt is acting in a Pivoting role with Pivotal Egypt.

As a background, I need to mention that in the recent past I delivered, and published, two papers focusing on the two topics of this Fifth Prong.

- One was delivered in a Petrochemical Conference in Cairo in September 2012, with a focus on Egypt's Economic Growth. In this paper an Econometric Model was specified, estimated, simulated and used for forecasting and policy purposes. On the basis of which it was, conditionally, anticipated that prosperous Egypt might be horizon, ranking amongst the top 15 world economies by 2050. (See Annexe)
- The second paper was delivered at a Gala Dinner of the Egyptian Economic Association in June 2012. This paper dealt with Sustainable Economic Fairness. It concluded by proposing a new economic system, which is neither Socialism or Capitalism, but a rational combination. Societalism is a proposed "Socio-Economic Framework for a Market-Based Economy with a Social Conscience". (See references)

I am pleased to say that both papers are, still, applicable. Hence, it is not the intention to deal, in details, with either Economic Growth or Sustainable Economic Fairness. But to address some related recent developments.

- Egypt's recent Economic Performance Has Been: Amazing. No Stagnation, No Recession, No Depression, but a High Rate of Growth, for around 5.5%. It is now almost in the China's Performance Category. It is clear that recent economic reforms are working.
- But, as usual, sustainable Economic Growth's impact on Income and



wealth distribution is a matter of concern. In the long term it normally improves equality, via better welfare. However, this is not the case in the short term.

- Sustainable High Level of the Rate of Growth leads to narrowing Unutilized Available Production Capacity, due to increases in the level of Effective Demand.
- With no increase in the Available Economic Global Supply in the short term, Inflation becomes inevitable. Certain short- term measures become necessary.

Unfortunately, this has become the case recently in Egypt. Recent high level of growth, associated with the floating of the EGP/US\$, increasing level of government expenditures, and other factors, have all resulted in a relatively high level of inflation, and, hence, very high levels of the cost of living.

To be objective and fair, a number of measures have been taken in order to improve the standard of living of middle class and relatively low levels of income, however, more structural policies need to be adopted.

This is the priority message from “Pivoting Egypt to Pivotal Egypt”. Thank you “Pivoting Egypt”: Your message is received and well- understood.

### Egypt + Britain = Real Hopes for Peace and Stability

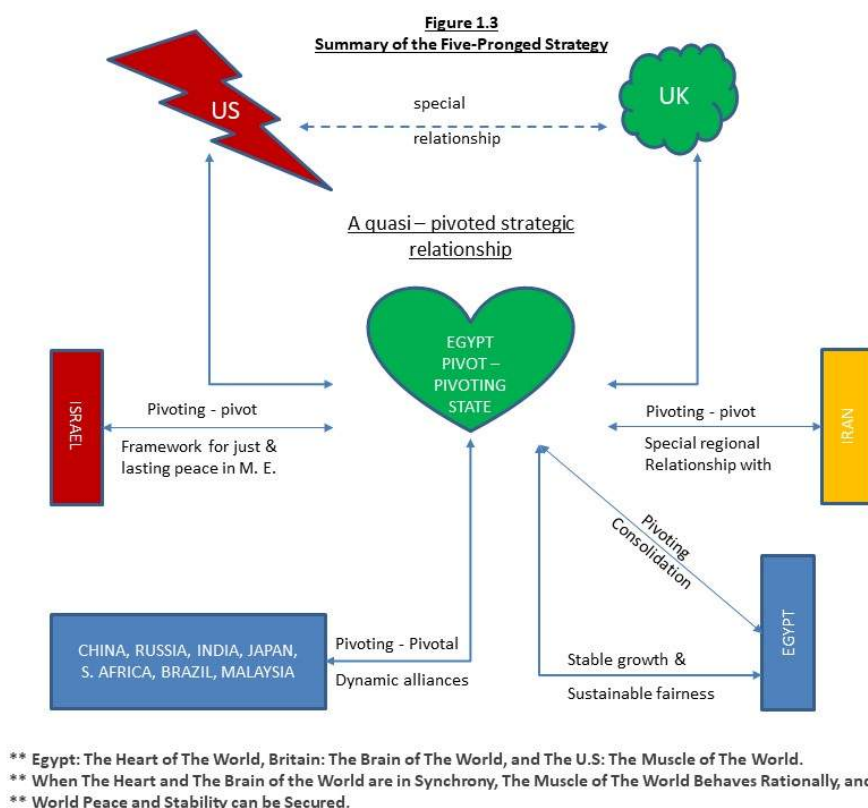


Figure 1.4

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## **Part V**

# **Egypt Always**



## V.I. Dear God Please Bless My Prayers

- We've started on a journey,  
A Journey through the year,  
And who knows just what lies ahead?  
We pray the way is clear.  
We bring you all our hopes and dreams,  
Those wishes deep within,  
We ask for courage and for strength  
To see each day begin,  
We send our love and healing thoughts  
To those in distant lands,  
Where there is turmoil may they find  
The gift of caring hands.  
We thank you for companionship  
And all each day can bring,  
The comfort found in love and faith  
They help our spirits sing.  
And so once more we ask you Lord,  
Please be our guard and guide,  
And on our journey through the year  
Be always by our side.
- Please keep me optimistic, Lord,  
when all the World looks grey;  
And plant new hope within my heart  
Whatever comes my way.  
Please help me count my blessings, too,  
So many to be found,  
And through each season of the year  
Find beauty all round.
- We all need peace and quiet, Lord,  
To help us on our way.  
We need find serenity  
To calm a troubled day.  
We all need help and comfort,  
A beacon on the night,  
The gift of love and friendship,  
An ever-guiding light.  
So thank you, Lord, for being there  
Whatever comes our way,  
For all the love which never dies,  
And thank you for today.

- Thank you, Lord, for bringing me  
So safely through the night,  
Through all the hours of darkness  
Until the morning light.  
Forgive me when I toss and turn  
And sleep is hard to find,  
I know I should depend on you  
To give me peace of mind.  
But just sometimes a troubled day  
The problems all come crowding in  
And often take their toll.  
So be with me through every night  
And guide me through the day,  
And guide me each moment, Lord,  
You're never far away.

All above by:  
Iris Hesselden

## **V.2. To My Beloved Country: Egypt.**

- You are not only the Mother of the World  
But, you are, in Fact, The World  
To You My Most Beautiful Love, I Say:  
May Your Unique Sun Bring You More Energies  
By Day  
May Your Stunning Moon Restore You  
At Night  
May Your Refreshing Rain Wash Away Any Worries You Have  
May Your Gentle Jasmine's Breeze's Restore  
Your Sacred Soul  
And May Glorious Tomorrow Always Find You Feeling Better the Day  
Before  
Amen

\*\*\*\*\*

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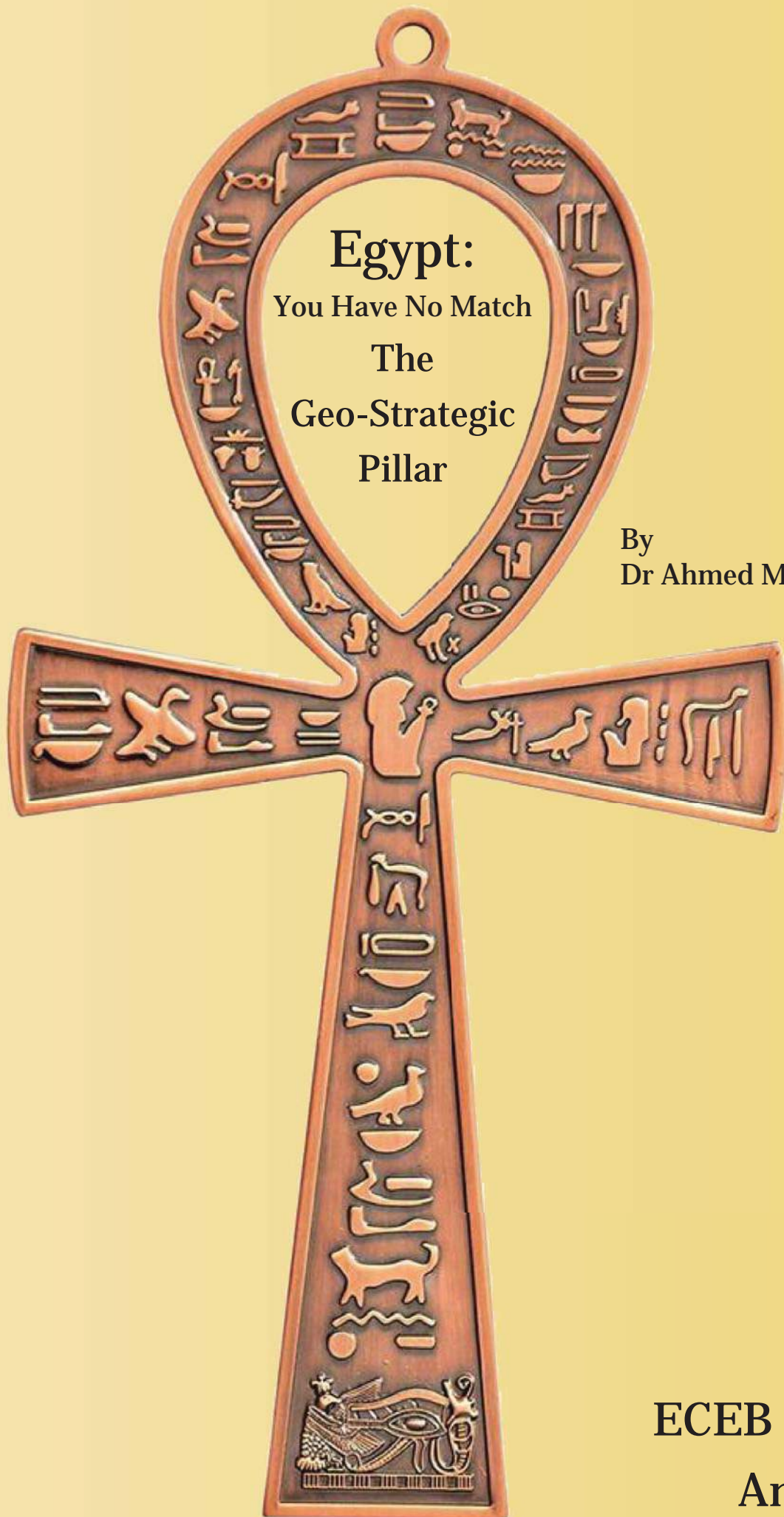
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Born in Egypt in 1941 and moved to the UK in 1963, dual nationality, Egyptian/ British for 40 years. Educated in Egypt (BA Econ., Cairo 1961), and UK (PhD Econ, Manchester University, 1968). More than 40 years academic, consultancy & business Career worldwide. Held academic positions at Cairo, Manchester, Stirling, Lancaster & Surrey Universities retiring from full time academia in 1988, when he became & remains a Visiting Reader. Published / supervised many books, articles & research projects in economics, econometrics, management, politics & system engineering. Contributed to the early economic thinking of Margaret Thatcher. One of the founders of the British - Egyptian Society, and had been its Vice-Chairman from inception until December 2008 and became its patron and founder member since then. A founder and Patron of the British Egypt Public Affairs Comittee - BEPAC, and a member of many other professional and charitable societies. Retired in 2004 to focus on writing, lecturing, public service & Social & charitable work. A keen collector of antiquarian books on Egypt.

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**Egypt:**  
You Have No Match  
The  
Geo-Strategic  
Pillar

By  
Dr Ahmed M. El-Mokadem

**ECEB July 2019**  
**Annex**



## **Annexe**



# **Prosperous Egypt on The Horizon:**

## **A Summary**

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By Ahmed M. El-Mokadem

## I-Introduction

My talk starts with A dream for a New Egypt, post the 25th January 2011 Revolution, envisaging a Modern, Democratic, Civil, Pivotal and Prosperous Country. A question is then addressed as to whether prosperous Egypt was on the horizon, based on prevailing pre-revolutionary conditions. A theoretical framework of growth and investment is selected and available empirical evidence and projections are examined. Post- revolutionary changes and putting forward proposals for future changes are analysed, using the adopted framework. Based on the results of this analysis, an attempt is made to evaluate the likely impact on the available projections, and a new prediction is made for Egypt's Economy by the year 2050, based on a proposed program of reforms having been completed by 2020. Last, based on this evaluation, it is argued that a prosperous New Egypt is on the horizon, and, the question of when will the BRICS become the EBRICS is, then, addressed.

\*\*\*\*\*

## II-The Dream

Yes, I dream of a New Egypt; that is (El-Mokadem, 2011):

- **Modern**, a country that is marked by the celebration of the powers of human reason. Also, it is marked by a keen interest in science, the promotion of religious harmony, and a desire to construct a government, based on modernity and free of tyranny,
- **Democratic**, where freedom is regarded as indivisible, guaranteed for all individuals, irrespective of their gender, race or religion, but with responsibility.
- **Civil**, that is based on a civil state, recognizing the composition of Egypt's population, of a significant Coptic minority, and a Muslim majority.
- **Pivotal**, that is based on an explicit recognition of Egypt's unique geopolitical pivotal status, both regionally and internationally, and
- **Prosperous**, given that Egypt is well endowed with variety of ample resources, New Egypt's economy could become one of the

leading economies in the world, provided that certain conditions are satisfied, as will be explained later on in detail.

The highest-level aim is an Egyptian Society that should follow a “**Middle Path**”. Such a Path would need to “achieve a new Mindfulness regarding our needs as individuals and as a society, to find a more solid path to well-being”. Mindfulness, which has eight dimensions: Mindfulness of self, Mindfulness of work, Mindfulness of knowledge, Mindfulness of nature, Mindfulness of the future, Mindfulness of politics, and, Mindfulness of the world.

\*\*\*\*\*

### **III- Will The Dream Come True? Focus on Growth & Investment.**

Given the above background, some pertinent questions arise, such as:

- Will my dream come true, for a New Egypt with a Mindful, Modern, Democratic, Civil, Pivotal and Prosperous?
- What are the socioeconomic, political and demographic conditions, which must be satisfied for my dream to become a reality?
- What and how growth (and hence investment) could contribute to the fulfilment of my “Dream For a New Egypt”?
- The key to answering the above questions, and others related, is to address the last question first, dealing with growth and investment.

\*\*\*\*\*

### **IV- Was Prosperous Egypt on The Horizon? Theoretical Frameworks, Empirical Evidence, and Projections**

Forecasts of investment that are based on extrapolation would be inappropriate under revolutionary conditions, representing a structural change, irrespective of the degree, magnitude and nature of such a change.

An alternative approach in the case of investment is to build forecasting models that focus on structural factors, which would “mean people want to invest”, (Ward, 2010). Such an approach adopts extended versions of Neoclassical Growth Theories and models. In these models, both growth and investment are treated as endogenous variables, amongst other endogenously determined variables.

The most relevant of these models in the case of Egypt are the ones developed by Barro, and extended by Ward, in a recent HSBC Report, The World in 2050. She used Barro’s Model in the prediction in the year 2050 of per capita growth rate for the top 30 economies. Treating Per capita growth rates and investment as endogenous, and following Barro, she used three groups of exogenous variables. These are:

- Economic Governance, to include variables such as rule of law, monetary stability, democracy and government interference,
  - Human Capital focusing on the productivity of the worker, with emphasis on education, health, level of fertility, mortality and life expectancy, and
  - The starting level of income per capita.
- Ward, then, extended Barro’s Model to add demographic outlook.

Combining the outlook for per capita income to demographic predictions, total growth rates are calculated, upon which country projections and ranking in 2050 are obtained.

Focussing attention on the 2050 prediction for Egypt, the following results are obtained:

- Total growth rates will change from 4.7% for 2010-2020, to 5.6%, for 2020-2030, to 5.2% for 2030-2040, and 4.8% for 2040-2050,
- Examining the global leader- board in 2050 and comparing it to how it stood at the end of 2010 shows that Egypt might be ranked by that date as number 19, compared with a rank of 35 in 2010.

However, these predictions have to be cautiously regarded due a number of limitations, such as omitted variables. Allowing for these concerns, the question that needs addressing head-on regarding Egypt is:

**To what extent the changes that took place, and many others which must follow, could affect the projection s for Egypt in the HSBC Report?**



## **V- Egypt Post- Revolution's Changes: Just a start and many more to follow.**

Although this paper is primarily concerned with the long-term economic prospects of Egypt following the 25th January 2011 Revolution, one cannot ignore the short-term entirely, but would be dealt with briefly.

In this respect, the short-term refers to the "Transitional Stage", stretching from the 11th February 2011 to the drawing up of a new permanent constitution and elections to follow.

As to the long-term, it begins with the end of the Transitional Stage, terminating with the year 2050, with interval forecasts as data permits.

Focussing now on the short-term, I happen to take a positive optimistic assessment of the current situation, and most what has been happening up until now.

- Yes, there has been a worrying atmosphere of insecurity, in some cases even anarchy. Yes, there have been some very sad catastrophic occurrences, which resulted in many innocent people killed,
- Yes, there has been a great deal of ad hoc illogical decision- making, partly placing the cart before the horse, so-to-speak, and on the basis of which policies were pursued - if you can call them policies, and
- Yes, there have been unbelievable chaotic strikes, the economic machinery coming to a halt, the country's foreign reserves continuing to be drained, the Government deficit mounting, tourism virtually stopping, the balance of payment deteriorating, and the Egyptian Pound virtually crashing,

But, on the other hand, Compared with similar major revolutions, such comparison would show the 25th January 2011 Revolution as a less damaging one, with relatively very minor costs, and as a miracle, in every sense of the word. Compare it, for example, to Russia after the collapse of the Soviet Union, when complete anarchy prevailed.

In contrast and, despite admitting many very worrying features of the first part of the Transitional Stage, most Government institutions continued to function; though less efficiently. But, more surprisingly, the Egyptian people stunned the world.

- They practiced democracy in an amazing manner, as if they have been accustomed to such democratic practice, and
- Moreover, one should remember the Egyptian people have invented the “Fourth Power”; namely the “Tahrir Square” power.

A delegation from the Swiss bank, UBS, paid a visit recently to Egypt (UBS, 9 December 2011), and held talks with a variety of institutions, both private and public, both Egyptians and international. Their focus was to assess, first hand, both the extent of the macroeconomic challenges and the political outlook.

They came to conclusions similar to the one expressed above. In particular, on the situation on the ground; they stated that they found the conditions “surprisingly orderly, in contrast to our (their) expectations based on the European Media”.

Although the changes which have taken place during the first part of the Transitional Stage are only a few, and in some cases, were associated with hefty prices (including martyrdom), nevertheless, they were significant, such as, for example, the very impressive election.

Given the above, and while being cautiously optimistic, it is now appropriate to turn attention to the long-term, as defined before, and to ask: **What more changes are needed, and what road map is required for a Prosperous New Egypt to become a reality?**

\*\*\*\*\*

## VI- More Changes Must Follow:

In addressing this question, analysis follows the Barro-Ward framework, suggesting necessary changes, as summarized in the following Table 1.

Table 1  
List of Many More Changes to follow

1	Economic Governance
1.1	Government Size
1.2	Government of the “Youth”
1.3	Government Guidance (management) of the Economy
1.4	Societalism: A Regulated Market Economy. Yes, but with a Social Conscience
1.5	Long-Term Economic Strategy
1.6	The Military Economic Segment could continue, but on conditions on efficiency, transparency and accountability.
1.7	Establishing the “Egyptian Sovereign Investment Fund” (ESIF)
1.8	A New Fiscal Policy Strategy
1.9	A New Monetary Policy Strategy
1.10	Regulation and Ombudsmen
1.11	Maximizing the economics of Pivotalism: Suez Canal & Tourism
1.12	Recovering Smuggled Corrupt Wealth: A New Approach.
1.13	Strengthening the Rule of Law
1.14	Societalizing the Publicly-owned Media
1.15	Consolidating Egypt’s Compassionate Society and sustaining Patriotic Zeal
2	Human Capital and Demographic Factors
2.1	The “Black Market” in Education Must Stop
2.2	The Commercialization of Private Education must, also, stop
2.3	A New Modern Education Strategy
2.4	Expatriate Egyptians Have a Special Duty
2.5	Per Capita Income has fallen in 2011
2.6	Demographic Factors

Assuming the above proposed, or similar, actions/ have been pursued, the answer is “Yes”, to the question of whether New Egypt will become prosperous. If so, when will the BRICS become the EBRICS? These questions are addressed in what follows.

\*\*\*\*\*

## VII- Prosperous New Egypt On the Horizon: Yes, with Goals Realized adopting a New Policy Approach.

The rest of this paper will focus on two questions: a prosperous New Egypt, and the potential of joining the BRICS, starting with goals and policies and followed by the projection of Egypt's economy 2050.

1. **Proposed Plan of Action: Goals & Timelines 2012-2020:** In what follows a short list of goals would be discussed, briefly. As to the timelines, these goals would cover the period up to 2020, as summarized in Table 2 Below:

Table 2  
Summary of Goals

Goal	Action	Period
Goal 1	Patriotic, Objective, Peaceful and Consensus-Based Management of the Remainder of the Transitional Stage. ! To complete the Transitional Stage. ! To Adopt a Patriotic Consensus-Based Dialogue	Already started. Finished no later than 2013
Goal 2	Governance Re-Structuring. ! To Establish the Supreme Councils ! To Reduce Size of Government. ! To Establish the Ministry of Business. To Form a New Government of Youth.	To end no later than middle 2014
Goal 3	New Economic & National Security Strategies. ! To Develop a New Economic & Security Strategy. ! To Ensure the New Economic Strategy is based on the Triple Objectives.	To end no later than middle 2014

Goal 4	<p>Poverty, Illiteracy, and Health Radical Reform Program.</p> <p>! To Reduce Percentage Below Poverty line by 50%.</p> <p>! The Same Applies to Illiteracy Rate.</p> <p>! To Achieve Gradual Improvement in Life Expectancy.</p>	Reduce at least 50% by 2020
Goal 5	<p>Address Youth and chronic Disguised Long-Term Unemployment.</p> <p>! To Ensure Public-Private Partnership.</p> <p>! To Address Disguised Unemployment</p> <p>! To Reduce Structural Unemployment by 50%.</p> <p>To Deal Vigorously with Market Distortions.</p>	Reduce to 5% by 2017
Goal 6	<p>A New Education Strategy.</p> <p>! To Develop a New Radical Education Strategy</p> <p>! To Form a C Committee of Experts, Public &amp; Private, National &amp; International.</p> <p>! To Ensure Expatriate Egyptian Playing a Pivotal Role.</p>	Latest by end of 2015
Goal 7	<p>The Egyptian Sovereign Investment Fund (ESIF) should Lead the way.</p> <p>! To Sponsor, at least, Four Major Projects.</p> <p>! To Fund Them Primarily From Expatriate Egyptians.</p> <p>! To Market Private Equity Funds.</p> <p>! To Assist in Budget Balancing.</p> <p>! To Enter into Partnership with Similar Funds.</p> <p>! To Raise US\$1 Billion Initial Capital, to be Raised to US\$5 Billion</p>	No later than 2014

Goal 8	<p>The Business Ministry's Regulatory and Advisory Role.</p> <p>! To Be Put in Place Soonest.</p> <p>! To Provide Business Advice to Public &amp; Private Sector.</p> <p>! To Regulators and Ombudsmen.</p> <p>! To Participate In Economic Strategy.</p>	No later than 2014
Goal 9	<p>Balancing the Budget and Rationalizing the Foreign Debt.</p> <p>! To Rationalize Government Expenditure and Taxation.</p> <p>! To Link Budget to Fairness &amp; Sustainability.</p> <p>! To Deal with Foreign Debt in a Novel Way.</p> <p>To Balance the Budget by the Target Date.</p>	Could be extended to approx. 2019
Goal 10	<p>Strengthening Anti-Corruption and Anti-Discrimination Laws and Radical Reform of the Media.</p> <p>! To Strengthen Anti-Corruption Laws.</p> <p>! To Ensure Independence Of Public-Owned TV</p> <p>! To Societalize Public-Owned Newspapers.</p> <p>To Put in Place A New Code Of Conduct for Private Media.</p>	Start immediately and in acted by the newly elected parliament
Goal 11	<p>Participation of Expatriate Egyptians.</p> <p>! To Maximize the Role of Expatriate Egyptians.</p> <p>To Ensure the New Constitution Have New Provisions Regarding their Participation in Elections.</p>	Start now and continue

Goal 12	Environmental Issues Must be dealt with urgently. ! To Deal With Environmental Concerns With Delay. ! To Preserve All Natural Resources.	Action urgently needed, time line starts immediately
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2. A new Policy Approach For the Implementation of the Goals: Adopting the conventional policy approach of a Five-Year Plan and the like, approving the plan by parliament - in quasi-democracies – and passing on the approved plan for a complicated bureaucratic system to implement, has proved time and time again to be a waste. A new approach is required. One, which stands on two pillars: government and markets.

\*\*\*\*\*

## VIII- Revising Ward's Infrastructure's Assumptions:

Before a new projection is made for New Egypt 2050, a general assumption has to be made, followed by specific assumptions.

The general assumption relates to the 12 set of goals. For the purpose of projection, it is assumed that all the above stated goals would have been satisfied by the year 2020, too.

The specific assumptions relate to the Infrastructure data used in the Ward-Barro Model (Ward, Table 21) for Egypt. Based on the general assumption above that all desirable goals and changes would have been satisfied by the year 2020, changes in the infrastructure data for Egypt are assumed to have changed, as per the following table (Table 3.):

Table 3.  
Revised Infrastructure Economic Data for Egypt

Variables/Data	Ward Data	Revised	% Change	Result
Income per capita	3022 (34)	2743(36)	- 9.2	Worse
Av. Y/s male Schooling	8.76(31)	10.3(17)	+17.6	Better
Life Expectancy	70(36)	73(29)	+4.3	Better
Fertility Rate%	2.8(3)	2.5(7)	-10.7	Better

Rule of Law Index	0.58(31)	0.75(22)	+30.3	Better
Gov. Consum. Ratio	20(36)	16.9(22)	-15.5	Better
Democracy Index	0.17(34)	0.83(22)	+388	Better
Inflation Rate %	13(3)	8.48(7)	35	Better

Referring to the table overleaf, one notes the following:

- In describing the result change as “better” means that the change is likely to have a favourable impact on the predicted per capita income growth. There is one exception, where the description is referred to as “worse”. In this one case the description refers to the negative sign, but not to the predicted impact on growth prediction, which is, also, favourable,
- The revised data was based on the ones for a group of countries of similarities to Egypt. To avoid the impact of religion, all the countries chosen were Muslim countries, with three exceptions only, and
- It is to be noted that most of the countries whose data was used in the Egypt’s projection are in the lower half of the thirty countries specified in the ranking table, which adds an assuring element of homogeneity.
- In choosing this data and assuming its applicability to the case of New Egypt, a serious attempt was made to be as objective as possible. But, there is an element of subjectivity.

\*\*\*\*\*

## IX- Revised Egypt’s Economic Projection and Ranking:

Turning now to the projection for New Egypt, the above scenario produces for Egypt’s year 2050 a the following picture:

- For per Capita Income, the revised estimate is approximately (in constant 2000 US Dollar) of 11898.76, compared with Ward’s prediction of 8996 for the year 2050, representing an improved estimate of almost 24%.
- Using the same UN estimate for Egypt’s Population in 2050 of 130 million, and putting things together, this produces an estimate of Egypt’s Size (in terms of Total GDP) of the Economy (Bn. Constant 2000 USD) of 1546, instead of 1165 according to Ward’s estimate. This represents an improved estimate of almost 33%.
- These results show the importance of the demographic factor in the



case of Egypt.

- Given this significant increase in Egypt's Economy size by 2050, Ward predicted Egypt Economy ranking number as 19 amongst the 30 leading world economies. This represented 16 places ahead from the 2010 ranking of number 35.
- However, when our revised estimate is taken as a base, the ranking improves to somewhere above Indonesia, number 16, and Russia, number 15, representing a further advance of more than 3 places, but
- Again this ranking estimate should be taken with a great deal of caution. On the positive side there is Egypt's relative advantage on at least one of the omitted variables; namely resources. On the negative side, some of the changes we made to the Economic Infrastructure could be regarded as unduly optimistic.

\*\*\*\*\*

## **X- When would the BRICS Become The EBRICS?**

One might wonder as to why the title of this section, and the sub-title of the paper, raised the question of 'when', rather than 'would', with reference to Egypt joining the group. The answer is very simple: based on fundamentals, and based on O'Neill's thesis, Egypt has all the qualification to become a member:

- If the criteria of membership is based on the 'Potential', and not on the actual now, then there can be no doubt that Egypt is highly qualified to become a member without delay.
- However, if it is based only on Egypt's present actual economic structure and performance, the question of membership becomes debatable.
- Others might argue that membership does not require satisfying all the socioeconomic and geopolitical requirements. After all, it was Jim O'Neill, no less, who expressed surprise at the possibility of South Africa joining, and also when it joined.
- In August 2010, it was, also, O'Neill who argued that "Africa could be considered the next BRIC" (O'Neil, 2010), and if this is the case,

Egypt is the largest country in Africa, population-wise. Also, rival banks, for example, Goldman Sachs, suggested another grouping, the CIVET's, which includes "Colombia, Indonesia, Vietnam, Egypt, Turkey, and South Africa."

- Probably based on 'potential', Goldman Sachs used Incremental Nominal GDP and ranked Egypt as: number 21 from 2006 to 2020, number 19 from 2020 to 2035, and number 12 from 2035 to 2050-ahead of many advanced economies such as the UK, and
- Last, but not least, the projection in this paper provided clear evidence in support of New Egypt, not Mubarak's Egypt, heading towards prosperity.

What more evidence is needed? My guess is that the BRICS Group, as a political organization at least, is likely to invite New Egypt to become a member, defying, hopefully, once again, banking advice, as was the case with South Africa.

\*\*\*\*\*

## **XI- Conclusion**

Now I say enough economics, enough econometrics, enough politics, and back, as we started, with genuine human feelings. As I started with New Egypt emotionally, I end with my beloved Egypt in the same way, and recite:

- The blessed land of Egypt will never be forsaken: God loved her, and loves her, Moses is buried in her sacred soil, Jesus and Mary do, still, remember her, and will, one day, come back to save her, and Mohamed prayed for her, and asked us to protect her.
- My deep irreplaceable, adorable, beautiful, fertile, ethical, rich, unique, and long-lasting land and people of Egypt: you will overcome all
- You will never be conquered, you will never be demoralized, you will never lose hope,
- You will stand up high again, as always, with dignity and pride,
- You will smile again, as always, with genuine joy and true happiness,
- O' My people do not give up, you will make it.

El-Mokadem 27th November 2011

Ahmed M. El-Mokadem

Born in Egypt in 1941 and moved to the UK in 1963, dual nationality, Egyptian/ British for 40 years. Educated in Egypt (BA Econ., Cairo 1961), and UK (PhD Econ, Manchester University, 1968). More than 40 years academic, consultancy & business Career worldwide. Held academic positions at Cairo, Manchester, Stirling, Lancaster & Surrey Universities retiring from full time academia in 1988, when he became & remains a Visiting Reader. Published / supervised many books, articles & research projects in economics, econometrics, management, politics & system engineering. Contributed to the early economic thinking of Margaret Thatcher. One of the founders of the British - Egyptian Society, and had been its Vice-Chairman from inception until December 2008 and became its patron and founder member since then. A founder and Patron of the British Egypt Public Affairs Comittee - BEPAC, and a member of many other professional and charitable societies. Retired in 2004 to focus on writing, lecturing, public service & Social & charitable work. A keen collector of antiquarian books on Egypt.

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