

**Evaluation of Demographic Threat for the Stability of the Political System in  
Egypt**

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## **Abstract**

Egypt is one of the key states in the Middle East. Political stability and sustainability of its political regime largely contributes to the political stability in the region. However, after the events of the 'Arab spring' the country is facing major economic and political turbulence. In spite of visible destabilization during the presidency of Abdel Fattah al-Sisi, the complicated economic situation and demographic pressure continue to be the main factors of risk for the political stability. This study's objective is to evaluate the possible risks for the stability for the Egyptian political system. The present research argues that while the Egyptian government is not able to propose a good social contract, relatively high level of governance and quality of public administration would minimize the economic and demographic pressure and prevent any significant political turbulence. In this context the situation in Egypt is very similar to the situation in Jordan.

**Key words:** Egypt, Good Governance, political stability, state sustainability.

## **Introduction.**

### **Background of the Research and Research Questions**

Since the ‘Arab Spring’ and fall of the President Hosni Mubarak’s government in 2011 Egypt has become a center of discussions about possible further development of the revolutionary process. As Philip Marfleet wrote in autumn 2013, while the revolution had been declared to be over, ‘...the peoples’ energies exhausted and their aspirations unfulfilled... in July 2013, there was no sign that the process was coming to an end...’<sup>1</sup>. Almost all experts on Egypt considered corruption, economic problems and political abuse as one of the most important reasons of the revolution. Above mentioned Ph. Marfleet even entitled his article as ‘Mubarak’s Egypt – Nexus of Criminality’. Galal Amin in his book ‘Egypt in the Era of Hosni Mubarak’ traces important changes that affected the size and composition of the middle class and how, under Mubarak's rule, it became less distinguishable from the lower class. He notes that “the years between 1986 and 2006 have been among the worst in the lives of the Egyptian poor, not just in the last fifty years, but perhaps in the entire twentieth century”<sup>2</sup>.

During the al-Sisi’s presidency Egypt is demonstrating a relatively stable domestic political development. However, the economic and demographic problems remain the same or even become more complicated. Thus, from the point of view of GDP value in 2011-2020 the country exceeded the GDP level of 2010 only in 2018, while the level of the year 2008 is still not reached. GNI per capita demonstrated growth till 2016, while since 2017 is steadily decreasing. Inflation rate (consumer price) reached its peak in 2017 (29.507 per cent), while in 2018 it demonstrated a significant fall down (14.401 per cent, what is still higher than in 2010 – 11.265 per cent)<sup>3</sup>.

In the Corruption Perception Index Egypt has not demonstrated any significant improvement as well. In 2010 the country got the 105<sup>th</sup> rank with 3.1 score, in 2011 – the 112<sup>th</sup> rank with 2.9 score, while in 2020 it got the 117<sup>th</sup> rank with 33 scores.

The existing forecasts about the Egyptian GDP (in current prices) are quite optimistic – constant growth till 479.6 billion US dollars (comparing to 302.34 billion US dollars in 2019)<sup>4</sup>. However, such forecasts can not take into consideration the full impact of COVID-19 pandemic and other unpredicted global economic processes.

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<sup>1</sup><https://www.jstor.org/stable/pdf/10.13169/statecrime.2.2.0112.pdf?refreqid=excelsior%3A3bfc840aa78ceda519cc47f2aa15c8cc>

<sup>2</sup> Amin, G. (2011). The Poor. In Egypt in the Era of Hosni Mubarak (pp. 65-80). American University in Cairo Press. – P. 73.

<sup>3</sup> All economic data in this paragraph are taken from the official website of the World Bank.

<sup>4</sup> <https://www.statista.com/statistics/377349/gross-domestic-product-gdp-in-egypt/>

It means that there are no significant differences in economic and corruption situation in Egypt before the 'Arab Spring' and during the al-Sisi's presidency, while demographic pressure continues to have a dubious impact on the national economy. The President al-Sisi is much younger (66 years) comparing to the President Mubarak's age on the eve of the revolution (82 years). However, the issue of political stability in Egypt in these complicated economic and demographic conditions remains very actual.

It is particularly important taken into consideration the fact that the revolution of 2011 took the world and even the Egyptians themselves by surprise, most of the experts considered the Mubarak's regime stable enough to tackle with the existing problems successfully. Thus, the study of possible nearest scenarios in Egypt's political development is among high priorities in MENA studies.

This study seeks to evaluate the possible risks for the stability for the Egyptian political system within short (5-10 years) time perspective.

The research questions of this study are therefore:

- What indicators and indexes may be applied for evaluating political stability and state sustainability?
- What is the correlation between demographic pressure and economic situation in the decade after the 'Arab Spring' and in short period (upper to 5 years) perspective?
- What are the compensatory abilities of the quality of governance within current economic and demographic situation?

## **Methodology and Sources**

The study is based on comparison between various indexes on state sustainability, governance quality and economic and demographic indicators. Besides that, the statistical modelling for economic and demographic parameters and correlation between them is applied (all calculations are made in R studio).

The homogeneity of data is extremely important in the researches of such kind. The economic statistics in the present paper are taken according to the data provided by the World Bank. The data from various Indexes are taken from their official websites with thorough consideration of the implied methodology.

The following indexes are applied:

- State Fragility Index;
- Worldwide Governance Indicators;
- Global Competitiveness Report;
- Corruption Perception Index;
- Ibrahim Index of African Governance.

## **Major Indicators of Political Stability and State Sustainability**

The political science has various approaches how to define and evaluate internal sustainability and stability of political systems. While neither of these approaches seems to be perfect and complete, some of them could be very useful in certain political studies. In particular, State Fragility Index and Matrix developed by Center for Systemic Peace is rather famous among researches in various fields of study. The Index applies a great number of indicators according to its specific methodology, including

- GDP per capita in constant 2005 US dollars
- manufacturing exports as a percent of merchandise exports
- country's petroleum energy profile expressed in net "barrels per capita"
- human development indicator
- infant mortality rate
- measure of general security and vulnerability to political violence
- a measure of state repression
- country's most recent experience with major armed conflict
- Regime Durability
- Current Leader's Year's in Office
- Total Number of Coup Events 2001-2016
- Factionalism
- Ethnic Group Political Discrimination against 5% or more of the population

## - Political Salience of Elite Ethnicity

In this research Egypt has been given “high warning” State Fragility Index – 10 (the maximum number of points belongs to the DR of Congo and Southern Sudan, the minimum – to a number of European states, Canada and Mauritius). According to the Index, such countries as Azerbaijan, Benin, Bolivia, Cambodia, India, Kenya, Lesotho, Papua-New Guinea, Senegal, Tanzania and Uzbekistan are ranked on the same level with Egypt. In general, the country has the 36<sup>th</sup> position among the 178 ranked states (from most vulnerable to most sustainable).

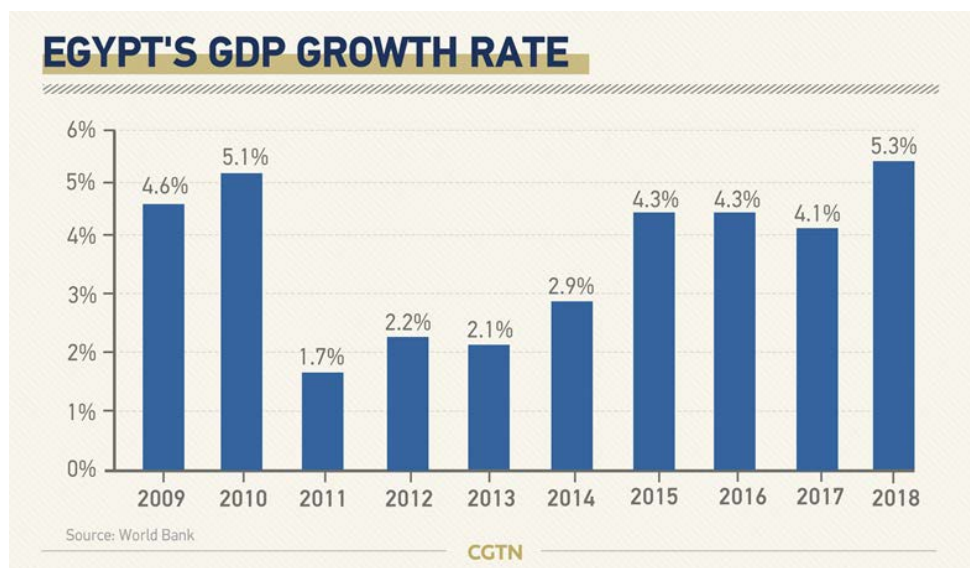
The less score was given to Egypt because of its involvement into military conflicts and low political legitimacy (caused by fraction struggle and high political fragmentation). The ‘orange’ level was given to the legitimacy in security (because of intensive state repressions), political effectiveness (due to relatively short time of office of the current president and total number of coups) and economic effectiveness (GDP per capita).

## Economic Situation and Demographic Pressure

The economic vulnerability is related to a very high demographic pressure, which prevails significantly over the economic growth. This gap is a widely admitted threat to the future of Egypt. From the GDP’s growth point of view, the country has demonstrated impressive success – from 1965 till 2018 the GDP growth was from 4.944 billion USD to 250.895 billion USD respectively. Although, this growth has never been steady, significant fall occurred in certain years<sup>5</sup>.

The following graphic illustrates the real GDP growth in Egypt in 2009-2018:

Figure 1: Real GDP growth in Egypt in 2009-2018.



<sup>5</sup>The data on GDO are taken from The World Bank Data, the data on population number – from UN. World Population Prospects 2019.

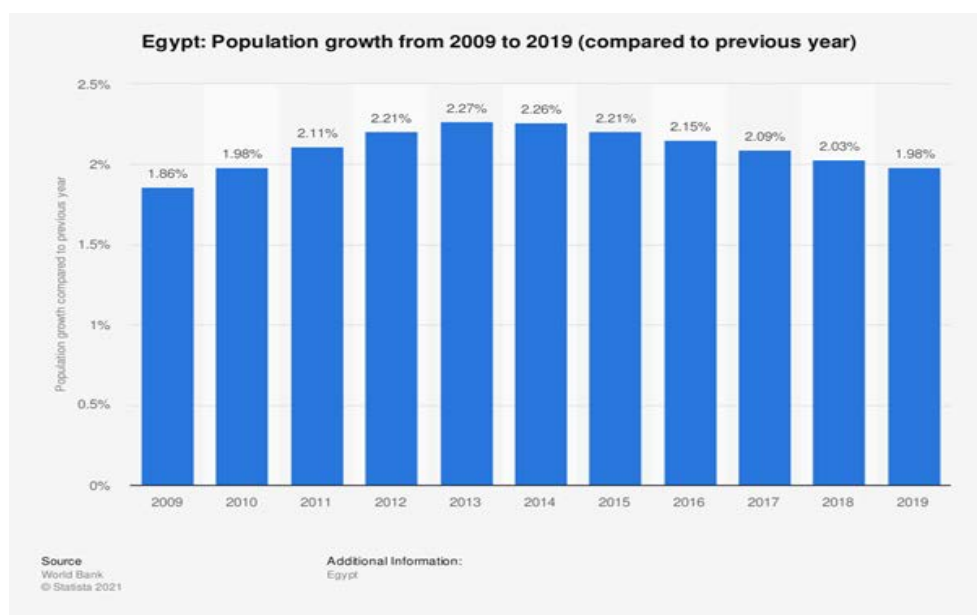
However, the GDP growth was leveled to a very large extend because of the significant population growth. The number of population changed from 26.663 million people in 1960 to 98.424 million people in 2018 demonstrating the steady growth during the whole period.

Table 1: Average annual growth of Egyptian population in 1960-2019 (per cent)

The period	Average annual growth in per cent
1960-1965	2.67
1965-1970	2.52
1970-1975	2.21
1975-1980	2.33
1980-1985	2.57
1985-1990	2.61
1990-1995	2.10
1995-2000	1.98
2000-2005	1.86
2005-2010	1.83
2010-2015	2.21
2015-2019	2.03

The following graphic illustrates the most recent trend Egyptian population growth.

Figure 2: Egyptian population growth in 2009-2019.



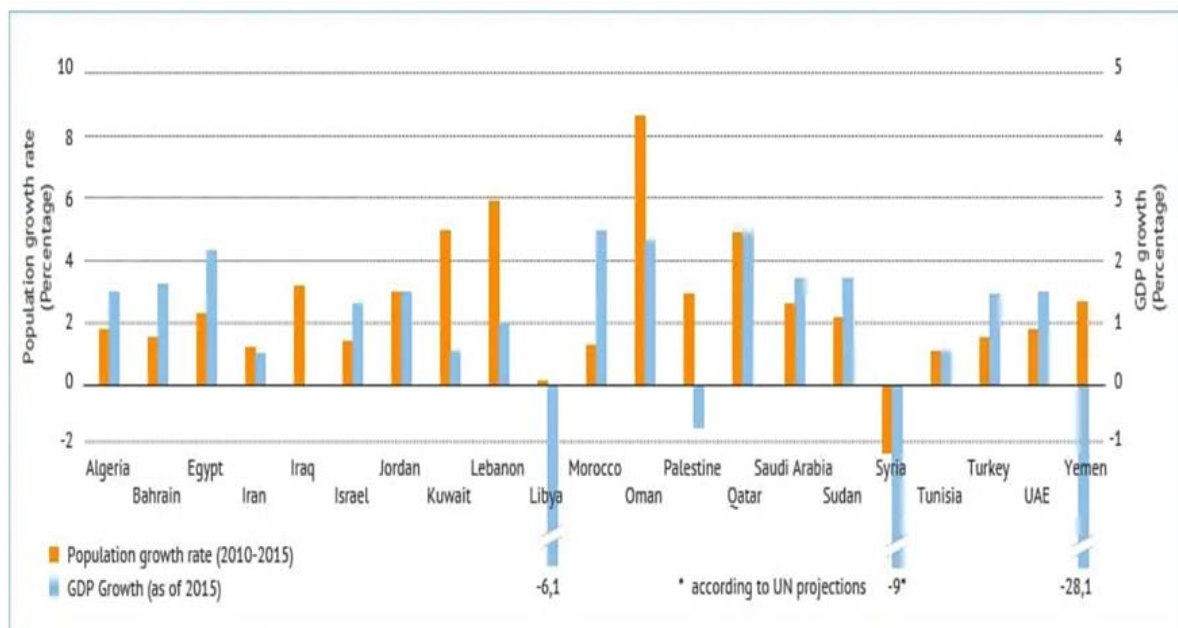


Thus, there is a certain trend for slowdown of the population growth, this trend is not sustainable, while the growth itself is significant. This is combined with very limited opportunities for the population migration – the neighboring countries are not attractive, while strict control over migration is one of the key components in the implementation of the EU Good Neighborhood Policy towards Egypt. Simultaneously, all Muslim countries have a positive factor for the demographic pressure, which is women’s low involvement into the labor market.

Comparing to the general population growth in the MENA region Egypt demonstrated in 1960-2008 less pace – 369.1 per cent vs 426.7 per cent in the region<sup>6</sup>, while the nominal GDP per capita (constant 2010 US dollars) grew even faster – 1183 vs 774 per cent in the MENA region. However, comparing to Iran and Turkey, Egypt continues to demonstrate much higher growth of population<sup>7</sup>.

In general, as the following graphic demonstrates, the GDP growth in Egypt is higher than its population growth.

Figure 3: GDP and population growth rate in the MENA countries in 2010-2015.



Source: The United Nations 2015 Revision of World Population Prospects, The CIA World Factbook.

Moreover, according to the UN expectations, the population growth in Egypt is to become significantly slower. In 2025 it is expected as 1.76 per cent, while in 2020 – 1.24 per cent. However, even such a slow growth will be a serious factor in the demographic pressure – till 2050 the Egyptian population is expected as 150 million people.

<sup>6</sup> Population, total - Middle East & North Africa. (n.d.). Retrieved March 30, 2021, from <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=ZQ>

<sup>7</sup> Ahmad Uthman. Population issue. Egypt after 100 million. Online publication. <http://baseera.com/eg/Publications/Dr%20Magued%20future%20prospects.pdf>

There is a serious question, to what extent the economic development could compensate the demographic pressure. While the GDP growth till 2025 is expected much higher than the population growth<sup>8</sup>, the situation does not look to be unambiguous. Moreover, as Dr. Andrey Korotaev points out, all economic crises in the history of Egypt were not related to the limit of country's economic capacities.

For example, the nominal GDP per capita in 1965 was 163 USD, while in 2018 – 2549 USD. Since the maximum of 3599 USD in 2015 there is steady decrease in this parameter, while total GDP demonstrated in 2018 a trend to growth. In various years after the Egyptian revolution of 2011 the countries the decrease in main macroeconomic indicators – growth in real GDP, amount of gold and foreign currencies reserve, foreign direct investments, consumption, as well as larger budget deficit etc.

GDP per capita PPP in 1990 amounted 3827 USD, in 2018 – 12390 USD. Taking into consideration a relatively high inflation rate – more than 20 per cent in 2017-2018 – these figures required to be corrected. However, they do not assume a conclusion about Egyptian poverty or countries inability to cope with the demographic pressure. For instance, the economic growth in 2006-2012 in various sectors was 3.8 per cent in average, that is much higher than the population growth.

Russian scholars Andrey Korotaev and Yulya Zinkina consider the demographic pressure in Egypt in a different aspect – in the context of growth in disproportions in the age structure of the population, the growth of young people percentage and corresponding disproportion in the labor market<sup>9</sup>. The researchers point out that around 29 per cent of all Egyptians are young people 15-29 years old and around 32 per cent – young people under 15 years old. The growth of employable population in 2006-2012 was 1.2 per cent annually, while the growth of number of young people (15-24 years old) in the same period – 2.3 per cent annually, while the growth of population 24-29 years old – 4.25 per cent annually<sup>10</sup>.

It is important to emphasize that those people who are currently 25-34 years old, were the core of protesters in 2011, were those people, who came on the street against the President Mubarak's government.

The following graphic demonstrate the current age structure of the Egyptian population.

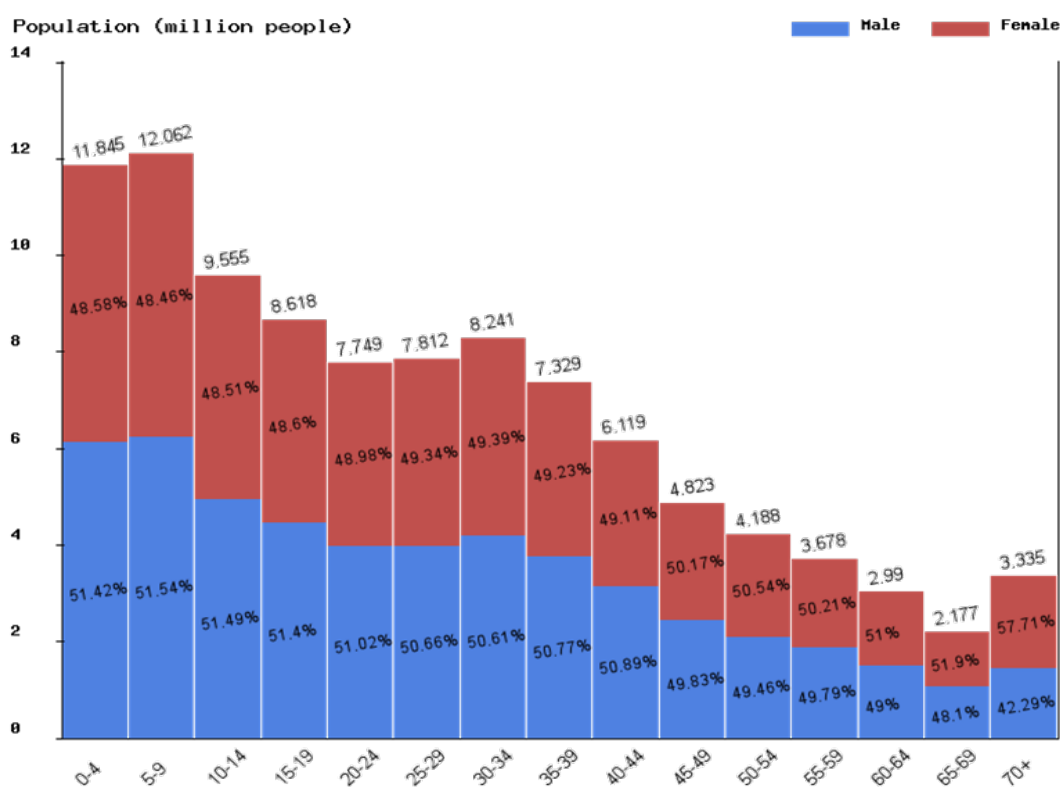
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<sup>8</sup> Plecher, P., & 2, D. (2020, December 02). Egypt - gross domestic product (GDP) growth rate 2025. Retrieved March 30, 2021, from <https://www.statista.com/statistics/377340/gross-domestic-product-gdp-growth-rate-in-egypt/>

<sup>9</sup> Египетская революция 2011 года: Социодемографический анализ. (n.d.). Retrieved March 30, 2021, from <https://www.socionauki.ru/journal/articles/136489/>

<sup>10</sup> Policies and Interventions on Youth Employment in Egypt. Online resource. <https://europa.eu/capacity4dev/file/27263/download?token=gELwWBnN>

Figure 4: Current age and gender structure of the Egyptian population



It is possible to assume that the following 10-15 years will be the most risky from the demographic pressure point of view. These years will be marked with entry into the labor market of the most numerous age group (now under 15 years old) and absence of any sources for sustainable economic growth. The President al-Sisi in this high risky period (2029/2030-2035) will be 76-81 years old, almost of the same age as the President Mubarak at the beginning of the ‘Arab Spring’.

### Quality of Governance and Public Administration

It is difficult to doubt that the Egyptian economy has enough durability to cope with the economic consequences of the demographic pressure, if other serious economic challenges do not occur. It seems that the country has such experience. In spite of all its peculiarities, the quality of governance is on the adequate level. While corruption is considered among the major problems in the Egyptian public administration system, the situation is not the worst one. However, after the revolution of 2011 the situation is not improving: in 2012 the Corruption Perception Index ranked Egypt on the 118th place with 332 points, in 2014 – the 94th place with 37 points, in 2018 – the 105th place with 35 points. The inequality is also on acceptable level – in 2018 Gini index was 31.8, in 2010 it was 31.5, the maximum since 1990 was in 1999 – 32.8.

The Egyptian government is well aware about the possible demographic threats. At least on the declarative level the President al-Sisi repeatedly refers to

these issues, including implementation of the international financial instruments to support young people employment and youth entrepreneurship. The system of high education is actively involved: in 2014-2015 academic year the number of high educational establishments students in Egypt was 2.625 million people, while in 2016-2017 – 2.8 million people. In the year 2020 30.21 per cent of the Egyptians had higher education, in 2016 this number increased to 34.44 per cent. However, the quality of this education remains on a relatively low level – according to the Global Competitiveness Report 2017-2018 the Egyptian educational system was ranked on the 130<sup>th</sup> place among 137 ranked countries.

The issue about the impact of the demographic pressure on the infrastructure remains arguable. The experts at Hoover Institution consider<sup>11</sup> this threat among the key ones, particularly taking into consideration the specifics of the Egyptian territory and disproportions in population distribution. However, until now the Egyptian government has demonstrated its capability to cope with this problem, while the experience of other densely populated countries, as well as technologies development give some reasons for moderate optimism.

The key issue in this context is the issue of the quality of governance and legitimacy of the government. This issue would be particularly actual in the period from 2029 to 2034 (the period of maximum youth demographic pressure on the labor market and in general on the economy). The quality of governance could be evaluated with the help of Worldwide Governance Indicators<sup>12</sup>. Comparing to the year 2011, in 2019 Egypt demonstrated fall down in half of the indicators (max = 100): voice and accountability – from 14.08 to 8.37; regulatory quality – from 41.23 to 18.75; rule of law – from 41.23 to 37.98. However, in the other half of the indicators there is the growth: political stability and absence of terrorism – from 6.64 to 12.86; government effectiveness – from 35.07 to 36.54; control of corruption – from 25.59 to 27.88.

In the Ibrahim Index of African Governance<sup>13</sup> in 2019 comparing to the year 2011 ‘Overall governance’ and ‘Foundations for economic opportunity’ demonstrated growth – from 47 to 47.4 (max = 100) and from 55.8 to 61.6 respectively. However, in ‘Security and rule law’ and ‘Participation, rights and inclusion’ there as fall down – from 41.4 to 39.0 and from 27.6 to 23.8 respectively.

The Worldwide Governance Indicators demonstrate absence of any significant progress in good governance in Egypt after the ‘Arab Spring’. The

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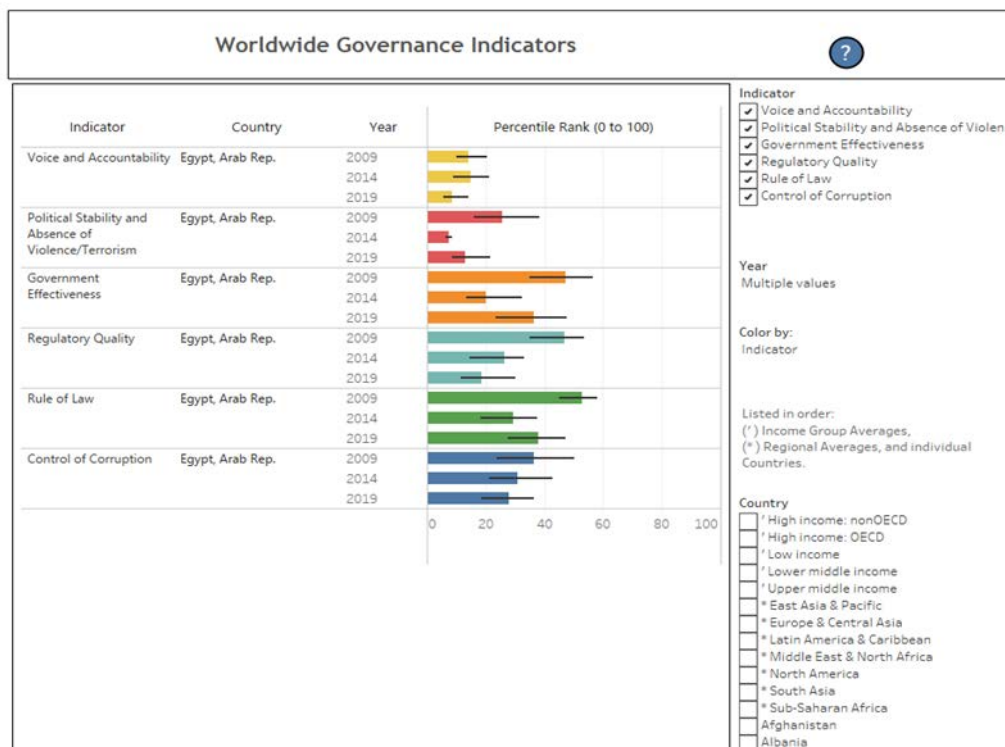
<sup>11</sup> Challenges to stability in Egypt. (n.d.). Retrieved March 30, 2021, from <https://www.hoover.org/research/challenges-stability-egypt>

<sup>12</sup> WGI-Home. (n.d.). Retrieved March 30, 2021, from <http://info.worldbank.org/governance/wgi/index.aspx#reports>

<sup>13</sup> [http://s.mo.ibrahim.foundation/u/2018/11/27173840/2018-Index-Report.pdf?\\_ga=2.137504946.380120303.1565099052-960661658.1565099052](http://s.mo.ibrahim.foundation/u/2018/11/27173840/2018-Index-Report.pdf?_ga=2.137504946.380120303.1565099052-960661658.1565099052)

following graphic illustrates the changes in major indicators of good governance in Egypt in 2009-2019.

Figure 5: Governance Indicators in Egypt in 2009-2019.



Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010). *The Worldwide Governance Indicators: Methodology and Analytical Issues* - [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1682130](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1682130)

The Worldwide Governance Indicators are available at: <http://info.worldbank.org/governance/wpi/index.aspx#home>  
 Note: The Worldwide Governance Indicators (WGI) are a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

Thus, the al-Sisi’s activities have very moderate success till now – his government has made efforts for establishment more opportunities for business, export diversification and infrastructure development. The initiative ‘Future Work is Digital’ can serve as a more or less good example, how the al-Sisi government tries to involve young people in economic activities, stimulates the creation of new job places and promotes self-employment<sup>14</sup>. The initiative is a free scholarship program offered by the Egyptian government in cooperation with the Udacity company to upskill Egyptian youth in Web, Data and Digital Marketing tech skills for jobs of the future. However, comparing, for example, with the analogue initiative offered by the Dubai government, the goals and the results of the ‘Future Work is Digital’ initiative ‘One Million Arab Coders’ seem to be rather limited. Thus, the initiative aimed to encompass 100 thousand young people, while the real number in March, 2021 was 65 thousand people, the coverage in social media remains limited.

However, all these efforts are accompanied with serious political limitations. Al-Sisi’s government has failed to produce sustainable social contract. In this

<sup>14</sup> <https://egfwd.com/>

frames the issue of legitimacy and reliable power change mechanism is becoming particularly actual. The latter one is definitely absent in Egypt: legitimacy is provided mainly due to the armed forces support.

While for the generation of the 1950-1980s the army, which opposed Great Britain, France and Israel, has recommended itself as a source of legitimacy, the generation of the 1990s and particularly of the 200s seems to perceive the army in a different way. In 2029-2034 the current president (born in 1954) will be 75-80 years old correspondently, however, younger than the president Mubarak at the beginning of the 'Arab Spring'. To what extent he would be willing to establish an effective power change mechanism and able to control the power – is a serious question.

There is no much open information about the results of polls on political issues, particularly, concerning the activities of top-rank officials. However, the Egyptian Center for Public Opinion Research (Baseera) conducted its periodic poll about the approval rating of the president, observing changes in the Egyptian's assessment of the president's performance after 28 months in office. Their results to a great extent confirm our considerations.

On the occasion of Sisi's first anniversary, Baseera published a more detailed nationwide poll, breaking down respondents opinions by age groups. While Sisi's approval rating is at its highest with 9 out of 10 Egyptian's approving of his performance in office, the approval rating dips among the younger demographic<sup>15</sup>. Comparing the results of the polls during the al-Sisi's first year of presidency, the maximum of his approval was in November 2014 (66 per cent comparing to 58 per cent as minimum of approval). One can see that this peak was possibly related to al-Sisi's active reactions after against the terrorists in Sinai, when Rafah border to the Gaza strip closed and three month 'State of Emergency' imposed after attack on military personnel in North Sinai.

The peak of disapproval (8 per cent) occurred in August 2014. Possibly, it was related to repressions against the former President Mursi and his followers, as well as to the fact that former President, Hosni Mubarak, was removed from prison and placed under house arrest.

The poll of 2017 showed that the president's approval rating dropped to 68% compared to 82% at the end of his 26th month in office. The percentage of those who disapprove of the president's performance at the end of his 28th month in office was 24%, while 8% of the respondents were undecided. The approval rating has decreased among Egyptians with different education levels and in different age groups.

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<sup>15</sup> INFOGRAPHIC: Sisi's approval ratings over the past year. (2015, August 15). Retrieved March 30, 2021, from <https://www.atlanticcouncil.org/blogs/menasource/infographic-sisi-s-approval-ratings-over-the-past-year/>

In the beginning of 2018 the respondents approved al-Sisi's policies for improved security (18%), improvements in the country's conditions (11%), improvements in roads and bridges (9%) and social housing projects (7%) and disapproved for high prices with 74% compared to 53% in August 2016, unemployment (13%), the lack of improvements in the country's conditions (12%), the deterioration in the country's economic status and the lack of social justice with 4% each<sup>16</sup>.

## **Conclusions**

Thus, we can make the following conclusions:

The demographic pressure has a significant, however, not a catastrophic impact on the economy and correspondently on the sustainability of the Egyptian political system. The current government activities allow the control over the situation.

The economic system of Egypt is expected to become the most vulnerable for the demographic pressure in 2029-2034. Even this high pressure could not result in dramatic or catastrophic consequences for the economic and political stability.

Taking into consideration the absence of active economic growth and uncertain perspectives for any significant growth in future, any social contract between the government and population does not seem probable. The main emphasis should be made on the quality of governance and government legitimacy. The al-Sisi's government has problems with both. The situation could be described as slow degradation. Within the frames of the strengthening the authoritarian regime the Egyptian government would look for additional sources for its legitimacy. The former presidents Nasser and Mubarak found such sources in struggle against foreign enemies.

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<sup>16</sup> Press Release. The poll conducted by the Egyptian Center for Public Opinion Research (Baseera) on The performance of President al-Sisi after 28 months in office. Online resource <http://baseera.com.eg/EN/PressPoll-Ar/125-En.pdf>