Egypt - An "Uh Oh" Moment

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Again?[/caption]

CAIRO — As three Egyptian cities defied President Mohamed Morsi’s attempt to quell the anarchy spreading through their streets, the nation’s top general warned Tuesday that the state itself was in danger of collapse if the feuding civilian leaders could not agree on a solution to restore order.

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> With the stakes rising and no solution in sight, Gen. Abdul Fattah al-Sisi, the defense minister, warned Egypt's new Islamist leaders and their opponents that "their disagreement on running the affairs of the country may lead to the collapse of the state and threatens the future of the coming generations."
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> "Political, economic, social and security challenges" require united action "by all parties" to avoid "dire consequences that affect the steadiness and stability of the homeland," General Sisi said in an address to military cadets that was later relayed as a public statement from his spokesman. And the acute polarization of the civilian politics, he suggested, has now becoming a concern of the military because "to affect the stability of the state institutions is a dangerous matter that harms Egyptian national security."[1. *Chaos in Egypt Stirs Warning of a Collapse*, DAVID D. KIRKPATRICK, New York Times, Jan. 29, 2013]

Al-Sisi also pointedly commented that the military is in a "grave predicament," forced to balance between "avoiding confrontation" with citizens and protecting state institutions. He spoke of a "realistic threat" facing the nation.[1. *Abdel Fattah El Sisi, Egypt Army Chief, Warns Of State Collapse*, MAGGIE MICHAEL and LEE KEATH, Huffington Post, Jan.29, 2013] In addition, Egypt's upper house of parliament on Monday ratified a law that would grant the armed forces powers of arrest.

The ongoing unrest in Egypt, the worst and most sustained since the ouster of Mubarak, puts the Morsi government in dire straits, caught as it is between its citizens' demands for economic reforms and its military's large ownership interests in the private market.
This predicament arose from Egypt's decades long history of buying off the miliary through allowing it an outsized influence in the private economy.

> Military-owned companies, often run by retired generals, are particularly active in the water, olive oil, cement, construction, hotel and gasoline industries. Military companies built the modern road to the Ain Souknah Red Sea resorts 90 minutes from Cairo and Cairo University's new annex. There are large amounts of land owned by the military in the Nile Delta and on the Red Sea coast. Such property is a "fringe benefit" in exchange for the military ensuring regime stability and security. The military's role in the economy [is] a force that generally stifles free market reform by increasing direct government involvement in the markets.[2. *The Role of the Egyptian Military in Domestic Society*, by LTC Stephen H. Gotowicki, U.S. Army, written August 1994, published in 1997.]

Egyptian President Mohammed Morsi has attempted to reduce the military influence in politics. He ordered the retirement of Field Marshal Hussein Tantawi, the head of the Supreme Council of the Armed Forces (SCAF) and Mr Mubarak's longstanding defense minister. He also cancelled a military decree issued before the election which would have limited presidential authority, and, in August 2012, Morsi appointed military intelligence chief, General Abdel Fattah al-Sisi to two posts: Commander-In-Chief of the Egyptian Armed Forces and Minister of Defense.

A Textbook Conflict of Interests.

And it was the 58-year-old Abdel Fattah al-Sisi who issued the rather unsubtle warning reported above. The site of the warning, an Egyptian military academy, also underscores the seriousness of al-Sisi's purpose. While he has been reluctant to push forward the military role in politics, his concern over the stability of the state ("dire consequences that affect the steadiness and stability of the homeland") is close to a call to arms. It's a dire warning about dire consequences from a man thought to be averse to civilian-military confrontation. This is not a diplomatic parsing of words; al Sisi forceful tone is dead serious, and worth more than the soft-pedaling analysis within the media.

Also, as mentioned above - and always a factor in the ability of Egypt to sustain leadership - the military has a very large presence in the economy, Fortunes have been created, and a tradition of ascension to private sector success has developed among military officers. Real reform in Egypt would seek to modify and reduce this outsized grip on free enterprise. Many Egyptians demand it. So far, Morsi has tried to diminish somewhat the military influence in civilian affairs, and - perhaps soon to be viewed as ironic - his choice of the relatively hands-off al Sisi to Defense Minister and Army Commander-in-Chief has been aimed at moving towards accomplishing that goal.

The military interests in their business ventures at home demands a politically stable Egypt. For example, former military officers have for a long time been closely involved with construction of tourist venues. An unstable Egypt does not advance that interest. Do not doubt that a king's ransom of wealth and influence is at stake. Unmooring that influence and its concomitant wealth may be viewed, by al Sisi and others, as dangerous enough "to affect the stability of the state institutions," and "a dangerous matter that harms Egyptian national security."

After all, in Egypt, where does the economic self-interest of the military-business elite end and a threat to "national security" begin? The as yet unresolved answer to that question ought to raise goosebumps in capitals throughout the world. Morsi's government has some time to defuse the bomb, but if things deteriorate further over the next few weeks, the military bomb squads may move in.