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## How U. Egypt Communities Cope with Economic Transformation?

**Nada Zainalabidin**

“He had to look for a better opportunity, our children were getting older and, by extension, life more expensive. Finally, and after two difficult years of trying to find a contract, 3 months ago he made it to Kuwait, on a fake contract; he was 90% sure it was fake, but he had to go anyways. He is still with no job and I am the one who balances the checkbook at home”

Bodoor<sup>1</sup> was talking to me on messenger<sup>2</sup> on her way back home to her mother’s place to pick up her children after a long work day. We hung up the call when she asked me to wait after she gets off public transportation because she does not want to cry next to strangers.

On the night of the 3rd of November 2016, the EGP lost over 60% of its value. The Central Bank of Egypt liberalized the exchange rate of the Egyptian pound, in order to control the USD price in the black market where the USD reached 20 EGP as opposed to 9 EGP in banks<sup>3</sup>.

Bodoor, 27 years old, said that Hussien, her 34-year-old husband, is a marble technician, and since marble is regarded as a luxury good, the offers were eroding.

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<sup>1</sup> An arabic word for moons. It is the penname I gave her because I think she is like the moon for her family.

<sup>2</sup> We had three calls on the 3<sup>rd</sup> week of march 2019

<sup>3</sup> <https://bit.ly/2OWJVdr>

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“People are struggling to afford the basics of life; ceramic, much less marble is not on the list” she explained.

Bodoor and Hussien got married in 2014, a year after the military coup in July 2013; they have two children at the ages of 4,5 and 2,5. They live in Siflaq, a small village with a population of 27,736 that belongs to Markaz Saqaltah in Sohag in Upper Egypt, a governorate with one of highest percentages of poverty in Egypt of 66%<sup>4</sup>.

“I managed to find another job besides my position as a project manager in a human rights organization, in a different NGO as a project coordinator with a monthly salary of 1500 egp. I used to work as a coordinator in my first job too, but two months ago I got a promotion and my salary jumped to 1500 egp from 1000 EGP”

Bodoor, who is now the female head of her household, is one of many. According to Nehad Abou komsan, the senior Lawyer & Gender Expert, Egypt has more than 12 million female breadwinners responsible for almost 30% of the Egyptian families and 26,3% of them live below the poverty line<sup>5</sup>.

In July 2016, the Central Agency for Public Mobilization and Statistics announced that 27,8% of Egyptians are poor and can't afford the basic needs of food and that 57% of people of rural Upper Egypt are poor versus 19,7% of the Delta's rural areas.

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<sup>4</sup> <https://bit.ly/2OYilad>

<sup>5</sup> <https://bit.ly/2HFVVPK>

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Bodoor who earns 3000 EGP per month and is entrusted with her two children and herself, is considered above the poverty threshold according to the Egyptian definition that allocates 482 EGP for a person per month while the world bank estimated 1.19 USD a day as the threshold, that means that according to the recent USD-EGP price rates, 1026 EGP a person per month<sup>6</sup>.

### IMF loan and everyday citizen

In the same year that Bodoor got married in 2014, the Government decided through the advice of the International Monetary Fund (IMF), to reduce fuel subsidies, that led to an insane increase in goods' prices due to the increase of transportation costs. Bodoor said that one of the main causes that affected her husband's work, other than the high expenses of marble itself, is the increase in transportation costs, which by association lead to a decrease in orders.

After two years of marriage, their first child arrived and the father started looking for a chance in one of the Gulf countries. When he made it at the beginning of 2019, Bodoor had to organize her life with the two children alone until her husband finds a job and starts sending them money.

"I am afraid I won't be able to continue like this. Our daily routine starts at 6.30 in the morning, at 7 we leave to my mother's place where I leave the children and head to

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<sup>6</sup> <https://bit.ly/2KhcwvA>



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work. It takes around one and half hours to reach the village where I do the field work. I go back to pick them up around 3 in the afternoon.”

Because Bodoor works for two organizations, she works every day even on Fridays, which is the official weekend in Egypt. No governmental transportation exists to connect those villages with each other, she has to change minibuses two or three times and finally Tuk Tuk. Typically 63% of people in the Egyptian countryside use minibuses for transportations, 25% depend on pickup trucks, and 3,5% on tuk tuks.<sup>7</sup>

### Post-2011 current status's premises

Egypt's economy was not in the best state before the 2011 revolution either, a significant shortfall in budgetary, slow economic growth, a reduction in foreign reserves, a dilated gap in the balance of payment, the Egyptian pound being under a lot of pressure all led to the recent dire situation.

The situation did not get better after 2011 though, a comprehensive vision was missing and only a miracle could have saved the economy. Unfortunately, miracles happen no more and the lack of strategic planning became even worse. Two months after the coup, El-Sisi announced the inauguration of the new Suez canal project with no kind of previous feasibility study, the project was submitted to the IPO to collect 8 billion USD. Despite the supposition of it being finished in three years, because of El-Sisi's wish, the government compressed the time to a year, that meant 8 billion USD withdrawn from the central bank in a single year. It was one of the reasons that led to the EGP price

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<sup>7</sup> <https://bit.ly/2Z08llr>

crisis. In August 2015, the new Suez canal was opened hoping to achieve a jump in the canal's income from 5 to 13 million by 2030. Unlucky Egyptians were fooled yet again, according to an official statement by the General Authority of the Suez Canal, revenues for 2017 fell by 3.3% compared to 2016's revenue. Revenue in 2016 was about \$ 5.005 billion, while it reached 5.175 billion in 2015 against 5.465 billion in 2014<sup>8</sup>

### Which public services are offered in Sohag?

“ Everyone is frustrated. Despite how bad my situation looks, I consider myself so much luckier than others. Because of my job in the developmental sector, I meet people who take their children out of school because they can't afford even the free governmental education's needs. They can't afford transportation costs, buying school uniforms, bags and stationary, even the food the children will need to eat there. It is better for the whole family to have a new member who works and earns money”

In its 2017 report, the Central Agency for Public Mobilization and Statistics stated that 1,122,000 aged between 6 and 20 years old are school dropouts, and 95,252 are from Sohag, putting them in 2<sup>nd</sup> place after Giza in dropout numbers.<sup>9</sup> The report stated the reasons of their dropping out as well, it said that the financial status came as the third reason with a percentage of 17.8% after the unwillingness to learn with 37.2%, which was followed by the unwillingness to learn by the family with 18.9%. Also, the difficulty of reaching a near school came on the list with 5.2% and working during school time with 2.3%. Can't most of these reasons be summarised as 'difficult financial

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<sup>8</sup> <https://bit.ly/2UItYgc>

<sup>9</sup> <https://bit.ly/2uW8ka0>

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status'? The situation is more complex than students or their families choosing not to go to schools, the General Authority For Educational Buildings announced Sohag as the top basic educationally disadvantaged Egyptian governorate with 315 areas with no schools at all plus the doubled density in schools, when one class room is designed to hold 30 students, it is filled with 70 instead.

“Amid the hard circumstances we have in Egypt, we get going in all directions, our main focus is the Egyptian citizen, the citizen who suffers, and I would say this again and again to all of you, basic good prices will never increase. It is a promise, If Allah wills, a promise” El-Sisi, April 2016.

Egypt's regime has always thought that huge projects like a new branch for the Suez Canal will lower the unemployment percentage, then poverty percentage, the former by the end of 2015 reached 12.8% out of the documented working force of 28 million. 32% of the Egyptian population age ranges between 18 and 29 years old and 51% out of them live under the poverty threshold<sup>10</sup>. Another percentage which can explain a part of our story comes out of the same survey, it is that 17,2% out of Egyptians are thinking about migration, and 25,6% are men between 15 and 29<sup>11</sup>.

What made the situation in Egypt get harder despite the promise? In 12 September 2015, Sherif Ismaiel headed the prime ministry, and during three years, till June 2018, he took a lot of critical decisions, the first and the most important was the 12 billion

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<sup>10</sup> <https://bit.ly/2VCnsos>

<sup>11</sup> <https://bit.ly/2D129pl>

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USD loan by the International Monetary that lead to the complete liberalization of the Egyptian pound's price for the first time, and the petroleum prices increasing from 7.1% to 87.5%, the two factors that affected people such as Husien and Bodoor as we mentioned in the first lines of this paper. Goods' prices increased not only because of the local currency price crisis, but also because of the value-added tax law that increased the tax from 10% to 13% after El-Sisi issued a republican decree in february 2016 to increase the tax by 40% on about 500 goods, followed by another decree in December of the same year to increase the tax by 50% on 320 exported goods<sup>12</sup>.

More decisions were taken during the next two years, all were increasing the tariffs for electricity, water, and petroleum in order to achieve the IM loan conditions that lead to a complete [removal of subsidies](#) that will take place in June 2019.

“ It is more complex than I can explain to you, people are not only struggling to afford their food, but also they are having trouble with feeding their livestock. In such villages, a lot of farmers work in animal husbandary. Because animal feed is getting way more expensive than people can afford, I saw a lot of farmers feeding the animals common reeds that grow on sewage. There's no infrastructure in the villages and sewage is everywhere. I tell them that this is so harmful, they say that they know, but they have no other options. The animals need to eat or they will die”

According to the Central Agency for Public Mobilization and Statistics, in January 2016, 4655 villages in egypt had their infrastructure and living conditions scanned, showing

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<sup>12</sup> <https://bit.ly/2OW3kv2>



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that 74.3% of Egyptian village have no drainage infrastructure and sewage is everywhere<sup>13</sup>. It's noteworthy that this report was released four days before El-Sisi's opening of 1.5 milion acres rehabilitation in order to create a new Egyptian countryside.

“If the children get sick, their parents just wait, they give them otc pain killers and hypothermicals. In the small villages where I work no hospitals exist, only very primitive medical units”

Only 6% of Egyptian villages have a governemntal hospital, as opposed to 83.3% of private pharmacies. Sohag, where Bodoor both lives and works, has 51 villages belonging to 12 cities, and there is only 13 governmental hospitals.<sup>14</sup> According to the [Egyptian Organization for Human Rights](#)' January 2017 report, in upper Egypt governorates, there is one intensive care bed per 22,000 [inhabitants](#), while the international standerd is a bed per 7000 inhabitants. Libraization of the EGP affected the health sector directly, and people by association. When the local currency price decresed in favor of the foregin ones, and regarding supply and demand, the medical devices and medication got more expensive, a combination that prevents the poor citizin from medical services and medicine itself<sup>15</sup>.

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<sup>13</sup> <https://bit.ly/2Z08llr>

<sup>14</sup> <https://bit.ly/2VyXZwc>

<sup>15</sup> <https://bit.ly/2VyWy0X>



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## who do they blame for their hard lives?

“The government, who else can control the prices? Who can build a hospital or a school. People here are plain. They only say Allah is sufficient for us, most excellent is he in whom we trust. No one here thinks about the political situation as a premise for the current scene. There was no revolution in sohag, nothing at all, January 2011 in sohag was just like every other month. Only during 2012 elections did they go to vote, other than that, no political participation”

This is not new information though, it may have nothing to do with the recent regime. Al-Ahram center for political and strategic studies announced that the political participation has been so poor since 2010<sup>16</sup>.

## How people react differently to the political oppression

In May 2017, Youssuf El-Araby, a 13 years old teen, was shot in his head while playing next to his house in Zayed city in Cairo. He spent 12 days in a coma then sadly he died. The shot source was until his death, unknown. After his death, his mother, Marwa Kenway<sup>17</sup>, started to investigate what had happened, and finally, it was discovered that it was a stray shot from celebratory gunfire at a wedding party that was a bit close to the crime scene. In May 2018 four men were charged with 7 years imprisonment for manslaughter and unlicensed firearm but only two of them are serving the sentence while for over a year, the sentence has not been executed for the other two. Why? Good question. One of them was a police officer and the other a son of a parliament

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<sup>16</sup> <https://bit.ly/2KqY970>

<sup>17</sup> <https://is.gd/Avrg1U>

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member. Over this year, Marwa and her lawyer have requested the relevant authorities to work on arresting the sentenced persons, but they got no response. Moreover, she announced that she has been receiving death threats from their families in order to stop fighting for their arrest. Marwa started a hunger strike on 1st of April 2019 protesting the lack of justice. It's been almost two weeks now since she started the strike and yet received no official response. Over the course of the last year, Marwa launched an initiative to raise awareness about the harm caused by the celebratory gunfire at wedding parties<sup>18</sup>.

“ I ask for law enforcement, no more. I am using my right to peaceful dissent for a legitimized request, arrest the sentenced persons” Marwa to bitawqitMasr<sup>19</sup>

There are different reactions to Marwa's decision regarding the strike. Although she has a lot of supporters and solidarity, there are tens of comments on her Facebook post asking if a strike in Egypt will lead to anything. Will the government pay attention to her? Will they open the door for more citizens to act like Marwa, thinking their will has a power against the government? El-Sisi's Egypt, according to the Arabic Network for Human Rights Information, arrested more than 60 thousand political detainees till 2016. People think that such a regime will not really head to Marwa's requests. But after all, she is an Egyptian woman who decided that this is the legitimate route that can afford her her rights.

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<sup>18</sup> <https://is.gd/Qr6F3z>

<sup>19</sup> <https://is.gd/oJvHTI>

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On another hand, in Upper Egypt's cities, the situation is totally different. You can hardly find an individual protesting and addressing the government to find a solution for him. It is as simple as that, upper Egyptians don't think that the Government sees them at all. Long years of negligence on every scale, the lowest service cities, the highest poverty rates, the highest illiteracy rates, the highest unemployment rates, and the most repellent cities. Most of the upper Egyptian's youth migrated to Cairo and bigger Delta cities for better work chances.

"People know who to blame. On the traditional cafes, you hear men complaining to each other calling his name just to let off a little steam. You know who. They only share their frustration while smoking hookah and drinking tea"

This part of the conversation was on the 3rd week after we started talking, Bodoor and I, she felt she can trust me more now, but she doesn't trust the authorities, she doesn't use El-Sisi's name even once. She only said 'Menno llah' that means only Allah can bring justice for you / no bad deed goes unpunished.

### Conclusion:

Eight years have passed since January 2011, a lot of negative things affected the economic situation in Egypt, a huge rise in the public debt, the public debt jumped from 0.8 to 3.6 trillion EGP, while the external debt jumped from 33 to 92 billion USD<sup>20</sup>. Long term marginalization policies affected upper Egypt badly. Nine upper Egypt governorates suffer from high poverty levels, illiteracy, and unemployment, all things

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<sup>20</sup> <https://bit.ly/2G6nU80>



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that made them the most repellent cities in Egypt along the past decades<sup>21</sup> with 80% divided between internal and external migration.

Despite the government's promises, plans and sometimes announcements regarding thousands of factories to be opened and investments with billions of Egyptian pounds during the last years, the announcements on the other side show that poverty percentages in the upper Egyptian community reached 66% and illiteracy reached 38%.

In January 2019, El-Sisi launched the "dignified life" initiative, that aims to afford medical services, job opportunities in micro and medium-sized projects, and orphan marriages in the most needed villages<sup>22</sup>

Wonders about the real effect of the initiative in the shadow of the complete removal of subsidies on petroleum and the awaiting of a new wave of price increases by 15 June to fulfill the IM loan conditions. Even the decision of increasing the minimum wage that was announced on 30th March, from 1200 to 2000 egp does not mean anything<sup>23</sup>. Taking into consideration that the last similar decision in 2014 raised the minimum wage to 1200 egp, and according to the EGP/USD price it meant 170 USD, and according to today's ration, basically El-Sisi raised the wages from 170 to 115 USD, and that means, unfortunately, harder conditions for poor people in Egypt.

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<sup>21</sup> <https://bit.ly/2UFQBIG>

<sup>22</sup> <https://bit.ly/2LMb2GI>

<sup>23</sup> [https://bre.is/YH\\_ey8FhH](https://bre.is/YH_ey8FhH)

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Upper Egypt has been always suffering from negligence and marginalization, the thing that has affected how Sa'idi (Upper Egyptian) people see themselves as social actors. This can be seen clearly through following the percentage of the participation in elections pre-2011, during the 18 days of the revolution, and both votes and elections post-2011. Bodoor explained this silent objection by not only the fear of getting arrested but also the feeling of a futile cause. People gave up on having a better lifestyle, so they only want to keep on their source of living, their farms. People who live in such villages depend mostly on farming, they plant wheat, and when have wheat, you have your bread, and that means you and your children can't starve. Farmers need to take care of their fields, to be next to it, and to protect it. Your farm is your everything and it is not negotiable to leave your farm and go to protest risking your life. Who will take care of the farm if you get arrested? Who is going to feed your kids? The farmer owns something he can't risk losing, while the urban citizen has nothing but his salary, that is why he has to protest if this salary is not enough anymore.

When I tried to wrap it up with Bodoor and stressing on how do they really cope, she said that it is all about compromising, new clothes for children mean very bad quality clothes that are affordable, no meat or chicken every week, and for any unexpected situation, like an urgent need for a doctor, a critical state that requires hospitalisation, the solution is to borrow from relatives or friends. To borrow from someone when you are in need and when they are in need, it is your turn to lend them back.

It does not seem that Upper Egyptians' lives will get easier any time soon, as long as the regime is still using the same policies and nothing changes regarding the power imbalance between the government, the opposition and the civil society.