

POLITICAL
REPORTS

2 OCTOBER
2018



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EGYPTIAN INSTITUTE FOR STUDIES

Egypt's Position on Global Indices Declining

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International indices and reports are periodically produced by international institutions, whether governmental or independent, for those who are interested in understanding what is going on in the world and its expected trends in the future. Hence, the international indices and reports represent a kind of mirror for the decision and policy makers in countries, governments, the civil society, as well as economic, political and military institutions, and others.

Various indices examine specific phenomena in specific areas by exploring criteria and questions relating to the measurement of such phenomena for revealing its aspects. They rely on surveys, questionnaires and statistics by researchers from around the world, as well as reports issued by states and governments, and the most relevant research institutions; including business community institutions, civil society organizations, and research and academic centers. In this report, we monitor Egypt's position on international indices and the extent of its progress or decline.

Significance of this report

The significance of the report lies in the fact that it presents information on Egypt's position on the most important international indices, and helps to understand the Egyptian reality and draw conclusions summarizing necessary reform actions to help researchers and decision makers in this regard. This report addresses the situation after the coup d'état of 2013 in Egypt through its position on various international indices in 2017:

- 1- Global Competitiveness Index
- 2- Corruption Perception Index
- 3- Global Misery Index
- 4- Global Risk Index
- 5- Rule of Law Index
- 6- Human Rights Index
- 7- Freedom of Press Index
- 8- Transparency International Report on Defense and Security

The first four reports are directly related to economic affairs, while the remaining reports are distributed to other areas, constituting an overall picture of the Egyptian state under the military rule. These reports reflect the decline in Egypt's position in various areas and presents the reform measures required in these areas.

First: Global Competitiveness Report 2017-2018

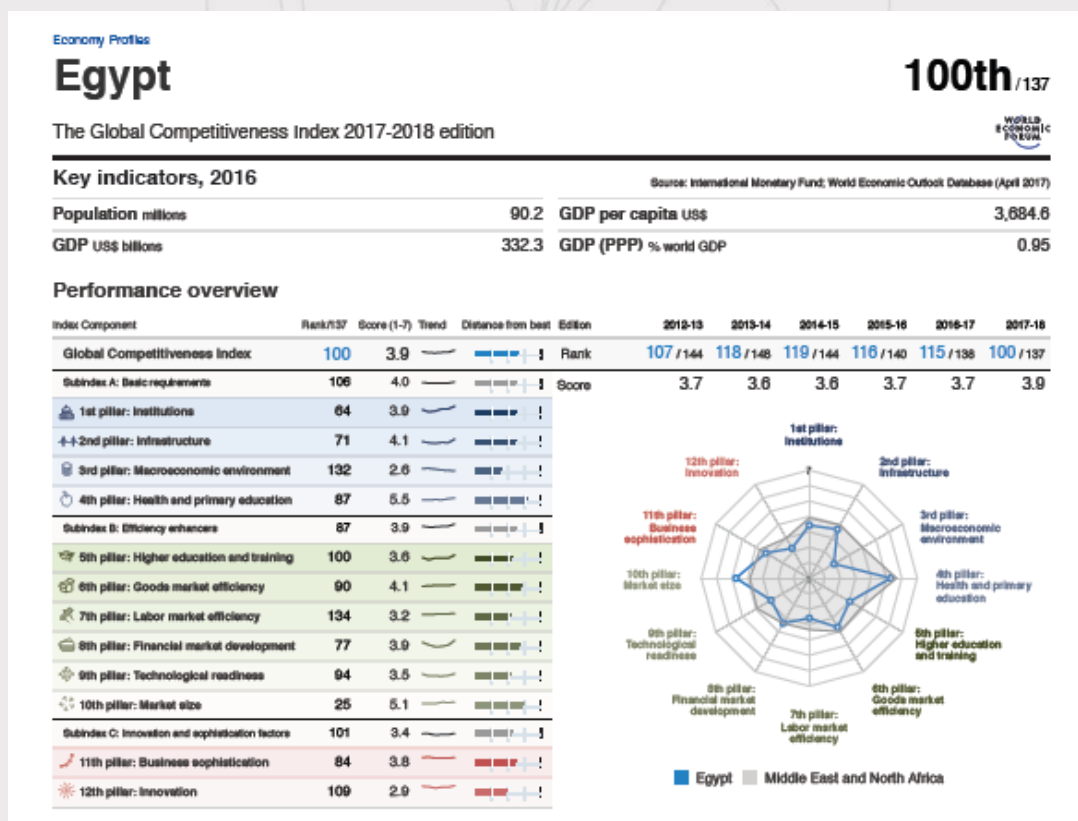
Ten years on from the global financial crisis, the prospects for a sustained economic recovery remain at risk due to a widespread failure on the part of leaders and policy-makers to put in place reforms necessary to underpin competitiveness and bring about much-needed increases in productivity, according to data from the World Economic Forum's [Global Competitiveness](#) Report 2017-2018. The WEF report presents a framework and a corresponding set of indicators in three principal categories (sub-indices) and twelve policy domains (pillars) for 137 economies, including Egypt:

Egypt was ranked 100th among 137 countries examined by the GCI index. It is remarkable that Egypt was not among the top 10 Arab countries, despite much talk about economic reform, the completion of infrastructure and the creation of an

investment climate. However, the competitiveness constraints monitored by the index were more accurate and reflective of the Egyptian reality.

Major obstacles to competitiveness in Egypt

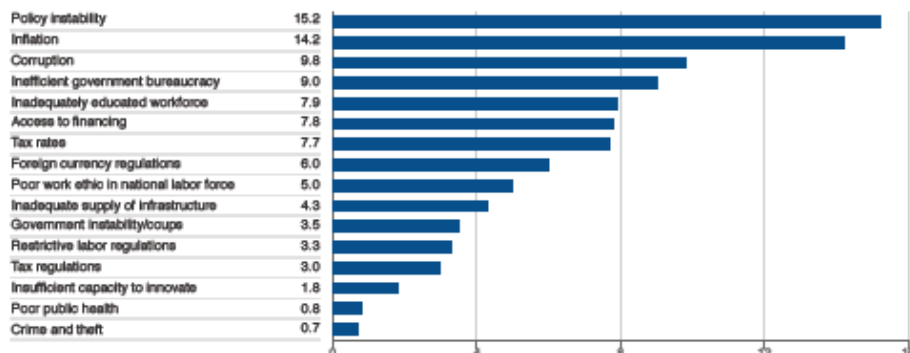
The Global Competitiveness Index 2017-2018 showed the problems hindering investment in Egypt and ranked them according to their size and impact. According to the GCI report, political instability in Egypt came as the most problematic factors for doing business, followed by inflation, corruption, the inefficient government bureaucracy, inadequately educated workforce, the access to financing, tax rates, foreign currency regulations, the poor work ethic in national labor force, inadequate supply of infrastructure, the government instability/coups, the restrictive labor regulations, tax regulations, the insufficient capacity to innovate, the poor public health, and crime and the



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Most problematic factors for doing business

Source: World Economic Forum, Executive Opinion Survey 2017



Note: From the list of factors, respondents to the World Economic Forum's Executive Opinion Survey were asked to select the five most problematic factors for doing business in their country and to rank them between 1 (most problematic) and 5. The score corresponds to the responses weighted according to their rankings.

The Global Competitiveness Index in detail

Egypt

Index Component	Rank157	Value	Trend	Index Component	Rank157	Value	Trend
1st pillar: Institutions	94	5.9		6th pillar: Goods market efficiency	93	4.1	
1.01 Property rights	94	5.9		6.01 Intensity of local competition	88	4.8	
1.02 Intellectual property protection	152	5.0		6.02 Extent of market dominance	51	3.9	
1.03 Oversight of public funds	52	4.0		6.03 Effectiveness of anti-monopoly policy	115	3.1	
1.04 Public trust in politicians	47	5.0		6.04 Effect of location on incentives to invest	85	3.7	
1.05 Investor ownership and labor	57	4.9		6.05 Total tax rate % profits	90	43.5	
1.06 Judicial independence	51	5.1		6.06 No. of procedures to start a business	18	4	
1.07 Favoritism in decisions of government officials	48	5.5		6.07 Time to start a business days	35	6.5	
1.08 Efficiency of government spending	89	5.3		6.08 Agricultural policy costs	88	3.5	
1.09 Burden of government regulation	87	5.2		6.09 Prevalence of non-tariff barriers	65	4.9	
1.10 Efficiency of legal framework in settling disputes	77	5.5		6.10 Trade tariffs % duty	131	16.9	
1.11 Efficiency of legal framework in challenging regulations	91	5.4		6.11 Prevalence of foreign ownership	108	3.7	
1.12 Transparency of government policymaking	159	5.0		6.12 Business impact of rules on FDI	108	3.4	
1.13 Business costs of corruption	104	4.5		6.13 Burden of customs procedures	81	3.9	
1.14 Business costs of crime and violence	79	4.4		6.14 Imports % GDP	153	21.6	
1.15 Organized crime	46	5.0		6.15 Degree of customer orientation	72	4.6	
1.16 Reliability of police services	50	4.6		6.16 Buyer sophistication	91	3.1	
1.17 Ethical behavior of firms	49	5.0					
1.18 Strength of auditing and reporting standards	82	4.4		7th pillar: Labor market efficiency	134	3.9	
1.19 Efficiency of corporate boards	107	4.4		7.01 Cooperation in labor-employer relations	104	4.6	
1.20 Protection of minority shareholders' interests	94	4.1		7.02 Flexibility of wage determination	68	4.5	
1.21 Strength of investor protection 0-10 (best)	95	4.8		7.03 Hiring and firing practices	70	3.7	
				7.04 Redundancy costs weeks of salary	109	56.8	
4-6 2nd pillar: Infrastructure	71	4.1		7.05 Effect of location on incentives to work	55	4.1	
2.01 Quality of overall infrastructure	73	4.0		7.06 Pay and productivity	107	3.4	
2.02 Quality of roads	75	5.0		7.07 Reliance on professional management	62	3.9	
2.03 Quality of railroad infrastructure	50	5.3		7.08 Country capacity to retain talent	100	2.9	
2.04 Quality of port infrastructure	41	4.7		7.09 Country capacity to attract talent	108	2.4	
2.05 Quality of air transport infrastructure	42	5.1		7.10 Female participation in the labor force ratio to men	131	0.91	
2.06 Available airline seat kilometers million passengers	41	649.2					
2.07 Quality of electricity supply	89	5.0		8th pillar: Financial market development	77	3.9	
2.08 Mobile cellular telephone subscriptions 100 pop.	77	115.7		8.01 Availability of financial services	70	4.2	
2.09 Fixed telephone lines 100 pop.	90	7.1		8.02 Affordability of financial services	85	3.6	
				8.03 Financing through local equity market	41	4.3	
3rd pillar: Macroeconomic environment	153	2.6		8.04 Ease of access to loans	88	3.9	
3.01 Government budget balance % GDP	128	-12.0		8.05 Venture capital availability	78	2.8	
3.02 Gross national savings % GDP	128	9.4		8.06 Soundness of banks	49	5.4	
3.03 Inflation annual % change	126	10.2		8.07 Regulation of securities exchanges	55	4.7	
3.04 Government debt % GDP	121	97.1		8.08 Legal rights index 0-10 (best)	108	2	
3.05 Country credit rating 0-100 (best)	90	52.1					
				9th pillar: Technological readiness	94	3.5	
4th pillar: Health and primary education	87	5.5		9.01 Availability of latest technologies	91	4.3	
4.01 Malaria incidence cases/100,000 pop.	1	0.0		9.02 Firm-level technology absorption	103	4.1	
4.02 Business impact of malaria	81	6.6		9.03 FDI and technology transfer	75	4.3	
4.03 Tuberculosis incidence cases/100,000 pop.	58	15.0		9.04 Internet access % pop.	80	58.2	
4.04 Business impact of tuberculosis	25	6.5		9.05 Broadband fixed-line internet subscriptions 100 pop.	88	5.2	
4.05 HIV prevalence % adult pop.	1	<0.1		9.06 Internet bandwidth mbpssec	153	17.2	
4.06 Business impact of HIV/AIDS	18	6.6		9.07 Mobile broadband subscriptions 100 pop.	77	52.6	
4.07 Infant mortality deaths/1,000 live births	90	30.5					
4.08 Life expectancy years	91	71.3		10th pillar: Market size	25	5.1	
4.09 Quality of primary education	153	2.4		10.01 Domestic market size index	19	5.1	
4.10 Primary education enrollment rate +4 %	53	98.0		10.02 Foreign market size index	45	5.0	
				10.03 GDP (PPP) 1990-2016	21	5,180.4	
5th pillar: Higher education and training	100	5.0		10.04 Exports % GDP	108	11.9	
5.01 Secondary education enrollment rate years %	94	94.1					
5.02 Tertiary education enrollment rate years %	78	54.2		11th pillar: Business sophistication	94	3.8	
5.03 Quality of the education system	156	2.5		11.01 Local supplier quality	85	4.3	
5.04 Quality of math and science education	122	2.8		11.02 Local supplier quality	85	4.0	
5.05 Quality of management schools	124	5.2		11.03 State of cluster development	58	3.9	
5.06 Internet access in schools	119	5.2		11.04 Nature of competitive advantage	85	3.1	
5.07 Local availability of specialized training services	155	2.8		11.05 Value chain breadth	88	3.9	
5.08 Extent of staff training	118	3.4		11.06 Control of international distribution	92	3.3	
				11.07 Production process sophistication	78	3.8	
				11.08 Extent of marketing	104	4.1	
				11.09 Willingness to delegate authority	108	3.7	
				12th pillar: Innovation	109	2.9	
				12.01 Capacity for innovation	120	3.4	
				12.02 Quality of scientific research institutions	101	2.8	
				12.03 Corporate spending on R&D	100	2.9	
				12.04 University-industry collaboration in R&D	917	2.8	
				12.05 Gov't procurement of advanced technology products	81	3.4	
				12.06 Availability of scientists and engineers	25	4.1	
				12.07 ICT patents applications/pop.	79	0.9	

Note: Values are on a 1-to-7 scale unless indicated otherwise. Trend line depicts evolution in values since the 2012-2013 edition (or earliest edition available). For detailed definitions, sources, and periods, consult the Interactive Economy Profile and Rankings at <http://gcr.weforum.org/>

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Second: Corruption Perception Index 2017



On February 22, 2018, Transparency International issued its annual report ([Corruption Perception Index 2017](#)). The Corruption Perception Index measures integrity levels across the world. Corruption Perception Index 2017 highlights that the majority of countries are making little or no progress in ending corruption, while further analysis shows journalists and activists in corrupt countries risking their lives every day in an effort to speak out. The index, which ranks 180 countries and territories by their perceived levels of public sector corruption according to experts and businesspeople, uses a scale of 0 to 100, where 0 is highly corrupt and 100 is very clean. The index found that more than two-thirds of countries score below 50, with an average score of 43. Unfortunately, compared to recent years, this poor performance is nothing new.

The Corruption Perception Index 2017 showed that Egypt declined by two degrees compared to the 2016 report (32 points, compared to 34 in 2016), ranking 117 out of 180 countries examined by the index. Egypt was ranked 108 out of 176 countries in the 2016 index. Among 21 Arab countries included in the index. According to the report, Egypt ranked 11th with respect to the lowest levels of corruption.

Research Analysis

Further analysis of the results indicates that countries with the least protection for press and non-governmental organizations (NGOs) also tend to have the worst rates of corruption.

Every week at least one journalist is killed in a country that is highly corrupt.

The analysis, which incorporates data from the Committee to Protect Journalists, shows that of all journalists who were killed in the last six years, more than 9 out of 10 were killed in countries that score 45 or less on the index.

Top Five Recommendations

Transparency International's first-hand experience working in more than 100 countries around the world shows that activists and media are vital to combatting corruption. As such, Transparency International calls on the global community to take the following actions to curb corruption:

- 1- Governments and businesses must do more to encourage free speech, independent media, political dissent and an open and engaged civil society.
- 2- Governments should minimize regulations on media, including traditional and new media, and ensure that journalists can work without fear of repression or violence. In addition, international donors should consider press freedom relevant to development aid or access to international organizations.

3- Civil society and governments should promote laws that focus on access to information. This access helps enhance transparency and accountability while reducing opportunities for corruption. It is important, however, for governments to not only invest in an appropriate legal framework for such laws, but also commit to their implementation.

4- Activists and governments should take advantage of the momentum generated by the United Nations Sustainable Development Goals (SDGs) to advocate and push for reforms at the national and global level. Specifically, governments must ensure access to information and the protection of fundamental freedoms and align these to international agreements and best practices.

5- Governments and businesses should proactively disclose relevant public interest information in open data formats. Proactive disclosure of relevant data, including government budgets, company ownership, public procurement and political party finances allows journalists, civil society and affected communities to identify patterns of corrupt conduct more efficiently.

Rampant Corruption in Arab States

Country	ISO3	CPI2017	Rank2017	se2017	Lower CI 2017	Upper CI 2017
ARE	71	21	6.26	61	81	7
QAT	63	29	7.5	51	75	7
SAU	49	57	6.14	39	59	7
JOR	48	59	2.99	43	53	8
OMN	44	68	7	33	55	5
TUN	42	74	3.73	36	48	7
MAR	40	81	2.6	36	44	7
KWT	39	85	2.47	35	43	6
BHR	36	103	1.81	33	39	4
DZA	33	112	2.32	29	37	6
EGY	32	117	4.04	25	39	7
DJI	31	122	5.32	22	40	4
LBN	28	143	2.11	25	31	7
MRT	28	143	2.41	24	32	6
COM	27	148	8.87	12	42	4
IRQ	18	169	2.47	14	22	5
LBY	17	171	3.05	12	22	5
SDN	16	175	2.31	12	20	7
YEM	16	175	1.85	13	19	7
SYR	14	178	1.93	11	17	5

In a region stricken by violent conflicts and dictatorships, corruption remains endemic in the Arab states while assaults on freedom of expression, press freedoms and civil society continue to escalate. In this environment, it is no surprise that 19 of 21 Arab states score below 50 in the Corruption Perceptions Index 2017, which captures levels of corruption in the public sector.

Small Strides, but Overall Stagnation

While the majority of Arab countries show no significant change in this year's index, on the ground, a number of countries such as Jordan, Lebanon, and Tunisia are taking small yet positive steps towards fighting corruption and increasing transparency and integrity.

While not reflected in its CPI score, Lebanon, for example made small strides in 2017 with the passage of the Access to Information Law. The country also joined the Extractive Industries Transparency Initiative (EITI), the global standard for the good governance of oil, gas and mineral resources. In addition, last year the Lebanese parliament ratified the national budget for the first time since 2005.

Tunisia, on the other hand, while advancing on some anti-corruption fronts, witnessed a setback with the adoption of a controversial reconciliation law. Despite strong public opposition, the law grants amnesty to corrupt public officials who served during the old regime of Ben Ali.

Although some efforts have been made, corruption still persists in these countries and across the region. Stagnant scores on the index reflect the challenge of political corruption that ravages the Middle East and North African (MENA) region. The political systems in Arab states are controlled by ruling elites who abuse power for personal gain at the expense of millions of disadvantaged citizens.

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Corruption Perceptions Index 2017: African Union

Country	ISO3	CPI Score 2017	Rank 2017	Standard error	Lower CI 2017	Upper CI 2017	Sources	World Bank CPIA	Ec
Botswana	BWA	61	34	2.74	57	65	7		
Seychelles	SYC	60	36	8.32	46	74	4		
Cabo Verde	CPV	55	48	4.19	48	62	4	52	
Rwanda	RWA	55	48	6	45	65	6	43	
Namibia	NAM	51	53	3.22	46	56	6		
Mauritius	MUS	50	54	4.41	43	57	5		
Sao Tome and Principe	STP	46	64	5.21	37	55	4	43	
Senegal	SEN	45	66	2.52	41	49	9	43	
South Africa	ZAF	43	71	3.98	36	50	8		
Burkina Faso	BFA	42	74	2.18	38	46	7	43	
Lesotho	LSO	42	74	4.08	35	49	6	35	
Tunisia	TUN	42	74	3.73	36	48	7		
Ghana	GHA	40	81	2.56	36	44	9	35	
Morocco	MAR	40	81	2.6	36	44	7		
Benin	BEN	39	85	4.17	32	46	6	43	
Swaziland	SWZ	39	85	5.81	29	49	3		
Zambia	ZMB	37	96	2.46	33	41	9	35	
Côte D'Ivoire	CVI	36	103	2.03	33	39	8	35	
Tanzania	TZA	36	103	1.55	33	39	9	35	
Ethiopia	ETH	35	107	1.36	33	37	9	35	
Algeria	DZA	33	112	2.32	29	37	6		
Niger	NER	33	112	3.27	28	38	6	35	
Egypt	EGY	32	117	4.04	25	39	7		
Gabon	GAB	32	117	3.22	27	37	4		
Togo	TGO	32	117	3.29	27	37	6	27	

Western Europe MENA Sub-Saharan Africa **African Union** Arab States

In the absence of separation of powers, and without strong and transparent public institutions and accountability mechanisms, the introduction of anti-corruption laws and regulations becomes more lip service than real and much needed political and institutional reform.

Shrinking Civil Society Space

Since the Arab revolutions in 2011, dictatorships in the region have intensified their crackdown on political dissent, free speech, independent media and civil society organizations. Corruption thrives in environments where speaking truth to power is a risky and daunting task.

Bahrain, which experienced the sharpest drop in the index since last year, is one example. Over the past two years, the Bahraini authorities escalated their attacks and restrictions on freedom of expression and freedom of association and assembly. In

mid-2016, the government dissolved the main political opposition group and imprisoned Bahraini human rights defenders. It also revoked the citizenship of those who criticized the government, and subjugated civil society and anti-corruption activists to arbitrary travel bans and interrogations. This, in conjunction with the absence of a national strategy to fight corruption and an independent corruption agency, resulted in the country sliding swiftly down the index.

Similarly, the human rights situation and assaults on freedom of expression and civil society engagement deteriorated in Egypt and Morocco. During recent protests in the Rif region in Morocco, the government responded with an iron fist to people's call for dignity, social justice and an end to corruption and power abuse. Anti-terrorism and cybercrime laws are also used by governments such as Jordan and UAE to criminalize free speech on the internet.

Looking beyond the Score

The index, which gives an overview of the perceived levels of public sector corruption in a country, does not capture the whole and varied picture of corruption. For example, this year, the United Arab Emirates (UAE) and Qatar rank higher on the index than in previous years. This may be due to good and efficient management of public finances, improved public procurement and better access to public services and infrastructure. However, despite their high ranking, these monarchies place severe restrictions on civil and public freedoms and suppress any form of political dissent or criticism placed on the ruling families. Both countries could perform better if civic space became more open and free. Extensive research shows that long-term reduction in corruption requires the full and active participation of civil society and media.

Ongoing Wars and Conflicts

The worst performing Arab states in the index – Iraq, Libya, Somalia, Sudan, Syria, and Yemen – all suffer from weak public institutions, internal conflict and deep instability. Such situations allow corruption to become rife with little to no checks on official abuse. Amid ongoing violence, as well as internal wars and conflicts, all forms of good governance have eroded.

What needs to happen?

Fighting corruption in the Middle East and Northern Africa region requires serious and genuine political will for change and reform. To break away from politically corrupt institutions, Arab governments must take long-term action to establish transparent and accountable institutions, prosecute wrongdoing, and allow for citizen engagement and participation. Civil society has a crucial role to play here.

Arab governments must promote the participation of civil society and protect activists and journalists in exposing and fighting corruption. Cracking down on political dissent, enabled by draconian laws such as anti-terrorism and cybercrime laws, must end. Without serious reform, corruption will continue to flourish, further exacerbating the political and economic instability of the region and hindering its social and economic development.

Third: Egypt's Position on the Misery Index

A- Hanke's Misery Index

Egypt ranked the fifth-most miserable country on [Hanke's Misery Index](#), a notch lower than in 2016. But, Egypt's Misery Index score actually increased — a bad sign. Abdel Fattah el-Sisi's military-socialist rule continues to deliver misery. In addition to the problems that accompany any socialist-type system in which the military plays a

decisive role, the Egyptian pound remains the country's Achilles' heel. The only solution to this problem is the adoption of a currency board, in which the pound would become a clone of an anchor currency, such as the euro or U.S. dollar.

The human condition inhabits a vast continuum between "miserable" and "happy." In the sphere of economics, misery tends to flow from high inflation, steep borrowing costs and unemployment. The most surefire way to mitigate that misery: economic growth. All else equal, happiness tends to blossom when growth is strong, inflation and interest rates are low, and jobs are plentiful.

Many countries measure and report these economic metrics on a regular basis. Comparing them, nation by nation, can tell us a lot about where in the world people are sad or happy.

The first Misery Index was constructed by economist Art Okun in the 1960s as a way to provide President Lyndon Johnson with an easily digestible snapshot of the economy. That original Misery Index was just a simple sum of a nation's annual inflation rate and its unemployment rate. The Index has been modified several times, first by Robert Barro of Harvard and then by myself.

Hanke's modified Misery Index is the sum of the unemployment, inflation and bank lending rates, minus the percentage change in real GDP per capita. Higher readings on the first three elements are "bad" and make people more miserable. These are offset by a "good" (GDP per capita growth), which is subtracted from the sum of the "bads." A higher Misery Index score reflects a higher level of "misery," and it's a simple enough metric that a busy president, without time for extensive economic briefings, can understand it at a glance.

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In the following table, you can find Misery Index rankings for the 98 nations that report relevant data on a timely basis. For consistency and comparability, all data come from the Economist Intelligence Unit.

Rank (Worst to Best)	Country	Misery Index	Major Contributing Factor	Rank (Worst to Best)	Country	Misery Index	Major Contributing Factor
1	Venezuela	1106.8	Consumer Prices	50	Chile	12.1	Unemployment
2	Syria	110.2	Unemployment	51	Cyprus	12.0	Unemployment
3	Brazil	67.7	Lending Rates	52	Bangladesh	12.0	Lending Rates
4	Argentina	67.9	Consumer Prices	53	Portugal	11.7	Unemployment
5	Egypt	64.2	Consumer Prices	54	Ecuador	11.3	Lending Rates
6	Nigeria	62.1	Unemployment	55	Pakistan	11.1	Lending Rates
7	South Africa	42.5	Unemployment	56	Kuwait	10.6	Lending Rates
8	Bosnia and Herzegovina	42.4	Unemployment	57	Australia	10.4	Unemployment
9	Ukraine	36.9	Lending Rates	58	Bulgaria	10.2	Unemployment
10	Togo and Principe	36.6	Lending Rates	59	Lithuania	10.0	Unemployment
11	Iran	34.6	Lending Rates	60	France	9.9	Unemployment
12	Jamaica	32.1	Lending Rates	61	Belgium	9.8	Unemployment
13	Azerbaijan	31.7	Consumer Prices	62	United Kingdom	9.6	Unemployment
14	Turkey	30.9	Lending Rates	63	Poland	9.5	Unemployment
15	Macedonia	29.4	Unemployment	64	Latvia	9.1	Unemployment
16	Palestine	28.4	Unemployment	65	New Zealand	9.1	Lending Rates
17	Jordan	27.5	Unemployment	66	Estonia	9.1	Unemployment
18	Armenia	27.4	Unemployment	67	Slovenia	8.7	Unemployment
19	Colombia	27.2	Lending Rates	68	Panama	8.5	Lending Rates
20	Greece	26.6	Unemployment	69	United States	8.2	Unemployment
21	Dominican Republic	26.8	Lending Rates	70	Mali	8.2	Unemployment
22	Serbia	26.3	Unemployment	71	Finland	8.1	Unemployment
23	Uruguay	24.9	Lending Rates	72	Canada	7.9	Unemployment
24	Georgia	24.3	Unemployment & Lending Rates	73	Philippines	7.8	Unemployment
25	Peru	24.1	Lending Rates	74	Slovakia	7.7	Unemployment
26	Algeria	24.0	Unemployment	75	Sweden	7.3	Unemployment
27	Paraguay	23.6	Lending Rates	76	Vietnam	7.0	Lending Rates
28	Kazakhstan	22.5	Lending Rates	77	Denmark	6.4	Unemployment
29	Honduras	22.2	Lending Rates	78	Malaysia	6.1	Lending Rates
30	Saudi Arabia	20.2	Unemployment	79	Hong Kong	5.9	Lending Rates
31	Burkina Faso	20.2	Unemployment	80	South Korea	5.9	Unemployment
32	Sri Lanka	18.9	Lending Rates	81	Norway	5.5	Unemployment
33	Costa Rica	18.3	Lending Rates	82	Switzerland	5.2	Unemployment
34	Trinidad and Tobago	18.1	Lending Rates	83	Israel	5.0	Unemployment
35	Spain	18.1	Unemployment	84	Germany	4.7	Unemployment
36	Russia	17.7	Lending Rates	85	Taiwan	4.7	Unemployment
37	Guatemala	17.6	Lending Rates	86	Qatar	4.7	Lending Rates
38	Moldova	17.3	Lending Rates	87	Czech Republic	4.6	Lending Rates
39	Nicaragua	17.2	Lending Rates	88	Singapore	4.6	Lending Rates
40	Bolivia	16.2	Lending Rates	89	Iceland	4.6	Lending Rates
41	Mauritius	16.7	Lending Rates	90	Romania	4.5	Lending Rates
42	Indonesia	16.1	Lending Rates	91	Hungary	4.5	Unemployment
43	Croatia	14.9	Unemployment	92	Ireland	4.3	Unemployment
44	India	14.6	Lending Rates	93	Austria	4.3	Unemployment
45	Mexico	14.5	Lending Rates	94	Thailand	4.3	Lending Rates
46	Papua New Guinea	14.1	Lending Rates	95	Netherlands	4.2	Unemployment
47	Italy	14.0	Unemployment	96	Japan	3.2	Unemployment
48	Albania	12.4	Unemployment	97	Malta	3.2	Unemployment
49	El Salvador	12.1	Unemployment	98	China	2.9	Lending Rates

Sources: Economist Intelligence Unit (including estimates), calculations by Prof. Steve H. Hanke, The Johns Hopkins University.
Notes: The misery index score is the sum of the unemployment rate, the lending rate, and the inflation rate (consumer prices, end-of-period) minus the percent change in real GDP per capita. Only countries where all four data series were available from the Economist Intelligence Unit were included, except for Saudi Arabia and Portugal, where the Central Intelligence Agency World Factbook is used for lending rates.
The mean value of the Misery Index is 28.6, and the median value is 12.1.

- Among the the most miserable countries:

Venezuela holds the inglorious tile of the most miserable country in 2017, as it did in both 2016 and 2015. The failures of President Nicolas Maduro's socialist, corrupt petroleum state have been well documented over the past year, including by my measurements of Venezuela's hyperinflation. Not only is Venezuela the most miserable country in the world, but its Misery Index score has dramatically increased since 2016.

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Syria holds down the rank of second-most miserable, and the reason isn't hard to uncover. Indeed, Syria has now been in the grip of a brutal civil war for almost seven years. Need I say more?

Brazil remains in the No. 3 spot for the second year in a row. As my close friend Roberto Campos — the late Brazilian economist, diplomat and politician — once explained to me during a visit to Brasília: The Brazilian Constitution is as thick as the New York City telephone book and is full of little more than rights and entitlements. President Michel Temer has attempted to turn back the tide of government obligations. But to date, his attempts to rein in the country's biggest unfunded liability — the pension system — have come to naught. The bankrupt pension system is, of course, not the only problem facing Brazil. Corruption, for example, remains an endemic problem.

Argentina has improved its ranking (and index score) in 2017, moving from the second- to the fourth-most miserable country in the world. But until inflation is wrestled to the ground, President Mauricio Macri will struggle — as President Carlos Menem did until April 1, 1991, when he introduced Argentina's Convertibility System, which linked the peso to the greenback.

Egypt ranked fifth-most miserable, a notch lower than in 2016. But, Egypt's Misery Index score actually increased — a bad sign. President Abdel Fattah el-Sisi's military-socialist rule continues to deliver misery. In addition to the problems that accompany any socialist-type system in which the military plays a decisive role, the Egyptian pound remains the country's Achilles' heel. The only solution to this problem is the adoption of a currency board, in which the pound would become a clone of an anchor currency, such as the euro or U.S. dollar.

- According to Hanke's Misery Index, we find that China is ruling the roost as the world's "happiest" country. President Xi Jinping has some bragging rights here, and in the world's soft-power sphere, these are valuable.

Now for the United States: Its Misery Index score has improved a bit, moving from 9.4 in 2016 to 8.2 in 2017. Yet as far as happiness is concerned, it is not America first but America 30th — trailing behind 29 other countries on the happiness train.

B- Bloomberg's Misery Index

The [Bloomberg's Misery Index](#) was published on Thursday, 15 February, 2018, including 66 world countries. Two Arab countries were classified among the 10 most miserable countries in the world, i.e. **Egypt** and Saudi Arabia.

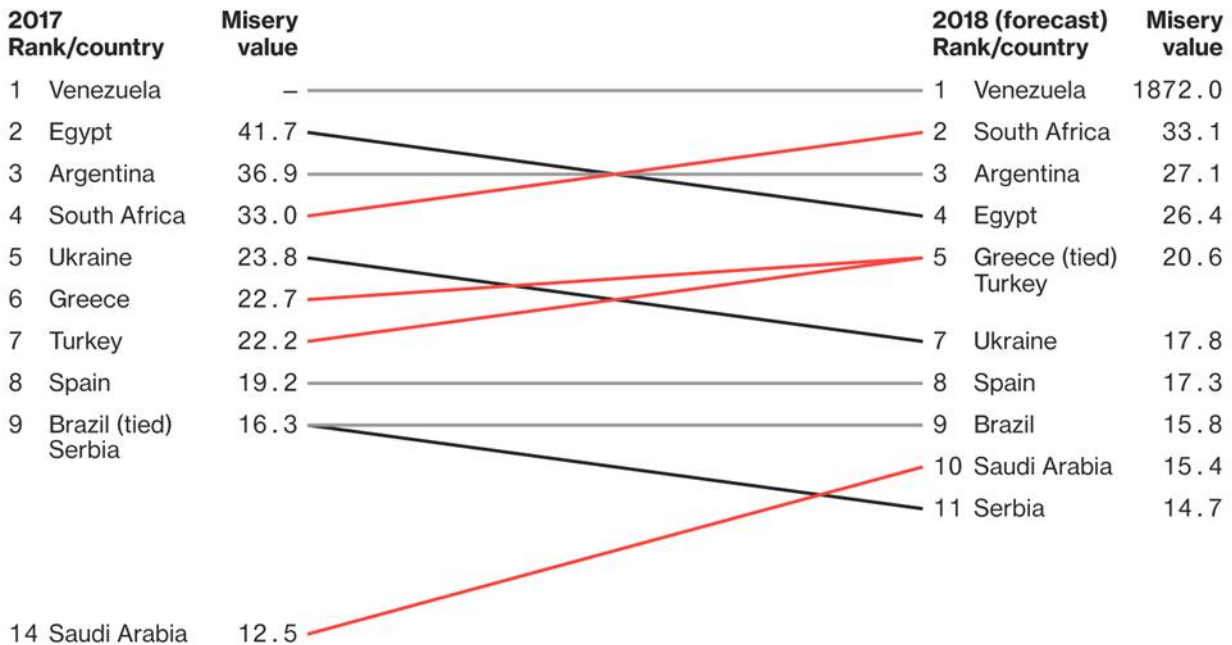
The rising prices are more of a threat to the global economy this year than joblessness, according to Bloomberg's Misery Index, which sums inflation and unemployment outlooks for 66 economies.

Venezuela marks its fourth year as the world's most miserable economy, with a score that's more than three times what it was in 2017. Thailand again claimed "least miserable" status, though the nation's unique way of calculating unemployment makes No. 2 Singapore worth noting. Elsewhere, Mexico looks to make big strides this year as inflation becomes more manageable, while Romania absorbs more misery for the opposite reason.

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2018's Worst-Off Economies

High rates of inflation and unemployment are creating dire situations for these countries



Notes: Figures are based on annual averages of monthly or quarterly available data for 2017 and median annual averages of monthly forecasts for 2018 from Bloomberg surveys conducted from September through January. Venezuela has not released inflation data since 2015 and unemployment figures since 2016.

Sources: Bloomberg surveys, national statistics agencies.

Bloomberg

The Bloomberg Misery Index relies on the age-old concept that low inflation and unemployment generally illustrate how good an economy's residents should feel. Sometimes, of course, a low tally can be misleading in either category: Persistently low prices can be a sign of poor demand, and too-low joblessness shackles workers who want to switch to better jobs, for instance.

The results largely signal a global economic outlook that remains bright overall: Economists are penciling in 3.7 percent year-on-year growth for the world in 2018, matching last year's pace that was the best since 2011, according to the Bloomberg survey median.

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Some have not been so fortunate. In Venezuela, hyperinflation has left many economists throwing up their hands at the actual rate of price growth. Black-market currency rates have provided an angle on the numbers, while alternative measures have chased daily cost swings. A recent government slashing of grocery prices gave a brief reprieve to inflation, while the surveyed economists see it rising 1,864 percent this year.

It's anyone's guess: The International Monetary Fund's latest estimate has that figure at 13,000 percent for this year after about 2,400 percent in 2017.

Romania also is heading in the wrong direction. Economists see a 3.3 percent inflation rate for 2018 after much more subdued price growth last year, pushing its misery down 16 notches, to No. 34. The National Bank of Romania is chasing inflation with interest-rate hikes, aiming to stay ahead of any overheating while growth surges on ballooning government spending.

At the other end of the spectrum, Mexico makes the biggest progress this year, moving 16 notches toward "least miserable" as economists remain optimistic that the central bank will be able to tame last year's bout of high inflation, bringing it to an average 4.1 percent this year after 6 percent in 2017. Unemployment is set to remain around 3.4 percent.

Two caveats here: Mexico's jobless figures don't take into account the 60 percent or so of workers who are in the informal economy. And despite this year's improvement, consumer confidence remains in a funk and Nafta negotiations might not see a happy ending.

Some other notable mentions

Malaysia moves down the misery scale to No. 52 from No. 43 due to moderating inflation. The tepid price growth is allowing Bank Negara Malaysia to be patient with interest-rate hikes, even as they were first in the region this year to tighten this year. Argentina, ranked at No. 3, belies a third year of improvement in its overall score, set to be the lowest since at least 2013, the year in which the IMF censured the country for covering up high inflation and when Bloomberg began calculating the data.

South Korea and Norway, which also happened to perform well in the Bloomberg 2018 Innovation Index at Nos. 1 and 15, broke into the top-10 least miserable.

Saudi Arabia, projected to make the biggest plunge from 2017 in its misery index number, climbs into the top 10 most-miserable economies.

The U.S. will see its misery score improve to 6.2 this year from 6.5 in 2017 even as inflation rises following years of persistently low price gains, and as the labor market continues to tighten.

China, the world's second-largest economy, saw its misery score rise to 6.3 this year from 5.5 in 2017. Consumer prices are estimated to rise 2.3 percent this year, compared with 1.6 percent in 2017.

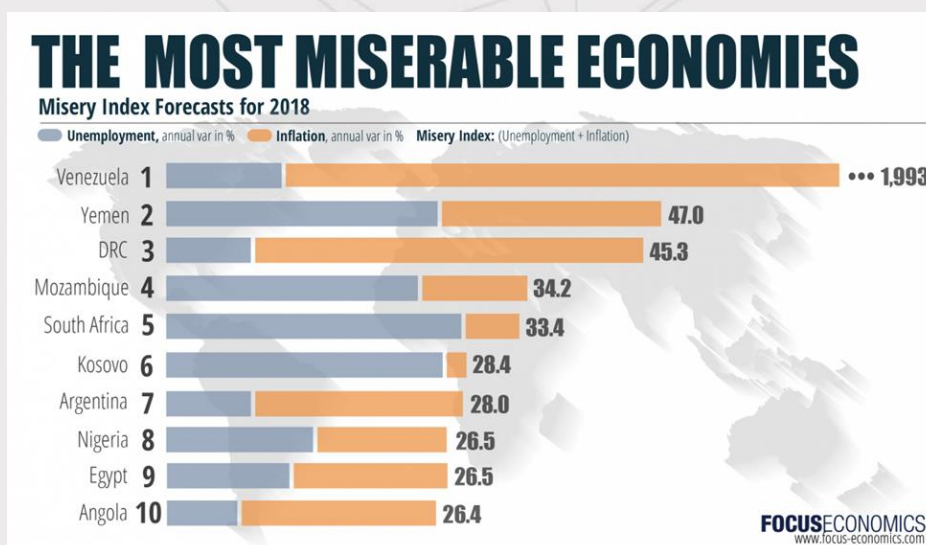
Asian economies are fortunate to escape the top 10 most miserable this year, which are otherwise geographically diverse with Europe, Latin America, and Africa almost equally represented.

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C- Focus-Economics Misery Forecasts

In addition to the previous misery indices, [Focus-Economics](#) published the forecasts of the world's top economists, and this index puts Egypt within the ten most miserable countries in the world, but this time among 126 countries; coming in the ninth position:



- According to the Bloomberg Misery Index, Egypt was the fourth most miserable country in the world; and in other indices, it also falls within the ten most miserable countries in the world for the continued high inflation rates and the huge price increase, especially after the Egyptian pound was floated, in addition to the high unemployment and low economic growth rates.

As Steve Hanke pointed out, the control of the armed forces on a large sector of Egypt's economy, the policies of lifting subsidies on fuel, and the devaluation of the local currency contributed to broadening the suffering and misery of the Egyptian citizen. This reflected negatively on the social situation manifested in the citizens' inability to provide their basic needs: food, health, education and so on.

Fourth: Egypt in the Global Risks Report 2018

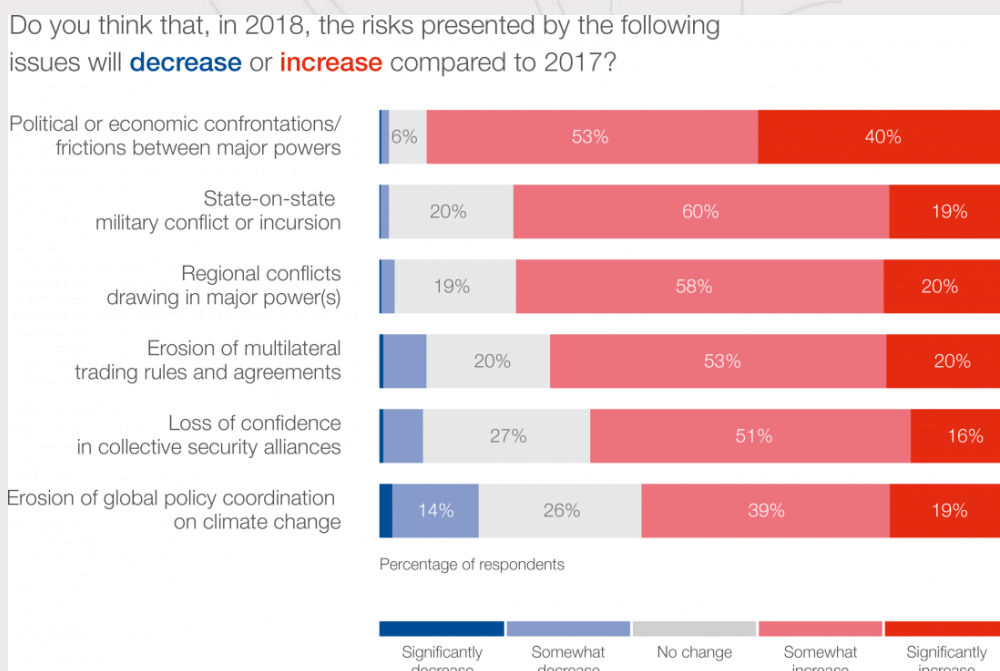
The World Economic Forum issued on 17 January 2018 the [Global Risks Report 2018](#), which examines global risks without mentioning a specific nation. It examines the phenomenon including its various fields and sets the overall results. According to the report and its criteria, those who are interested can find out a general assessment of Egypt's status and the required changes in accordance with the global trends.

Rising public dissatisfaction

The report said it does not address countries in detail, which means that Egypt is part of the study and part of the required reform measures. According to the report, there is an urgent need to address systemic challenges over the past year amidst widespread signs of mistrust, instability and vulnerability. The report notes a state of global uncertainty and rising popular discontent with the existing political and economic system. It calls for fundamental reforms of market capitalism and rebuilding solidarity

within and between countries. The urgency of addressing these challenges has increased amid the high economic growth.

Last year's Global Risks Report was published at a time of heightened global uncertainty and rising popular discontent with the existing political and economic order. The report called for "fundamental reforms to market capitalism" and a rebuilding of solidarity within and between countries. One year on, the urgency of facing up to these challenges has, if anything, intensified. Economic growth is picking up, but 2017 was a year of widespread uncertainty, instability and fragility—and the latest results of our annual Global Risks Perception Survey (GRPS) suggest respondents are pessimistic about the year ahead: in a new question gauging expectations for 2018, only 7% of responses point to a reduction of risk, compared with 59% pointing to an increase. The report highlights four concerns: (1) persistent inequality and unfairness, (2) domestic and international political tensions, (3) environmental dangers and (4) cyber vulnerabilities. It concludes by reflecting on the increased dangers of systemic breakdown.



The Global Risks Report (GRR) works with experts and decision-makers across the world to identify and analyze the most pressing risks that the world faces. As the pace of change accelerates, and as risk interconnections deepen, this year's report highlights the growing strain we are placing on many of the global systems we rely on. The Global Risks Report 2018 was published at a time of encouraging headline global growth. Any breathing space this offers to leaders should not be squandered: the urgency of facing up to systemic challenges has intensified over the past year amid proliferating signs of uncertainty, instability and fragility.

The GRR 2018 report covers more risks than ever, but focuses in particular on four key areas: environmental degradation, cybersecurity breaches, economic strains and geopolitical tensions. And in a new series called "Future Shocks" the report cautions against complacency and highlights the need to prepare for sudden and dramatic disruptions.

The 2018 report also presents the results of WEF's latest Global Risks Perception Survey, in which nearly 1,000 experts and decision-makers assess the likelihood and impact of 30 global risks over a 10-year horizon. Over this medium-term period, environmental and cyber risks predominate. However, the survey also highlights elevated levels of concern about risk trajectories in 2018, particularly in relation to geopolitical tensions.

World Economic Forum's 2017 Executive Opinion Survey

Business leaders across the insurance industry are signaling rising concern about non-economic risks such as cyber and politics, according to the [World Economic Forum's 2017 Executive Opinion Survey](#).

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More than 12,400 risk executives across 136 countries were asked to identify the global risks of highest concern for doing business in their country.

The findings stem from the World Economic Forum's 2017 Executive Opinion Survey, an exclusive poll in which 12,400 executives across 136 countries identified the global risks of highest concern for doing business in their country.

Top 10 global risks for doing business

Rank	Risks	Change vs. 2016
1	High unemployment	0
2	Fiscal crises	1
3	National governance failure	1
4	Energy price shock	2
5	Social instability	0
6	Financial institution failure	0
7	Critical infra. shortfall	0
8	Large cyber attacks	3
9	Interstate/regional conflict	1
10	Terrorist attacks	2

Unemployment came out as the top concern in Europe, South Asia and sub-Saharan Africa, in second place in Latin America, and in third place in the Middle East and North Africa (MENA). Fiscal crises were the main concern in Eurasia and MENA and ranked in the top five in all other regions.

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MARSH & MCLENNAN
COMPANIES | Global Risk Center

Unemployment remains the **top global risk** for business leaders worldwide amid high socio-political concerns



The well-publicized growth in multi-regional, cross-industry cyberattacks by organized criminal groups and state-affiliated attacks on critical infrastructure and government assets most likely lie behind them being the largest riser among the global top-ten

concerns. This threat ranked as the highest concern in North America and East Asia, and in the top five in Europe; in the latter two regions it showed a significant leap in positioning since last year's survey.

MARSH & MCLENNAN
COMPANIES | Global Risk Center

Large cyber-attacks are a top concern of business leaders in advanced economies



Fifth: The Rule of Law Index

The WJP [Rule of Law Index](#) measures rule of law adherence in 113 countries and jurisdictions worldwide based on more than 110,000 household and 3,000 expert surveys. Featuring primary data, the WJP Rule of Law Index measures countries' rule of law performance across eight factors: Constraints on Government Powers, Absence of Corruption, Open Government, Fundamental Rights, Order and Security, Regulatory Enforcement, Civil Justice, and Criminal Justice.

The World Justice Project developed the WJP Rule of Law Index to serve as a quantitative tool that measures the rule of law in practice. The Index's methodology and comprehensive definition of the rule of law are the products of intensive consultation and vetting with academics, practitioners, and community leaders from more than 100 countries and 17 professional disciplines.

Egypt's position

The World Justice Project, a US-based organization specializing in legal policy issues has ranked Egypt 110 out of 113 nations in its latest report on perceptions of how the rule of law is applied.

The lowest ranking countries with the worst judicial systems are Venezuela, Cambodia, Afghanistan, Egypt, and Cameroon. Russia is ranked precariously low as well as mostly African and Asian countries that are not known for upholding civil rights of its citizens. Egypt had received the same rank in 2016.

Egypt was ranked after Venezuela, Cambodia and Afghanistan in the Rule of Law Index 2017\2018, occupying the last place out of the seven Middle Eastern nations listed, the top of which was the United Arab Emirates.

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Middle East & North Africa

Country/Jurisdiction	Regional Rank	Overall Score*	Global Rank	Change in Global Rank	Change in Overall Score*
United Arab Emirates	1/7	0.65	32/113	▲ 1	-0.01
Jordan	2/7	0.60	42/113	-	0.01
Tunisia	3/7	0.53	54/113	▲ 4	0.00
Morocco	4/7	0.51	67/113	▼ 7	-0.02
Iran	5/7	0.48	80/113	▲ 6	0.01
Lebanon	6/7	0.47	87/113	▲ 2	0.01
Egypt	7/7	0.36	110/113	-	0.00

Average Regional Factor Score



South Asia

Regional Overall Global Change in Change in

The report, which is based on the opinions of both ordinary citizens and “experts,” ranked Egypt low in all areas relating to the rule of law, including the justice system, regulatory enforcement, security issues, fundamental rights, government powers, and corruption.

Egypt scored particularly low in some areas, such as non-governmental oversight of governmental powers, the right to information, freedom of expression, and delays in regulatory enforcement.

EGYPT RANKINGS

WJP Rule of Law Index 2017-2018 performance (1 is best)

EGYPT OVERALL GLOBAL RANK: 110/113

EGYPT OVERALL REGIONAL RANK*: 7/7

FACTOR	REGIONAL RANK*	INCOME RANK**	GLOBAL RANK
Constraints on Government Powers	7/7	27/30	107/113
Absence of Corruption	6/7	14/30	85/113
Open Government	7/7	29/30	112/113
Fundamental Rights	7/7	30/30	112/113
Order and Security	7/7	27/30	108/113
Regulatory Enforcement	7/7	29/30	110/113
Civil Justice	7/7	23/30	105/113
Criminal Justice	5/7	11/30	68/113

*Countries measured in the Middle East and North Africa region: Egypt, Iran, Jordan, Lebanon, Morocco, Tunisia, United Arab Emirates

**Lower-middle income countries: Bangladesh, Bolivia, Cambodia, Cameroon, Cote d'Ivoire, Egypt, El Salvador, Georgia, Ghana, Guatemala, Honduras, India, Indonesia, Jordan, Kenya, Kyrgyzstan, Moldova,

In recent years, including 2017, the Egyptian regime has continued to enact laws and legislation that would expand government powers and promote corruption in the army, police and the three state authorities. This started at the formation of a legislative council (parliament) that is entirely under the control and pressure of security and military institutions, deliberately excluding the opposition, in an early step for the abortion of the legislative authority to prevent enacting laws for correcting the distortion of the executive and political authority.

This flawed Parliament enacted many laws that limit control on the government amid widespread corruption in its various bodies, which would contribute to deepen and perpetuate misconduct in the political and economic rights of the Egyptian citizen and his right to justice, security and freedom.

The Parliament has passed laws that deepen discrimination between citizens on the basis of political and intellectual opinion and tighten the government's grip on everything, including justice, thought and expression. The government resorted to issuance of exceptional laws, despite the adequacy of the ordinary laws and procedures for the civil trial for achievement of justice – including the Demonstrations Law, and legislation allowing prosecution of those who are accused of attacking public facilities before military courts, depriving the citizen of a fair civil trial.

The Egyptian government has not only violated the rule of law, but has issued laws that are inherently flawed to legitimize violations against citizens and tighten the security grip over the country, which is one aspect of the full control of the executive authority's control over the legislative and judicial authorities.

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It is ironic that the authority in Egypt uses the term “law enforcement” in the army and interior ministry statements to cover government violations of the basic rights of citizens.

Sixth: Egypt’s Position on Human Rights Index



According to [Amnesty International](#)’s Human Rights Report – Egypt 2017/2018, Egypt’s human rights crisis continued unabated. The authorities used torture and other ill-treatment and enforced disappearance against hundreds of people, and dozens were extrajudicially executed with impunity. The crackdown on civil society escalated with NGO staff being subjected to additional interrogations, travel bans and asset freezes. Arbitrary arrests and detentions followed by grossly unfair trials of government critics, peaceful protesters, journalists and human rights defenders were routine. Mass unfair trials continued before civilian and military courts, with dozens sentenced to death:

Background

In June, President al-Sisi ceded sovereignty over two uninhabited Red Sea islands to Saudi Arabia, leading to widespread public criticism. In July, EU-Egypt Association council meetings resumed for the first time since 2011 and the priorities of the Association were finalized.

In February a member of parliament proposed a constitutional amendment to extend the presidential term from four to six years. In April, President al-Sisi passed a new set of legislative amendments weakening fair trial guarantees and facilitating arbitrary arrests, indefinite pre-trial detention, enforced disappearances and the passing of more sentences. The amendments also allowed criminal courts to list people and

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entities on “terrorism lists” based solely on police information. Also in April, President al-Sisi approved the Judicial Bodies Law 13 of 2017, granting him the authority to appoint the heads of judicial bodies, including the Court of Cassation and the State Council, two courts that had hitherto been regarded as the most independent judicial bodies in holding the executive to account.¹

At least 111 security agents were killed, mostly in North Sinai. The armed group Willayet Sinai, affiliated to the armed group Islamic State (IS), claimed responsibility for most of the attacks across the country, with smaller attacks claimed by other armed groups, such as Hasm, Liwaa al-Thawra and Ansar al-Islam. In April, IS claimed responsibility for the bombing of two churches in Tanta and Alexandria which left at least 44 dead. In October, at least 16 officials from the Ministry of the Interior were killed in an ambush in the western desert, a rare attack on the mainland. In a significant shift in targeting by armed groups, a November attack on a mosque in North Sinai during Friday prayers killed at least 300 people.

Human rights defenders

The authorities continued to curb the work of human rights defenders in an unprecedented manner as part of their relentless efforts to silence all critical voices. In February the authorities shut down the El-Nadeem Center, an NGO offering support to survivors of torture and violence. The criminal investigations into so-called “Case 173” against human rights defenders and NGOs were ongoing; investigative judges summoned at least 28 additional human rights defenders and NGO staff for interrogation during the year, bringing the total to 66 people summoned or investigated in the case since 2013. They were questioned in relation to charges that included “receiving foreign funding to harm Egyptian national security” under Article

78 of the Penal Code, which carries a sentence of up to 25 years' imprisonment. The investigative judges also ordered three additional travel bans, bringing to 25 the number of human rights defenders banned from travelling outside Egypt. In January a court ordered the freezing of the assets of the NGOs Nazra for Feminist Studies and the Arab Organization for Penal Reform and their directors.

In May, Egypt's Abdel Fattah al-Sisi signed a draconian new law giving the authorities broad powers to deny NGOs registration, dissolve NGOs and dismiss their boards of administration. The law also provided for five years' imprisonment for publishing research without government permission.² The government had not issued the executive regulations to enable it to start implementing the law by the end of the year.

Freedoms of expression and assembly

Between January and May, courts sentenced at least 15 journalists to prison terms ranging from three months to five years on charges related solely to their writing, including defamation and the publication of what the authorities deemed "false information". On 25 September a court sentenced former presidential candidate and prominent human rights lawyer Khaled Ali to three months' imprisonment on charges of "violating public decency" in relation to a photograph showing him celebrating a court ruling ordering a halt to the handover of two islands to Saudi Arabia.³ From May onwards, the authorities blocked at least 434 websites, including those of independent newspapers such as Mada Masr and human rights organizations such as the Arab Network for Human Rights Information. In March the Minister of Justice referred two judges, Hisham Raouf and Assem Abdelgabar, to a disciplinary hearing for participating in a workshop organized by an Egyptian human rights group to draft a law against torture.

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Security forces arrested at least 240 political activists and protesters between April and September on charges relating to online posts the authorities considered “insulting” to the President or for participating in unauthorized protests. In April, a criminal court sentenced lawyer and activist Mohamed Ramadan to 10 years’ imprisonment in his absence under the draconian Counter-terrorism Law.⁴ In December, an Alexandrian court sentenced human rights lawyer Mahinour El-Masry to two years’ imprisonment for her peaceful participation in a protest.

Arbitrary arrests and detentions

Security forces continued to arrest hundreds of people based on their membership or perceived membership of the Muslim Brotherhood, rounding them up from their homes or places of work or, in one case, from a holiday resort.

The authorities used prolonged pre-trial detention, often for periods of more than two years, as means to punish dissidents. In October a judge renewed the pre-trial detention of human rights defender Hisham Gaafar, despite him having been detained for more than the two-year limit under Egyptian law. Photojournalist Mahmoud Abu Zeid, known as Shawkan, had already spent two years in pre-trial detention when his trial started in August 2015. Throughout 2017 he remained in detention alongside 738 co-defendants as their trial continued. Upon release, political activists were often required to serve probation periods of up to 12 hours a day in a local police station, amounting to arbitrary deprivation of liberty.

Extrajudicial executions and enforced disappearances

Forces of the Ministry of the Interior continued to subject to enforced disappearance and extrajudicially execute people suspected of engaging in political violence. According to the Egyptian Commission for Rights and Freedoms, security forces

subjected at least 165 people to enforced disappearance between January and August for periods ranging from seven to 30 days.

The Ministry of the Interior claimed that more than 120 people were shot dead in an exchange of fire with security forces during the year. However, in many of these cases the people killed were already in state custody after having been subjected to enforced disappearance. In May the Ministry announced the death of schoolteacher Mohamed Abdelsatar “in an exchange of fire with the police”. However, his colleagues had witnessed his arrest a month earlier from his workplace. In April, a leaked video showed military forces in North Sinai extrajudicially executing six unarmed men and a 17-year-old boy.

Detention

Torture and other ill-treatment remained routine in official places of detention and was systematic in detention centres run by the National Security Agency. In July, a Coptic man was arrested and detained in Manshyet Nasir police station in the capital, Cairo, in relation to a minor offence; 15 hours later, he was dead. Family members stated that they saw bruises on the upper part of his body, and the official autopsy report stated that his death was the result of a “suspected criminal act”.

Prison authorities, including in Tora Maximum Security Prison and Wadi el-Natrun Prison, punished prisoners detained for politically motivated reasons by placing them in indefinite and prolonged solitary confinement. In February the Ministry of the Interior amended the prison regulations to allow solitary confinement to be increased up to six months; a practice that can amount to torture or other ill-treatment. Political activist Ahmed Douma spent his third year in solitary confinement in Tora Prison, confined to his cell for at least 22 hours a day. Muslim Brotherhood spokesman Gehad

el-Hadad remained indefinitely detained in solitary confinement in Al Aqrab maximum security prison since his arrest on 17 September 2013.

Other forms of ill-treatment and medical negligence in prisons continued; dozens of prisoners died, often due to prison authorities refusing to transfer them to hospital for medical treatment. In September, former Muslim Brotherhood leader Mohamed Mahdi Akef died in prison from pancreatic cancer.

Unfair trials

Hundreds were sentenced, some to death, after grossly unfair mass trials. In September a Cairo criminal court sentenced 442 people in the case of the August 2013 al-Fateh mosque protests to prison terms of between five and 25 years after a grossly unfair trial of 494 defendants. Courts continued to rely heavily on reports of the National Security Agency and unsound evidence, including confessions obtained under torture, in their sentencing. Civilians continued to face unfair trials before military courts; at least 384 civilians were referred to military trials during the year.

Death penalty

Ordinary and military courts continued to hand down death sentences following grossly unfair mass trials. In June the Court of Cassation upheld the death sentences of seven men in two different cases after grossly unfair trials. At least six of the men had been subjected to enforced disappearance and tortured to force them to “confess” and the court relied heavily on these coerced confessions in its verdict and sentencing. Also in June, the Military High Court upheld death sentences against four men following grossly unfair trials in which the court relied on “confessions” obtained under torture during 93 days of incommunicado detention.⁵ On 26 December the authorities

executed 15 men who had been convicted by a military court of killing nine military personnel in North Sinai in 2013.

Workers' rights

The authorities subjected dozens of workers and trade unionists to arrest, military trial, dismissal and a range of disciplinary measures, solely for exercising their right to strike and form independent trade unions. In June a Cairo Misdemeanours Appeal Court sentenced 32 workers from the privately owned Tora Cement Company to two months' imprisonment after they were convicted of participating in an unauthorized protest and "assaulting security forces", despite the peaceful nature of their 55-day sit-in to protest at their dismissal. In December, the Military Court in Alexandria resumed the trial of 25 workers from the military-run Alexandria Shipyard Company. The trial started in May 2016 on charges that included "inciting the workers to strike". The government and the official Egypt Trade Union Federation sought to deprive independent unions of the de facto recognition they had obtained in 2011 through a declaration issued by the then Minister of Manpower. The authorities continued to deny their legal recognition and hinder their ability to function freely through a range of measures.⁷ On 5 December parliament passed a new trade union law, replacing Law 35 of 1976, creating excessive requirements for unions to have at least 150 members to obtain legal recognition or face automatic dissolution.

Seventh: World Press Freedom Index-2017/2018

Reporters Without Borders (RSF) released its [annual report](#) on press freedom 2017/2018, which examines freedom of the press and freedom of expression in the world. The report describes Egypt as "one of the world's biggest prisons for

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journalists”, occupying the 161st. position among 180 countries examined by the report.

Country	Abuse score	Underlying situation score	Global score	Diff. score 2016	Diff. Position 2016
158 Iraq	65.26	51.22	54.03	-0.32	0
159 Rwanda	6.93	54.11	54.11	-0.50	2
160 Burundi	40.60	55.78	55.78	1.68	-4
161 Egypt	68.07	52.71	55.78	1.33	-2
162 Azerbaijan	61.07	55.23	56.40	-1.49	1

Field Marshal Abdel Fattah al-Sisi, engineered a second term as president in early 2018. Seven years after the January 2011 revolution, the level of media freedom is abysmal and Egypt is now one of the world’s biggest prisons for journalists. Some spend years in detention without being charged or tried. Others have been sentenced to long jail terms or even life imprisonment in cruelly unfair mass trials. Under Sisi’s leadership, the authorities have waged a witch-hunt since 2013 against journalists suspected of supporting the Muslim Brotherhood and have orchestrated a “Sisification” of the media. An increasingly draconian legislative arsenal poses an additional threat to media freedom. Under a terrorism law adopted in August 2015, journalists are obliged on national security grounds to report only the official version of terrorist attacks. A December 2016 law regulating the media reinforced government control, and journalists and human rights defenders are banned from much of the Sinai region and from providing independent coverage of any military operation. Coverage of many economic subjects, including inflation and corruption, can also result in imprisonment. The Internet is the only place left where independently reported news and information can circulate, but more than 400 websites have been blocked since the summer of 2017 and more and more people are being arrested because of their social network posts.

The 2017 World Press Freedom Index, compiled by Reporters Without Borders (RSF), shows an increase in the number of countries where the media freedom situation is very grave and highlights the scale and variety of the obstacles to media freedom throughout the world. The World Press Freedom map is getting darker. The global indicator calculated by RSF has never been so high, which means that media freedom is under threat now more than ever. Three more countries sank into the darkest depths of the Index in 2017: Burundi (down 4 at 160th), Egypt (down 2 at 161st) and Bahrain (down 2 at 164th).

A total of 21 countries are now colored black on the press freedom map because the situation there is classified as “very bad,” and 51 (two more than last year) are colored red, meaning that the situation in these countries is classified as “bad.” In all, the situation has worsened in nearly two thirds (62.2%) of the 180 countries in the Index. According to the report Mahmoud Abou Zeid, a photojournalist also known as Shawkan, has been held arbitrarily for more than three years without being tried. His crime was to have covered the violent dispersal of a demonstration organized by the Muslim Brotherhood, which is now branded as a terrorist organization. Freelancer Ismail Alexandrani has been in pre-trial detention since November 2015 although a judge ordered his release in November 2016. Regardless of the law, the regime led with an iron fist by Gen. Al-Sisi tolerates no criticism, suppresses protests, shamelessly erodes media pluralism, attacks the journalists’ union, and encourages self-censorship amongst reporters on a daily basis.

On September 5, Reporters Without Borders (RSF) expressed concern about the way Egyptian media outlets were being taken over by businessmen linked to the government and intelligence services. “The regime’s domination of the media

continues to grow and is even affecting pro-government media,” RSF said. The latest takeover victim, according to RSF, is Al Hayat, a TV channel founded in 2008 by Sayed el Badawi, the head of Al Wafd, a secular party that has usually supported Abdel Fattah el-Sisi’s military-backed government. Al Hayat was quietly taken over at the end of August.

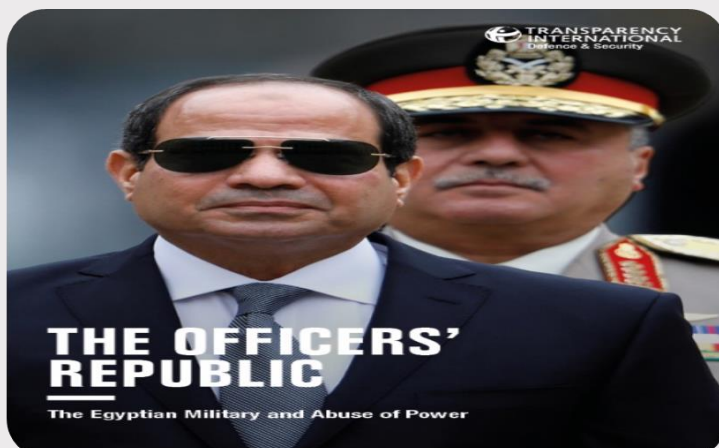
The report describes the Middle East Region as “the most difficult and dangerous region” for journalists worldwide. The other two countries that have entered the Index’s black zone are both from the region with the worst score – the Middle East.

2017 Index	Region	2017 Indicator	Score change 2013-2017
6	Middle East and North Africa	50.53	+4.2%
5	Eastern Europe and Central Asia	49.24	+8.7%
4	Asia-Pacific	42.57	+0.9%
3	Africa	37.85	+10.4%
2	Americas	31.57	+5.2%
1	EU and Balkans	20.55	+17.5%

Many journalists have been imprisoned in both countries– 24 in Egypt and 14 in Bahrain – and they both detain their journalists for very long periods of time.

Eighth: Transparency International Report

Ahead of presidential elections in Egypt, [Transparency International](#) published its latest report (March, 2018), titled: “The Officers’ Republic: The Egyptian Military and



Abuse of Power”. The report analyses the role and growing economic power of the Egyptian military. The report analyzes the increasing role played by the Egyptian army in civilian life and the growing economic power of the military in Egypt.

The Transparency International report stated that the failure to recognize the Egyptian armed forces' vast political and economic power as one of the root causes of the country's problems is undermining international efforts to help the country move in the right direction. Tackling the abuse of power by the armed forces should be a first order priority. And, in the absence of any empowered internal advocates for stronger domestic oversight and civilian control over defense matters, the international community is possibly now the only actor with the opportunity to improve defense and security governance in Egypt. A commitment to basic transparency and independent, public, oversight over military budgets and activities should be a pre-requisite for international support.

Corruption in Egypt

In the run up to the 2011 uprisings, Egypt was facing significant challenges caused by corruption. From the poverty-stricken villages of Upper Egypt to the streets of Cairo, people were deeply frustrated. Hosni Mubarak's government was widely perceived as kleptocratic, with state structures directed towards the enrichment of the few at the expense of the many. As public investment fell, urban wages stagnated and public infrastructure atrophied, the wealthy and powerful were making ever greater sums through the sale of undervalued public sector assets and public lands, and a set of economic policies benefitting a core pro-Mubarak faction of the Egyptian elite. These loyal business figures acquired substantial wealth through privatization policies and other reforms and were closely affiliated with Hosni Mubarak's son Gamal, Deputy Secretary General of the ruling party, who – it was rumored at the time – was being groomed to inherit the presidency.

The military were a significant economic player throughout the eras of Nasser, Sadat and Mubarak. All post-monarchy presidents had come from the military and Mubarak was no exception. As a result, the military enjoyed economic privileges and were able to operate with limited oversight from other arms of government. But the early 2011 protests were not targeted at the military. In fact, during the 18 days of anti-Mubarak protests, respect for the Egyptian military reached new heights when instead of siding with the embattled President, the army “pulled the rug from under Mubarak’s feet” and chose not to protect him and the cronyistic business elites he had been seen to favor. The chant of “the people and the army are one hand” was beamed out across the world.

Doing Business or Providing Security?

In February 2011, expectations of the military reached a high point. The armed forces had played what many perceived as a neutral or even positive role during anti-Mubarak protests, and hopes were raised that having promised “a peaceful transition of power [to allow] an elected civilian government to rule and build a free democratic state”, they would act as guarantors of the revolution and usher in new reforms to address the grievances of those who had taken to the streets. The Supreme Council of the Armed Forces (SCAF) quickly disappointed those that hoped for genuine change. The revolutionaries’ demands for social justice, equality and an end to nepotism remained aspirations, and instead, in the face of challenges by strikers and protesters, the SCAF protected and expanded the military’s influence in the state during the process of managing the political transition.

The military had been closely intertwined with the state since 1952, with successive Egyptian leaders - all former military officers - seeking to ensure loyalty and neutralize

its potential threat to their rule by offering the armed forces a privileged economic position and other rights. 1952 has sometimes been dubbed the start of the “officers’ republic”.

The officers’ republic has for decades played a powerful role, and enjoyed unique privileges, in Egypt’s economy, security and politics. But this role has come into an even sharper focus since the 2013 ouster of Mohamed Morsi. Now that it holds such political and economic sway, analysts and civil society actors suggest that the military is inevitably subjected to increased scrutiny by the public.

The armed forces became a significant economic force following the 1978 Camp David accords with Israel and the establishment of generous annual US military aid disbursements. As the Mubarak government reduced its spending on defense throughout the 1990s, amidst economic liberalization programs, the military’s economic activities increased in parallel. Its wide range of businesses - from infrastructure and agriculture to mining - were supported by tax breaks, preferential access to major government contracts, conscript labor, secretive bank accounts, and lack of effective oversight.

Since 2013, the armed forces and President el-Sisi have particularly prioritised megaprojects. With more than US\$20 billion in Gulf aid flowing into Egypt in the months after his election, al-Sisi pushed forward the expanded development of the crucial Suez Canal Corridor Development Project – involving the expansion of six Egyptian ports, the construction of a number of tunnels and industrial zones and the dredging of a parallel canal to allow for two-way traffic. The Armed Forces Engineering Authority has a central role in this gigantic project.

In 2013, under President Morsi, the Suez development project became a flashpoint for tension between the ruling Muslim Brotherhood and the military, with some analysts arguing that it acted as one of the triggers for the eventual toppling of Morsi by the armed forces. A prominent Egypt analyst summarised the potential threat to the military.

Multiple other megaprojects have been announced since 2013. Egypt's new "administrative capital" is the most contentious of them. Megaprojects are particularly susceptible to corruption. Due to their significant size, it's all the more important to exercise effective oversight. Even countries with comparatively strong corruption controls there are huge risks around infrastructure projects. Within the Egyptian context, megaprojects raise major concerns, particularly when there is little to no information on the contracts the army and other entities are involved in, or their true cost.

Control of Land

Alongside megaprojects, the armed forces have unrivalled powers over public land, enjoying "uncontested and broad regulatory control over planning, allocation, and management." Under a 1981 law, the Minister of Defense has wide-ranging powers over desert land, which constitutes about 94 per cent of Egypt: including to determine whether plots can be allocated to the private sector, and to allocate land specifically for military or strategic use. (3 It is unclear how the military determines whether land is allocated to the private sector, or private individuals, and how it chooses those who are allocated land.

Under a 1982 presidential decree, the Armed Forces Land Projects Organization (AFLPO) manages the sale of military-owned lands. A December 2015 presidential

decree allocated the revenue from any land vacated by the military directly towards the construction of “new military zones”, establishing a legal framework to allow the Armed Forces to use desert land as an investment.

Granting the military absolute and unchecked discretion over the use of public land increases corruption risks and allows the armed forces to strengthen its vast patronage network. There is no mechanism to reduce the risk of rewarding loyalty or building new alliances by allocating public land to individuals or companies.

Legislation that Supports Military Business Expansion

The expansion of military activities in the economy has been achieved with the help of new legislation, which has further ensured that economic policy distorts the market and channels public contracts straight to the military.

Most notoriously, law number 32 for 2014 – passed by the interim post-30 June government and reaffirmed by parliament in 2016 – bans third parties, including even Egypt’s Public Prosecutor, from challenging the conditions of public contracts. The government justified this law by pointing to the necessity to regain foreign and local investors’ trust, which had been affected, it claimed, by disruptive litigation brought against public contracts. (60) Critics and opposition figures, however, saw the measure as a way to reproduce cronyistic practices. The new law both neutralizes the administrative court – which had been active in highlighting violations in public contracts and concessions signed during the Mubarak years – and ensures the bypassing of the private sector and civil society who might otherwise challenge questionable contracts between government and external investors. Medhat El-Sherif, Member of Parliament, said: “It legalises corruption.”

October 2, 2018

Egypt's security under threat

The security situation in Egypt has deteriorated significantly in recent years. The armed forces have struggled to respond to an insurgency, amidst a media blackout which means that limited reliable information gets out of Sinai. Terrorist and sectarian attacks, not only in Sinai but also in the mainland, including in Cairo, have killed hundreds of civilians. The Muslim Brotherhood has been named a terrorist organization and forced into the underground, while public dissent against the authorities - whether in media or civil society - has been suppressed.

The Egyptian military's focus on economic objectives, combined with its insulation from accountability and scrutiny, risks undermining its own capacity to provide security. At the same time, military forces left to their own devices, and not operating under a robust and comprehensive strategy, have the potential to foment the drivers of insecurity.

Cementing Political Power and Authority

"I told them the challenges in Egypt are very, very, very tough ... you have no choice but to put your hands in mine in rebuilding the Egyptian state" Abdel Fattah el-Sisi said, speaking about a 2014 meeting with senior military leaders.



Under Abdel Fattah el-Sisi, Egypt's armed forces have worked hard to cement their powerful position, which grants them unique economic privileges and removes them from independent, civilian scrutiny. The military pursues four main strategies to achieve this goal: it ensures a high number of military officers in senior government positions; it has passed legislation to continue to grant itself ever-expanding rights; it has brutally suppressed opposition; and it has carried out a public relations campaign aimed at increasing public trust in the institution.

The el-Sisi government has maintained and expanded the longstanding policy, which had peaked previously under Mubarak, of appointing former military officers into key positions across government. In September 2016 the President appointed former Transport Minister Atef Abdel Hamid, an ex-army officer, as governor of Cairo, alongside five other new governors with military and security backgrounds – a move that meant only eight of 27 governors across the country had civilian backgrounds.

Virtually Egypt's entire local government structures, including cities, boroughs and villages, is appointed from above. A 2012 Carnegie Endowment study found that since the 1990s, 50 to 80 per cent of the governors at any given moment have been drawn from the military, with another 20 per cent coming from the police or internal security agencies. Retired officers, meanwhile, hold an even-larger proportion of the subordinate posts of deputy governor, director of the governor's office, and secretary-general and assistant secretary-general of the governorate local council.

Former officers hold senior civil service roles, positions on the boards of public utility institutions or directorships in regulatory authorities. The purpose of such appointments is generally two-fold: to penetrate the key oversight agencies that may hold other parts of the state, including the military, to account; and to provide

comfortable financial security for former senior members of the military, further strengthening a system of patronage. Wages in Egypt's military are not generous, and such privileges ensure the loyalty of the senior officer corps, while risking creating resentment among the more junior ranks of the armed forces.

Legislation

The armed forces' cementing of its powerful position was also facilitated by the passing of broad legislation, granting the military sweeping rights. The military's freedom of movement and insulation from civilian oversight was initially entrenched in the new constitution that was ushered through by the interim government shortly after the ousting of Mohammed Morsi, and subsequently passed by referendum in early 2014. In particular, the Supreme Council of the Armed Forces was given the exclusive right for the next eight years to select the Minister of Defence, who cannot be a civilian, effectively gaining near-total control over any matters pertaining to the defense sector.

Crushing Dissenting Voices

In addition to its assault on the Muslim Brotherhood (see text box), el-Sisi's government has methodologically sought to crush any hint of challenge from other quarters, with protesters, civil society groups and the media particularly targeted. Egypt has become the world's third biggest jailer of journalists. (103)

Having been brought to power on the back of popular protest, the military-based interim government was quick to put in place measures to stop the same thing happening again. A restrictive 2013 law on public assembly granted security officials and police officers the right to ban protests and detain protesters on ambiguous charges. (104) Subsequent protests against the government have been met with a

harsh response, with mass arrests of hundreds of protesters, journalists and human rights defenders in one such episode in April 2016. (105) In this context, and with the memory of Rabaa still fresh, large protests are unsurprisingly now much rarer than five years ago.

New means of squashing alternative perspectives to those of the military continue to be developed. A draconian NGO law issued in May 2017 would subject civil society organizations to constant scrutiny and monitoring, severely restrict their ability to collect funding, and put their staff at risk of licence removal, severe fines and prison sentences if they do not comply. (108)

The desire of el-Sisi and the armed forces to maintain control has resulted in a system designed to enforce order and shut down any elements of society that may seem to be offering a challenge. Strangling channels for Egyptian citizens to express their grievances legitimately, in a context of threats from extremist groups and severe economic challenges, is a powerful recipe for insecurity.

Public Image Campaigning

In addition to using personnel and legal systems to secure its authority and control, the armed forces have made considerable efforts to maintain and enhance the public image of the military establishment. This has involved the military publicly providing (or being seen to provide) crucial services to the Egyptian people. The military's involvement in the baby milk shortage crisis and the 'miracle cure' for HIV/Aids and Hepatitis C mentioned above both involved sustained public relations campaigns that aimed to present the military as Egypt's saviors and protectors.

Long Live the Generals!!

Egypt's armed forces have played a uniquely powerful role in Egypt for decades before the 2011 protests which toppled then-President Hosni Mubarak. Since then, they have cemented and expanded their role, by managing the political transition in 2011 and 2012, ousting the country's first democratically elected civilian President in 2013, backing an interim civilian technocratic government and finally providing a President from their own ranks, General Abdel Fattah el-Sisi. In its largely uncontested role as a patriotic institution, providing health and education for the public where other providers fail, the military has ensured the continuation and expansion of its business empire and economic privileges, cracking down on any hint of opposition.

Yet Egypt is no closer to fulfilling the basic asks of the 2011 protests for "bread, freedom and social justice" than it was before the protests. The now famous slogan of the 18-day protests, "the people demand the downfall of the system", did not yield the desired results. The system looks as entrenched as ever. While the protests resulted in the downfall of a President, the complex interaction between wasta, patronage and the secretive and powerful role of the armed forces remains intact. Genuine public discourse on political matters is discouraged and any scrutiny or criticism of the armed forces is explicitly ruled out.

Ninth: Egypt on the Human Development Index

The UN [Human Development Index](#) (HDI) is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. A long and healthy life is measured by life expectancy. Knowledge level is measured by mean years of education among the adult population, which is the average number of years of education

received in a life-time by people aged 25 years and older; and access to learning and knowledge by expected years of schooling for children of school-entry age, which is the total number of years of schooling a child of school-entry age can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child's life. Standard of living is measured by Gross National Income (GNI) per capita expressed in constant 2011 international dollars converted using purchasing power parity (PPP) conversion rates. To ensure as much cross-country comparability as possible, the HDI is based primarily on international data from the United Nations Population Division (the life expectancy data), the United Nations Educational, Scientific and Cultural Organization Institute for Statistics (the mean years of schooling and expected years of schooling data) and the World Bank (the GNI per capita data). The HDI values and ranks in this Statistical Update are not comparable to those in past reports because of a number of revisions to the component indicators. To allow for assessment of progress in HDIs, the 2018 Statistical Update includes recalculated HDIs from 1990 to 2017 using consistent series of data.

Egypt's HDI value and rank

The United Nations Development Program (UNDP) has ranked Egypt 115th of 189 countries in 2018's Human Development Index (HDI), down from 111th place in 2017. Egypt's HDI ranked it solidly in the middle of 22 Arab states (11th), with such countries as the United Arab Emirates, Qatar, Saudi Arabia, Oman, Kuwait, Lebanon, Algeria, Jordan, Tunisia and Libya representing the top half.

"Egypt's HDI value for 2017 is 0.696— which put the country in the medium human development category—positioning it at 115 out of 189 countries and territories.

Between 1990 and 2017, Egypt's HDI value increased from 0.546 to 0.696, an increase of 27.4 percent," the report said.

Table A reviews Egypt's progress in each of the HDI indicators. Between 1990 and 2017, Egypt's life expectancy at birth increased by 7.1 years, mean years of schooling increased by 3.7 years and expected years of schooling increased by 3.3 years. Egypt's GNI per capita increased by about 79.8 percent between 1990 and 2017.

Egypt's HDI trends based on consistent time series data and new goalposts

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI value
1990	64.6	9.8	3.5	5,759	0.546
1995	66.8	10.4	4.1	6,308	0.576
2000	68.6	11.1	4.8	7,457	0.611
2005	69.4	11.5	5.6	7,979	0.634
2010	70.4	12.0	6.6	9,668	0.665
2015	71.3	13.1	7.1	9,923	0.691
2016	71.5	13.1	7.2	10,185	0.694
2017	71.7	13.1	7.2	10,355	0.696

Norway topped the global HDI rankings with 0.953, followed by Switzerland (0.944), Australia (0.939), Ireland (0.938), and Germany (0.936).