

How Egypt can stabilise - and find its own brand of peace and Arab democracy through realistic methods to increase prosperity.

One Egyptian philanthropist and businessman recently exclaimed: "Egypt is 40% under 18yrs, 40% illiterate, 40% under the poverty line and this is dangerous ! "

Summary

This article examines Egypt's serious and precarious position, whilst being the leading nation in the Arab world. It proposes a couple of precedents that could benefit the nation and prevent further revolutionary violence that so often leads to sectarian or tribal break-down. The author argues that useful precedents concerning population reproductive choice and sustainable job creation, made in Western societies, can be adapted to the Egyptian culture. When Egypt becomes stable and democratic, through such initiatives, this will send a positive message of hope to the entire Middle East, including Israel.

Youth Population

Egypt is bursting at the seams with young people; it is the most populous country in the Middle East with about 82 million people crammed into the Nile delta and the second-most populous on the African continent after Nigeria. It has an annual birth rate of 25 babies per thousand population, which may be compared against a global average of 19 babies per thousand.

Currently Egypt's population of 15 to 35 year olds, which is the youth (as defined in Egypt), amounts to 36% of the total population, or around 30 million people. Of these, it is estimated that 50% are unemployed or under-employed, but no totally accurate figures exist. The Mubarak regime stands accused of falsifying the figures.

As a consequence of its large and growing population and the fixed cropping area of the Nile delta, Egypt also now has to import more than half its wheat each year. This fact has to be considered in the context that 2011 has featured markedly high cereal prices, higher even than the peak they reached in 2008. Some commentators believe the world is leaving the era of cheap food and this thinking is reinforced by the growing concern that the world is having difficulty feeding its existing population of 7 billion which, according to the Austrian Academy of Sciences, is conservatively estimated to reach 9 billion by 2050.

One of the main drivers of population growth, in any country, is the sense of insecurity about old age. Underlying the cultural reasons for having children, is the very human desire to be taken care of in old age.

In the UK, in the late 1880's, when Victorian London endured the sort of poverty existing now in parts of the developing world, a capitalist named Charles Booth and his co-workers changed the terms of the debate about poverty and public policy in Britain for ever. This occurred as a result of a rigorous survey and mapping exercise, yielding 'The London Poverty Map 1889.' Within two decades of this exercise, and as a result of the Vision the map helped to generate, the perceptions of society and politicians in the UK had significantly changed, the slum clearances had begun and by 1908 the Old Age Pension had been introduced. This survey and the subsequent mapping, whose credibility was beyond dispute, raised the national debate about poverty to a better informed and objective level. As a result, the UK missed a revolution, whilst on the Continent there were several brewing up.

Population and Poverty

Currently about 20% to 40% of Egyptians are living below the poverty line, earning less than US \$1.25 per day. The exact number is not known, again, the Mubarak regime stands accused of fiddling the figures.

Egypt has above 10% inflation on average year-on-year, whilst under-employed youth, under-paid professionals and graduates work just to put bread on the table. As a result of low wages and inflation, Egyptians are not in the habit of saving for their old age. This problem is compounded by Egypt's social insurance system, which currently covers only that portion of the labour population that is formally employed. However there are moves towards an overhaul of Egypt's social insurance possibly to be implemented by January 2012.

As a consequence of this economic insecurity there is illegal immigration of low skilled workers plus the brain drain of skilled workers and professionals.

Potential for Disaster towards the end of 2011

In the short term, all of these problems, especially unemployment, create a bigger problem which is unstable youth expectations which therefore could lead to radicalization and the potential for devastating violence if not by September, then certainly in the next few years. Older men who are radicals look for two more ingredients, poverty and young men. All three together are as explosive as oxygen, fuel and an ignition.

Egypt has 6 months before Parliamentary Elections in September 2011. From the start of March 2011 it had 5 months of wheat in store, up to August, whilst as noted global wheat prices seem to be inexorably rising.

Unemployment, high food prices, poverty, could lead to a massive and violent 'political implosion' in the hot and hungry month of August (which is Ramadan), and rapidly follow through to the September elections. Possibly this could tip off other 'implosions' across North Africa and the Middle East, just at the January 2011 revolution did.

Some of the best answers to unemployment are vocational training and micro-credit and although some of Egypt's national vocational training is good, overall the system has been unable to provide the quality and quantity of training, for young Egyptians to equip them for the market place. This failure provokes a 'self-fulfilling narrative', where vocational jobs are seen as inferior by the majority of secondary school and university graduates. Well targeted investment would begin to change this.

Managing Population Expectations

However, there could be away out of this set of nightmare problems. Mubarak is known to have assets of up to US \$70 billion, with at least US \$30 billion of these frozen in the USA.

If this US\$ 70 billion was invested in conservative funds, to yield a conservative 10% per annum, this would amount to US \$7 billion per year. When US \$7 billion is divided by 365 days per year, and then again by US \$4.5 per day, it yields a daily pension of that amount for 4,260,000 people, per year.

In Egypt, 5% of the population is over 65 years old. This amounts to about 4,120,000 people. The annual dividend on this stolen money could be given to these elderly people, sending a very clear message to all other Egyptians, that they need not be compelled to have children if they did not want them, that there would be an alternative safety-net in old age, well above the poverty line.

Another benefit would be an injection of cash into the Egyptian economy, a little over US \$ 19 million per day, to support a multitude of local businesses.

Old Age Pension Scheme Administration

The recent Mubarak regime was so corrupt that most Egyptians simply do not trust their current government officials or the authorities in general. If this Egyptian Old Age Pension (EOAP) was run by a UN monitored and conservative hedge fund based in the very rich, neutral, Switzerland or Norway, and if the delivery system to pensioners was honest and effective, for example by ATM machines and debit cards, (as has proven so effective for paying police their wages in Afghanistan) then Egyptians would probably begin to trust the system.

In the long term, the EOAP would have a dramatic effect on birth control and reproductive choice, just as Old Age Pension systems were vital to getting populations under control in the Western economies.

Securing Sustainable Employment for the Youth

Further, the money could be lent from this Pension Fund as a Micro-Credit Scheme (rolling loan scheme). Traditionally these schemes have had an extraordinarily good repayment rate, as proven by the Grameen Bank in Bangladesh at 98.3%.

To conclude, the money would thereby begin to 'work-four-times-hard' for Egypt:-

1. providing a pension for the elderly in dire need
2. injecting money into the economy
3. helping solve birth control and spread the message of long term social security
4. starting new businesses for the youth

As noted, such an EOAP would certainly begin to feed money into the Egyptian economy, in a fair and respectful manner, at about a rate of US \$19 million per day. A slightly lower pension pot, could free up money for creating vocational training schemes.

Where and Why and How to Invest in Small Businesses.

It is the authors firm contention, also based on many years of humanitarian field experience, thought and research, that the answer to the hopes of the youth, rests in the domain of sustainable job creation, through vocational training (formal and informal) as well as micro-credit and business mentoring.

The author contends that 70% of all social, political, sectarian and economic troubles are defeated instantly when a young person has a job.

Small businesses which frequently represent mass employment opportunities would grow out of sustainable job creation. Sustainable employment is where someone gains a skill enabling them to

create immediate and enduring income, wherever they are. Start-up costs are usually minimal. A sustainable job provides an essential service or product (meaning non-luxury), in response to long-term demand by citizens, in exchange for a swift monetary reward from a broad range of the citizens. It is a utilitarian occupation, providing essential services and sometimes products. It is not a government or grant fuelled employment, although 'good governance' has its place in any successful society.

Over an extensive humanitarian career the author has noticed on several occasions that humanitarians of all sorts have been accused of lacking coordination and wasting funds. After a great deal of thought and research, he came to the conclusion that, having maps that could show useful information would significantly enable aid A) to be targeted accurately and fairly to those shown to be in greatest need and B) allow everyone to see clearly and more objectively where aid was most vitally required, reducing the –'line of sight' between grass roots poverty and the desks of strategic leadership. This has already been tested in several ways, by Charles Booth in London in the late 1880s and by the author in Kosovo in 2000 after war. The results are encouraging. In essence a good situational map helps to answer the age old question:-

“How can a problem be solved, if it is not initially clearly and easily defined for all to see ?”

Global MapAid is an NGO that the author started, which is currently aiming answer this question, by help Egypt to identify where vocational training is needed most, or needs boosting. Under the Patronage of the Geographic Society of Egypt, it is encouraging Egyptians to make a multi-layered map by themselves, to show relative poverty, indicated by unemployment. This approach is following in the footsteps of Charles Booth.

Technical Vocational Education and Training

The Egyptian multi-layered map will also show the existing Technical Vocational Education and Training (TVET) and micro-credit programs that address issues in unemployment. The map will reveal gaps – where no solutions are being implemented, or are poor. The poverty solutions map will immediately help to show where and why poverty solutions are needed most, contributing to peaceful transition to democracy, in the short term by keeping a short line of sight, particularly between Leadership and Electorate.

The map will begin to help 'turn the ship around' like a small rudder on a big ship. But alone it is not enough; an EOAP would certainly provide another medicine to the Egyptian nation, which as everyone now sees, has the democratic masses demanding something a lot better than a dictatorship.

Rupert Douglas-Bate
Global MapAid rupertdouglas@gmail.com