# The MoU with Egypt: a new deal?

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#### **Comment:**

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How similar the images: Von der Leyen, Meloni & Co in <u>Tunis</u>, in <u>June 2023</u> and now, <u>on 17</u> <u>March, the visit to Cairo</u>. A new Memorandum of Understanding (MoU), a <u>"Strategic and Comprehensive Partnership"</u>. Naturally, the EU's partnership with Al-Sisi, which primarily serves to prevent migration, was <u>immediately criticised</u> by human rights organisations:

The key to this partnership will be EU support for Egyptian border controls. The details are still being negotiated, but the plan is the same as the flawed EU agreements with Tunisia and Mauritania: Stop migrants, ignore abuses.

Opposition also arose in the European Parliament: 150 million euros from the deal with Tunisia had gone directly into Saied's pockets and the 7.4 billion euros for Egypt were the reward for combating migration under difficult regional conditions.

We have extensively analysed the dictatorial rule of Al-Sisi in Egypt since 2014 and Saied in Tunisia, increasingly since 2019, and the fact that they make refugees and migrants the pawns of their interests at will: in our wiki entries on Egypt and Tunisia and in numerous blog posts. We have also presented a series of analyses of the leaked EU documents on Egypt and Tunisia, most recently a description of the EU Action Plan on Tunisia and the parliamentary criticism of the EU-Tunisia deal.

In these times when Von der Leyen, Meloni and their ilk are gaining the upper hand in Europe and when large parts of the Maghreb - Egypt, Tunisia, Algeria and Morocco - appear to be firmly under the control of counter-revolutionary dictatorships, we should be all the more wary of taking the EU's visions at face value. It is true that the populations of the Maghreb have been set back and betrayed by more than a decade by the post-Arab Spring counter-revolution. And it is true that the right-wingers in Europe are celebrating a happy birthday. Nevertheless, the social situation in Egypt and Tunisia remains explosive, and the West's policy in Gaza is contributing significantly to a new, pan-Arab unrest among the lower classes. The EU is building on desert sand. Its initiatives are lagging behind the migration movements; the number of people who have been able to overcome the (externalised) border fortifications has risen sharply again in the last year. And Niger is open again!

## The model for the agreement: Tunisia

We should also be careful not to keep analysing the situation and the EU documents as "more of the same". We should try to analyse the documents in social and economic terms.

context. The recently published document <u>Revised Action file- Tunisia</u>, for example, reads similarly to numerous previous EU documents. The same clauses, the same "pillars". But behind them lies a document of failure.

Von der Leyen and Meloni had agreed with Saied to pay more than 1 billion euros - albeit with minor flaws:

- There was no approval for this promise, neither from the Council nor from the EU Parliament.
- The payment was not only linked to good behaviour in the fight against migration, but 900 million was promised as a loan on the condition that Tunisia would agree on a credit line with the IMF. This has not yet happened.
- This left 100 million for the Tunisian coastguard, 150 million direct payment. The German interior minister later handed over 150 million. When the first instalment was to be paid out in October 2023 under certain conditions, Saied rejected the payment as <a href=""">"handouts"</a>. In the meantime, the EU Parliament has also <a href="rejected">rejected</a> the Commission's decision.
- In March 2024, the payments were updated: €164.5 million over three years for the security forces, including the construction of a new training academy for the coast guard by the German Federal Police, new boats and radar equipment and further border fortifications.

The Revised Action file-Tunisia is in many respects a document of failure. Frontex cannot get a foot on the ground in Tunisia, now the federal police are stepping in. Tunisia will not take back any migrants beyond the bilateral agreement with Italy and will not agree to any externalised asylum procedures. It is worth mentioning the planned funding of a control centre on the Libyan-Tunisian border, which could significantly disrupt mobility between these two countries. It remains to be seen whether the funding for the coastguard will increase its activities in the long term. Just in the last few days, at the end of March 2024, a number of boats from Tunisia arrived in Lampedusa again. At the same time, the number of interceptions and repatriations by the Tunisian coastguard is increasing. The race between the security forces and migration movements has therefore intensified again in spring 2024.

The EU loans for Tunisia and now also for Egypt are tied to agreements with the IMF. This approach has a long tradition. In the 1980s and 90s, a neo-liberal economic programme was imposed on the IMF debtor countries with the "Washington Consensus": Privatisations, cuts in the state sector and savings on food subsidies. After years of cheap money, such conditions for IMF loans are now being aggressively formulated again. Saied did not agree to these conditions, despite the threat of state bankruptcy. He wanted to avoid conflicts with employees in the state apparatus and did not want to put the patience of the poor population to the test once again. This meant that the EU billions were also cancelled. The social situation in the Tunisian hinterland is as explosive as it was before the Arab Revolution.

#### Egypt and the IMF

Egypt is "too big to fail" and has a completely different weight vis-à-vis the EU than Tunisia. The EU's pledge of billions is correspondingly higher:

In this context, the EU is offering the economically troubled country the prospect of financial aid totalling around 7.4 billion euros by the end of 2027. According to the EU,  $\epsilon$ 5 billion of the  $\epsilon$ 7.4 billion is earmarked for loans and  $\epsilon$ 1.8 billion for investments in areas such as food security and digitalisation. 600 million euros are to flow as grants, 200 million of which Egypt is to use to stem migration flows to the EU.

But here too, the EU has linked its loan offer to the conditionality of the IMF loans. The IMF had already been negotiating an extension of the current credit line for a year and had demanded <u>a</u> number of concessions:

The International Monetary Fund wants Egypt to implement more of the reforms Cairo has committed to [...]. The Washington-based lender wants Cairo to privatise certain state assets and give the Egyptian pound flexibility to ensure the review is successful.

In the meantime, the IMF and Egypt have reached a working-level agreement to extend the credit line to 8 billion dollars, with the Gaza war having an accelerating effect in the background. The government has agreed to allow the Egyptian pound to float, thereby devaluing it considerably. The IMF's demand for the privatisation of industry is still on the table. Both issues are highly explosive:

#### The devaluation of the Egyptian pound

will continue to drive up the price of food imports and therefore the price of bread. <u>Inflation is</u> already <u>"so high that eggs are a luxury"</u>. Poverty and dissatisfaction among the population is growing and more people, especially from the Nile Delta, <u>are making their way to Europe</u>.



And there is ferment among the population. Although there is no open political activism in view of the high level of repression, a new resistance is manifesting itself on platforms such as Facebook, TikTok or Twitter etc. in the form of short videos and memes made by ordinary people from poor neighbourhoods and peripheral areas of the country. These are widely circulated across the country among illiterate people and people who do not have time to read. The videos contain direct criticism in simple words and everyday expressions that are understandable to all, with the sense of humour that Egyptians are known for. Examples include <u>a farmer</u> talking about inflation or a <u>video</u> <u>with jokes</u> about the scarcity of sugar.

#### The demand for privatisation

essentially concerns the sinecure of the army, on which the regime is fundamentally dependent. The <u>NYT</u> wrote about this <u>in January 2023</u>:

In a demand that strikes at the heart of Egypt's power structure, the IMF is also demanding that Egypt sell off some state-owned companies to raise money and that military-owned companies be stripped of tax breaks and other privileges so that private companies can compete. The Al-Sissi government, which came to power in 2013 through an army takeover, had given control of much of Egypt's resources to the military, which had long run an extensive parallel economy. These assets included pasta and cement factories, hotels and film studios owned by the military, and experts warned that this was stifling growth. Under Al-Sisi, Egypt spent billions on fancy megaprojects such as a new capital, motorways, bridges and presidential palaces, declaring them as

essential for development. Financed primarily through debt, the companies owned by the military enriched themselves without creating any significant jobs, housing or other benefits.

By linking its 5 billion loans until 2027 to the IMF conditions, the EU has put itself in a situation in which it is not only supporting a dictator who disregards human rights - as it has been doing for ten years - but is also deeply embarrassing this dictator. Al-Sisi's regime is caught between the dissatisfaction of the population and the economic interests of the military. It is by no means certain that al-Sisi will be able to honour the IMF's conditions until 2027, and whether he will even be able to hold on that long. The Gulf monarchies have paid more than 100 billion dollars in budget aid to Egypt over the years. However, Saudi Arabia is now also imposing conditions on its loans, even though Al-Sisi has signed over two islands in the Red Sea to the kingdom, and the Emirates would rather buy a stretch of beach on the Mediterranean than disburse further loans without collateral.

### Al-Sisi and migration

Since the conclusion of the Association Agreement in 2004, the EU has been paying billions to Egypt as part of various agreements and projects, mostly in the name of combating the "root causes" of migration. However, what the EU bureaucrats understand by these "root causes" has little to do with reality. A third of refugees are fleeing terror, displacement and war, but most of them are travelling in search of a future and a better life. The "fight against the causes of flight" was bound to fail; since 2017 at the latest, the focus has been on fighting the refugees themselves.

Egypt has been involved in the <u>Khartoum Process</u> since 2014, now under the leadership of the newly sworn-in President Field Marshal Al-Sisi. Migration policy cooperation between the EU and EU member states and Egypt <u>has</u> intensified <u>considerably since 2015</u>. In addition to cooperation on

EU level (partly as part of the <u>migration dialogue between the EU and Egypt</u> launched in 2017), numerous EU states are also implementing complementary bilateral projects in Egypt. Various partner institutions, such as the German GIZ, have been active in Egypt since 2017 under the umbrella of the EU-funded programme <u>"Enhancing the Response to Migration Challenges in Egypt" (EMRCE).</u> Also worth mentioning here is the <u>German-Egyptian migration agreement</u> of 2017, under which the <u>Egyptian border police</u> were equipped and trained; the proposal to <u>set up</u> reception centres in Egypt was also discussed during the negotiations.

In fact, cooperation with Egypt seemed to be developing according to the EU's wishes: around the same time as the <u>negotiations within the framework of the EU-Egypt Partnership Priorities</u>, which began in early 2017 and ultimately led to the conclusion of the EMRCE programme, the <u>number of departures</u> from the Egyptian coast collapsed abruptly, whereas these had <u>risen steadily</u> in previous years and most recently until mid-2016, especially after the 2011 revolution and the coup against the Muslim Brotherhood government in 2013.

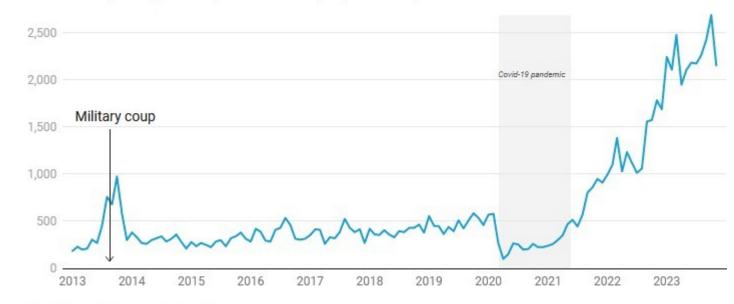
Following the coronavirus crisis and the steadily worsening economic situation in Egypt, <u>the number of Egyptians</u> crossing the Mediterranean to Italy has risen sharply again since 2021. The main route has shifted: across the border to Libya and then across the sea to Italy. The EU had to renegotiate: a new agreement was signed in 2022.

with Egypt, under which the EU finances equipment for the Egyptian border and coastal police. This agreement was decidedly aimed at closing and militarising the border with Libya. Stronger control of the borders with Sudan was also mentioned by the EU in this context.

As can be seen from the <u>Draft Action Plan: Egypt</u> published on this page in June 2022, the EU and its member states expanded their support for the Egyptian police and military to an unprecedented level. However, the systematic surveillance of Egypt's borders in recent years is not just the result of the EU's efforts to further integrate the country into the European border regime. Rather, the Cairo regime has been pursuing a restrictive border control and migration policy independently of <u>EU interests</u> since the 2000s and confidently determines which forms of cooperation with the EU are pursued in the area of migration and which are not. Cairo was <u>not an easy partner</u> in the negotiations with the EU. The regime is primarily interested in <u>weapons from Germany, Italy and France</u> as well as police and surveillance technology. The German Federal Police, for example, regularly organises courses at the Italian-funded Cairo PolicaeAcademy.

# Welcome: More migrants from Egypt Number of asylum seekers from Egypt in the EU has increased

Number of asylum applicants (first and subsequent) in the EU per month



<sup>\*</sup> Figures for November 2023 are partial

Chart: MEDIENDIENST INTEGRATION 2024 • Source: Eurostat, Asylum applicants by type of applicant, citizenship, age and sex - monthly data • Get the data • Created with Datawrapper

(Source: Media Service Integration 2024)

The number of arrivals from Egypt is currently continuing to rise. One day, and perhaps quite soon, the EU will have to realise that it cannot stop the migration movements with its billions of euros. There are several million migrants and refugees from Sudan and the Horn of Africa in Egypt. They are <u>disenfranchised and have no future in the country</u>. More and more of the millions fleeing the war in Sudan are crossing Egypt

and are then brought across the <u>Libyan-Egyptian border</u> by smugglers. It is also questionable whether the government will succeed in keeping the population of Gaza behind the walls. The biggest source of migration, however, is and remains the Egyptian population itself. In the words of the <u>Guardian</u>:

A third of Egyptians live in poverty and see a dangerous journey to Europe as their only hope. Almost a third of Egypt's population fell below the national poverty line in 2019, most of them living along the overcrowded, impoverished Nile Delta. "The young people here see young people who have immigrated illegally, who live well, are well-dressed and have integrated into Italian society, and they think they could do the same."

<u>In an interview with Mediendienst Integration</u>, migration researcher Parastou Hassouri had the following to say:

# Is it reasonable to assume that many Egyptians and non-Egyptians intend to leave the country...

Definitely. Most migrants and refugees in Egypt do not have Egypt as their final destination. They hope to migrate elsewhere, be it to the EU or North America. Many Egyptians are also thinking about migration. It is therefore only logical that the EU wants to work closely with Egypt to manage and stem migration. However, from a rule of law and human rights perspective, EU citizens really need to ask themselves at what price they are willing to pay to prevent refugees from entering the EU. Do they agree to their governments co-operating with governments that have been known for years to have a poor human rights record? [...]

# This brings me back to my original question about EU-Egypt co-operation on migration: how does Egypt benefit from it?

These migration management co-operation agreements include some support and assistance to destination countries, including projects to help improve skills and vocational training opportunities for the local population and for migrants.

However, they also provide for training and equipment for the border police. Some fear that the equipment, which is actually only intended for border controls, could be used against the local population, e.g. surveillance equipment, drones, etc. This is particularly concerning when it comes to governments with poor human rights records and where detainees are held in very poor conditions.

#### Will increased cooperation have the desired effect of stopping migration to Europe?

We have often seen this in our research: There may be short-term effects, but in the longer term, new routes will emerge if one route is blocked. For Egyptians - and even more so for Africans from sub-Saharan Africa - there are hardly any legal routes to Europe. They cannot obtain a visa because in most European countries the authorities assume that once they have entered EU territory, they have no intention of leaving. The only route for almost everyone who wants to leave the country is therefore so-called irregular migration. Since it is almost impossible to leave Egypt irregularly these days

forced people onto the alternative migration route via Libya. In view of the terrible situation in Libya, it is very regrettable that these cooperation agreements are forcing people onto even more dangerous routes.

### Read more

Bread for the World has just published a good <u>country report on Egypt.</u> Commentary by <u>Anna Schwarz / Böll Foundation</u> on the MoU.

Wiki Egypt, March 2022

BpB Country Report Migration State Egypt from 2020.

Tags: Egypt, migration agreement

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