Social media can help with the recovery of the Egyptian economy

• By OZGUR ERKAN

It has not been long since the power of Facebook and Twitter managed to gather millions of Egyptians at Tahrir Square for a common cause: overthrowing the iron-fisted rule of president Hosni Mubarak. However, two years after the revolution, the Egyptian economy still faces a dramatic reality: an annual budget deficit amounting to 7 percent of the GDP. The currency reserves at the central bank can last for two more months, the country imports tens of millions of tons of wheat every year amid increasing food prices, there is rationing and long lines for gas, bread and basic goods.

What makes the situation worse is that the Muslim Brotherhood and President Mohamed Morsi reject the available financial aid from the IMF. In the run-up to the elections, the Muslim Brotherhood is dragging its feet not to implement IMF reforms required for the release of IMF credit. On the other side, funding from Qatar has also ceased. Given that Egypt is now standing at the edge of a liquidity crisis, the key question is why and how the social media should play a role in ameliorating the financial status of Egypt.

First, one needs to answer the question: why should the social media play a role in helping recover the Egyptian economy?

In addition to the critical figures provided above, another major problem in Egypt is high youth unemployment, compounded by bribery and corruption; out of large applicant pools, only certain candidates get the major positions.

The withdrawal of Foreign Direct Investment from Egypt is another factor responsible for reducing job opportunities for young Egyptians. For example, recently two major French banks ceased their operations in Egypt as a result of diminishing foreign currency reserves in the country. If the economic situation in Egypt gets worse, it will likely be that a significant number of young Egyptians will push through the doors of the EU, by trying to get into EU countries as illegal workers and/or immigrants. This potential mass emigration from Egypt will become a further burden for crisis-stricken Europe, as well as for the Gulf countries if young Egyptians try to find jobs in the oil-rich GCC bloc.

More seriously, the Salafists and jihadists in Egypt will be disillusioned with the economic conditions and they will bring their despair onto the streets through violence. This may deepen the existing polarization between different groups in Egypt (Muslim Brothers, Salafists, jihadists and secular-liberals) but the worst-case scenario is that it may also lead to a civil war.

IN AN alternative scenario, the growing ideological polarization in Egypt may lead to a coup d’etat, through which democracy will be shelved. Thus, given those critical possible scenarios for Egypt, the young users of the social media in Western countries, but also in some oil-rich GCC countries, such as the UAE and Qatar, should help their Egyptian counterparts recognize the severity of the situation and persuade them to accept foreign aid in order to get the economy back on track.

Young social media users in Europe, the US and the aforementioned GCC countries can achieve this. They should, however, first be educated regarding the serious consequences of the deteriorating economic conditions in Egypt, especially in terms of the immigration spillover to Europe. In addition, the young generation of social media users from more open GCC countries such as the UAE and Qatar should be informed about the consequences of a liquidity crisis in Egypt in terms of the spillover effects of mounting radical Islamist ideas for the entire Middle East.

In both cases, think tanks, international organizations or even individual users can set up Facebook groups and post twists to inform the young social media users of the severity of the situation in Egypt. In return, after being informed about the situation, young social media users in the West and in the aforementioned GCC countries can form their own groups and communicate with their counterparts in Egypt, in order to persuade them of the severity of the economic situation in Egypt and encourage them to take to the streets en masse, pressuring the government to accept foreign aid.

It is clear that the Muslim Brotherhood is dragging its feet regarding the implementation of the structural reforms prescribed by the IMF to avoid losing votes ahead of elections. If, however, the signal can be sent to the regime, especially by the young social media users, that the Egyptian people want these reforms to be implemented, so that foreign aid can reach Egypt, which will salvage the long-term economic prospects of the country, the minds of Egyptian politicians could be changed and they might be persuaded to adopt the IMF reforms.

Two years ago, social media achieved the impossible and brought an end to the 30-year-old Mubarak regime. If the young generation of social media users in Egypt can be persuaded to take to the streets once again to force the regime to accept foreign (financial) aid for Egypt’s future, social media can claim its second historic achievement in Egypt. This is certainly not impossible.

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