

ECONOMY

Egypt's Poor Bear Brunt of Housing Crisis

Ali Abdelaty | Reuters

Egypt: In the home he shared with 11 relatives, Mohammed Abd al-Hamid had no room to start a family. But since he put up a house on a nearby field in 2016, he has paid \$4,500 in fines for building on agricultural land. "There was no alternative," said Abd al-Hamid, 30, who works for a Cairo security company, standing in front of his pink-painted house in the Nile Delta. "Am I supposed to rent an apartment in Cairo? I can't afford that."

Egypt's population of nearly 100 million is growing rapidly and about 38 million live in unplanned communities. In the turmoil after the 2011 Arab Spring, the number of unlicensed buildings skyrocketed.

Now authorities are cracking down on residents who build on farmland, but are providing few alternatives for those who need cheap houses.

People who build on agricultural land now face up to five years in prison and a fine of up to 5 million Egyptian pounds (\$280,000). Before the law was revised in January, the top fine was 50,000 pounds and the prison term wasn't specified.

Authorities say they want to end unlicensed building on farmland, reduce overcrowding and provide homes for the poor, but analysts say many new government housing projects are too expensive and have poor services.

As a result, large numbers of new homes are unoccupied, while people still build on farmland in areas where housing demand is high.

Under President Abdel-Fattah al-Sisi, the military has been seeking ways to tighten control over the population, she said.

"And one of these ways seems to be controlling real estate development and channeling people toward the communities the government is building rather than communities that sprout out organically in places where people want to live."

The military owns 51 percent of a firm that

is developing a new capital east of Cairo. Since the 2011 revolution, nearly 34,400 hectares of farmland have been lost to illegal construction, according to data from the Agriculture Ministry.

That's a 40 percent average annual increase compared to before 2011, according to a Reuters calculation based on data going back to 1983.

Of those 34,400 hectares, 11,330 have been cleared of buildings, but most is not being farmed, the ministry said.

The government started a campaign to demolish unlicensed buildings from 7,700 hectares of farmland.

The Nile Delta, one of the most densely populated parts of the country, is also one of the areas hardest hit by unlicensed construction on farmland.

In an effort to tackle its growing housing needs, Egypt has launched a series of housing projects and is developing 42 new cities, but many are underoccupied.

New Cairo, Sheikh Zayed and Shorouk have occupancy rates of 65, 50 and 55 percent respectively, according to Leilani Farha, U.N. special rapporteur on housing. One of the more established new cities, 6th of October, has an occupancy rate of 75 percent, she said.

People in some new cities have limited access to schools, clinics, emergency services, transport and food, she said.

The government does have a social housing program for low and middle-income families, she said, but only 2.2 percent of all social housing benefits Egyptians with the lowest incomes.

Egypt is the world's top wheat importer and authorities want to end building on farmland and grow more at home. The government is also trying to reclaim areas in the desert for agricultural use, said General Mohamed Helmy Abd el-Hamed Rashwan, executive manager of The General Authority for Rehabilitation Projects and Agricultural Development at the Agriculture Ministry.

The Economic Crisis Is Over. Populism Is Forever.

From the United States to Germany, the West is booming but the public hasn't regained an appetite for liberalism.

BY JAMES TRAUB

Angela Merkel couldn't have remained Germany's chancellor forever. Even Helmut Kohl, who was chairman of the Christian Democratic Union and Germany's longest-serving postwar chancellor, had to step down after 16 years. Kohl's tenure ended in the usual way: In 1998, with unemployment and economic dissatisfaction rising, voters chose the left-of-center Gerhard Schröder over the right-of-center Kohl. But today, unemployment is at an almost historic low of 3.4 percent. Both youth unemployment and long-term unemployment, typical drivers of the anti-incumbent spirit, are low (though so is annual growth, at 2 percent).

Yet Merkel announced that she is stepping down as party chair, which strongly suggests she will not serve out the remainder of her term. She has been done in, above all, by the refugee crisis, for which a growing number of German voters have blamed her ever since she famously told them, in the late summer of 2015, "Wir schaffen das" ("We can do this"). Many of those voters want to reclaim what they have suddenly come to regard as an endangered identity.

The larger significance of Merkel's fate is that the materialist assumptions of Western liberalism no longer capture the reality of Western politics and culture. It is in the nature of liberalism, a credo founded on rationalism, secularism, and utilitarian calculation, to regard material interests—i.e., your pocketbook—as real and the realm of values as ephemeral. That is why in *What's the Matter With Kansas?*, the economist Thomas Frank could argue that Republicans had hoodwinked working-class Americans into voting against their true interests by seducing them with traditionalist values. That is also what Barack Obama was thinking when he said during the 2008 U.S. presidential campaign that working-class voters "cling to guns or religion or antipathy to people who aren't like them or anti-immigrant sentiment or anti-trade sentiment as a way to explain their frustrations."

It is, of course, no coincidence that the wave of populist nationalism now breaking over the West began in the aftermath of the 2008 economic crisis, when millions of working- and middle-class voters lost savings, jobs, and future prospects. But the wave engulfed liberal politics even where economic pillars remained intact. Poland was Eastern Europe's economic engine—its Germany—when the right-wing Law and Justice (PiS) party defeated the classically liberal Civic Platform in 2015. Civic Platform Prime Minister Donald Tusk had described his platform as the maintenance of "warm water in the tap." When I was in Warsaw the following year, Konstanty Gebert, a columnist and former Solidarity leader, said to me, "He thought that was enough, but he was wrong. People wanted history, they wanted glory, they wanted meaning. And PiS offered a meaning. Their meaning was, 'We'll make Poland great again.'"

What Poles seemed to want above all was the traditional identity they had, or imagined they had had, in the days before they joined their destiny to that of the secular, progressive, free market West. Different versions of this narrative played out in the wealthy countries of Northern Europe. Dutch politics, like German politics, had long oscillated between economically oriented left-of-center and right-of-center parties. The Dutch economy remained strong, but rising rates of immigration, which brought the population of the country's four biggest cities close to majority-minority status, provoked an entirely new politics of Dutch identity. In the 2017 election, the right-of-center liberals staved off a challenge from the far-right, xenophobic Party for Freedom, though only by co-opting identity politics. So it went in Sweden, Austria, and elsewhere.

It is also no coincidence that hostility to immigrants and refugees runs much hotter in eastern Germany than in the wealthier and more open west. Yet during several visits to Dresden, near the country's eastern border, I found that economics was not uppermost in the minds of either the officials of the right-wing Alternative for Germany (AfD) party whom I met nor even among the marchers in the weekly rally of the anti-immigrant group Pegida. The demonstrators were not lumpen; most were small-town folk who had seen a



European Council President Donald Tusk (from left), British Prime Minister Theresa May, German Chancellor Angela Merkel, and U.S. President Donald Trump prepare for a photo at the G-7 summit in La Malbaie, Canada, on June 7.

few Muslim refugees often very few and concluded that their world was under siege. The nationalist spirit has begun spreading westward: In elections last month in wealthy and worldly Bavaria, the AfD won more than 10 percent of the vote and entered parliament there for the first time. The right of center fell, the left of center collapsed, and both extremes profited.

This is the phenomenon we face today in the United States, where the economy has rebounded more quickly than it has elsewhere in the West yet the forces of nationalism have not abated a whit. Donald Trump has not even campaigned on the economy or the stock market, an utterly bewildering choice by classical political standards. At first the president focused on his nomination of Brett Kavanaugh to the Supreme Court, which drew attention to his crusade against abortion, the great values issue of the last generation. But recently he has switched to immigration, turning the caravan of mothers and children seeking refuge from the violence and poverty of Central America into a threat to national security and identity.

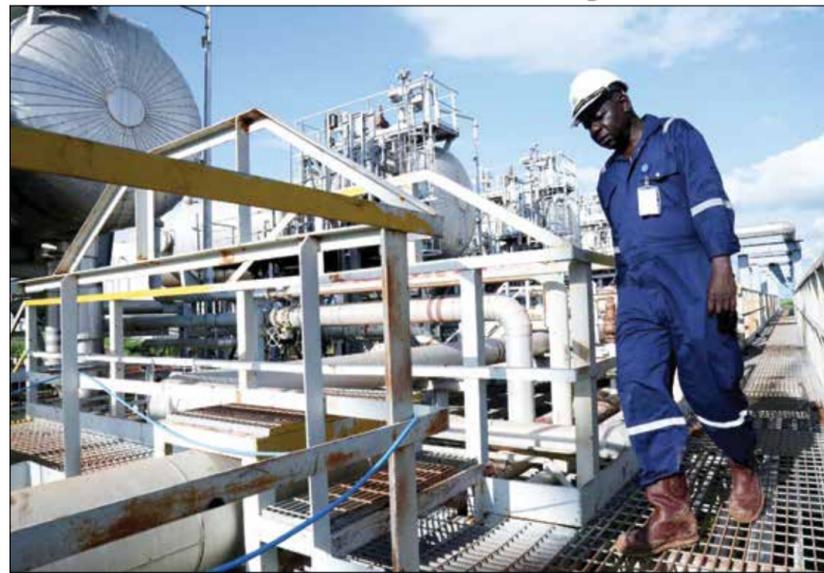
Steve Bannon has claimed that the American electorate is dividing between "nationalists" and "cosmopolitans." Trump plainly agrees, and he knows his base. A 2017 survey found that "fears about immigrants and cultural displacement were more powerful factors than economic concerns in predicting support for Trump among white working-class voters." Almost half of such voters agreed with the statement, "things have changed so much that I often feel like a stranger in my own country"—an echo of the title of Arlie Russell Hochschild's study of working-class Louisiana whites, *Strangers in Their Own Land*. Hochschild observes that the stoical, self-reliant code of her Cajun subjects cannot be wholly reduced to racism and xenophobia, even if it contains elements of both.

What this means for liberals is that a program of economic justice will not be enough to reach alienated whites. It means as well that a politics of identity that emphasizes the particularity of every group and subgroup, the right of each to stand apart from the straight white male default, will only further inflame the yearning for an atavistic whites-only identity. Liberals must find a national language that speaks to a national, inclusive identity. French President Emmanuel Macron has very consciously sought to position himself in the tradition of Charles de Gaulle as a patriot and the incarnation of an idea of France, though a far more up-to-date idea than de Gaulle's 19th-century grandeur. (So far, it must be said, Macron has gained a reputation more for grandeur than for patriotism.) Perhaps the gap between the Democrats' old New Deal base and the new race- and gender-conscious one is simply too large to be bridged.

Liberals are inclined to regard their own values as universal and self-evident, unlike the so-called subjective ones that arise from religion or custom. The cosmopolitan cherishing of diversity is an intrinsic good, while the yen for the familiar constitutes a repudiation of reality. In fact, both are preferences, though very deep ones that sharply divide those who hold them. The globalization of people, goods, jobs, and ideas has brought out that difference in sharp relief and thus redefined the politics of the West. Liberals can't abandon their own values, but they must acknowledge them. And they must take seriously the views of those who do not share those values.

South Sudan Peace Deal Revives War-battered Oil Industry

Oil sector's revival was key part of peace deal mediated by Sudan, whose economy has also suffered from the slowdown in output.



A worker walks by an oil well at the Toma South oil field to Heglig, in Ruweng State, South Sudan

JUBA - South Sudan said that the country's latest peace deal had helped revive its war-battered oil sector, with an increase of 20,000 barrels per day in the past two months.

The country's warring parties in September signed a new peace deal to end five years of civil war that has killed an estimated 380,000 people and crippled the oil industry, which funded about 98 percent of its budget.

Petroleum Minister Ezekiel Lol Gatkuoth told hundreds of investors attending a three-day forum in Juba that the peace deal had revived activity in Unity State, raising production from 135,000 to 155,000 barrels per day.

"We are aggressively informing the whole world that the potentials are very high here," Gatkuoth told South Sudan's second Africa Oil and Power conference.

At its peak, oil production in South Sudan was at 350,000 barrels a day.

Khartoum mediated the peace deal, and in June this year pledged to help repair South

Sudan's damaged oil fields.

Gatkuoth said companies from Russia and Nigeria had signed agreements to explore new oil blocks.

"We are working to bring in investors and increasing production and doing oil exploration in different areas," he said.

"South Sudan has a lot of blocks that are empty... South Sudan is a place where you can invest. And we are business friendly."

South Sudan achieved independence in 2011, but remained heavily dependent on its northern neighbour's oil infrastructure -- refineries and pipelines -- for exports.

Observers note that competition for the country's oil resources has been central to its conflicts and oil revenue has helped sustain fighting.

Earlier this year, an investigation by watchdog group The Sentry showed how South Sudan's elite used funds from state oil company Nile Petroleum Corporation to "fund militias responsible for horrific acts of violence" and enrich themselves.