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El Arish and the Sinai Peninsula Underworld, Egypt

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If one were to walk along the Egyptian border with Gaza in the Sinai, it would become clear that national borders can be more porous than what they appear to be “on the surface.” Since the closure of the border and the Gaza blockade, as many as 1,200 underground tunnels have been dug to bring in a huge variety of goods, from basic needs and construction materials to finished goods and weapons.¹

Where do all these goods come from? Virtually everything that ends up in Gaza originates in or passes through El Arish, a northern Sinai port town located 45 kilometers to the west.² Given its geostrategic location, the town has gradually become a node of illicit activities, including the plotting of terrorist attacks. What the case of El Arish teaches us is that the law of supply and demand will triumph even when states attempt to control the movement of goods, people, or services. El Arish also suggests that human insecurity does not only pose humanitarian concerns; it can also metastasize into forms of insecurity that endanger regional stability.

Challenges to State Security

The El Arish area sees heavy smuggling activity by Israeli and Palestinian organized crime, as well as from some of the Bedouins, whose social connections extend across the border and who have long refrained from identifying as Egyptian. Smuggling networks move an incredible variety of goods into the Gaza tunnels—food, cigarettes, weapons, cars, and on one occasion

¹ “Weapon Smuggling Tunnels in Rafah, May 2004.” Israeli Ministry of Foreign Affairs; “Rafah’s Subterranean Tunnel City: The Gateway to Hamastan.” *Defense Update Newscast*; “The Egypt-Gaza Border and Its Effect on Israeli-Egyptian Relations.” *Congressional Research Service*, 2008; *Daily News Egypt*, 2009. “Show of Force in Rafah following clashes.” November 12, 2009; “No rest for Gaza’s Sinai Smugglers.” *Sydney Morning Herald*. December 19, 2009; Gisha – Legal Center for Freedom of Movement, “Unraveling the Closure of Gaza.” July 7, 2010; “Construction of Egypt’s Security Wall Causes Collapse of Smuggling Tunnels.” *World Tribune*, Jan 13, 2010; “Gaza Tunnel Smugglers Trade In New Cars.” BBC, Apr 7, 2010; Theodore May. “Gaza’s Great Tunnel Recession.” *Foreign Policy*, Aug 13, 2010.

² “Gaza’s Life Line: The Tunnels.” *Rupee News*, March 13, 2010.

they reportedly even smuggled a lion.³ Smuggling into Israel is more limited, but human trafficking has now drawn significant international attention. Migrants from eastern Africa and sex workers from Eastern Europe use the Bedouin networks to enter Israel illegally in search of opportunity.⁴ The smugglers have been known to detain the migrants in remote camps, where they are subjected to forced labor, sexual abuse, and torture in an attempt to extort greater tolls.⁵

Several militant groups operate in the Sinai. Hamas reportedly raises some funding via fees on the constructions of new tunnels, and operates several of its own.⁶ Hamas personnel have been detained on the Egyptian side of the border,⁷ and there were fears that Hamas might attempt to enter Egypt during the recent political crisis. A Hezbollah cell was broken up in the Sinai in 2009; Egyptian authorities alleged that the Hezbollah members had been observing Israeli tourist groups and ship movements in the Suez Canal.⁸ A local terrorist group, Tawhid wal Jihad (unrelated to the Iraqi group of the same name) was suspected in a wave of bombings in southern Sinai in the mid-2000s, but analysts have suggested that this organization was rendered ineffective by Egypt's massive crackdown after the bombings.⁹ The group is believed to have been composed of Bedouins who were influenced by the ideology of Al Qaeda.¹⁰

The seriousness of the security issues present in El Arish was confirmed during the recent Egyptian uprising. Protests in places like Cairo saw limited violence, but the Sinai experienced a quasi-insurgency, with rocket attacks on police stations, armed liberation of prisoners, and bombings of a major international natural gas pipeline.¹¹ At the height of the unrest, Bedouin smugglers in contact with *TIME* magazine even claimed to be in control of towns in the border area.¹²

³ Brynen, Rex. "Gaza's Tragically Peculiar Economy," *Foreign Policy*, March 16, 2010. See also: Kershner, Isabel. "Israeli Army Says It Found and Destroyed Seven Hamas Tunnels." *The New York Times*, November 1, 2007; Von Mittelstaedt, Juliane. "Tunnels to Egypt Keep Hamas in Business." *Spiegel Online*, August 4, 2008; McCarthy, Rory, "Inside the Gaza Tunnels." *The Guardian*, February 10, 2009.

⁴ "Egyptian Police Kill Sudanese Trying to Enter Israel." *Canadian Press*, September 10, 2010. See also: "Egypt Police Clash with Smugglers along Israel Border." *DPA*, August 18, 2010; "Egypt Detains 16 Foreigners for Killing Smuggler." *AFP*, September 12, 2010.

⁵ "Bedouin Smugglers Abuse Africans Held for Ransom, Israel Group Says." *The New York Times*, February 15, 2011. See also: "Egypt: End Traffickers' Abuse of Migrants." *Human Rights Watch*, December 9, 2010.

⁶ Brynen, Rex. "Gaza's Tragically Peculiar Economy." *Foreign Policy*, March 16, 2010.

⁷ "Egypt Seizes Hamas Official in North Sinai." *Maan News*, September 1, 2010.

⁸ Zambelis, Chris. "Hezbollah in Egypt: the Politics of Conspiracy and Resistance." *Terrorism Monitor*, Volume 7, Issue 16, June 2009.

⁹ Burton, Fred. "Assessing Risks in the Sinai." *STRATFOR*, May 11, 2006.

¹⁰ Zambelis, Chris. "Egypt Attacks May Indicate Emerging Sinai Bedouin Insurgency." *Terrorism Focus*: Volume 3, Issue 19, May 2006.

¹¹ O'Sullivan, Arieh. "Travelers urged to stay away from northern Sinai." *Jerusalem Post*, February 13, 2011. See also: Katz, Yaakov. "Egypt reportedly losing control of Sinai to Beduin as police abandon posts. Israelis urged to return home for fear that peninsula will become launching pad for terror attacks." *Jerusalem Post*, February 13, 2011; Kessler, Oren. "Egyptian army deploys hundreds of troops to guard Sinai gas pipeline to Israel against attack. Suez Canal workers demand better conditions. Campaigners pressed for probe of Mubarak wealth." *Jerusalem Post/AP*, February 18, 2011; "Egypt Resumes Supplying Natural Gas to Jordan." *BBC Monitoring*, March 16, 2011.

¹² Hauslohner, Abigail. "The Army's OK with the Protestors, for Now." *TIME*, January 29, 2011.

Insecurity Flows

The main insecurity flow is into Gaza. Goods enter illegally through the underground tunnels and through periodic breaches of above-ground border security.¹³ Beyond El Arish, the flows become less clear, but there have been rumors of Iranian-backed goods being landed along the Sudanese coast and moved up the unpopulated Red Sea coast to cross the Suez canal.¹⁴ The routes for human smuggling also follow the Red Sea coast, emerging from Sudan and Eritrea; they then use the major roads to travel through the Sinai and to the border, stopping at the extortion camps in the El Arish area.¹⁵ Contraband and migrants also flow across the Egyptian-Israeli border in the Negev, which appears to be the exclusive domain of the Bedouin networks.

The natural gas pipeline that runs south of El Arish has been severed twice since the uprisings—once on February 5th, and again on April 27th, with a failed attack on March 27th as well. The pipeline supplies 80% of Jordan's and 40% of Israel's natural gas, and took weeks to repair the first time it was severed. Cessation of the gas flow costs each country millions a day, with Jordan in particular being put at risk of an energy crisis.¹⁶

Fertile Conditions

What has led to the increase of illicit activities in El Arish? Perhaps most important is its strategic location at the intersection of North Africa and the Levant. The town is located on the main highway that crosses northern Sinai, and is on an ancient trading route from Cairo to Damascus. In the current international environment, this old trading route links impoverished and war-torn countries like Sudan to prosperous ones like Israel.

A brief examination of some global indicators reveals just how sharp these discrepancies are. As of 2009, Israel's GDP per capita was \$26,256,¹⁷ whereas Sudan's was \$1,294, and was only \$708 in 2005.¹⁸ While Sudan is in 154th place globally on the Human Development Index, and Egypt is 101st, Israel ranks 15th.¹⁹ Israel has an unemployment rate of 6.2%, the West Bank's is at 26%, and Gaza's is at 45%.²⁰ Gaza's problems go beyond unemployment. In addition to Gaza being one of the most densely populated areas in the world, the enforcement of the blockade and the

¹³ "Gazans Make New Border Wall Hole." BBC, January 25, 2008.

¹⁴ McGregor, Andrew. "Strange Days on the Red Sea Coast: A New Theater for the Israel-Iran Conflict?" *Terrorism Monitor*, Vol. 7, Issue 8, April 2009.

¹⁵ Fishbein, Einat. "Desert Hell," *Yediot Ahronot*, November 19, 2010. See also: "Egypt: End Traffickers' Abuse of Migrants." *Human Rights Watch*, December 9, 2010.

¹⁶ "Jordan Seeks Help After Egypt Gas Cut." *Ahram Online*, April 28, 2011. See also: "Jordan Rationing Electricity After Egypt Blast." MSNBC, April 28, 2011; Udasin, Sharon. "Israel Able to Fulfill Energy Needs, But With Costs." *Jerusalem Post*, April 28, 2011; "Bombing Attempt on Egypt-Israel Gas Pipeline Fails." *Jerusalem Post*, March 27, 2011.

¹⁷ World Bank Indicators, country indicators available at <http://data.worldbank.org/country>.

¹⁸ Ibid.

¹⁹ UNDP, country indicators available at <http://hdr.undp.org/en/data/profiles/>.

²⁰ UNDP, country indicators available at <http://hdr.undp.org/en/data/profiles/>. See also: "UN Says Gaza Unemployment at 45%." *Maan News*, February 10, 2011.

breakdown in intra-Palestinian relations has created a setting in which “human security in all its dimensions is undermined.”²¹ Conflicts between Hamas, Fatah, and Israel have led to many deaths and injuries, as well as the destruction of essential infrastructure. The extent of the shortages caused by the blockade is perhaps best reflected by the fact that when there was a breach of the border at Rafah in January 2008, within six hours, all the Egyptian stores and pharmacies in the area were emptied of all their supplies.²²

Yet one cannot reduce the source of illicit activities in El Arish solely to external insecurity and regional discrepancies in economic and political stability. The presence of insecurity flows is likely due to domestic conditions, and in particular the endemic corruption present in Egypt, the ethnic heterogeneity of the population in El Arish, and the mobility of Bedouin tribes across the Sinai desert.

Corruption is widespread in Egypt, from petty corruption of the police, through the judicial and administrative sectors, all the way up to the highest levels.²³ Bribery is also widespread, with “facilitation payments” when acquiring licenses viewed as necessary by business analysts. The smugglers’ ability to operate in an environment of regular checkpoints (a normal occurrence on the Sinai) also indicates that at least some security forces in the area have been corrupted.

The population of El Arish is very heterogeneous because of a large number of Bedouins in the Sinai, the presence of Copts, “Bosnians” (people of European descent who arrived during the Ottoman period) and a large influx of Palestinian refugees. Behind the generic category of Bedouin “is a rich diversity,” which includes some fifteen major tribes, some with territory that crosses national borders.²⁴

National and International Responses

In reaction to the challenges posed by El Arish, the Egyptian government has combined punitive measures aimed at destroying possible criminal networks with attempts at strengthening border control and legislation regarding human trafficking.

The harshest government response came after the 2004-2006 string of terrorist attacks (October 7, 2004 in Taba; July 23, 2005 in Sharm el Sheikh; August 14, 2005 on the border with Gaza; and April 24, 2006 in Dahab). Egyptian human rights NGOs claim that over 2,500 people were detained in late November 2004, while Human Rights Watch received additional reports of

²¹ UNDP. “Human Development Report 2009/10 Occupied Palestinian Territory: Investing in Human Security for a Future State,” p.20. Available at:

http://hdr.undp.org/en/reports/national/arabstates/palestine/NHDR_Palestine_En_2009-10.pdf.

²² Ibid, p. 29.

²³ Businessanticorruption. “Egypt Country Profile: Judicial System.” See also: Businessanticorruption. “Egypt Country Profile: Licenses, Infrastructure, and Public Utilities.”; Businessanticorruption. “Egypt Country Profile: Police.”

²⁴ “Egypt’s Sinai Question.” *International Crisis Group*, Middle East/North Africa Report Number 61: January 30, 2007. Page 9.

police harassment and torture.²⁵ Other sources claimed that some residents of El Arish (especially Islamists) were being detained without a warrant and held without charge—a practice common under the Egyptian emergency law.²⁶ This has led to increasing discontent with the police and security forces and increasing suspicion of state authority.

In response to the smuggling into Gaza, the Mubarak government (before Mubarak was deposed) implemented much tougher border measures and more frequent checkpoints. Since the recent revolution in Egypt, however, the number of checkpoints has reportedly declined significantly.²⁷ Egypt also started the construction of a 100-foot underground steel border wall to block the tunnelers.

Egypt has tried to sedentarize the Bedouins, though the efforts at integration have been minimal, and the project has focused on security, not Bedouin development.²⁸ Egypt has also taken more symbolic measures, such as tightening laws against human trafficking. In 2007 it established the National Coordinating Committee to Combat and Prevent Trafficking in Persons, and in April 2010 it established a state fund that provides protection and assistance to victims of human trafficking.²⁹

Most of the Egyptian responses have thus far been reactive and punitive, attempting to incapacitate criminal activities rather than prevent the illicit market from arising in the first place. This has further eroded state legitimacy and authority in the Sinai, a fact reflected in the frequency of protests there, even before the recent power shift in Egypt.

Outside of Egypt, other actors have used El Arish's insecurity in attempts to consolidate their positions. Iran, for example, has exploited the insecurity of the North Sinai by attempting to send weapons to Hamas, while Hamas has used the insecurity as a lifeline—an extreme economic crisis could have loosened its grip on power and made the acquisition of weaponry and funds more difficult, but the tunnels helped alleviate Gaza's problems, and Hamas's tunnel fees and operation of its own private network of tunnels helped it remain in control.

Implications for the United States

Hamas, despite its rhetoric, has never directly attacked the United States. However, it benefits from the instabilities in the Northern Sinai, and its strength, coupled with that of local grassroots terrorists like Tawhid wal Jihad, poses two threats to U.S. interests: first, there could be operations aimed at U.S. allies; second, these groups could contribute to broader insecurity flows that eventually may harm U.S. interests.

²⁵ Stacher, Joshua. "Rhetorical Acrobatics and Reputations: Egypt's National Council for Human Rights." *MERIP*, 2005. <http://www.merip.org/mer/mer235/stacher.html>.

²⁶ Beinin, Joel. "Popular Social Movements and the Future of Egyptian Politics." *MERIP*, 2005.

²⁷ "Egypt: Never Tip the Army." *Inter Press Service*, February 25, 2011.

²⁸ "Egypt's Sinai Question." *International Crisis Group*, Middle East/North Africa Report Number 61, January 30, 2007.

²⁹ "Egypt: A Human Rights Report on Trafficking in Persons, Especially Women and Children." *Protection Project*, 2010. www.protectionproject.org.

The United States' friendly relationships with Egypt and Israel are well known. These relationships mean that large numbers of Americans travel to the two countries; Southern Sinai resorts like Sharm el Sheikh are a popular destination for tourists from all countries, including the United States. Some unfortunate U.S. citizens could thus become victims of one of the region's terrorist groups.

It is also possible that Hamas or Hezbollah could export some of the weapons and expertise that they receive through the El Arish insecurity flows, and that these could end up in the hands of more directly anti-American groups, or of transnational organized crime.

The United States has also had a decades-long interest in an Israeli-Palestinian peace settlement, and Hamas has repeatedly attempted to derail such talks; access to more and heavier weaponry could make such an attempt more effective. Another conflict between Israel and Hamas or Hezbollah might not only derail the Israeli-Palestinian and Israeli-Arab peace processes—it could also be a source of prestige for these groups and for their associates. This happened after the Israel-Hezbollah war of 2006; anti-American leaders like Hezbollah's Nasrallah and Iran's Ahmadinejad enjoyed a significant boost in popularity and clout after the conflict.³⁰

In conclusion, while the insecurity forms present in El Arish currently do not seem to pose a direct threat to U.S. interests, they have the potential to easily metastasize into regional instability.

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³⁰ Hirst, David. "Weakened Arab System Leaves Leaders Grappling with Loss of Influence." Found in Craze and Huband: *The Kingdom: Saudi Arabia and the Challenge of the 21st Century*. Columbia: 2009, page 97.