

Egypt's Cold Shoulder

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By deciding to prosecute Americans, post-Mubarak Egypt has intentionally provoked a bilateral crisis.

A sudden new wave of anti-Americanism is thriving in Cairo.

As 16 U.S. citizens await trial in Egypt for accepting foreign financing to promote democracy, for the first time in more than 30 years there is a serious debate in Washington about whether to end the \$1.3-billion annual military assistance to Cairo. There's no debate in Egypt, however. More than 70% of Egyptians, according to a recent Gallup poll, no longer want U.S. funding.

By deciding to prosecute Americans, post-Mubarak Egypt has intentionally provoked a bilateral crisis. But the legal assault on U.S.-funded nongovernmental organizations and personnel is merely a symptom of a larger, more serious problem. In Egypt today, all major political forces -- the ruling Supreme Council of the Armed Forces, or SCAF, the Muslim Brotherhood and the government -- are embracing anti-American populism.

The new atmosphere in Egypt leaves the Obama administration -- and Congress -- with some stark choices. Washington can employ the nuclear option -- cut the assistance and test the durability of the U.S.-underwritten 1979 Egyptian-Israeli peace treaty -- or continue to fund an increasingly hostile and unstable state in hopes that democracy will take root.

In this environment, prospects for democracy in Egypt appear slim. Worse, with reportedly as little as \$11 billion remaining in foreign reserves depleting at a rate of \$2 billion a month, Egypt is on the precipice of an economic crisis. At the same time, a spate of kidnappings in Cairo and mob violence at a Port Said soccer match this month, which killed more than 70 people, point to a deteriorating security situation.

But instead of concentrating on security and economics, in a classic case of Nero fiddling while Rome burns, the civilian government appointed by SCAF is focused on trying the American staff of U.S.-funded NGOs that promote democracy. The allegations against them are a politically driven and incendiary distraction, unmistakably conceived by the SCAF-appointed minister of planning and international cooperation, Fayza Mohamed Abounnaga, who has emerged as a symbol of the new populist politics of post-revolution Egypt.

Abounnaga has been in charge of Egypt's NGO file for decades and has been butting heads with U.S. officials for years. WikiLeaks cables from Cairo abound with diplomats' laments over her ability to "fend off" U.S. efforts to promote "even minor reforms" in Egypt. This stance toward Washington seems to have held her in good stead: Abounnaga is practically the only one among her senior colleagues from the Mubarak era to have survived the transition.

She has consolidated her position by promoting crass conspiracy theories, suggesting a U.S. role in the current instability plaguing Egypt. In her public testimony this year before the Ministry of Justice committee investigating foreign funding of NGOs, Abounnaga claimed U.S. government-funded democracy-promoting organizations operating in Egypt were engaged in subversive activities. "The funds that entered Egypt recently amount to \$200 million to fund unknown activities," she said, "raising doubts and fears of these funds' use in acts of sabotage."

After 30 years and \$66 billion in U.S. funding later, these claims of U.S. subversion are insulting. Meanwhile, Abounnaga says she's wearing the case like a "medal on my chest." Clearly she sees utility in continuing her populist America-baiting, blaming "foreign hands" for Egypt's problems.

So do the Islamists.

This month, for example, a senior Muslim Brotherhood official published an open letter invoking the "American-Zionist" conspiracy and warning that U.S. democratization funds had been channeled to "suspicious institutions." Going one step further, the Brotherhood's more militant cousin, the Salafist party Al Nour, accused the American NGOs of trying to "create discord between the Muslim Brotherhood and the Salafis." Based on the court documents, one Al Nour official observed, the NGO workers "can be considered spies."

Despite the prevalent view that the United States -- in league with Israel -- is a pernicious and destabilizing force in Egypt, Muslim Brotherhood leaders still say American dollars should continue to flow. As Khairat al Shater, a senior official in the Muslim Brotherhood, told the *Washington Post*, U.S. support to Egypt serves as "compensation for the many years [the U.S.] supported a brutal dictatorship." More ominous, Shater has warned that a cutoff in aid might result in Egypt changing the terms of its peace treaty with Israel.

Shater is pragmatic. Because of the economic situation, Egypt cannot afford to lose foreign funding. At the same time, though, the Brotherhood does not want to be out of step with its constituency. By staking out this position, Shater hopes to both antagonize Washington and keep the aid.

Whether the current xenophobia is ideologically based or cynical populism to distract from the deteriorating conditions at home makes little difference. Either way, there is little Washington can do at this point to change the bilateral dynamic. Indeed, even if Cairo reversed its ill-advised campaign against the American NGOs, funding would still remain in jeopardy.

The problem, alas, is not Egypt's relentless attack against foreign and domestic liberal democratic organizations. No doubt, SCAF, the government and the Islamists have little need for pro-democracy NGOs, but the investigation of the NGOs is a symptom rather than the root of the bilateral crisis. Notwithstanding the parliamentary elections, Egypt today is dominated by a coalition of military authoritarians and aspiring theocrats that views Washington with great suspicion.

Facing extreme challenges at home and in need of distractions, anti-Americanism has become Cairo's preferred

populist recourse. Although a solution might be found for this particular controversy -- with or without U.S. foreign assistance -- this bilateral dynamic assures that the next crisis is not far off.

David Schenker is director of the Program on Arab Politics at The Washington Institute and the author, most recently, of [Egypt's Enduring Challenges: Shaping the Post-Mubarak Environment](#).

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