

## Egypt After the Election: Advancing the Strategic Relationship

[Michael Singh](#)

May 30, 2014

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Instead of careening between short-term objectives, U.S. policy toward Egypt should take a long-term, multilateral view that focuses on advancing security cooperation and political and economic reform simultaneously.

Abdul Fattah al-Sisi's apparent victory in Egypt's presidential election this week marks the beginning of a new chapter for his country, though not necessarily the end of its political and economic turmoil. The past three years have not only left Egypt gripped by domestic troubles and economic malaise, they have also resulted in further deterioration of bilateral relations. Cairo has looked inward, immune to advice or influence, while Washington has looked on in bewilderment. Although American officials continue to describe relations with Egypt as "strategic," they have in fact become transactional, with one side trading its immediate needs for the other's: the United States needs a stable and cooperative Israeli-Egyptian relationship and preferential access to the Suez Canal, while Egypt needs military hardware and international recognition. Paradoxically, Egypt has had the upper hand in the relationship despite its troubles, mainly because it believes it can turn to others to meet its needs in the short run -- Russia for military equipment, the Persian Gulf states for aid, and the international community for validation. Washington, in contrast, has no geopolitical substitute for Egypt.

### LOOKING AHEAD

Continuing this approach would be shortsighted for both the United States and Egypt. In the long run, military dependency on Moscow or Beijing and financial dependency on Gulf donors -- or any donors, for that matter -- would do more to stifle Egypt's development than advance it. And for Washington, revisiting U.S. policy in response to every twist and turn in Egypt would prove exhausting and counterproductive, alienating not only Egyptians but also other allies dismayed by American fickleness. Egypt's success as a stable, prosperous ally is manifestly in the American interest, making it important to find tools that can positively influence the country's trajectory.

The story now unfolding in Egypt will be a long one and largely beyond Washington's control. The country's politics do not represent a dichotomy between democracy and autocracy or Islamism and secularism, but rather the interplay between several large forces (an entrenched bureaucracy, a sprawling military, political Islam) to which a new and potent force has been added: the people's expectation of political participation. As in Turkey, Thailand, and similar cases, the interaction among these forces will not follow a straight line toward a particular outcome, but a meandering and turbulent path that will require patience and sustained attention from Washington.

The State Department is unlikely to be in a position anytime soon to certify that Egypt is on the road to democracy and thereby clear the way for resumption of military aid. But returning to the status quo ante -- which had been deteriorating for years -- should not be Washington's goal, nor Cairo's. Rather, Sisi's victory should be seen as an opportunity to redefine the relationship so that it once again merits the label "strategic."

### LINES OF ACTION

Once the election results are on the books, Washington should adjust its policy in several key areas.

*Security cooperation.* For many years, the precise objective of U.S.-Egyptian security cooperation has been unclear, and measures to judge its success have therefore been elusive. For example, according to a dryly damning 2006 Government Accountability Office report, "Officials and many experts assert that the [military aid] program to Egypt supports U.S. foreign policy and security goals; however, [the State and Defense Departments] do not assess how the program specifically contributes to these goals."

The military aid program has remained largely unmodified due to three factors: the fear that Cairo might revoke the U.S. Navy's preferential access to the Suez Canal or downgrade its cooperation with Israel; the sense that, conversely, withholding military aid does not give the United States much influence over Egypt's behavior; and the fact that American firms would suffer and their foreign competitors gain were aid withdrawn. While each assertion could be debated, even if all three are correct, they offer an underwhelming foundation for one of Washington's largest military assistance programs.

This is not to say, however, that the United States and Egypt lack strategic interests that should serve as the basis for fruitful security cooperation. These include counterterrorism, border security, freedom of navigation, the need

for secure energy imports, and Egyptian-Israeli peace as a pillar of regional stability. What is unclear is whether the current U.S. military assistance program -- which emphasizes heavy equipment and contributes to the Egyptian military's political entrenchment -- effectively advances those mutual interests.

Rather than resuming the old program by starting with an aid number and devising a shopping list to meet it, Washington and Cairo should start with a blank sheet of paper, design a security cooperation program that suits both of their interests, and then tally the price tag. Ideally, they should include other allies in this process, financially and operationally. If the dollar value of the resulting program is less than America has customarily provided Egypt in security aid, the balance should be made up with increased economic assistance. Under this approach, much of Washington's assistance would likely consist of counterterrorism cooperation -- for this to be sustainable, the two governments must share a common view of terrorism, one that does not encompass peaceful political dissent.

*Political progress and human rights.* The exuberance that attended the February 2011 revolution led Western officials and Egyptians alike to form unrealistic hopes for the country's transformation. While Washington should not despair of pressing Cairo to follow a democratic trajectory, it should focus on realistic goals that can serve as progress on which to build. Some immediate goals should be Egypt's military stepping back from politics; authorities permitting open campaigning during upcoming parliamentary elections; the legislature playing a robust role and serving as a check on presidential power; and Sisi pledging compliance with term limits and allowing for the rotation of power, which in itself would be a sharp and welcome departure from the past six decades of Egyptian history.

Even as it presses for such pragmatic steps, Washington should continue to speak out for human rights and democracy. This support should not be limited to statements, however, but should aim to help Egypt build democratic institutions -- political parties, civil society, and a just, well-functioning legal system, for example -- to repudiate the false choice between extremism and authoritarianism. To the extent possible, Washington should ensure that capacity-building programs have clear objectives, evaluate their effectiveness rigorously, and coordinate them multilaterally to increase their impact. It should also broaden outreach and engagement by senior U.S. officials to ensure that contact with Egyptian society is not compartmentalized as a "development" activity.

This is a tall order in Egypt's current political environment, where Western articulations of principle are interpreted through a lens of factionalism and xenophobia, and Western aid workers and journalists are subject to persecution. The United States can improve its odds of success by putting the overall relationship on firmer strategic footing, by acting in concert with other allies and with Egyptians themselves, and by acting in a targeted manner against human rights abusers -- quietly or publicly, depending on the circumstances -- rather than holding the entire relationship hostage to the vagaries of Egyptian politics. Washington should take a long view of this process and expect progress to be slow.

*Economic stabilization and reform.* One of the gravest threats to Egypt's stability -- and, perhaps, to the rule of its next government -- is the precarious state of its economy. A massive influx of Gulf aid helped the transitional government stimulate the economy but has proven a short-term fix at best, since unemployment and fiscal and trade deficits remain high, energy woes unresolved, economic growth constrained, and the private sector stunted.

In addition, Gulf aid has come without economic strings attached, and thus has not served to impose fiscal discipline on Cairo in the way that International Monetary Fund aid or other multilateral assistance would, rendering moot any Western efforts to tie aid to economic or political conditions. For now, Gulf donors have prized short-term stability and the marginalization of the Muslim Brotherhood above all.

After the election, however, Washington's Gulf allies may be more open to a coordinated economic approach toward Egypt. Cairo cannot succeed economically in the long run without significant structural reform addressing outsized and inefficient subsidies, a bloated government sector, and other problems. These issues also affect political stability and security via their impact on economic growth and employment.

Unconditional external aid can help Egypt ignore its problems only in the short run; without reform, the billions of dollars that the United Arab Emirates, Kuwait, and others have invested in Egypt will prove for naught. Washington should seek these allies' support for tying further economic aid to an IMF structural reform and assistance package, which would likely also require Cairo to establish the sort of broad political buy-in that eluded the Morsi government. If Egypt proceeds with such reforms, the United States and Europe should be ready to take other steps to boost the Egyptian private sector, such as offering trade and investment incentives.

## **CONCLUSION**

For the U.S.-Egyptian relationship to truly be "strategic," Washington must have a sense of its strategy in the region and Egypt's place in it. Such a strategy should involve strengthening weakened bilateral alliances, emphasizing security cooperation and bolstering allies' own capabilities, and promoting long-term democratic and economic reform. A successful American policy in Egypt will not careen between these objectives but seek to advance them together -- for example, by using a strong alliance as a platform to advocate reform and defend human rights. Yet a sensible policy must also recognize, amid Egypt's internal turmoil, the limits of American influence in all of these areas by adopting a long-term view and prioritizing broad multilateral support for any policy initiative.

*Michael Singh is managing director of The Washington Institute.*