



# A U.S. Strategy Toward Egypt Under Sisi

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## SUMMARY

As Field Marshal Abdel Fattah el-Sisi becomes Egypt's fourth president in as many years, the United States faces painful policy choices. Its longtime ally is sliding back into authoritarianism following a failed attempt at a democratic transition. Yet renewed military domination is unlikely to bring stability in view of the country's intense economic problems, human rights abuses, social polarization, and mobilized population. Indeed, security and economic conditions have deteriorated markedly since the military ousted the Muslim Brotherhood-backed president, Mohamed Morsi, in July 2013, and an uptick in public discontent and political turmoil could very well be in store.

The United States should not give unqualified support to Sisi and his government, as working closely with repressive Egyptian governments in the past yielded poor results and engendered widespread anti-Americanism. Rather, Washington should refocus its diplomacy on supporting the Egyptian people, while limiting relations with Sisi and his government to essential security interests.

### Recommendations for the United States

- Maintain only essential security and counterterrorism cooperation with the Egyptian government.
- Express support for the Egyptian people's aspirations for prosperity, freedom, and justice, and assess progress based on whether citizens enjoy such benefits rather than on whether the current political road map is carried out.
- Transfer the bulk of assistance—at least \$1 billion of the \$1.5 billion provided annually—to one or two large programs aimed directly at the population.
- Institute a large, high-profile program that provides higher education and vocational training scholarships for Egyptians, with minimal government involvement.
- Support the reopening of political and civil society space that will be essential to build consensus among Egyptians about their country's future by strengthening assistance to embattled civil society and rights organizations.
- Develop a joint policy strategy with Europe, and work together to convince Gulf allies and Israel to support—or at least not to undermine—human development and inclusive economic growth (rather than military domination) as keys to durable stability in Egypt.

Although beset by problems, Egypt will continue to be a significant player in the Middle East and North Africa. It is still the most populous Arab state, a neighbor of Israel, and controller of the Suez Canal. The United States is understandably loath to walk away from the country after investing tens of billions of dollars in a relationship with the Egyptian military for nearly four decades.

But the military's repeated interference in politics has destabilized Egypt since the country's president of thirty years, Hosni Mubarak, was overthrown in early 2011. It has simultaneously helped to crowd out secular political forces and radicalize Islamists, some of whom have turned to insurgency. The military's reliability as a security partner that contributes to regional stability, rather than undermining it, can no longer be taken for granted.

What Egypt requires to attain a new stability is a broadly shared consensus about the political and economic future of the country. Despite the passage of more than three years since Mubarak's ouster, there has been no serious effort to build such agreement. The Supreme Council of the Armed Forces (SCAF) that took power immediately after Mubarak ignored the calls of secularists for a roundtable process to design a democratic transition (akin to what happened in Tunisia), instead acceding to the wishes of the Muslim Brotherhood to proceed directly to elections for a full-term parliament and president. After the Brotherhood predictably won those elections, the Islamist movement claimed a popular mandate and tried to impose its own vision for the future on Egyptian society.

Following growing protests against the Brotherhood's overreach, Field Marshal Abdel Fattah el-Sisi removed the then president, Mohamed Morsi. Sisi launched a massive crackdown against the Brotherhood and instituted a road map that effectively excluded the movement from new constitutional and electoral processes. The Brotherhood has been not only outlawed but also declared a terrorist organization (although Egyptian officials have yet to make the case that the Brotherhood, as opposed to more extreme Islamist groups, is involved in terrorist operations), and tens of thousands of its supporters (as well as others) have been arrested. Sisi made clear during his campaign that he has no intention of allowing the rehabilitation of the organization.

Elected to the presidency in May 2014, Sisi has much more coercive power at his disposal than Morsi did. But recent polls and the modest turnout for the election show he is not much more popular than Morsi was, and he is likely to face stiff, ongoing resistance.

If the United States wants to foster a stable Egypt that can be a reliable ally, it must avoid being trapped in these zero-sum games. This will be challenging, because U.S. relations with Egypt have always had a dominant security focus, and particularly a military-to-military dimension. During the Mubarak era, most U.S. assistance and effort went into the security relationship, with secondary attention devoted to various reform projects (economic, judicial, decentralization) agreed upon with the government. The new Egyptian government, and particularly the military from which Sisi hails, will be eager to return to that model.

## ABOUT THE AUTHOR

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But a focus solely on cooperating with the state no longer makes sense in an era when the lifespan of Egyptian governments, at least the last three, has been measured more in months than in decades. Moreover, decades of investment in military modernization, judicial reform, and other top-down government reform projects have yielded disappointing results. Correct relations with the government and limited security cooperation might be necessary, but the United States should shift the emphasis of its diplomacy and the bulk of its assistance to an investment in the Egyptian people.

### **WHAT THE SISI PRESIDENCY WILL BRING**

As Sisi becomes president, he faces daunting tasks. The new president cannot afford to avoid addressing difficult issues, such as fuel subsidies, which are causing an energy crisis and chronic budget deficits, as well as widespread youth unemployment. Yet tackling these issues will require painful reforms, at the same time that the government will be repressing a significant part of the population that supports the Brotherhood or considers the campaign against it and other opposition movements unjust. Sisi will have to try to attract investors and tourists back to Egypt amid ongoing attacks by terrorist groups based in the Sinai as well as frequent street protests by students, laborers, and Brotherhood supporters. And he will have to keep the military happy, by both retaining and enhancing its economic perquisites, in order to protect himself against future coups.

Egyptian governments since the 2011 uprising (and indeed before it) have cooperated with the United States on security issues

when it served Egypt's national security interests to do so but have assiduously resisted U.S. entreaties regarding domestic affairs, particularly political affairs and human rights. This most likely will continue to be the case with Sisi, who expresses a desire to have good relations with the United States but has been deaf to entreaties from U.S. officials to preserve democratic procedures and avoid human rights abuses.

The brightest possibility for the Sisi presidency would be if he succeeded in diminishing attacks by terrorist groups to a large extent, put in place enlightened economic policies with room for genuine market activities, and provided peaceful outlets for dissent by releasing the tens of thousands of detainees and reopening space for political parties, civil society, and the media.

Statements during his campaign, however, suggest Sisi is more likely to continue political repression and human rights violations, resulting in more terrorism and protests, and to adopt statist and military-heavy economic policies, resulting in continued economic stagnation and corruption. If public opinion turns against him after a year or two without economic improvements, more turmoil in the form of another popular uprising and/or military coup could well be in the cards. Even if his presidency lasts longer, a reconstitution of Mubarak-style rule is unlikely to be durable for many years in view of Egypt's restive, youthful population and dim economic outlook.

### **FAILURES OF THE STATE-BASED APPROACH**

The United States has suffered significant policy setbacks in Egypt in recent years

because it has tried to ride the roller coaster of post-2011 Egyptian politics and stay close to whoever was in power.

When the transitional government backed by the SCAF harassed youthful protesters and civil society organizations in 2011 and 2012—including trying and convicting 24 Americans working on programs funded by the U.S. government—the United States remained mostly mute and kept military assistance flowing. When Morsi pushed through a constitution that ignored and excluded secularists, the United States said little, hesitating to hurt relations with his government—an approach that later brought widespread accusations from Egyptians that the United States had backed the Muslim Brotherhood against secularists. When Sisi overthrew Morsi and began a massive campaign against Islamists, the United States failed to carry through on a threat to suspend assistance, though it later suspended some of it when human rights abuses (notably, the killing of some 1,000 protesters at a Cairo sit-in in August 2013) became too flagrant to ignore.

All along, the argument has been that the United States would have greater leverage with the Egyptian government if it kept the relationship in the same form it has been since the 1970s, heavily emphasizing military assistance and other programs implemented by the Egyptian government, and avoided public differences with the government. But since removing Morsi, Sisi has not accepted any advice the United States has given, and there is no reason to suspect that he will do so now even if all U.S. assistance is resumed. Rather, Sisi has indicated that he will take Egypt in exactly the opposite direction than the U.S. has advised—using an iron fist

against not only terrorists but also peaceful Islamist and secular dissidents, rather than healing polarization and building consensus.

If the United States chooses to resume the full military assistance partnership in spite of this, there will be no escaping U.S. complicity in these wrongheaded policies. The United States has already paid a price in terms of its influence and reputation in not just Egypt but the entire region for having appeared to uncritically support Morsi and his government despite his undemocratic actions; it should not repeat this mistake with Sisi.

## WHAT THE UNITED STATES SHOULD SUPPORT

The basic premise of U.S. policy in Egypt in the coming period should be a clear articulation, implemented consistently through actions, of support for the Egyptian people more than for whoever is currently in power. The megatrend of recent years in Egypt, and throughout the Arab region, has been the growing empowerment of citizens and their demand for accountability from their governments. While Egypt will probably go through much turmoil before reaching a new equilibrium and social contract between the government and the governed, there is no reversing the larger trend, and it behooves the United States to acknowledge and support that.

**Maintain only essential security and counterterrorism cooperation with the Egyptian government.** The United States has a few critical security interests regarding Egypt: supporting the peace treaty with Israel, preventing terrorists in Sinai or elsewhere from targeting Americans or U.S. allies, obtaining expedited passage through

the Suez Canal for warships, and allowing U.S. military aircraft to overfly Egypt and refuel there when needed.

Egypt maintains the peace treaty with Israel and pursues terrorists in the Sinai (where most terrorist groups are based) out of its own national security interests. It would not make sense for the state to stop doing either, even if all U.S. military assistance were cut off. In fact, Egyptian-Israeli security cooperation has increased significantly since U.S. military assistance was partially suspended in summer 2013, showing that it is Egyptian national security interests that drive such decisions.

The United States should cooperate with Egypt on counterterrorism to the extent that it serves U.S. interests and does not involve the abuse of human rights—such as collective punishment of Sinai Bedouin for the offenses of jihadi terrorists—or branding political dissidents as terrorists. Washington should do what it can to persuade the Egyptian government to adopt a broader, more enlightened economic and political strategy toward the Sinai to enfranchise the population there and win its support against terrorist groups. And it should continue to press the message that depriving Islamists of peaceful political outlets is likely to increase radicalization and hurt U.S. as well as Egyptian interests.

The Egyptian military does depend on the United States for spare parts, maintenance, and training in order to operate the American weapons systems purchased with U.S. assistance over the years. The United States could provide such support in exchange for Egypt continuing to provide overflight permissions; it already pays fees for expedited Suez Canal transits, an arrangement that should also be

maintained. However, the U.S. government should not provide any new heavy weapons, which the military wants more for prestige than to meet actual defense needs. And it is important that the overall size of the military assistance relationship be reduced significantly, or the message will be lost.

### **Express support for the Egyptian people's aspirations rather than for the state.**

Egypt has left the path of democratic transition for now, and therefore U.S. statements of support for the current transition or road map are at best confusing and at worst give rise to cynicism about U.S. intentions. The United States should instead voice support for the Egyptian people's aspirations for prosperity, freedom, and justice, and it should assess progress toward those goals based on whether citizens enjoy core freedoms. What is critical is that the space for free expression, association, and competitive politics be reopened so that Egyptians can work toward resolution of their deep differences, from the nature of the economy to civil-military relations to the role of religion in public life.

Implementation of the transitional road map announced in summer 2013 is not the appropriate criterion for progress, as the constitution, laws, and elections carried out so far have served to close political space, institutionalize rights abuses, and enshrine military preeminence rather than build a truly democratic system. Steps that would be far more meaningful include releasing the tens of thousands imprisoned since July 2013, implementing a transitional justice process to deal with mass killings (such as the August 2013 Raaba massacre), stopping torture and sexual abuse in detention, repealing the harsh antiprotest law, and ceasing harassment of critics.

As the United States adopts an approach of limited cooperation with the Egyptian government and greater direct support for citizens, it should make clear its areas of agreement and disagreement with the government in public and private statements. It should avoid using the language of a broad partnership with the state, which implies U.S. support for repression.

**Transfer the bulk of assistance to one or two large programs aimed directly at the population.** In order to send the correct signal and to avoid fueling further military domination of Egypt's economy and politics, U.S. military assistance should constitute at most one-third—\$500 million—of the \$1.5 billion the United States has long provided to Egypt annually. The remainder, at least two-thirds, should not be devoted to programs implemented by Egyptian government agencies. Rather, it should go to one or two large, high-profile programs that aim to empower Egyptian citizens and improve their economic prospects. As Sisi will be president of all Egyptians now rather than defense minister, it should be possible to persuade him to accept a \$1 billion package of assistance to provide hope to a weary population.

**Invest in higher education and vocational training for Egyptians.** One of the striking disparities between Egypt (whose first attempt at a democratic transition failed) and Tunisia (which so far is succeeding) is the level of human development in each country, notably levels of education as well as empowerment of women. Egypt would have a better chance of doing what Tunisia has done—building a consensus about the future of the country through peaceful means—if its population (including women) were better educated,

had greater exposure to the outside world, and were therefore more tolerant of opposing points of view. Better higher education, including vocational training, will also be critical to helping young Egyptians qualify for jobs created in the private sector.

Young Egyptians were the organizers and spirit of the 2011 revolution, but they have been marginalized and disillusioned by what followed. The liberal April 6 Youth Movement, which has played a key role in pressing for democracy since 2008, was recently banned and its leaders are in jail. Young members of the Muslim Brotherhood who continue to protest are being arrested in droves, and some might well be recruited by more radical groups. Egyptians under thirty-five years old generally absented themselves from Sisi's election and the constitutional referendum that preceded it. They are unlikely simply to go home and forget their aspirations. The question is in which direction they will take their country—toward consensus building or Islamic radicalization—when the inevitable next wave of change comes.

Rather than expend U.S. resources on a variety of programs that have neither much individual impact nor much public diplomacy value, the United States should consider offering a large-scale higher and vocational education scholarship program as a strong, visible sign of support for the rising generation of Egyptians. A program that sent Egyptians to American or indigenous institutions could be implemented by a Fulbright-type bilateral commission, with minimal involvement by the Egyptian government in order to avoid politicization and excessive bureaucracy.

**Strengthen support for civil society organizations, particularly rights, watchdog, and labor groups.** Egyptian civil society is under intense pressure in the constricted post-coup environment. Simply put, if the United States, Europe, and other democratic nations do not support civil society in Egypt financially and diplomatically during the coming period, many of these groups are likely to crumble under the pressure of a military-dominated government intolerant of scrutiny and criticism. This would be a tremendous loss, as civil society groups will be crucial players in any future dialogue or reconciliation efforts across Islamist-secularist lines, just as they have been in Tunisia.

**Avoid getting bogged down in state reform.** The United States should avoid becoming enmeshed in assistance projects to strengthen Egyptian state institutions. That will require discipline because Sisi has emphasized repeatedly that the state—rather than citizens—will be his priority. One thing the United States should have learned from years of past assistance to Egyptian government institutions (among them the judiciary, now strongly politicized) is that it is extremely difficult to reform them, and doubly so when the U.S. and Egyptian governments do not share the same goals or approach.

**Do not bolster the military's economic interests.** Another important pitfall for the United States to avoid will be development schemes that build up the economic power of the military and state as opposed to that of civilians and the private sector. Sisi is planning to inaugurate megaprojects, including in housing and Suez Canal development, which will be carried out largely by the military or by subcontractors affiliated with the military.

The military has already started expanding its penetration of the economy since Morsi was removed, provoking worries among private sector business of crowding out. If even well-connected major industrialists are worried, the small and medium enterprises most capable of generating jobs are likely to be left far behind. The United States should not play into this scenario, but rather it should seek to persuade other outside donors to invest in participatory, private-sector-driven growth.

**Coordinate with Europe, persuade Gulf allies and Israel.** The United States should take this opportunity to develop a joint policy strategy with Europe, which largely shares U.S. values and concerns regarding Egypt and is the country's largest trading partner. It should also undertake, with Europe, the more difficult task of convincing allies in the Gulf and Israel that the road to stability in Egypt lies along the path of political participation, rule of law, and respect for rights rather than one of exclusionary politics and brute force. At a minimum, the United States and Europe should persuade Gulf allies to promote economic growth driven by the private sector, particularly small and medium enterprises, rather than the army.

## CONCLUSION

Egypt is now at a perilous juncture in what is likely to be a decades-long journey of change. And while there are few immediate achievements to be had, a prudent readjustment of U.S. policy can help prevent catastrophes that have become distinct possibilities in the next few years—such as the escalation of unrest into an Algeria-style insurgency or the outbreak of an Islamic revolution similar to the one that took place in Iran. Above all, the United States must not endorse as a partner

a repressive government that will increase the likelihood of such outcomes.

But even a less extreme scenario of ongoing radicalization of Islamists, who eventually will begin targeting Americans as well as Egyptian officials, is bad for U.S. interests and for Egypt. Continuing the military-aid-dominated relationship established in the 1970s will

only magnify such problems. Lending U.S. support to youth and civil society to help create a more educated, enlightened cadre of Egyptians that can deal more capably and creatively with the next wave of political and social change, whenever it comes, will be a wiser investment. ■

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