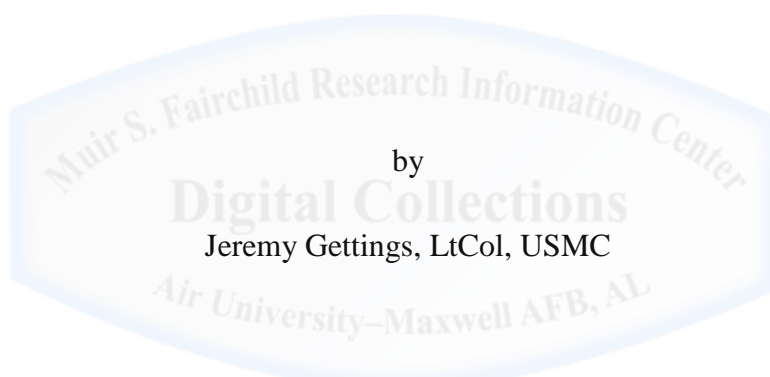


AIR WAR COLLEGE

AIR UNIVERSITY

EGYPT: THE KEY TO PEACE AND PROSPERITY  
IN THE MIDDLE EAST



A Research Report Submitted to the Faculty

In Partial Fulfillment of the Graduation Requirements

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## Biography

LtCol Jeremy L. Gettings is assigned to the Air War College, Air University, Maxwell AFB, AL. He graduated from the University of Central Missouri in the spring of 1996 with a degree in Aviation Technology and was commissioned as a Second Lieutenant in the United States Marine Corps. Shortly after graduation, he attended The Basic School in Quantico, Virginia and was designated as a Combat Engineer. Following the Basic Engineer Officer's Course, LtCol Gettings served as a Combat Engineer Platoon Commander with 1st Combat Engineer Battalion, 1st Marine Division until the spring of 2000 when he began flight training as a Student Naval Aviator. In April 2002, he was designated as a Naval Aviator and transferred to VMAT-203 for training as an AV-8B Harrier pilot. LtCol Gettings has three combat tours in the AV-8B and has served in multiple different leadership positions throughout his career. He has flown over 1,400 hours in the AV-8B and holds a Master's Degree in Military Operational Art and Science from the Air Command and Staff College at Maxwell AFB, AL. His personal decorations include the Defense Meritorious Service Medal, (2) Meritorious Service Medals, Air Medal with Strike/Flight numeral 8, and (2) Navy and Marine Corps Commendation Medals.

LtCol Gettings interest in the country of Egypt stems primarily from his professional involvement with the Egyptian military. Shortly after checking into his first fleet squadron as a newly minted AV-8B Harrier pilot, he found himself on an Amphibious Assault Ship headed towards Iraq. Before flying combat missions in support of Iraqi Freedom I-VI, the ship transited through the Suez Canal to support Operation Bright Star, which was a three-week Air-to-Air training exercise with the Egyptian, Jordanian, Saudi Arabian, and French Air Forces. The three-week training period and his daily interaction with the Egyptian military taught LtCol Gettings the importance of Egypt as an ally and economic partner.

## **Abstract**

Egypt plays an important role in the overall stability of the Middle East due to its large population control over the Suez Canal, influential centers of Islamic education, active media enterprises and sizable well-equipped military. The spread of terrorist groups throughout North Africa raises the imperative that Egypt becomes politically successful and economically vibrant to serve as a pillar of regional stability. Therefore, the United States must manage and strengthen its relationship with Egypt to support influence a steady government, promote prosperity and stability within the region, and counter the spread of potential terrorist safe havens.



Throughout the course of history, by virtue of its large population and centers of urban culture, Egypt has exerted significant influence throughout the Greater Middle East and North Africa (MENA). Egyptian foreign policy alignments have forced its neighbors to create their own alliances in reaction. As a result, a significant part of U.S. Middle Eastern foreign policy toward the region involves around U.S. relations with the Egyptian government, not only to prevent another war, but also to preserve privileged access to the Suez Canal. To maintain a harmonious relationship within the region, policy makers need to answer the following question: How can the United States manage and strengthen its relationship with both the government and people of Egypt to promote stable government, prosperity, and security within the region, and counter the spread of potential terrorist safe havens?

#### **Promote a Stable, Recognized, and Respected Egyptian Government**

For the United States to reach its goal of supporting stability within the Egyptian government, requires that policy makers understand the country's recent political history. This provides a foundation of knowledge regarding Egyptian expectations, needs, and "red-line" demands. The political structure and economic capacity of the state constrains potential reform or engagement policies since they represent sources of stability for any nation. These issues carry even greater importance in the case of Egypt due to the violent political changes as part of The Arab Spring. Policy makers, who comprehend existing political and economic dynamics, can find ideas and policies to promote stability within the state and by extension, the wider region.

President Hosni Mubarak came into power on 6 October 1981 after the assassination of President Anwar Sadat. At the time of his assassination, Sadat had an amicable relationship with the United States. Almost a year earlier, the U.S. and Egyptian Air Forces held their first joint

training exercise in Egypt. One high-ranking staff member on the National Security Council commented that, “this exercise has given a sense of cooperation and benefit to regional states that we have emphasized throughout the security framework”.<sup>1</sup> A “security framework” the staffer describes was the U.S. policy to counter Soviet influence in the Persian Gulf, as well as to address the fallout from the Iranian Revolution the previous year.<sup>2</sup> These two factors explain why the United States considers Egypt geo-politically important. Overwhelming Russian and Iranian influence within the region could cripple U.S. interests, both from an economic and regional security perspective.

Unfortunately, Sadat lacked the political skill to gain corresponding domestic popular support compared to political support from his Western allies. Many Egyptians felt great frustration with Sadat due to Egypt’s poor economic situation, the perception that he hoarded power, and his acceptance of a recent treaty with Israel. Instead of listening to the people and addressing these difficult issues, Sadat jailed over 1,500 protesters. This provoked a hard and swift backlash. On 6 October 1981, an Islamist radical group recruited four members of the Egyptian Islamic Jihad, serving as military officers, to assassinate Sadat, thus ushering Hosni Mubarak into power.<sup>3</sup>

President Ronald Reagan understood the strategic value of the U.S. – Egyptian alliance and welcomed Mubarak’s presidency with an increase in military aid.<sup>4</sup> Over the next several years, both the United States and Egypt enjoyed a strategic relationship. In 1987, Reagan recognized Egypt as a major non-NATO ally and as a result, Egypt received much needed weapons, vehicles, and materials that other nations could not receive. In return, Egypt granted Reagan access to military facilities that allowed the United States to support deployments within the Gulf Region. Furthermore, under Reagan the United States received special access to the

Suez Canal, which allowed the passage of nuclear powered vessels and priority handling in emergency cases.<sup>5</sup>

The U.S. – Egyptian military alliance provides benefits for the overall stability of the Egyptian government. First, having an amicable relationship with the world's only superpower provides status and security to the Egyptian leadership. From the perception aspect, Egyptian population sees their president on the world stage with the United States. However, an economic perspective reveals more important material benefits. During Mubarak's reign, Egypt received nearly \$60 billion in U.S. aid.<sup>6</sup> Second, a U.S. relationship with Egypt displays the United States desire to promote regional stability. For example, the United States does not just spend its diplomatic energies toward resolving the Israeli – Palestinian Conflict, but reinforces its diplomacy with concrete material benefits for states that display commitment to toleration of peaceful coexistence.

In other words, the rough equality of aid to both Israel and Egypt illustrates an American effort to demonstrate balance to both sides, despite having a greater interest in placating the U.S. domestic support for Israel.<sup>7</sup> If the United States fails to reach out to Arab states it runs the risk of alienating Arab countries, which would in return create many sharp deleterious aspects. U.S. support for Egypt can also support stability within the Egyptian population by neutralizing any perceived military advantage that Israel may have within MENA. Despite the salience of these two points, the true stability of the Egyptian government must come from the people themselves. To accomplish this, the Egyptian people must see their government as economically viable, and providing free and fair democratic elections that work to promote civil liberties.

On 11 February 2011, the amicable relationship and U.S. aid that Mubarak enjoyed over his 30-year reign ended. The people overthrew Mubarak due in large part to the many economic

failures and difficult conditions he inherited from the Sadat regime. In the book *Democracy Prevention: The Politics of the U.S. Egyptian Alliance*, Brownlee points out that, “four-fifths of the state budget went to interest payments, the military, subsidies, and public sector salaries.”<sup>8</sup> Paying interest on the national debt, which was \$50 billion by the end of the last decade, absorbed more than a fourth of revenues coming from Egyptian exports. In order to appease the Army and foreign creditors, Mubarak froze the hiring and wages of public servants. As a result, public sector salaries fell nearly 50 percent and unemployment rose.<sup>9</sup>

A study in 2005 found that 3.8 percent of the Egyptian population was in extreme poverty, 19.6 percent were classified as being poor, and 21 percent were “near poor.”<sup>10</sup> Ironically, from 2006 to 2009, Gulf investors poured more money into the Egyptian economy than they did in the previous fifteen years. However, this flux of resources did not reach the majority of the civilian population. Instead, the positive effects of this foreign investment went to crony capitalists: it benefited a small clique of business elites controlled by the military.<sup>11</sup>

Through the privatization and economic liberalization programs, Egypt’s political and financial elites gathered the majority of wealth and power within the country without providing benefits to the rest of the population. As David Faris, points out in his article *Deep State, Deep Crisis: Egypt and American Policy*,

... Egypt’s most verifying long-term problem: the determination of a set of predatory, extractive elites – the so – called “deep state – to sabotage movement toward more inclusive economic or political policies. These elites have proven over a long period of time that they are incapable of bringing prosperity to the country or resolving sectarian tensions. And they are unwilling to participate in a reform process that would ultimately impinge on their interests.<sup>12</sup>

As the people of Egypt lost hope for any better future, and suppression of free discourse through oppressive political policies inhibited the development of democracy after the January 25, 2011 uprising. This is a dangerous prospect especially when a state experiences such a



young and large growth in population as Egypt has over the last decade because the lack of a clear future may drive the countries youth various criminal enterprises such as the black-market or terrorism.

Egypt has experienced greater growth in its youth population than any other state in the Arab world. It has witnessed an overall population increase of 23 percent in the first decade of the 21<sup>st</sup> century. As a result, one-third of the population constitutes young people between the ages of 15 and 30.<sup>13</sup> The combination of a young and growing population with a corrupt and stagnant economic system and political oppression, as well as the information about the life of people in developed countries breeds a perception of relative deprivation. In Egypt's case, the greater in-depth emotional understanding of the freedoms and prosperity held by the children of rich oligarchs, as well as by the youth of other Arab countries in the region has created anger and animosity. With the advent of smartphones and social media, the young population of Egypt has become ever more frustrated with the lack of a transparent and open government.<sup>14</sup> In the past, the Egyptian government could easily persuade an older population that did not have the benefit of social media. The security forces could isolate and quell small uprisings over high food prices and the lack of jobs. Those days have long passed, we have witnessed through the Arab Spring protests. For the Egyptian government to remain viable, to provide stability for the country and the region as a whole, Egypt must have economic reform.

U.S. policy towards Egypt must put economic reform at the forefront. The country can no longer rely on the old policies that reinforced favoritism for the country's financial, political, and social elite. First, Egypt needs a more market-oriented economy that uses financial aid from foreign donors as well as profit from exports to enhance the quality of life for its citizens. The Egyptian government must make job creation and improvements in health care and education its

top three priorities. U.S. foreign policy should work to convince the Egyptian leadership of the security benefits that can derive from social cohesion only when combined with a responsible sense of citizenship. In other words, unbiased government policy geared towards the growth and prosperity of its people will encourage solidarity versus division, which will facilitate stability both domestically and abroad. Second, any aid from the United States should go to support social programs. Money appropriated by Congress needs to be earmarked and spent specifically for growing the Egyptian economy and infrastructure – all of which will produce a level of security and prosperity for the citizenry. In addition, the United States should audit the Egyptian government and control the amount of aid based off economic and social reform (free elections etc.). Third, Egypt needs to take an extensive development approach. By using aid as well as money from hard currency exports, Egypt should focus on infrastructural improvements.<sup>15</sup> Creating production facilities such as steel mills, hydro electrical/wind power plants, hospitals, schools and roadways will not only create the jobs as mentioned in the first point, but it will also set the stage for Egypt to eventually become self-sufficient. Taxes collected from job creation should go to support higher education and health care.

The three points listed above will serve as a starting point for a stable Egyptian government. Egyptian leadership needs to understand that domestic stability will work to serve both their regional and global interests. The implementation of these three points will also help to serve U.S. interests. A stable Egyptian government respected by its people will keep groups like Daesh and Al Qaeda from spreading their influence across MENA. It will also create a dependable trade partner for the United States and most importantly support regional stability as a whole.

## **Promote Prosperity, and Security within the Region**

Each incremental improvement in security perceived by Egyptian citizens, potential tourists and investors would improve stability in the region. A country that recognizes and tries to improve human rights also serves as a source of confidence for potential investors and visitors. In addition, a vibrant economy that encourages growth will attract worldwide investment opportunities. However, before U.S. policy makers can influence regional stability with Egypt at the forefront, it is important that they understand the recent history of Egypt as a state actor within the region. Without understanding this history, the United States runs the risk of making critical errors in diplomacy, which may have a rippling effect throughout MENA.

The best example of U.S. foreign policy mistakes with the Egyptian government occurred under President Gamal Nasser. In 1963, Egypt was the world's largest per capita consumer of American food aid.<sup>16</sup> In return, U.S. – Egyptian relations were amicable. By the end of December 1964, relations began to sour when President Lyndon Johnson conditioned food aid to Egypt in changes in Egyptian foreign policy. In particular, the United States had concerns with Egypt's desire to become a regional leader. Nasser took exception to this perceived threat and told an audience in late 1964 at a conference in Port Said that, "...we are not going to accept pressure. We are not going to accept gangsterism by cowboys."<sup>17</sup> This perceived pressure from the United States resulted in Egypt accepting military aid as well as grain from the Soviet Union with no political strings attached. To make matters worse, Egypt was about to begin two bloody conflicts with Israel that would cost them much national treasure and widen the political and diplomatic gap between Egypt and the United States.

Egypt's 1967 war with Israel represented a response to "regional peer pressure" more than an immediate and imminent threat to its state sovereignty. Guerilla attacks against Israeli

held territory from Syria, Jordan, and Lebanon had raised tensions between Israel and Syria. To complicate matters, the Russians provided inaccurate intelligence reports claiming that Israel was planning a larger campaign against Syria and other countries within the region. In April of 1967, the Israeli Air Force shot down six Syrian MIG fighter jets. This loss coupled with inaccurate intelligence reports drove Arab nations to pressure Egypt into the conflict. As a result, Nasser mobilized Egyptian forces into the Sinai Peninsula, which resulted in a complete disaster.<sup>18</sup> Viewing Nasser's movement into the Sinai as a direct threat, Israel launched a pre-emptive attack that destroyed almost all of the Egyptian Air Force and decimated much of the Egyptian Army. This devastating loss and the United States support for Israel during this conflict put U.S. – Egyptian diplomacy at odds for the next several years.<sup>19</sup>

The next major conflict for Israel occurred in 1973 when Egyptian forces penetrated a massive defensive fortification on the Suez Canal and challenged Israel's control of the Sinai. At the time, the Egyptian government sought to reduce its costly military spending to focus on economic recovery. Egypt's military sought to reopen the Suez Canal and regain the Sinai Peninsula, not to re-challenge Israel's pre-1967 borders.<sup>20</sup> Egypt's move past the Bar Lev Line on the eastern bank of the Suez Canal along with Syria's move on the Golan Heights angered and astonished U.S. officials, which in return provided military support for Israel. The United States support to Israel led the Organization of Petroleum Export Countries (OPEC) to cut exports and stop selling oil to the United States altogether. Although this temporarily threw the U.S. economy into chaos and created major gas shortages, it also created more instability with Arab countries in the Gulf Region.<sup>21</sup>

Although the United States supported Israeli efforts, U.S. policy makers also worked hard to end the conflict. On October 22, 1973, the U.N. Security Council passed Resolution 338

mandating an immediate cease-fire. Shortly following the cease-fire it passed UNSCR 242 advocating an agreement in which Israel exchanged land captured in 1967, “towards a just and durable peace.”<sup>22</sup> Because of UNSCR 242, Egypt gained the last sliver of territory on the east bank of the Suez Canal. With his country mostly intact, President Sadat was able to turn his attention to domestic issues as well as normalize relations with the United States. Sadat’s immediate domestic agenda focused on economic and political liberalization. However, the overall quality of life in Egypt remained poor. The OPEC oil embargo led to global high inflation, which ultimately led to food shortages and high commodity prices in Egypt. Food shortages led to riots and shortly after Sadat jailed dissidents in 1981, a small band of militants assassinated him.<sup>23</sup>

This brief review of U.S. policy towards Egypt demonstrates our willingness us to support authoritarian rule to maintain or advance our national interests. As Brownlee states, “the U.S. aid program for Egypt aimed to keep the military loyal and the people quiet.”<sup>24</sup> This expansion approach seemed justified during the Cold War when the United States defined global security in terms of resisting Soviet hegemonic interests. However, in an age of extraordinary access to information through the internet and other forms of social media, merely seeking to “keep the people quiet” no longer serves as a sound strategy. Instead of oppressive strategies, U.S. policy makers should focus on three approaches to promote stability within the MENA region.

First, Western States need to encourage global trade with MENA States, particularly Egypt. Israel alone does approximately \$100 million in trade deals with Egypt a year.<sup>25</sup> Egypt then turns materials imported from Israel into Egyptian made products. In return, the U.S. purchases these products, which total close to a billion dollars in sales. Because this type of

commerce promotes peace and security, the United States should encourage its growth with tax break incentives. This aspect will increase prosperity within the region and may help people to put economic interests ahead of political and radical religious ideals.

Second, instead of supporting autocratic rule in Egypt as the United States has done in the past, strategy should focus on encouraging liberal democracy through strengthening institutions that protect political rights, such as the right of petition and the right of assembly. Egyptian leadership should view favorably those non-governmental organizations setup by the people. Furthermore, Western democracies need to encourage free and fair elections. If Egypt could make gains in these areas, the West would naturally recognize Egypt as a defacto leader in Africa.

Third, U.S. - Egyptian military relations need to continue and grow. In order for this to occur, the Egyptian military needs to regain a place of subordination to civilian authority after civilian authority becomes representative of the people. Unfortunately, there seems to be an unhealthy trend in the military's control in civilian government. For example, the Egyptian Armed Forces (EAFs) plays the most influential role in Egypt's economy. It has regulated the price of commodities such as baby formula, and just received a no-bid contract to renovate the Suez Canal. In addition, unlike in the United States, civilians have no oversight on the EAF's budget. As a result, analysts estimate that the EAF constitutes 60 percent of the government's spending. Finally, the EAF owned enterprises operate in almost every economic sector. This economic influence ranges from infrastructure and education to consumer products such as pasta and olive oil.<sup>26</sup>

The role of the EAF in the economy raises a number of dangers. First, it gives the military a preponderance of power and influence in the civil-military relationship. This

reinforces the character of Egypt as a military state rather than the representative government that the people seek. Second, the government must manage the economy to benefit all the Egyptian people, rather than only the high-ranking military officers. If the EAF wants to play a role in the economy, it should focus on activities that promote state security, by encouraging the Egyptian government to put its focus on the people instead of special interests.

### **Counter Terrorist Safe Havens**

The 2014 Quadrennial Defense Review (QDR) asserts as a primary American objective to, “Sustain a global approach to countering violent extremists and terrorist threats, with an emphasis on the Middle East and Africa”.<sup>27</sup> Therefore, one important step toward global security begins with efforts that preserve regional stability. This means the United States must support our allies and partners by helping them address their common security challenges.<sup>28</sup> In the case of Egypt, U.S. policy should focus on promoting state stability, to discourage the possibility that terrorists will establish a place of refuge, such as the Sinai, while encouraging amicable relationships between Egypt, Israel, and other Arab governments. These two approaches will strengthen the U.S. objective of fighting violent extremists and promoting regional stability.

Supporting a stable and economically vibrant Egyptian government would play an instrumental role in stopping the spread of terrorism within MENA. As we have seen many times throughout history, terrorist groups find a supportive environment in a failed state. Libya illustrates this point with painful clarity. The collapse of state authority has led to grievous deterioration in the security of all of its neighbors and beyond. Since rebels overthrew Qaddafi in 2011, the rebellion has energized the formation of many different groups, ranging from friendly factions that favor Western ideas to radicals seeking to create a new caliphate.<sup>29</sup> In addition, the vast desert landscape of a “lawless” Libya provides safe haven for human



traffickers and jihadists from Al Qaeda.<sup>30</sup> Daesh also plays an active role in Libya. In October of 2015, a Derna-based jihadist group declared its allegiance to Daesh. Months later, militants from this group executed a dozen Libyan soldiers and killed eight other civilians in a five-star hotel in downtown Tripoli.<sup>31</sup>

The prospect of Libya as a failed state has caught the attention of Arab nations within the region – in particular Egypt. In 2014, Egypt and the United Arab Emirates (UAE) launched airstrikes against various militant groups battling for control in Tripoli. In addition, Special Forces operating from Egyptian bases have conducted operations against Islamist groups in the city of Derna.<sup>32</sup>

Unfortunately, throughout the Middle East, governments take opposing positions on policy to Libya, often justified in terms of ethnic and religious divisions. The Egyptian government under President Sisi as well as Saudi Arabia and UAE, oppose Islamists groups operating within Libya and have launched political, diplomatic, and brute force attacks against such groups. However, other countries within the region support Islamist-aligned forces and have provided them with arms. As Michele Dunne, a senior associate at the Carnegie Endowment for International Peace states, “...this regional polarization, with Saudi Arabia and the United Arab Emirates on one side and Qatar and Turkey on the other, has proved to be a gigantic impediment to international efforts to resolve any of these crises.”<sup>33</sup> This brings critical threats to the stability of Egypt as well as the region. Arab states must view the fragile conditions in Libya through an objective lens. The regional goal should be to isolate radical groups while encouraging stable government. The United States can use institutions such as the United Nations to encourage this process.



Although Egypt does not face any danger of becoming a failed state anytime soon, an unstable Egyptian government coupled with a failed and potentially radical Libyan state would provide terrorist groups an expansion of safe haven within MENA. First, groups like Al Qaeda and Daesh will seek to exploit the grievances of the Egyptian population due to autocratic corruption: they will amplify this disdain into a recruiting tool. For example, Egypt has a history of military officers joining the ranks of Islamist groups. Hisham Ashmawy, former Egyptian Special Forces officer turned militant leader who claims to have ties with Daesh, recently planned attacks in the Sinai Peninsula that killed seventeen Egyptian soldiers.<sup>34</sup> Second, an unstable Egyptian government would not be able to sustain any meaningful coalition it may have within the region. Egypt's alliance with other Arab states enables these states to take many collective operations against radical groups.

To prevent terrorists from taking refuge within its area of influence, the Egyptian government must first create a stable environment. This must begin with economic development to provide jobs and economic growth. A young Egyptian population that sees the benefits of working and raising a family will have less interest in sacrificing to serve radical Islamic groups. U.S. policy should assist this goal, supported with concrete economic as well as military incentives for benchmark success.

Policy makers should also take a close look at key relationships within the region. For example, the United States should work to find common interests between countries with the goal of promoting stability. Imagine a bilateral relationship where both countries worked together and took multilateral actions against radical groups that threaten their borders. Furthermore, a unified MENA could easily use the instrument of information to deter foreign fighters from joining these radical groups in the future.

## **Conclusion/Recommendations**

The Middle East is truly a wicked problem for various regional governments and the U.S. policy maker. The contagious character of domestic instability, which can quickly grow into insurgency in the Middle East, represents a broad syndrome of challenges to state legitimacy. This crisis of legitimacy creates supportive conditions for many developing threats to the United States: terrorism, refugees, disease, and challenges to existing alliances. As we examine the regional landscape, countries such as Oman, Morocco, Saudi Arabia, Jordan, and UAE represent relatively stable governments. This is due in large part their monarchical form of government that has enjoyed some level of economic success. This economic success has enabled each country's population to meet their basic human needs. On the other hand, the people of Egypt have suffered under authoritarian governments in which a handful of rich families extract most of the benefits from the economy. This coupled with military ownership of large fractions of the economy and control of the state has discouraged individual freedoms and economic growth.

The main problem inhibiting Egypt's stability and economic growth derives from the lack of institutions, beyond the military and its presidency. When Egypt had the opportunity to rewrite its constitution in 2011, it entrusted the Supreme Council of Armed Forces (SCAF) to do so.<sup>35</sup> Unfortunately, for the Egyptian people the new constitution became little more than a version of the authoritarian document that had been in place since 1971. By reserving parliamentary seats for military elites instead of citizens of the state it strengthens the power of autocratic control.<sup>36</sup>

The military enclave that results from this long history of institutional impunity to oversight or control lacks any form of accountability. This creates mistrust by the Egyptian people and encourages instability within the state itself. For example, in 2012 when the Muslim

Brotherhood exploited the civil unrest in Egypt and organized the electoral victory that placed Mohammed Morsi into power as Egypt's first elected President after the 2011 Egyptian Revolution. Many countries in the region viewed this as a threat to their security, due to the Muslim Brotherhood ties to international terrorism.

Morsi's rise to power after the 2011 revolution ended quickly due in large part to the fact that he lacked support from a legitimate parliament or regional government.<sup>37</sup> Without these two important institutions, the door remained open for the military-capitalistic complex, which has been at the heart of Egypt's dysfunction over the past several decades. Because of the military's desire for control over Egypt's political process and ultimate power over the civilian population, key military elites sabotaged the delay of public services, and fuel, which led to the Tamarod Rebellion that ousted Morsi from power and left a vacuum that would inevitably be filled by another military elite – General Khalil Sisi.<sup>38</sup>

Egypt's domestic stability serves as the essential, enabling foundation for repairing its economic viability, which will ultimately provide security for both the state itself and the MENA region. To accomplish this task, Egypt must put into place institutions that promote accountability and political competition, so that civilians can exercise their rights to oversight and regulation. Ironically, in a country with 90 million people split across 18 provinces, the Egyptian president appoints regional governors by fiat rather than free and fair elections by the Egyptian populous.<sup>39</sup> This top down policy erodes any hope for a true democratic process, has a tendency to breed corruption through political elite self-interest, and diminishes the opportunity for the civilian population to demonstrate dissatisfaction with the national government. In short, subnational elections would better serve to represent the people as a whole and groom future political leaders for national government. Experienced political leaders at the local and regional

level would give the Egyptian people another option for national leadership that could challenge the political and military elites. No doubt, this type of reform would take time. Nevertheless, even if it is a gradual process, the eventual formulation of a more decentralized form of government with formal political participation through representative institutions will serve the Egyptian society well and garner the confidence and support of the global community, leading to potential economic investment.

The U.S. government can help Egyptian scholars and economic policy makers in building these institutions, developing the necessary founding documents or by helping to build these institutions from scratch.<sup>40</sup> International support for domestic Egyptian political dialogue can play a powerful enabling role. Initial efforts need to be directed at the local level and encourage the citizenship to take direct participation in their local government. An Egyptian society with institutionally protected rights and responsibilities could therefore participate in areas like budgeting that would help with the allocation of monetary resource for their given municipality.<sup>41</sup> Improvements in the daily life of the Egyptian populous will work to stabilize local and regional enclaves, which in return will work to build national stability.

To help encourage Cairo to take this type of reform the United States needs to use the “carrot” aspect of its economic power. The United States currently provides a significant amount of financial aid to Egypt, second in total volume only to Israel. To pull *all* funding away from Egypt because they do not meet certain mandates would have a disastrous effect. However, a gradual reduction in funding may send the right message to Cairo without alienating key government officials, which could lead to further instability. In short, the United States must seek to receive the most “bang for their buck.” Implementation of any reform needs to be monitored through international institutions such as the United Nations. Once Egypt becomes a

stable state that recognizes the rights of its people at all levels of government, it can begin to focus on growing its economy and bringing prosperity to its citizenship.

As mentioned previously, economic reforms in Egypt over the last several decades has been predatory in nature, which has ultimately served well-connected families and the military elite. These policies have brought the ordinary Egyptian to the brink of poverty with virtually no way to improve their lot in life. Simply put, in addition to political reform, Egypt needs economic reform.

Much of the economic aid that Egypt receives from the United States takes the form of military assistance. This aid eventually returns to the United States through expensive military contracts that ultimately benefit U.S. defense corporations. As a result, Egypt has more military hardware than all of Sub-Saharan Africa and Latin America combined.<sup>42</sup> This over procurement of arms wastes valuable economic resources.

Instead of encouraging over-bloated military contracts that only benefit a few, U.S. policy makers need to help Egypt build a capitalistic approach to its economy with small businesses at the forefront. Foreign aid received along with hard currency exports need to be funneled back into the Egyptian society. The focus should be, but not limited to, job creation through infrastructure projects, education, and health care. Similar to the political reform recommendation, Egypt's financial reward is determined by the prosperity of their populace, measured through instruments such as their higher per capita income consumption. The U.S. aid that Egypt receives can serve as a primer for this concept rather than an economic means to overly arm the state and line the pockets of the military elite.

A reasonably democratic stable and economically vibrant Egypt can lead to a safe and radically transformed Egypt. The ideal behind this claim is termed as the "developmental

democracy approach.” As Abdelaziz Testas points out in his article, *Determinants of Terrorism in the Muslim World: An Empirical Cross-Sectional Analysis*, “ This new strategy finds support in peace research which shows that countries experiencing greater economic affluence are likely to experience more democracy and increasingly peaceful conditions at home.”<sup>43</sup> In other words, a higher-level economic standard promotes higher levels of education that can encourage tolerance and moderation that ultimately weakens extremism and repression.<sup>44</sup> On the other hand, some studies claim the opposite and refuse to correlate the improvement in economic conditions to stability and the reduction of radical extremism. These studies claim that higher education through opportunity and economic status politically charges individuals, which can lead to extremist views. Regardless of the positions one may take, democratic policies such as free and fair elections coupled with a certain level of economic prosperity are two staples in the overall advancement of basic human rights and needs.

U.S. foreign policy makers must give their attention to Egypt’s overall stability within MENA. With the spread of Daesh into the fractured and potentially failing state of Libya, only a stable and economically vibrant Egypt can help contain and potentially assist in destroying radical extremist aggression. One can only imagine the disastrous consequences if terrorists exploit an Egypt on the brink of civil war.

In summary, both Egypt and the United States have passed through many dramatic recent changes in each state’s political landscape. Currently, the people of Egypt suffer from a national shortage of sugar a staple ingredient to the nation’s desire for national pudding. The deficiency of this simple, but important aspect of the Egyptian life has plunged the Egyptian public into a “Sugar Crisis,” which has induced resentment towards the Sisi government. As one Egyptian civilian put it, “No one can stand him anymore [President Sisi]. Sugar is like rice, oil, and

wheat. You can never run out of it. You can never mess with it. Who can live without sugar?”<sup>45</sup> Furthermore, in Sisi’s economic reforms, the government reduced subsidies by 14 percent, which naturally led to price increases. The official price of sugar has risen by more than double two years ago. Those with money can buy from shops selling unsubsidized sugar at three times the subsidized price. This has led many Egyptian’s to fear that the lack of subsidized sugar for poor people may lead to riots like the 1977 bread riots.<sup>46</sup> This illustrates how the economic difficulties confronting the Egyptian government can undermine state legitimacy, which in return compromises regional stability.

Another important aspect in future U.S. - Egyptian relations is the potential policy towards Egypt from the President-Elect Donald Trump administration. How will his foreign policy affect U.S. – Egyptian relations? Will his administration cut off aid to Egypt in order to balance the budget and reduce the U.S national debt? If so, what impact would this have? If the United States did withdraw aid from Egypt, Egypt would have to look to a resurgent Russia for economic support. If this did occur, could Russia influence Egypt’s policy on strategic issues such as U.S. access to the Suez Canal? Only time can tell the answer the answer to these questions.

Both states gain if Egypt remains a strategic partner of the United States. As a bellwether for peace in MENA a stable Egypt promotes U.S. interests in the Eastern Mediterranean and Red Sea. In addition, a strong U.S. – Egyptian relationship will work to undermine radical extremism within the region. Ultimately, this partnership will decay if U.S. policy fails to promote domestic stability within Egypt through political, institutional, and economic reform. Egypt needs to reform its Constitution so it serves all of the people rather than the political and military elite. U.S. policy makers can assist in this endeavor by helping Egypt construct a more

decentralized government that focuses on concepts such as subnational elections, which will give the people a greater voice and groom future political leadership. In addition, U.S. aid needs to be earmarked for social programs such as infrastructure, education, and health care rather than bloated military contracts. Finally, U.S. foreign policy towards Egypt should focus on building regional coalitions that work to destroy radical extremism. In order to succeed on all fronts, U.S. policy makers need to exercise the economic and information instruments of power coupled with maintaining a strong bi-lateral military relationship with the Egyptian government.





## Notes

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