## Statement before the House Foreign Affairs Committee Subcommittee on the Middle East and South Asia

# "THE REVOLUTION IN EGYPT: TURNING POINT?"

A Statement by

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Watching Egypt for the last 18 months has been a humbling experience. As someone who has closely followed the country for more than 20 years, the twists and turns have provided constant surprises and opaque riddles. Throughout, I have heard elaborate theories about how a recent event is confirmation of an elaborate long-term plan of one party or another to seize control. The Muslim Brotherhood, the "deep state" of intelligence operatives, the army—all supposedly are working through elaborate schemes to seize the future of the country, and the latest development at any given time is merely the latest twist in the script.

In fact, I don't think there is a script in Egypt, and I don't think there has been one for some time. I don't think there are outcomes that are foreordained, and I don't believe all of the stories of plotting and scheming that dates back to the first weeks after the fall of Hosni Mubarak. Instead, I see a story of struggle and improvisation, of unintended consequences and dashed aspirations.

As we look at the current state of affairs in Egypt, it is important to remember that the struggle and improvisation have not ended. The status quo is deeply troubling to us as Americans and as allies, but it is also not sustainable. Conditions in Egypt will continue to evolve for some time. The strategic goal for U.S. policy is to play an ongoing role helping to influence Egyptian politics so that they become more inclusive and ultimately more resilient. Following on the goals of the National Democratic Institute, the International Republican Institute, the International Foundation for Electoral Systems, and any number of other organizations that have sought to help Egypt in its transition, our goal should be promoting a more resilient Egypt rather than the triumph of any one party over another. I am deeply discouraged at what has happened in Egypt in recent days and in recent months, but I am not yet ready to despair, nor should you be.

I will be the first to admit that my own aspirations for Egypt have been dashed. The promise of Egypt's political change was the rise of a more pluralistic and inclusive Egypt. It was implicit in the protests of January and February 2011. The image of Egypt that emerged from the revolution was a country that embraced young and old, rich and poor, Christian and Muslim, religious and secular, urban and rural. Through the Mubarak years, when I lived on and off in Egypt, there was often a dour xenophobia that often lurked just below the surface. It seemed to me to reflect a certain insecurity and lack of self-confidence among Egyptians; a manifestation of their awareness that they were once a world-leading civilization, and more recently one that led the Third World, but that they had fallen far behind former peers such as South Korea and ceded influence in the Arab world to wealthier countries in the Gulf.

All of that evaporated with the advent of the protests that brought down Hosni Mubarak. The world's eyes were on Egypt for the first time in a half-century. Ordinary Egyptians were lionized, and Egypt once again seemed to be in a vanguard of a movement that led hundreds of millions of people.

Initially I was cautious, because it seemed to me in February 2011 that the military had not yet yielded power. By time I was an election observer for Egypt's parliamentary elections in December 2011, it felt like a true revolution was at hand. Situated as I was in Beheira Province, deep in the farming lands of the Nile Delta, there was no question that Islamist parties were capturing the bulk of the vote. I saw hundreds of soldiers guarding polling places. They were acting honorably and dispassionately to allow people to express their political will, even if it wasn't to the liking of the military leadership. In past years, the army and the police had moved to cut off voting that wasn't going their way; this time, it seemed, things were different.

We have been through any number of convolutions since then, with parliamentary antics of all stripes and presidential candidates rising and falling and being disqualified. There is little question in my mind that where we are now is not where the ruling generals thought then would be the case. In a society—and in a military—that stresses rote memorization and repetition, Egypt has been convulsing through several rounds of improvisation. Importantly, there are many more rounds to go.

The question of what U.S. policy should be in the midst of all of this is an important one, but also a subtle one. Long before the fall of Hosni Mubarak, there have been pathologies in the U.S.-Egyptian relationship that needed addressing but were not being addressed. One of the challenges we have now is how to calibrate our response so that we shape a relationship that serves our interests and our values in the midst of rapidly changing circumstances.

I want to make several observations and recommendations here:

- 1) On aid and conditionality
- 2) On political evolution and U.S. interests
- 3) On the Egyptian economy
- 4) On the strategic landscape

#### Aid and Conditionality

As I have told this committee before, and as I have written elsewhere, I have long thought that it would be helpful to "right-size" our aid relationship with Egypt. The steady provision of \$1.3 billion in annual military assistance over more than 30 years has led to an environment in which each side feels taken for granted. The split was captured when the Chairman of the Joint Chiefs of Staff, General Dempsey, traveled to Cairo to win the release of democratization workers for U.S.-based NGOs. Despite the long-standing military relationship, General Dempsey came back empty-handed. Two months later, the NGO workers were released on exorbitant bail. To many Americans, this was an insult from a long-standing ally, as were the trumped-up charges themselves. To many Egyptians, the release represented another capitulation to U.S. influence, and was the

"direct" result of Dempsey's visit two month's prior. Both sides focused on the apparent ingratitude of the other.

In recent years, Egyptian diplomats have complained to me about provisions in U.S. law that allocate some of the appropriated aid to provide direct support to Egyptian NGOs. "That's our money," one told me. "What you do with your money is your business, but that's our money." There is a tremendous sense of entitlement.

I cannot tell you what the level of U.S. aid to Egypt should be, nor should I. Instead, the United States government should sit down with the Egyptian government and have a serious discussion about what we need, what they need, and what each is willing to do for the other. It is hard for me to imagine that we will want to continue current levels of aid given recent events in Egypt, and it is equally hard to imagine that the Egyptian military will not seek more distance from the United States. The relationship has lost some of its intimacy, and the aid figures should reflect that. In my judgment, reshaping the aid package will actually improve the relationship in the longer term.

What I don't think would be advisable, however, is to condition U.S. aid on political milestones in Egypt, for two reasons. First, conditionality works best when it is quantitative, triggered by discrete and concrete metrics. Qualitative conditionality invites endless debate and argumentation, and parties often put even more time into lawyering the outcomes rather than meeting the conditions. Additionally, conditioning aid on political outcomes creates a powerful impulse to demonstrate resistance and bravado on the part of the target state. It wraps itself in the flag and proudly announces it will not succumb to foreign diktats, thereby undermining the very political outcome the conditionality sought to produce.

### Political Evolution and U.S. Interests

However alarmed one is by events in Egypt this past week, and I am quite alarmed, it is clear to me that we are only in the middle of what will be a long and drawn-out struggle. The Muslim Brotherhood continues to be able to mobilize more than 10 million voters, and some of the nascent revolutionary youth movements that helped spark public protest 18 months ago have begun to retrench. The military, meanwhile, must be careful to husband its legitimacy, which is far from a given in the coming months. Some of Ahmed Shafiq's popularity came from Egyptians who are afraid of chaos, but even more seemed to come from Egyptians who were struggling economically and yearning for some kind of stability. Rioting and economic deterioration will undermine that stability.

I believe the military dissolved parliament only after it had a good understanding of Egyptian public sentiment. As I read it, people felt the parliament was ineffectual and unable to address the problems of the country. For the time being, the military owns all of those problems now, and it can lose its popularity and legitimacy in a matter of months if it cannot deliver.

Delivering, it seems to me, will require reaching out broadly to Egyptian society, demonstrating to a range of political actors that it will be more inclusive. We have seen some of this in their statements in the last 24 hours. While it bears watchful waiting and some caution, early moves seem to suggest that the military's ambitions are not unlimited.

From a policy perspective, two other U.S. bilateral relationships seem relevant to me: Egypt and Pakistan. In both countries, the U.S. has sustained bilateral relationships over decades amidst struggles between the military and civilian leaderships. Turkey had a series of military coups, in 1960, 1971, and in 1980, but it has ultimately produced a robust civilian government that incorporates Islamist voices in a secular framework. We can argue on the margins, but overall we have seen a pattern in Turkey in which generals have loosened their grip on power and the resultant state is resilient, economically successful, and a partner to the United States.

I'm much less sanguine about Pakistan, where civilian-military rivalry seems to be accelerating, along with religious extremism and anti-Americanism. There is no one source for Pakistan's pathologies, but people who study Pakistan often point to the period after Pakistan tested its nuclear device as crucial. The United States suspended its relationship, ceased working with Pakistani military officers, and surrendered important influence in the country. Our military talks about a whole "lost generation" in the Pakistani military of people who never worked with American counterparts, and with whom cooperation is difficult. Pakistan's trajectory is increasingly alarming, and U.S. influence in Pakistan is increasingly tenuous.

If we had to choose, we should seek to help Egypt follow a relationship more like Turkey than like Pakistan. We will not determine Egypt's political evolution, as we were not determinative in either of the other cases, but we are not without influence, and we should not surrender that influence.

### On the Egyptian Economy

Egypt has a growing economic problem, exacerbated by a young population that felt excluded from growth in the Mubarak years and which is being ground down in the faltering economy of the present period. Egypt's political turmoil inhibited both foreign and domestic investment.

If political turmoil ensues in Egypt, it will be very difficult to attract any investment. This is one of the forces drawing the military to move toward inclusive politics. Interestingly, measured political change is likely to open up more capital from the wealthy GCC states, which pledged billions but largely stayed on the sidelines. I was in the GCC last week and spoke with several members of the senior leadership. They were terribly alarmed at the prospect of a Muslim Brotherhood victory in the presidential elections, which they saw as consolidating Muslim

Brotherhood control over all of Egyptian politics. From this, they predicted, the Brotherhood would begin encircling the region, soon to win Syria, and then topple the monarchy in Jordan, and then work their way through the other countries of the region. Their instinct was clearly to try to make the Muslim Brotherhood government fail in Egypt, and they would have withheld much of their capital. In my judgment, they must be relieved by the return of some version of the status quo ante in Egypt, and I believe that billions of dollars in capital will begin to flow in the coming months, providing the Egyptian government can reach an agreement with the IMF. As you know, the IMF proffered such an agreement last August, and it fell prey to Egyptian politics. While the hemorrhaging of Egypt's foreign reserves seems to have stalled, there is a keen need for an IMF agreement, which the United States should not obstruct.

#### On the Strategic Landscape

Eighteen months ago, amidst tremendous enthusiasm, it seemed like we were months away from the end of tyranny in the Arab world. No change was more dramatic than Egypt, when a president who could not be nudged for almost thirty years was toppled in a movement that took merely 18 days. In political terms, it was the blink of an eye.

In retrospect, Mubarak's fall—and Ben Ali's fall a few weeks earlier—was just the opening volley in a series of political changes that are likely to rock the Arab world for a decade or more. As we have seen by the very different politics that prevail today in the three neighbors of Egypt, Libya and Tunisia, there is no obvious outcome to political change, and no natural form to either the politics or parties that follow authoritarianism. I expect we will see more variance still, depending on factors such as global energy prices, the health of individual rulers, and a host of contingencies that we can't even contemplate. Events in the last week in Egypt change the pace of change, but they cannot change the fact of change. Islamist movements have become legal, youth have become networked and mobilized, and their major victories and defeats are still ahead of them. I don't think there's any going back to the way things were before.

For Israelis, who had looked at events in Egypt with deep alarm, the current pause is a great relief. The Egyptian military has sophisticated understandings with its Israeli counterparts, and Israel's southern border will be a much more predictable security environment in the coming months than appeared to be the case just a few weeks ago. Overall, however, Israelis must understand that the Middle East is a changing place, and one in which the deals of recent decades are unlikely to suffice. Some Israelis look at political upheavals in Egypt and Syria and conclude that treaties with neighbors cannot survive public approval, so in a world in which governments are more subject to the desires of their publics, there is no use in pursuing them. I would argue the opposite: that in a world in which Arab publics are almost certain to have increasing voice in governance, Israel should seek to build on what is already a grudging acceptance among regional publics.

For the United States, this is not where we thought we would find ourselves 18 months ago. What has happened is not what our allies in the Egyptian military had promised, nor what we had expected. Yet, it is important to remember that we are only in the middle of what will surely be a long transition in Egypt, to a new status quo that no one knows. We should hold fast to our interests and our values in Egypt, and we should not abandon them because of setbacks. In the long run, I am confident that change is coming to Egypt, and the United States can play a constructive role influencing it in a positive direction. This is a long-term process, and success will require both patience and skill. Going forward, one idea should guide us: We should aim to enlarge our partnerships in Egypt, not limit them, and build on that fertile ground which encompasses the shared interests between our two countries.