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Greater U.S. Pressure Needed to Ensure Successful Egyptian Transition

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In recent months, Egyptian-American relations have severely deteriorated due to Cairo's politically motivated prosecution of several U.S.-funded nongovernmental organizations (NGOs) involved in democracy building. The fact that these civil society efforts, which were tolerated in Egypt before the fall of President Hosni Mubarak last year, now are considered criminal activities reveals the dangerous trajectory taken by Egypt's revolution.

Egypt's transition to democracy is threatened by an unholy alliance of holdover bureaucrats, army officers, and newly empowered Islamist political parties. The Obama Administration should apply pressure on Egypt's leaders at the highest levels to head off show trials that would poison bilateral relations and prospects for genuine democracy in the largest Arab country.

The Anti-democracy Witch Hunt. The worst crisis in Egyptian-American relations in more than 30 years was intentionally provoked by the transitional government's prosecution of 43 civil society workers, including 16 Americans, for offering advice to Egyptians on how to organize political movements and prepare for democracy. The Americans worked for three respected American NGOs: Freedom House, the International Republican Institute, and the National Democratic Institute. After Washington threatened to cut off aid, Cairo lifted a travel ban that had prompted seven of the Americans to seek refuge in the U.S. embassy and permitted them to leave, but Egypt has continued the prosecution, and the trial is set to resume on April 10.

The NGO workers have become pawns in an intensifying political struggle between rival Egyptian factions competing to reap the political benefits of anti-American populism. America is a convenient scapegoat for Egypt's deepening problems: economic recession, rising crime, and growing uncertainty. The legal inquisition also is a symptom of a broader problem: Army leaders, Mubarak holdovers, and Islamist political parties all remain hostile to

Western democratic values. It is not just Western NGOs but more than 400 pro-democracy NGOs in Egypt and the future of democratic reforms that also are at risk.

The official who initiated the witch hunt, Faiza Abou el-Naga, long has been a thorn in the side of American diplomats and is one of few senior officials who have survived the turbulent transition. As Minister of Planning and International Cooperation, she has been anything but cooperative. Since 2004, she has sought to gain control of all U.S. funding for NGOs by funneling the money through her own ministry. Abou el-Naga promoted conspiracy theories about NGOs playing a subversive role and even engaging in acts of sabotage. She unleashed a political inquisition against the NGOs that resulted in raids of 10 NGO offices, including four U.S. groups, on December 29, 2011.

Although she is saddled with political baggage as a holdover from the unpopular Mubarak regime, Abou el-Naga reportedly is a canny political operator who seeks to ingratiate herself with Egypt's new masters, just as she previously exploited ties to Mubarak's wife and to Amr Moussa, the leading presidential candidate, who formerly served as

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Egypt's foreign minister and secretary general of the Arab League. She undoubtedly seeks to curry favor with the incoming Islamist-controlled government to preserve a privileged position under the new regime. As Egypt's state-controlled media promulgate conspiracy theories to whip up a xenophobic frenzy against Western influence, the U.S., and Israel, she has handed the incoming Islamist regime a convenient political cudgel with which to flail away at American influence, repress civil society, and intimidate Egyptian activists who still strive for freedom.

The Muslim Brotherhood's Freedom and Justice Party and other Islamist political parties dominated Egypt's parliamentary elections, winning more than 70 percent of the seats in parliament, and are slated to call the shots in post-Mubarak Egypt.¹ The Islamists have been increasingly critical of the Supreme Council of the Armed Forces (SCAF), the collective military leadership that forms Egypt's transitional government. The SCAF sought to exploit the NGO situation to steal a march on the Islamists, its chief rival for power, by depicting liberal dissidents as puppets of the United States. The SCAF generals seek to portray themselves as champions defending Egypt's national interests against foreign and domestic adversaries.

The Freedom and Justice Party and other Islamist factions increasingly are critical of the army for stretching out the transition and seeking to maintain a lock on its privileged economic and political role. They demand that the SCAF cede power to a civilian government

by the end of June as promised. They blame the army for rising instability, while the SCAF vaguely blames foreign forces who manipulate domestic dissidents. Although the Muslim Brotherhood reportedly helped lift the travel ban on the American NGO personnel after Washington threatened to cut all U.S. aid, it quickly reverted to its public contempt for the United States and blamed the SCAF for bowing under humiliating American pressure when it allowed the Americans to leave the country.

The Islamists pushed for a vote in parliament calling for an end to U.S. aid and for a no-confidence vote against the transitional government. These symbolic gestures are sure to be vetoed by the SCAF, which retains executive power, but Islamists also are pushing to replace Prime Minister Kamal el-Ganzouri's government with one that reflects the makeup of the Islamist-dominated parliament. The generals, who deny that they played a role in lifting the travel ban, say that only they can replace the cabinet of the interim government. Egypt's political atmosphere is likely to remain tense in the coming months as Egyptians draft a new constitution and hold presidential elections in preparation for the scheduled transition to a new civilian government by the end of June.

Leverage U.S. Aid to Remove Political Land Mines. The Obama Administration's hopes that the ouster of President Hosni Mubarak would lead to greater openness and democracy in Egypt have fallen flat as the transitional government has continued to clamp down on freedom and has precipitated the worst crisis in bilateral relations since 1979.

Although the NGO crisis has been temporarily defused, it remains a ticking time bomb that could derail Egyptian-American relations if Cairo continues the politicized trial.

The Obama Administration needs to apply constant pressure at the highest official levels to motivate Egyptian leaders to find an acceptable resolution of the crisis. Washington should point out that the crackdown contravenes the International Covenant on Civil and Political Rights, an agreement Egypt signed that provides for freedom of association. The Administration should insist that Cairo comply with its international obligations, including the terms of its peace treaty with Israel and commitments to combat terrorism.

To attain these ends, Washington should use its strongest source of leverage: U.S. aid, which includes \$1.3 billion in military aid and about \$250 million to promote civil society and democracy. Congress attached conditions to Egyptian aid in the fiscal year 2012 foreign operations bill. Before transferring any funds to Egypt, the State Department should certify that "the Government of Egypt is supporting the transition to civilian government including holding free and fair elections; implementing policies to protect freedom of expression, association, and religion, and due process of law." As things stand now, Egypt's transitional government does not qualify for such certification and should be warned that it must change its policies to merit the aid.

However, Secretary of State Hillary Clinton notified Congress on Friday that she will waive those

1. See James Phillips, "Egypt's Muslim Brotherhood Lurks as a Long-Term Threat to Freedom," Heritage Foundation *WebMemo* No. 3138, February 9, 2011, at <http://www.heritage.org/research/reports/2011/02/egypts-muslim-brotherhood-lurks-as-a-long-term-threat-to-freedom>.

restrictions on national security grounds. This decision undermines U.S. leverage and raises questions about the resolve of the Administration to confront capricious Egyptian bureaucrats, hostile Islamist politicians, and authoritarian generals, all of whom seek to muzzle Egypt's civil society. Clinton's decision to bypass congressional concerns sends the wrong signal to Egypt's leaders: that they can continue to exploit anti-American sentiments whipped up by the state-controlled media with little fear of the consequences. Granting U.S. aid on an unconditional basis also signals weakness and virtually guarantees that the NGO show trials will continue.

Well-meaning attempts to underscore America's good intentions, despite the crackdown on American aid recipients, also signal that Washington will not stand by the pro-democracy reformers it has pledged to assist. For example, House Minority Leader Nancy Pelosi (D-CA) downplayed the crisis as a "bump in the road" when she met with Egyptian officials on March 15. Statements like that may mislead Egypt's new leaders into thinking that U.S. aid will continue to flow despite continued harassment of democracy and civil society activists. In fact, the recent crisis was not

merely an accidental bump in the road, but a deliberately placed land mine designed to obstruct progress toward genuine democracy and better relations with the United States. Ignoring this reality will only encourage a sense of impunity and embolden Islamists for the next crisis.

The Obama Administration should clearly signal to the SCAF and Egypt's incoming Islamist-dominated government that continuing the politically inspired NGO prosecutions will not only derail U.S. aid, but also lead Washington to block international efforts to offer Cairo debt relief. Egypt is on the verge of bankruptcy because its economy has been severely undermined by continued political instability. Two important drivers of the economy, tourism and foreign investment, were devastated by the ongoing political crisis and are unlikely to recover any time soon. Egypt's budget deficit is projected to grow to \$24 billion before the fiscal year ends in June, up from \$21 billion last year. Egypt's finance minister has warned that Cairo needs \$11 billion in foreign funds over the next two years to finance that deficit.

Red Lines for Aid. The United States has provided almost \$70 billion in bilateral aid to Egypt since 1979. Now that Cairo has new

rulers, it is important to signal that American aid should not be taken for granted. Washington should serve notice that if Egyptian leaders continue to stoke anti-American populism to reap domestic political benefits, they will lose U.S. financial support—and with it, possibly, their hold on power.

The Obama Administration should clearly warn Cairo that it must act responsibly to keep American aid flowing. At a minimum, these red lines should include Egyptian compliance with international obligations to fight terrorism and abide by its peace treaty with Israel, as well as respect for the human rights and freedom of its own people, particularly women and Egypt's Christian minority. Downplaying the political land mines planted by hostile Egyptian officials and exploited by anti-American Islamists will weaken U.S. diplomatic leverage while setting the stage for another politically motivated crisis in Egyptian–American relations.

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