SHADI HAMID

The Cairo Conundrum

Egypt is the linchpin to America's Middle East policy—a policy that must make interests reinforce ideals, rather than conflict with them.

In his June 4, 2009 speech at Cairo University, President Barack Obama dramatically raised expectations for U.S. policy in the Middle East, among Americans and Muslims both. "Whatever we think of the past," Obama said, "We must not be prisoners to it. Our problems must be dealt with through partnership; our progress must be shared." It was a historic address, as the President threatened to do precisely what many progressives had long hoped for: reorient American foreign policy away from the sometimes tragic mistakes of the past, whether the Iraq war or even the still-resonant 1953 coup in Iran. And it seemed only natural that Egypt, a land of great potential but deep social and political problems, would be Obama's testing ground.

In Egypt and across the region, Americans reported receiving smiles and salutes, something that has a whiff of fantasy to those of us who lived in the Middle East during the Bush era. A range of politicians and activists from across

SHADI HAMID *is the deputy director of the Brookings Doha Center and a fellow at the Saban Center for Middle East Policy at the Brookings Institution.*

the region lauded the speech. Amr Moussa, secretary-general of the Arab League, praised Obama for offering "a new vision of rapprochement," while Jordanian analyst Fahd al-Khaytan spoke of a "historic change in U.S. political discourse." Thorbjorn Jagland, the chairman of the Nobel Committee that awarded the Peace Prize to Obama, has cited the President's Cairo address as a major factor in the committee's decision.

In the months since, however, the meaning of the address has become clouded by the realities of a region known for its stubborn resistance to change. With Afghanistan, Iran, and the Israeli-Palestinian conflict sucking most of Washington's limited attention, Egypt has faded into the background.

But Egypt, the most populous country in the Arab world and still its preeminent cultural and intellectual center, is a bellwether for the region. American policy toward Cairo, its closest Arab ally and, since 1979, its second-largest recipient of foreign aid, has been in need of a facelift for some time. U.S.-Egypt relations have long been governed by an understanding that, in return for supporting American interests in the region, Washington would turn a blind eye to Egypt's authoritarian practices. This bargain—interests in exchange for ideals—remained firm until the Bush Administration began to realize, in the aftermath of September 11, that the status quo was not as stable as originally thought. Support of Arab autocracies had boomeranged, producing a Middle East consumed by political violence and extremism. In her own Cairo speech, four years before Obama's, Secretary of State Condoleezza Rice said, "For 60 years, my country, the United States, pursued stability at the expense of democracy in the region, here in the Middle East, and we achieved neither."

In 2005, under the Bush Administration's "freedom agenda," Cairo experienced a short-lived "springtime" for reformers. It did not last long. The United States reversed course after Islamist parties did surprisingly well in elections across the region. Bush had memorably declared that "our vital interests and our deepest beliefs are now one." Yet in practice, his actions suggested the opposite. With a deteriorating situation in Iraq and the specter of a nuclear Iran, ensuring the cooperation of the Egyptian regime took precedence over other concerns.

Just as it did under the previous administration, America's relationship with Egypt both captures and magnifies the myriad contradictions of U.S. policy in the Middle East. It brings to a head the inescapable tensions that have long undermined its credibility in the region, tensions between ideals and interests, between America's desire for democracy and its need for stability. Bringing coherence to that relationship is critical to promoting democracy to the Middle East.

Budgets Speak Louder than Words

In an effort to disassociate themselves from the Iraq war and the neoconservatism from which it sprung, progressives have also distanced themselves from democracy promotion in the Middle East. This has extended to the highest rungs of Democratic policymaking and most clearly been on display in Obama's evolving policies toward Egypt. As early as March, the Egyptian Ambassador Sameh Shukri happily noted that relations with the United States were improving because Washington was dropping its demands "for human rights, democracy, and religious and general freedoms." Meanwhile, in her first trip to Cairo the same month, Secretary of State Hillary Clinton told Egyptians that "conditionality is not our policy."

More striking, however, are the drastic cuts in democracy assistance to Egypt contained in the Obama Administration's 2010 budget request. The decrease of 60 percent (from $54 million to $20 million) from Bush's final request is especially jarring in a year when democracy aid shot up for countries like Morocco and Yemen. As it turns out, Egypt, with a population of more than 80 million, received less democracy assistance than either the West Bank and Gaza or Lebanon, each with about 4 million people. According to the Project on Middle East Democracy's annual budget analysis, only about 1 percent of total bilateral assistance to Egypt was earmarked for democracy and governance, and a sizable portion of even that 1 percent went to either GONGOs—government organized non-governmental organizations—or the Egyptian government itself.

The Obama Administration's 2010 budget request contains drastic cuts in democracy assistance to Egypt.

Under the Obama Administration's direction, the 2009 omnibus appropriations act included specific language limiting the amount of economic assistance that could be used for democracy and governance, the first time that such language has ever been used in legislation. Jordan is the only other Arab country to suffer significant cuts in democracy assistance. Overall funding was slashed by 23 percent, while funding for civil society fell 44 percent and 36 percent for good governance programs. On the other hand, non-democracy-related assistance to Jordan, through the Millennium Challenge Corporation—along with the Middle East Partnership Initiative, one of two Bush-era funding initiatives that the Obama Administration, to its credit, continues to support—is set to increase dramatically. Only democratic or democratizing countries are supposed to be eligible; Jordan, however, has grown increasingly authoritarian in recent years,

and its most recent parliamentary elections, held in November 2007, were its least free and fair since the resumption of parliamentary life in 1989.

It is no accident that Egypt, along with Jordan—the second-largest per-capita recipient of U.S. aid in the world—are the only two Arab countries that have signed peace treaties with Israel. They are seen as particularly vital to U.S. regional interests and, with Saudi Arabia, form a sort of "moderate" Sunni axis. This is the quid pro quo—often implicit but sometimes explicit—that has for decades animated America's interaction with the region.

Succession and Stability

In August 2009, Egyptian President Hosni Mubarak visited Washington, D.C., for the first time in six years. For much of Bush's presidency, an icy relationship had kept the Egyptian leader at bay. With Congress out of session and much of the city vacated, Mubarak's visit had, in journalist Laura Rozen's words, a "distinct under-the-radar quality." At a joint press conference, Obama ran through a long list of topics the two discussed; notably missing were human rights and democracy. Perhaps this was just a matter of pragmatism, of deferring to reality rather than denying it. As Steven Cook of the Council on Foreign Relations put it, "You deal with the Egypt you have, not the one you want." Which one, then, do we have?

Broadly speaking, Egypt can usually be counted on to support U.S. interests in the region, from ensuring passage through the Suez Canal to cooperation on counterterrorism. Considering the more than $60 billion in aid given to Egypt over the last 30 years—some of a more cynical bent may prefer "bribe"—this is perhaps the least that could be expected.

But the country's internal situation inspires little confidence that such cooperation can be expanded. Egypt has that dispiriting look of a developing country in decline. Its infrastructure is, literally, crumbling, overwhelmed by one of the region's fastest-growing populations. By my count, Cairo has at best five working traffic lights, and even those require—in the absence of respect for the government and its laws—a small army of policemen to enforce signal changes. On the other hand, the World Bank has applauded the current Egyptian government of autocrat-technocrats for its economic reforms, including privatization and deregulation initiatives. The result is impressive annual GDP growth of around 7 percent that has created a class of government-dependent multi-millionaires but failed to address disturbingly high unemployment and economic inequality. A still-bloated public sector subsidizes the country's shrunken middle class, effectively precluding it from the role of democratic vanguard it played in Latin America and Europe.

But America's interest in Egypt was never really about the success of economic reform. It was, and is, about its role of status-quo power in a region where the United States has consistently supported a status quo of uninterrupted oil production, a secure Israel, and a "stable" balance of power. Increasingly, however, Egypt's ability to play its part has come into question. At 81, Mubarak is in declining health, and the long-speculated succession will continue to dominate the country's politics. Mubarak's son Gamal, a former investment banker and neo-liberal par excellence, will very likely follow his father, if possible through an orchestrated show of constitutionalism. In the past year alone, the younger Mubarak, head of the ruling National Democratic Party's Policy Committee, has made two trips to Washington, despite having no formal government position.

Gamal is unpopular and, in a country that effectively remains a military dictatorship, lacks a military background. His ascension would likely provoke opposition in various quarters, not least among Egypt's notoriously fractious but sometimes energetic opposition of leftists, liberals, and Islamists. The military may decide to get involved. Anticipating such difficulties, the last several years have been marked by an unprecedented crackdown on political groups, particularly the Muslim Brotherhood, the nonviolent Islamist proto-party that, with 88 seats, forms the largest opposition bloc in parliament. Since 2006, the regime has worked to erase the Brotherhood from the political map, in what many consider the worst period of anti-Islamist repression since the so-called *mihna,* or inquisition, of the 1950s and '60s. Not content to rely solely on brute force, the Mubarak government—in what Amnesty International called "the greatest erosion of human rights in 26 years"—passed 34 constitutional amendments that nullify political freedoms and grant the regime even more extensive powers to detain opponents. An amended Article 5, for example, bans any "political activity" on the basis of religion, allowing the government to arrest any Islamist at any time without due cause. In effect, the regime's right to repress has been enshrined in the constitution.

Stability, legitimacy, and the question of democracy in Egypt are all intertwined. The less legitimate the current regime and its recent actions are perceived to be, the less likely the impending transition will be stable or even peaceful. This is why Egypt's internal affairs—in particular the regime's disregard for even the pretense of building any post-Mubarak consensus—are so important.

To be sure, there is much debate on the extent to which the Mubarak regime actually helps America on key regional concerns, such as countering Iranian influence or supporting the peace process. On the latter, its contributions are best described as modest. Egypt has done a better job of patrolling its border

and stopping arms smuggling into Gaza, and it has mediated between both Israel and the Palestinian Authority and Fatah and Hamas. But it has less to show in tangible results. That said, there is little doubt that Egypt plays an important role, even if more a function of perception than reality. Instability in Egypt—turning it inward—will imperil any increased role it still has the potential to play.

The Illusion of Peace

Egypt's role, whether real or simply hoped for, is inextricably tied to Israel and the Palestinian territories, arguably the current administration's overriding focus in the region. Obama's appreciation of the centrality of the conflict suggests an understanding of Arab anger few of his predecessors possessed. He appears to have an intuitive grasp of the place of grievance in public life—consider his nuanced Philadelphia speech on race—and that grasp has been extended to the Muslim world.

Anti-American anger, and the violence and terror that can result, is fueled by long-standing grievances; as long as millions of Arabs and Muslims hold them, whether those grievances are legitimate is almost beside the point. For Americans, the CIA-sponsored coup that toppled a democratically elected leader in Iran in 1953 stands as an isolated incident. Yet for many who live in the region, the coup is one part of a broader narrative: that the United States has opposed, and at times actively undermined, nascent democratic movements in the Middle East. Too many Arabs and Muslims hold the inverse of America's opinion of itself: It is not a force for good, or even a burdened, yet flawed, protector of the international system, but rather an actor that has worked, in remarkably consistent fashion, to suppress and subjugate the people of the region.

All of this is compounded by the Israeli-Palestinian conflict, and the perception that America has unquestioningly aided Israel's persecution of the Palestinians. There is little doubt that this perception at some level poisons nearly everything the United States does in the region. For this reason, among others, the Obama Administration decided to make the pursuit of peace a centerpiece of its Middle East policy. According to this approach, once the conflict is satisfactorily resolved, and the most important grievance removed from an otherwise long list, a truly refashioned relationship with the people of the Middle East will be possible. With lower levels of anti-Americanism and enhanced credibility, the United States will find it easier to tackle other problems.

These assumptions are not problematic in and of themselves. However, believing that a resolution to the Arab-Israeli conflict is the missing piece may lead us to attribute greater importance to the peace process than is appropriate, and at the expense of other interests and ideals—particularly in Egypt.

The Paradox of Engagement

America needs—or thinks it needs—Egypt's help on Israeli-Palestinian peace. And yet the more it needs Mubarak (or his son) to play a leadership role there, the more unwilling it will be to put pressure on his regime to democratize: This is the paradox of engagement.

That the pursuit of Arab peace came at the expense of Arab democracy is nothing new. Facing growing opposition to the Camp David accords, an increasingly autocratic President Anwar al-Sadat resolved to impose the agreement on the Egyptian public with no effort to build consensus and little public debate. When the agreements were sent to parliament for ratification, only 15 deputies voted no, while 55 simply chose not to show up on the day of the vote. This, apparently, was too much dissent for Sadat, who dissolved parliament and called for new elections.

If Obama announced coupling economic assistance and political reform, it would be risky for Mubarak to refuse.

Jordan, meanwhile, held free and fair parliamentary elections in 1989 for the first time in more than three decades, with Islamist and leftist opposition groups winning a majority of seats. On the eve of the next elections in 1993, King Hussein enacted a new electoral law intended to limit Islamist power at the polls while the United States looked the other way. With talk of a potential peace settlement with Israel, the king needed a pliant parliament. Indeed, one year later, with a significantly smaller opposition presence, parliament ratified the Wadi Araba Treaty with Israel. Jordanian democracy never quite recovered.

In short, the pursuit of peace came to depend on prevailing authoritarian structures. Unless autocracy can be made permanent—and there is little reason to think that it can—this state of affairs is unsustainable. If Obama wishes to repair relationships with Middle Eastern governments, then he may, in the process, alienate the other key constituency he seemed to be speaking to on June 4: the millions of everyday Arabs and Muslims hoping for more freedom and democracy.

These tensions in American policy, long latent, have become apparent. When Clinton took to Egyptian airwaves during her March trip, she told viewers that "[we] want to take our relationship to the next level." But who was her audience—the Egyptian people or the Egyptian regime? With whom, exactly, should America engage? Usually, governments and publics are not nearly so far apart, but, in the Arab world, where ostensibly secular governments have been tasked with holding the Islamic masses at bay, the gulf is despairingly wide. It is not

just a matter of differing visions of the state, but differing visions of the state's role in the regional system. Many of these governments—in Egypt, Jordan, Saudi Arabia, Morocco, Algeria, Tunisia—are resolutely "pro-Western," while their citizens tend to favor greater distance from American policies, and spiritedly support rejectionist groups like Hamas and Hezbollah. Nor do they seem to have any particular aversion to a nuclear Iran, something their governments—and the United States and Israel—view as an overriding threat.

While the Arab-Israeli conflict stands as the most obvious grievance, it is not the only one and may not even be the most important. A resolution to the conflict would be a powerful signal but, in and of itself, would offer limited immediate benefit to Egyptians, Libyans, or Algerians. A just, regional peace would be good for Egypt more for its likely consequences: It would remove one of the few plausible justifications left for the country's enormous military budget; the regime could no longer so readily use external threats as a pretext for internal repression; and both Egypt's leaders and citizens would be forced to focus inward instead of projecting their fears, anger, and hope onto a conflict not of their own making. In other words, peace would be good for Egyptians and other Arabs because it would facilitate internal change, and presumably democratization.

An awareness of this complex interplay between peace and democracy can help us make better choices and balance sometimes competing priorities. But to pit one against the other is a false choice. The basic premise underlying the "realist" view of interests over ideals is that, in pressuring recalcitrant regimes to reform, we will lose their cooperation on Arab-Israeli peace and other critical concerns. This premise is not necessarily correct.

A New Policy Toward Egypt

A deep disconnect remains between the extent of our problems in Egypt and the boldness and imagination of our plans to confront them. In order to dispel growing doubts, the Obama Administration should, as a first step, unequivocally affirm its commitment to supporting Middle East democracy. Strong rhetoric matters, not only for the effect it has on Arab reformers, but the effect it has on us. Rhetoric raises expectations, forcing us at least to consider the prospect of meeting them.

On the plane of policy, the United States should focus on providing incentives to the Egyptian regime to alter its behavior, rather than quixotic efforts to empower weak non-governmental organizations. Increasing assistance to civil society, often treated as a sort of default policy recommendation, is not a substitute for using our close relationship with Egypt, and one of the largest aid packages in the world, to nudge, push, and pressure the regime to take demonstrable

steps on political reform. The Administration should reorient its policy toward Egypt around two major policy pillars—"positive conditionality" and Islamist engagement—that would serve to promote substantive reform while avoiding unnecessary confrontation with the regime.

POSITIVE CONDITIONALITY

Ideally, the disproportionate amount of military assistance given to Egypt—accounting for more than 85 percent of total aid—could be made conditional on political reform. As the cornerstone of American assistance, and the component most valued by the Egyptian government, it represents our most effective point of leverage. However, due to a 10-year agreement signed by Bush, this portion of aid is effectively off-limits for the foreseeable future. Nor is cutting military aid likely to be seen as politically viable. Meanwhile, the amount of economic aid is already, at $200 million, quite low. Slashing it further makes little sense.

A strategy of "positive conditionality" represents a more promising course for American policy, and a model replicable on the regional level. Egypt has already voiced its interest in increased economic assistance. The United States could offer a large package, between $500 and $700 million in additional aid (enough to give it leverage but still be fiscally reasonable), conditioned on meeting a series of explicit, measurable benchmarks on democratization. These benchmarks would be the product of extensive bilateral negotiations. If Egypt failed to meet them, the aid would be withheld and carried over to a reform "endowment" for the next fiscal year, meaning that the more Egypt ignored the requirements in the present, the greater the incentive would be to meet them in the future.

Reform benchmarks would fall under two main categories, opposition rights and free elections, first at the local level, then nationally. Both are foundational elements of the political structure. The former would focus on creating political space for nonviolent groups of any persuasion, including the Muslim Brotherhood, to operate and organize without government interference. The latter would allow political parties to reach the Egyptian electorate through grassroots campaigning at the municipal and governorate level. This would particularly help weak liberal and leftist parties expand membership and promote awareness of their platforms, while offering voters greater choice at the ballot box and preventing the electoral domination of any one political force. The focus on less consequential elections before moving to high-stakes national competition would allow for a more gradual, less threatening transition to true party pluralism.

It could be argued that, with such requirements spelled out in detail, the Egyptian government would forgo the additional aid. But if Obama, in a major policy

roll-out, announced to the Egyptian people a coupling of economic assistance *and* political reform, it would be risky for the Egyptian government to make a public show of refusal. Even if it did, two important purposes would still have been served: demonstrating to Egyptians a newfound seriousness on democracy and spurring the Islamist and secular opposition to action.

ANSWERING THE ISLAMIST QUESTION

The second policy pillar, under the rubric of Islamist engagement, would serve effectively to resolve America's long-standing "Islamist dilemma," reflected in the contradictory impulses of wanting democratic elections but fearing Islamist victories at the polls. Obama should begin with a set of rhetorical clarifications, stating that the United States is not opposed to dealing with Islamist groups, as long as they fulfill the conditions of renouncing violence and committing to the rules of the democratic game. The Administration has already signaled its interest in moving in this direction. Administration officials reportedly pressured the Egyptian government to invite members of the Muslim Brotherhood's parliamentary bloc to the Cairo speech. The public-diplomacy benefit was limited, however; the Administration could not actually publicize that it had wanted the Brotherhood to attend, so very few people are aware that it did.

Meanwhile, the Middle East Partnership Initiative continues to place an informal ban on funding Brotherhood-affiliated organizations in Egypt and has not allowed Brotherhood leaders to participate in conferences that receive MEPI funding. As a simple first step to remove such hurdles, Clinton should issue a directive explicitly permitting all State Department employees to meet with and incorporate members of the Brotherhood in their programming.

A public review of American policy toward Islamists would communicate several important messages. It would make clear to the Egyptian people that the United States no longer opposes the participation of the most popular political group in Egypt. To the Egyptian regime, it would demonstrate our renewed seriousness. Mubarak has long warned Americans that they have only two choices, his ruling National Democratic Party or the Muslim Brotherhood, and that we best choose the former. It is time to call his bluff.

Of course, dialogue is a means, not an end. Once enough trust is developed, U.S. officials and the Brotherhood can move from discussing ideas to discussing shared interests. If there are ever free elections in Egypt, Islamists would stand a good chance of winning either a plurality or a majority (even with government rigging, they won well over half of the seats they contested in the 2005 elections). Truly free elections necessarily imply a degree of uncertainty. The rise of Islamists to power could pose risks for American interests. As such, it

makes sense to try to influence the Brotherhood's positions on our strategic concerns—its position on the peace treaty with Israel for example—before it comes to power, rather than afterward, when it will be too late.

At the same time, the United States must be careful to avoid being seen as favoring one party over the other. The key is to allow a diverse range of opposition groups the opportunity to participate fully in the country's political life. Once blocks to participation are removed—if we are able to persuade the regime to remove them—it will be up to Egyptians to decide their own political course.

Greater Expectations

In understanding what works and what doesn't, there is an unfortunately thin history to draw on. With only one real exception—a brief period in 2004 and 2005—the United States has never made a serious effort to support democracy in the Middle East. In reality, beyond rhetoric, symbolic gestures, and relatively small increases in democracy funding, the Bush administration did not do much. Yet, even a relatively small amount of pressure can go a long way. 2005, after all, saw Egypt's first ever mass-mobilization in support of democracy, with more than 150,000 participating in protests, demonstrations, and campaign rallies. This is a lesson worth taking to heart as the Obama Administration considers its future relationship with the Egyptian regime and the Egyptian people.

Assuming the political will is present, the policy changes outlined above can be implemented immediately. If the Administration takes the initiative on conditionality and Islamist engagement, Egypt's leaders are likely to express dissatisfaction but little more. When the Bush Administration put pressure on Cairo to reform, Mubarak did not withhold cooperation on key strategic concerns. Michele Dunne of the Carnegie Endowment notes that "if anything, Cairo tried harder to please Washington...in the hope of relieving pressure for political reform." Counterintuitively, then, democracy promotion, if done carefully and gradually, may actually spur increased Egyptian cooperation on Arab-Israeli peace, counterterrorism, and other interests than would otherwise be the case.

Egypt is an intuitive candidate for a strategic reorientation in U.S. policy—both risky and necessary—that emphasizes engagement not only with Arab regimes, but Arab publics as well. Unlike other countries in the region, Egypt can claim an educated urban population, a degree of political institutionalization, a legacy of parliamentary politics, and an active, occasionally assertive, civil society. As important as the government is, it is not the only constituency worth courting. Dependent on external moral and military support, the state itself, while strong, is vulnerable and sensitive to outside pressure. Considering the regional role it plays—and the potential role it still could play—a thriving and successful Egypt

is critical to a thriving, successful Middle East. In this, the neoconservatives were not incorrect, although their country of choice to demonstrate a "ripple effect" was an odd one.

Just as neoconservatives got a lot wrong, progressives, in reaction, have learned some of the wrong lessons for the wrong reasons. Strong democracy rhetoric is not necessarily counterproductive, and there is little reason to think the Middle East is immune to democratic interventions. Pragmatism, the new and rather hollow progressive catch-all term, is not a substitute for well-considered policy. Nor should it obscure deeply held principles and ideals, principles that, sadly, we have so often failed to uphold in the Middle East.

In Egypt, an otherwise promising polity threatens to come apart. Egyptians, along with Arabs and Muslims throughout the region, have demonstrated their desire for substantive political change. It is time we did the same. **D**