



Gulf Research Center

K n o w l e d g e f o r A l l

More than Money: Post-Mubarak Egypt, Saudi Arabia, and the Gulf

Yasmine Farouk

GRC GULF PAPER

April 2014

© Gulf Research Center 2014

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the Gulf Research Center.

The opinions expressed in this publication are those of the author alone and do not state or reflect the opinions or position of the Gulf Research Center.

More than Money: Post-Mubarak Egypt, Saudi Arabia, and the Gulf*

Yasmine Farouk

Egypt-Gulf relations are constructed as “organic” among the ruling elites and societies on both sides.¹ The Egyptian Supreme Council for Armed Forces issued a statement two months after President Hosni Mubarak’s fall to confirm the persistence of this mutual perception.² Yet, Mubarak’s ouster progressively instigated a crisis in Egypt-GCC relations. The crisis questioned the traditional perception of Egypt and the Arab Gulf countries as bound within the same security complex.³ It disrupted the conventional patterns of relations with a special focus on the financial channel of interaction.

This paper proves, however, that all channels of interaction except financial remained stable through the crisis. Therefore, it argues that the conventional finance-focused analysis of Egypt-GCC relations is inadequate. While the flow of money from the Gulf States was interrupted, all other reciprocal flows persisted. Strategic, transnational, and transgovernmental relations challenged the states’ control over bilateral relations and hampered the spillover of the crisis to other channels. Within this framework, Saudi Arabia stands out as Egypt’s major informal ally not only

* The paper is based on events and developments that occurred in the period January 2011-January 2014.

1. “Saudi Arabia’s Image Falts amongst Middle East Neighbors,” Pew Research Global Attitudes Project, available at: <http://www.pewglobal.org/2013/10/17/saudi-arabias-image-falters-among-middle-east-neighbors/> (accessed February 27, 2014).
2. The statement is available on the website of the Supreme Council for Armed Forces: <http://www.sis.gov.eg/Ar/Templates/Articles/tmpArticles.aspx?ArtID=46350#.U0LC6K3BOTw> (accessed April 07, 2014).
3. Barry Buzan, *People, States and Fear: An Agenda for International Security Studies in the Post-Cold War Era* (Saddle River NJ : Prentice Hall, 1991).

within the GCC but also in the region. The conventional perception of Saudi Arabia as the political and economic leader of the GCC still prevails in Egypt. Such a perception challenged the Qatari strategy to replace Saudi Arabia as Egypt's Gulf sponsor and informal ally between 2011 and 2013.

The first part of the paper situates Egypt-Gulf interstate relations within the post-Mubarak regional dynamics. It highlights the regional constraints that upheld the Gulf-Egyptian informal alliance despite mounting tensions since 2011. The second and third parts of the paper look at the Saudi and Egyptian states to consider the social and political actors of this informal alliance. The second part depicts the politics and economics sustaining Egyptian-Saudi relations despite the fall of Mubarak who was a personal friend of the Saudi royal family. The third and last part assesses the role of non-state transnational actors in supporting and/or contesting their state's policies toward each other. The paper concludes with an assessment of the major challenges facing Egypt's relations with Saudi Arabia and the Gulf despite the current restoration of the Mubarak-era pattern of interaction.

Friends in Need: the Egypt-GCC Regional Security Complex

The Strategic Dimension

The Mubarak regime constantly overstressed Egypt's significance to Gulf security in its foreign policy discourse. This discourse was used to justify Gulf financial aid and to reject accusations of client-like dependency on Gulf money, especially from Saudi Arabia. Political opposition used this dependency to condemn Cairo's constant alignment with Riyadh's regional policy and the regime's acquiescence toward "Wahhabi" ideological penetration in Egyptian society.⁴

In discourse and in practice, the security of the Gulf remained "an integral part of Egypt's national security" even after Mubarak's fall. However, strategic relations were and are still based on area-specific military cooperation and exercises rather than on a formal alliance signed between Egypt and the GCC or between Egypt and Saudi Arabia. The conservative Gulf regimes indeed perceived Mubarak's ouster as a threat. Yet, a delegation of the Royal Saudi Air Force landed in Egypt for the annual joint exercise under the name of "Faisal," only four months after his fall. Such joint exercises continued even when bilateral relations became tense under the Muslim Brotherhood government in Egypt. In 2012, Saudi and Egyptian naval and

4. "Saudi Air Force Troops Land in Cairo," *Al-Abram*, June 29, 2011; State Information Service (accessed April 07, 2014); "Armed Forces and Joint Military Exercises," http://www.sis.gov.eg/Ar/Templates/Articles/tmpArticles.aspx?ArtID=67707#.Uu6qO_2619I (accessed April 07, 2014).

air troops carried out their annual exercises named “Morgan” and “Faisal.”⁵ The two countries conducted the biggest joint military exercise in their history in May 2013, when Egypt was still under the Brotherhood’s rule. This operation dubbed “Tabook 3” is the third in a chain of joint military exercises that were first held in 2008 and then in 2010.⁶ Formal and informal joint military exercises followed throughout 2013 despite the political turmoil in Egypt.⁷

Saudi Arabia intensified its support to the Egyptian military establishment after the ouster of Mohamed Morsi from power in July 2013. This support was crucial at a time when the United States used strategic cooperation to influence the establishment’s role in domestic politics. In August 2013, Washington canceled the “Bright Star” military exercise with Egypt after the violent dispersal of the Muslim Brotherhood sit-in. In October 2013, the US State Department halted “the delivery of certain large-scale military systems and cash assistance to the [Egyptian] government pending credible progress toward an inclusive, democratically elected civilian government through free and fair elections.”⁸ In November 2013, international media reported that Saudi Arabia and the United Arab Emirates (UAE) are to fund a \$2 billion Egyptian-Russian arms deal.⁹

On a regional Arab level, the US is the major provider of arms while Egypt is perceived in the Gulf countries as the main provider of troops. The Egyptian army is the largest in the Arab world. This is particularly crucial to the Gulf countries since the small size of their armies is a point of weakness in their military balance.¹⁰ After 2005, the GCC’s stakes in keeping Egypt on its side in the regional strategic balance grew with the US decision to compromise with Iran over Iraq. Iraq was a buffer zone between the GCC and Iran despite its weakness and deteriorated relations with

5. “Joint Saudi Egyptian Military Exercises,” *Al-Shorouk*, June 25, 2013; “Launching Naval Military Exercise ‘Morgan 13’ between Egypt and Saudi Arabia,” *Al-Ahram*, available at: <http://digital.ahram.org.eg/Policy.aspx?Serial=1018133> (accessed April 7, 2014).
6. “Tabook 3: The Biggest Joint Military Exercise in the History of Egypt and Saudi Arabia,” BBC, available at: http://www.bbc.co.uk/arabic/middleeast/2013/05/130504_egypt_saudi_drill.shtml (accessed February 15, 2014).
7. “Joint Naval Military Exercises between Egyptian and Russia as well as Egypt and Saudi Arabia,” *Al-Ahram*, available at: <http://gate.ahram.org.eg/NewsContent/5/35/419233/1-المصرية-البحرية-القوات-بين-مشتركة-عسكرية-تدريبات-وتقارير-اخبار/محافظات.aspx> (accessed February 15, 2014).
8. “Assistance to Egypt,” US Department of State available at: <http://www.state.gov/r/pa/prs/ps/2013/10/215258.htm> (accessed February 15, 2014).
9. “Intrigue Deepens over Egypt-Russia Arms Deals,” *Defense News*, available at: <http://www.defensenews.com/article/20131124/DEFREG01/311240009/Intrigue-Deepens-Over-Egypt-Russia-Arms-Deals> (accessed February 15, 2014).
10. Anthony Cordesman, “The Gulf Military Balance, Volume I: The Conventional and Asymmetric Dimensions,” Center for International and Strategic Studies, available at: https://csis.org/files/publication/1305022_Gulf_Mil_Bal_Volume_I.pdf (accessed February 15, 2014).

the Gulf and particularly Saudi Arabia. The Egyptian army represents the biggest “Sunni” military establishment in the Arab world. The Sunni-Shia divide is not an integral part of the Egyptian military doctrine. Yet, the invasion of Iraq in 2003, the 2006 war on Lebanon, the 2008 war on Gaza, the ongoing war in Syria, and the rapid expansion of Iranian regional influence drew the Egyptian regional security perception closer to that of the GCC.

The military doctrine of the Egyptian army remained intact after the fall of Mubarak despite the access to power of a civilian president for the first time since 1952. In fact, the 2012 and 2013 constitutions reduced civilian authority over the military establishment and military affairs in Egypt. Furthermore, any political regime, including the Muslim Brotherhood’s, would be unable to penetrate the military establishment for years to come. In addition to constitutional and political safety valves, the recruitment system allows top ranks a tight control over the military establishment and secures its autonomy. The military establishment was therefore able to preserve not only its integrity but also its sheltered status within the Egyptian political system. Saudi Arabia and other Gulf countries hence did not need to review their strategic relations with the Egyptian army after Mubarak’s fall.

The Red Line: Iran

On the eve of Mubarak’s fall, Iran was the “enemy” of the Egypt-Gulf informal alliance. In fact, Iran has been so far a centerpiece in the Gulf’s suspicious attitude towards post-Mubarak Egypt. As early as February 4, 2011, Iran’s supreme leader Ayatollah Ali Khamenei referred to Egypt and Tunisia saying, “This is what was always talked about as the occurrence of Islamic awakening at the time of the Islamic revolution of the great Iranian nation and is showing itself today.” Just two weeks after Mubarak’s fall, Egypt allowed two Iranian warships to navigate through the Suez Canal for the first time since 1979.¹¹

From this time on, the Saudi and Gulf media overstressed developments in Egypt-Iran relations. Al-Arabiya news website published articles about the establishment of an Egyptian “revolutionary guard” and the appointment of an Iranian ambassador to Egypt for the first time since the Iranian Revolution.¹² Gulf news outlets such as *Arab News* and *Asharq Alawsat* also highlighted the visit of Egyptian public figures, political activists, and former diplomats to Tehran since June 2011.¹³

11. “Iran Warships Enter Mediterranean via Suez Canal,” BBC, available at: <http://www.bbc.co.uk/news/world-middle-east-17083791> (accessed February 15, 2014).

12. “Iran and Egypt: Renewing Ties,” Al-Arabiya, available at: <http://www.alarabiya.net/articles/2011/04/18/145906.html> (accessed February 15, 2014).

13. “Egyptian Presidency Sends Delegation to Tehran about Syria without the Ministry of For-

Nabil El Arabi, Egypt's minister of foreign affairs, was the first official to openly "threaten" the stable anti-Iran Egyptian-Gulf alliance. One month after he assumed office, El Arabi declared on April 5, 2011 that he had received an invitation to visit Tehran and that he intends to accept it "at some point." He further argued that Egypt is opening a new page in its foreign policy and is seeking to normalize relations with Iran. Amidst the revolutionary euphoria back then, El Arabi's statements were perceived in Egypt as part of the restored autonomy of Egypt's foreign policy vis-à-vis the US and Arab Gulf States. Such developments further nurtured Gulf suspicions of Egypt's new regional alignments. The Shia uprising in Bahrain and Shia demonstrations in Saudi Arabia fed into Gulf concerns of a potential Egyptian rapprochement with Iran.¹⁴

Gulf officials' public and private disenchantment with Egypt's new regional orientation pushed El Arabi himself, the Ministry of Foreign Affairs, and Prime Minister Essam Sharaf to reiterate that Gulf security is more than a "red line," it is a "red wall." Fifteen days later, on April 26, 2011, El Arabi paid a visit to Saudi Arabia. This was followed by a visit by Prime Minister Sharaf, who also went to Kuwait and Qatar during that same trip. The issue of Egypt's relations with Iran was key to the other major objective behind these visits: financial aid. One month later, on May 29, Egypt expelled an Iranian diplomat suspected of spying.¹⁵

Two elements further increased Iran's influence over post-Mubarak Egypt's relations with the GCC countries: the mounting sectarian aspect of the Syrian conflict and the political empowerment of the Muslim Brotherhood in Egypt. The sectarian shadow cast over the Syrian revolution highlighted Egypt's importance in the regional anti-Assad-and-Iran coalition under the leadership of Arab Gulf states. The election of Mohamed Morsi in June 2012 transformed Egypt's policy towards Syria bringing it closer to the GCC, and particularly Saudi Arabia and Qatar. Yet, Morsi simultaneously took significant steps to restructure Egypt's relations with Iran. His administration renewed political, economic, and trade ties with Tehran. Iran actually encouraged Morsi's new regional endeavor. Iranian Vice-President Mohammed Reza Rahimi was the first Iranian high-level official to visit post-

eign Affairs Knowledge," *Asharq Al-Awsat*, April 28, 2013; "Egyptian Artists Visit Teheran to 'Boost Cinematography Ties'," *Asharq Al-Awsat*, November 12, 2012; Osama Al Sharif, "Iran Looks for a Grand Deal with the West," *Arab News*, available at: <http://www.arabnews.com/news/450017> (accessed April 8, 2014).

14. Frederic Wehrey, "The Forgotten Uprising in Eastern Saudi Arabia," Carnegie Endowment for International Peace, available at: <http://carnegieendowment.org/2013/06/14/forgotten-uprising-in-eastern-saudi-arabia/ga8o> (accessed February 25, 2014).

15. "Egypt To Expel Iran Diplomat Spy Suspect," *Al-Arabiya*, May 29, 2011, available at: <http://english.alarabiya.net/articles/2011/05/29/150974.html> (accessed February 15, 2014).

Mubarak Egypt on August 8, 2012 and was received by Morsi himself. Morsi then went to Tehran on August 26, 2012 to attend the Non-Aligned Movement summit. A few days before his visit, the first commercial direct flight from Cairo to Tehran took off for the first time in 34 years. The Iranian minister of foreign affairs visited Egypt in September 2012 and then again in January 2013. Iranian media stated that the visit took place at the invitation of the Egyptian minister of foreign affairs. His second trip came ahead of a visit by a delegation of Morsi's top advisors to Tehran to prepare for the Iranian President's visit to Egypt.

President Mahmoud Ahmadinejad's February 2013 visit was the first by an Iranian head of state to Cairo since the Iranian revolution. Ahmadinejad called for a strategic alliance with Egypt and offered a much-needed loan that Cairo had failed to get from the International Monetary Fund and Arab Gulf states. His declarations about the role of Egypt and Iran in stabilizing the Middle East recalled the traditional competition between Egypt and Saudi Arabia to be "the" major Arab partner in the Middle East. This competition between Cairo and Riyadh did not fade away, even in times of Egyptian distress. The Muslim Brotherhood's diplomacy only added the ideological element to it. Essam El-Haddad, the de facto chief of diplomacy under Morsi, reiterated in his visits to Western capitals that Egypt was becoming the model of a moderate Islamic Sunni Arab democracy.¹⁶ His statement was meant to send a message to the West about Egypt's uniqueness compared to other regional powers, notably Saudi Arabia, Iran, and Turkey.

Egypt's relations with Iran and the Arab Gulf states are back to the "Mubarak mode" since the overthrow of the Muslim Brotherhood in July 2013. During his trip to the UAE, the current Minister of Foreign Affairs Nabil Fahmi responded to a question on Iran by saying, "Egypt will not take any position that could harm the national security of the Gulf" and even suggested that it could mediate between Iran and the Arab Gulf states.¹⁷

16. Charles Levinson, "Muslim Brotherhood looks West in Bid to Revive Egyptian Economy," *The Wall Street Journal*, available at: <http://online.wsj.com/news/articles/SB10001424052970204062704577220454030969184> (accessed April 8, 2014).

17. "Egypt Offers to Help Ease Tension between Iran and Gulf States," *Al-Arabiya*, available at: <http://english.alarabiya.net/en/News/middle-east/2013/10/26/Egypt-offers-to-help-ease-tension-between-iran-and-gulf-states.html> (accessed February 15, 2014).

The Politics and Economics of Bilateral Relations

GRC PAPER

Transgovernmental Relations

The modus operandi of Egypt-GCC relations was expected to have an impact on bilateral ties in the post-Mubarak era for two main reasons. First is the foreign policy making system in Egypt that places the President of the Republic at the top of the foreign policy making process. Second, Sadat and Mubarak relied heavily on personal relations with the royal houses of the Gulf. Relations with Saudi Arabia, Kuwait, and the UAE were thus both presidential and personal. Relations with the Gulf consequently involved the president himself along with advisors and heads of the security apparatus in the army and police more than the ministry of foreign affairs. In addition, Gulf-Egyptian business networks were, and remain, major actors due to their direct and indirect ties to the ruling families of the Gulf and to the ruling regime in Egypt.

Independent media and private academic circles portrayed the Gulf royal families except Qatar, as main sponsors of the Mubarak regime. It was no surprise that the Gulf States, except Qatar, condemned the calls for demonstrations against Mubarak. For example, GCC secretary general Abdullatif bin Rashid Al Zayani declared the Council's support to Egypt's "stability" against what the Amir of Kuwait denounced as the "riots" targeting "Egypt's stability."¹⁸ Shaikh Abdullah bin Zayed Al-Nahyan, UAE's minister of foreign affairs, visited Mubarak just two days before his ouster, on February 9, 2011 in a sign of unconditional support to his regime. He was the only foreign official to visit Mubarak after the eruption of the January 25 uprising.¹⁹

Gulf political support to Mubarak triggered hostility in the streets of Cairo during the eighteen days of the Egyptian uprising. Demonstrators chanted "Mubarak, leave, Saudi Arabia is waiting" referring to the presence of Tunisia's Zine Al-Abidin Ben Ali in Riyadh. "Saudi Arabia is too good for you, Tel Aviv is just good enough," they chanted. Since February 2011, Egyptian media had been accusing Saudi Arabia of interfering with Mubarak's trial and of hosting him for a fake medical treatment.²⁰ By the end of 2011, independent media and government officials were increasingly criticizing the Gulf countries' "cold" stance towards post-Mubarak Egypt. Hazem

18. "GCC Wants Stability for Egypt and Kuwait's Prince Stands with the Government and People," *Asharq Al-Awsat*, January 31, 2014.

19. "Mubarak Receives the Foreign Minister of the United Arab Emirates," *Asharq Al-Awsat*, February 9, 2011.

20. "Paper in Egypt Says Mubarak Is at Saudi Site Receiving Care," *The New York Times*, March 2, 2011.

Al-Beblawi, who was deputy prime minister and minister of finance from July to November 2011, criticized the Gulf States in his memoirs published in 2012. He accused them, except Qatar, of delaying the financial packages they had promised to Egypt and criticized their reluctance to support Egypt in the negotiations with international and regional donors.²¹

The demonstrations leading to the temporary departure of the Saudi ambassador to Egypt in April 2012 fall within this context. It followed a more limited demonstration in April 2011 against the mistreatment of Egyptian pilgrims in Saudi Arabia. The case of an Egyptian lawyer jailed in Saudi Arabia triggered the April 2012 protests. The demonstrators' rage and chants during their attacks on the Saudi embassy in Cairo pointed to deeper political hostility. This crisis revealed that the popular mood was in favor of restructuring Egypt's relations with the Gulf, particularly with Saudi Arabia. Meanwhile, Egyptian state and public diplomacy mobilized its ranks for the return of the Saudi ambassador. The prime minister, the Supreme Council for Armed Forces, the minister of foreign affairs, and the minister of international cooperation issued official apologies and called for the return of Ambassador Ahmed Al-Qattan.

A delegation of political and public figures paid a visit to Riyadh on May 3, 2012. Above all, and expectedly, the security apparatus sent its own mediator, intelligence chief Morad Mowafy.²² The delegation included over 100 members, among them the prominent Salafi Shaikh Mohamed Hassan as well as Saad Al-Katatni and Ahmed Fahmy, chairmen of the lower and upper chambers of Parliament, respectively. Their presence was particularly significant given that they represented Egypt's new Muslim Brotherhood regime. The visit had thus another political objective in addition to asking for the ambassador's return. It was meant to break the ice with the Saudi royal family whose suspicions regarding the Brotherhood's regional and political orientations were no secret. Al-Katatni was not only the speaker of the People's Assembly but was previously the secretary general of the Brotherhood's Freedom and Justice Party (FJP) that secured parliamentary majority. He was previously also a member of the Brotherhood's guidance bureau. Ambassador Al-Qattan, who was recalled on April 29, returned to Egypt on May 6, 2012.

Riyadh was the stop for Mohamed Morsi's first official visit abroad on July 11, 2012, only eleven days after he was sworn in as president. Morsi visited Saudi

21. Hazem El-Beblawi, *arba'at shohour fi qafas al-hokouma (Four Months in the Cage of Government)*, Cairo, Al-Shorouk, 2012

22. "Tantawi Meets with Saudi Ambassador to Cairo," *Egypt Independent*, available at: <http://www.egyptindependent.com/news/tantawi-meets-saudi-ambassador-cairo-news-2> (accessed February 25, 2014).

Arabia again in late August to attend the OIC summit in Mecca. However, this time the Egyptian president was received by the governor of Jeddah, Prince Mishal bin Majed.²³ Morsi pursued his attempt to court Saudi Arabia by announcing his project of a quartet committee that included Egypt, Turkey, Iran and Saudi Arabia to manage the Syrian crisis. But such steps did not succeed in thawing Riyadh's cool relations with the Muslim Brotherhood. In fact, Riyadh's envoy only attended a couple of quartet meetings. However, the Brotherhood continued its attempts to court Saudi Arabia. Morsi went as far as stating that "Egypt and Saudi Arabia are one big tribe" during his third presidential visit to Saudi Arabia to attend the Arab Summit for Economic and Social Development.²⁴ The Muslim Brotherhood then tried to capitalize on the Qatar-Saudi and Iran-Saudi competition for regional influence in reaction to Saudi abstention. Prime Minister Hisham Qandil even went as far as Iraq to expand Egypt's economic relations with the Gulf, beyond the GCC.²⁵

It was therefore expected that Saudi Arabia, the UAE and Kuwait would support their traditional friends inside Egypt on July 3, 2013. In fact, a Saudi statement issued on February 15, 2011 expressed "hope in the efforts of the Egyptian Armed Forces to restore peace, stability and tranquility."²⁶ Saudi, Emirati, and Kuwaiti support to the military restoration of a neo-Mubarak system in 2013 was hence predictable. In February 2011 and in July 2013, the three countries promised first Mubarak and then Field Marshal Abdel Fattah El-Sisi that they would compensate for any suspension of American aid in reaction to a potential crackdown on demonstrators.²⁷ In 2011, the Saudi King even alerted the White House of the tension their bilateral relations would witness if the Obama administration did not support Mubarak.²⁸ In 2013, statements of political support from Saudi Arabia, the UAE and Kuwait came in on

23. "Egypt's President Morsi in Saudi Arabia to Speak at OIC Summit," *Al-Abram*, available at: <http://english.ahram.org.eg/NewsContent/1/140/50440/Egypt/First--days/Egypt-president-Morsi-in-Saudi-Arabia-to-speak-at.aspx> (accessed February 25, 2014).
24. "In His Meeting with Businessmen and Investors in Riyadh, Morsi: Egypt and Saudi Arabia 'One Tribe,'" *Al-masry Al-yaum*, available at: <http://www.almasryalyoum.com/news/details/284683> (accessed February 25, 2014).
25. "Qandil Visits Baghdad to Boost Egyptian-Iraqi Economic Relations," *Arabian Business*, available at: <http://arabic.arabianbusiness.com/politics-economics/2013/mar/4/325170/Uwnt2f2619I> (accessed February 23, 2014).
26. "The Kingdom Expresses Hope that Egyptian Armed Forces Efforts Succeed to Restore Peace and Stability," *Al-Riyadh*, February 15, 2011, available at: <http://www.alriyadh.com/2011/02/15/article604720.html> (accessed February 25, 2011).
27. Thomas Lippman, "Support for El-Sisi: What's in it for Al-Saud?" Middle East Institute, available at: http://www.mei.edu/content/support-el-sisi-what-s-it-al-saud#_ftnref1 (accessed February 25, 2014).
28. Mark Lander and Helene Cooper, "Allies Press U.S. To Slow on Egypt," *The New York Times*, February 8, 2011.

the same day that Morsi was ousted. The Saudi King was the first to congratulate the new interim president Adly Masour on July 4, 2013, followed by his Emirati and Kuwaiti counterparts. In 2011 and in 2013, the chiefs of Saudi diplomacy and secret services went to Paris, London and as far as Moscow to canvass support for Egypt's new authorities.²⁹ It is worth noting that Morsi's ouster witnessed the return to power of not only the military establishment but also some old political and economic officials from the Mubarak era who were known to the Gulf regimes. The movement's indisputable political leader, Field Marshal Abdel Fattah El-Sisi, had been a military attaché in Saudi Arabia for several years. Hazem El Beblawi, Egypt's first post-Morsi prime minister, worked for eighteen years in Kuwait before becoming an advisor to the Arab Monetary Fund in Abu Dhabi between 2001 and 2011.

Where Money Comes in

Post-Mubarak, authorities and public opinion in Egypt perceived finance as the chief indicator of GCC relations with their country. Saudi Arabia, UAE, Qatar, Kuwait, Turkey, and Iran all competed through aid, investments, loans and bilateral trade relations to influence Egypt's domestic politics as well as its regional policy. Financial dynamics did not only involve governments. Private investments and Gulf sovereign wealth funds were also involved. However, state-to-state financial aid was the most highlighted item by the Egyptian media to emphasize the Gulf stance towards the "Egyptian revolution." Grants and loans were needed not only to rescue the cash-strapped Egyptian economy but also to secure a \$3.2 billion loan and then a \$4.5 billion loan from the International Monetary Fund. Saudi, Kuwaiti, and Emirati officials did not issue any statements regarding the delay in disbursing their promised financial packages throughout 2011 and 2012. Instead, other pretexts such as instability and disagreement over transfer mechanisms were used to justify the withholding of the biggest part of their promised financial packages until July 2013.

In May 2011, Saudi Arabia had pledged a \$4 billion loan to Egypt including a \$1 billion deposit at the Central Bank of Egypt (CBE). There was also a confirmation of a supplementary \$2.7 billion aid package upon the Saudi ambassador's return in May 2012.³⁰ Yet, in August 2012, Saudi Arabia had pumped only \$1.7 billion into

29. "Prince Bandar Meets Putin for the Second Time in Four Months," CNN, available at: http://archive.arabic.cnn.com/2013/middle_east/12/4/saudi.russian-meeting/ (accessed February 25, 2014).

30. "Recalled Saudi Ambassador Returns to Egypt, Signaling Thaw in Ties," Al-Arabiya, available at: <http://english.alarabiya.net/articles/2012/05/05/212328.html> (accessed February 25, 2014).

Egypt's economy.³¹ Similarly, the UAE pledged \$3 billion in financial aid to Egypt in October 2011.³² Until July 2013, the UAE was still deciding on "the mechanism" of delivery. As for Kuwait, in January 2012 it pledged a \$100 million loan to be delivered by January 2013 to finance large-scale projects. No proof was made public that such a transfer took place.

The ouster of the Muslim Brotherhood from power in July 2013 reactivated the flow of aid and fuel donations from Saudi Arabia, the UAE, and Kuwait to Egypt. Less than one week later, Saudi Arabia pledged a \$5 billion package to Egypt. Riyadh thus added \$1 billion to the amount promised to Essam Sharaf's government in 2011. The Saudi assistance consists of a \$1 billion grant, \$2 billion in deposit at the Central Bank of Egypt (CBE), and \$2 billion worth of petroleum products.³³ The UAE pledged a \$3 billion package on the same day consisting of a \$1 billion grant and a \$2 billion interest-free deposit at the CBE. The following day, on July 10, Kuwait promised a \$4 billion aid package to Egypt. The package comprises a \$1 billion grant, a \$2 billion deposit at the Central Bank, and \$1 billion worth of oil products. In August 2013, Egypt's foreign currency reserves, thanks to Gulf aid, increased to \$18.9 billion, the highest since November 2011.³⁴ On October 26, 2013, the UAE announced that it would increase its financial package to Egypt to \$4.9 billion.³⁵ As of July 2013, the UAE had already transferred \$1 billion to the CBE and Kuwait had sent two oil tankers carrying crude and diesel worth \$200 million to Egypt.³⁶ In December 2013, Kuwaiti officials confirmed the transfer of its promised aid despite the lawsuit that Kuwaiti Islamist politicians and lawyers filed against it.³⁷

31. "Saudi Aid Package for Egypt Being Finalised," Reuters, available at: <http://www.reuters.com/article/2012/05/22/saudi-egypt-idAFL5E8GM5B320120522> (accessed February 25, 2014).

32. "UAE Says Discussing Mechanism for \$3 Bln Egypt Aid," *Al-Abram*, available at: <http://english.ahram.org.eg/NewsContent/3/12/24854/Business/Economy/UAE-says-discussing-mechanism-for--bln-Egypt-aid-.aspx> (accessed February 25, 2014).

33. "GCC on Egypt Crisis: A No-Strings Attached Relationship," *Gulf News*, available at: <http://gulfnnews.com/business/opinion/gcc-on-egypt-crisis-a-no-strings-attached-relationship-1.1208561> (accessed February 25, 2014).

34. "CBE Governor: Egypt's Foreign Currency Reserves Inch up to \$18.9 Bn," Egypt State Information Service, available at: <http://www.sis.gov.eg/En/Templates/Articles/tmpArticleNews.aspx?ArtID=70707#U0Rbwq3BOTw> (accessed April 8, 2014).

35. Alaa Shahine, "Egypt Wins \$2.9 Billion in Additional UAE Aid," Bloomberg, available at: <http://www.bloomberg.com/news/2013-10-27/egypt-wins-2-9-billion-in-additional-u-a-e-aid.html> (accessed February 25, 2014).

36. "Kuwait Sends \$200 Million Worth of Oil to Egypt," Reuters, available at: <http://www.reuters.com/article/2013/07/14/us-egypt-politics-kuwait-aid-idUSBRE96D05L20130714> (accessed February 25, 2014).

37. "Kuwait Renews Aid Pledge to Egypt despite Domestic Protest," *Al-Abram*, available at: <http://english.ahram.org.eg/News/88735.aspx> (accessed February 25, 2014).

As of January 2014, the CBE declared having already received \$9 billion from the three countries, immediately bolstering the Egyptian pound and the Egyptian stock market.³⁸ Saudi Arabia and the UAE then declared additional packages of \$4 billion and \$1.8 billion, respectively, in Central Bank deposits and petroleum products.³⁹

Aid from the Gulf States holds a strong political significance for both Egypt and the GCC countries. In Egypt, the deterioration of the economic and financial situation under Morsi fed into the popular mobilization against him.⁴⁰ Fuel shortages not only caused power cuts across Egypt, but violence also mounted as Egyptians queued up at gas stations. A faltering economy and the state's bureaucratic resistance to the Brotherhood regime fed into each other rendering the Qandil government unable to deliver services. The massive flow of aid was also a message to the Obama administration which was not supportive of Morsi's overthrow, wary of its consequences on the taming of political Islam. The aid sent a message about Gulf contestation of current US policies in the region and allowed Egypt to present its new political order to Washington and international organizations as a *fait accompli*. It was also no surprise that Egypt announced the suspension of its unfruitful negotiations with the IMF in August 2013.⁴¹ The amount of aid Egypt received from the three Gulf countries was three times the amount of the inaccessible IMF loan. For the Egyptian media and public opinion, inter-Arab solidarity was once again paying off in the face of "western" interference in domestic affairs.

On a regional scale, traditional spheres of influence were restored. Saudi and Emirati financial support rolled back the mounting political and financial influence of Qatar, Iran, and Turkey over Egypt. In fact, the CBE went so far as to return a \$2 billion deposit to the state of Qatar in September 2013.⁴² By January 2014, the

38. "Egypt Central Bank Receives Additional \$2 Billion from Saudi Arabia," *Al-Abram*, available at: <http://english.ahram.org.eg/NewsContent/3/12/92964/Business/Economy/Egypt-Central-Bank-receives-additional--billion-fr.aspx> (accessed February 25, 2014).

39. "\$5.8 Bn of Fresh Gulf Aid to Egypt," *Al-Abram*, available at: <http://english.ahram.org.eg/NewsContent/3/12/93048/Business/Economy/-bn-of-fresh-Gulf-aid-to-Egypt.aspx> (accessed February 25, 2014).

40. Salman Sheikh and Hafez Ghanem, "On the Brink: Preventing Economic Collapse and Promoting Inclusive Growth in Egypt and Tunisia," November 2013, available at: <http://www.brookings.edu/research/papers/2013/11/economic-recovery-tunisia-egypt-shaikh-ghanem>.

41. "Egypt Doesn't Need IMF Loan at Current Time,' Finance Minister," *Al-Abram*, available at: <http://english.ahram.org.eg/NewsContent/3/12/84110/Business/Economy/Egypt-doesnt-need-IMF-loan-at-current-time-Finance.aspx> (accessed March 1, 2014).

42. "Egypt Returns \$2 Bn to Qatar in Sign of Worsening Bilateral Ties," *The Financial Times*, available at: <http://www.ft.com/intl/cms/s/0/194eb1f0-214a-11e3-a92a-00144feab7de.html#axzz-2tZkEPKx9> (accessed February 25, 2014).

Qatari ambassador had left Egypt and his Egyptian counterpart was back in Cairo.⁴³ Qatar's aid package to Egypt had reached \$8 billion by the time Morsi was toppled, in addition to an \$18 billion five-year investment package.⁴⁴ Aid from Saudi Arabia, UAE, and Kuwait also empowered Egypt to downgrade its diplomatic relations with Turkey for its prime minister's statements against the July 3 regime change. The Turkish ambassador was declared persona non grata in November 2013 despite the \$2 billion package Ankara had promised Cairo in September 2012, of which \$1 billion was already transferred.⁴⁵

Transnational Flows of Men, Money, and Ideology

Business Networks

Gulf investors were associated with Mubarak's crony capitalism. Starting in 2011, Egyptian "revolutionary" lawyers sued Saudi, Emirati, and Kuwait businessmen accused of bribery to manipulate Egypt's tenders and auctions law. The Essam Sharaf government could not but go along with the lawsuits amid the 2011 revolutionary fervor. Among the major cases was one against Prince Al-Walid Bin-Talal's Kingdom Agricultural Development and Gamil Al-Kanbit's Anwal United Trading Company. The lawsuits also involved top Emirati companies such as Al-Futtaim Group and DAMAC. The Egyptian courts issued some eleven decisions related to investment contracts in the Mubarak years involving Gulf investors.⁴⁶ DAMAC's chairman was even personally convicted.⁴⁷ Some of those investors, such as DAMAC, initiated international multi-billion dollar arbitration cases against the government of Egypt. Others like Kingdom Holding privileged a friendly settlement. Talk about friendly settlement of disputes began to be heard a couple of months after these lawsuits were filed, and Egypt's deteriorating economic and financial situation may have been

43. "Qatar's Ambassador Leaves Cairo without Any Public Statements," Al-Shorouk, January 30, 2014; "The Ministry of Foreign Affairs' Spokesperson: Egypt's Ambassador to Qatar is on Vacation," available at: <http://gate.ahram.org.eg/News/451411.aspx> (accessed March 1, 2014).

44. Maria Abi-Habib and Reem Abdellatif, "Qatar's Aid to Egypt Raises Fears on Motives," *The Wall Street Journal*, available at: <http://online.wsj.com/news/articles/SB10001424127887324031404578480771040838046> (accessed March 1, 2014); Nesma Nowar, "Aiding or Dictating?" *Al-Ahram Weekly*, September 13, 2012.

45. "Turkey to Give Egypt Rest of \$2 Bln Loan within 2 Months: Sources," *Al-Ahram*, available at: <http://english.ahram.org.eg/News/69459.aspx> (accessed March 1, 2014).

46. "Gulf Investors Seek Collateral for Egypt Investments," *Daily News Egypt*, available at: <http://www.dailynewsegypt.com/2013/12/07/gulf-investors-seek-collateral-for-egypt-investments/> (accessed March 1, 2014).

47. "Egypt Says Disputes with Dubai's DAMAC are Resolved," Reuters, available at: <http://www.reuters.com/article/2013/05/15/egypt-damac-idUSL6N0DW4PL20130515> (accessed March 1, 2014).

the reason. The first settlement was reached with Kingdom Holding under Essam Sharaf's government in April 2011.⁴⁸ Other settlement attempts started under the Muslim Brotherhood government of Qandil and continued under Al-Beblawi's.⁴⁹ Political activists, particularly leftists, saw these moves towards friendly settlements with Gulf investors as a sign of continuing crony capitalism and corruption. The Ministry of Investment had in 2012 created a separate committee to settle the disputes with Gulf investors. The prime minister himself presided over it.⁵⁰ By 2014, the Beblawi government announced the settlement of disputes with nineteen Gulf firms. The legal committee at the Ministry of Defense participated in these settlements, a sign of the favored treatment reserved for Gulf investors in Egypt.⁵¹ These settlements did not include major cases that are still subject to international commercial arbitration.

Meanwhile, bilateral business councils came under political pressure from both the Egyptian and Gulf sides since 2011. On the one hand, Gulf businessmen tried to mobilize these councils to protect their investments in Egypt against legal prosecution, sequestration, or even potential nationalization.⁵² On the other hand, pre-Beblawi governments in Egypt tried to use these networks to lobby for the strengthening of political and economic relations with Saudi Arabia and the UAE. The leading Muslim Brotherhood businessman Hassan Malek, for example, became head of the Egyptian-Saudi Business Council. As expected, in the post-Morsi regime, the new minister of trade and industry reshuffled the Egyptian members of the bilateral business councils with Saudi Arabia and the UAE.⁵³ Moreover, the biggest sign of

48. "Saudi Prince Alwaleed Says Land Settlement is 'Satisfying'," Bloomberg, available at: <http://www.bloomberg.com/news/2011-04-24/saudi-prince-alwaleed-says-land-settlement-is-satisfying-1-.html> (accessed March 1, 2014).

49. "Egypt Says Disputes with Dubai's DAMAC Are Resolved," Reuters, available at: <http://www.reuters.com/article/2013/05/15/egypt-damac-idUSL6N0DW4PL20130515> (accessed March 1, 2014).

50. "Minister of Investment: A Committee Headed by Qandil to Look into Settlements with Businessmen," State Information Service, available at: <http://sis.gov.eg/Ar/Story.aspx?sid=62975> (accessed March 1, 2014).

51. "GCC to Inject New Investments Worth \$10 Bln in Egypt by 2014," Ministry of Investment, available at: <http://www.investment.gov.eg/en/Highlights/Pages/GCC04-12-2013.aspx> (accessed March 1, 2014); "Abdullah Bin Mahfouz: 'Defense' Supervised the Settlement of Six Disputes with Saudi Investors," Al-Borsa, available at: <http://www.alborsanews.com/2013/12/29/ح-على-أشرفت-الدفاع-محفوظ-بن-عبدالله/> (accessed March 1, 2014).

52. "The Saudi-Egypt Business Council: Heading to Where?" Al-Arabiya, available at: <http://www.alarabiya.net/views/2011/09/18/167415.html> (accessed March 1, 2014).

53. "Reshuffling the Egypt-Saudi Business Council," *Al-Abram*, available at: <http://www.ahram.org.eg/News/988/5/239763/إعادة-إقتصاد-مجلس-تشكيل> (accessed March 1, 2014).

private business support was the Egypt-GCC forum held in December 2013 under the auspices of Egypt and the UAE.⁵⁴ Gulf investors pledged \$10 billion, the largest amount of investments in Egypt since Mubarak's fall.⁵⁵ In January 2014, the Saudi ambassador to Cairo inaugurated a new Saudi-Egyptian businessmen association to work on the development and protection of current investment relations and to sponsor SMEs in Egypt.⁵⁶

Business networks do not involve only businessmen. Labor is also at stake. Egyptian labor in the Gulf currently numbers 2.4 million, and 50 percent of them are in Saudi Arabia followed by 712,000 in the UAE. Thirty-four percent of Egypt's total migrant labor is hence in Saudi Arabia.⁵⁷ In 2013, Egypt and the GCC countries became the world's largest corridor of migrant labor, when Egypt was still under Muslim Brotherhood rule.⁵⁸ Egyptian labor remittances from Saudi Arabia amounted to \$5.6 billion in 2013, or 27.6 percent of total Egyptian migrant labor remittances to Egypt. The record shows that the conventional Mubarak-era political neutralization of the Egypt-GCC labor market continued after the revolution. Egyptian labor remittances continued to increase.⁵⁹ Post-Mubarak governments too continued to ignore media reports and demonstrations staged by the Association of the Families of Egyptians Detained in Saudi Arabia established in December 2011.⁶⁰ However, news circulated in the Egyptian media of an opposite trend in labor relations with the UAE.⁶¹ While Egyptian and UAE officials denied any restrictions

54. "Mansour Receives GCC-Egypt Forum Delegation," State Information Service, available at: <http://www.sis.gov.eg/En/Templates/Articles/tmpArticleNews.aspx?ArtID=71576#.UwE8Yv2619I> (accessed March 1, 2014).

55. "GCC to Inject New Investments Worth \$10 Bln in Egypt by 2014," Ministry of Investment, available at: <http://www.investment.gov.eg/en/Highlights/Pages/GCC04-12-2013.aspx> (accessed March 1, 2014).

56. "Ambassador of the Custodian of the Two Holy Mosques in Cairo Launches 'the Saudi-Egyptian Businessmen Association'," *Asbarq Al-Awsat*, December 31, 2013; "Prime Minister to Deliver a Speech at the Launching of the Saudi-Egyptian Businessmen Association," Ministry of Trade, Industry and Investment, available at: http://www.mfti.gov.eg/reports/press_release.asp?Id=2422 (accessed March 1, 2014).

57. "Yasser Ali: Egyptian Labor in Gulf over 3 Millions," State Information Service, available at: http://www.sis.gov.eg/En/Templates/Articles/tmpArticleNews.aspx?ArtID=68433#.Uulze_2619I (accessed March 1, 2014).

58. "Migration and Remittance Flows: Recent Trends and Outlook, 2013-2016," The World Bank: Migration and Development Brief 21, available at: <http://siteresources.worldbank.org/INT-PROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief21.pdf> (accessed March 1, 2014).

59. "Migration and Remittances Data," World Bank, available at: <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,,contentMDK:22759429~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html> (accessed February 20, 2014).

60. Doaa El-Bey, "Justice Denied," *Al-Ahram Weekly*, November 8, 2012.

61. "Egyptians in UAE Worry about Visa Crisis," *Al-masry Al-yaum*, April 25, 2011.

on work permits to Egyptians in reaction to the Egyptian revolution, such news continued to circulate notwithstanding the denials.⁶²

Transnational Networks of Ideology

Hosni Mubarak's fall triggered the political empowerment of Islamism in Egypt. Egyptian liberals and non-Islamist media perceived this empowerment as an immediate political triumph for Saudi Arabia. Riyadh is still perceived in Egypt as the main sponsor of Islamism worldwide. Large numbers of Muslim Brotherhood militants and Egyptian Salafis have worked, studied, and even taught in Saudi Arabia for several years. The post-Mubarak media continued to portray Egyptian Salafis and Jihadis as clients of the Saudi "Wahhabi" ideology. The authorities launched two campaigns against foreign funding of local NGOs and Islamic organizations in 2012 and 2013 but no proof of Saudi funding was revealed. As early as May 2011, a number of Egyptian bloggers, Shia, and Coptic Christians staged protests before the Saudi Embassy in Cairo demanding that Saudi Arabia stop financing Egyptian Salafis and extremists who incite sectarian violence.⁶³ On July 29, 2011, Islamist parties and political movements organized their own exclusively Islamist rally in what was sarcastically dubbed "Kandahar Friday." Egyptian Islamist demonstrators waved Saudi flags on Tahrir Square along with the black flags of Al-Qaeda. Non-Islamist media and political actors perceived these signs as a proof of Saudi patronization.

The visits by several Saudi scholars to Egypt under the Brotherhood regime sustained this perception. The visits by Sheikh `Aed Al-Qarni and Mohamed Al-Oreifi in January 2013 were particularly noteworthy. Both the Muslim Brotherhood and Salafi movements, who were still allies, capitalized on these visits at a time when anti-Islamist mobilization was escalating in Egypt. Al-Oreifi visited Egypt on an official invitation from Al-Azhar.⁶⁴ Prime Minister Qandil personally received him while the prominent Salafi preacher Mohamed Hassan hosted Al-Qarni. Both Al-Qarni and Al-Oreifi used their Cairo Friday sermons to call on Gulf businessmen and states to invest in Egypt and support it. They both reiterated this call in their interviews on the Brotherhood satellite channel, Misr 25. Al-Oreifi also participated in the Egyptian Islamist campaign to support the Syrian revolution while in Cairo.

62. Ahmed Shaaban, "No Visa Restrictions on Egyptians," *Khaleej Times*, available at: http://www.khaleejtimes.com/displayarticle.aspx?xfile=data/theuae/2011/April/theuae_April734.xml§ion=theuae&col (accessed March 1, 2014).

63. "Protest Before Saudi Embassy Against Financing Salafis," *Egypt Independent*, available at: <http://www.egyptindependent.com/news/protest-saudi-embassy-against-financing-salafis> (accessed February 20, 2014).

64. "Saudi Preacher Mohamed Al-Oreifi Visits Egypt Next Thursday on Invitation by Al-Azhar," *Al-Abram*, available at: <http://gate.ahram.org.eg/News/291517.aspx> (accessed February 20, 2014).

Al-Oreifi had made a very emotional speech about Egypt one month earlier in Saudi Arabia condemning “those who seek strife in the country,” in reference to opposition calls to topple Morsi.⁶⁵ Along with prominent fellow Saudi shaikhs like Mohsen Al-Awaji, Awad Al-Qarni and Said Al-Ghamdi, Al-Oreifi signed a statement of support to Morsi on July 13, 2013.⁶⁶

Progressively, the Muslim Brotherhood became associated with Qatar, and the Salafis, mistakenly perceived as a uniform bloc, with Saudi Arabia. It was becoming clearer that Egyptian secularists viewed Saudi Arabia with as much suspicion as they did the political empowerment of the Brotherhood. Saudi Arabia as well as the UAE and Kuwait have a history of complex political relations with the Brotherhood. The conventional perception of the Brotherhood in the Kingdom holds them responsible for the political mobilization and radicalization of Islamist movements against the ruling regime not only in Saudi Arabia but also across the Arab world, as stated by Prince Nayef bin Abdel Aziz in 2002.⁶⁷ The Saudi religious establishment not only denounced demonstrations against Mubarak in 2011 but its scholars such as Shaikh Saleh Al-Luhaidan and Shaikh Abdel Aziz Al Shaikh, the Saudi mufti, also spoke against the empowerment of the Brotherhood.⁶⁸ Brotherhood leaders were aware of Saudi suspicions. Morsi consequently declared in his inaugural speech as President in June 2012 that he had no intention to export the Egyptian revolution abroad. The UAE’s minister of foreign affairs had even welcomed this statement before the UAE arrested a Muslim Brotherhood cell accused of conspiring against the ruling regime in the country in January 2013.⁶⁹

Sponsored by Saudi Arabia or not, large sections of Egyptian Salafis shared the same Saudi positions on various Egyptian domestic and foreign policy issues. First of all, Salafis, Muslim Brotherhood’s major political ally at that moment, were a major

65. “Saudi Imam Asks Arab Businessmen to Invest in Egypt, Stirs Controversy,” *Al-Ahram*, available at: <http://english.ahram.org.eg/NewsContent/1/64/62324/Egypt/Politics-/Saudi-Imam-asks-Arab-businessmen-to-invest-in-Egyp.aspxm> (accessed February 20, 2014).

66. “Hundreds of Saudi Intellectuals Sign Pro-Morsi Statement of Support,” *Middle East Monitor*, available at: <https://www.middleeastmonitor.com/news/middle-east/6560-hundreds-of-saudi-intellectuals-sign-pro-morsi-statement-of-support> (accessed February 20, 2014).

67. “The Brotherhood has done great damage to Saudi Arabia ... All our problems come from the Muslim Brotherhood ... The Muslim Brotherhood has destroyed the Arab World,” *Arab News*, available at: <http://www.arabnews.com/node/226291> (accessed March 1, 2014).

68. Al-Luhaidan is former head of the Supreme Council of Justice and a member of the Supreme Council of Ulema; see <http://www.youtube.com/watch?v=YEm9YW4HcBE>; “Saudi Mufti Warns Against the Muslim Brotherhood,” *Middle East Online*, available at: <http://www.middle-east-online.com/?id=153623> (accessed February 25, 2014).

69. “UAE Praises Morsi’s Statement,” *Al-Masry Al-yaum*, July 4, 2012; “UAE Arrests a Muslim Brotherhood Cell,” *Al-Arabiya*, available at: <http://www.alarabiya.net/articles/2013/01/01/258039.html> (accessed March 1, 2014).

impediment to the latter's rapprochement with Iran. Morsi indeed tried to allay Salafi anger against his visit to Tehran by delivering an overly sectarian speech there on August 30, 2012. The speech was alien to Egypt's and even the Brotherhood's foreign policy discourse. Ahmadinejad then received a hostile and violent Salafi welcome to Cairo during his February 2013 visit. In April 2013, Salafis demonstrated against the return of Iranian tourists and official visits to Egypt portraying it as a "Shia invasion" of Egypt.⁷⁰ The Cairo-Tehran flights were interrupted only one week after their resumption due to these demonstrations.⁷¹ Salafis, except for Al Nour Party and Jama'a Islameya, were also a major element in the radicalization of Egypt's policy towards Syria, bringing it closer to current Saudi policies. Under Salafi pressure, Morsi declared Jihad against the Assad regime and endorsed the Salafi sectarian view of the Syrian revolution as a war between the Arab Sunna and Persian-led Shia.⁷² Yet, Morsi's attempt to use Syria in order to court both Saudi Arabia and the Salafis partially failed. Both Riyadh and the major Egyptian Salafi party, al-Nour, backed his ouster on July 3, 2013.

Conclusion

This paper argued that the Egypt-Gulf security complex survived not only because of the money that Saudi Arabia, UAE, and Kuwait ended up pumping into Egypt's economy but also because of the complex interdependence between both countries. The structure of regional international relations and transgovernmental as well as transnational flows, especially between Egypt and Saudi Arabia, have constrained the ability of states on both sides to disrupt their shared security community. Many elements suggest that Egypt and Saudi Arabia will maintain their informal alliance at least over the medium term. First and foremost, there is a social construction shared by elites as well as societies on both sides that Gulf-Egypt relations are bound by the norms of Arabism and Islam and a dense political history. Second, Egypt's regional and domestic contexts suggest that the military establishment will maintain its strategic relations with Saudi Arabia and will continue to enjoy political preponderance at home. The military establishment will thus continue to impact Egypt-GCC relations, and so far this impact has been positive. Third, in 2014 Saudi Arabia became the second largest foreign investor in Egypt and its private sector's

70. Ahmed Aboul Enein, "Salafis Protest 'Shi'a Invasion'," available at: <http://www.dailynewsegyp.com/2013/04/05/salafis-protest-shia-invasion/> (accessed February 20, 2014).

71. "Cairo-Teheran Flights Suspended, a Week After their Historic Return," Al-Arabiya, available at: <http://english.alarabiya.net/en/News/middle-east/2013/04/08/-Cairo-Tehran-flights-suspended-a-week-after-their-historic-return.html> (accessed March 1, 2014).

72. "Morsi: Today We Stand against Hezbollah's aggression against the Syrian People," *El Watan*, June 15, 2013.

investments reached \$23 billion in more than 3,000 projects.⁷³ Saudi Arabia remains Egypt's major trade partner and the leading regional investor in it. By the end of 2013, Saudi investments in Egypt amounted to \$2.5 billion while the trade volume was \$5 billion.⁷⁴ In addition to finance, Riyadh followed the Egyptian authorities and declared the Muslim Brotherhood a terrorist organization by virtue of the law adopted in February 2013. Such a position thus supports Egypt's in the international and regional arenas. In addition to all of the above, both countries are wary of the regional consequences of US détente with Iran.

However, Egypt's informal alliance with Saudi Arabia is not invulnerable. Regional rivalry is embedded in this relationship where every party perceives itself as a traditional regional power. Cairo sent messages that it will not align its foreign policy with its Gulf sponsors despite its current political and economic fragility and even after the July 3 regime change. For instance, an Egyptian public diplomacy delegation visited Tehran with the support of the ministry of foreign affairs in December 2013.⁷⁵ Nabil Fahmi, the current chief of diplomacy, led the opposition in the League of Arab States against a Gulf-led declaration in support of a US military intervention in Syria.

Moreover, the infusion of \$12 billion in aid from Saudi Arabia, UAE, and Kuwait is expected to sustain Egypt's economy for six to twelve months only.⁷⁶ Prince Saud Al-Faisal declared in September 2013 that "We cannot support Egypt forever."⁷⁷ Kuwait and UAE sent similar messages.⁷⁸ The Gulf States also have their own rising socioeconomic and sociopolitical problems to resolve which they need their own

73. "Saleh Lauches the Saudi-Egyptian Business Council," Masrawy, available at: <http://www.masrawy.com/news/egypt/economy/2012/september/12/5346640.aspx> (accessed March 1, 2014).

74. "New Roadmap for Egyptian-Saudi Economics Relations under Development: Abdel Nour," Ministry of Investment, available at: <http://www.investment.gov.eg/en/media/pressreleases/Pages/Abdel%20Nour16-11-2013.aspx> (accessed March 1, 2014).

75. "Unofficial Egyptian Delegation Heads to Tehran," *Al-Ahram*, available at: <http://english.ahram.org.eg/NewsContent/1/64/88767/Egypt/Politics-/Unofficial-Egyptian-delegation-heads-to-Tehran-.aspx> (accessed March 1, 2014).

76. Jeremy M. Sharp, "Egypt: Background and U.S. Relations," Congressional Research Service, p.4, available at: <http://www.fas.org/sgp/crs/mideast/RL33003.pdf> (accessed March 1, 2014).

77. "Al-Faisal Warns: Saudi Arabia Will Not Support Egypt Forever," Middle East Monitor, available at: <https://www.middleeastmonitor.com/news/middle-east/7229-al-faisal-warns-saudi-arabia-will-not-support-egypt-forever>, (accessed February 25, 2014).

78. Hani Farouk, "Gulf States Won't Stand by Egypt Forever," *Al-Ahram*, available at: <http://digital.ahram.org.eg/articles.aspx?Serial=1515737&eid=865> (accessed February 25, 2014); "Egypt Can't Rely on Gulf Aid Forever," Trade Arabia, available at: http://www.tradearabia.com/news/REAL_246085.html (accessed February 25, 2014); "More Than Temporary Relief?" *Al-Ahram*, available at: <http://weekly.ahram.org.eg/News/4547/18/More-than-temporary-relief-.aspx> (accessed February 25, 2014).

resources. Yet, if the Gulf gradually reduces its support to Egypt, it may lead Cairo towards international and regional choices that Gulf countries do not necessarily prefer. First of all, western countries and a considerable section of the Egyptian public opinion perceive the political reintegration of Muslim Brotherhood as the path towards political stability in Egypt. Saudi Arabia's appropriation of Egypt's war against the Muslim Brotherhood's "terrorism" may hence be an impediment to any domestic reconciliation inside Egypt. Second, the current American and European orientation towards Syria and Iran is not necessarily compatible with the Gulf's and they could certainly influence Egypt's positions on these two issues. Moscow is already capitalizing on Cairo's post-July 3 moderate position on the Syrian crisis. In addition, the populist rhetoric inciting Egypt's autonomy vis-à-vis traditional regional and international patrons may easily be used against Saudi Arabia. After all, Nasser remains the most popular and cherished Egyptian leader and crowds are already calling upon El-Sisi to become Egypt's new Nasser.

About the Author

Yasmine Farouk is Assistant Professor of Political Science at the Faculty of Economics and Political Science, Cairo University. She received her Ph.D. in International Relations from Sciences Po Paris in 2010. She worked in the Egyptian Council of Ministers from 2011 to 2013 where she served as the UNDP focal point for the Egyptian National Dialogue and then as head of the Civil Society Unit at the Social Contract Center.



Gulf Research Center
Knowledge for All

www.grc.net