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FIIA BRIEFING PAPER 179 ▪ August 2015

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Wolfgang Mühlberger
Senior Research Fellow
The Finnish Institute of International Affairs

FIIA Briefing Paper 179
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- Egypt's political transition entered a new phase with the military coup in mid-2013: pluralistic tendencies have been systematically uprooted and the Egyptian armed forces have positioned themselves as a determining political force.

- Several external actors, driven by a diverse set of interests, have a stake in this process. The EU tries to accommodate its own ideals of open societies with emerging threat perceptions. The US position is dominated by hard security considerations based on military cooperation with Egypt. The Gulf monarchies, on the other hand, need a firewall against non-authoritarian political systems and the Muslim Brotherhood alike.

- Since the military coup, a patriotic discourse on foreign interests weakening the nation rose to the fore, fully embraced by Egypt's mainstream media and shaping public perceptions of external influences.

- In practice, no external player genuinely supported a democratic transition, due to uncertainty about Egypt's political stability. The EU's stance was also affected by lack of influence and reluctance to use existing leverage, while for the pro-authoritarian Gulf countries it was a matter of principle.

- The Gulf monarchies play a pivotal role through their financial support of the Egyptian government. Yet this aid is tied to substantial political dimensions: the Gulf countries have strategic regional goals related to the Muslim Brotherhood, Iran and, more generally, an anti-pluralistic attitude.

- Eventually, anti-Islamist, regime stability and hard security considerations have been conflated, both domestically and internationally, resulting in the persecution of the entire spectrum of political opposition in Egypt.

The European Union research programme
The Finnish Institute of International Affairs

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Egypt: at the heart of Middle Eastern turmoil[1]

Due to its geo-strategic location (Suez Canal, proximity to Israel, Libya and the Arab Peninsula), external players tend to get enmeshed in Egyptian affairs, in order to achieve their strategic goals. This was evident during the main stages of Egypt's political transition from 2011 onwards.

The latest phase of this transformation, since the coup in mid-2013, has been cast in Egypt and internationally in terms of stability considerations. In fact, domestically, this corresponds to *ancien régime* reconsolidation, whilst introducing opportunities for the United States to reconfigure military cooperation, and opening the playing field to increased leverage by certain Gulf countries. The European Union's role, on the other hand, appears to be limited to potentially providing the new military-backed regime with legitimacy, in particular at the international level. Effectively, the role of the EU[2] in Egyptian affairs should not be overestimated, whereas the US and the Gulf countries are highly relevant actors – the US as a global player with specific interests linked to Egypt and its neighbourhood, while the Gulf countries employ considerable financial means.

Yet Western democracies' drive to project their own standards of human rights and liberal democracy in international cooperation tends to translate into political conditionality. Hence, EU or US support for democratisation and human rights promotion in Egypt is often perceived and labelled as foreign meddling. This pertains in particular to the current Egyptian regime, which expends considerable energy in developing a posture of deterrence against Islamic violence: in their 'war on terrorism' directed against the Muslim Brotherhood and ISIL/Daesh alike, the policy implications of these Western ideals are perceived as highly bothersome.

This stance translates into anti-Western polemics regarding a supposed pro-Islamist bias in the EU and in the Obama administration, and the rejection of 'excessive' criticism with regard to human rights violations (such as those repeatedly expressed by the former EU High Representative Catherine Ashton). At the same time, the disbursement of Gulf funds into the ailing Egyptian economy is often labelled as neutral. However, these Gulf funds are direct investments into the authoritarian re-shaping of Egypt and are therefore of an essentially conditional nature. This paper assesses the actual role played by external actors in the Egyptian transition since 2011 and highlights their gradual support for a political role for the Egyptian armed forces since the coup in mid-2013.

The military coup: from political transition to regime re-consolidation

The toppling of the elected Egyptian president, Mohammed Morsi, in June 2013 unleashed a wave of patriotic fervour, accompanied by a nationalistic discourse referred to as 'national duty' (Arabic: *Al-wagib al-watani*). Moreover, the political transition towards pluralism and democratisation, albeit already distorted under the rule of the fundamentalist Muslim Brotherhood, has been entirely disparaged since the coup. In this tense atmosphere, the recourse to chauvinistic rhetoric and conjuring up a 'closing of the ranks' are also considered useful tools to counter unwanted external interference. This outspoken mistrust of Western interests is even more pronounced in intelligence circles, from which a good number of high- profile officials hail.[3]

Meanwhile, President Abdel Fattah el-Sisi continues to consolidate his position, based on his role in the 'war on terrorism' (against ISIL/Daesh in Sinai, and possibly in Libya if peace talks fail) and buttressed by financial support from oil-rich Gulf countries.

1 This research was supported by a Marie Curie International Research Staff Exchange Scheme Fellowship SPrinT (Strategic Partnership in Transition) within the 7th European Community Framework Programme.

2 Referring to the European Union in the context of this paper means the sum of EU institutions such as the EEAS or directorates of the EU Commission, as well as policies and instruments (ENP, ENI, etc.) dealing with MENA affairs. This paper offers a more detailed analysis of the EU compared to the US and the Gulf.

3 The new Interior Minister, Major General Magdy Abdel-Ghaffar, is a former head of the State Security Investigations Service and Fayza Abul-Naga, security advisor to President el-Sisi, is the architect of the government's anti-NGO policies.

With no elected legislature in place to check his rule by decree, he paves the way for authoritarian rule à la lettre and conveniently sidelines the old structures from the era of former President Hosni Mubarak, including the National Democratic Party (NDP).[4]

Under such circumstances, the leverage of external actors must be appreciated in the light of linkages to the political system, including to major state institutions such as the armed forces. With the military in a prominent political role, epitomised by a head of state from within the Supreme Council of the Armed Forces (SCAF), the effective exertion of foreign influence is limited to those with access to these circles.

The European Union: retreat of the value camp

From the EU's perspective, Egypt is considered an important player in the Southern Neighbourhood for three main reasons: migration (mainly as a transit route), (counter-)terrorism, and the Suez Canal. Correspondingly, the Union remains Egypt's most important trading partner, creating interlinkages and mutual dependencies, seemingly to the detriment of idealistic stances.

This overall appreciation of Egypt's role, topographically at the heart of an Arab world in turmoil, tends to influence EU policies beyond the projection of lofty ideals and has paved the way for increased acceptance of the new military-backed regime. Nevertheless, during the period between January 2011 (onset of the upheaval) and mid-2013 (military coup), the EU remained true to its principles, a stance creating much 'disappointment' in Cairo.

During the early stage of the Arab Spring, when Egypt was under the direct rule of the SCAF, the EU reacted by adopting its policies and instruments in order to incentivise political change in the making.[5] Several financial and cooperation instruments were put on hold, however, due to inadequate respect for fundamental freedoms. An additional challenge for the EU was posed by the novelty of the European External Action Service (EEAS) at the very start of the regional upheaval in North Africa. To achieve a political transformation towards democracy, a string of official EU statements favoured a pluralistic transformation and the 'more-for-more' approach was developed, linking co-operation to progress and reform in key policy areas.

The EU budget for cooperation with Egypt amounts to €150m yearly, with more than 50% of these funds being fed directly into the Egyptian state budget.[6] Yet most meetings related to the European Neighbourhood Policy (ENP) have been suspended since 2011 (the subcommittee on trade only reconvened as recently as January 2015). On the other hand, the EU made a tactical choice by referring to the military coup of 2013 as a 'transition' in official documents, nominally in line with Cairo's views.

Nevertheless, the regime in Cairo still felt 'misunderstood' due to the EU's principled approach with regard to basic rights and the continued freezing of meetings. However, the EU's Election Observation Mission (EU EOM) in May 2014 during the presidential elections provided the new regime in the making with the much- sought-after benefit of the doubt.[7] As a matter of fact, one of the main benefits the EU can offer Egypt in political terms is providing legitimacy to the regime, countering its labelling as a rogue state or military dictatorship.

Internally, the EU was relatively split along diverging positions with regard to human rights, Egypt's role in regional stability, and the potential of the

4 Cabinet moves to tear down former NDP building, *Mada Masr*, 27 March 2014 (http://www.madamasr.com/news/cabinet-moves-tear-down-former-ndp-building).

5 The framework for EU cooperation with Egypt is defined by the 2004 Association Agreement, the EN(P)I and the ENP Action Plan.

6 The European Court of Auditors (ECA) issued a special report in 2013, criticising the lack of accountability for these funds (http://www.eca.europa.eu/Lists/ECADocuments/SR13_04/SR13_04_EN.PDF).

7 Despite some critical content in the recommendations of the final report (http://www.eueom.eu/files/pressreleases/english/eueom-egypt2014-final-report_en.pdf), the perception, also in Egypt, was still one of endorsing the presidential elections. In that sense, the EU is considered a cachet and a moral authority – and should use this fact for increased leverage.

Muslim Brotherhood for domestic de-escalation.[8] Yet due to the escalation of violence in the region, internal disagreements on these issues eventually became blurred. Eventually, this led to a rehabilitation of the interrupted 'Mubarak approach', namely the acceptance of tough authoritarian leadership, supposedly checking the threat of jihadist violence, while turning a blind eye to the trigger effect for militancy.

By embracing the motto of Egypt being 'too big to fail', this stance corresponds to the acquiescence of Egypt's authoritarian political restructuring, while acknowledging the lack of European clout – or rather accepting its reluctance to employ existing leverage. Initial prerequisites for the normalisation of relations, such as the implementation of the 'Sisi roadmap' (Constitutional Declaration of July 2013), and first and foremost the organising of parliamentary elections, have quietly been backtracked.

Yet EU positions have, in particular, been undermined by conflicting member state actions, including France and Italy inviting President el-Sisi on official state visits in late 2014, before the fulfilment of the full set of conditions. The Egyptian regime could thereby test the ground and reach its own conclusions about the rigidity of EU principles, as well as assess the cleavage between the policies of the EU and its individual member states. Under such circumstances, any incentive-driven approach by the EU (such as the more-for-more conditionality) will turn out to be a dysfunctional tool.

Currently, the EU still maintains a strong focus on the declaratory level with regard to human rights standards, entirely in line with the post-coup Council Conclusions of August 2013. In real terms, however, the unchecked rule by presidential decrees, military jurisdiction for civilians and the menaces against foreign NGOs/CSOs did not lead to negative consequences for a relationship that is gradually entering a phase of normalisation. With hard security considerations and the determining role of national European diplomacies gaining the upper hand, the EU increasingly accepts the new Egyptian setting.

Nevertheless, the price for accepting Cairo's ISIL/Daesh-threat marketing has a number of implications. Firstly, it implies a silent endorsement of the demonization of the entire spectrum of the political opposition, ranging from liberal actors to the fundamentalist Muslim Brotherhood. Secondly, under such exceptional circumstances, political conditionality is a losing proposition, brushed aside as 'internal interference'. The EU should therefore properly reassess the Egyptian situation, without amalgamating existing security threats and the domestic political setting. In particular, non-state actors engaged in the Sinai insurgency were active long before the revolution started. The EU should neither overestimate their threat to stability and security, nor accept their instrumentalisation to justify the return of authoritarian rule.

The United States: hard security matters

Military cooperation has been the defining feature of the US-Egyptian relationship since the Camp David peace treaty in 1979 and the Western orientation embraced under President Anwar el-Sadat. This strategic partnership, rather than a fully-fledged alliance, is buttressed by considerable military aid (USD 1.3 billion/year). The exchange of military hardware, know-how and training are the dividend the armed forces, and by extension the Egyptian state, receive for their alignment with the regional US power projection. Abdel Fattah el-Sisi, the current Head of State, previous Minister of Defence and youngest SCAF member, went through the typical bilateral military exchange programme and was trained at the United States Army War College in Pennsylvania, where he produced a report in 2006 entitled *Democracy in the Middle East*.

Under Hosni Mubarak, efforts started to reconfigure the type of military hardware delivered to Egypt and these discussions have been reframed by President Barack Obama's latest decision. In March

8 During the Morsi Presidency, the HR Catherine Ashton offered her good offices to mediate between the conflicting political blocks (Muslim Brotherhood vs National Salvation Front). The rationale behind this facilitation (including more than a dozen visits by Ashton and Bernardino Leon, the then EU Special Representative for the Southern Mediterranean) was to foster dialogue between the camps and to create a modicum of stability during the transition. Between 30 June and 3 July 2013, these efforts, coordinated at the time with Secretary of State William Burns, ground to a complete halt, and have been depicted ever since as biased in favour of the Muslim Brotherhood.

2015 Obama announced the end of the withholding period for military equipment, while introducing procedural changes and novel categories (Counter-terrorism, Sinai security, etc) that correspond de facto to a change in the cooperation pattern. Originally, US military aid disbursements and equipment had been withheld due to the lack of democratic standards in the transition. Yet, with the regional rise of organisations like ISIL/Daesh, including their presence in the Sinai Peninsula, national US security considerations gained more weight than democracy concerns. US anti-terrorism support for Cairo thus facilitated a smooth way out of the contradictions resulting from simultaneous efforts at democracy promotion and intense military cooperation with an autocratic regime.

Internal tensions about the right approach to Egypt surfaced early on, pitting the Obama administration against the Department of Defense (Pentagon) and the State Department. Contentious issues were related to the political role of the Muslim Brotherhood and their supposed quality as a stumbling block to Islamist militancy, the upholding of the Egyptian-Israeli peace treaty and the range of military-security cooperation. Yet, as much as Obama originally pushed for Mubarak's dismissal in the early days of the revolution in Tahrir Square, el-Sisi's election in May 2014 was helpful in rationalising a renewed façade of democratic order, and eventually in normalising the relationship.

Gulf countries: pulling the emergency brake

The empowerment of the Muslim Brotherhood and numerous non-Islamist political actors during the Egyptian transition was utterly at odds with the strategic interests of all Arab Gulf countries, except for Qatar. In order to re-shape the region on their own terms and to pre-empt change in their own political system, Saudi Arabia, the United Arab Emirates (UAE) and Kuwait[9] opted for massive financial support for the Egyptian government, once the armed forces made their forceful comeback in mid-2013. Resting on the assumption that change in Egypt would create momentum for domestic unrest, the financial means (USD 20 billion) employed were up to the task.

Since Mubarak enjoyed excellent ties to the Gulf monarchies, reservations about his downfall and the ensuing election victories of the Muslim Brotherhood started to shape the foreign policy of these regional players. An exception to this pattern was presented by Qatar, which chose to support the electoral gains of the Muslim Brotherhood, in line with Turkey's support, stemming from the ruling AK Party's positive attitude towards political Islam.

Two main developments have been shaping the orientation of most Gulf monarchies towards the Egyptian transition. Firstly, the conflict in foreign policy orientation among the member states of the Gulf Cooperation Council (GCC) subsided with the nomination of the new Qatari minister of foreign affairs. Khalid al-Attiyah, assuming office in June 2013, is deemed to be more sympathetic towards Saudi interests. Nevertheless, Qatar continues to host members of the Muslim Brotherhood in exile, and also maintains a conciliatory position toward Iran. But a more amicable line with Riyadh does not imply reconciliation with Egypt's new regime itself.[10] Secondly, the declaration of the Muslim Brotherhood as a terrorist organisation, first in Saudi Arabia and then in the UAE (in March and November 2014, respectively). A year earlier, in December 2013, Egypt had started this regional trend by delivering a legal blow to the 80-year-old Egyptian political movement.

Following the 30 June 2013 coup against Morsi's rule, Saudi Arabia, the UAE and Kuwait voiced their full support for this 'second revolution' and launched a generous campaign of financial and economic aid: financial injections into the Egyptian Central Bank, investments in business opportunities as well as the delivery of oil. Even though no formal alliance has been put in place between those GCC countries

9 Qatar, however, enjoying close ties with the Muslim Brotherhood and hosting the influential Egyptian cleric Yusuf al-Qaradawi, supported the Morsi presidency (2012–13). Roughly 8 billion US dollars had been pledged in support of his rule, out of which more than half had been disbursed to the Egyptian Central Bank. Currently, these funds are being reimbursed to Doha.

10 Sultan Sooud Al Qassemi, Why should Qatar reconcile with Egypt?, Al-Monitor, 20 November 2014 (http://www.al-monitor.com/pulse/originals/2014/11/qatar-restore-relations-egypt-gulf.html).

supportive of el-Sisi (the Joint Arab Force is still more a theoretic plan than a military alliance in the making), this 'marriage of convenience' represents a clear convergence of interests. Regime reconsolidation in Egypt under military tutelage comes at the expense of political pluralism or Muslim Brotherhood domination, effects much welcomed by the Egyptian generals and their Arab Gulf partners alike.

Tahrir: pie in the sky

Four years after the eruption of major unrest throughout Egypt, the country still faces more or less the same situation as the one that triggered the upheaval: population growth outpacing economic progress, increasing stress on available resources, paired with surging food import dependency, and the lack of substantial political or economic reforms. Changes, if any, are for the worse: a military-backed regime jockeying on a securitised narrative, criminalisation of the political opposition, a militant insurgency in Sinai as well as low-level terrorist threats against the state (security forces) and civilian targets (public transport) in the Nile valley and delta.

One of the most detrimental outcomes of the transition – and the way it has been managed – will be the confirmation of the rhetoric spouted by radical Islamists, attesting their credo that violence is the only means of toppling 'unjust' rulers. This peculiar logic will not only be endorsed by those favouring violence out of principle (Jihadists) but increasingly embraced by former adherents to the republican path to power, such as the Muslim Brotherhood.

Viewed from Washington or Brussels, a well-known foreign policy dilemma came to the fore once the military under el-Sisi's command had taken control of the situation in Egypt in mid-2013. The defence of human rights standards and democratic ideals inevitably waned as they conflicted with short-term stability considerations. Accordingly, regime consolidation and the fight against violent Islamic extremism were favoured, even though the implementation of both impinges on high-flying US and EU foreign policy dogmas related to civic and political freedoms.

The initial ambivalence of Western policy gradually transformed into increasing and quite straightforward support for el-Sisi, with the US and the EU adding to the Gulf's role as midwife for the *ancien régime*. Inherent contradictions between democracy promotion and regime support abated after the presidential elections in May 2014: EU member states normalised diplomatic ties with the new government during the second half of 2014 and US military cooperation resumed in 2015. In addition, the actions of individual EU member states helped to erode the 'value camp' (prioritising human rights and democratic standards over supposed stability interests) even further. Lately, Germany has quietly dropped the prerequisite of parliamentary elections prior to a visit by the Egyptian president, whereby the loss of its own credibility can only be outweighed by the gain in el-Sisi's domestic legitimacy and international acceptance.[11]

Putting aside these diplomatic gestures, the Gulf's funding for the ailing Egyptian economy enabled el-Sisi to consolidate his presidency in the first place. As the EU position adapts to the realities on the ground, two questions will be more important in determining the future impact of external actors: Firstly, how long can the Gulf states support Egypt financially, if the oil price remains low and budget deficits are on the rise? Namely, how highly valued is the Egyptian 'return on investment' for the Gulf countries' own political stability? Secondly, will the US and Egypt reach an understanding on the restructuring of the Egyptian Armed Forces – or will Egypt try to diversify the arms procurement portfolio, undermining the spirit of the Camp David Accords and thus the special relationship with Washington, and Tel Aviv?[12]

Nonetheless, despite the impact of financial support from the Gulf, the new regime will have to face and manage the implications of its irreconcilable stance towards domestic opposition forces. Even

11 However, Norbert Lammert, the Speaker of the German parliament, refused to welcome el-Sisi on his visit, based on the current human rights record and the infringement of fundamental rights in Egypt. *Frankfurter Allgemeine Zeitung*, 19 May 2015 (http://www.faz.net/aktuell/politik/inland/bundestagspraesident-lammert-sagt-treffen-mit-aegyptens-praesident-sisi-ab-13601488.html).

12 Steven A. Cook, Is the U.S.-Egypt Special Relationship Over?, Council on Foreign Relations, 8 December 2014 (http://www.cfr.org/egypt/us-egypt-special-relationship-over/p33912).

though Islamists play on majoritarian politics and are essentially non-democratic actors, their labelling as a terrorist organisation and their complete exclusion from the political realm will necessarily lead to radicalisation on its fringes. The criminalisation of the opposition in general (both Islamist and secular), providing short-term legitimacy to the ruler for 'combatting terrorism', ultimately hollows out the revolution's aspirations by prioritising authoritarian dogmatism versus the spirit of criticism. External actors should therefore exert pressure on the government to modify its securitised approach to politics, criticise the unprecedented levels of repression and request a genuine opening of the political space, an independent judiciary and substantive economic reforms.

The Finnish Institute of International Affairs
tel. +358 9 432 7000
fax. +358 9 432 7799
www.fiia.fi

ISBN 978-951-769-459-9
ISSN 1795-8059
Language editing: Lynn Nikkanen
Cover photo taken from the Instagram account of
Egyptian president Abdel Fattah el-Sisi

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