

Written Testimony
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Egypt: Security, Human Rights and Reform
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Madame Chair, Ranking Member Deutch, distinguished Members of the Subcommittee, thank you for inviting me to testify at this hearing on “Egypt: Security, Human Rights and Reform.”

The U.S. Egyptian Alliance

For the previous four decades, the U.S-Egypt alliance has been a cornerstone of the American order in the Middle East. The largest country in the Middle East in terms of population, with a quarter of the Arabic speaking peoples living within its borders, and for a long time the region’s political and cultural capital, Cairo had often set the pace for the whole region. After two decades of tensions and conflict between both countries, Secretary Kissinger and President Sadat found an opening in the aftermath of the 1973 war to forge a new basis for the American-Egyptian relationship. Key American Cold war strategic objectives were achieved as President Sadat agreed, in return for the complete return of Sinai to Egyptian sovereignty not only to seek a lasting peace between his country and Israel, but also to detach Egypt from the Soviet orbit and put it formally in the U.S. camp. In return for U.S. financial, military and developmental assistance, Egypt would become a U.S. ally and successive U.S. administrations hoped that the country would lead the region away from the path of destruction and war introducing a new era of peace and cooperation.

Yet despite the attainment of key U.S. strategic objectives during the Cold war through the American-Egyptian alliance: from diminishing the Soviet Union’s role in the Middle East, Egypt’s commitment to its peace treaty with Israel, and a variety of security services it has provided the United States from participation in the Gulf War, cooperation in the war on terror and providing the United States with

access to the Suez Canal and overflight rights through its airspace, the relationship between the two countries has never been a smooth one. Egypt was always a problematic ally.

The historical record is long: President Mubarak lying during the Achille Lauro incident in 1985 and Egypt's attempt to smuggle missile components from the United States for its secret missile program during President Reagan's tenure; Egypt's flamboyant Foreign Minister, Amre Moussa, leading the charge against economic cooperation with Israel across the region for fear of Israeli economic dominance, and President Mubarak encouraging Yasser Arafat not to compromise during the Camp David Summit, during President Clinton's tenure; or Mubarak's refusal to reform that shaped his uneasy relationship with President George W. Bush. Throughout those three decades there were deep U.S. Egyptian disagreements over a variety of issues ranging from the peace process, U.S. policies in the region, democracy, and human rights. Moreover, despite continued U.S. economic and military assistance to Egypt, the Egyptian press continued to traffic in anti-American and anti-Semitic tirades.

And yet, these previous disagreements and frustrations pale in comparison with the tension, disappointment and mistrust that has shaped the previous decade in U.S. Egyptian relations. President Obama's decision to call for Mubarak to step down, the administration's pressure on the military leadership to hold elections swiftly, the decision to engage with the Muslim Brotherhood without pressuring it for concessions, continued U.S. assistance to human rights organizations in Egypt, the perceived closeness between the administration and the Muslim Brotherhood leadership, U.S. condemnation of the military coup, and threats to cut U.S. military aid, led to growing antagonism in Cairo. In turn Egypt has shown an unwillingness to cooperate on regional security challenges such as joining the fight against the Islamic State in Iraq and Syria, pursued an independent policy in Libya, deepened its military and economic ties to the Russian Federation, pursued a scorched earth strategy to wipe out the Islamic State's affiliate in Sinai, cracked down on all forms of dissent in the country stifling civil society and any independent media, engaged in egregious human rights abuses, continued to attempt to undercut U.S. resolutions in the United Nations, and most importantly engaged in an unprecedented wave of anti-American propaganda and conspiracy theories at home.

The American-Egyptian alliance is crumbling. As the Center for American Progress' Daniel Benaim eloquently put it: the U.S.-Egypt relationship "has been buffeted by upheaval, mired in mutual mistrust, and saddled with unmet

expectations.” For some in Washington, while unfortunate, an end to the alliance is inevitable. Cold war rationale should no longer be a basis for a continued alliance with a problematic partner, and the two countries do not see eye to eye on many important issues. Moreover, Egypt’s regional importance has vastly diminished. The Egypt of today is not the one with which Secretary Kissinger built a lasting partnership. Egypt has continued to decline on all levels, economically, culturally, and politically. Arab eyes and ears are no longer set on Cairo. Egypt is no longer the key player in the Middle East having been replaced by Iran and Turkey. Even among Arabic speaking countries, its historical role has been replaced by Saudi Arabia, the United Arab Emirates and Qatar. That regional decline did not start with President Mubarak but in fact was a reflection of its 1967 defeat following which Egypt accepted its diminished regional role and surrendered to Saudi Arabia in the Khartoum Summit in 1967.

As an external power, Egypt is a shadow of its former self, and there are well-founded doubts about its capacity to play a leading and constructive role even if it wanted to. Instead, Egypt itself has increasingly become a locus of the region’s unfolding strategic competition and the unprecedented political and ideological crisis of the state-based order. Instead of being a regional player leading the region to peace, Egypt has now become a playing field where a variety of international, regional and local forces compete in an all-out war to shape the country’s future trajectory. Egypt is no longer a contestant but instead is itself contested.

The regional decline is a reflection of deeper ills within Egypt itself. The inability of the country’s leadership to reform the economy through market-oriented policies, combatting corruption, and addressing the dysfunctional bureaucracy has worsened the lives of millions of Egyptians. The slow collapse of state institutions has continued, undermining people’s confidence in these institutions. The failure to develop a sustainable governance compact and failure to address its citizens’ grievances through democratic means has eroded the country’s social compact. Decades of discrimination against the country’s native Christian population has torn apart the fabric of the Egyptian nation. And the government’s failure to reform its internal security forces and the military, has diminished Egypt’s ability to confront terrorist threats.

Despite these changes, U.S. policy has not adjusted to the changing conditions. The United States continues to base its policies on an Egypt that no longer exists. This has to change. As Egypt continues to face severe challenges on various security, economic, and political fronts, the United States needs to adjust its policies towards the country to face those challenges. Renewing a strong American

Egyptian alliance that can deal with the challenges of the 21st Century—not only the ongoing implosion of order in the Middle East, but the worsening crisis in Egypt itself, is the key challenge today.

U.S. interests in Egypt cannot be limited to maintaining the peace treaty with Israel, which Egypt's national interest itself dictates its continuation, securing free passage through the Suez Canal and flights for U.S. military aircraft in its skies. Instead U.S. strategy should be adjusted to help Egypt face its current challenges and overcome them. A state collapse in Egypt would pose a grave threat to the United States-led order in the Middle East, open the doors for an Islamic State emirate in the country, threaten Israel's security, and likely result in an unprecedented wave of immigrants knocking on Europe's doors. Averting such a scenario should be the priority of U.S. policy towards Egypt.

The case for continued American engagement with Egypt and investment in a robust U.S.-Egyptian alliance remains, although it must not be based on outdated understandings. Despite Egypt's declining regional position and influence, the country still matters. The regional order of nation-states is faltering, the result of decades of neglect, a deepening crisis of governance, an unprecedented ideological convulsion, and intensifying strategic-sectarian rivalries. Egypt, where the Middle East's first nation-state model emerged a century ago, will be key if the Middle Eastern order of nation-states is to survive and rejuvenate itself in the twenty-first century. In the absence of a serious U.S. strategy for Egypt, the two countries will continue to drift apart, and Egypt's decline will likely accelerate, leaving the nation more vulnerable to the forces of regional disorder and chaos.

Egypt's Challenges:

Terrorism in Sinai:

Egypt is today in its sixth year of war against terrorism in Sinai. Despite continued military campaigns against the Islamic State's affiliate in the Peninsula, and deepening security cooperation with Israel which has provided important intelligence, Egypt has failed to end the terrorist threat. The Islamic State in Sinai has carried spectacular attacks both in Sinai where it has continued to target security and military positions and personal, and in mainland Egypt where it has carried out numerous attacks on military positions and bombings and shootings of Coptic Christians that have left over a hundred dead.

Despite the continued failure to end the terrorist threat, there have been increasingly positive signs in the past few months. The latest military operation launched in February following the massacre of more than three hundred worshipers at a local mosque, has managed to significantly disrupt IS communications and diminish the group's ability to carry out large scale attacks. During the past few months, despite a serious attempt at the lives of the Defense and Interior ministers, there has been a noticeable drop in daily attacks. Moreover, the Islamic State's increasing adoption of indiscriminate targeting of civilians has alienated the local population. Despite these successes, the potential for a regrouping by the Islamic State remains high. The group has managed to outlive previous military campaigns and still has a solid number of dedicated fighters and sophisticated weaponry.

Libya:

The continued civil war in Libya remains a serious security threat to Egypt. Significant attacks in Egypt's Western Desert bordering Libya by both the Islamic State and Al Qaeda's Murabitun, have left over one hundred security personnel dead. Libya serves as both a launching site for attacks, a training ground for terrorists and a source of weapons. The challenge from Libya is especially critical given the military's unfamiliarity with the terrain and the absence of a capable partner on the other side of the border similar to the role Israel plays in aiding Egypt's operations in Sinai.

Egypt has pursued a minimalist policy in Libya. While it has continued to support General Haftar, Egypt's strategy is not driven by a desire to stabilize Libya. The country's leadership recognizes the inability of Egypt to achieve such a result and continues to hope for a Western led effort to stabilize its neighbor. Instead the best Egypt can hope for is for the Libyan menace to be played away from the Egyptian borders. As long as General Haftar controls the border areas and thus stops attacks on Egypt, the Egyptian regime is content with the current situation in its neighboring country.

The Muslim Brotherhood:

Following the overthrow of the Muslim Brotherhood President, Mohamed Morsi, in 2013, the Egyptian regime has been engaged in a continued battle with the group.

Despite the Muslim Brotherhood's claims that it maintains a non-violent approach, it is undisputed today that a significant portion of the movement has turned to violence with the early blessing of some of the Brotherhood's leadership. What began as organized protection of Brotherhood demonstrators in late 2013 has morphed into aggressive violence directed at the state. This radicalization process has been abetted by the new amalgam of various Islamist organizations and tendencies that formed in reaction to the 2013 massacre at Rab'a and the Brotherhood's own ideological weakness, which permitted other Islamists to fill the vacuum of ideas with revolutionary Salafist ones.

The first wave of violence by Muslim Brotherhood members was in the form of both widespread violence across the country in August 2013 that targeted Churches and police stations and through organized units that were created to protect Brotherhood demonstrations and which quickly began to engage in low level violence. By the early months of 2014, these actions quickly fizzled as Muslim Brotherhood popular mobilization and demonstrations lost steam.

By September 2014, the second wave of violence began with the emergence of two groups named Popular Resistance and Revolutionary Punishment. These groups were formed from Muslim Brotherhood members and organized, financed and supported by some elements within the group's leadership especially former Guidance Bureau member Mohamed Kamal, who was killed in October 2016 by security forces. During the second wave, these groups were engaged in violence both in the form of attacks on the country's infrastructure especially the electricity grid, and attacks on multinational companies operating in Egypt, as well as targeted attacks against security officials believed to have played a role in the Rab'a massacre. The most successful operation was the assassination of Hesham Barakat, Egypt's Prosecutor General in June 2015 by a group of former Muslim Brotherhood members. By early 2016 the second wave of violence lost steam following a heavy crackdown by security forces that proved successful in dismantling their cells.

The third wave of violence began in July 2016 with the announcement of the establishment of Hasm followed a month later by Liwa Al Thawra. These two groups have carried more sophisticated attacks than their predecessors including attacks on police checkpoints and assassinations of Judges and officers. The two groups have been designated as terrorist groups by the United States in January 2018. In recent months, successful security operations have dismantled their cells leading to decreased attacks.

As a result of the regime's crackdown, internal fights over strategy, and the Brotherhood's failure to develop a coherent strategy to defeat the regime, the Muslim Brotherhood has split into competing factions. One of these factions has embraced violence both on political grounds as well as through developing a theological grounding for violence. The Muslim Brotherhood maintains a number of TV channels in Turkey that have engaged in open calls for violence and justification for these attacks as well as continued incitement against the regime and Coptic Christians.

The Political Landscape

During the past five years, Egypt has witnessed an unprecedented attack on free expression and civil society. The regime's crackdown was not limited to Islamists but has targeted activists and politicians from all backgrounds and ideologies. The aim of the crackdown is the complete closing of public space in the country. The regime's actions have been driven by a firm belief that Egypt is facing a conspiracy that aims to destabilize the country through internal forces including civil society groups and the media. The regime believes that President Mubarak's greatest mistake has been his surrender to American pressure to open the country in his last decade of rule.

As such the regime has sought and succeeded in taking control of the media and closing all outlets for free expression and opposition. The regime has also removed legal and procedural constraints on security agencies, giving them virtually free rein to protect the country from internal threats as they see fit. This new approach reverses policies that Presidents Sadat and Mubarak had both promulgated. While neither were democrats, both understood the need to maintain a half-open society to alleviate pressure on the regime, while also upholding clear redlines and a legal framework for state oppression. The result has been flagrant human rights abuses and growing public fear.

The recent Presidential elections were the culmination of these efforts. The Egyptian regime has barred any significant candidate from competing in these elections against President Sisi and has arrested or intimidated those who dared challenge him. The Egyptian parliament, while including a small number of independent members has become a rubberstamp body with little room for serious debate of legislation. Local elections have in turn been continuously delayed.

In the absence of any organized political body to express citizen concerns in the country, President Sisi has turned to the military as the base of his regime. The

military today enjoys unrivaled and virtually uncontested power. Yet the past four years have also brought numerous challenges and placed novel demands on an institution that is not equipped to govern a country of ninety-four million. The military's heavy involvement in political and economic affairs has compromised its reputation as an impartial actor defending the nation's interests.

Despite prioritizing the rebuilding of state institutions, the decay of state institutions continues apace, leaving the country's leaders with few mechanisms to confront growing challenges, including a rolling economic and sectarian crisis. On its current path, Egypt, a country of ninety-four million, is at growing risk of becoming a failed state.

The Sectarian Crisis:

Egypt is a torn country - its social fabric in tatters. There is no reason to think of Egypt today as above the disarray and state collapse that we have witnessed elsewhere all across the region. Such assumptions have long held sway as Egypt's image of a modern country above the sectarian and ethnic divides of its surroundings have been taken for granted. In reality, Egyptian nationalism was never as solid as imagined, its social fabric never as strong as portrayed, and its divides much deeper than acknowledged. At every level, Egypt is today a torn country; between the Brotherhood and its enemies, between Islamists and non-Islamists, and between Copts and Muslims. No resolution appears in sight for the divisions.

Persecution and discrimination against the country's native Christian population, Copts, continues to be one of the most important challenges facing the country. While President Sisi has publicly spoken about viewing all Egyptians as equal, and took some public gestures towards Copts, discriminatory policies remain in place. A long-promised Church building law was passed in December 2016, albeit with significant restrictions on church construction. Furthermore, the government committee tasked with legalizing pre-existing churches that lack government recognition has been extremely slow in the process recognizing less than five percent of the 3730 applications submitted to them. Furthermore, Christians continue to be systematically excluded from important government positions. The current Egyptian government has only one Christian minister, while there are no Copts serving as provincial governors. Similar discrimination is practiced among university presidents, school deans, the military, judiciary, the foreign service with Christians completely excluded from serving in the country's state security and intelligence services. The Egyptian government also continues to uphold

discriminatory regulations such as blasphemy laws, which are almost exclusively used to target Copts and other religious minorities; inheritance laws, which force Copts to divide inheritance according to sharia; and prohibiting adoption.

Most significantly, the Egyptian government has failed to stop attacks on Copts and has repeatedly refused to punish the attackers. In the past five years there have been over five hundred sectarian attacks on Copts. Most of these attacks are in the form of mob attacks in villages driven by attempts to deny Copts from building a Church or as punishment for perceived insults by the community. In every single one of those attacks the government has forced both communities to attend reconciliation sessions, which force majoritarian demands on the Copts without holding the attackers accountable. This has created a culture of impunity and encouragement that has led to a dramatic increase in the number of attacks on Copts in recent years.

Ethiopia

No issue occupies Egypt today more than the Ethiopian question. Ethiopia, long viewed from Cairo as a backward country is modernizing and, more importantly, is witnessing a demographic explosion, having surpassed Egypt in population. With the demographic pressure comes the need for water and electricity, both tied to the river. The agreement governing the river had been arranged by the British, and they favored Egypt for its cotton industry supplying the mills of Lancashire. Ethiopia, however, will no longer accept the injustice.

The dam being built in Ethiopia presents a threat to Egypt's national interest and survival, and repeated attempts to reach an accommodation between both countries have continued to falter. While the dam has not been completed yet, the Egyptian government has already taken steps to adjust to the possibility of diminished water resources as it prepares for alternatives. While a military conflict between both countries is not inevitable, it remains possible.

Economic

The Egyptian economy faces a multitude of structural problems, including an unsustainable system of subsidies inherited from the Nasser era, which successive governments have failed to control; a large and expanding bureaucracy of seven million whose salaries are a huge and unsustainable burden on a state budget already stretched thin; the overall low productivity of workers, a consequence of poor education and lack of serious technical training; an over-dependence on

volatile sources of revenue such as the Suez Canal, tourism, and remittances by Egyptians abroad; a massive informal economy that the government fails to regulate and also fails to derive tax revenues from; an unwelcoming business and legal environment that discourages investment; and a weak banking system with limited penetration and minimal financial capacity to empower ordinary people and start-ups, aside from loans to big businesses and government bonds.

Egypt's overall economic trajectory has further worsened because of non-economic factors in the past few years. The deteriorating security situation and a legal framework that allows courts to cancel economic decisions have both discouraged economic reform and investment. Further, the tourism sector has failed to rebound since 2011, while the downing of a Russian airplane and a botched military operation in Sinai that killed Mexican tourists have also hurt the industry.

While the Egyptian government had taken in its first years some steps to adjust the budget imbalance through targeting the fuel subsidies, it has for a long time ignored the need for a coherent economic strategy and refused to allow the free floating of the Egyptian pound, wasting the country's foreign currency reserves. More drastically the government has been engaged in mega projects such as the New Suez Canal, a 1.5-million-acre reclamation project that has little chance of becoming viable, and an equally far-fetched new capital complex, both of which have cost the country billions of badly needed dollars.

In November 2016, the government was forced by its deep economic troubles and pressure from the International Monetary Fund to devalue the Egyptian currency. Despite massive inflation that have eroded the middle class' savings, the move has significantly improved Egypt's economic condition. Further increases in the prices of fuel, electricity and water have further helped the government in stabilizing the economy and avoiding worse scenarios. Despite these welcome steps, Egypt remains dependent on cash infusions from foreign powers. With a population of ninety-four million, Egypt is today too big to save with foreign aid alone. A serious plan to address the country's structural economic problems and stimulate growth is necessary.

Recommendations for U.S. Policy:

Despite deep disagreements between both countries, Egypt cannot be simply ignored by the United States. Abandonment is not a strategy nor will imaginary solutions of cutting U.S. aid result in Egypt's transformation into a liberal

democracy. Instead the United States needs sustained engagement with Egyptian officials if the alliance is to be salvaged.

Any new American effort to restore the alliance requires clarity about Egypt's rapidly deteriorating conditions and help for the country to deal with it. As such, a new U.S. strategy towards Egypt is required that is based on the Egypt of reality and not of imagination and that focuses on the country's internal challenges and not on Egypt's regional role.

The U.S. should insist that for a healthy bilateral relationship, President Sisi must publicly repudiate the anti-American conspiracy theories rampant in the country. It is important for Cairo to make the case that the alliance with the United States is important to the Egyptian people and to repudiate conspiracy theories—especially those propagated by the Sisi regime itself—that claim there is American ill will toward Egypt.

The U.S. should penalize Egyptians who deliberately create and propagate anti-American conspiracy theories. For example, Washington could make perpetrators ineligible to participate in American-Egyptian exchange programs, receive funding from the U.S. government, or receive visas to visit the U.S.

One core focus of U.S. diplomacy in Egypt needs to be contesting the spread of anti-Americanism and conspiracy theories that have undermined political support in Egypt for the alliance. U.S. public diplomacy programs should also make debunking false information a top priority by reaching out directly to the Egyptian people through social media or short online videos and through the U.S. media in Arabic. The deepening mistrust between Cairo and Washington presents a major obstacle to any real cooperation. The weakness of the American-Egyptian alliance largely stems from Washington's failure to cultivate a dependable constituency in Egypt with shared interests and principles. This may be the biggest failure of U.S. diplomacy in Egypt.

The ongoing conflict between Egypt and Ethiopia over water supplies, provides the United States with an opportunity at mediation. Success in avoiding military conflict between the two countries and in reaching an agreement acceptable to both sides can play an important role in strengthening the U.S. Egyptian alliance and winning the hearts and minds of Egyptians.

The U.S. needs to rethink and expand its longstanding educational mission in Egypt to address the country's educational deficit and decaying state institutions.

In addition to working with Egyptian partners to expand opportunities in each governorate, the U.S. should support Egyptian efforts to reform the educational curriculum through a cross-disciplinary approach that instills civic republican principles. This is essential for winning the struggle of ideas with Islamism, establishing civic peace, and fostering progress.

To help Egypt create a civil economy, the United States should expand its economic mission to engage a wider spectrum of businesses and sectors, including small business associations and new organizations focusing on encouraging entrepreneurship.

The United States should devote special attention to bureaucratic reforms and to expanding the banking system, which has an extremely low participation rate. These are major hurdles for small businesses and for developing entrepreneurship. In its economic and development aid to Egypt, the United States should develop a local approach that rewards governorates and municipalities based on metrics related to good governance and equal opportunities for all citizens.

American military aid to Egypt should focus on improving Egypt's capacity to conduct complex political-military operations at home and along its periphery. In addition, the United States should reexamine its military education and exchange programs with Egyptian officers. While some military training initiatives target lower-ranking officers, the important and coveted strategic studies programs engage only top commanders. Expanding programs for the lower ranks on counterinsurgency, civilian security, and intelligence practices based on rule-of-law principles should be a top priority.

The United States should examine organizational and economic ties between designated terrorist groups Hasm and Liwa Al Thawra and the Muslim Brotherhood. Leaders and members of the Muslim Brotherhood with ties to these groups should be designated as terrorists.

The United States should encourage the government of Turkey to examine the content of Muslim Brotherhood TV channels engaged in incitement and support for terrorist attacks in Egypt. It should further encourage the government of Turkey to examine ties between individuals residing in Turkey and terrorist activities in Egypt.

The United States needs to engage the Egyptian diaspora in the United States and in other Western countries as part of its efforts to help Egypt. Working with the

diaspora, the United States can develop numerous educational, economic, and developmental programs to implement in Egypt. The model of private-public partnership should be utilized in creating educational initiatives and entrepreneurship opportunities in Egypt. The Egyptian diaspora in the West has developed civic values, including hard work and personal social responsibility, and avenues can and should be opened for these experiences and values to be transferred back to Egypt. Just as the United States invites thousands of Egyptians to come to America on exchange programs, it should conduct reverse programs through which Egyptian-Americans bring their experiences back home.

Thank you again for holding and chairing this hearing and I look forwards to your questions.