

Center for American Progress



Setting the Terms for U.S.-Egypt Relations

By Daniel Benaim, Mokhtar Awad, and Brian Katulis

February 2017

Center for American Progress



Setting the Terms for U.S.-Egypt Relations

By Daniel Benaim, Mokhtar Awad, and Brian Katulis

February 2017

Contents

- 1 Introduction and summary**
- 6 Security: Egypt’s “three wars”**
- 11 Politics: Narrowing public space makes rebuilding harder**
- 14 Economy: Vision needed**
- 16 Regional role: Beginning to chart an independent course**
- 18 U.S.-Egypt relations: The path forward**
- 24 Conclusion: Renewing ties the right way**
- 27 Endnotes**

Introduction and summary

Donald Trump's first meeting as president of the United States with Egyptian President Abdel-Fattah Al Sisi offers a significant opportunity but also some risks for U.S. security interests and values. U.S.-Egypt ties have witnessed historic strains in the past few years at a time when the broader Middle East slipped into a state of violent fragmentation that threatens both U.S. interests and the global order. The region faces the confluence of global terrorist networks based within its territories; civil wars, state collapse, and mass migration; proxy battles between regional and global powers; and tensions between authoritarian states and young populations facing high unemployment.

Egypt currently appears tenuously positioned to avoid the worst fates of its neighbors. However, Cairo's new political and economic order remains inchoate and brittle, lacking a concrete plan for defeating terror networks, advancing large-scale job creation, or offering more effective or representative governance. Instead, the country's civic space has been smothered to deny openings for the open exchange of ideas needed to defeat extremism, while Egypt's economy goes from crisis to crisis.

Regionally, Egypt has charted an independent course, but its influence in lessening regional tensions beyond its borders will depend on its recovery within them. Egypt's leaders promise national renewal. However, absent significant reforms and credible plans to see them through, the Middle East's most populous nation risks sliding back into stagnation and repression that heighten the chances that its simmering political, economic, security, and societal challenges will once again boil over. Under President Trump, there is also a new risk that cooperation between governments in Cairo and Washington deepens in ways that actually leave both countries worse off, mutually reinforcing their governments' most repressive tendencies, leaving the relationship—and Egypt itself—on shakier foundations for the long term.

Egypt has an opportunity to take proactive steps to address each of these challenges, and the United States can play a meaningful role in helping Egypt succeed—to the benefit of U.S. national interests and the Egyptian people. But this will only happen if both nations demonstrate the vision and political will to make it so.

Renewed U.S. outreach toward a Cairo government hungry for international recognition could create new leverage and a fresh hearing for the United States with Egypt's leaders and many of its people. However, warmer relations are not an end in themselves. What matters most is what they achieve for the interests of both countries and their people. It would be a dangerous outcome for both sides if closer ties between President Trump's Washington and President Abdel-Fattah Al Sisi's Cairo simply means abetting each other's worst impulses, turning a blind eye to Egyptian domestic crackdown in exchange for an Arab leader vouching for President Trump's most misguided policies. For decades, Trump has spoken of the need to demand more from U.S. partners around the world and his refusal to be beholden to outdated arrangements. Egypt should not be exempt from this Trump template. President Sisi has also said that he is not beholden to the old ways of doing business.

For more than a decade now, the relationship between the United States and Egypt has drifted and declined. Previously, Egypt was considered a pillar of America's Middle East policies, from Israeli-Arab peacemaking to Cold War cooperation. But under Presidents George W. Bush and Barack Obama, relations soured over Egypt's repression in defiance of U.S. calls for reform,¹ a lack of progress toward Mideast peace, and Egypt's own declining regional stature as U.S. focus shifted eastward. Today, U.S.-Egypt relations are beset by unmet expectations, a "two-way trust deficit," an outdated framework for ties, and questions on both sides about the future.²

President Trump has struck a starkly different tone from his two predecessors on Egypt. In contrast to President Obama's wary distance, in September, then-candidate Trump offered unreserved praise for Egyptian President Sisi's leadership style after meeting him at the United Nations and pledged to be "a loyal friend, not simply an ally."³ Sisi warmly reciprocated, praising Trump's "deep and great understanding" of the region and expressing hopes that Trump will deepen U.S. engagement with Egypt.⁴ Meanwhile, Egyptian officials have ignored Trump's anti-Muslim rhetoric to focus on his implicit endorsement of Egypt's anti-Muslim Brotherhood, or MB, policies.⁵

If it wishes to renew ties, the Trump administration should insist upon credible plans from Egypt to repair stalled U.S.-Egypt cooperation and also to anchor it with the objective of helping Egypt build sturdier political, economic, and security-related foundations at home for a stability that can last.⁶ These two steps, more than any others, would demonstrate Egypt's enduring value to the United States while also putting Egypt on a path toward renewed regional influence in the years ahead with U.S. support. To that end, the incoming administration should:

- **Seek improved ties, but ask for better from Egypt in return.** The incoming team should approach Egypt with a well-defined set of requests, including—as enumerated below—a public message from President Sisi to Egyptians that the United States is a partner and not a threat, actively facilitating U.S. economic and military cooperation, opening space for civil society and addressing outstanding cases involving U.S. citizens, and protecting religious minorities. The prospect of an eventual White House visit for President Sisi should be held as an incentive for progress on these issues.
- **Continue to raise the issues of governance, preservation of open civic space, and government practices toward citizens.** For the United States, one reason that Egypt's repression represents a strategic liability is because it undermines long-term efforts to defeat violent extremists in the battle of ideas. For reasons both moral and strategic, the new U.S. presidential administration should expend some of its political capital with Cairo by encouraging tangible progress on opening Egypt's forcibly narrowed public sphere and implementing good governance reforms and continuing to raise, publicly and privately, issues regarding the rights of Egyptian citizens. Congress should ensure that these issues remain on the bilateral agenda. Abandoning them is shortsighted.
- **Focus security cooperation on the four pillars, plus training.** Efforts to refocus military-to-military cooperation and assistance around four pillars, or priority areas—counterterrorism, the Sinai, border security, and maritime security—should continue. A fifth pillar should be training for Egyptian security personnel.
- **Encourage Egypt to craft an integrated, broad-based strategy to counter violent extremism that enhances respect for basic rights of all.** President Sisi has made advancing a more tolerant version of Islam a rhetorical centerpiece of his approach to countering extremist ideology. The United States should prioritize encouraging Egypt to implement a national strategy for countering violent extremism that includes outreach to at-risk youth and communities with

tailored economic programs and community-police partnerships. U.S. government and technology companies can help Egypt ensure its religious authorities' anti-extremism messages reach more people, faster, and in simpler language to have a global impact.

- **Enlist U.S. technical experts and other partners to help Egypt reform economically, but only where Egyptians buy in.** Egypt needs to create economic value. What Egypt needs most is a credible economic vision to carry the country from chronic crisis and dependency on aid toward reforms to install the economic “software” needed to attract investment and create jobs. The United States can encourage such a vision alongside international partners, but extensive support for economic reform should depend on Egyptian buy-in at the highest levels.⁷
- **Help Egypt meet security threats—but not with overly broad, politicized U.S. terrorism designations.** The new Trump administration should seek effective security and intelligence cooperation with Egypt, consistent with the rule of law, to help it confront the threat of violent Islamists. However, although the Egyptian MB opposes the current Egyptian government and many of its leaders hold extreme views worth pushing back against, that alone does not qualify the organization for legal designation as terrorists by the United States—nor does it justify brutality in response. U.S. terrorism designations should be reserved for violence, not ideology; for actors directly engaged in violence that threatens U.S. interests; made consistent with legal standards for past designations; and based on rigorous, professional, and independent intelligence assessments—not punditry, bigotry, ideology, or political interference or opportunism. The fundamentalist ideas of some nonviolent Islamists are best countered through civil society and through offering more compelling alternatives in the marketplace of ideas. Even if current U.S. and Egyptian leaders agree on the risk posed by the MB, that must not negate the concerns over Cairo’s human rights abuses and the counterproductive nature of some of its security measures in confronting Islamist opponents.

In researching this report, the authors conducted exhaustive field interviews in Egypt from May through July 2016 with President Sisi, top security and economic officials, parliamentarians, business leaders, cultural commentators, and other Egyptian and U.S. experts. On both sides, significant questions were raised about the future of the bilateral relationship.

U.S. critics rightly point to the limits of U.S. influence inside Egypt, laid bare in America's inability to shape Egypt's political path since 2011. They raise the issue of Egypt's repression, which has closed off the civic and economic space Egypt needs to recover and could sow the seeds for further instability. They point to the pervasive Egyptian mistrust and obstruction of U.S. efforts and treatment one expects from an adversary rather than a partner.⁸ These analysts raise doubts about Egypt's enduring regional importance and whether Egypt has the political will or inclination to translate an increased U.S. investment into tangible benefits to U.S. interests or the difficult steps it would take to achieve a more lasting stability. As one former National Security Council staffer put it, "If Trump thinks Japan is a bad ally, what will he make of Egypt?"⁹

Many Egyptians, for their part, find U.S. policy perplexing: human rights critiques that they feel single them out, an insistence on differentiating between the MB and Al Qaeda when they view both as extremists, and hypercomplex policies that do not send a clear message of support. Many Egyptians express confusion as to what the United States fundamentally wants from Egypt and reach for explanations as to why the Obama administration was not tougher on former President Mohamed Morsi, given the public criticisms of Sisi's record.¹⁰

The opening to Egypt that the Trump administration is signaling will be an important moment to test many of these critiques—as well as the assumptions of those who have claimed that uncritical U.S. support for Cairo will yield enhanced Egyptian cooperation on America's priorities. If greater U.S.-Egypt cooperation does not provide clear, direct benefits to U.S. national security interests or proves incompatible with values needed to defeat extremism, then policymakers should consider right-sizing the relationship. This alternative plan would entail a managed and amicable process of decreasing ties and lessening the focus in a bilateral relationship by both the United States and Egypt.¹¹

Security: Egypt's "three wars"

Egypt faces serious security threats that endanger its economy and stability. The downing of a Russian airliner over Sinai in October 2015 showed how vulnerable the country's economy remains to terrorism.¹² A heinous attack on a Coptic church in Cairo in December 2016 killed 28 people and wounded many more.¹³ Still, despite some high-profile attacks and regular low-level attacks in the Sinai Peninsula, Egypt's terror problem has failed to metastasize in ways seen regionally—in itself a measure of relative success.

In an interview with the authors of this report in July 2016, President Sisi described Egypt's role in the struggle against extremism in existential terms, warning that "if Egypt falls, the whole world will fall" and that "if one in every one thousand Egyptians is a takfiri, imagine 90,000 killing machines, each one ready to take out one person before they die."¹⁴ Many Egyptian officials described a country beset by threats, engaged in three wars in Libya, in the Sinai, and against the Muslim Brotherhood.¹⁵

Libya

The aftermath of the 2011 Libya intervention continues to reverberate in Egypt and across the region. Several Egyptian officials raised Libya and its long and porous border as Egypt's paramount security challenge. Egyptians are concerned about IS, weapons smuggling via land and sea, MB networks, and the risk of Libya-based extremists infiltrating Bedouin communities in Egypt's western desert.

On the Egyptian side of the border, Egyptian forces have uncovered weapons caches and suffered checkpoint attacks and firefights. Meanwhile, in western cities such as Marsa Matrouh, Egypt has taken targeted, measured nonmilitary steps to co-opt local Salafi clerics and prevent radicalization of local Bedouins after President Morsi's overthrow. Security officials hope to develop this area of Egypt by investing in tourism and other sectors as a bulwark against spillover instability—an effort that might benefit from U.S. assistance.¹⁶

Egypt has also supported Libya's General Khalifa Haftar, military leader of anti-Islamist east Libyan forces, despite international concerns that Haftar stands in the way of a united Libya.¹⁷ Egypt sees Haftar as a necessary bulwark against the Libyan MB and other groups on Egypt's border.

Sinai

The security threats in Egypt's Sinai Peninsula are a challenge not only for Egypt but also for broader regional security, as the networks of terrorist groups in the Sinai have an effect on events next door in the Gaza Strip and Israel. Egyptian officials claim significant progress in fighting militants since extremists attempted to take over the city of Sheikh Zuwaid in July 2015.¹⁸ Today, security officials underscore that local ISIS-affiliated militants cannot capture or hold even a single town. They also claim that the conflict area is contained to a corner of northeastern Sinai.¹⁹ Still, the terrorist threat in the Sinai is far from gone, with militants showing their ability to strike from east of the Suez Canal to the Israeli border. Indeed, the first quarter of 2016 was the deadliest for Egypt's security forces in the past two years.²⁰ And although there are sometimes lulls in attacks after major military operations, militants have continued to attack checkpoints, assassinate security servicemen, and kill locals accused of working for the government.

Within the Egyptian military, there is a debate between those favoring more conventional security tactics and those seeking a more surgical application of force as part of a holistic counterinsurgency strategy.²¹ This second group of security officials speak of launching a new phase in Egypt's Sinai operation focused on economic development plans to build mosques, medical centers, schools, and other infrastructure projects in northeast Sinai. Saudi Arabia has also pledged a \$1.5 billion loan to develop the Sinai, and Egyptian officials hope to link ambitious plans for the east bank of the Suez Canal with development in the rest of the peninsula.²² Despite difficulties to date, the United States should continue to seek opportunities to encourage and assist in economic development in the Sinai.

The Muslim Brotherhood

Differing threat perceptions regarding the Egyptian Muslim Brotherhood were a contentious issue in U.S.-Egypt relations during the Obama administration. From 2012 to 2013, Egypt was led by a president from the MB and a national parliament dominated by the MB that was elected by the Egyptian people in free and competitive elections. That government was ousted by the military in July 2013.

Since 2013, Egypt has suffered from a wave of violence by armed groups and individuals believed by Egypt's government to have ties to or be taking inspiration from the MB. This violence ranges from sabotage of critical infrastructure to assassinations of security officers.²³ Following former President Morsi's ouster and the violent clearing of MB protest camps and anti-government violence by Islamists, the Egyptian government designated the entire MB as a terrorist organization, arresting many of its leaders and seizing its assets.²⁴ Groups and political parties such as the al-Wasat Party and the Islamic Group that initially aligned with the MB but revised their positions have been allowed to operate within certain boundaries. In large measure, this post-2013 wave of violence against the Egyptian state has been checked.

However, the rise of new terrorist groups in 2016—Hassm and Liwaa al-Thawra—indicate that some elements possibly affiliated with or inspired by the MB are choosing violence. Hassm has launched several attacks that extend beyond targeting security forces, including the attempted assassinations of former Grand Mufti Ali Gomaa, the assistant prosecutor general, and a prominent judge overseeing MB-related cases—the latter two with car bombs.²⁵ Liwaa al-Thawra's most notable attack to date has been the assassination of Egyptian Army Brigadier General Adel Ragai in front of his home in Cairo in October 2016—perhaps the most senior army official assassinated in the Egyptian mainland since President Sadat's assassination in 1981.²⁶ In its statements, Liwaa al-Thawra has explicitly acknowledged late MB leader Mohamed Kamal, who was accused by Egyptian authorities of founding a pro-violence wing inside the MB.²⁷

Under President Obama, U.S. officials acknowledged that individual MB members have engaged in violence but have not, to date, concluded that such steps reflect an official policy shift to abandon its past renunciation of nonviolence rather than independent actions by offshoots.²⁸ The fragmented nature of the post-crackdown MB makes such distinctions even more difficult to draw, although a wing of the organization that favors “revolutionary action” has recently assumed control over all formal bodies of the MB, sidelining leaders in exile who may have been rhetorically against violence.²⁹

The key issue for U.S. policy toward Egypt, however, is how both countries can most effectively combat terrorism and extremism in ways that produce real and enduring results. Even if Cairo's approach can be said to have successfully tamped down violence, it remains unsustainable if the threat escalates. The Obama admin-

istration's concerns with Egypt's post-2013 crackdown on the MB stemmed not from favoritism or lack of understanding of the threat the MB poses to Egypt's government but from lessons on how governments can most effectively treat political opponents, defeat terrorism, and prevent radicalization.

Egypt's large-scale arrest of thousands of suspected MB operatives and others could have dangerous long-term results as prison conditions risk radicalization. A heavy-handed approach also risks alienating communities into becoming safe havens for militant extremists. So far, most would-be terrorists in mainland Egypt have been rank amateurs. A dragnet policy of arrest and brutal tactics may yield short-term results while doing longer-term damage. Still, more targeted approaches will be needed to counter better-trained terrorists with a higher degree of operational security, such as ISIS.

The Egyptian government should develop a credible plan that offers off-ramps for MB members and other anti-government Islamists. The Egyptian government has called on MB members to either abandon their group or cease demanding the overthrow of the government. As the government continues to succeed in weakening the organization, it will be necessary to create pathways for these individuals to re-engage in society and politics. Already the government pragmatically allows Islamists who accept the status quo, such as the Salafist Nour Party, to operate and win seats in Parliament.³⁰ This has arguably helped prevent the party's rank and file from joining terrorist groups in large numbers. Yet this does not mean that Sisi secretly supports Salafists.

Egypt's government should recognize that the same is true for other countries in the region, such as Jordan and Morocco, that allow the participation of Islamists. It was also true of the U.S. government during the Obama and previous administrations, which was not endorsing Islamists when it advised Cairo to allow a degree of pragmatic political participation of Islamist elements who abandon violence or do not challenge the government's legitimacy. Doing so now could arguably weaken the MB's appeal by giving its members an alternate path. Furthermore, allowing secularists, intellectuals, and progressive Muslim scholars the necessary political and civic space could counterbalance the voices of political Islam and fundamentalism in society, as to not repeat the mistakes of the Sadat and Mubarak regimes whose policies inadvertently facilitated the growth of these factions in Egypt.

Future U.S.-Egypt Security Cooperation

Despite policy disagreements, military-to-military cooperation shows some signs of improvement, particularly in the area of countering roadside bombs. Given Egyptian challenges and hard-won U.S. expertise in Iraq and Afghanistan, this should be an area of growth in security cooperation. But American military trainers and operators stress that technology offers no so-called magic bullet. Assistance to Egypt must be accompanied by both better access to U.S. personnel and transparency regarding the nature of the threat of roadside bombs in the Sinai and advanced training for Egyptian forces tasked with addressing it. U.S. military officials also hope Cairo heeds advice regarding the need for a new, more comprehensive program for Egyptian troops to more effectively use American equipment and counter terrorists in the Sinai.³¹ Future requests for advanced equipment or Excess Defense Articles for Sinai should be predicated on Egypt showing progress in these areas.

The capacity of Egypt's security forces also remains an issue, from airport security to operations in the Sinai to policing by the Ministry of Interior. In addition, Egyptian authorities continue to be wary of implementing law and order in places such as Upper Egypt where sectarian violence is often followed by so-called reconciliation sessions, which give legal impunity to attackers of religious minorities instead of prosecution and prison terms, in a bid to appease often-armed rural citizens.³² If properly designed and executed, a more robust liaison relationship between the FBI and Egypt's National Security Agency—Cairo's key agency tasked with fighting domestic terrorism—could have an effect on its professionalism and institutional culture, leading it to rely less on coercive methods and more on sound interrogation methods and technology. A more robust relationship between the CIA and Egyptian General Intelligence could also help both countries address threats and transfer expertise—but this must be navigated in a way that ensures a sharp focus on terrorist threats consistent with the rule of law and protections for basic rights and not broader campaigns to close off civic space.

Politics: Narrowing public space makes rebuilding harder

Egypt has completed the political road map President Sisi set forth in mid-2013, but it has neither fully consolidated its new political order nor delivered anything approaching the “real democracy” it promised.³³ A period of hypernationalistic fervor has given way to growing public frustration over economic issues. However, as one liberal Egyptian lamented, “There is no organized effort to push back against authoritarianism.”³⁴ While spiking prices for basic staples such as sugar raise the prospect of a so-called revolution of the hungry, Egyptians traumatized by years of instability seem wary of further unrest. In an interview with the authors, Sisi said, “I do not have a political support base, but I have a popular one.”³⁵

While the Sisi government has shattered Egypt’s Muslim Brotherhood beyond coherence or recognition,³⁶ government leaders perceive themselves as still engaged in a kill-or-be-killed struggle against the Islamists they helped depose—a campaign that has affected Egyptians who are not Islamists as well. This fight not only represents the Sisi government’s rationale for ruling, it extends into every aspect of governance, from the treatment of civil society to economic reforms. The fear is that anything other than tight state control creates opportunities for Islamists to exploit. Having come this far, the key question for Egypt is how this threat perception evolves. Can Egypt find the self-confidence to move beyond such a stifling paradigm or will these constraints calcify into brittle politics that leave Egypt permanently on its back foot, vulnerable to each new shock, and without the resilience that broad-based governance offers or the pathways to employment or civic participation that give young people alternatives to violence and protest?

Egypt’s choice so far is clear, and it is troubling. By many accounts, Egypt is in the midst of the broadest and most intense crackdown against political dissent since the 1960s. Even activists who supported Morsi’s ouster have been exiled, jailed, put on trial, or intimidated off the political stage.³⁷ As General James Mattis, now U.S. secretary of defense, acknowledged last April in calling for support for

President Sisi, “Obviously, we’re concerned about [the fact that] any political system has to have a counterweight, and whether or not there is sufficient allowance for legitimate political dissent.”³⁸

Speaking to the authors, President Sisi was bracingly frank about Egypt’s social and political troubles. Since the late 1960s, Sisi said, “The Egyptian state has deteriorated in all areas.” His goal for his first four-year term, he declared, is to “prevent the state from collapsing” as it almost did five years ago. Sisi argued for patience with Egypt, pointing to South Korea as a successful example of modernization and democratization by an American ally with American support. “It took 20 years,” he asserted, “but America’s priority was for South Korea to succeed, so [America] looked the other way on abuses.”³⁹ Sisi’s concerns about the depth of Egypt’s challenges should be taken seriously, but so should the efforts that South Korea and others underwent to become an economic powerhouse and functioning democracy.

Given the Egyptian state’s weakness in providing services to its people, repression, and the forcible narrowing of the space available to civil society makes Egypt’s revival harder. As one writer interviewed by the authors explained, “There is a fear that criticism in art and cartoons could lead to demonstration.”⁴⁰ At the same time, Egyptians are fed conspiracies in which foreign powers seek to undermine Egypt from within.⁴¹ The murder of Italian student Giulio Regeni illustrates how xenophobia and brutality cannot be compartmentalized from Egypt’s other challenges—and ultimately can undermine Egypt’s tourist industry and foreign investment.⁴²

Inside Egypt and outside, the authors encountered concerns about the Sisi government’s opaque decision-making process, including an overreliance on direct presidential decision-making that disempowers ministers, as well as a reluctance to build broad coalitions or seek input from business leaders, intellectuals, or the rest of Egyptian society. Despite allegations of security service direction, Egyptian parliamentarians question how the legislature will organize itself absent a ruling party like the Mubarak-era National Democratic Party.⁴³ As one parliamentarian put it, “Who will play the role of state party? Who will play the role of opposition?”⁴⁴

Nonetheless, parliament has in recent months passed several significant laws, including a revised civil service law and a value-added tax. Unfortunately, it has also advanced a nongovernmental organization law that would criminalize civil society cooperation with foreign organizations without a permit and ban NGOs

from engaging in politics, with penalties including imprisonment.⁴⁵ Such legislation and the repression it would enable risk smothering any attempt to forge a contest of ideas that grows beyond identity politics and patronage.

The need for effective service delivery and governance at every level is palpable in Cairo. After 2011, for instance, a so-called construction revolution of unregulated building unfolded, including makeshift on-ramps to elevated highways and piping grafted onto existing sewage systems.⁴⁶ Government spending on local urban needs remains highly centralized at the Ministry of Planning, and the failure to reconstitute local councils after 2011 has left parliamentarians to pick up the slack. As one member of parliament noted, “There are more people in my district than citizens of Qatar” without a local administrator. Parliamentary passage of a local election law is a vital first step to filling this void.

U.S. policy over the past several years has also sought to call attention to the status of both women and religious minorities inside Egypt,⁴⁷ the latter of which President Sisi has championed.⁴⁸ The recent deadly bombing of a Coptic church in Cairo makes clear the ongoing challenge of sectarian violence.⁴⁹ A new U.S. administration and Congress should continue to engage with Egypt’s government and society to make clear that both remain a part of the bilateral discussion and that more can be done, including ending the practice of so-called reconciliation sessions that give legal impunity to attackers of religious minorities.

Economy: Vision needed

In recent years, Egypt's economy has been buffeted by declining tourism, a currency crisis, and surging prices for basic goods—all atop decades of mismanagement and failed development, a legacy recognized by many of the Egyptian leaders the authors interviewed, including President Sisi. Egypt's budget deficit stands at 12 percent of gross domestic product, and its youth unemployment rate stands at 40 percent.⁵⁰ At more than 7 million people, Egypt's government employment rolls are several times what is required to run the country.

During the past year, Egypt has begun to undertake some economic reforms to stabilize its economy, but that process has been slow and the results incomplete—the nation still lags behind other countries in the region and remains heavily dependent on external assistance. To produce greater value and create jobs, Egypt needs to continue the process of reform. Egypt reached an agreement last year with the International Monetary Fund to cover its short-term needs. This agreement requires Egypt to devalue the Egyptian pound, enact a value-added tax, and take other reform measures.⁵¹

Most Egyptian officials recognize—in principle—the need to remake Egypt's economy to create jobs for its growing population. Since 2013, Egypt has significantly expanded its electricity supply,⁵² reduced fuel subsidies,⁵³ and instituted a SmartCard system for food subsidies.⁵⁴ However, too often, arguments against reform have carried the day, stretching out the country's economic uncertainty in the name of quiet in the streets. And the centerpiece of Cairo's economic program—into which it directed Egyptian citizens' capital and military know-how—was the building of a second transit lane allowing two-way traffic in the Suez Canal. This \$8 billion mega-project was a potent display of Egyptians' collective resolve, but it has yet to deliver on promises to increase exports and government revenues.⁵⁵

In March 2015, Egypt and its international partners convened a prominent, well-attended international investment conference at Sharm el-Sheikh. While Egypt garnered more than \$12 billion in aid and nearly \$40 billion in financing and

loan agreements, few hoped-for investments have actually materialized.⁵⁶ At the conference, Egyptian officials presented grand plans for a new capital stretching eastward toward the Suez Canal, new economic zones to enable export-led growth around the Suez and attract young people from congested Cairo, and private-sector-led growth. But these grand plans do not seem to be matched by efforts to attract the tens of billions of dollars in aid and investment needed or to create an open, predictable business climate that has the buy-in of Egyptian and international investors. In the year after the conference, Egypt's balance of payments deficit more than tripled as exports decreased and foreign direct investment rose only slightly from the previous year.⁵⁷

While the IMF-backed reforms will provide much-needed relief and an impetus to reform, they are not a substitute for an agreed-upon economic vision to guide Egypt's government. The authors' discussions with business leaders, top Egyptian economic officials, and outside experts made clear that Egypt lacks a clear, credible, agreed-upon plan for economic renewal. If it can accelerate its near-term reforms and connect them to a long-term strategy, Egypt can lessen its historic dependence on foreign aid and stabilize its own economy. While delaying risky reforms may have bought a measure of quiet, Egypt's domestic stability and international influence have both been undercut by continued economic uncertainty and dysfunction.⁵⁸

There is little evidence that Egypt's glossy "Vision 2030" report detailing its development strategy is guiding Egyptian government policy.⁵⁹ As one Egyptian businessman said, "There is no longer a framework, it is all piecemeal, depending on the will of the president . . . Egypt is scrambling for quick fixes, done on the [military] fast track, but it's a fine line . . . They will never let this place become Dubai, and their word is final." Indeed, the state's role in the economy appears to be growing.⁶⁰ Absent policy reforms and the rule of law—the software to go along with Egypt's ambitious upgrades to its infrastructural hardware—it is doubtful that Egypt's focus on military-driven megaprojects will yield the desired results.

For a variety of reasons, the United States has struggled to implement economic assistance in areas as diverse as technical assistance to the Central Bank, scholarship funds, and governmental decentralization.⁶¹ So great was the backlog that the United States redirected more than \$100 million in aid destined for Egypt to other priorities.⁶² However, where Egypt is ready to accept U.S. advice and assistance, the United States has tools—including technical assistance, business-to-business ties, and the Egyptian-American Enterprise Fund—that can help Egypt attract investment and create jobs for its people.

Regional role: Beginning to chart an independent course

Egypt has increasingly begun to assert an independent strategic orientation within today's Middle East: one that prioritizes domestic quiet, preserving regional states, and opposition to extremism—as they define it—over rolling back Iranian influence. From its public realignment toward the Syrian government to its reticence to join the Gulf military campaign in Yemen to its anti-Islamist stance toward neighboring Libya, Egypt is attempting to chart its own course.⁶³

As regional conflicts such as Yemen have ensnared other Middle East powers, Egypt has remained largely on the sidelines beyond its immediate neighborhood of Libya and Gaza. Though this lower-key regional role predates 2011, as Egypt's former Foreign Minister Nabil Fahmy acknowledged, "Egypt is overwhelmed by our domestic situation."⁶⁴ Accordingly, Egypt's foreign policy is marked by a tight linkage between international actions and domestic needs as Cairo seeks to reconstitute its state, crush the Muslim Brotherhood, protect its borders, and pay its bills. A sense of siege on Egypt's borders and common enemies, for example, have led to unprecedented levels of cooperation with Israel and notably constructive public remarks on the Israeli-Palestinian conflict.⁶⁵

The fact that the Egyptian state cannot cover its own costs, fiscally or militarily, is an enduring headache that has bedeviled Egypt's leaders and shaped its foreign policy for decades. That is why, despite their current difficulties, Cairo's relations with the Gulf countries have been perhaps Egypt's most important.⁶⁶ Since 2013, Arab Gulf states have collectively spent more than \$30 billion to shore up Egypt.⁶⁷ However, a sense of dependency and moral hazard have crept in, creating mutual resentment. The United Arab Emirates assigned a minister of state and a large team to Cairo and helped design a reform plan for Egypt, only to close down the office when reforms did not materialize.⁶⁸ Saudi Arabia is currently withholding vital petroleum shipments as it seeks to assert its leverage with Cairo and balance its own books.⁶⁹ While Gulf patrons are testing the limits, the sense that Egypt is too big to fail may well prevent them from cutting Cairo off permanently.

On regional issues, however, Egypt has been willing to incur its Gulf donors' ire to pursue independent stances—especially where questions of political Islam and nonintervention are involved. On Syria, Egypt has not joined the Gulf in pushing for Bashar al-Assad's ouster, and voted against a Saudi-supported U.N. Security Council resolution to halt the bombing of Aleppo.⁷⁰ In an interview with the authors, President Sisi recounted a conversation in which, as defense minister, he warned his counterpart, U.S. Defense Secretary Charles Hagel, regarding Syria: "Do not go into that quagmire."⁷¹ Sisi's recent statement that "national armies" such as Syria's need to secure their territory echoed Sisi's statement last fall: "I am afraid that if President Bashar Al-Assad and the Syrian Arab army fall, the radical groups will be given a huge push."⁷²

As in Libya, Egypt views the Syrian conflict through the lens of its domestic battle with Islamists. This was evident when Cairo sought to burnish its relevance by hosting Syrian opposition only to disinvite Islamists from within the opposition. Sisi told the authors that he is "trying for a thorough reading of the regional context, which informs my perspective on Egypt. You have to take that turbulence into account. It is not localized here."

In Yemen, Cairo rebuffed Riyadh's entreaties to join its military campaign. Eventually, Egypt sent ships to help enforce a naval blockade and formally signed onto the coalition, but its troops have not been deployed inside Yemen.⁷³ As President Sisi put it, Egypt doesn't want to "take part in devastating other nations, the 'foolishness' [in the Levant], only in building, reconstructing, helping countries enjoy welfare, security, stability. [I] never want to be a partner in destruction, only development; only reform, never a tool of destruction."⁷⁴ An Egypt whose actions match this aspirational rhetoric would be an asset to a region in chaos.

Across its policies, Egypt has been hedging its bets to meet its economic, security, and strategic needs, balancing relations with the United States and Russia, outside powers, and Gulf patrons. Recent Gulf largesse helped insulate Egypt from U.S. demands to stop domestic repression.⁷⁵ In turn, Egypt deepened engagement with Russia to ease pressure from the Gulf on regional issues. Given this dynamic, it is no surprise that Presidents Morsi and Sisi, despite their ideological differences, both went to Russia and China early in their terms to diversify Egypt's international support.⁷⁶

U.S.-Egypt relations: The path forward

Against this backdrop of immense need, significant disagreements, and unmet promise, the incoming U.S. administration presents Egypt with an opportunity to restore a strategic partnership with the United States. But it will not be easy. To channel newfound goodwill into tangible results that benefit both nations, there are a number of priorities the Trump administration should focus on.

Seek warmer relations, but ask for more from Egypt in return

Trump has spoken often of the need to ask more from U.S. partners, especially aid recipients. In publicly affirming Sisi's Egypt, Trump has already granted Cairo's top "ask" before getting anything tangible in return. The incoming administration should now approach Egypt with its own requests, including a speech by President Sisi to the Egyptian public making clear that the United States is a partner—not a threat—to Egypt, steps to repair U.S. economic and military cooperation, significant progress in opening space for civil society, and the resolution of outstanding cases against members of civil society, especially the cases of secular activists such as Aya Hegazy, where the government cannot offer its fight against Islamists as an excuse.⁷⁷ A lack of clear expectations at the outset risks disillusionment and even deeper dysfunction. The prospect of a White House visit should be an incentive for progress rather than an inducement to begin the conversation.

Ensure that effective governance, the preservation of civic space, and the treatment of citizens by the state remain part of the public and private conversation between U.S. and Egyptian leaders

A Trump administration risks walking away from longstanding bipartisan American commitments to rights and reforms in Egypt. That may win favor with Cairo's government, but it would be a serious mistake for America's long-term interests and values. Egypt's repression represents a strategic liability to the United States—as well as a moral challenge—because it undermines long-term efforts

to defeat violent extremists in the battle of ideas and lessens Egypt's chances for success. These issues bear directly on Egypt's stability and enduring value as a U.S. partner. Civic space is essential to enlisting citizens in Egypt's renewal, which otherwise will rest on a worryingly brittle and narrow base of support. Simply outsourcing these concerns to Egypt's rulers is unlikely to yield an answer satisfactory to enduring U.S. values or interests. The U.S. government, including military and intelligence officials, should speak in one voice in making clear that Egypt's repression damages its prospects. Should President Trump and his team decline to do so, Congress should step in to fill the void.

Both sides need to message their citizens with greater clarity.

President Trump should make clear to Egyptians, as he should worldwide, that America is not at war with Islam and recognizes that the overwhelming majority of Muslims worldwide do not threaten America. His words and policies send a different message and have already harmed America's standing and will continue to do so unless his tone changes.

As a matter of principle and self-interest, the United States should raise concerns publicly about repression and seek to intervene privately as well. But this does not preclude recognizing successful reforms, affirming the U.S.-Egypt partnership, or connecting directly with Egypt's people. As part of restored relations, the U.S. embassy in Cairo should renew its efforts to debunk conspiracy theories and raise awareness about the realities of U.S. support for Egypt.

If Egypt's government wants a healthy relationship with the United States, it should be required to take affirmative steps to lessen suspicions of America. Anti-Americanism directly stoked by Egypt's media and other public figures is not only toxic for the relationship between the two countries but it also puts American lives at risk and disrespects the commitment the United States has shown Egypt, spanning more than 30 years and including tens of billions of dollars in assistance. America should demand better from its longstanding partner.

Focus security cooperation on the four pillars, plus training

The Obama administration sought to refocus Egypt's \$1.3 billion U.S. security assistance program away from prestige items such as fighter jets and advanced tanks and toward current and future threats—in particular, the four pillars: refocusing

security assistance on counterterrorism, the Sinai, border security, and maritime security, plus sustaining existing systems. The new U.S. administration should seek to enshrine these changes as a common language for discussing shared priorities. These changes should, however, be rigorously implemented to prioritize the most urgently needed counterterrorism items and to prevent loopholes that would allow a relapse into prestige systems. The United States should urge Egypt to spend a diminishing share of U.S. security assistance on sustaining weapons unlikely to be needed in order to free up the funds for more widely applicable items such as mine-resistant ambush-protected vehicles, or MRAPs. In reinstating military aid to Egypt, the Obama administration pledged to phase out by 2018 Cash Flow Financing, an anomalous budgeting technique that lets Egypt purchase defense items years into the future at U.S. taxpayers' expense.⁷⁸ This commonsense reform, consistent with U.S. practices in every country except Israel, should not be reversed or significantly postponed. Recognizing the near-term problems this causes, however, deliveries of Excess Defense Articles, such as last year's shipment of 760 MRAPs, can help bridge a short-term gap.⁷⁹

A greater focus on training is needed, both to rebuild trust and to ensure that Egypt has the capacity to fight terrorism. The two militaries rarely conduct extensive joint training, and Egypt has reportedly sought to minimize continued U.S. contact with Egyptian trainees.⁸⁰ In renewing ties, the United States should seek to break this pattern. The Bright Star joint military exercises currently slated for 2017—the first since 2009—represent another opportunity to refocus security cooperation, including on training.⁸¹ The United States should also seek opportunities to cooperate on the Sinai, especially on training to counter roadside bombs and training on counterinsurgency doctrine. Egypt's planned contributions of medics to the anti-ISIS coalition in Iraq point to possibilities for reciprocal exchanges. Different modalities could be explored, including a multilateral facility where Egypt trains alongside Arab partners such as Jordan and the UAE.

Encourage Egypt to develop a comprehensive, broad-based strategy for countering violent extremism that enhances respect for basic rights of all

Now-Secretary of Defense James Mattis said last April, “When a president comes out two years in a row to Al Azhar University, calling for a revolution and rhetoric in order to reduce the amount of negatives about the Muslim religion, I think it’s

time for us to support him and take our own side on this.”⁸² The key question, still largely unanswered, is how Egypt can make good on this ambitious rhetoric to meaningfully advance a more tolerant version of Islam. Egypt has potential and specific advantages in this area relative to other actors in the region, including a deep scholarly tradition with potential to be more inclusive and less sectarian. But how it respects its own citizens’ rights and beliefs is a fundamental test.

In Egypt, the authors spoke with religious authorities from Al-Azhar and government officials about their efforts at countering violent extremism. These include training clerics, and an attempt to counter ISIS propaganda in real time by disseminating religious rulings on social media. But the country needs an integrated strategy with buy-in and participation from civil society, religious institutions, government ministries, and security agencies. More work is needed in both the mainland and the Sinai to reach youth on the path of radicalization and target at-risk communities with community-police partnerships and tailored programs aimed at expanding economic opportunity.

If President Sisi hopes to fulfill his ambitious goals to win the ideological battle against extremism, efforts such as these will need to be multiplied many times over and coupled with contemporary marketing strategies to reach more people, faster, in simpler language. The United States could play a role in aiding this effort by exploring ways to develop joint strategic messaging programs or coordinating with existing ones such as the UAE-based Sawab Center. U.S. technology companies can also develop a relationship with relevant personnel at institutions such as Al-Azhar and Dar al-Ifta to help make their platforms accessible to Egypt’s counter-extremism efforts.

Broad, politicized U.S. terrorism designations are the wrong tools to address the ideological challenges of political Islam.

Where the U.S. intelligence community sees evidence of terrorist elements at work, it should vigorously investigate and follow through on its conclusions. This could include a professional, apolitical review of intelligence on the Egyptian Muslim Brotherhood’s role in terrorist activity inside Egypt with releasable portions. However, U.S. terror designations must be made on the basis of rigorous,

independent professional intelligence analysis, not outside advocacy or high-level interference, Congressional fiat, or top-down political direction or expediency. They should be focused on those engaged in terrorist violence that threatens U.S. interests—not ideology.

The United States has an interest in seeing extreme ideas, including those held by many Islamists, challenged and defeated in the Middle East and worldwide—as well as an interest in helping foreign partners combat terrorism. However, using the mechanisms of American counterterrorism to fight an ideological battle against Islamists invites dangerous overreach at home and greenlights counterproductive repression abroad. Such an approach is self-defeating: Trump’s words and others’ that conflate Islam itself with Islamism, extremism, and terrorism risk framing the battle of ideas within Islam as a civilizational struggle between Islam and the West that validates the narratives of extremists such as IS.

That is why even the most professional U.S. intelligence review and dialogue cannot solve U.S. concerns over Cairo’s counterterrorism strategy because what concerns many U.S. officials is not who constitutes an extremist but rather the most effective, sustainable way Egypt’s government can fight terrorism. Here, too, America’s stake in a sounder approach extends beyond moral advocacy: Should Egypt fail to counter terrorism or act counterproductively, that could harm American and global security.

The incoming U.S. team’s rhetoric—including former National Security Advisor Gen. Michael Flynn’s repeated conflation of Islam with violent Islamic extremism, evidenced by comments such as “Islam is a political ideology” that “hides behind the notion of it being a religion”—have raised fears of an anti-Muslim “witch hunt” against American Muslims without links to terrorism, as these voices so often fail to even distinguish between all Muslims and Islamist extremists.⁸³ U.S. policy regarding nonviolent Islamists in America has been to prosecute those who may have financed terrorist organizations and not to designate the American groups that these individuals belong to as terrorist organizations themselves unless they engage in terrorism or provide material support to terrorists. That approach must continue. The U.S. administration, law enforcement, and Congress must draw a red line separating the Sisi government’s fight against the Egyptian MB from the impulses of some in both countries who wish to extend this fight to the United States and potentially violate the constitutionally protected rights of law-abiding American Muslims.

Offer to enlist U.S. technical experts, businesses, and multilateral partners to assist in economic reform—but only where there is first Egyptian buy-in

There are many areas where Egypt could benefit from U.S. public and private expertise, from integrating into global supply chains to governing a growing natural gas sector. However, the recent experiences of U.S. and Gulf donors make clear that such efforts risk running aground absent sustained top-level Egyptian support—and even then they face an uphill climb. In such efforts humility is warranted. A clear signal to Egypt’s bureaucracy is required from the highest levels to not obstruct U.S. advisors. Where Egyptian cooperation is lacking, the United States should continue to reprogram its aid elsewhere. Both sides also can do more to enlist businesses as partners. Both governments should consult with their business communities to present proposed quick wins: viable recommendations to build momentum for better economic ties. Alongside a hard push for reform, the incoming team could build on programs such as the Egyptian-American Enterprise Fund that encourage Egyptian entrepreneurship.

Reach beyond government

The United States should resist pressure to steer U.S. assistance away from direct engagement with Egyptian people toward less sensitive issues such as infrastructure, sewage, or direct financial aid. Areas to explore include military and police exchanges, as well as student exchanges, but also the untapped soft power of culture and heritage. Because U.S. economic assistance is dwarfed by Gulf aid and IMF loans, U.S. cash transfers and loan guarantees have little diplomatic or economic merit and should be avoided.

Enlist other nations

Egypt is a fiercely independent nation with important ties to the Gulf states, Israel, Russia, and others. Its pride and its problems alike mean that any country seeking to monopolize or dictate to Egypt will fail. The United States should welcome other nations’ economic support for Egypt and even—with important exceptions—some military support as well. Interoperability with the U.S. military is valuable, but nearly half of Egypt’s equipment today is not made in the United States.⁸⁴ Targeting U.S. assistance on the four pillars plus training may mean that Egypt chooses to purchase other items elsewhere.

Conclusion: Renewing ties the right way

President Trump, in his meetings and statements to date, has set the stage for a significantly closer bilateral relationship with President Sisi and Egypt. However, this policy will prove shortsighted unless matched with a demand that Egypt unblock bilateral cooperation and chart a path toward firmer political and economic ground. U.S. policy must prepare for the real possibility that Egypt chooses a different path—one where the state smothers the public sphere, preempts any battle of ideas, stifles the economy, and stiff-arms well-intentioned partners such as the United States. If this comes to pass, then America’s investment in Egypt’s future risks being squandered on the creation of a brittle order that once again stifles the immense potential of the Egyptian people.

About the authors

Daniel Benaim is a Senior Fellow at the Center for American Progress, researching U.S. policy in the Middle East, as well as a visiting assistant professor at New York University. Previously, he served as a Middle East policy advisor and foreign policy speechwriter at the White House, the State Department, and the U.S. Senate. He was also an international affairs fellow at the Council on Foreign Relations. Until June 2015, he was foreign policy speechwriter and Middle East advisor to Vice President Joe Biden, traveling with the vice president to 25 countries. Before that, he wrote speeches for Secretary of State Hillary Clinton and Deputy Secretaries Bill Burns and Tom Nides and served as a member of Secretary Clinton's policy planning staff covering Egypt. Benaim also has been a professional staff member on the Senate Foreign Relations Committee, chief speechwriter to Sen. John Kerry (D-MA), and a detailee to the National Security Council staff. Benaim's writings have appeared in *The New York Times*, the *International Herald Tribune*, *The Wall Street Journal*, *The New Republic*, *The National Interest*, and *The Boston Globe*. He received his master's degree in law and diplomacy from The Fletcher School and his bachelor's in English literature from Yale University.

Mokhtar Awad is a research fellow in the Program on Extremism at The George Washington University. He specializes in Islamist and Salafist groups in the Middle East region and regional politics, with a special focus on emerging violent extremist organizations and their ideas. Prior to joining the Program on Extremism, Awad worked as a Research Associate at the Center and as a junior fellow in the Middle East Program at the Carnegie Endowment for International Peace. Awad's writings have appeared in *The Washington Post*, *Foreign Policy*, *Foreign Affairs*, *CTC Sentinel*, *Atlantic Council*, and *Hudson's Current Trends in Islamist Ideology*. Awad has testified before the U.S. Congress and U.K. Parliament. Awad regularly provides commentary to news networks including Al-Hurra, Al-Arabiya, and Al-Jazeera. Print media quotations have appeared in *The New York Times*, *The Wall Street Journal*, *The Times*, among others.

Brian Katulis is a Senior Fellow at the Center, where his work focuses on U.S. national security strategy and counterterrorism policy. For more than a decade, he has advised senior U.S. policymakers on foreign policy and has provided expert testimony several times to key congressional committees, including the U.S. Senate Committee on Foreign Relations and the U.S. Senate Armed Services Committee. Katulis has conducted extensive research on the ground in the Middle East, where he has lived and worked in a number of countries, including Egypt,

the Palestinian territories, Israel, and Jordan. His past experience includes work at the National Security Council and the U.S. Departments of State and Defense during President Bill Clinton's administration. He also worked for Greenberg Quinlan Rosner Research, the National Democratic Institute for International Affairs, Freedom House, and former Pennsylvania Gov. Robert Casey (D).

Katulis received a master's degree from Princeton University's Woodrow Wilson School for Public and International Affairs and a bachelor's degree in history and Arab and Islamic Studies from Villanova University. In 1994 and 1995, he was a Fulbright scholar in Jordan. Katulis regularly provides commentary on leading television and radio programs, including "PBS NewsHour" and National Public Radio. He has also published articles in several leading newspapers, including *The New York Times*, *The Washington Post*, and *The Wall Street Journal*. He is co-author, with Nancy Soderberg, of *The Prosperity Agenda*, a book on U.S. national security published by John Wiley & Sons in 2008.

Acknowledgments

The authors would like to thank the many American and Egyptian colleagues who insights helped shape this report, including Jon Alterman, Muath Alwari, Alia Awadallah, Perry Cammack, John Desrocher, Andrew Exum, Hisham Fahmy, Michael Hanna, Amy Hawthorne, Peter Hessler, Peter Juul, Ella Lipin, Kate Martin, Andrew Miller, Roopa Rangaswamy, Matt Spence, Dana Stroul, Samuel Tadros, Eric Trager, and Michael Werz.

Endnotes

- 1 Condoleezza Rice, "Remarks at the American University in Cairo," June 20, 2005, available at <https://2001-2009.state.gov/secretary/rm/2005/48328.htm>.
- 2 CAP Middle East Team, "Leveraging U.S. Power in the Middle East" (Washington: Center for American Progress, 2016), available at <https://www.americanprogress.org/issues/security/reports/2016/10/19/146283/leveraging-u-s-power-in-the-middle-east>; Jon B. Alterman, "Making Choices: The Future of the U.S.-Egyptian Relationship" (Washington: Center for Strategic & International Studies, 2016), available at https://csis-prod.s3.amazonaws.com/s3fs-public/publication/160802_Alterman_MakingChoices_Web.pdf.
- 3 Cristiano Lima, "Trump Praises Egypt's al-Sisi: 'He's a fantastic guy,'" Politico, September 22, 2016, available at <http://www.politico.com/story/2016/09/trump-praises-egypts-al-sisi-hes-a-fantastic-guy-228560>; Donald J. Trump, "Readout of Donald J. Trump's Meeting With Egyptian President Abdel Fattah el-Sisi," Press release, September 19, 2016, available at <https://www.donaldjtrump.com/press-releases/readout-of-donald-j-trumps-meeting-meeting>.
- 4 Eric Trager, "How Egyptians' Conspiracy Theories About Clinton Explain Trump's Appeal to Them," The Wall Street Journal, September 19, 2016, available at <http://blogs.wsj.com/washwire/2016/09/19/how-egyptians-conspiracy-theories-about-clinton-explain-trumps-appeal-to-them>.
- 5 Joby Warrick and Abigail Hauslohner, "Trump's Security Picks Deepen Muslim Worries About an Anti-Islamic White House," The Washington Post, November 18, 2016, available at https://www.washingtonpost.com/world/national-security/trumps-security-picks-deepen-muslim-worries-about-an-anti-islamic-white-house/2016/11/18/d7796cc6-add6-11e6-8b45-f8e493f06fcd_story.html; Agence France-Presse, "Sisi Praises Trump and Expects More U.S. Engagement," November 19, 2016, available at <https://www.yahoo.com/news/sisi-praises-trump-expects-more-us-engagement-region-140047019.html>; General Flynn, "5:14 p.m., February 26, 2016," Twitter, available at <https://twitter.com/genflynn/status/703387702998278144>.
- 6 Brian Katulis and Mokhtar Awad, "New Anchors for U.S.-Egypt Relations" (Washington: Center for American Progress, 2015), available at <https://www.americanprogress.org/issues/security/reports/2015/01/23/105168/new-anchors-for-u-s-egypt-relations>.
- 7 Amy Hawthorne, "Rethinking U.S. Economic Aid to Egypt" (Washington: Project on Middle East Democracy, 2016), available at http://pomed.org/wp-content/uploads/2016/10/Rethinking_US_Economic_Aid_Egypt.pdf.
- 8 Jackson Diehl, "America Gives Egypt Free Armored Vehicles. Egypt Gives America a Slap in the Face," The Washington Post, May 29, 2016, available at https://www.washingtonpost.com/opinions/america-gives-egypt-free-armored-vehicles-and-money-egypt-gives-america-a-slap-in-the-face/2016/05/29/b4f5376c-235b-11e6-8690-f14ca9de2972_story.html.
- 9 Obama administration National Security Council staff member, interview with authors, Washington D.C., December 10, 2016.
- 10 Alterman, "Making Choices."
- 11 Michael Wahid Hanna and Brian Katulis, "Preparing for a Strategic Shift on U.S. Policy Toward Egypt," Center for American Progress, November 20, 2013, available at <https://www.americanprogress.org/issues/security/reports/2013/11/20/79754/preparing-for-a-strategic-shift-on-u-s-policy-toward-egypt>.
- 12 Tamer El Ghobashy, "Egypt admits Russian plane was downed by terrorists," The Wall Street Journal, February 24, 2016, available at <https://www.wsj.com/articles/egypt-admits-russian-plane-was-downed-by-terrorists-1456338815>.
- 13 Declan Walsh and Nour Youssef, "Attack on Coptic Cathedral in Cairo Kills Dozens," The New York Times, December 11, 2016, available at <http://www.nytimes.com/2016/12/11/world/middleeast/cairo-coptic-cathedral-attack.html>.
- 14 President Abdel-Fattah al-Sisi, interview with authors, Cairo, Egypt, July 24, 2016.
- 15 Senior Egyptian security official, interview with authors, Cairo, Egypt, May 29, 2016.
- 16 Egyptian security officials, interviews with authors, Marsa Matruh, Egypt, May 2016.
- 17 William Danvers, "Next Steps in Libya" (Washington: Center for American Progress, 2016), available at <https://www.americanprogress.org/issues/security/reports/2016/07/27/141805/next-steps-in-libya>.
- 18 Erin Cunningham and Loveday Morris, "Militants Launch Major Assault in Egypt's Sinai," The Washington Post, July 1, 2015, available at https://www.washingtonpost.com/world/middle-east/militants-launch-major-assault-in-egypts-sinai-peninsula/2015/07/01/ceeff24d-67fc-4b14-88f7-f594c8dc3c53_story.html.
- 19 Interviews with Egyptian officials, May 2016.
- 20 Mokhtar Awad, "Egypt: Challenges and opportunities for U.S. policy," Testimony before the U.S. House of Representatives Foreign Affairs Committee, Subcommittee on Middle East and North Africa, July 15, 2016, available at <http://docs.house.gov/meetings/FA/FA13/20160615/105069/HHRG-114-FA13-Wstate-AwadM-20160615.pdf>.
- 21 U.S. and Egyptian defense officials, interviews with authors, Cairo, Egypt, and Washington, D.C., May 2016.
- 22 State Information Service, "Nasr Reviews Measures to Fund Sinai Development Program," July 30, 2016, available at <http://www.sis.gov.eg/Story/104322?lang>.
- 23 Mokhtar Awad and Mostafa Hashem, "Egypt's Escalating Insurgency" (Washington: Carnegie Endowment for International Peace, 2015), available at http://carnegieendowment.org/files/CMEC_58_Egypt_Awad_Hashem_final.pdf.
- 24 Ibid.
- 25 Mokhtar Awad, "What Egypt's Assassination Attempts Say About its Islamist Insurgency," Atlantic Council, October 3, 2016, available at <http://www.atlanticcouncil.org/blogs/menasource/what-egypt-s-assassination-attempts-say-about-its-islamist-insurgency>.
- 26 Ibid.

- 27 Mohamed Hamama, "Interior Ministry Announces Death of Influential Muslim Brotherhood Leader," Mada Masr, October 6, 2016, available at <https://www.madamasr.com/en/2016/10/06/feature/politics/interior-ministry-announces-death-of-influential-brotherhood-leader>; Liwaa al-Thawra, "Liwaa al-Thawra Launches Second Armed Operation Against Leaders of Sisi's Criminal Militias," October 22, 2016, available at <https://www.facebook.com/radiomidan/photos/a.519448058137416.1073741828.511220718960150/1125338184215064>.
- 28 The White House, "Response to We the People Petition on the Muslim Brotherhood," available at <https://petitions.whitehouse.gov/petition/declare-muslim-brotherhood-organization-terrorist-group> (last accessed January 2017).
- 29 Hardin Lang, Mokhtar Awad, and Brian Katulis, "Fragmenting Under Pressure: Egypt's Islamists Since Morsi's Ouster" (Washington: Center for American Progress, 2014), available at <https://www.americanprogress.org/issues/security/reports/2014/03/05/85281/fragmenting-under-pressure>; The Muslim Brotherhood, "The First Statement of the Elected General Office of the Muslim Brotherhood," December 20, 2016, available at <http://ikhwanonline.info/%D8%A7%D9%84%D8%A8%D9%8A%D8%A7%D9%86-%D8%A7%D9%84%D8%A3%D9%88%D9%84-%D9%84%D9%84%D9%85%D9%83%D8%AA%D8%A8-%D8%A7%D9%84%D8%B9%D8%A7%D9%85-%D9%84%D8%AC%D9%85%D8%A7%D8%B9%D8%A9-%D8%A7%D9%84%D8%A5%D8%AE>.
- 30 Amira El-Fekki, "Free Egyptians and Al-Nour Parties Win Seats in Parliamentary Elections," Daily News Egypt, October 29, 2015, available at <http://www.dailynews-egypt.com/2015/10/29/free-egyptians-and-al-nour-parties-win-seats-in-parliamentary-elections>.
- 31 U.S. Central Command officials, interview with authors, Tampa, FL, September 28 2016.
- 32 Samuel Tadros, "Trump's Opportunity: Saving Coptic Christians," The Wall Street Journal, December 21, 2016, available at <http://www.wsj.com/articles/trumps-opportunity-saving-coptic-christians-1482363152>.
- 33 Lyse Doucet, "President Sisi laments western criticism over democracy in Egypt," BBC.com, November 4, 2016.
- 34 Interview in July 2016, Cairo, Egypt.
- 35 Ahmed Aboulenein and Amina Ismail, "Egypt Imposes Big Security Clampdown, Protests Fail to Materialize," Reuters, November 11, 2016, available at <http://www.reuters.com/article/us-egypt-currency-protests-idUSKBN1360U4?il=0>; President Abdel-Fattah al-Sisi, interview with authors, Cairo, Egypt, July 24, 2016.
- 36 Lang, Awad, and Katulis, "Fragmenting Under Pressure."
- 37 Human Rights Watch, "Egypt: Serious Abuses in Scorpion Prison," September 28, 2016, available at <https://www.hrw.org/news/2016/09/28/egypt-serious-abuses-scorpion-prison>.
- 38 James N. Mattis, "The Middle East at an Inflection Point," Center for Strategic and International Studies, April 22, 2016, available at https://csis-prod.s3.amazonaws.com/s3fs-public/event/160422_Middle_East_Inflection_Point_Gen_Mattis.pdf.
- 39 President Abdel-Fattah al-Sisi, interview with authors, Cairo, Egypt July 24, 2016.
- 40 Egyptian writer, interview with authors, Cairo, Egypt, May, 2016.
- 41 Diehl, "America Gives Egypt Free Armored Vehicles."
- 42 Ahmed Hidji, "Controversy Over Italian Student's Murder Threatens Egypt's Tourism Sector," Al-Monitor, April 17, 2016, available at <http://www.al-monitor.com/pulse/originals/2016/04/egypt-italy-regeni-murder-tourism-decline.html>.
- 43 Hossam Bahgat, "Anatomy of an Election," Mada Masr, March 2016, available at <http://www.madamasr.com/en/2016/03/14/feature/politics/anatomy-of-an-election>.
- 44 Egyptian parliamentarians, interview with authors, Cairo, Egypt, May 26, 2016.
- 45 Amr Hamzawy, "New NGO Legislation Takes Egypt Down a Dangerous Path," The Washington Post, December 6, 2016, available at <https://www.washingtonpost.com/news/global-opinions/wp/2016/12/06/new-ngo-legislation-takes-egypt-down-a-dangerous-path>.
- 46 Interview with Egyptian MP Heba Saleh, "Illegal Settlements Boom as Housing Controls Weaken," Financial Times, November 26, 2013, available at <https://www.ft.com/content/71428922-4477-11e3-a751-00144feabdc0>.
- 47 Brian Katulis, Rudy deLeon, and John Craig, "The Plight of Christians in the Middle East" (Washington: Center for American Progress, 2015), available at <https://cdn.americanprogress.org/wp-content/uploads/2015/03/ChristiansMiddleEast-report.pdf>.
- 48 David Kirkpatrick and Merna Thomas, "Egyptian Leader Visits Coptic Christmas Eve Service," The New York Times, January 6, 2015, available at <http://www.nytimes.com/2015/01/07/world/middleeast/egyptian-leader-visits-coptic-christmas-eve-service.html>.
- 49 Declan Walsh and Nour Youssef, "ISIS Claims Responsibility for Egypt Church Bombing and Warns of More to Come" The New York Times, December 13, 2016, available at <http://www.nytimes.com/2016/12/13/world/middleeast/egypt-isis-bombing-coptic-christians.html>.
- 50 The Economist, "The Ruining of Egypt," August 6, 2016, available at <http://www.economist.com/news/leaders/21703374-repression-and-incompetence-abdel-fattah-al-sisi-are-stoking-next-uprising>.
- 51 Ahmed Aboulenein and David Lawder, "IMF Board Approves Egypt's \$12 Billion Loan Agreement, \$2.75 Billion Disbursed," Reuters, November 11, 2016, available at <http://www.reuters.com/article/us-egypt-imf-idUSKBN137005>.
- 52 Oxford Business Group, "Egypt's Power Supply Gets an Encouraging Boost," June 30, 2015, available at <http://www.oxfordbusinessgroup.com/news/egypts-power-supply-gets-encouraging-boost>.
- 53 Ehab Farouk, "Egypt to cut fuel subsidies as government seeks to reduce deficit," Reuters, April 9, 2016, available at <http://www.reuters.com/article/us-egypt-budget-subsidies-idUSKCN0X60EB>.
- 54 Neena Rai and Tamer El-Ghobashy, "Egypt to Introduce Smart-Card System for Subsidized Bread," The Wall Street Journal, April 14, 2014, available at <http://www.wsj.com/articles/SB10001424052702303887804579501444058323618>.
- 55 Al-Masry Al-Youm, "Suez Canal revenues down 5.3% in 2015: chief," Egypt Independent, January 13, 2016, available at <http://www.egyptindependent.com/news/suez-canal-revenues-down-53-2015-chief>.

- 56 Ahmed Farouk Ghoneim, "The Egypt Economic Development Conference: Success or Failure?," Middle East Institute, March 26, 2015, available at <http://www.mei.edu/content/at/egypt-economic-development-conference-success-or-failure>.
- 57 Ibid.
- 58 Steven Cook, "Egypt's Economic Reform: The Good and the Bad," Council on Foreign Relations, November 14, 2016, available at <http://blogs.cfr.org/cook/2016/11/14/egypts-economic-reform-the-good-and-the-bad>.
- 59 Egypt Vision 2030, "Home," available at <http://sdse-egypt2030.com/?lang=en> (last accessed December 2016).
- 60 Lina Attalah and Mohammed Hamama, "The Armed Forces and Business: Economic Expansion in the Last 12 Months," Mada Masr, September 9, 2016, available at <http://www.madamasr.com/en/2016/09/09/feature-economy/the-armed-forces-and-business-economic-expansion-in-the-last-12-months>.
- 61 Hawthorne, "Rethinking U.S. Economic Aid to Egypt."
- 62 Matthew Lee, "US shifts away from Egypt citing impediments," The Associated Press, October 19, 2016.
- 63 Anne Barnard, "Egypt and Turkey Soften Positions on Syria, Benefiting Assad," The New York Times, December 2, 2016, available at <http://www.nytimes.com/2016/12/02/world/middleeast/syria-assyria-egypt-turkey.html>.
- 64 Liam Stack, "A Gloomy Egypt Sees Its International Influence Wither Away," The New York Times, August 2, 2016, available at http://www.nytimes.com/2016/08/03/world/middleeast/egypt-sisi-foreign-policy.html?_r=0.
- 65 Bennett Seftel, "Egyptian and Israeli Cold Peace Has Never Been Warmer," The Cipher Brief, December 15, 2016, available at <https://www.thecipherbrief.com/article/middle-east/egyptian-and-israeli-cold-peace-has-never-been-warmer-1091>.
- 66 Abdel Monem Said Aly and Hussein Ibish, "Egypt-GCC Partnership: Bedrock of Regional Security Despite Fissures," The Arab Gulf States Institute in Washington, December 12, 2016, available at: <http://www.agsiaw.org/egypt-gcc-partnership-bedrock-regional-security-despite-fissures>.
- 67 Daa Hadid, "Painful Steps Help Egypt Secure \$12 Billion I.M.F. Loan," The New York Times, November 11, 2016, available at <http://www.nytimes.com/2016/11/12/world/middleeast/egypt-gets-final-imf-approval-for-12-billion-loan.html>.
- 68 U.S., Egyptian, and Emirati officials, interviews with authors, Washington, D.C., Cairo, Egypt, Abu Dhabi, United Arab Emirates.
- 69 Ibid.
- 70 Monem Said Aly and Ibish, "Egypt-GCC Partnership."
- 71 President Abdel-Fattah al-Sisi, interview with authors, Cairo, Egypt, July 24, 2016.
- 72 CNN, "Egypt President: 'Extremism' is the biggest threat," September 28, 2015, available at <http://www.cnn.com/videos/tv/2015/09/28/egypt-president-extremism-wolf-blitzer.cnn>.
- 73 Monem Said Aly and Ibish, "Egypt-GCC Partnership."
- 74 President Abdel-Fattah al-Sisi, interview with authors, Cairo, Egypt, July 24, 2016.
- 75 Associated Press, "After US Halts Some Aid, Egyptian General Heads to Russia for Possible \$2 Billion Arms Deal," February 12 2014, available at <http://www.denverpost.com/2014/02/12/after-us-halts-some-aid-egyptian-general-heads-to-russia-for-possible-2-billion-arms-deal>.
- 76 Mada Masr, "Sisi Seeks Closer Economic Ties With China," December 21, 2014, available at <http://www.madamasr.com/en/2014/12/21/news/economy/sisi-seeks-closer-economic-ties-with-china>.
- 77 Heba Habib, "How Egypt's Most Famous Jailed Couple Celebrated Valentine's Day," The Washington Post, February 14, 2016, available at <https://www.washingtonpost.com/news/worldviews/wp/2016/02/14/how-egypts-most-famous-jailed-couple-celebrated-valentines-day>.
- 78 The White House, "Readout of the President's Call with President al-Sisi of Egypt," Press release, March 31, 2015, available at <https://www.whitehouse.gov/the-press-office/2015/03/31/readout-president-s-call-president-al-sisi-egypt>.
- 79 Richard Tomkins, "Egypt Receives Surplus U.S. Armored Vehicles," United Press International, October 3, 2016, available at http://www.upi.com/Business_News/Security-Industry/2016/10/03/Egypt-receives-surplus-US-armored-vehicles/5801475513045.
- 80 U.S. defense official, interview with authors, Washington, D.C., April 4, 2016.
- 81 Mattis, "The Middle East at an Inflection Point."
- 82 Ibid.
- 83 Michael Hirsh, "Team Trump's Message: The Clash of Civilizations is Back," Politico, November 20, 2016, available at <http://www.politico.com/magazine/story/2016/11/donald-trump-team-islam-clash-of-civilizations-214474>; Miranda Blue, "Video: Likely Trump National Security Adviser Michael Flynn Calls Islam A 'Cancer' & 'Political Ideology' That 'Hides Behind' Religion," Right Wing Watch, November 18, 2016, available at <http://www.rightwingwatch.org/post/video-likely-trump-national-security-adviser-michael-flynn-calls-islam-a-political-ideology-that-hides-behind-religion>; Eli Lake, "Trump's Coming Witch Hunt Against Political Islam," Bloomberg View, November 30, 2016, available at <https://www.bloomberg.com/view/articles/2016-11-30/trump-s-coming-witch-hunt-against-political-islam>.
- 84 Jihad Abaza, "Egypt Seeks to 'Diversify' Weapons Providers: Experts," Daily News Egypt, February 15, 2015, available at <http://www.dailynewsegypt.com/2015/02/15/egypt-seeks-diversify-weapons-providers-experts>; Egyptian military officials, interviews with authors, May 12 and June 1, 2016.

Our Mission

The Center for American Progress is an independent, nonpartisan policy institute that is dedicated to improving the lives of all Americans, through bold, progressive ideas, as well as strong leadership and concerted action. Our aim is not just to change the conversation, but to change the country.

Our Values

As progressives, we believe America should be a land of boundless opportunity, where people can climb the ladder of economic mobility. We believe we owe it to future generations to protect the planet and promote peace and shared global prosperity.

And we believe an effective government can earn the trust of the American people, champion the common good over narrow self-interest, and harness the strength of our diversity.

Our Approach

We develop new policy ideas, challenge the media to cover the issues that truly matter, and shape the national debate. With policy teams in major issue areas, American Progress can think creatively at the cross-section of traditional boundaries to develop ideas for policymakers that lead to real change. By employing an extensive communications and outreach effort that we adapt to a rapidly changing media landscape, we move our ideas aggressively in the national policy debate.

