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Domestic Challenges and Egypt's U.S. Policy+

By Yoram Meital*

When high-ranking U.S. and Egyptian delegations met in Washington in July 1998 to hold their annual strategic dialogue meeting, Rajeb al-Ban'a, a veteran Egyptian journalist, called the session, "A dialogue between the great power of the world and the [great] power of the Middle East and Africa region and Egypt makes this claim with her back straight and her head held high." (1)

Egypt has sought to approach its relationship with the United States in this spirit of equality and the assertion of its own importance. This attitude, and the status of U.S.-Egypt relations, has often emerged from Egypt's own self-image, domestic needs, and internal politics.

In their book, *The Foreign Policies of Arab States* (1984), authors Bahgat Korany and Ali Hillal Dessouki criticize the tendency to study Arab states' foreign policies by focusing on ruler's personalities, viewing them as virtually the sole source of foreign policy. "War and peace," they argue, "become a matter of personal taste and individual choice." (2) They also criticized the approach viewing Arab foreign policies as mainly a reaction to external forces. Korany and Dessouki argue that a foreign policy process cannot be separated from the domestic social structure and political process. Research of Arab foreign policies must emphasize "domestic sources of foreign policy" and "how the process of social change effect the external behavior of developing countries." (3)

In addition, though, there is another key factor to consider: the different perceptions of parties and individuals of their country's historical and national heritages and these attitudes' influences on the general orientation taken toward a foreign entity. This article examines the

dramatic changes affecting Egypt's policy toward the United States as part of the re-orientation that took place in Egypt since the early 1970s.

These changes were introduced against the difficult situation faced by Egypt after the 1967 war. Following its defeat, Egypt lost Sinai, the lucrative oilfields there, and transit fees from the Suez Canal. Its armed forces were in total disarray; tourism and investment declined drastically; defense expenditure increased sharply. A sense of insecurity prevailed among the population, and a crisis of legitimacy and confidence became discernible in certain quarters of the public who began doubting the leadership's ability to extricate Egypt from the crisis.

Against the background of their severe defeat, decisionmakers in Cairo were forced to re-define Egypt's vital national objectives. Although this process began in the summer of 1967, it reached its climax only in the mid-1970s. Adoption of the "Open Door policy" (*siyasat al-infatah*) was both a practical and symbolic expression of this fundamental transformation Egypt was undergoing. (4)

The Open Door policy was the direct link between the possibility to achieve stability on the borders and the continuing desire to accomplish economic relief, which in turn would significantly decrease the domestic challenges society and regime

were facing. Domestically, the Open Door policy was expressed by adopting an economic policy that favored the market economy concept, instead of centralized Arab socialism that dominated the state economy during the 1950s and 1960s. Soon enough, Cairo's decisionmakers appreciated the limited possibilities of advancing their new approach without expanding the Open Door policy to politics, parties and media.

Gradually the one-party system and its absolute control over the media was abandoned and replaced by a multi-party system that allowed freer possibilities of expression. Egyptian leaders adopted a step-by-step approach in implementing the Open Door policy domestically. They worried that rapid changes would bring a chain-reaction which could destabilize the country's social and political balances.

As against this, intensive and crucial changes were occurring in Egypt's foreign policy, mainly regarding the superpowers and Arab-Israeli conflict. The complex re-orientation toward the United States was influenced by variety of factors, which were partly articulated during the late 1960s. On 9 June 1967, when the harsh results of the war became known, Cairo declared a complete cessation of diplomatic relations with the United States. (5)

Nevertheless, in subsequent years it became clear that without intensive U.S. involvement, any settlement of the Arab-Israeli conflict was unlikely. Formally, during the years 1967-1974 the diplomatic relationship was severed. However, following the summer of 1967 representatives of the two states conducted a prolonged dialogue. A significant testimony to that attempt at restitution could be found in Egypt's acceptance of the initiative of Secretary of State William Rogers (July 1970). This course was continued after the unexpected death of President Jamal 'Abd

al-Nasir and the advent to the helm of Anwar al-Sadat.

The 1973 war was a turning point in the Arab-Israeli conflict's history and in Egypt's domestic situation, with ramifications also in the U.S.-Egypt relationship. At home, the principal aims were restoration of national self-confidence, strengthening the regime's legitimacy in the public's eyes, and promoting new social and economic policies. Some Egyptians viewed the war's outcome as a chance for their country to advance into an era of greater democracy, under the slogan of "the state of institutions" (as against the former state run by the fiat of a few key figures), and the emergence of "a new Egyptian man" whose life would be based on science and technology as much as by faith. The crossing of the Suez Canal was regarded as a symbol of "crossing" into new "territory" in other fields as well, first and foremost, in terms of the economy. These concepts were fully articulated in the October Paper issued in April 1974; it spoke expressly of exploiting the wartime momentum in order to deal with Egypt's domestic challenges. (6)

In foreign affairs, post-1973 war efforts focused on two points: to reach a political settlement with Israel under superpower auspices, a settlement calculated to impart a new impetus to the search for an overall regional solution, without departing from the national aims laid down following the 1967 war. In practical terms, this meant downgrading cooperation with the Soviet Union (a policy culminating in the severance of diplomatic relations with Moscow in 1976) and broadening relations with the United States (with which Egypt resumed relations in February 1974).

As Sadat stated in the spring of 1974: "What is decisive is one word: Egypt, and the benefit for Egypt...What suits Egypt's interest, we accept; and what does

not suit Egypt's interests, we reject." (7) As shall be seen, this simple maxim led to major foreign policy realignments. Sadat presented his method as being realistic, pragmatic and unemotional, guided solely by considerations of Egypt's national interest and by an assessment of the limited means at the country's disposal. Such a policy, if conducted by decisions made independently of others and with consistent regard for the strategic overall objectives, offered the best chance of success.

Sadat contrasted his approach with the methods followed by Egypt and other Arab countries in the past, when they attempted to enlist the support of people by appealing to their emotions. In April 1974, for instance, he said: "Stop speaking of human drives and feelings; let the masses applaud realities, not intentions.... The time has come for us to speak objectively to the man in the Arab street, rather than bringing on sentimental arousal or use emotion-laden slogans. Exciting the feelings of the Arab street through empty slogans no longer has the heady appeal it once had." (8)

After the 1973 war, this new approach to the decisionmaking process came to be welcomed outside the establishment, too, including quarters who had opposed Sadat between 1970 and 1973. Its advocates increasingly regarded home and foreign policies as a single whole; domestic and foreign aims, they felt, needed to be promoted in such a way that progress in one field would reinforce action in the other.

Establishment spokesmen now frequently stressed the interdependence of progress toward a political accommodation with Israel and the rehabilitation of Egypt's social and economic fabric: socio-economic conditions could only be bettered in times of peace. This motif was used to persuade both the home public and other countries of the need for a far-reaching policy change: the present poor state of the economy, it was

argued, resulted directly from huge past investments in the struggle against Israel.

To give tangible expression to this line of thought, Sadat had set up, back in 1973, a parliamentary committee called "The General Committee for War-Related Damage." The committee found that between 1967 and 1973, defense expenditure had amounted to E 16 billion. Reflecting on this period at a later date, he wrote: "If we look back through history we see the horrors brought upon Egypt by war - -the martyrs, the destruction, the delays in development. Egypt became a backward country because of the slogan 'war is supreme.' This is why I opted for peace....I thought it was important to create an atmosphere that fostered development, so that Egypt could survive and become a partner in the twenty--first century before it was too late." (9)

The well-known journalist Anis Mansur spoke of the kind of people who did not want war: they were the soldiers, whose lives the war had turned bitter, "from whom it took away their house, their street, a life like everybody else's; those taking up the phone who cannot find a free line; those who open a faucet with no water coming out; those waiting hours in the street for a bus...to come; every young man who cannot find a job...[or] a home...he can afford, who gives up the idea of marrying and considers emigrating--all these do not want war." (10)

THE UNITED STATES AND EGYPT'S RE-ORIENTATION

Under these circumstances a fundamental change took place in the relations between Egypt and the United States. On the Egyptian side, the rapprochement with Washington was part of an overall re-orientation of the country's global policies, which in turn resulted from a broad reassessment of national priorities. The need to deal with the conflict with Israel

and the economic and monetary challenges facing Egypt were the factors underlying the turn toward the United States.

Sadat argued that in the prevailing global, regional and domestic circumstances, Israel's positions could not be changed by force of arms alone. Quick, realistically attainable results could only be the outcome of a more reasonable policy toward the United States and other Western countries. Such a policy was capable of putting pressure on Israel--at least up to a point. In view of Israel's dependence on the United States (and despite the closeness of the two countries), Cairo averred that Washington could be made to bring pressure to bear on Jerusalem, provided the Arabs knew how to present their case to U.S. administration and World public opinion.

Despite that, Sadat had no illusion that Washington was on the point of foregoing its traditional support of Israel, and was quite aware that American military and economic assistance to Israel continued to increase. Convinced of Israel's almost total dependence on the United States, and of America's ability to impose its will on Israel, Sadat said that the United States "holds 90% of the cards." If Egypt's aim was a political settlement, Cairo had first of all to reach an understanding with Washington.

After the signing of the Sinai Interim agreement (September 1975) the evaluation in Washington was that the end of the political stalemate between the Arabs and Israel was an important American interest. In addition, it was also assumed that progress could be achieved by negotiations under the auspices of the Geneva conference.

These assumptions become the policy of the United States when the Carter Administration was established. During the summer of 1977 Sadat was looking for a different approach to move forward. The Geneva Conference seemed to him lacking

in practical results and was bound to cause much loss of time through laborious attempts to bridge the gaps between the sides. According to Sadat, the main parties to the conflict were enslaved in a vicious circle of a word here or a word there. But Arab rejection of negotiations with Israel, paradoxically, benefitted Israel by delaying any return of the territory captured in the 1967 war.

In his metaphoric language, Sadat described this deadlock as a "psychological barrier" which blocked the political process; in his own words: a huge wall of suspicion, of fear, hate and misunderstanding that had long existed between Israel and the Arabs. Though aware that he was going against the intentions of the United States and the Soviet Union--both of whom favored the Geneva Conference--he believed that the United States could not oppose an independent initiative of Egypt for long. This was the general background to Sadat's peace initiative of November 1977, his historic visit to Israel, and his addressing the Knesset.

Egypt-Israel negotiations proceeded for 16 months, and the peace treaty was signed (March 1979), with intense, U.S. involvement. In the 20 years that have passed since then, a complex, multi-dimensional relationship between Egypt, the United States and Israel has emerged. As part of this process a strategic alliance has developed between Egypt and the United States, including intensive American economic, military and technological assistance to Egypt. During these years Egypt has strengthened its image in the international community eyes as the fundamental linchpin for Middle East stability and as a "key Arab partner in efforts to achieve an Arab-Israeli peace and strengthen moderate forces in the volatile Middle East." (11)

The mutual interests between the United States, Egypt and Israel stood the test of severe challenges. The sides remained faithful to their obligations, despite Sadat's assassination and outbreaks of Israeli-Arab violence, particularly during the war in Lebanon and the intifada. Although these challenges placed great stress on the fragile fabric relations between Egypt and Israel, it did not change their fundamental approach and commitment to the agreements between them.

However, many in Egypt perceived the split with the Arab world as a heavy political, cultural and national price. In addition, this situation faced Cairo's decisionmakers with what seemed a fundamental dilemma in their policy; i.e. Egypt's image as a central factor which could lead the Arabs to adopt moderate political stands and create essential conditions for stability in the volatile Middle East. However, when relations with most of the Arab states and the Palestinians were cut off, Egypt's regional influence decreased substantially. In this situation, too, Cairo's image as a regional power was reduced among Western states, too.

Against this background, Egypt under Husni Mubarak's leadership perceived the deteriorating relations between Cairo and most of the Arab states as harmful to his country's interests. The efforts to reconcile with the Arab states and the PLO, began to bear fruit in the second half of the 1980s. However, this process happened while Egypt continued to honor most of its commitments in terms of the peace treaty with Israel. Actually, Cairo presented its policy orientation as a model; i.e., settling the Arab-Israeli conflict by peaceful means based on the formula of "land for peace" and marked by full American partnership in all its stages.

Egypt's policy during these years was affected by Middle Eastern and global developments. First and foremost by the

USSR's collapse and the outbreak of the Gulf war. Decisionmakers in the Middle East had to reassess their policies and adjust them to a new situation in which U.S. influence had become decisive in shaping central regional issues and especially the Arab-Israeli conflict.

This international reality became acute during the crisis resulting from Iraq's military invasion of Kuwait (August 1990). This crisis severely tried relations between Egypt and United States. Since the end of the 1970s the Egyptian government made intensive efforts to build their country's image as the key factor to achieving stability and moderation in the region. In return, Egypt gained extensive U.S. economic and military aid. After Iraq's invasion, Egypt had to take all the necessary steps to fulfil the commitment to demonstrate its mutual interests with the West, and especially the United States. Yet this did not necessarily respond to Egyptian public opinion. Thus it can be understood why Mubarak described the Gulf crisis as his presidency's most difficult period. (12)

In many ways the Gulf crisis can be viewed as a microcosm for the "Open Door" policies, including the re-orientation toward the United States. The U.S.-Egypt strategic partnership, especially given the internal and external criticism of Egypt's policy, was seriously tested in the Gulf crisis. After the war, the United States announced that "Egypt delivered the goods." Within Egypt, the government declared it had fulfilled a policy of justice and international legitimacy. Egypt's firm stand had led to important achievements, especially the erasing of a substantial amount of the foreign debt, and what appears as successful economic reforms. This might be the background for Mubarak's statement (in September 1992): "through action on the foreign front, we are able to find the necessary funding for our massive infrastructure projects." (13)

Another important achievement Egyptian decisionmakers claimed for their Gulf crisis cooperation with the United States was U.S. support for restarting the peace process, accepting Egypt as the Palestinian cause's main advocate and the bridging force with Syria. In October 1991, the Madrid conference was convened and multilateral negotiations ensued in which the Egyptian-Israeli peace treaty became a point of reference for all sides. Its centrality in the Arab world, as well as the fact that Cairo had special relations with all the antagonists--especially with the PLO--made Egypt a focal point.

When the talks faced a deadlock, Egypt used its influence in Washington, Jerusalem, Gaza and Damascus in order to restart deliberations. Cairo was also quick to realize that the establishment of Yitzhak Rabin's government (June 1992) offered an opportunity for business-like negotiations. In its endeavors to reach a comprehensive peace, Rabin's government was ready to have Egypt play an active role in the peace process. At the same time, Egyptian-Israeli relations also knew fundamental disagreements, especially on issues relating to normalization of relations, Israel's New Middle East vision, and controversies about Israel's nuclear capability and its refusal to sign the Non-Proliferation Treaty (NPT). Nevertheless, Egypt's leadership believed the peace train was on the right track and that the sides would maintain their basic commitment to continue it.

However, since the establishment of Benjamin Netanyahu government (June 1996), Egypt's attitude toward Israel changed. At the beginning, Cairo tried to adopt a business-like attitude. Prime Minister Netanyahu was invited for talks with Mubarak. Nevertheless, following that meeting the relations between the two countries severely deteriorated; primarily because Egyptian public opinion and

leadership saw Netanyahu's policies as renegeing on agreements and commitments.

Egyptian decisionmakers as well as other sectors in the public opinion genuinely considered a deadlock in the peace process as harming Egypt's most vital national interests. This includes domestic policies, since the peace process's failure would undercut the region's stability and image, thus jeopardizing Egypt's own economic resurgence. As a result of Egypt's post-Gulf war economic liberalization, especially privatization, inflation rates dropped to 4 percent annually; hard currency reserves grew to an estimated \$18 billion; foreign investment has increased; the Egyptian pound and the country's balance of payments have stabilized; the stock market has reached an unprecedented record; and the country's external debt dropped below the \$30 billion mark.

Over the past two years a critical tendency toward America has permeated Egyptian society. This trend followed the Gulf crisis, when criticism became rampant against what was perceived as U.S. double standards. The claim was that the American government did not hesitate in using political, economic or military means against countries like Libya and Iraq, yet refrained from such actions when Israel was violating international agreements and harming Arabs in general and Palestinians in particular. U.S. policy repeatedly stated its commitment to guarantee Israel's military superiority and refused to denounce Israel's policy regarding nuclear arms.

Many Egyptians argue that U.S. policy toward Israel has a direct influence on Egypt's national security. An expression for this claim can be found in a series of articles written by former Defense Minister Abd al-Halim Abu Ghazala. In October 1998, he wrote an article entitled "The strategic alliance between the United States and Israel is the first danger," arguing that

America's special relations with Israel dictates the overall U.S. strategic attitude toward the region in a way damaging Arab-- and especially--Egyptian interests. (14)

One central aspect of the current debate on U.S.-Egypt relations is civilian and military aid. Following the signing of the Egypt-Israel peace accord (March 1979), the United States provided the two countries with generous economic and military assistance. Egypt, the second-largest recipient of American civil and military aid, received \$2.1 billion a year (\$1.3 billion in military assistance; \$815 million in economic support). Since the commencement of the Military Financing Program in 1979, Egypt has purchased about \$25 billion of advanced U.S. arms, including sophisticated aircraft and tanks. Between fiscal years 1974 and 1998, the United States provided about \$22 billion to Egypt in economic aid. (15)

Within the United States, there has been a debate over whether U.S. aid to Egypt should be reduced. Critics, including some members of Congress, argue that this aid has not helped U.S. interests. Prof. Duncan Clarke, of the American University, suggested claimed, "Egypt's importance for the United States after the Cold war, while substantial, has diminished appreciably, partly because of the disappearance of the (real or supposed) Soviet threat to the region." (16)

In contrast, a report from the Washington Institute for Near East Policy, asserted, "An assessment of the costs and benefits of America's \$1.3 billion in military aid suggests that maintaining the program at current levels--no increase, no decrease--is the approach that best advances U.S. interests." (17)

Many Egyptians believe that Zionist and Israeli individuals and groups work to disrupt U.S.-Egypt relations. (18) In the end, though, U.S. aid was only reduced by five percent. And in reality-- despite the debate

in Egypt over the principle and price of a strategic alliance with the United States-- bilateral relations continue very effectively.

Egyptian decisionmakers and the general public have accepted the likelihood that U.S. aid will probably be cut in the future. The reaction to this expectation depends on the speaker's own views. Government spokespeople emphasize that the economic reforms' success makes it reasonable to reduce dependence on foreign aid. (19) In addition, they claim that reducing aid would give Egypt more maneuvering room in its regional policy. In contrast, the opposition challenges the very concept of strategic ties with America and claims that Egypt pays too high a price for this aid. (20)

Mutual interests and a similar general outlook on the process in the Middle East were the factors forming the foundation of special relations between Egypt and the United States over the past two decades. From Egypt's perspective, these relations and the related peace agreement with Israel remain basic necessities in its domestic and foreign policies. The Cold War's end, USSR's collapse, and Middle East developments since the Gulf crisis have not altered this situation. An expression of this fact can be found in the joint statement published at the end of the U.S.-Egyptian strategic dialogue (July 1998), which begins:

"The strategic partnership shared by the Arab Republic of Egypt and the United States of America reflects our common and strong commitments to peace and to regional stability. Sharing a strategic outlook on issues affecting the Middle East and beyond, we have cooperated on numerous undertakings, which have benefitted our two countries and advanced the cause of comprehensive and just peace, regional stability, and economic development and progress." (21)

Nevertheless, the difficult question to answer is whether Egyptian and American

leaders will be able to determine not only a policy based on their interests and preferences, but also one acceptable to the public debate in both countries. The dissonance between state policy and domestic support for it is today one of the most threatening factors to continuing the strategic partnership constructed by so much effort since the 1970s.

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**Yoram Meital is Chairman of the Department of Middle East Studies at Ben-Gurion University. Among his publications: Egypt's Struggle for Peace: Continuity and Change, 1967-1977 (Gainesville: University Press of Florida, 1997); "Revolutionizing the Past: Historical Representation During Egypt's Revolutionary Experience, 1952-62", in: Mediterranean Historical Review, 12, 2 (December 1997), 60-77.*

NOTES

1. October, August 9, 1998.
2. See: Bahgat Korany and Ali Hillal Dessouki, *The Foreign Policies of Arab States* (Boulder, 1984), p. 5.
3. In addition, they suggest to investigate the foreign policies of Arab states in the context of a nation state building process in the post-colonial third world; a process which was influenced by the following three dilemmas: Aid/independence dilemma (the trade-off between the need for foreign aid and the maintenance of national independence).

Resources/objective dilemma (the ability of foreign policy makers to pursue objectives within the domain (realm) of their country's capabilities). Security/development dilemma (a modern version of guns-or-butter debate; in which foreign policy is perceived as a process or activity whose main objective is the mobilization of external resources for the sake of societal development). Ibid, p. 8.

4. See: John Waterbury, *The Egypt of Nasser and Sadat: The Political Economy of Two Regimes* (Princeton, 1983).

5. Soon a public debate was erupted in Egypt with regard to this decision, and even persons who supported the regime warned publicly from the future ramifications of cutting relations with the United States.

6. Yoram Meital, *Egypt's Struggle For Peace* (Gainesville, 1997), Chapters 6-7.

7. Ibid, pp. 131-132. 8. Akhbar al-Yawm, April 12, 1975.

9. Anwar al-Sadat, *Those I Have Known* (New York, 1984), p. 106.

10. October, November 27, 1975.

11. See: Edward Djerejian, assistant Secretary for Near East Affairs, statement before the Congress, April 28, 1993.

12. See: Mayo, March 4, 1991.

13. Al-Ahram Weekly, 17 September 1992.

14. October, October 4 1998.

15. William Quandt, *The United States and Egypt* (Washington, 1990), p. 41.

16. Duncan Clarke, "U.S. Security Assistance to Egypt and Israel: Political Untouchable?" *Middle East Journal*, 51, 2 (Spring 1997), p. 203.

17. Robert Satloff and Patrick Clawson, "U.S. military aid to Egypt: Assessment and recommendations," *Policywatch*, 325 (July 8, 1988), p. 1.

18. See, for example: October, July 24 1998, August 9 1998.

19. See series of articles in: *Ruz al-Yusuf*, September-October 1998.

20. See, for example, the articles of 'Adil Hamouda, *Ruz al-Yusuf*, December 1995-January 1996.

21 Agreed Joint Statement of U.S.-Egyptian Strategic Dialogue, Washington D.C. July 15, 1998.