Responding to Cairo’s New Leadership

Should Washington Withhold Aid to Egypt?

by Yehuda Blanga

Two decades after the collapse of the Soviet Union and the attendant weakening of the radical Arab camp, and three-and-a-half decades after the conclusion of the Egyptian-Israeli peace treaty and the removal of the foremost threat to Egyptian security, Cairo’s continued acquisition of thousands of tanks and hundreds of fighting aircraft seems to make no sense. Yet Washington’s withholding of $1.3 billion in annual military aid following the Egyptian army’s July 2013 ouster of President Mohamed Morsi sparked an angry retort, with the military regime threatening to turn to its former Russian patron.

Why does Cairo continue to adhere to this anachronistic military and strategic raison d’être? Has the U.S. administration overplayed its hand by assuming that the threat of military aid suspension could be leveraged to obtain political influence? And what are the implications of this episode for Egypt and the Middle East as a whole?

View from the Nile

Despite its 1979 peace agreement with Israel, Egypt has yet to internalize the idea that it is at peace with its neighbor to the east. What prevails between the two countries is a “cold peace” as the Mubarak regime made no attempt during its 30-year reign to further the normalization of bilateral relations or to modify public opinion and perceptions of
Israeli citizens in particular and of Jews in general. Thus, “establishment Egypt” and, all the more so, the public at large still view Israel as a potential adversary with whom strategic parity is imperative. Former defense minister Muhammad Tantawi alluded to this in his remarks to the People’s Assembly in February 1996:

Peace does not mean relaxation. The endless development of military systems and the arms race prove that the survival is for the strongest. … Military strength has grown to be a prerequisite of peace.2

Accordingly, the Egyptian armed forces have conducted large-scale exercises that simulate a frontal attack on the country—usually from the east. In the three largest such exercises—held in September 1996, April 1998, and February 2009—Egyptian troops simulated parrying an Israeli invasion by transitioning from defensive to offensive operations, crossing the Suez Canal, and regaining full control of the Sinai Peninsula.

As a result, the Egyptian defense establishment has pursued a policy of strategic parity with Israel, manifested in a prolonged and comprehensive modernization program that began in the early 1980s and continued for more than twenty years. By the end of the process, the Egyptian armed forces had been transformed into a modern Western military organization and had cast off the Soviet influence that dated back to the mid-1950s. As of 2014, Egypt has the tenth-largest military in the world with approximately 460,000 soldiers in the standing army.4

A prominent symbol of Egypt’s abandonment of the Soviets is the fact that Egyptian officers (including President Abdel Fattah al-Sisi) attend courses at U.S. institutions such as the Army War College in Carlisle, Pennsylvania, the Army Command and General Staff College at Fort Leavenworth, Kansas, and the National Defense University in Washington, D.C. In contrast to the past, when the course of study for Egyptian officers included Marxism and the nature of the work of the communist party, they now study democracy and the primacy of civilian authorities over the military. According to Robert Scales, a retired Army major general who served as commandant of the Army War College, “This new generation of Egyptian officers has been exposed to the American military and is impressed not just in the way we fight our wars but also about the relationship between the military and society.”5 However, the July 2013 coup raises serious doubts about how deeply these democratic ideals have been assimilated.

1 See, for example, Fares bila Jawwad, YouTube, accessed June 6, 2014.

2 “Egyptian Defense Minister Addresses People’s Assembly Committee,” Foreign Broadcast Information Service, Near East and South Asia (FIBS-NES), Cairo MENA, Feb. 6, 1996.


5 Thompson, “Strong and Silent”; Foreign Policy, July 2, 2013.
In addition, Egyptian armed forces collaborate in joint exercises with various Western and Middle Eastern militaries: In 2009, the Egyptian military carried out maneuvers with the French, Italian, British, Dutch, and German armed forces while joint Egyptian-Turkish and U.S.-Egyptian exercises were held in 2012.\(^6\) The pinnacle of this military collaboration is Operation Bright Star, a joint U.S.-Egyptian exercise that has been held roughly every two years since 1980. However, the exercise planned for 2011 was cancelled due to the events surrounding the ouster of President Husni Mubarak that year, and then in 2013, President Obama canceled the exercise because of the Egyptian military’s toppling of Morsi. Both cancellations have had important repercussions on U.S.-Egyptian relations.

\(^6\)“Military Balance Files: Egypt.”

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**View from the Potomac**

Since 1979, Egypt—along with Saudi Arabia—has been one of two cornerstones of U.S. policy in the Arab world. It has served as a mediator in Israeli-Arab and Israeli-Palestinian peace talks; it has worked to moderate and counter trends toward radicalization in the Arab world; and it provides military support for U.S. forces stationed in the region. Egypt’s geostrategic importance lies in the fact that it is a bridge between East and West, located as it is at the intersection of the Middle East, North Africa, and Asia, and most importantly through its control of the Suez Canal. In order to move quickly between the Mediterranean Sea and the Persian Gulf, the U.S. fleet transits the Suez Canal with permission from the Egyptian authorities. Any delay or restrictions would require the United States government to station naval forces near the Cape of Good Hope in South Africa and round it in order to reach the Persian Gulf and the Indian Ocean. As a result, Washington would appear to have a vital interest in maintaining good ties with Cairo, despite the regime changes there since 2011.

The other main component of the continued military assistance to Egypt has to do with benefits to the U.S. military industry. Every year since 1986, Congress has approved US$1.3 billion in military assistance to Egypt, the second-largest aid package after that given to Israel.\(^7\) But the Egyptian military does not receive this sum in cash: As in the Israeli case, a sizable portion of that largesse is paid out to American military

contractors who assemble tanks and warplanes and send them on to Egypt.\(^8\)

Since 1986, Washington has transferred 221 F-16 fighter jets with a total value of $8 billion to Egypt as part of its military aid package despite the fact that U.S. military advisors have been saying for years that Cairo had more than enough planes and tanks and does not need any more.\(^9\) Likewise, over a thousand Abrams tanks have been transferred to Egypt since 1992 at a total cost of $3.9 billion though close to 200 of them are in mothballs and have never been used.\(^10\) Such an arrangement can have economic benefits within Egypt as well: The Abu Zaabal tank repair factory (aka Factory 200) in Helwan is the site of a joint production of Abrams tanks that employs thousands of local workers.\(^11\)

As a result, American defense contractors make millions of dollars annually and employ tens of thousands of workers as a direct result of U.S. military aid to Egypt and other countries in the Middle East.\(^12\) In the words of Bruce Barron, president of Barron Industries of Oxford, Michigan, a manufacturer of Abrams M1A1 parts that the United States sends to Egypt: “The aid that we give to Egypt is coming back to the U.S. and keeping 30 of my people working.”\(^13\) In turn, the owners of small businesses like Barron Industries work in concert with large corporations such as General Dynamics to operate a lobby of local politicians, business-people, and unions who alert members of Congress to the domestic ramifications that cuts in military production or freezing projects might entail.\(^14\)

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\(^14\) Ibid; Reuters, May 24, 2012.
U.S. Aid: Protest and Reconciliation

This then is the backdrop to the controversy surrounding the suspension of U.S. military aid to Egypt that first arose during the events of January and February 2011 when security forces acting on behalf of the Mubarak regime used brutal force against demonstrators. The idea of suspension was dropped after the fall of Mubarak and in light of the subsequent coordination and collaboration between the Egyptian high command and its U.S. counterpart. Washington also felt that since Egypt was headed toward free and democratic elections, continued aid would promote this goal and enhance the country’s stability.15

The question of the continuation of military assistance came up a second time after the ouster of President Morsi in July 2013 in what was, for all intents and purposes, a military coup, albeit one with massive popular backing. American aversion to such nondemocratic changes of government was reflected in a law that, with a few exceptions, prohibited economic aid “to the government of any country whose duly elected head of government is deposed by military coup or decree.”16 Though the Obama administration initially refrained from describing Morsi’s removal in these terms,17 the military’s meddling in Egyptian politics was not the only thing that irked Washington; there was also the fact that the armed forces embarked on a violent campaign to suppress the Muslim Brotherhood. In late July, the scheduled delivery of four F-16s to Egypt was frozen. Then on August 15, Obama cancelled the joint U.S.-Egyptian exercises scheduled for September and, along with senior administration officials, condemned the violent dispersal of Muslim Brotherhood supporters from outdoor rallies the previous day.18

Reaction by senior members of the Egyptian military and the interim regime to the administration’s responses was not long in coming. Against the backdrop of criticism, Egypt’s new headman Sisi granted an interview to The Washington Post in which he attacked the Obama administration: “You [the United States] left the Egyptians. You turned your back on the Egyptians, and they won’t forget that.” He added that freezing delivery of the fighter planes was “not the way to deal with a patriotic military” and complained about the lack of U.S. support for “a free people who rebelled against an unjust political rule.”19 His criticism was echoed shortly afterward by Prime Minister Hazem Beblawi, who added that Egypt had received military aid from Russia for many years in the past, and he, therefore, saw no reason to worry.20


In contrast with these strong, albeit restrained, statements by official Cairo, anger was expressed in a much more forceful and unambiguous fashion on the popular level. In July, shortly after the coup, Husam Hindi, a leader within the Tamarod (Rebellion) movement that led the campaign to oust Morsi, called for the masses to take to the streets “and defend the revolution” against the Muslim Brotherhood, which, he charged, was collaborating with the United States to undermine the legitimacy of the revolution. The Brotherhood, he claimed, had a long history of close ties with the Obama administration as seen by the major role it played “in exerting pressure on Hamas to reach a ceasefire during the latest Israeli aggression [Operation Pillar of Defense].”

When Washington threatened to cut off U.S. aid to Egypt, Tamarod launched a “Ban the Aid” protest campaign, followed shortly afterward by the “Reviving Sovereignty” campaign. Protesting what its leaders called the U.S. attempt to meddle in Egypt’s internal affairs, it posted a petition on its official website calling for the suspension of U.S. aid and disavowal of the peace treaty with Israel:

After the unacceptable American intervention in Egyptian affairs, and how the U.S. supports terrorist groups in Egypt, I demand, as an Egyptian citizen who signed this petition, to hold a referendum on two matters. The first to refuse U.S. aid ... in all its forms. The second, to cancel the peace agreement between Egypt and the Israeli entity and rewording security agreements in order to ensure the rights of the Egyptian state in securing its borders.

Mahmud Badr, a Tamarod co-founder, minced no words in attacking Obama for condemning the June 30 revolution. He urged Washington not to meddle in Egypt’s internal affairs, especially not in the struggle by the military and by demonstrators against “the Brotherhood’s terrorism,” declaring in no uncertain terms that Egypt no longer needed U.S. aid: “I tell you, President Obama, why don’t you and your small, meaningless aid go to hell?”

22 Ma’an News Agency (Bethlehem), Aug. 17, 2013.
23 Al-Ahram (Cairo), Aug. 18, 2013; al-Balad (Beirut), Aug. 17, 2013.
The Obama administration seriously miscalculated how its statements and actions would be perceived by both the Egyptian public and its leadership.

The following week, Foreign Minister Nabil Fahmy made similar remarks, decrying the fact that tension between Washington and Cairo had reached a critical level. Nevertheless, the freezing of aid was something that the Egyptian people would be capable of handling: “The Egyptian people will not hesitate to bear the consequences of such a situation in order to preserve their freedom of choice after two revolutions.”28 Cairo should open its doors to other powers that had influence in the international arena. Such a move would give it multiple and diverse channels of action and pave the way for close ties with Russia and China. Fahmy added that there was a positive side to the U.S. decision: “It will equally serve Egypt and the U.S. because both will reconsider and better estimate their relationship in the future.”29

The Obama administration seriously miscalculated how its statements and actions would be perceived by both the Egyptian public and its leadership. Not only did it fail to appreciate the depth of public revulsion with the Brotherhood’s high-handed attempts to turn Egypt into an Islamist theocracy, but perhaps more importantly, it did not grasp how its response was seen as an insult and an attack on national pride. Egyptians perceived the United States government as acting as if it had bought their country with its aid then tried to use it to meddle in local politics.

Official Cairo handled the matter with restraint and responsibility. The statements released by the leadership reflected a desire to maintain strategic ties with the United States but also managed to defend national

the necessary price for saving the nation from the Muslim Brotherhood.25

Roughly two months later, on October 9, Washington ratcheted up pressure on Egypt’s interim government announcing a decision “to maintain our relationship with the Egyptian government while recalibrating our assistance to Egypt to best advance our interests.” The communiqué stressed that Cairo would continue to receive aid for health care, education, and the private sector and that the United States would continue to help Egypt safeguard its borders, fight terrorism, and maintain security in the Sinai Peninsula along with providing training to the Egyptian military and spare parts for U.S. military equipment in Egypt. But, the State Department added, the administration had decided to freeze the transfer of major weapons systems and funds to the military regime until the formation of a democratic, civilian government elected in free and fair elections.26

In reaction, the spokesman for Egypt’s Foreign Ministry, Badr Abd Atti, released an official communiqué stating that the move raised many serious questions about the administration’s willingness to provide permanent strategic support for Egypt’s security. While Cairo was interested in maintaining its warm relations with Washington, it would preserve its full independence when making decisions about its internal affairs and would not be influenced by external players.27

25 Ibid.
27 Al-Wafd (Cairo), Oct. 10, 2013.
29 Ibid.
honor. At the same time, Sisi and his colleagues paved the way for the entry of additional players—Russia and China—who would be able to provide weapons and equipment to the Egyptian military.

**Ramifications of U.S. Aid Suspension**

There appear to be three main consequences to the reduction in U.S. military assistance to Egypt though not all are restricted to Egypt proper. Thanks to its role in Mubarak’s ouster, Washington has sent a message to both its Middle Eastern enemies and allies that its word and “friendship” were highly iffy. If a faithful ally like Mubarak—who had maintained close ties to the United States and served its interests well for thirty years—could find himself thrown under the bus when in trouble, no one was safe.

Doubts about U.S. reliability were reinforced by the administration’s criticism of the Muslim Brotherhood’s subsequent overthrow. The ouster of the Brotherhood—a religious and political force clearly identified as opposing Western values—should have actually served U.S. interests, but instead Washington condemned it as well as the Egyptian military, considered by most to be more secular and moderate, and thus more aligned with Washington and its values. Not only did statements about the need to freeze military aid contribute to the destabilization of the Egyptian street, they were also viewed as providing encouragement to Islamist groups and displaying a distinct lack of support for the will of the millions of demonstrators from the anti-Morsi camp. Washington’s reluctance to aid post-Morsi Cairo was seen as proof of U.S. disloyalty to its allies and, among some, as evidence of the need to make war against it and the treachery it represents.\(^\text{30}\)

The second consequence is tied to Israeli-Egyptian relations, inasmuch as every discussion in which the issue of U.S. aid comes up includes the status of Egypt’s peace treaty with Israel. While the United States is not a legal party to the Israel-Egypt peace accord, and the accord itself does not include any clauses that obligate Washington to provide either Egypt or Israel with economic or military aid, the U.S. did append two attached memoranda setting forth its obligations to both sides. As a mediator between the sides and as the party that sought to ensure a regional balance of power, stability, and Israeli-Egyptian cooperation, Washington has, with congressional approval, traditionally given aid to both Egypt and Israel.\(^\text{31}\) As a result, an Egyptian claim that peace with Israel is linked to U.S. military and economic aid is not entirely unjustified. Indeed, there is a fear in Israel that a cutback or freeze of U.S. military aid to Egypt will have a negative impact on security cooperation between Jerusalem and Cairo or, even worse, on the peace agreement itself. Israel believes that the U.S. aid money is Egypt’s sole reason for adhering to the peace treaty and that, without it, the Egyptian regime will feel no obligation to maintain it.\(^\text{32}\)

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The third and final outcome of either the threat or an actual reduction in U.S. aid is the growing role of other states, above all Russia, in the affairs of the Middle East. The United States under Obama is perceived as a weakened power on a slow retrenchment from the region. As nature—and seemingly geopolitics—abhors a vacuum, U.S. diffidence is encouraging rival powers to play a greater role in Egypt and one that bodes no good for the long term. American history can be instructive here.

During the 1950s, the Eisenhower administration tried to exploit U.S. military, technical, and economic assistance to persuade Gamal Abdel Nasser’s Egypt to join an alliance to defend the region from communism. When courting Cairo failed, Washington refused to provide the Egyptians with requested weapons and later withdrew its offer to fund the construction of the Aswan high dam. The strategy was a failure as Moscow quickly provided arms to Cairo through Czechoslovakia. Nasser was initially unwilling to chain himself to any major power, instead maneuvering adroitly between Washington and Moscow. In a long and patient process that developed over subsequent years, Soviet ties turned into dependence—one that increased markedly in the aftermath of the 1967 war. Two factors were largely responsible for this. For one thing, the Soviets never set conditions for assistance to an Arab country. For another, “the absence of any statement that the Middle East was vital to American interests” was seen as a green light by Russia to become fully involved.

Although the Cold War ended in the late 1980s, a resurgent Russia under Vladimir Putin still views the Middle East as critical to its political and military interests and would love nothing better than to curtail U.S. hegemony in the region. Since the outbreak of the recent Middle Eastern upheavals, Moscow has sought to increase its influence in the region by protecting the Bashar al-Assad regime in Syria and inserting itself repeatedly in the confrontation bet-

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ween the West and Iran over the latter’s nuclear capabilities.36

Following Morsi’s overthrow, relations between Moscow and Cairo have grown closer. In September 2013, the Egyptian foreign minister visited Moscow; in October, the head of Russian military intelligence visited Cairo. A month later, an Egyptian delegation visited Moscow to express gratitude for Russian support for the “June 30 Revolution” overthrowing the Muslim Brotherhood. On November 13, 2013, for the first time since Egypt changed its orientation from East to West in the mid-1970s, a Russian foreign minister, Sergei Lavrov, and a defense minister, Sergei Shoigu, visited Egypt together. Two months later, in mid-February 2014, Defense Minister Sisi and Foreign Minister Fahmy visited Moscow where a meeting between Russian president Putin and Sisi was the centerpiece of the visit.37

The conversations between the Egyptian military and political leadership and their Russian counterparts focused on strengthening relations between the two countries and collaboration in a variety of fields including nuclear power. But the capstone of these contacts was Russian-Egyptian cooperation on military matters and the drafting of a comprehensive weapons deal that, according to various reports, is worth between two and three billion dollars. Under this contract, to be funded by Saudi Arabia and the United Arab Emirates, Russia will supply the Egyptian military with MiG-29 planes, MI-35 attack helicopters, air defense missile complexes, anti-ship complexes, light arms, and ammunition.38

In return for these arms, Egypt has agreed to provide the Russian navy with port services in Alexandria and to strengthen the two navies’ cooperation in the Mediterranean Sea. Syria already allows Russian navy ships to use its port of Tartus, but in the event of the fall of the Assad regime and a loss of use of those facilities, Moscow is looking for a “Plan B.”39 Enhancing its ties with Cairo is a significant step for Russia in its quest to maintain an important strategic goal—a continued presence in the Mediterranean, a goal that becomes even more pertinent with the recent annexation of Crimea on the Black Sea.40

Conclusion

Economic stagnation, growing terrorism, and spreading violent, domestic opposition to the interim government tops the list of internal and external challenges facing Egypt. In contrast to the pre-1979 peace agreement, when Israel was considered the foremost threat, Cairo needs to address the menace posed by organizations associated


39 Al-Ahram, Nov. 19, 2013.

40 Ibid.
with global jihad—especially those that operate in the Sinai Peninsula—by means of a new strategic view that encompasses the appropriate means to combat it. The age of classic war in the region, involving large scale air-supported tank maneuvers, is apparently over and there is no longer any need to keep accumulating massive quantities of heavy weapons. The threats posed by Islamist terrorist organizations operating in the Sinai require a new strategy focused on low-intensity counterinsurgency measures.

At the same time, Washington would be advised to look beyond the specifics of military aid to its long term interests. Military aid has significance beyond maintaining the power of the Egyptian military: It demonstrates the depth of U.S. support for an ally and, practically speaking, constitutes a declaration of loyalty to the close bond between the two countries. Any cutback or curtailment of aid to Egypt will be understood by any moderate and secular wings of the Egyptian regime—and by the Islamist opposition—as a U.S. vote of non-confidence in its allies, specifically in Egypt but also throughout the Middle East. Such measures by Washington are creating an opening for outside players—who are neither necessarily moderate nor pro-Western—to penetrate Egypt and the rest of the region, thereby damaging U.S. interests.

In the short term and in the wake of a reduction in assistance, Egypt will not break decisively with the U.S. government as doing so would achieve precisely the opposite of the goals sought by Sisi and the members of the National Salvation Front. Egypt would be further destabilized, losing its main supplier of military equipment, ammunition, and spare parts, and slide even further down the economic slope it has been on since February 2011. On the other hand, opening the Egyptian gates to the Russians, Saudis, and others would win these countries power and influence that over the long run could distance Egypt from its U.S. patron. For this reason, if Washington wants to continue to influence Cairo’s political considerations, it should open its military depots to it, rather than slam the doors shut in its face.

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