



EGYPT'S SHIFTING FOREIGN POLICY PRIORITIES

How Are Abdel Fattah El-Sisi's Foreign Policy Priorities Expected to Change After His Reelection?

By Alaa Elhadidi

With the reelection of Egyptian President Abdel Fatah El-Sisi to a second term, a new chapter in Egypt's foreign policy will be written. El-Sisi was elected after two popular uprisings—the first being on the January 25, 2011 against Hosni Mubarak, and the second on June 30, 2013 against the rule of the Muslim Brotherhood and Mohammed Morsi—in the span of two years. The president's first term lasted between June 2014 and June 2018 before winning a second election in April.

Although it is logical to anticipate that Egypt during the president's second term will continue to experience a certain degree of internal and external stability, it is also expected that there will be some foreign policy changes. These changes will stem from the urgency in dealing with Egypt's economic problems, which grow more tiresome every day.

A Steady and Stable Foreign Policy under Mubarak

To better understand Egypt's current foreign policy and what is expected from it in the near and medium future, it is useful to review the state of Egypt's foreign policy before El-Sisi's first term. The Mubarak era during its thirty-year rule (1981–2011) had become stagnant, comparable to the last days of Leonid Brezhnev of the Soviet Union. Though Mubarak was accused by his critics of being corrupt and authoritarian, when it came to foreign policy Mubarak was credited by many for preserving some of the basic tenets of Egyptian national interests and security.

The successful completion of the Israeli withdrawal from Sinai in 1982 despite the assassination of his predecessor Anwar Sadat counts as Mubarak's first achievement. This was followed by ending of Egypt's isolation in the Arab World by restoring relations with Arab

◁ Presidents Donald Trump and Abdel Fattah El-Sisi meeting at the White House, Washington, D.C., April 3, 2017.
Martin H. Simon/Redux

capitals and ending the Arab boycott after the Camp David peace accords. In the long view, Mubarak also succeeded in projecting Egypt as the main mediator on behalf of the Palestinians with Israel, while at the same time keeping a “cold peace” with Israel.

Yet, the most prominent aspect of Mubarak’s foreign policy was the special relationship he personally cultivated with the Arab Gulf countries. One example of this relationship was the solidarity Egypt displayed with the Gulf monarchies and especially Saudi Arabia during the First Gulf War (1990–91). Egypt under Mubarak was instrumental in mobilizing the Arab League to condemn the Iraqi invasion and occupation of Kuwait. Egypt also worked throughout the Mubarak presidency to further military and economic relations between the Gulf and Egypt.

Mubarak also cultivated and maintained a “special relationship” with Washington, and as a result benefitted from U.S. military and economic assistance throughout his three-decade rule. At times, there were some strains in U.S.–Egypt relations over Egyptian domestic issues related to human rights and the role of civil society. An issue which soured the relationship at the end of Mubarak’s presidency was the latter’s refusal to allow openness and democracy in the country after George W. Bush announced a campaign to bring democratic freedom to the Arab World.

As for relations with Moscow, they were not antagonistic, as was the case with Sadat. Mubarak re-established diplomatic relations with the Soviet Union in 1984, three years after Sadat had severed them. Russian President Vladimir Putin was invited to Cairo in 2005, and in 2008 during Mubarak’s visit to Moscow, he enlisted Russian support to build a nuclear power plant in Egypt. Cooperation between the two countries extended to other areas such as tourism, where the flow of Russian tourists to Sharm El-Sheikh and other resort cities on the Red Sea was notable. Thus, Russian tourists formed the largest nationality to visit Egypt in terms of numbers, reaching more than 2.5 million per year by the end of Mubarak’s presidency.

Mubarak also intensified economic ties with the European Union (EU), which emerged as Egypt’s largest trading partner. While in many ways Egypt succeeded in improving its trade relationship with the EU, issues of human rights surfaced from time to time and hindered reaching full agreements on the type of association that would have benefitted both parties.

In short, one can describe Mubarak’s period as both steady and stable, not ambitious but rather more pragmatic. Yet the final years of Mubarak’s presidency saw a deterioration in his standing domestically and diplomatically. Opposition to Mubarak grew especially after the parliamentary elections of 2010 and after the standard of living among the majority of Egyptians declined. In addition to these internal factors, Egyptians were nostalgic for the times of Nasser’s rule when Cairo was the center of the Arab World and played a leading role in the region.

Also in 2010 Ethiopia announced plans to build what has come to be called the Renaissance Dam. Ethiopia's plan exposed Egypt's inability and weakness to confront this new challenge. Furthermore, with the events of January 2011, U.S.–Egyptian relations came to their lowest point when former President Barack Obama asked Mubarak directly to step down and accept the end of his rule.

The January 25 uprising unleashed a wave of popular optimism in Egypt and the Arab World. Many in Egypt dreamed that Cairo would become the new model of democracy in the region. This perception was encouraged by both Brussels and Washington, who sought to support Western-style democracy in the Middle East and North Africa.

Interestingly during this revolutionary moment, Western democracies supported an importation of the “Duval Initiative” to Egypt and the Arab World—an initiative which had begun initially in the 1980s and 1990s to support democratization across Eastern Europe. However, during and right after the January 25 uprising, Egypt was too embroiled in its own domestic politics and turmoil to take advantage of this initiative or other forms of external assistance.

The non-Western reaction to the Arab Spring tended to be one of “wait and see.” Some nations and leaders harbored deep suspicions, which turned to negative attitudes, though not open hostility.

Negativity toward the Arab Spring was seen most notably from the conservative Arab Gulf and the Russian Federation. The election of Morsi—a member of the Islamist Muslim Brotherhood organization—to the presidency of Egypt in June 2012 did not bring the desired stability needed for the country. Instead, Morsi's rule ushered in a new period of turmoil for Egypt.

The Brotherhood's Failure

The challenges facing Egypt, whether domestic or external, became more acute and compelling as the new Morsi regime quickly proved its ineptitude. When it came to foreign issues such as the Nile water crisis with Ethiopia, a televised diplomatic blunder resulted in the Ethiopian government downgrading all relations with the Morsi regime. Morsi was seen conferring with his advisors on resorting to military force to deal with the threat posed by the Renaissance Dam.

Another example of Morsi's poor leadership was evident in his attempt to secure a \$4.8 billion loan from the IMF and subsequently in his failure to conclude the loan by proceeding with some necessary reforms.

As for the relationship with the United States, the Obama administration supported the revolution and the election of an Islamist president, in the belief that having a moderate Islamic regime in Egypt, as in Turkey under Recep Tayyip Erdoğan,

would best serve American interests in the region. Yet in spite of this support, the Muslim Brotherhood failed to further advance U.S.–Egypt relations. In fact, Obama himself described his government’s relationship with Egypt under Morsi as “neither friend nor an enemy.” This was a far cry from the “special relationship” which U.S. and Egyptian leaders had enjoyed during most of Mubarak’s presidency.

The Morsi regime did not understand the fundamental changes that had happened in society leading up to the January 25 uprising. The November 2012 Constitutional Declaration—in which Morsi gave himself more draconian powers than had ever been enjoyed by Mubarak—was the straw that broke the camel’s back. After November 2012, it was only a matter of time before the onset of a second uprising. It came on June 30 of the following year.

El-Sisi’s First Years

After ending Morsi’s rule on July 3, 2013, El-Sisi, then serving as Minister of Defense, was called on to restore law and order to the country and bring a degree of political stability, while at the same time confront a nascent terrorist insurgency in the Sinai Peninsula. But that was not all. El-Sisi was also confronted with the problem of legitimacy and international recognition.

In the eyes of the African Union and Western democracies such as the United States and the European Union, the army’s intervention on July 3, 2013 was seen in a different light than on February 11, 2011. In contrast to when the Egyptian military had intervened to end Mubarak’s rule—to the acclaim of most observers inside and outside of Egypt—the military’s same action two and a half years later on July 3, 2013 against the Muslim Brotherhood was decried by some international powers as a coup d’état. Yet it is important to remember that the protests which rocked Egypt starting June 30, 2013 were considerably larger and more diverse than the January 25 protests had ever been. More Egyptians mobilized against the Morsi regime than those who had protested Mubarak. The June 30, 2013 protests also had the support of most of the civilian opposition including Mohamed ElBaradei as well as religious institutions like Al-Azhar and the Coptic Church. Despite the overwhelming popular support for the overthrow of the Brotherhood regime, some nations downgraded their diplomatic relations with Egypt in the run up to El-Sisi’s inauguration as president.

For Obama, it was problematic to continue providing Egypt with its annual military and economic aid package because U.S. legislation prohibits assistance to any country whose democratically elected head of state has been deposed by a military coup. While the Obama administration did not use the term “military coup” to describe what happened in Egypt in the summer of 2013, it justified its halting the delivery of certain weapons that had been previously contracted such as F-16 jet fighters

and AH-64 Apache attack helicopters, due to the removal of the Morsi regime. The Obama administration also cancelled joint military exercises between the Egyptian and U.S. militaries following El-Sisi's rise to power.

However, it took the Obama administration only two weeks after the election of El-Sisi in May 2014 to release \$575 million in military aid as well as to deliver the pre-ordered F-16s and AH-65s. Despite that, U.S.–Egypt relations remained cool throughout the rest of the Obama presidency. Cairo did not like the tone of the administration in criticizing what Washington saw as human rights violations and the suppression of civil society in Egypt. Most important to Cairo was that El-Sisi felt the Obama administration did not adopt a firm stance against the Muslim Brotherhood and refused to designate the Brotherhood a terrorist organization. Because of these cool relations, El-Sisi was not invited to the White House until November 2017, and it was not Obama, but Obama's successor President Donald Trump who extended the invitation to El-Sisi.

With the election of Trump, many in Egypt hoped for better relations with the United States. To that end Trump and El-Sisi had a productive meeting during El-Sisi's visit to Washington in April 2017 as both leaders showered each other with compliments and praise.

Yet, such good feelings proved to be ephemeral. Four months later, in August 2017, the U.S. Congress cut about \$100 million from U.S. economic aid to Egypt and delayed about \$200 million in military financing pending improvements in human rights conditions. To make matters worse, in December 2017 Trump's infamous decision to recognize Jerusalem as the capital of Israel and move the U.S. embassy there dissipated much of the remaining goodwill from El-Sisi's April visit. It is unclear whether El-Sisi's second term will see an improvement in relations between Washington and Cairo. Yet, if more policies similar to the Jerusalem decision come from Trump's White House, public opinion and the mass media in Egypt will pressure El-Sisi to distance Cairo from Washington. Much of the future relations between Egypt and the United States thus may depend on the diplomatic interactions between Egypt, Palestine, the United States, and Israel.

In stark contrast to relations with the United States, the bond between Egypt and Russia from 2013 onward became increasingly warm. This close relationship between El-Sisi and Putin grew out of the events of the Arab Spring and the chaos of the Morsi regime. Despite the fact that Mubarak was not regarded as a close friend of Moscow, the Russian state had a different reaction than the American administration to the January 25 uprising. Moscow was not comfortable with the fall of Mubarak and was deeply suspicious of any popular movements. Russian leaders depicted the Egyptian January 25 uprising as an extension of the revolutions which had swept the countries of Eastern Europe in 1989 and accelerated the demise of the Soviet state.

The 2012 election of Morsi and the ascendance of the Muslim Brotherhood to power in Egypt was met with more caution and trepidation in Moscow. While Russian planners knew that Egypt was not Iran, a Sunni Islamist-ruled Egypt spiked fears in Moscow that Morsi's regime could sympathize with—if not outright support—Islamist terrorists in Chechnya. With that background in mind, one can understand the enthusiasm with which El-Sisi was received on his first visit to Russia after the overthrow of Morsi in February 2014—though at the time El-Sisi was still just the Minister of Defense. On that visit, Moscow accorded El-Sisi a much better reception than what is normally given to a visiting government minister. It was quite obvious at the time that the Russians had made up their minds and decided to back El-Sisi.

Several arms deals worth billions of dollars have been signed between Russia and Egypt during El-Sisi's presidency, including the purchase of 50 MiG-29 fighter jets. The previous joint committee for dialogue and consultations established earlier under Mubarak known as the "two plus two mechanism" was reactivated in November 2013. However, in October 2015, a setback clouded the relationship with the downing of the Russian passenger jet carrying Russian tourists from Sharm El-Sheikh, killing all 224 aboard. This prompted Moscow to ban Russian tourists from coming to Egypt and halt all aviation flights between the two countries.

Despite the tourist ban, in December 2017 Putin made his second visit to Cairo since El-Sisi came to power. During his visit, Putin signed a deal to provide Egypt with four Russian nuclear reactors worth \$25 billion, with a loan from Moscow for \$20 billion. But another more significant development was the agreement signed by both sides a few days earlier during a visit by the Russian minister of defense to Cairo, which allowed for the mutual use of each other's airspace and military airbases. This mutual military agreement between Moscow and Cairo has certainly raised some eyebrows in Washington.

Did the Kremlin see an opportunity to supplant Washington as Egypt's main great power ally and restore the strategic relationship that had existed between Egypt and the Soviet Union during the 1950s and 1960s? Most probably Putin and his advisors saw a tactical opportunity to further their interests in the region by developing a strong relationship with an El-Sisi-led Egypt.

Among the more pressing challenges facing El-Sisi was to restore Egypt's relations with the African Union, which had suspended Egypt's membership on July 5, 2013, just two days after Morsi's ouster, describing his overthrow as unconstitutional. This was an action which was described by Egyptian Foreign Minister Nabil Fahmy in January 2014 during a visit to Algiers as "wrong and did not take into consideration the specific circumstances that Egypt was facing." It took almost a year of suspension and the election of El-Sisi to reinstate Egypt in the African Union, which formally

took place during the summit at Malabo, the capital of Equatorial Guinea on June 26–27 in 2014.

The situation with the EU was different. The EU could not afford the destabilization of a key partner and a pivotal country on the southern Mediterranean. Offers of mediation between the post June-30 government and the Brotherhood were presented and several visits ensued but with no success. On August 21, 2013, the EU's Foreign Affairs Council condemned in its conclusion "all acts of violence" and "called on all parties to engage in real and inclusive dialogue in order to return to the path of democracy." It also called for an end to the state of emergency. This position was not maintained, however, as each EU country sought to develop its own relations with the new Egyptian leadership, and soon developed new common interests. Notable among them was Germany, which succeeded in securing a contract with its electric company Siemens to build several mega power plants worth about 8 billion euros. France, for its part, sold Egypt twelve Rafale jet fighters and two Mistral amphibious assault ships (helicopter carriers) which were designated for Russia but had been canceled by Paris in opposition to Russia's annexation of Crimea in 2014.

El-Sisi's challenges from 2013 to 2018 have been to confront terrorism and by extension the Muslim Brotherhood, while at the same time securing recognition and normalization of relations with the African Union, the United States, and the European Union. These priorities will change in his second term as Egypt will have to shift its foreign policy agenda to confront new and ongoing challenges. Chief among these is the need to secure additional capital inflow and investment in order to address Egypt's chronic economic problems.

Confronting Egypt's Perennial Economic Challenge

Egypt's economic problems are certainly not new. In many ways, the interrelationship between Egypt's economic challenges and its foreign policy have been a constant feature of Egyptian politics dating back to the Nasserist era. In 1956 when Nasser was seeking western finances to build the Aswan High Dam, he nationalized the Suez Canal in response to the withdrawal of financing for the dam by the World Bank, Britain, and the United States. This act ultimately turned Egypt away from the West for twenty years. It was not until the food riots of January 1977 that a weak Egyptian economy forced Sadat to reconnect with Western states and end Egypt's state of war with Israel.

Therefore, one can safely argue that Egypt's economic problems have sometimes played a crucial role in shaping major foreign policy decisions even when it was not so visible. For example, ensuring continued economic assistance to Egypt has played a prominent factor in Mubarak's close ties with the Arab Gulf countries as a way to secure direct Arab financial assistance when needed.

This trend will increase in El-Sisi's second term. Economic policy will gain more attention and the search for trade partnerships will become more prominent. Egypt's recent agreement with the IMF to secure a \$12 billion loan in return for its implementation of a far-reaching economic reform program was a major step that previous Egyptian governments had long hesitated to undertake. The cost this had on the standard of living of ordinary Egyptians has already been significant. Despite that, Egyptians await the promise of better days to come and for massive megaprojects to bear fruit.

The result of Egypt's limited economic resources and rising population is that Egyptians import about 60 to 70 percent of their food. Consequently, Egypt is today the largest importer of wheat on the international market. Yet, Egypt's economic problems are much more fundamental as shown by its large trade deficit, with exports of \$22.4 billion to imports of \$56.8 billion. Thus, Egypt has the twin tasks of increasing its foreign exports and increasing its revenues from other sources such as tourism which has not yet reached its pre-2011 level of 14.7 million tourists generating \$12.5 billion in 2010.

El-Sisi's second term will also see Egypt developing the special economic zone of the Suez Canal to turn it from a purely maritime artery/route with a limited revenue collected from the tolls of passing ships to a logistical and service hub for international trade. It is in this context that the new Chinese silk road, better known as the "Belt and Road" initiative, presents an opportunity to attract Chinese investments and the potential for a strategic economic partnership.

The need to cultivate new economic partnerships is more urgent as the financial assistance which used to come from the Arab Gulf countries is dwindling and not as forthcoming as it used to be. Gone are the generous donations after June 30, 2013 in which reports indicate that the economic and financial assistance provided by the Gulf countries to Egypt ranged from \$30 to \$40 billion. With the declining price of oil and the resulting economic slowdown facing many Gulf economies, together with the economic toll of Saudi Arabia's military intervention in Yemen, Egypt cannot expect the same level of generosity from its partners in the Gulf.

Yet it appears that the government believes Egypt is too big to fail. As such, Egyptian leaders continue to look for support from the Gulf, and most importantly, from Germany and France. While belief that Egypt is too big to fail may have some justification, it is not a reliable guarantee against further economic downturns, especially in the event of an unexpected international development such as a financial meltdown akin to the 2008 Great Recession.

Should the Egyptian economy fail to grow sufficiently to satisfy the mounting expectations of the Egyptian masses, these expectations will turn into frustration, an-

ger, and then unrest. As such El-Sisi and his advisors should develop more economic options so that they can make diplomatic decisions based on local Egyptian economic realities. El-Sisi does not want his diplomatic options constrained as a result of economic difficulties as was the case with Nasser in 1956 or Sadat in 1977.

Difficult Choices for 2018–22

With the inauguration of Donald Trump in 2017, prospects improved for Egypt to enjoy warm relations with both Moscow and Washington. Yet in the past year the possibility of close relations between Trump and El-Sisi did not come to fruition. Firstly, the U.S. Congress has imposed sanctions on Russia as part of the Mueller investigation into possible Russian interference in the 2016 U.S. presidential elections. A more significant and possibly alarming development is that the new Pentagon defense strategy designates Russia and China as America's geostrategic adversaries in 2018. This designation comes after two decades of the United States focusing mainly on Islamist terrorist threats. Finally, to complicate matters even further, a new trade war between the United States and China looms on the horizon.

These new developments may result in greater international instability and threaten to drive global politics toward more polarization. Today we observe the deterioration of relations between the United States and Russia as well as China. A resurgent Russia and a more assertive China in conflict with a transforming United States mean we can expect Egyptian decision-makers to face some hard choices, as seen in the case of North Korea, when the United States expressed its displeasure over Cairo's ongoing military relations with Pyongyang.

El-Sisi will face a different set of challenges during his second term as president. This is partially due to the president's success in confronting issues of legitimacy, recognition, and normalization with various countries and international organizations after June 30, 2013. As he embarks on another term and the international and regional environment continues to change and become more polarized, El-Sisi could be asked to make some hard, diplomatic decisions.