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Egypt Two Years After the Revolution:
Where Egypt Stands, What the United States Can Do

Testimony before the House Foreign Affairs Subcommittee
on the Middle East and North Africa
by

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Madam Chair, Ranking Member Deutch, distinguished members of the Committee: thank you for inviting me to share my views with you today.

US policy toward Egypt since the revolution has rested on two pillars: a relentless focus on preserving the Camp David peace treaty and the security of the Israel-Egypt-Gaza border, which has led the administration to prioritize keeping the military relationship (and the associated aid package) as much as possible unchanged; and a diligent if ineffective effort to provide economic assistance that could (working with others, and in combination with wise policy by the Egyptian government) help to stabilize the Egyptian macroeconomy and help a new democratic government deliver for its people. The theory has been that promoting security cooperation and economic stabilization would produce political stability in this large and important Arab country.

But like a stool with only two legs, this strategy is incomplete -- and it will not produce stability in Egypt. As my colleagues Robert Kagan and Michele Dunne wrote in last week's *Washington Post*, "Egypt's economy is struggling and disorder is rampant primarily because the country's leaders for the past two years...have failed to build an inclusive political process." In Egypt, and in US-Egyptian relations, the central issue is not "the economy, stupid": it's "politics, stupid." And the United States, which has so far been too reticent about Egypt's dangerously devolving politics, needs to weigh in and press the president and his party -- as well as other relevant parties -- to make the necessary accommodations to put Egypt back on the path to a stable democratic transition.

The United States still has the capacity to influence political developments in Egypt -- although we certainly cannot dictate outcomes and should not try. Influence will not come through diktats and demands. It will require that the United States use diplomacy skillfully with government and non-government actors, and deploy its resources in careful coordination with others who share our interests: in Egypt, the region, and the international system. Fortunately, those others are not few in number.

There are those who argue that the United States cannot have any real impact on the mess that is Egyptian politics today. They say that Egyptians are too resentful of America's long support for Mubarak, and that if we press our views too hard, the newly empowered Egyptian government will simply walk away and find friends elsewhere.

I disagree, for two reasons -- First, because we still have a lot to offer. While our budget constraints, our policy process, and our own political dysfunction have made us both less generous and less adroit in our response to the Arab Awakening than we should be, we do still have cards on the table, and cards to play – and those cards are not all related to assistance dollars. Second, because Egyptians both inside and outside government still care what we think and what we do about it. If they did not care, and they thought we couldn't have any impact, they would not spend so much of their time trying to embroil us in their domestic arguments.

And because they do still care what we think, the leverage we have is probably best deployed as incentives, not as threats or arm-twisting. Our recognition, our investment, our good opinion, and our expressions of partnership all matter, along with our aid dollars. The Administration has reallocated resources to increase support for Egypt's fragile economy and suffering citizens during this transition period. And the Administration has also proposed, in the FY2014 budget, to put more funds on offer for Egypt and other governments in the region if they pursue necessary reforms. With appropriate conditions and accountability, this type of additional assistance can be a useful tool to encourage good choices.

So while Egypt has changed in fundamental ways, making the work of securing US interests immeasurably more complex than it was a few years ago, that is no reason for us to throw up our hands -- indeed, that's precisely what we cannot afford to do.

Egypt remains the most significant economic, political, and cultural force in the Arab world today. It is located at one of the world's great geostrategic crossroads, an essential pathway for global commerce and for the United States' global military reach. Egypt's peace treaty with Israel is a cornerstone of regional stability that has saved three generations of Israelis and Arabs from the destruction of wars like those that came before Camp David.

Egypt's majority, its young people, want to build a nation that offers them the opportunities for betterment that their parents were denied, and that leads the region once again in political influence, culture, and diplomacy. They want their nation to fulfill its potential to be an economic powerhouse in the region. And they know that in the twenty-first century, this will require Egypt to be tightly connected to the world -- and bound to the norms of international law, free markets, moderation and stability that all of us share.

Just as Egypt and Israel still have fundamental national interests in maintaining their peace treaty, Egypt and the United States still have fundamental common interests in regional security, counterterrorism, non-proliferation, and Arab-Israeli peace.

- Egyptians have suffered greatly from Islamist terrorism, and in polls they reject violence against civilians at a higher rate than any country in the world.
- Egyptians have suffered greatly from war -- Arab-Israeli wars, but also other conflicts in their neighborhood. They know that The Camp David treaty has brought their people thirty-five years of peace, and they want the benefits that regional peace brings.
- Egypt has been a stalwart opponent of nuclear proliferation. As the region and the world continue to confront the dangers of Iran's nuclear program, we have a shared interest in preventing the spread of nuclear weapons, and countering Iran's efforts to undermine regional stability.

These common interests, widely shared by Egyptians and Americans, have sustained our partnership over the years – not some crass quid pro quo. America's interests still lie in a positive, cooperative relationship with Egypt. And the basic ingredients of a cooperative

relationship are still in place -- as our swift and effective cooperation to resolve the Gaza crisis last November proved.

But the United States cannot afford to take a short-sighted approach to Egypt's transition, neither one focused on a transactional relationship with the current rulers, nor one focused on other narrow, short-term goals. We must not assume that we know who will come out on top of this messy transition. At the heart of the Egyptian revolution, the deeper trends that produced it, and the aspiration of Egyptians for democracy, is a strategic opportunity for the United States -- to build a stronger, more reliable and more equitable partnership, with an Egyptian government that is rooted in the consent of the Egyptian people and is accountable to them. We can do so while holding firm to our principles and our interests. We must not lose this opportunity, which may be a once-in-a-generation event.

We must keep our focus on two, interlinked, long term goals:

- The first is building lasting stability in the Arab world's most important country. As the Arab Awakening demonstrated clearly, such stability that will only come about through the establishment of more open, participatory, accountable government that treats its citizens with dignity and works diligently to offer them real opportunities. Whatever daunting economic and social problems they are facing, Egyptians have made clear that they want to solve those problems through decisions made by a democratic system. We should support that goal wholeheartedly and help them build the institutions and the social infrastructure that will help democracy emerge, thrive, and deliver for Egyptians.

  Egypt's democratic transition is important to us, and not only because Egypt's stability is important to us. As you know well, where democracy and democratic freedoms are valued, the world also gains in security. Democracies give people a stake in their governance and weaken the appeal of those who call for violence. A democratic Egypt will be a stronger partner for the United States in advancing our shared interests in security, stability, and prosperity for the region and the world.

- The second goal is building a broad coalition in Egypt to support cooperative relations with the United States. We will never return to the days when Egypt's interest were defined and pursued by a single man or a small coterie, out of the public eye and without regard to domestic opinion. For better or worse, Egypt's foreign policy going forward will be influenced by its domestic politics. For that reason, it's especially important that the United States not invest too much in any one relationship with any one Egyptian faction, and not be seen as having taken sides in Egypt's fractious politics. Rather, we must reach across the political spectrum, and engage broadly with Egyptian society, to explain who we are, what we want, and what we can offer, and to make the case -- together with those Egyptians who feel similarly -- for a strong US-Egyptian partnership.

That said, it's a tremendous challenge for the United States to engage effectively with the feisty new practitioners of politics in Egypt. Because of decades of repression, many have little experience in the give-and-take of democratic politics, and little acquaintance with the interests at the heart of US engagement in the country and the region. Political winners and losers are both appealing to Washington for support, and condemning American interference -- sometimes at the same time.

Looking at the outcomes of Egypt's first two elections -- the parliamentary elections last spring and the presidential elections last summer -- anxiety is understandable. The winners produced in both cases include actors with questionable commitments to democracy, much less to the

values and interests the United States holds dear. But just as democracy never guaranteed the triumph of the Arab world's marginalized liberals, neither should Americans presuppose that these democratic elections now guarantee the long-term success of the Islamists.

We need to support a pluralist political system where the Egyptian people continue to have real choices, and where political parties can compete openly and speak freely. Free and fair elections can only occur where basic political rights are respected, including free speech, free assembly, and free association. The president and ruling party have no business restricting these rights, certainly not in the runup to the parliamentary elections. We also need to engage broadly with the full array of peaceful political actors -- to make clear through deeds and words that we have not anointed anyone as our chosen partner in Egypt. And we need to articulate our principles and interests for all parties to see: that we respect the outcomes of free and fair elections, and that we expect parties who claim to be democratic to hold firm to certain basic ideas: they must reject violence, commit to equal citizenship and equality under the law, and protect political pluralism. Also, that we want to know the clear stance of aspiring Egyptian leaders on the issues of keen interest to the United States -- Iran's nuclear program, a two-state solution to the Israeli-Palestinian conflict, and the continuation of Egyptian-Israeli peace.

A year ago, I told this subcommittee that it was important for the United States to remain engaged with political actors across the spectrum in Egypt, including the newly elected parliamentarians from the Muslim Brotherhood. I said then, "From an American perspective, we should judge the Brotherhood and others in the new parliament by what they do, and so far there appears to be a basis for dialogue and a potential for constructive partnership."

Looking at the situation today, almost exactly a year later, I see some troubling indicators. Writing on Islamist parties in 2008, I laid out four key criteria by which to evaluate whether these groups could be constructive participants in a democratic process. Whether they rejected violence as a means to achieve their political goals, whether they accepted the equality of all citizens regardless of gender or religion, whether they accepted political pluralism and alternation of power, and whether they insisted on a role for religious authorities in overseeing the outcomes of a democratic political process.

By those lights, the Brotherhood today raises concern. The Brotherhood has proceeded in a manner that reveals real ambivalence about legal equality for all citizens; and a readiness to allow review of legislation by unelected religious officials -- though a resistance to mandatory review as proposed by Salafi parties. The constitution ultimately drafted largely by Brotherhood and Salafi representatives subsumes individual rights to state authority, is dangerously weak on the rights of women and girls, and distinguishes harmfully between religions receiving full recognition and protection, and others that are not considered so deserving. Most troubling of all, as documented by human rights groups during the December clashes at the presidential palace, and as reported in recent weeks, the Brotherhood and President Morsi have evidenced a willingness to condone and cover up the use of violence and torture by party cadres and by the internal security services against opposition activists and journalists – shockingly, the same tactics Mubarak used against the Brotherhood and other opponents of the old regime.

We can and should be concerned by these indicators of the Brotherhood's violating basic expectations for parties that want to be recognized by the world as legitimate actors in a democratic system. We should communicate these concerns consistently and at the highest levels. But we must also recognize that with all their flaws, the Brotherhood won the freest and fairest elections in Egypt's modern history. And they may well win the next elections. They are a

sizeable force in Egyptian politics not only because they are well-funded and well-organized and well-disciplined, but because they appear to represent some significant constituency among Egyptian citizens. They may not win forever -- but we cannot ignore them or wish them away. What we can do is make clear that their electoral victory does not absolve them of these basic obligations to democratic rules and norms -- not if they want to be recognized, and they most certainly do, as democratically legitimate in Egypt and on the global stage.

This is our real leverage -- that the Brotherhood-led government wants our recognition, and seeks our partnership. We should continue to deal with Egypt's elected leaders, even if we have profound disagreements with them -- we do that all over the world in pursuit of our interests. But we should also make clear that engagement does not mean endorsement. And we can support, with all the tools at our disposal, those in Egypt working to hold the elected government accountable, those supporting and defending human rights, and those working to build the strong institutions, vibrant civil society, and pluralistic political system that will ensure the Brotherhood will face real competition from other voices.

The Brotherhood has revealed a consistent preference for majoritarianism over pluralism -- that is, they believe that since they won elections, albeit narrowly, they should get to decide policy issues alone, regardless of others' preferences. But as the constitutional crisis and the failure to achieve a deal with IMF shows, on policy issues of the greatest importance, a majority is not enough -- wider political consensus is necessary to ensure that decisions have enough support to stick, and provide a sound foundation on which to build the institutions of a new democracy. This is a bitter lesson for those who may feel that they have waited decades in the wilderness for their chance to rule.

But Egypt after the revolution will never again be a place where any party or president can rule unconstrained. The last two years has shown the vibrancy and diversity of Egyptians' political views. With time, and in an environment where human rights are respected, this pluralism will be reflected in elections. The Brotherhood will either learn the art of the deal, or they will fail in the eyes of Egyptians, and the world.

The political opposition has lessons to learn as well. While they are rightly outraged by the Brotherhood's heavy handed approach, and justly worried that the rushed constitution, the flawed electoral law, the degraded rights environment and the opaque electoral calendar will once again leave them out in the cold. Some call for a boycott of the parliamentary elections, some for street demonstrations to force President Morsi from office, some for a military coup.

If both sides continue to treat their political competition as a zero-sum game, both sides will lose -- and they may take Egypt over the cliff with them. As a balance of payments crisis drifts closer and closer, fuel and flour shortages mount, and public discontent boils into the streets where police now carry live ammunition and torture activists with impunity, we must worry about the impact of this mutual intransigence on Egypt's basic stability.

A few farsighted voices, viewing the looming crisis, call for dialogue and compromise. This is the path we must support -- actively, not with wishful thinking and not by providing top cover for those who are sitting in the hot seat and avoiding tough decisions. The Egyptian leadership has enough people telling them to hold on, that international aid is coming and after the elections things will settle down. We need to be a friend to Egypt -- and that means we need to have enough respect and hope for friendship with Egypt's leaders that we tell them the truth.

The truth is that President Morsi cannot make the tough economic decisions he needs to make to get an IMF loan, and to get access to billions of additional dollars in international assistance tied to that loan, unless he brings along some of his opposition. He needs their help to stabilize his country.

The truth is that elections that do not earn the trust and participation of the political opposition will not produce a parliament with broad enough support in Egyptian society to make authoritative laws for the new Egypt. The president and his party must work to make these elections meaningful for all Egyptian political parties. That may require them to amend the electoral laws and procedures. And Egypt's political opposition must make sure they offer Egyptian voters a real choice and participate fully in the polls. A boycott would compound Egypt's polarization and political crisis.

The truth is that a military takeover would be a disaster for Egypt's nascent democratic transition, a disaster for Egyptian stability, and a disaster for Egypt's military. It may look to some desperate people like the only way to forestall terrible chaos, but it would not. A resumption of military rule in Egypt would likely lead to massive street protests, compounding the existing instability and insecurity in Egypt's cities. It would likely lead to even greater violations of human rights, as we saw more than 10,000 Egyptian citizens hauled before military courts during the last period of military rule. And of course it would upend the progress that has been made -- and despite the problems, progress has been made -- in Egypt's hesitant transition to democracy. Furthermore, military rule would divert the attention and resources of the Egyptian military from crucial border security and counterterrorism functions, and undermine our ability to continue the military cooperation that is so valuable to both of us, especially as we face a drawdown from Afghanistan, continued security challenges in Gaza and Sinai, and the prospect of a confrontation with Iran.

In fact, the military has a lot of capacity to help stabilize Egypt and stave off a worse crisis -- but not by leaping back into governing. As it did in 2008, the military can help compensate for rapidly rising food prices and flour shortages by using its own supplies, bakeries and distribution chains to get bread to hungry Egyptians. To be sure, these roles carry political consequences. But if they are undertaken in support of a civilian government that is operating on the basis of political consensus, these measures can be stabilizing rather than threatening of Egypt's emerging democracy.

In other words, distinguished members, I believe that Egypt's transition is still in an early and uncertain phase, that the course of that transition matters deeply to the United States, and that the United States still has significant power to affect the trajectory. Egyptians want a relationship with the United States, but one based on equality – rooted in mutual interests and mutual respect. Ordinary Egyptians want for themselves a government that respects their rights and dignity, that answers to their priorities and that serves at their pleasure. They want secure borders, safety on their streets, stable neighbors, and peace in their region. That is what we want for them as well. Egypt's leadership and its political elites will eventually hearken to these demands, or face continued protests and instability. We should wield our influence -- rooted in clear principles and interests, and in cooperation with others -- to support those in Egypt working to build sustainable democracy and a fruitful partnership with the United States.