

Forbes

It's Time For The United States To Cease Financial Aid To Egypt

By Doug Bandow – July 22nd, 2013

Egypt is a disaster veering toward catastrophe. President Barack Obama's decision to ignore U.S. law by continuing financial aid will only exacerbate the situation. The administration's signal achievement is that almost everyone in Egypt now blames America, which has provided almost *\$75 billion in financial assistance* to Cairo over the years.

Egypt became a top aid recipient after Anwar Sadat switched sides during the Cold War. His government was paid even more for making peace with Israel. Washington argued that the stability seemingly purchased was a good deal. No longer, however.

First, the law requires halting assistance. If the administration doesn't want to obey, it should urge Congress to amend the law. Only by applying a Clintonesque twist can what happened in Cairo—the army arresting the president and top aides, prosecuting opponents, shutting television stations, detaining journalists, freezing assets, and shooting demonstrators—be called something other than a coup. In fact, the Associated Press detailed how the military planned its takeover for months and aided the group Tamarrod in building opposition to former president Mohamed Morsi.

The Heritage Foundation's James Phillips acknowledged that “the letter of the law does require a cutoff of U.S. aid,” but contended that “the spirit of the law, which was passed to help protect democracy, would support continuing aid because the coup was launched against a leader who was ignoring the will of the people in order to impose his anti-democratic Islamist agenda.”

Traditionally conservatives do not favor legal feelings over enactments. More important, Morsi was not alone in his authoritarian tendencies. Mubarak-era military, judicial, and bureaucratic leaders worked to block democratic rule at every turn. Nor was Morsi the first elected leader to inflate his own powers: George W. Bush and Barack Obama come to mind.

Moreover, it is sheer fantasy to impute democratic yearnings to the Egyptian military, a praetorian institution which served as *the guardian of dictatorship* since the 1952 coup against King Farouk I. Egyptian military officers are a caste apart, pampered apparatchiks who control as much as 40 percent of the economy. They always have been far more interested in power and privilege than democracy and liberty. Noted Michael Rubin of the American Enterprise Institute: “the military traditionally represents the older elite as well in Egyptian society, which feels that it's their God-given right to do this sort of thing.” For the generals, Morsi's authoritarianism simply became a pretext for their authoritarianism.

Second, abundant foreign “aid” has contributed to Egypt’s catastrophic economic failure. Government-to-government assistance has consistently hindered rather than advanced economic progress in developing states. John Bolton recently argued: “Everyone, whatever their politics, agrees that Egypt’s economy needs massive assistance.” Actually, no. What that economy needs is massive *reform*. Unfortunately, American subsidies discourage reform by underwriting Egypt’s inefficient and counterproductive economic policies.

Third, whatever political influence the U.S. may have gained from foreign aid was dissipated when Cairo realized that it could count on receiving the money irrespective of its behavior. The *Washington Post*’s David Ignatius contended: “Better to continue aid, and insist that it be conditioned on the military scheduling early elections.” However, that requires the willingness to stop writing checks, which *Washington has never done* and obviously will never do.

Where is the evidence of American leverage? The Mubarak regime rejected both economic and political reform, creating the corrupt, inefficient state which fails the Egyptian people today. As the revolution unfolded the administration successively declared itself for Hosni Mubarak, his negotiated exit, and his speedy exit, without Egyptians paying the slightest attention. Although the administration attempted to mobilize its network of U.S. trained Egyptian officers, Adm. Mike Mullen, then-chairman of the Joint Chiefs of Staff, admitted that money “couldn’t buy the U.S. the connections it needed in a time like this.”

The decision to continue aid under President Morsi had no positive effect. He pursued exclusionary political and incompetent economic policies, apparently against Washington’s advice. The security services worked to undermine his government, also presumably against the administration’s wishes.

The coup even more dramatically demonstrated U.S. impotence. Observed the Hoover Institution’s Kori Schake: “Reports that the national security advisor, secretary of state, secretary of defense, and chairman of the Joint Chiefs of Staff had tried unsuccessfully to restrain Egypt’s military led to the [conclusion] that the United States has very little influence over a military determined to once again entrench itself above elected civilians.”

No one in Cairo is listening to Washington now. The military is adopting the Egyptian equivalent of North Korea’s “military first” policy, shooting demonstrators, making political decisions, and appointing civilians friendly to the military. Even the coup-friendly *Wall Street Journal* admitted: “the military drew up the new constitutional ‘road map’ in secret without consultation with the anti-Morsi opposition. The interim president will rule by decree. The constitution, which an authoritarian Mr. Morsi rammed through late last year, will be redrafted by unelected officials,” mostly Mubarak retreats.

Worse, contra Washington’s plaintive pleas, the military has reverted to the Nasser-Sadat-Mubarak policy of suppressing the Muslim Brotherhood. If the movement goes into violent resistance there will be neither stability nor democracy in Egypt.

Deputy Secretary of State William Burns visited Cairo two weeks after the coup. Brotherhood leaders refused to see him. Morsi’s opponents, the fundamentalist al-Nour Party and liberal Tamarrod movement, also rebuffed the U.S. envoy. At least Gen. Abdel Fatah al-Sissi—who simultaneously serves as head of the Supreme Council of the Armed Forces, defense minister, and deputy prime minister—gave Burns an audience. However, the regime continued to target

Brotherhood officials even as Burns called for “the military to avoid any politically motivated arrests.”

Nor is anything likely to change. Brent Scowcroft and Eric D.K. Melby argued that “By being smarter with its aid, Washington can promote transparency, rule of law, respect for individual rights (including, importantly, those of women) and the encouragement of a competitive political structure.” Isn’t that what the U.S. was supposed to be doing with its money *for decades*? Why will the generals listen now when they have additional evidence that the U.S. will *never* turn off the tap?

America’s “investment” of more than \$40 billion in the Egyptian military going back to 1948 isn’t generating much of a return today. Pouring more good money after bad only will guarantee more of the same. Warned the *Washington Post*: “By refusing to follow the law even after the military’s brutal and autocratic actions, the administration is sending the mess that nothing—short of war with Israel—will lead to a rupture with the Egyptian armed forces. That will merely encourage the generals to continue their reckless and counterproductive behavior.”

Fourth, Americans’ money—about \$1.55 billion this year, of which \$1.3 billion is for the military—is small change compared to the cash promised by Saudi Arabia and other Gulf States, at least *\$12 billion* at last count. (Similarly, the Morsi government received around \$10 billion from Qatar and Turkey.) There’s no need for the Egyptian authorities to listen to the administration if they have other sources of funds.

Fifth, more cash for the military would be counterproductive. The military already is well-funded domestically, with its many economic interests. (A cynic might suggest that the generals are more interested in preserving their position than in promoting democracy.)

More aid would further bloat an already over-sized and over-armed institution. Indeed, much of the money currently is slated for advanced U.S. weaponry, such as F-16s, which provides nothing other than prestige—and profit for U.S. arms makers.

Washington doesn’t need to pay SCAF leaders not to break the peace with Israel. More than anyone else, the generals know that conflict with Israel would be suicidal. Their country is broke, their people are impoverished, and their troops will be very busy if there is a violent showdown with the Brotherhood. Trying to use antagonism toward Israel to unite the nation likely would end up wrecking the institution.

The generals could retaliate against the U.S. by, for instance, cutting off intelligence cooperation. That would highlight how little America has gotten from decades of lavish support and prove that the Egyptian military cannot be trusted. Anyway, the benefits Washington currently is receiving are no bargain, especially given the moral cost of backing continued dictatorship.

Georgetown University students Gabriel Scheinmann and Raphael Cohen complained that “A knee-jerk cutoff of aid would seriously impair the cohesiveness and primacy of the Egyptian military.” That is doubtful given the institution’s other source of funds, but would be good if true. Today the military is the biggest obstacle to Egyptians achieving a freer society.

Sixth, the liberal opposition and private media are living an illusion in their apparent belief that security forces which backed dictatorship for six decades, and ruled no less repressively for

months after the 2011 revolution, are now dedicated to freedom. “The liberals and revolutionaries are too quick to hop into bed with the military—it is not their friend,” warned Steven A. Cook of the Council on Foreign Relations.

To the contrary, the Mubarak-era elites which control the military, police, judiciary, and bureaucracy prefer authoritarianism, as long as they are the ones in charge. They are not likely to voluntarily yield ultimate power. Indeed, while Secretary of State John Kerry suggested that the coup might have been necessary to prevent civil war, it was the coup plotters *who fomented the threat of civil war to justify the coup*.

Moreover, the same tactics used by yesterday’s opposition to unseat Morsi can, and likely will, be used by tomorrow’s opposition to unseat a future, and perhaps liberal, president. Said one Brotherhood supporter: “If [Morsi] goes down, we’ll bring down the president they elect.” The military obviously would be only too happy to remain in charge.

Indeed, it will not be long before those who advocate democracy and liberty find themselves in the army’s cross-hairs. *Literally*, given the military’s penchant for using live ammunition against protestors. Democracy advocates who subvert democracy should expect nothing less.

In fact, some liberals, who so far have demonstrated no ability to win elections—they performed pitifully in the December 2011 parliamentary vote—are starting to rethink the attempt to grab power atop army tanks. Their own influence is in doubt. The fundamentalist al-Nour party blocked their preferred candidate for prime minister, Mohamed ElBaradei. Then the military failed to consult liberal activists before issuing its political timetable.

Worse, Rahab el-Mahdi at the American University in Cairo warned: “We are moving from the bearded chauvinistic right to the clean-shaven chauvinistic right.” Political scientist Amr Hamzawy called the coup celebrations “fascism under the false pretense of democracy and liberalism.”

Seventh, America’s reputation is on the line internationally. Democracy is necessary, but is not sufficient for development and preservation of a liberal society. However, only the most naïve could believe that the latest coup will yield the latter.

The *New York Times*’ Tom Friedman claimed that “the job of Egypt’s friends now is not to cut off aid and censure, but to help it gradually but steadily find that moderate path.” But giving money to and withholding criticism from coup leaders rewards those who have the least interest in finding a moderate path. Instead, they want to protect the deep military-dominated state that has ruled for years.

The Brotherhood may be no friend of liberty, but political Islamists are far more dangerous if excluded from the political process. The coup naturally feeds the meme that democracy is a fraud. Warned Schake: “Jihad is a likelier result in Egypt than Islamists validating a machination that deprived them of elected office.”

This experience will resonate beyond Egypt. Noted Nader Hashemi of the Center for Middle East Studies: “The lesson that Islamists will learn is that respecting the rules of democracy do not matter, because when they win elections, their opponents do not respect the same rules. It is now likely that a process of radicalization will poison the politics of Egypt and the broader Islamic world for years to come.”

Moreover, for Washington to work so hard to avoid applying the law in order to support a coup which is excluding a large segment of the population—whose candidate won the first free presidential election *in Egyptian history*—will make a mockery of any future pronouncements about America’s commitment to democracy. U.S. officials never let hypocrisy get in the way of a good speech, but foreign peoples are unlikely to be so forgiving. Schake called it “a Mossedegh moment in American foreign policy,” referring to the Iranian prime minister overthrown at America’s behest in 1953. Senators John McCain and Lindsey Graham argued: “we may pay a short-term price by standing up for our democratic values, but it is in our long-term interest to do so.”

Washington’s best hope is to disengage, leaving Egyptians to decide their own future. The administration should simply point to the law. A coup has occurred and the democratic process has been overthrown by the military, so aid must be halted.

That would respect the rule of law in America. It also would restore a degree of leverage. If the Egypt’s military values Washington’s cash and support, it would act responsibly and quickly create an inclusive political process that restored democracy. Otherwise Cairo faces the prospect of violent instability irrespective of U.S. aid.

If that happens, Washington should not be involved in any capacity. Today “American tax dollars flow no matter which despot rules,” noted Sen. Rand Paul (R-Kent.). It is time to change that policy and halt American assistance to Egypt.