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Egypt's Role in a New Arab Environment: Preliminary Remarks

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1. First popularized by the former president Gamal Abdel Nasser in his *Philosophy of the Revolution*, the concept of Egypt's "national role" remains central to conceptualising, not only Egypt's foreign policy choices, but also the basic thrust and essential strategies of most of the Egyptian state policies. The idea of a regional role refers to the prevailing perceptions of foreign policy priorities and the guiding frameworks of the state's policies towards its regional and/or international environment, and the ways in which such perceptions are firmly embedded in broader conceptualisations of the ways the national economy and polity should be managed.

2. Normally, the different conceptions of national roles serve three functions: a) as an *ex ante* guide to policy action, b) as an *ex post* source of defending policy choices, and c) as a source of political legitimacy – a key component of the ruling elite's hegemony, that is. Foreign policies, however, do not always rest on a monolithic conception of a single national role ascribed to their states. States sometimes have to choose between different and occasionally mutually exclusive roles. In which case, policy makers have to make hard choices as their country is facing a role conflict and a crisis of hegemony. Such, indeed, is the case of Egypt.

3. Nasser invoked the concept of Egypt's role to defend *étatisme* and a Pan-Arab, anti-colonialist, and non-aligned foreign policy. His foreign policy served two key functions: a) as a source of the regime's legitimacy – diplomatic acumen, particularly in the Suez crisis and its aftermath, was central to the establishment of Nasser's leadership and unrivalled popularity in the Arab world; and b) as a key source of rent-generation – diplomatic manoeuvres in a bipolar world were key to securing economic resources without which the famous, and quite successful, quinquennial plan in the 1960s was simply unfeasible.

4. It's important to remember that Nasser's conception of Egypt's role in the region, in spite of the serious blow to his regime as a result of the 1967 defeat, developed into a central component of the prevailing political culture in Egypt, and remained ever since a key source of distinguishing what is legitimate or illegitimate foreign policy conduct in the eyes of the Egyptian public. Thus, when his successor, Anwar Sadat resorted to a different conception of the role to facilitate the dismantling of the populist-statist model of political economy and re-aligning with

¹ This is a background note to my presentation on the same subject in the workshop "Reform in Egypt: Political, Economic, and Social Challenges", organized by CIDOB and AFA, Barcelona, 23-24 November 2009.

the United States and the West, a role-conflict, and a severe crisis of legitimacy ensued, culminating in his assassination in 1981.

5. By contrast to his predecessors, Mubarak, since his very first days in power, expressed considerable disinterest in grandiose visions, taking pride in being a practical man – a problem solver. This gradually changed, as he realised the important role of foreign policy in restoring the hegemony of his regime (understood in Gramscian terms) after the major hegemonic crisis that culminated in Sadat's assassination. In 1990, the Gulf crisis furnished Mubarak's regime with a new chance to resume the second function of Egypt's foreign policy – rent generation. In effect, Egypt's participation in the US-led coalition resulted in the writing off of some \$20 billion of Egypt's debt (halving the debt burden), and facilitating the launching of the (in?)famous Economic Reform and Structural Adjustment Programme (ERSAP) that has dominated the Egyptian political economy since May 1991.

6. Theoretically, the two functions of Egypt's foreign policy were complimentary – regional clout facilitating rent-generation and vice versa. The analysis of their actual patterns of interplay since the 1950s, however, demonstrate that, with the exception of a brief period (1956-1965) when the exceptional conditions of the Cold War allowed Egypt to perform both functions simultaneously, the two functions were inherently contradictory, rendering any attempt to perform them at the same time problematic.

7. Thus, the primacy of rent generation (after the first quinquennial plan in 1965, during the *infitah* years of the 1970s, and after the Gulf crisis in 1990-1991) often came at the cost of the regime's hegemony. Similarly, at the times when the regime's priority was to establish (or restore) its legitimacy (Sadat's first three years in power, and the post-Sadat's-assassination years during the 1980s), the ability to generate strategic rent was hampered (This was how, for instance, the 1987 economic restructuring programme failed).

8. Mubarak started his reign with an overriding dilemma – how to maintain the basic thrust and orientation of Sadat's policies, whilst dismantling the broad popular counter-consensus, and resolving the hegemonic crisis generated thereby? In many ways, this dilemma remained unresolved.

9. Sadat's assassination, however indicative of the regime's hegemonic crisis, remained essentially a random act, in that it did not alter the social disposition or policy preferences of the ruling elite. This was particularly demonstrated in the rapid and friction-free transformation of power to the second-in-command, Husni Mubarak, after Sadat's assassination, and in Mubarak's pledge to follow the footsteps of his predecessor.

10. Yet, the magnitude of the hegemonic crisis that resulted in the assassination of Sadat meant that Egypt's foreign policy had to be focused on the first of its functions – hegemony restoration, throughout the 1980s. Foreign policy issues were at the heart of the counter-consensus that developed from across the political spectrum in the last years of Sadat's reign, and Mubarak had, therefore, to make some alterations in some aspects of his foreign policy to restore the regime's hegemony. However, since these foreign policy choices were embedded in the broader process of restructuring populist *étatisme*, in response to the changing social disposition of the ruling elite, and its economic and political choices, any alterations had to be made carefully so as not to jeopardise the regime's domestic power base and international alliances. Such was the tight-rope act that Mubarak was forced to perform during the 1980s.

11. Thus, Mubarak's regime undertook a "public relations exercise" throughout the 1980s, which involved token flirtations with aspects of *étatisme*, and Nasser's foreign policy. Mubarak's foreign policy sought to reintegrate Egypt in the Arab world, without prejudice to Egypt's relations with the United States and Israel – a process that started slowly in 1984, and only bore fruition in 1989, with the return of the Arab league headquarters to Cairo, and the full return of Egypt's occupied territories.

12. The hegemony-restoration process, therefore, took all of the 1980s, with the twin corollaries of: a) hampering the regime's ability to use foreign policy manoeuvres to generate rent and help resolve the inherent contradictions in the political economy; and b) forcing the regime, when the resource crisis struck in 1986 (as a result of the twin developments of: i) dramatic fall in the oil prices; and ii) a global credit crunch after the Latin American debt crisis), to postpone any radical economic retrenchment, which would have been detrimental to his overarching hegemony restoring concern, and settle for "crisis management" until regional and international developments made it possible to resume the generation of strategic rent and embark on the second wave of restructuring in the aftermath of the Gulf Crisis on 1990-1991. The transformation from "crisis management" to "crisis resolution" through a second wave of restructuring, therefore, proved largely dependent on the ability to resume the second function of Egyptian foreign policy.

13. Egypt's foreign policy choices during the Gulf Crisis facilitated the launching of ERSAP, but threatened to erode the regime's hegemony, to the restoration of which the Egyptian foreign policy throughout the 1980s was devoted. The social disposition of the ruling elite made clear the direction of transformation. However, the relatively limited, one-off nature of the resources that facilitated the economic restructuring², and

² They were not comparable in any way to the economic bonanza of the *infitah* years.

the accompanying conditionality created a pressing need, for a simultaneous performance of both functions of Egypt's foreign policy, to redress the twin challenges of: a) a hegemonic crisis created by the foreign policy choices of Egypt during and after the Gulf crisis, and exacerbated by the increasing erosion of the social and political support bases of the Egyptian state as ERSAP progressed; and b) the need for generating strategic rent to mitigate the cost of restructuring, and the resulting protest. Once more, the inherent contradictions between the two functions of Egypt's foreign policy prevailed, and juggling them proved impossible.

14. Indeed, the interplay of domestic, regional and international developments, as the second wave of restructuring unfolded, rendered the regime incapable of performing either function satisfactorily. Instead, foreign policy became at the heart of the mounting legitimacy challenge to the regime, and the questions about the withering regional clout surfaced anew.

15. To redress these question, Egypt first sought a Gulf-centred Arab role with the signing of the short-lived Damascus declaration a few weeks after the guns in the gulf fell silent. After the rapid demise of this bid, Egypt devoted her foreign policy almost entirely to the question of resolving the Palestinian-Israeli conflict. The inherent logic was straightforward – bringing the parties of the conflict to direct talks mediated by Egypt, and using Egypt's strategic alliance with the US to extract concessions from Israel. Ideally, this should make Egypt the champion of the Palestinian cause, restoring the regime's hegemony, and boosting its regional clout. In turn, an enhanced regional role would render Egypt more valuable to the US and the West, thereby increasing prospect of strategic rent generation, and alleviating the social costs of ERSAP. Such, therefore, was the targeted regional role of Egypt in the 1990s.

16. The reality proved more problematic. As the peace talks progressed, Egypt seemed to have worked herself out of a job. The earlier successes of the peace process in the early 1990s (an Israeli-Jordanian peace agreement in 1994, interim Israeli-Palestinian agreements in 1993 and 1994, and a steady progress in economic normalisation) brought forth the prospects of a Middle East where Egypt would be reduced from the status of a (mostly) undisputed regional leader, to a mere supplier of cheap labour to an Israeli-led region. The mediating role too was becoming less important, since the Arabs were talking directly to Israel. Paradoxically, the deadlock in the peace process since 1996 made things only worse, as the very *raison d'être* of Egypt's foreign policy for the previous two decades was questioned. In either case, the regime's hegemony suffered, and a role-crisis intensified.

17. This coincided with a rather an under-achieving ERSAP. Economically, the key fruits of economic restructuring were the confined to the improvement of macroeconomic indicators in the first half of the 1990s. These, however, rapidly eroded as the implications of a series of financial crises in different parts of the world (from Asia to Russia and Latin America) hit the Egyptian economy hard by the late 1990s, causing a new resource crisis. The problem was that this resource crisis hit at a time when no chance of rent-generation through regional clout presented itself, resulting in the government's forced reliance on domestic resource mobilisation, with the twin consequences of a rapidly mounting domestic debt, and a further erosion of the state's social base. This was how the "troubled liberalisation" years of the 1990s gave way to the "crisis of governance" in the early 2000s, and a new resource crisis surfaced anew.

18. Unlike in earlier resource crises, instead of relieving either the hegemonic or the resource crises, foreign policy in the early 2000s faced the dual challenges of a seriously strained relation with the US, and the rapid deterioration in Egypt's regional clout. The heightening tensions in the Egyptian-American relations, invoked by disagreements over a range of issues from the wars in Afghanistan and Iraq to the rise of the Israeli ultra-right and the ensuing crisis in the Middle East peace process, meant that: a) Egypt stood a limited chance at impressing her views on the primacy of the Palestinian question on a Afghanistan- and Iraq-focused Bush administration, thereby losing the only hope of influencing the course of events in the Palestinian-Israeli conflict; b) Bush's administration joined the demanders of reform in Egypt, increasing the pressures on the regime on the eve of a looming succession debate; and c) the prospects of rent-generation were unprecedentedly dim. Indeed, three successive decisions made by the US to: a) turn down requests for additional assistance by Egypt to mitigate the costs of the crisis (in 2002), and b) reduce the existing economic assistance to Egypt (in 1998 and 2006) exacerbated the resource crisis.

19. The inability to influence the course of events in the Palestinian-Israeli conflict, exacerbated by the rise of Hamas after Arafat's demise, reduced regional clout – the main source of Egypt's "utility" to the US. Thus, Egypt's foreign policy ended up in a vicious cycle of a strained relation with the US and an eroding "regional role" leading to an eroding ability to mobilise strategic rent and an intense legitimacy crisis, and vice versa.

20. In December 2008, the Israeli war on Gaza furnished Egypt with a serious challenge. That the war took place after a few days of a high-profile visit of the Israeli Foreign Minister to Cairo, gave way to accusations to the government of either inability to prevent the war, or, in the more radical versions, complicity therewith. More radical stances from some Arab countries, and most notably, from the Erdogan's

government in Turkey, embarrassed the Egyptian government, and exacerbated the hegemonic crisis.

21. However, the war ended with a renewed regional and international recognition of a key Egyptian role in the Palestinian question – or, more accurately, in the dual questions of mediating amongst the Palestinians themselves, and seeking to revive the peace negotiations. Though this was, at least in part, more a recognition of geopolitical necessities than a result of foreign policy acumen, it gave the Egyptian “role” a possible second wind, and a much-needed breathing space.

22. The advent of a new US administration enhanced the “breathing space”. The Egyptian president was invited to Washington, after a 4-year “silent boycott” that extended throughout Bush’s second presidential term. A series of visits by senior US officials appeared to renew the “partnership” between the two governments in seeking to revive the Mideast negotiations.

23. In such circumstances, the prospects of a revival of Egypt’s regional role, and hence, Egypt’s ability to perform the two functions of its foreign policy and mitigate the costs of the ongoing economic restructuring remains contingent on three key issues:

a) An achievement of a workable Palestinian reconciliation package, including a restructuring of the Palestinian political map so as to define the political choices and possible courses of action in the negotiations (if the resumption of the negotiations proved at all possible);

b) Forging a strategy to deal with the Sudanese question, and a possible “atomisation” of the Sudanese South, should a vote for “secession” prevail in 2011. This is particularly critical, given the complex nature of the Sudanese South, and the potential conflicts that are likely to emerge as smaller tribes challenge the supremacy of the Dinka in South Sudan.

c) Securing an Egyptian role in the changing security environments in both the Gulf and the Levant, especially with the emergence of other regional players, including Iran and Turkey. The rise of the latter’s role is particularly relevant to the future role of Egypt, since Turkey is bidding for roughly the same role that Egypt had sought over the last three decades – a bastion of regional stability, a model for the region’s politics, and a mediator between the region and the world.

24. The foreign policy choices of Egypt's ruling elite remained relatively unchanged over the last three decades. Thus, the resolution of the above three issues is central to performing the role that they aspire to. Given the problematic nature of the three issues, which will be explored in some detail in the presentation, the resumption of a leading national role – central as it is to both the regime's legitimacy, and its political economy – remains an open question.

25. A revision of these foreign policy choices, and the ensuing potential change in the nature of Egypt's role, is most unlikely to take place under the current ruling elite, but remains an integral part of the question of political succession in Egypt, and a key implication of the way in which such question will be resolved.

