CAN EGYPT LEAD THE ARAB WORLD AGAIN?  
ASSESSING OPPORTUNITIES AND 
CHALLENGES FOR U.S. POLICY 

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This monograph’s research, completed in August 2016, analyzes the potential for Egypt to resume an Arab leadership role that has been in abeyance for several years because of its turbulent domestic scene. The monograph also assesses whether or not such a role would be beneficial for U.S. policy. Although there has been a change in U.S. leadership since then, the situation in Egypt has remained the same.

The monograph first explores why Egypt has long pursued a leadership role in its modern history and the benefits—political, economic, and strategic—that have accrued from it. Although, by the late era of the Hosni Mubarak presidency, Egypt was no longer playing such a role, and the subsequent years of the so-called Arab Spring and the turmoil that followed compelled Egypt to look inward, Egyptian officials have not given up hope that their country will once again take up the Arab leadership mantle.

Egypt’s large population, geographical position, intellectual institutions and traditions, and diplomatic and military capabilities have convinced its officials and segments of the intelligentsia that it is only a matter of time until Egypt will bounce back from its current domestic challenges and seek regional leadership again. However, these challenges are formidable. Egypt’s government has pursued authoritarian policies that have restricted the avenues of dissent; the economy is going through a major reform process that has resulted in austerity measures, which have led to price rises for food and fuel; and terrorists have continued to be active in the Sinai Peninsula and—to a lesser extent—in mainland Egypt, curtailing tourism and foreign investment.

Egypt has received a windfall of economic aid from Saudi Arabia and some other Gulf Arab countries since the summer of 2013, when the Muslim Brotherhood’s Mohammad Morsi was overthrown by the military with substantial public backing. However, this assistance has diminished due to economic constraints in these countries as well as some political tensions that have arisen between Saudi Arabia and Egypt.

Hence, Egypt, even though it continues to be supported by the United States, the European Union (EU), the International Monetary Fund (IMF), and other international financial institutions, will have to rely chiefly on its own capabilities to emerge from its present difficulties. The good news for Egypt is that it has faced similar difficulties in the past and has bounced back from them. If Egypt sticks to its economic reform efforts, defeats the terrorists in the Sinai, and becomes less repressive—a democratic government is not likely anytime soon—it indeed has the potential to stabilize politically, economically, and strategically and again turn its attention to the region, more so than it has been doing in recent years.

This monograph argues that an Egyptian regional leadership role can help to dampen many of the crises facing the Arab world. One of the most serious of such crises is the Sunni-Shia conflict that has been exacerbated by the Iran-Saudi Arabia rivalry. As a state that does not place religion at the forefront of its foreign policy, Egypt, while a mostly Sunni Muslim country, is not interested in pursuing a sectarian agenda. Although it is part of the Saudi-led coalition that came to the aid of the Yemeni Government against the Houthi rebels, who have been backed to some degree by Iran, Egypt is weary about being bogged down in what has become a nasty sectarian war. And while it sees Iran as a potentially long-term threat, Egypt is not as fixated on Iran as is Saudi Arabia, and Egypt could even use its diplomatic capabilities to ease tensions between the two major countries facing off in the Gulf, as well as between various Sunni and Shia groups. At the same time, Egypt, as an Arab leader, could offer to put its military at the ready in case Saudi Arabia feels threatened. There is precedence for
such a role (the first Gulf war of 1990-1991) and, in the meantime, Egypt could also offer to undertake more joint military training exercises with Saudi Arabia.

As a moderate Sunni Muslim state, Egypt could also play a role, which it has done to some extent already, in leading an ideological campaign against the extremist ideologies of the Islamic State of Iraq and Syria (ISIS), al-Qaeda, and like-minded groups. Saudi Arabia, by contrast, because it is wedded to the more fundamentalist Wahhabi interpretations of Islam, cannot play this role. Egypt’s famous Al-Azhar University has begun the process of presenting a counter-narrative to extremist ideologies, and much of the Arab world could benefit from its policies that would be further enhanced if and when Egypt returns to a regional leadership role. Some senior U.S. officials understand that defeating groups like ISIS is not just a military matter, but involves a long-term ideological struggle that only moderate Sunni Muslim governments and their institutions can play.

While the United States should welcome a regional leadership role for Egypt, there may be cases where the two countries do not see eye-to-eye. Differences over Libya, for example, have already come to the fore, with Cairo supporting Libyan strongman General Khalifa Haftar in the eastern part of the country, while the United States and many members of the international community see Haftar as a divisive figure and instead support the concept of a unity government that would bring together Libya’s two main rival camps.

As Egypt overcomes its domestic challenges and moves toward a regional leadership role, this monograph argues for keeping, not cutting, U.S. military assistance, which will show the Egyptian leadership and the Egyptian people that the United States stands with them against terrorism. Such a policy of maintaining military aid levels of $1.3 billion a year also provides the United States with some leverage that it can use to persuade Egypt to adopt more effective counterterrorism techniques and perhaps pursue less repressive policies against political dissidents.

This monograph argues the case for more economic assistance to Egypt than the current, relatively low amount (about $150 million annually) that is provided now. Even though the current climate in Washington may not be conducive to an increase in aid, a compelling case can be made to Congress that such assistance, especially as Egypt pursues difficult economic reform measures, would be in the strategic interest of the United States, given Egypt’s pivotal role in the region. Positive conditionality—giving more aid for progress on democratic norms—as opposed to punitive measures, such as cutting aid, is likely to be more effective when dealing with an ancient and proud country like Egypt.

To enhance this partnership, this monograph also argues for the resumption of the Bright Star military exercises that have been suspended for many years and for more interactions between the officer corps of both countries (to include expanded exercises with the Gulf Arab countries); while Egypt tries to diminish and ultimately defeat terrorists on its soil and seeks to assure its allies in the region that it can come to their defense when needed.

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