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Egyptian-US Relations Future Prospects

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PROCEEDINGS:

INTRODUCTION

On 7-8 May 2014, in Cairo, a symposium on Egyptian-US relations was convened by the Prince Alwaleed Bin Talal Center for American Studies and Research (CASAR) of the School of Global Affairs and Public Policy at the American University in Cairo, in cooperation with the Faculty of Economics and Political Science at Cairo University, and Saban Center for Middle East Policy at the Brookings Institution. Participants included former diplomats and researchers, in addition to private sector representatives.

The symposium consisted of seven sessions, each focused on an aspect of the relationship, be it political, military, economic, or cultural as well as addressing the regional position of Egypt and its relevance to the U.S.

The Egyptian-American bilateral relationship is affected by complexities. These include the wide scope of relations that encompass military, economic and cultural dimensions that grew over a period of 100 years at least. There is also the impact of internal politics in both countries, particularly after the 25 January and 30 June upheavals in Egypt. Then there is the role of third parties – e.g. Israel in most cases, the

Soviet Union in the 1950s and 60s, and Saudi Arabia and the Gulf countries during other phases, including the current one. Some have suggested that the Egypt-U.S. relationship is a derivative of, and secondary to, the U.S.-Israel relationship. More recently, the GCC has practically become a 'third' party highly influencing the relationship between Egypt and the U.S. The question is whether both sides were ready for a direct relationship? Can the two countries sustain a genuine partnership based on mutual respect and trust? The papers presented in the symposium and the debates that took place amongst the participants tried to answer these crucial questions.

A WORD FROM THE PRESIDENT OF THE AMERICAN UNIVERSITY IN CAIRO, LISA ANDERSON

It's a delight to see so many friends and colleagues here on all sides of this dialogue. As a leader of an institution whose very name conveys the importance of this relationship—the American University in Cairo--it is important to say that this relationship is as the university itself is, decades old and will continue to endure. Many of you know that AUC will be celebrating its 100 years anniversary in 2019 and we are already planning for the next 100 years as well.

During much of the time that AUC has existed, Egyptian-American relations have been quite good. There have been ups and downs, of

course, but in many ways this has been a relationship of comity and mutual respect. Recently things have been exceptionally complicated, but perhaps productively so, since the somewhat complacent sense of common interests obscured, for both countries, increasingly complex domestic debates about national interests and purposes that need to be visible to be appreciated and addressed.

CASAR is devoted to enhancing understanding in the region of the multifaceted and at times frustratingly and even contradictory (even to Americans!) political process, social conditions and economic challenges of the US. Similarly, Americans are puzzled by the complex and sometimes contradictory voices and views coming out of Egypt. In both cases, not all of the relevant perspectives are represented in this room, so I hope you will take responsibility, if this dialogue is to genuinely be what it could be, to ensure that the variety of each of our polities is encompassed and reflected in these discussions.

We are in fact in dire need of a fresh look at Egyptian-US relations and an agreement on a more sophisticated institutionalized framework that can address both the challenges and opportunities that confront us each and confront us both. Egypt's transition from the unnatural stability of the Mubarak era has proven to be

more and more contentious and complicated—and longer—than people expected.

Popular aspirations for bread, freedom and social justice remain very much alive but they now compete with anxiety and uncertainty. Indeed, Egyptians are discovering that there is not even consensus of what it means to be a citizen of the country in the 21st century. This is perhaps more of a surprise than it should be but it's probably the single most important feature of public life here today.

At the same time American adjustment to a world that is less stable, less predictable and more unruly is also taking a surprisingly long time. We should not forget that while we are here in Cairo that debate, contention and uncertainty in Washington about how the U.S. should approach the world is greater than it has been in a long time. If Egypt is adjusting to a political scene in which the power of "command and control" is eroding on the national level, the U.S. confronts a similar challenge both at home and abroad.

Might just doesn't make right the way it used to, and that is a big adjustment rulers across the globe, whoever they are. Building and sustaining constructive relationships based on mutual respect between two partners who are themselves struggling to define their interests

and identities in the 21st century is no small challenge.

You have set yourselves a diversified agenda to confront that challenge and you will be dealing with a variety of the strategic issues in the relationship between the US and Egypt, whether they were global, regional issues, military, economic or political cooperation, social dynamics and even the role of the private sector in both countries.

All of this provides a promising menu for your deliberations. I look forward to the reports of your discussions, and to the practical recommendations you may be able to develop during the course of your deliberations. In the meantime, this kind of informal dialogue between academics and policy analysts in the two countries should continue to help deepen and refine the relations that we all prize so dearly.

I. RESPONDING TO NEW DOMESTIC, REGIONAL AND GLOBAL CHALLENGES

Attempting to contextualize relations between the two countries within a changing political and economic world order ,participants addressed the domestic, regional and global challenges that face Egyptian–American relationship especially after June 30, 2014.Divergent views were presented on changes in global politics, regional transformations and shifts in U.S. foreign policy impacted Egyptian-American relations. Some were convinced that U.S. hegemony was being replaced by a new multi-polar system, with its political and economic power declining.

Today’s global system was pictured as a pyramid headed by the U.S., but with middle powers having more freedom to act and to move. This system-in-the-making impacts the Egypt-U.S. relationship. Such a system will empower middle states to seek relations that benefit their national interests independent from American hegemony, thus they will tend to alter their international alliances from time to time. As these countries become convinced that the U.S. is no longer capable of being their main source for economic assistance, they will seek other sources of support and different models to emulate.

Egypt is yet to be a fully-fledged middle power, mainly because of the domestic situation in the country. With the changing international

environment and the rise of new global and regional order, Egypt may become more comfortable with relinquishing U.S. economic assistance, particularly in the context of financial support from the Gulf. Also, in the military field, Egypt may opt to further diversify its suppliers.

Clearly, in contrast to President G.W. Bush, Obama is reluctant to use U.S. military force in dealing with outside challenges (e.g. Iran, Syria, Iraq), notwithstanding criticism from Israel and U.S. neo-conservatives. Some attribute this policy to the ailing American economy, the human costs associated with the presence of American troops abroad, and the shift in American public opinion against military intervention overseas.

The U.S. recognizes the changing global order and is seeking to delay its emergence, even when this requires circumventing international norms followed by the world community, claiming both 'exceptionalism' and 'exemptionalism' (e.g. U.S. claims that it should be exempted from adherence to such norms applied by the International Criminal Court, or the Kyoto Protocol on limiting carbon oxide emissions; in 2006, despite its central role in the Non-Proliferation Treaty (NPT), the U.S. agreed to with India to cooperate in developing its civil nuclear capacity, in clear violation of the NPT, as India is not a signatory. Also, the U.S. remains silent on Israel's nuclear weapons in the region.

In this context, others felt that the 40-year “strategic” relationship between Egypt and the U.S. was effectively coming to a close, opening the way to new links considerably different from the past. There are several reasons for this:

1. The U.S. “pivot to Asia” is seen in the region as an abandoning of the Middle East albeit it is justified in strategic terms related to changing energy capacities, the rise of the middle classes of China and India and the need to manage changes and conflicts that loom over Asia.
2. The tensions over Ukraine seem to have terminated U.S. - Russia attempt to co-manage some of the Middle East problems (e.g. Geneva I and II on Syria, removal of chemical weapons from Syria, 5+1 process). Some Middle East powers may seek to reposition themselves in the context of this evolving reality, thus providing more opportunities for Russian diplomacy. The recent news of a Russian arms agreement with Egypt is a case in point.
3. The dynamic interaction between the Arab and Middle East regional orders is another factor influencing relations between Egypt and the U.S. In the context of the tectonic changes in the region, there is a growing

perception of U.S. diplomacy trying to strengthen cooperation with non-Arab actors (Iran, Turkey, and Israel) to manage regional conflicts. This strategy seems to have been met with setbacks (e.g. Turkish post Arab Spring policy towards the Arab world) leaving these countries searching for new roles.

4. The Arab Spring wave has run its course in both its horizontal expansion and in terms of its impact on the reform process. The movement towards democratization seems to have been arrested and, in some cases, reversed. In parallel, the wave of political Islam seems to have peaked, under the influence of the experience of the Moslem Brotherhood in Egypt. Yet the challenge of extremist Islamic groups remains alive, particularly in Greater Syria (*AlSham*), Iraq, Egypt and Yemen.
5. Initial expectations of a rapid collapse of the Syrian regime have been revised several times, now centering on the scenario of a protracted conflict that may extend to five or ten years. Also, the focus has shifted to the rise of extremist groups and European concerns about returning volunteers to their countries. With the rise of ISIS, the military advances of the Damascus regime, the resignation of the second UN mediator and the regression of

US-Russian cooperation, remaining options are limited.

6. Another challenge is that of the role of Gulf countries as aspiring movers and shakers in the region, as they remain handicapped in their role of charting a strategic direction for the region, albeit they have been able to shore up royal regimes in Morocco, Jordan, and provide vital support to Egypt in the short term. At the same time, Gulf countries experience frustrations with the way the global system is dealing with the region (e.g. 5+1 negotiations with Iran over their heads).

Contrary to the view that the strategic relationship between Egypt and the U.S. is coming to a close or a deep transformation due to regional and international changes, others have felt that the U.S. is only undergoing a multi-dimensional transitional phase in the Middle East. This transition manifests itself in a variety of aspects that touch upon domestic as well as regional and international realities. The first changes demonstrate themselves in the gradual but resolute military disengagement in the region and the shift towards fighting terrorism. The second change is the new trends in energy production and the expectations that the U.S. will achieve energy self-sufficiency by 2020, hence its independence from the region.

Yet, as the U.S. economy remains connected to the well-being of Europe and East Asia, Washington will continue to have an interest in the free flow of energy from this region to the global market. The third shift is the correlation between domestic engagement and foreign policy, which is gaining in momentum and strength in the U.S. and in Egypt. The economic challenges that the U.S. has been facing since 2008 combined with a public reluctance to see the U.S. taking on additional commitments in other parts of the world whether it is economically, diplomatically, or militarily is a clear call for the administration to pay more attention to problems at home: health care, social security, education, and infrastructure. This affects American foreign policy and its capacity to provide foreign assistance to other countries placing real constraints on U.S. foreign policy. A fourth dimension relates to the region that is witnessing deep changes taking place as a result of long building societal, economic, demographic trends, the results of which are not determined yet.

All these uncertainties put the U.S. in a challenging position as it seeks to determine its strategic posture in this region. Contemporary tensions in American relations with the Middle East are not confined to differences over the optimal approach to a specific issue, as they reflect deeper changes in global, regional and U.S. politics. While governments in the region

may be seeking greater American engagement, there is little consensus on what they want from the U.S. In 2011 President Obama said that stability would not return to the region until its governments start real reform. Yet, the approach of President Obama to the region seems to reflect narrow security-driven priorities focused on a core commitment to remain engaged in the Middle East with the purpose of fighting terrorism, preventing the proliferation of weapons of mass destruction, and protecting the free flow of energy to global markets. Also, the American administration seems committed to focusing on diplomatic instruments to advance these interests as well as using multilateral diplomatic efforts in a number of cases. If these diplomatic efforts are failing in cases such as the peace process, Syria, or Iran, the question will be where the U.S. policy will go from here.

While the U.S. is preoccupied with its international status and the introverted mood on the domestic level, Egypt is also experiencing deep changes in its domestic and regional environment, with an expectation that Cairo will remain preoccupied with its domestic affairs for some time to come. One major challenge is that public opinion has clearly turned against the U.S. and is less supportive of a healthy relationship. It is incumbent upon the new Egyptian government, media and civil society organizations to raise awareness of the public on this and other issues related to Egypt's national

interests. Meanwhile, Egypt's regional role will continue to be pivotal requiring the support of both Arab countries and the U.S. particularly as the country seeks transition from its current bumpy phase. This may provide an opportunity to refocus the basis of the 40 year old relationship between Egypt and the U.S.

Egypt-U.S. relations are conditioned by regional realities that have ebbed and flowed with extended tensions during the Nasser era, developing into a strategic partnership under Sadat and Mubarak. Both sides ensured that occasional strains did not turn into animosity. Most probably, U.S. policy will remain to be shaped by its strategic interests in the region, necessitating engagement, possibly with diminishing leverage. Egypt will most probably seek to maintain the relationship while increasingly sensitive to U.S. demands related to its internal affairs.

Against this background, both Cairo and Washington are challenged to rebuild their relationship beyond. This effort will need to take account of the global, regional and internal changes discussed earlier. One key change is the democratic transition in Egypt, whereby public opinion has become an important factor in decision making processes. Another key issue is the divergence centered on the role of the Muslim Brotherhood in internal Egyptian politics, with Cairo suspecting a U.S. bias towards an

organization that it now treats as a terrorist entity. Despite a slow shift on the part of the narrative of the U.S. administration this misunderstanding needs to be addressed. U.S. foot-dragging in appointing a new ambassador in Cairo did not help address these differences.

The upsurge in the role of NGOs in Egypt requires a revision of the relationship with government away from its present unhealthy status to strengthen the role of civil society in advocacy, decision making and outreach of services. This issue impacts Egypt-U.S. relations and requires a better balance between the correct role of government in socio-economic planning and regulating the role of NGOs on the one hand and the tapping into the support available from the international system to development programs, whether they be administered by governments or civil society.

Many Egyptians have called for a revision of Egypt's regional role, in the face of criticism directed at its regression during the Mubarak years. Cairo will need to creatively reformulate this role in the context of tectonic changes in the Arab, Middle East and African landscapes rather than following nostalgic notions from the Nasseriteera. A new reading is required of the structural changes in the regional hierarchy of power together with a more proactive posture when issues of national interest are at stake (e.g. in contrast to Egypt's reluctance to join the

international maritime force confronting Somali pirates that impact navigation through Suez).

Given Egypt's significant resources of soft power, and the rapid changes in the global and regional orders, Cairo will most probably seek to maximize its role as a middle power by diversifying its military and economic options, while seeking to maintain close relations with the U.S. This will probably create tensions and uncertainties that both sides will need to manage wisely. From a Washington perspective, while there is uncertainty as to the direction of Egypt's foreign policy, the main U.S. preoccupation remains a security-driven agenda focused on fighting terrorism in the region. The U.S. fails to perceive its interests in the Middle East much beyond the security agenda, with a focus on al-Qaida; this may involve military cooperation and military engagement, or Special Forces. In this sense, the U.S. does not exert much effort to develop a larger positive vision for its engagement or a broader strategy in Egypt or for that matter in the region. Yet the richness of Egyptian-American relations demands a more positive and proactive agenda seeking to strengthen the movement towards peace, development and stability in a troubled region. In this context, Egypt will be required to further elaborate and clarify its own vision for a more positive American engagement.

II. MILITARY AND SECURITY CO-OPERATION

For the last 40 years, the U.S. maintained a strong military relationship with Egypt for a number of reasons including: preventing conflict with Israel, training and orientation of the Egyptian army, countering terrorism and working with Egypt as an important military and diplomatic regional power. The latter has proven its relevance and usefulness on occasions such as the Iraqi war in the 1990s. Despite the transitional phase Egypt is experiencing and the lack of clarity in both Cairo and Washington on future prospects, it is critical for both sides to reestablish a mutual understanding as to why their relationship remains relevant to one another not just in the militarily but also politically. Washington may view Egypt as lacking alternatives and thus obliged to respond to U.S. criticism in order to obtain the Foreign Military Financing (FMF) it badly needs. But this assessment may not be entirely correct and may be confounded by the recent opening in Egyptian-Russian relations.

There are 4 alternative future scenarios for Egyptian-American relations:

- 1- A continuation of the present situation, with military-to-military relationship at the center of relations while tensions continue on internal Egyptian politics, government, and issues of human rights. This "Pakistani

model” does not seem sustainable in the longer term.

- 2- A return to some of the past norms of the relationship, with an ongoing discussion on core national security priorities for both nations. This would seem unrealistic, although some elements of this scenario are already emerging in the context of mending relations that were disrupted after the 30 June movement.
- 3- A new formulation of the relationship based on an open discussion and constructive dialogue that should enrich the joint agenda, clarify strategic objectives and isolate the military-to-military relationship from possible differences over internal politics in either country.
- 4- Black Swan scenarios: e.g. in case of a breakdown in relations, or rising tensions, Egypt may decide to opt for a serious diversification of military hardware and training, and rescind preferential treatment for U.S. naval vessels and aircraft. This would lead to a cooling down of the relationship and degrading its importance.

At the moment, the U.S. seems to be going through a period of focusing internally while

withdrawing from previous military engagements and seeking a pivot towards Asia. This notion of America as a gated community carries its own risks, as challenges multiply at the gates. In several cases, engagement abroad, not necessarily intervention overseas is in America's own interest. In contrast to the expenditure of US\$10 billion in Afghanistan every month, the US\$1.5 billion granted to Egypt annually is a good investment in a pragmatic and mutually beneficial relationship, despite challenges and tensions.

The primary foundation of this engagement for many years has been the Egyptian-American military relationship. Both sides seem to realize that it is important to preserve this relationship, regardless of the ongoing transition in Egypt or any other factors, as they present it as beneficial to the interests for the two countries. In his September 2013 speech at the United Nations, President Obama reasserted several principles of U.S. foreign policy including: defending friends, deterring enemies, fighting terrorism, preventing the spread of weapons of mass destruction, maintaining of global commons and access to strategic materials. Specifically for Egypt, these goals are related to certain issues like:

- The Iranian nuclear program;
- Syria-based terrorists and extremists;

- Threats in the Sinai;
- Terrorist groups (e.g. Al-Qaeda in the Islamic Maghreb);
- Proliferation of weapons of mass destruction, small arms and MANPADs;
- Key strategic commons such as the Suez Canal

While the military relationship between Egypt and the U.S. is unique due to Egypt's geostrategic position and its role as a leading regional power affiliated with multiple security systems in the Middle East, South Mediterranean and North Africa. Nevertheless, this correlates with the fact that Washington's defense strategy and priorities in the Middle East center on ensuring Israel's security, supporting Washington's allies, fighting terrorism, preventing Iran from acquiring nuclear weapons, pursuing the Middle East peace process, and working with regional U.S. partners to achieve stability in the region. Additionally, one of the key principles of security cooperation between the United States and Israel is the U.S. commitment to ensure Israel's qualitative military supremacy. Relationships with the Arab countries and Egypt are secondary and are conditioned not only by Washington's strategic interests, but also Israel's security interests.

Military cooperation between the Egypt and U.S. takes several: officer training, weapon and technology transfers, and joint exercises. Since 1979 Egypt became second largest recipient of U.S. aid after Israel, but has since downgraded to rank fifth after Israel, Afghanistan, Pakistan, and Iraq. Also, significantly, the agreement to maintain a 2:3 ratio in U.S. arms supplied to Egypt and Israel has been rescinded by the Washington. Egypt was allowed to receive part of the aid allocations in cash deposited with the U.S. Federal Reserve Bank for later use. The accumulation of these sums helped Egypt negotiate the purchase of major weapons systems.

Since 2008, the U.S. sought to convince the Egyptian military to increase focus on counter terrorism implying the need to restructure and decrease the size of its army, change its combat ideology, and reduce attention to strategic challenges. This advice was resisted albeit it reflects a lack of a consensus between both sides concerning the major threats in the region.

There is a need for a strategic dialogue between the two countries to fill these gaps, not only in relation to defining the major threats to Egypt but also on issues such as diversifying sources of armaments, the future of the Arab-Israeli peace process, and tripartite relations between Egypt, the U.S. and Israel. There is also a need for a broader discourse between Cairo and Washington

on emerging challenges, regional security and development.

Over the last three years, the current U.S. administration repeatedly announced its intention to review policy towards Egypt, indicating an effort to strike a balance between U.S. national security interests and the liberal principles it upholds. This creates tensions in the relations with Cairo, at a time of pressing demands related to the situation in Sinai or the deteriorating security landscape in the region. In 2014, attention became centered on Washington's delay in returning Apache helicopters that were sent for maintenance in the U.S. The reemergence of competition between Russia and the U.S. is providing Egypt with alternatives in line with its strategy of diversifying its sources of weapon systems.

III. DIVERGENT PERSPECTIVES ON POLITICAL ISSUES

Since 2011, Egypt's lengthy and complex process of transition is the subject of scrutiny on issues of democracy, human rights and socio-economic reforms. While there is occasional recognition of areas of progress (e.g. the 2014 constitution), human rights monitoring bodies and media focus on violations that need to be addressed. Those who see the glass half full refer to Egypt's vibrant people's movements (civil society, political parties, trade unions, youth, social media, etc.) which helped topple two regimes in less than a 3-year span. This perspective maintains that human rights should be addressed within a holistic framework, linked to social and economic rights. The deteriorating security and economic situation has impacted public priorities and downgraded the emphasis on democratization and freedom of opinion.

In contrast, there are those who remain skeptical, unable to recognize the slightest indication of progress on human rights and democracy, and fearful of the return of a police state along the lines prevailing under Mubarak. They argue that Egypt's prospects are going from bad to worse in almost all areas whether they relate to political stability, institutional reform, economic prosperity, security, governance and the rule of law, civil liberties, or civic freedom (the situation is described as "dysfunctional" and

“ungovernable”). This group argues that this picture is of concern to Washington which cares about Egypt’s stability, if only for its own interests in the region. One key speaker expressed the view that Egypt’s current situation was so bad that it thwart any renewal of co-operation between Egypt and the U.S. in the foreseeable future. This critique enlists factors like:

- Growing repressive measures not only against the Moslem Brotherhood but also to all dissenting voices, including Egyptian and foreign media, human rights activists, youth revolutionary groups, and leftists. The discourse that has been promoted in the public sphere, particularly by the media, both private and official, has been especially unhelpful in its equation of any form of dissent with either treason or terrorism or both. All this restricts political space for pluralism and inclusiveness.
- Failure to introduce overdue reforms and accountability to dilapidated government institutions, notably the Ministry of Interior and the Judiciary. Indeed the gap is widening between public expectations and the response capacity of state institutions while emphasis is given to issues of security, stability, and the preservation of the state.

- Paradoxically, political polarization that was present since pre-2011 periods of government, deepened under the rule of the Brotherhood. Many view that policies of systematic exclusion of large segments of the population, combined with the continuing deterioration of state institutions, was leading towards more instability, violence and a rise of terrorism. This trend was aggravated by economic problems particularly the looming foreign currency crisis, rising inflation, and ever-growing unemployment (particularly of youth). The reluctance to tackle hard economic decisions under both the SCAF and the Morsi presidency was discouraging to international financial institutions and foreign investors. The Anti-American rhetoric which has become common in Egyptian media conveys an unwelcome message to many foreigners.
- Although electoral politics is a necessary condition for democracy, it is not sufficient for stability and security. For the latter to prevail, Egypt will need freedoms and respect of basic human rights, good governance and the rule of law. The prevailing judgment in Washington is that Egypt is unstable because of serious challenges related to state repression, institutional failure, polarization, the exclusion of large segments of the society

and acute economic problems. If corrective measures are not taken soon, Egypt will go on a downward trajectory over time.

Another view was critical of post-WWII U.S. policy in the region, which focused on the twin objectives of ensuring a stable flow of oil and security of Israel. This has led Washington to invest in corrupt autocracies, giving lip service to considerations of democracy and human rights. The massive protests in 2011 in Egypt, Tunisia, Libya, Yemen and Syria forced U.S. decision-makers to reconsider their plans in the region. For some, democracy and human rights should be U.S. foreign policy drivers, rather than being overshadowed by national interests.

From this perspective, current violations of human rights in Egypt, reflected in dealing with political oppositions, illegal detentions, or the use of excessive force against protesters (resulting in large numbers of deaths) are themes that affect Egyptian-American relations. There are also violations that require investigation, such as the attacks of Copts in Upper Egypt after the dismantling of the Muslim Brotherhood sit-in in Cairo last year. While it is true that these issues are overshadowed by the significant strategic interests that drive U.S. foreign policy, they remain an irritant in the Egypt-U.S. relationship that attracts the attention of significant groups in government, Congress and media.

In the past, giving priority to its strategic interests, the U.S. turned a blind eye to autocratic practices while advocating reforms. Post 9/11, while fighting terrorism, and perhaps predicting the forthcoming wave of change, the U.S. reached out to dialogue with Islamic movements in the region. Later, the U.S. administration showed that it was ready to cooperate with Islamists provided they followed certain principles and contributed to regional stability. This stance alienated many secularists, liberals, activists, women leaders and minority groups in the region.

One proposal is to strengthen parallel tracks of civil society dialogue between Egyptians and Americans, such as business-to-business relationship, media-to-media, and women-to-women. This infrastructure of relationships between both societies may contribute to shaping future policies and choices of leaders on both sides.

IV. ECONOMIC CO-OPERATION: A NEW HORIZON ON AID, TRADE AND DEVELOPMENT

Over the years, U.S. economic assistance to Egypt has declined in both absolute and relative terms vis-à-vis other donors, notably the Gulf countries. Over the period 2002-2012, U.S. economic aid to Egypt decreased from \$815 million to \$250 million, i.e. by almost 70%. As a percentage of total assistance, the USAID's share recorded just over 10% in 2012, down from over 55% in 2002. While U.S. assistance has made an important contribution to developing infrastructure (e.g. sewage, water) together with health and social programs, the overarching strategy directing assistance remains unclear with surprisingly little appreciation reflected in Egyptian media and public opinion. Related to this is the criticism directed at the tied aid policy applied by U.S. assistance, in contrast to other donors who were becoming more flexible. Accusations are rife that U.S. aid tended to perpetuate dependency rather than build local capacity and expertise, with a major part of funding reverting to U.S. contractors and suppliers. This is leading the Egyptian private sector to acquire European rather than American standards as the former are more inclined to build local capacity and follow a more untied aid policy.

In contrast, there are those who believe that Washington's assistance has done its part in Egypt, better results may be within reach provided more creative thinking is applied. New strategies are required like, for example, directing economic aid to infrastructure and major development projects to deal with the unemployment problem in Egypt, especially among youths. The U.S. could also act more proactively on implementing previous promises of Western assistance (e.g. the Deauville package, May 2011) and intervene with the IMF to accelerate conclusion of its support program for Egypt although, understandably, Cairo needs to be clearer on this matter. Comparisons have been made with the rapid action on Ukraine, which was granted a \$17 billion support package, while Egypt – for years now – is negotiating a mere \$4 billion. Additionally, a debt swap initiative merits consideration, as Egypt's current debt to the U.S. stands at over US \$3.5 billion.

An open and frank discussion of these and related issues is long overdue to replace the exchange of blame between both parties.

The government of Egypt, for its part, is required to better clarify its national development

priorities, to focus on the poorest segments of the population and ensure a more inclusive approach for designing development policies, as well as improving monitoring and reporting on the results to improve aid effectiveness.

In retrospect, U.S. funding was successful during the 1980s and 1990s but lost much of its appeal when the U.S. decided to focus on institutional reform rather than infrastructure. Egypt has not been vocal enough to direct aid to its own priorities or, in a worst case scenario, to have the courage to dispense with it.

While some donors have moderated the trend to divert aid to civil society and programs for improving governance and human rights, the U.S. has been most determined in this respect. From a focus on infrastructure and large-scale development projects, the U.S. in the last few years of Mubarak shifted resources to fund program that promote the rule of law, human rights, good governance, media development, and civil society.

Over the last three years, Washington and Cairo found it difficult to agree on ways to disburse allocated funds and those accumulated in the pipeline from previous years. This failure can be partly attributed to the constant changing of ministers during the two years that followed the January 25 uprising and the unwillingness of many ministers and senior officials in the

government to sign off on contractual agreements, in general, and with international donors and institutions, in particular. This reluctance also reflected concerns about a number of court cases and allegations made after the 2011 uprising related to international cooperation projects. It can also be linked to U.S. disinclination to deliver its pledged transition support and to make available the unspent funds.

Washington reverted to business as usual with the Morsi government but, as it was toppled in mid-2013, swung back to suspending most of its aid activities in Egypt. While other international donors threatened to follow suit, USAID was more aggressive in its reaction to Egypt's second internal upheaval, making economic assistance as a function of political developments. In response, Cairo placed USAID activities under close scrutiny particularly in the case of grants to civil society organizations.

With U.S. economic assistance dropping to US\$200million annually, support for aid policies has waned in both capitals. While Egypt is all the more skeptical on U.S. unilateralism on aid policies, it is becoming even harder to make the case for economic assistance in front of the Congress with questions being raised on the practicality of aid programs in general and whether they truly help recipient countries in the long run. This debate is influenced by public

attitudes on aid in general, or in situations of complexity, with most Americans, for example, not approving the huge allocations for foreign economic and military assistance to Iraq and Afghanistan. Herein is a link that many Americans tend to make between foreign aid and the global role of their country. Thus, in their support to a more inward-looking U.S. and their aversion to foreign aid in general, Americans are convinced that lowering or even doing away with foreign aid will force the U.S. to lessen its expansionist global role to the good of the American people.

In view of the negative attitude towards foreign aid, both in the U.S. and in Egypt, there is a need to examine the spectrum of options ranging from (a) maintaining the status quo, or (b) continuing to gradually phase out the assistance program. Wrecking the boat in these turbulent times will only be detrimental to both countries. A minority view believes that (c) it is important to increase aid to Egypt dramatically, to address the risks of instability, strengthen the transition to democracy, and signal the importance attributed to the relationship.

Taken together, groups advocating maintaining the status quo or a gradual phase out constitute the majority in the Administration and Congress. Yet there are some who argue that the paucity of U.S. economic assistance to Egypt means that it has little impact or relevance to Egyptians and

Americans alike. It would be more useful to focus on the private sector and to increase investments and trade.

In all cases, there is a consensus on the need for both sides to work together, with civil society involved in an appropriate and genuine manner, to ensure the relevance and sustainability of projects and improve their efficiency and effectiveness. Both the government of Egypt and USAID need to cooperate in engaging a wider range of stakeholders in the design, management and monitoring of development projects.

Egypt-U.S. relations require a richer dialogue on the basis of a more comprehensive framework. One example of this is the one existing between Egypt and the EU. Starting in the 1970s within the framework of a 'Cooperation Agreement' with non-reciprocal trade liberalization, this framework developed into an 'Association Agreement' where political and social issues became an integral part of the negotiations. At a more advanced phase of relations, a political dialogue was initiated where discussion of democracy and good governance were introduced to the debate. Significantly, there was a brief attempt at a wider Egyptian-American dialogue in the context of considering a free trade area between both countries.

V. PRIVATE SECTOR ECONOMIC RELATIONS

Egypt is facing significant economic and social challenges, compounded after 2011 with deteriorated macroeconomic indicators in a manner unprecedented in the previous three decades. Income and wealth distribution are distorted with over 25% of the country's population living the poverty line. Not surprisingly, calls for dignity and social justice were at the center of the demands voiced in Tahrir square.

Despite post-July 2013 financial support from Gulf countries valued at over US\$20 billion, Egypt remains in need of an IMF agreement to strengthen its economic recovery and restore its creditworthiness. Successive transitional governments were hesitant to negotiate an IMF deal because of the precarious domestic situation. While it is clear that such an agreement will need to be a home grown one designed and accepted by Egypt itself, the U.S. administration can help in its formulation and in mobilizing the international support for its implementation. While government actions to raise fuel and electricity prices are steps in the right direction, Egypt remains in need of an economic road map rather than *ad hoc* actions. In parallel, the private sector is challenged to rectify its image, re-integrate in the economy and play a key role in development efforts as the major employer in the country.

An Egyptian private sector representative gave a positive forward-looking view noting that the post-July 2013 road map is being carefully implemented, with presidential and parliamentary elections strengthening legitimacy and allowing for economic reforms. This contrasted with the past decade when legitimacy was challenged and problems of reform and adjustment were left unaddressed. After the 2011 revolution, the economy entered a state of flux with the situation exacerbated under the Morsi presidency.

Meanwhile, Egypt needs to remain an attractive destination to foreign and U.S. businesses. U.S. investments in Egypt increased by over 15% during the period 2012-13, contrasting with a declining share of EU investments by 20% in the same period. Despite serious constraints, Egypt has numerous advantages that could turn it into a regional economic hub: geographic location, the role of the Suez Canal, the large workforce. One example is duty free access provided to the Common Market for Eastern and Southern Africa (COMESA), with a total population of some 400 million with increasing purchasing power due to high growth rates. A win-win example here is that of Heinz ketchup, which currently exports from Egypt to the COMESA circumventing import duties of up to 15%. Another example is U.S. water pumps, assembled and exported from Egypt throughout the region, meeting the 40% requirement necessary for U.S. manufacturers to

export duty-free through COMESA and the Great Arab Free Trade Area (GAFTA). Other examples exist in the engineering sector, where U.S. investments are targeting the auto industry, electronics, and household appliances. Thus, Ideal Standard factories in Egypt are exporting to the EU duty free, avoiding a 6.5% duty, with other investments centered on pharmaceuticals and agro-industries, with the U.S. becoming the largest foreign investor in pharmaceuticals, exceeding investment in textiles and clothing. Another area of potential is logistics and trade facilitation. In line with WTO Agreement on Trade Facilitation, Egypt is determined to fulfill its commitments to enhance its trading environment and help its businesses integrate in the global value chain and access new export opportunities.

Countries become regional and international hubs because of the facilities and policies of their own governments, as is demonstrated by the cases of the UAE, Singapore, and Malaysia. The interest of the international business community and the U.S. with such countries grew organically out of the global positions they created for themselves. In this context, it is expected that the mega investment in the Suez Canal, known as the Integrated Development of the Suez Canal, will qualify Egypt for such a role and will open new prospects, regionally and internationally, outside the Nile Valley and the Delta.

In order to inform others of such opportunities there is a need to institutionalize relations between Cairo and Washington with a view to establishing a dialogue and a concrete framework that governs Egypt-U.S. financial and economic relations. Such a framework, similar to the existing with EU, should be considered pertinent in developing relations between the two countries in the future through a participatory approach that includes civil society and the private sector.

Criticism was addressed to the fact that Egypt is missing sound political or environmental assessments to encourage investors. With the fluidity of the internal situation in Egypt and the region, foreign investors are anxious to understand future plans. There are six considerations that companies and investors will look for:

First: an assessment of overall stability, as well as economic reform and a positive investor/government relationship;

Second: the problem of violence in Egypt which is partly a security problem and partly a political problem that needs to be addressed;

Third: the consequences of and solutions to mass legal judgments that impact diplomatic

relations and tourism as well as business and investments decisions;

Fourth: infrastructure and power policy need to be revamped. Investments in industries need to be assured of access to power;

Fifth: good governance, transparency issues and reform of the bureaucracy;

Sixth: the energy sector, particularly outstanding dues to oil companies, needs urgent attention, as this has a knock-on effect on other areas.

Discussions pointed to the need for political will to undertake stringent economic reform. While some felt that a major drawback is Egypt's lack of a clear vision for its future, others believed that there was a window of opportunity opening up with the new incoming president, particularly as no country can sustain a 15% budget deficit for very long.

The optimism shared by some in regard to mega projects, such as the Suez Canal Free Zone, is tempered by concerns of the return of the state, specifically the armed forces, as a major arbitrator of economic affairs; a tendency may handicap the role of the private sector. These concerns extend to questioning the legitimacy and mandate for the next president and his capacity to embark on reforms in the absence of

an elected parliament. Furthermore, the next parliament will most probably suffer from fragmentation in the absence of a dominant party compounded by the absence of a political support base for the president. Such a picture augers badly in terms of reform efforts that will require clear legitimacy and a supporting national consensus.

While these issues are clearly for Egyptians to decide, the U.S. may have a role in encouraging the design of reform plans and mobilizing necessary international support, as it did in the past. At the same time, Egypt needs to embark on reform efforts without delay. While it may be useful to dampen hopes in regard to an active U.S. role, it is imperative to see a degree of positive engagement on the part of the U.S., even if it is restricted to the role of a cheer leader that rally international support for Egypt.

IV. INTERNAL DYNAMICS: PUBLIC PERCEPTIONS AND INTERCULTURAL RELATIONS

Following the 2011 revolution, Egyptian public opinion emerged as a relevant factor influencing internal politics, with media becoming much more engaged in public affairs. Parallel to this, and despite the 40-year old Egyptian-American government-to-government relationship, public opinion had developed a largely negative image of the U.S. which became much more pronounced lately. Anti-American perceptions in Egyptian society may be traced to diverse factors ranging from the Arab-Israeli conflict, the Iraq war and cultural differences, together with conspiracy theories that believe in the presence of a conspiracy against Egypt emergence as a regional power. Other anti-American drivers may be linked to U.S. policy on the war on terror and the double-standard applied to U.S. relations with the autocratic regimes in the region.

This animosity is reflected in negative attitudes towards the U.S. in general, refusal of American assistance and a deep mistrust of U.S. policy towards Egypt and the region, demonstrated with a plethora of conspiracy theories accusing Washington of being behind every event in the region from Al-Qaeda attacks to the rise of the Muslim Brothers (MBs). Yet, at the same time, Egyptians continue to consume U.S. culture in

the form of Hollywood movies, American education and fast food chains.

Over the years, U.S. policy seems to have become trapped between the two key alternatives offered by Egyptian politics: the MBs and the military, without being able to develop inroads towards the young emerging elite after the revolution. US assessments seem to have missed the fatigue experienced by Egyptians as a result of post-2011 instability and the related fear of the disintegration of state institutions. In their demand for internal security, many Egyptians coalesced around the scenario of a strongman ridding them of the specter of the MBs.

External intervention in the region has nurtured a narrative of victimhood that focuses on the weaknesses of Arab countries, their dependence on foreign support and their position as losers in an era of globalization. This connects with an acute sense of national pride which resents external threats to cut off aid.

Neglecting the negative image of the U.S. in Egypt or that of Egypt in the U.S. will come at a price. Luckily, media and public images are not static and are open to change through concrete policy decisions, enlightened communication strategies, as well as media training and monitoring. An Egyptian media code of ethics is long overdue.

Americans held generally positive views of Egypt until one year after the 2011 revolution when favorability rates jumped from about 60% to 70%, almost on a par with Israel. Since then, the image of Egypt in the U.S. has drastically regressed to 33% in 2012. In the mind of many Americans, Egypt has become associated with issues like terrorism, poverty, corruption, and autocracy. Apart from a traditional unsupportive U.S. public attitude towards foreign assistance, this shift is happening at a time when Americans favor a focus on home issues rather than involvement overseas.

America public opinion is divided on issues of domestic policies, economy, and foreign policy. While there is a general discomfort towards political Islam, U.S. administrations slowly developed a pragmatic stance towards moderate Islamic movements and leaders. This was reflected in the willingness of the Obama administration to deal with the MBs in Egypt, with support from most Democrats, while many Republicans continued to see MBs as anti-American and unreliable partners.

In retrospect, changing American public attitudes could be linked to phases of U.S. policy in the region, with Egypt becoming an asset at the time of the Iraq war but losing significance later on despite continued military and security cooperation with the U.S., which is not clear to the public eye.

Interestingly, Americans seem to have a realistic perspective of how U.S. foreign policy should operate. A recent survey asked respondents to choose between the following statements:

Statement A: we should support governments, whether they are elected or not, if they work closely with us to promote regional stability and protect our own interests.

Statement B: we should only support democratically elected governments, even if those governments might pursue policies hostile to our interests.

In two survey conducted in February 2013 and July 2013, the respondents chose statement A, with majorities of 72% and 51% respectively.¹

While it may be true that it is increasingly challenging to make a case for Egypt to the American public, partly because of difficulties in interpreting events, it is also true that public opinion evolves over time. Thus, both countries will need to work together to improve public perception in both directions. A shift away from sensationalism and towards pragmatism and cultural sensitivity will be needed. Bigger investments are required in media training and

¹ShibleyTelhami, Ph.D, “Public Opinion and the U.S.”, Unpublished paper, May 2014

developing frameworks for professional and ethical reporting.

VII. REGIONAL ISSUES: EGYPT, THE U.S. AND THE REGION

There is a view that argues that the weakening of Cairo's regional position and leadership role in the last few years has made Egypt less important to the U.S. In addition, the fluid situation in Egypt and the increased apathy and lack of interest of the American public may not bode well for the future relations between the two countries. This view is countered by those who believe that Egypt maintains a key role in the region, particularly at this critical juncture of instability and disintegration.

Between these two narratives, both countries continue to drift apart amidst a "disturbed relationship". Whereas Cairo wants to see the U.S. lending its full backing to a stronger Egyptian regional role, officials in Washington tend to focus on required democracy reforms that will eventually make Egypt internally stronger and more stable. Also, U.S. focus on a counterterrorism role versus a more expanded regional role for Egypt's army, as explained earlier, further divides both countries. More complex is the changing global and regional landscape with renewed competition U.S.-Russian competition, decreased U.S. dependence on Middle East oil, Washington's pivot to Asia and the high level of violence and instability in the region.

Saudi Arabia, though becoming a regional power to reckon with, remains uncomfortable in leadership roles, preferring to defend its interests through aligning with other regional powers. At the moment, some of the Kingdom's criticism to the U.S. relates to the minimalist role of Washington in the region that is forcing Riyadh to play its hand in the open. The Saudis have clearly objected to U.S. policy towards Egypt after July 2013, and are also uncomfortable with what they perceive as an American effort to engage with Iran over their heads.

To some degree, these tensions reflect an effort by Washington to reach out in search of other regional leaders, like Turkey or Qatar, perhaps as part of a wider strategy of U.S. disengagement. Results have been mixed at best due to the constraints facing both these countries in their relations with regional powers like Egypt and Saudi Arabia. Also, U.S. tensions with Saudi Arabia and other Arab parties reflect the changing nature of emerging challenges, like the protracted conflict in Syria, threats to the unity of Iraq and Libya, and the rise of extremist and terrorist organizations.

Yet, apart from the strategic benefits of the Suez Canal and over flights, it is possible to envision more effective regional cooperation between Cairo and Washington on several fronts ranging from the Arab-Israeli peace process, to security in the Red Sea, to the situation in Libya, Syria

and Iraq, in addition to Sudan. In parallel, Egypt can be of support to U.S. businesses and trade prospects in Africa and the Nile basin.

For Egypt, the strategic partnership with the U.S. has served a dual objective of regional security and support to the ruling regime. While this latter purpose has clearly been downgraded after 2011 and more so after 2013, the U.S. remains a key factor in regional stability. But this U.S. role can no longer be taken for granted, as Egypt will need to reposition itself towards raising its regional profile to be able to engage Washington in a useful strategic dialogue. This will require Cairo to tackle several important questions: What are Egypt's key regional objectives and how does it intend to pursue them? How relevant is this to the U.S? To other regional powers? Does the trajectory Egypt choose lead to cooperation or conflict with the U.S.?

There are 4 elements structuring Egypt's regional policy today and intersecting American's interests:

1. Currently, Egypt deals with Gaza, Libya, Syria, and the Gulf not only as issues of regional policy, but also as national security issues affecting its stability. Generally speaking, regional issues are once again being securitized as a result of the evolving status of political Islam inside Egypt and across the region. While the U.S. has shown a willingness to engage

with some moderate trends of political Islam, Egypt has a totally opposite position. The latter constitutes a cornerstone of the regime's legitimacy, at least on the short and medium runs. Thus, handling political Islam stands as a key element in defining the new relationship between Egypt and the U.S. As Egypt positions itself as a key player in the fight against political Islam in Gaza, Libya and Syria (possibly Iraq as well), it seems to be cutting itself loose from the U.S. and allowing itself to design its own political identity, as a harsh anti-Islamist regional power. Cairo perceives that the U.S. reluctance to cut or reconsider its military aid to Egypt as a proof of American acceptance, even if only implicit, to Egypt's new role in the region. Such a role clearly includes fighting what Cairo perceives as terrorism inside Egypt, above all in Sinai, as well as becoming a buffer zone between the new terrorist hubs in the Arab world and American interests in the region.

2. Political developments inside Egypt have become controversial, with an impact on its potential regional role in democracy and human rights promotion in the region. On the one hand, regional and international media, with few exceptions, currently portray Egypt as a failed

democratization model. Washington's endorsement of the post-Morsi regime in Cairo thus discredits the American policy of human rights and democracy promotion not only across the Middle East but also in Africa. On the other hand, Egypt is still central to regional international relations both on the state and transnational levels and domestic political developments continue to spill over to its Arab sister states.

3. Egypt is unwilling to risk normalization with Iran at the expense of its relations with Saudi Arabia and the Gulf. While the U.S. seems to be moving towards opening up to Iran, Cairo remains at odds with Tehran over a range of issues, including Syria, Lebanon, Iraq, Palestine and even Yemen. Egypt's quasi-alliance with the Gulf countries further nurtures this divergence especially that the Egyptian-Gulf alliance is close to being formalized through joint security and defense cooperation. Cairo, like other Gulf capitals, also fears the "non-nuclear" terms of the deal between Iran and the P5+1 powers. Those terms could include implicit endorsement of Iran's "*zone d'influence*" in the region in exchange for Iranian acquiescence both on the nuclear issue and the security of Israel.

4. Another key question relates to relations with Russia. Moscow is relevant to Cairo on several accounts: military supplies, wheat imports, nuclear energy technology and as a source of tourism. Cairo is concerned about recent U.S. steps to use military supplies to weigh on its domestic politics. Various officials therefore announced the country's intention to further diversify its sources of armaments. This renders such a use of American military support to Egypt more costly in the future, especially with the growing U.S.-Russia competition in the region and amid a phase of nationalist euphoria across the Egyptian public opinion.
5. There will be new opportunities for coordination with the U.S. as well as areas of disagreement as Egypt seeks to energize its relations with African countries. One possibility is trilateral cooperation in support of American development programs in Africa. Another possibility is bilateral cooperation in resolving differences over water sharing in the Nile basin. Egypt recently required American mediation on the basis of Washington's strong strategic and economic ties with Addis Ababa. Yet the Egyptian side prefers American intervention in this file to be limited to endorsing compromise over conflict.

6. The foreign policy decision-making process in Egypt shapes the country's position on a range of global and regional issues. Clearly, the President is at the center of the process, with roles of other institutions defined by the nature of the topic and the personalities involved. The Ministry of Foreign Affairs' role in policy planning and formulation as well as implementation continues to depend on the personality of the minister himself. As for president Abdel Fattah El Sisi, he seems to be aware of the need to take domestic factors into consideration while taking foreign policy decisions. He appears to be convinced that Saudi Arabia, the Emirates and Kuwait are his allies in the current phase. His current circle of advisers reputedly include Amre Moussa, the Mubarak-era veteran diplomat, and Mohamed Hassanein Heikal, one of Nasser's closest confidants. In addition, the president continues to rely on his fellow colleagues of the military establishment. Therefore it can be assumed that Sisi's Middle East policy will not necessarily be aligned on Obama's. It is however not likely that Sisi would attempt to force Egypt into an independent leadership role prematurely, given the huge domestic challenges he is facing. Cairo's positions on regional issues

are considered to be relatively clear despite the lack of an overall vision for the future of the region. Yet, whether Egypt will be able to convince its partners of its assessment of the regional situation remain an open question.

Finally, Egypt needs to succeed on three fronts if it is to regain its traditional regional role:

- First, it needs to successfully contain the Islamist insurgency it is facing in Sinai and across Egypt. The security formula that the authorities are currently using may prove more efficient if part of a wider and more inclusive political and development processes;
- Second, Egypt needs to be a mature democracy in order to allow for a sound public and corporate governance. Egypt could consequently play a leading role within the region and beyond;
- Third, Egypt can't regain its regional role and achieve better welfare for its citizens unless it owns the required means. Egypt thus needs to build a strong competitive economy as a pre-requirement for an active regional role.

As Egypt goes through a period of transformation process at all levels, economic, political, and strategic, it will be necessary to have an open

dialogue with the U.S. Growing closer to Gulf countries reinforces this requirement rather than handicaps it. There are several controversial issues that the American and Egyptian sides will need to reconsider given the new Egyptian and regional situations:

- Establishing comprehensive Arab-Israeli peace;
- Moving towards a Middle East security system, including defining key threats, response mechanisms and dealing with regional military balances;
- Establishing a Nuclear Free Zone in the Middle East;
- The direction and pace of democratization in the region;
- The role of non-Arab countries in the region;
- Challenges addressed to the states system by non-state actors;
- Regional political and economic fragmentation due to the policies of regional powers;
- Dealing with political Islam.

CONCLUSION

Discussions in the workshop started with global issues and ended at the regional level. While the features of the new world system are in the making, it was recognized that it allows room for countries such as Egypt to be more autonomous. For Egypt to cease this opportunity, it will need to grow out of its transitional phase, and further strengthen its own power base, which is currently fraught with economic and political challenges in Egypt as well as in the region.

The following salient points were highlighted in the discussions on Egyptian-American relations:

1. On the military front: While there is a clear convergence of interests between both countries, there remain issues where they do not see eye to eye. For example, Egypt would like to obtain more support to its air defense system as well as additional and more sophisticated tanks, fighters and artillery. The U.S. side does not agree with this need, which it sees as unjustified in the light of the Egyptian-Israeli Peace Treaty and the need to develop counterterrorism strategies and capacities.
2. On the economic front: Egyptian remains interested in developing new types of economic relations with the U.S., while trying to move USAID towards investing in

infrastructure and human capital. Discussions between both countries are focusing on strengthening the role of the private sector in a direction similar to that existing between the U.S. and South Korea. This will require a more supportive role to the private sector by the Egyptian government and its international partners.

3. There are deep reasons for the mixed public perceptions held in each country about the other, with elements of admiration and resentment coexisting. While it is important to address the structural drivers of these images, it remains important to work on deepening the understanding between both peoples and move away from the stereotype images.
4. Egypt's reemerging regional role gives rise to opportunities for cooperation as well as possible differences between Egypt and the U.S.. A well-structured dialogue is needed between both sides to clarify possibilities and expectations and address areas of divergence.

An often repeated question raised by Egyptian and American experts concerned the future relevance of Egypt to the U.S.. While some believe that the view exists in Washington that Egypt is not that important anymore, others

have strongly argued in the opposite direction. However, there was a consensus that no one can afford an unstable or a weak Egypt in the region.

Egypt and the U.S. can and must work together. While there are different narratives, reflecting divergent perspectives on the relations between the two countries, there remains much common ground to build upon. Granted that neither country can afford a conflict with the other, the focus needs to be on building a healthy and balanced relationship of cooperation, rather than dependency, respect rather than distrust. It is important to share accurate information to educate the public on the dimensions and necessity of harmonious relations between both countries in the best interest of both sides.

The workshop was rife with open and candid discussions, with rich contributions that often aligned one group of Egyptians and Americans in dialogue with a view presented by another similarly mixed nationality group. At a time when both Egypt and the U.S. are redefining their roles in the region it is only normal that their relationship is in a state of flux; this also makes dialogue all the more necessary. All along, there was a latent agreement that Egypt matters and fits in the American priorities and that the U.S. matters to Egypt and also fits within its priorities.

This relationship is best established within the framework of *Ts*:

1. *Transforming dialogue between both countries*: through incorporating other voices (e.g. business, NGOs), broadening the themes and deepening the analysis;
2. *Transparency*: to overcome the views presented through conspiracy theories, negative perceptions and victim mentalities on both sides;
3. *Targeting improved cooperation*: through more focus on priority elements that can make a concrete impact on the interests of both people with better implementation and follow through;
4. *Transition*: In the years to come, Egypt will need to focus on achieving an ambitious set of goals, in the political and security spheres as well as in areas of institutional reform and societal transformation. Achieving these goals will create new opportunities for Egypt-U.S. relations. A democratic Egypt will be able to forge a much deeper and richer relationship with the U.S.

While the workshop may have highlighted the challenges of a situation, internally in Egypt, as well as in the region and in Egyptian-American

relations, it also reaffirmed the continued relevance of both countries to one another.

In the context of taking this dialogue forward, a final set of possibilities and questions present themselves:

1. What are the best possible ways of capitalizing on this initial workshop? One possibility would be a follow-up event in Washington in 2015 with a focus on one or two themes.
2. It would be useful to compile a summary of the papers of this workshop as a benchmark for future exchanges.
3. It might be interesting to establish a joint email or a closed web site to share ideas, papers and documents. New techniques and formats could be applied in future meetings.
4. Future meetings could include developing joint papers to avoid compartmentalized thinking and encourage creativity.

GALLERY





























