



THE SABAN CENTER
for MIDDLE EAST POLICY
at THE BROOKINGS INSTITUTION

ANALYSIS PAPER
Number 6, January 2006

AN AMBIVALENT ALLIANCE
THE FUTURE OF U.S.-EGYPTIAN RELATIONS

ABDEL MONEM SAID ALY



THE SABAN CENTER
for MIDDLE EAST POLICY
at THE BROOKINGS INSTITUTION

ANALYSIS PAPER

Number 6, January 2006

AN AMBIVALENT ALLIANCE
THE FUTURE OF U.S.-EGYPTIAN RELATIONS

ABDEL MONEM SAID ALY

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	V
EXECUTIVE SUMMARY	VI
THE AUTHOR	IX
INTRODUCTION	1
FROM CAMP DAVID TO SHARM AL-SHAHKH: COMMON INTERESTS AND STRATEGIC OBJECTIVES	5
TROUBLING TIMES, DIVERGING PERCEPTIONS	13
REVIVING THE U.S.-EGYPTIAN ALLIANCE: A NEW STRATEGY	21
CONCLUSION	31

ACKNOWLEDGEMENTS

This paper was researched and drafted during a three-month visiting fellowship at the Saban Center for Middle East Policy at the Brookings Institution from mid-May to mid-August 2004. I am deeply grateful to the Saban Center's director, Ambassador Martin Indyk, for providing me with the opportunity to work at the center, and very much indebted to him and his colleagues for the insights I was thus able to gain on the importance of U.S.-Egyptian relations and the future of the Middle East more broadly. I am also indebted to Brookings' and the Saban Center's staff for generously contributing their support and assistance and thus enabling me to complete the bulk of the work over three short, busy months. In particular, Garner Gollatz provided extremely helpful suggestions for the editing of the paper.

I would also like to express my gratitude to the board of the Al-Ahram Foundation and its chairman, Ibrahim Nafie, for encouraging me to take a three-month leave from my own center and no less to my colleagues and staff in Cairo, for taking on the additional burden of part of my duties as director of the Al-Ahram Center for Political and Strategic Studies so that I could have the time to carry out this research.

However, thankful as I am to all in Washington and in Cairo who have assisted me, the views presented in this paper are my own, and in no way represent those of any institution that I am affiliated with.

EXECUTIVE SUMMARY

The U.S.-Egyptian relationship is going through a period of crisis and uncertainty. The two countries have long shared common strategic goals and interests. From the Egyptian perspective, the difficulties stem from the recent shift in U.S. policy, in particular since September 11. The problems in the relationship, while serious, have not made sustaining the alliance between Egypt and the United States irretrievable. However, action does need to be taken to restore both political and public confidence in this critical alliance.

This paper argues that despite everything the U.S.-Egyptian relationship still has the potential to overcome these problems and to promote the shared and separate interests of both countries. A continued and renewed U.S.-Egyptian strategic alliance will contribute to a better future for the Middle East.

A survey of the recent history of U.S.-Egyptian relations exposes the gaps in perception between the two countries and suggests policies for bridging these gaps and enhancing both countries' interests. Both countries are looking to promote a more integrated, peaceful Middle East, but the Egyptian perception is that the U.S. approach is short-term and *ad hoc*. While the policies pursued by the Clinton administration were highly regarded in the Middle East, there is also recognition that there cannot be a return to such an approach due to the important changes of recent years. Nonetheless, that spirit of cooperation and dialogue can animate the new approach that this paper argues for. Leaving the relationship between these two important powers to atrophy is not an option.

In addition to resolving core issues, such as the Arab-Israeli conflict and ending the conflict in Iraq, other requirements are shared values and a series of new structures for the U.S.-Egyptian alliance.

There are five values that must underpin the renewed U.S.-Egyptian alliance. First, the alliance needs to be founded upon transparency, because without more awareness of the benefits of the relationship public opinion in Egypt and the United States will remain skeptical about the two countries' strategic cooperation. Remarkably little is known of the complexity and depth of U.S.-Egyptian interactions.

Second, there must be realism. The differences between Egypt and the United States relate not to ethnic nor religious characteristics, but concern policies. In particular, Egyptians are not convinced that U.S. policies towards the Arab-Israeli conflict will have a positive result. However, these differences simply have to be accepted. Policy differences should be regarded not as divisive but as honest divergences of opinion.

Third, legitimacy is important. The legitimacy of the alliance between a super power and a regional power, an inherently imbalanced relationship, is often questioned in Egypt. However, the achievements of Egypt and the United States working in concert need to be promoted to overcome this criticism of the relationship.

Fourth, the two countries need to assert the centrality of Middle East peace as a strategic goal for the region. There should be a consensus between the United

States and Egypt that the Arab-Israeli conflict is one of strategic magnitude. The Arab-Israeli conflict was one of the most important chapters of the Cold War, and now it could be the most important chapter in the war against terrorism. While the conflict's intensity has been lessened, it can still resurrect itself as the threat to regional peace that it was in the relatively recent past. The resolution of this conflict should therefore be at the top of the U.S.-Egyptian agenda.

Fifth, a Concert of Powers must be a core value. Egypt and the United States must believe in the necessity of building a wide-ranging regional coalition for moderation and modernization. In coalition with the United States and the European Union, a Concert of regional Powers such as Egypt, Saudi Arabia, Morocco, the new Iraq, and Turkey—and possibly Israel, once the conflict with its neighbors has been resolved—should work for the reconstruction of the Middle East and its integration into the globalization process.

The United States and Egypt should establish three new bodies and initiatives. First, there needs to be a U.S.-Egyptian political council. U.S.-Egyptian cooperation should mean bringing together representatives from political parties and research institutes from both countries on a periodic basis to deepen each side's knowledge and familiarity with the other and to forge a common understanding and vision for the Middle East. This new body would be well advised to avoid the mistakes of the strategic dialogue that took place between the Egyptian Ministry of Foreign Affairs and the U.S. Department of State, whose discussions

focused almost exclusively on the Arab-Israeli conflict. The political council proposed here should be much broader in scope and should focus on developing mechanisms for crisis management and conflict resolution between Egypt and the United States, and should explore avenues for U.S.-Egyptian cooperation in places like the Mediterranean and Africa.

Second, there must be a U.S.-Egyptian cultural initiative. A cultural initiative between Egypt and the United States which promotes a dialogue of religions, cultures, and civilizations and the values of tolerance and mutual understanding can significantly help improve negative perceptions and increase each society's knowledge and understanding of the other. To this end, a media-monitoring organ bringing together media specialists and journalists' rights advocates should be formed, with the task of monitoring how the media in each country portrays the other country.

Third, an economic initiative could help to stimulate U.S. investment in Egypt, which to date has been relatively meager. An economic council would attract increased U.S. investments and redirect current investments into more viable, export-oriented, and diverse activities. This economic council can supplement the work of the Egyptian American Business Council, whose activities have been focused almost exclusively on lobbying for a free trade agreement between the United States and Egypt, and venture into other areas such as encouraging Egyptian-Americans to invest in their country of origin.

THE AUTHOR

ABDEL MONEM SAID ALY is the director of the Al-Ahram Centre for Political and Strategic Studies in Cairo. He was a Visiting Fellow at the Saban Center for Middle East Policy at the Brookings Institution from May to August 2004.

AN AMBIVALENT ALLIANCE

THE FUTURE OF U.S.-EGYPTIAN

RELATIONS

INTRODUCTION

The resumption of relations between Egypt and the United States in November 1973 took place under the shadow of the United States' withdrawal from Vietnam. Many Americans felt unsure about their role and place in the world and many countries questioned the United States' ability to lead the West. Yet Egypt—a Soviet ally that had just fought a war with Soviet weapons against United States' main ally in the region—believed in the United States' moral and material ability to lead the quest for peace in the Middle East. Egypt's overture towards the United States signaled a strategic shift that was to have a wide impact in the region and the world. The collapse of South Vietnam in 1975, a severe defeat for the United States in South East Asia, was followed by a breakthrough in the Middle East, and the United States became the sole arbiter of the Arab-Israeli peace process for almost three decades thereafter.

U.S.-Egyptian relations intensified during the renewal of Cold War tensions in the late 1970s and early 1980s. This period witnessed Soviet ascendancy and increased assertiveness in many parts of the world, including Africa and Central Asia. Today, Egypt's role in helping to bring an end to the Cold War—perceived in many quarters as an American victory—receives little mention or appreciation in Washington. Both in Afghanistan and the Horn of Africa, however, Egypt led the struggle against the Kremlin's disruptive influence—a struggle that played its part in bringing about

the eventual collapse of the Soviet Union. Meanwhile, Egyptian political and diplomatic support helped the United States shore up its position in the developing and non-aligned world from 1973 onward.

Times were no less turbulent in the Middle East, with an “Islamic” regime in Iran seeking to overturn the regional order and spread its brand of anti-American revolution throughout the Muslim world. After the fall of the Berlin Wall and the collapse of the bipolar world order, Egypt took on a much greater role in the security of the Persian Gulf and in the region in general. During the 1991 Gulf War, Egyptian forces took part in the grand U.S.-led Coalition that put an end to Iraq's dreams of redrawing the map of the region. Egypt also helped to stem the tide of Iran's radicalism. In the 1990s, Egypt won its war against terrorism on the domestic front, while also striving to reduce terrorism's sway in Algeria and limit its reach in the Sudan. Egypt's massive cultural and religious resources enabled it to extend its own fight against “Islamic” radicalism well beyond its borders, into the rest of the Arab and the Islamic world.

Over the past three decades, therefore, U.S.-Egyptian cooperation has advanced both countries' interests and has served as one of the major forces for stability in the Middle East. Yet the alliance remains an ambivalent one. Starting from the beginning of the 21st century, the U.S.-Egyptian coalition has shown signs of

losing energy and momentum, and even some signs of friction and tension. A major reason for this development is the growing gap between U.S. and Egyptian perceptions of the security and strategic challenges in the Middle East—particularly after the events of September 11. If this gap widens beyond repair, the result could be a terrible blow to the future of peace and stability in the Middle East, not to mention the interests of both countries.

Despite everything, the U.S.-Egyptian relationship still has the potential to overcome its problems and further the interests of both countries, thus contributing to a better future for the Middle East. Accordingly, this paper will briefly look at the recent history of U.S.-Egyptian relations, examine the gaps in perception between the two countries, and recommend policies for bridging these gaps and enhancing both countries' interests by working together for the reconstruction of the region.

FROM CAMP DAVID TO SHARM AL-SHAYKH: COMMON INTERESTS AND STRATEGIC OBJECTIVES

U.S.-Egyptian relations can be described as “strategic.” They have played a key role in reshaping the international environment in the Middle East and to some extent beyond, and bilateral cooperation has served the interests of both sides well. Egypt has been able to rely on the United States, a global power of great wealth and might, whose power of persuasion over Israel has been tested on several occasions. Meanwhile, the United States has been able to rely on Egypt as a voice for moderation, and compromise, and has capitalized on Egypt’s leadership role in the Arab world. Provided that the relationship is managed consciously and wisely at this critical juncture in history, these gains for both sides can be, and should be, sustained.

Over the past quarter century, the United States and Egypt have shared a common interest in realizing five strategic objectives. These shared goals have provided the main rationale for U.S.-Egyptian cooperation and the main standard for assessing the relationship’s benefits to both sides:

- *The settlement of the Arab-Israeli conflict*, which has continuously had a destabilizing effect on global security as well as the Middle East since 1948. During the Cold War, tensions over the Arab-Israeli conflict led the superpowers to the brink of using nuclear weapons on at least two occasions, in 1956 and 1973;
- *Security for the strategic Persian Gulf region*, bedeviled

by the radical states of Iran and Iraq since the late 1970s. In less than three decades, the Persian Gulf has had to endure three major wars and other forms of instability, even as it continues to hold the world’s largest oil reserves;

- *The broader stability and security of the Middle East*, a region that has suffered through numerous interstate conflicts since World War II as well as various other forms of radicalism, destabilization, and political violence;
- *Fighting terrorism*, which has grown into a common strategic interest for Cairo and Washington, especially after the September 11 attacks against the United States. Since the assassination of President Anwar al-Sadat in 1981, Egypt has waged its own war against fundamentalism—a conflict that cost it 1,300 casualties in the 1990s;
- *Egypt’s economic and political development* as the cornerstone for the achievement of these other objectives. Despite Egypt’s historic role in the region, four wars with Israel and two decades of revolutionary socialist policies had weakened the country and set back its development. Reversing that decline has been another key objective of U.S.-Egyptian cooperation.

In light of these objectives, how well has U.S.-Egyptian cooperation succeeded? In fact, both countries have

devoted impressive human and material resources towards achieving their shared strategic goals, with a large measure of success:

- While the Arab-Israeli conflict remains unsettled, Sadat's 1977 peace initiative and the 1978 Camp David summit began a drive for peace that has continued in various forms up until the present day;
- The Persian Gulf has been shielded from the expansionist tendencies of both Iran and Iraq;
- The revolutionary ambitions of Islamic fundamentalists have been frustrated in Egypt and elsewhere in the region, just as Marxist movements were earlier turned back in Somalia, Ethiopia, and Afghanistan;
- In the international war against terrorism, Egypt and the United States have cooperated to deprive terrorists of their operational base in Afghanistan and to keep them on the defensive;
- U.S.-Egyptian cooperation has played an instrumental role in aiding Egypt's transformation from the "sick man of the Middle East" into a promising emerging market.

In realizing these shared objectives, the alliance has brought concrete gains for the national interests of both countries. For Egypt, cooperation with the United States has helped it not only to bolster its military strength but also to transform itself into a more prosperous and more democratic nation-state. At the same time, Egypt's emergence as a strong political and military partner has enhanced Washington's diplomatic credibility in the region and has aided the projection of U.S. power around the globe. A brief analysis will elucidate these mutual benefits and the extent to which the alliance has become indispensable for both sides.

FROM AN EGYPTIAN POINT OF VIEW: MILITARY, ECONOMIC, AND SOCIO-POLITICAL DEVELOPMENT

Egypt has certainly accrued vast benefits from U.S.-Egyptian cooperation since its beginnings in the 1970s. The alignment with Washington has promoted Egypt's vital interests and furthered its development in almost every sphere: military, economic, social, and political. All in all, relations with the United States have been instrumental in making Egypt more secure, more prosperous, more democratic, and better prepared to meet the challenges of the 21st century.

First and foremost, one of the most tangible benefits has been the improvement in the country's strategic situation. Egypt's relations with the United States played an instrumental role in liberating the Sinai Peninsula from Israeli occupation. Without American political and diplomatic efforts—resulting in the disengagement agreements of 1974 and 1975, the Camp David meetings of 1978, and the 1979 Egyptian-Israeli peace treaty—Egypt would have had to fight more wars to liberate its territories, with debilitating costs and uncertain results for the country's well being.

At the same time, U.S. military cooperation has helped Egypt to modernize its armed forces and reemerge as a significant military power. About \$30 billion in U.S. military aid has flowed into Egypt since 1978. The United States has supplied Egypt with F-4 and F-16 jet fighters, M-60A3 and M1A1 tanks, armored personnel carriers, Apache helicopters, anti-aircraft missile batteries, surveillance aircraft, and other equipment. In addition, the United States provides Egypt with training, military advice and expertise, lift and logistical support, and command assistance. Meanwhile, the biennial "Bright Star" maneuvers, in which Egypt has played a central role since 1981, are the largest military exercise involving the United States outside of NATO. Because of American military aid, joint exercises, and the supply of advanced American weapons, the Egyptian armed forces have become more professional, better equipped, and better able to defend Egypt's strategic interests.

Aside from the military aid program, Egypt has also benefited from one of the largest U.S. economic assistance packages in the world. Beginning with the effort to repair and reopen the Suez Canal in the 1970s, the U.S. Agency for International Development (USAID) has helped Egypt to develop its vital infrastructure and to shift to a market-oriented economy. In the 1990s, USAID supported the Egyptian government's efforts to accelerate economic growth by privatizing state-owned companies and boosting exports. Current aid programs are geared towards efforts to improve living standards—for instance, by reducing air pollution, protecting natural resources, and improving water-use efficiency and the availability of health services for women and children.

Beginning in 1999, the U.S. government began implementing a ten-year plan to reduce assistance, in a shift of policy from one based on aid to one based on trade and investment.¹ Since then, economic aid has dropped annually in \$40 million increments from \$815 million per annum from 1993–98 to \$575 million requested for the fiscal year 2004.² The United States already tops the list of non-Arab sources of foreign direct investment in Egypt and also provides approximately \$1 billion per year in remittances from Egyptians living in the United States.³ (See table right.)

Under the Trade and Investment Framework Agreement signed in July 1999, concrete steps are expected to promote freer trade between the two countries. Thus, despite the reductions in U.S. economic aid, the economic relationship between the two countries is likely only to deepen.

Not coincidentally, the past thirty years of U.S.-aided development have seen a drastic improvement in social and political conditions in Egypt overall. Since 1975, living standards in Egypt have considerably improved

**TABLE:
REMITTANCES OF OVERSEAS EGYPTIANS
(\$ million)**

Fiscal year	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004 ^a
Resident in:					
United States	1,018.8	1,048.8	955.9	1,025.9	1,111.1
(% of total)	33.2	36.9	32.4	34.6	37.0
Saudi Arabia	737.6	681.3	621.2	634.4	639.6
(% of total)	24.0	24.0	21.0	21.4	21.3
Kuwait	410.9	222.3	376.4	254.3	205.6
(% of total)	13.4	7.8	12.7	8.6	6.9
United Arab Emirates	283.0	301.9	349.4	302.9	278.8
(% of total)	9.2	10.6	11.8	10.2	9.3
Total inc. other	3,067.3	2,842.7	2,952.5	2,962.6	2,999.6

a Provisional.

Source: Central Bank of Egypt.

by most measures. Life expectancy, school enrollment, and literacy rates have made impressive gains. Negative indicators such as infant mortality and school dropout rates have declined and nearly all Egyptians now have access to basic health care. Over the same period of time, Egypt has gone from a one-party political system to a system with multiple opposition parties, a growing civil society, a viable and independent judiciary, and considerable freedom of expression and the press.

While it is important not to belittle the gap between the ongoing process of democratization and the Western model of democracy, any comparison between Egypt today and thirty years ago is illuminating. Over the past three decades, Egypt has experienced steady progress in its political, economic, and social development. The close relationship with the United States has played a crucial role in fostering Egypt's development into a more prosperous, open society as well as strengthening its strategic and military position.

1 USAID Egypt, "A Historical Look," last updated November 24, 2005. Available at <<http://www.usaid-eg.org/detail.asp?id=5>>.

2 Clyde R. Mark, *Egypt-United States Relations*, Congressional Research Service 2003, p. 10. Available at <<http://fpc.state.gov/documents/organization/22170.pdf>>.

3 Central Bank of Egypt, *Monthly Statistical Bulletin*, vol. 99, June 2005, pp. 93–94. Available at <<http://www.cbe.org.eg/public/All%20Monthly%20Statistical%20Bulletin%20PDF/Monthly%20Statistical%20Bulletin%20PDF%20June%202005/32-Remittances%20of%20Egyptians%20%20Workers%20%20Abroad%20by%20country.pdf>>.

BENEFITS FOR THE UNITED STATES: POLITICAL-MILITARY PARTNERSHIP AND STRATEGIC ACCESS

Egypt is not the only party to have benefited from the U.S.-Egyptian relationship. The link with Cairo has helped to protect U.S. vital interests both in the region and worldwide. Egypt not only provides essential political and diplomatic support in the Arab and Muslim world, but has also emerged as an important military partner in guarding peace and stability in the Middle East and beyond. Furthermore, Egypt's strategic position in the greater Middle East—and as keeper of the Suez Canal—has given it a crucial role in the projection of U.S. military force into far-flung arenas such as Afghanistan and the Persian Gulf. The relationship with Egypt is thus a key component of U.S. power in a region where vital American interests, such as fighting global terrorism and protecting energy security, will continue to be at stake for a long time to come.

It is important to note Egypt's importance in legitimizing America's role and presence in the Middle East. Throughout the 1950s and 1960s, Washington's special ties with Israel made it taboo for any Arab country to be openly close to the United States. Sadat's peace initiative in November 1977 broke that paradigm, finally paving the way for Israel's acceptance in the Middle East and initiating the regional peace process that continues to this day. As Cairo became a major partner to Washington, many moderate Arab countries—particularly in the Persian Gulf—ended their reluctance to deal openly with the United States even on security issues. Leading up to the 1991 Gulf war, Arab participation in the U.S.-led international coalition was built in Cairo, and was a major factor in the victory over Iraq.

In addition, the U.S.-aided modernization of Egypt's armed forces has paved the way for Cairo to become

one of Washington's most active partners in maintaining regional security. Military assistance to Egypt has been part of the U.S. strategy to maintain continued availability of Persian Gulf energy resources and to secure the Suez Canal, which serves both as an important international oil route and as a critical route for U.S. warships. U.S. military cooperation has had a significant impact on Egypt's contribution to the stability of the Middle East, which has manifested itself in many different aspects including force deployments, supplying defense equipment and ammunition, protecting strategic sea lanes and joint training and exercises. Since 1983, joint military exercises have strengthened the ties between the two countries' armed forces, progressively unifying the language and terminology required to carry out joint operations with any number of partners during times of war and—no less important—in times of peace. Such joint military exercises over the previous decade prepared the way for the successful defense of the Arabian Peninsula in 1990 and the ensuing war with Iraq in 1991.⁴

The late 1970s saw Egypt slowly begin to abandon its traditional reluctance to deploy troops outside its borders and to take on a more assertive role in regional and international security. Thus, Egypt sent troops to help Morocco's King Hasan II in the war against Algeria in 1979, to oppose Libyan operations in the Sudan in 1983, and to defend Saudi Arabia and the Arab Gulf countries alongside American forces in 1990–91. Since the Persian Gulf war, Egypt has committed military support for a number of U.S. foreign policy initiatives in the region and beyond. Egypt participated actively in the U.S.-led intervention in Somalia in 1992–93, contributing forces as well as opening ports and air bases to the operation. The U.S. Central Command ran the entire logistical support mission in Somalia from Egypt. From 1992–98, Egypt also deployed troops to serve with international peacekeeping and stabilization forces in Bosnia-Herzegovina.

⁴ Clyde R. Mark, *op.cit.* p. 2. See also Mohamed Kadry Said, "How Egypt 'Thinks Mediterranean'? Joint Military Exercises and Regional Security Cooperation," in Martin Ortega (ed.), *The Future of the Euro-Mediterranean Security Dialogue*, Occasional Papers No. 14, Institute of Strategic Studies, West European Union, March 2000, pp. 36–39. Available at <<http://aei.pitt.edu/archive/00000705/01/occ14.pdf>>.

Even when Egypt is not an active participant in operations, U.S. armed forces depend on Egypt for access to the Middle East and wide-ranging support in projecting American power into the region and beyond. Although the United States has never succeeded in obtaining a permanent military base in Egypt, it is likely that the two countries would be able to reach agreement over access to military facilities in the event of a regional crisis. Meanwhile, the United States relies on Egypt for quick transit of military assets to and from the Persian Gulf and routinely conducts hundreds of military overflights every month. Egypt has a formal policy denying transit through the Suez Canal to nuclear-powered ships, yet it routinely waives this regulation for U.S. warships.

This arrangement allows the United States to protect its interests not only in the Middle East and the Persian Gulf, but also as far away as the Pacific. During the 1996 crisis between China and Taiwan, for example, Egypt promptly allowed Washington to rush an aircraft carrier from the Mediterranean to the Persian Gulf, freeing the aircraft carrier on station there to proceed to the Straits of Taiwan. Similarly, when a series of Chinese missile tests off Taiwan led the United States to dispatch a carrier battle group from the Fifth Fleet in the Persian Gulf in 1999, the Sixth Fleet in the Mediterranean was able to send an aircraft carrier battle group through the Suez Canal to stand duty in the Persian Gulf.

The conflict with Iraq in the early 1990s offered a prominent example of U.S.-Egyptian strategic cooperation to defend vital Western interests. After the Iraqi invasion of Kuwait in 1990, Egypt deployed the second-largest foreign military contingent to protect Saudi Arabia, some 30,000 troops, and provided the Arab Gulf states with the necessary political cover for hosting U.S. and other Coalition troops during the

ensuing war to expel Iraq from Kuwait. U.S.-Egyptian cooperation during the war built upon the experience of joint military exercises over the previous decade.⁵ When Iraq threatened Kuwait again in October 1994, Egypt's expeditious approval for the deployment of a U.S. carrier battle group through the Suez Canal sent a critical signal to Baghdad that renewed aggression would not be tolerated.

In the post-September 11 era, deepening strains in the relationship have not prevented Egypt from providing strategic assistance to the United States. Egypt granted naval and air facilities for the U.S. overthrow of the Taliban in Afghanistan, though stopping short of agreeing to commit troops to the stabilization operations afterwards. Even during the U.S.-led invasion of Iraq in March 2003, Egypt made a significant contribution despite its formal opposition to the war and its calls for a diplomatic solution to the crisis. Of crucial importance was the short-notice transit of U.S. ships through the Suez Canal before and during the war. When the Turkish parliament on March 1, 2003 denied U.S. troops the right of transit through Turkey to open up a northern front against Saddam's forces, U.S. ships carrying the equipment for the U.S. troops, who flew to Kuwait instead of Turkey, were able to pass through the Suez Canal en route to the Persian Gulf at very short notice. From September 11, 2001 to April 30, 2004, Egypt provided transit passage through the Suez Canal for 650 U.S. warships—including 40 nuclear-powered vessels—and approved 29,000 overflight requests.⁶

“Strategic” cooperation with the United States has expanded into new areas, with positive side effects. Since April 2002, for example, Cairo has made significant progress in complying with the U.S. Treasury's standards on money laundering.⁷ U.S. and Egyptian authorities are stepping up cooperation in areas such

5 Clyde R. Mark, *op.cit*, p. 2.

6 Information obtained by the author from classified sources.

7 United States Department of the Treasury, Financial Crime Enforcement Network, *Transactions Involving The Arab Republic of Egypt*, FinCEN Advisory Issue 30, April 2004. Available at <<http://www.fincen.gov/advis30.pdf>>.

as the enforcement of narcotics interdiction, and exchanging intelligence on drug trafficking and organized crime in general.⁸ Sudan has been another area of significant bilateral cooperation in recent years, despite differences over the best approach to solving multiple crises in the southern Sudan and Darfur.

U.S.-Egyptian relations are gaining relevance in the economic dimension as well. Over almost a quarter of a century, the United States has accumulated a considerable trade surplus with Egypt—which more than offsets the cost to the U.S. taxpayer of U.S. aid to Egypt over the same period of time.

Finally, the positive role that Egypt continues to play in the Israeli-Palestinian peace process, despite Egyptian doubts about the wisdom and fairness of U.S. policies, should not be underestimated. Egypt and Israel have cooperated on border security and counter smuggling operations, and Egypt has taken active steps to shut down the tunnels used by Palestinians to transport arms and personnel in and out of Gaza.⁹ Moreover, Egypt stepped in to fill the diplomatic vacuum generated by U.S. engagement in Iraq and the upcoming U.S. presidential elections in 2004. By August 2004, Egypt was undertaking a full initiative to work with Israel on plans for its withdrawal from Palestinian territories. At the same time, it also began working with the different Palestinian factions for them to accept these proposals and to commit themselves to a cease-fire and the peaceful transition of power in the Gaza Strip and the West Bank.¹⁰

Ultimately, the historical sequence of events during the last three decades indicates that Egypt—through guarding and promoting its own national interests—has served and protected Western interests in the Middle East and succeeded in preserving regional order and stability through many major confrontations and turning points.

8 U.S. Department of State, Bureau for International Narcotics and Law Enforcement affairs, International Narcotics Control Strategy Report—2001, Egypt, March 1, 2002. Available at <<http://www.state.gov/p/inl/rls/nrcpt/2001/rpt/8485.htm>>.

9 Letter of H.E. Nabil Fahmy, Ambassador of Egypt to Congressman Neil Abercrombie, United States House of Representatives, July 13, 2004.

10 *Al-Ahram*, August 9, 2004.

TROUBLING TIMES, DIVERGING PERCEPTIONS

Despite U.S. and Egyptian gains from the relationship—and even though the top leaderships in both countries have historically appreciated its importance and benefits—the political élites on both sides have not always dealt with the differences between these countries as allies or strategic partners. Despite their strategic cooperation, latent tensions, mutual skepticism, and mistrust seem to characterize relations between both countries. It has become almost a tradition for U.S.-Egyptian relations to undergo a “crisis” once or twice a year. These latent tensions and contradictions in U.S.-Egyptian relations have, in recent years, been further exacerbated by the negative perceptions and the divergence of interests created by the breakdown of the peace process, the events of September 11, fundamental changes in U.S. Middle East policy, and the U.S. invasion and occupation of Iraq.

On both sides, negative perceptions of the other have led to persistent doubts about the legitimacy of the U.S.-Egyptian relationship. In Egypt, the United States is widely seen as an imperial power that interferes in the affairs of sovereign states to suit its own interests. In their immediate neighborhood, Egyptians deeply resent what they see as Washington’s preferential treatment of Israel and its perceived lack of evenhandedness in the Israeli-Palestinian conflict.

In the United States, perceptions are not all that different. There are doubts about the merits of Egypt’s claim

to have a regional role in the Middle East—and even when that role is recognized, Americans cannot be sure that it is in harmony with U.S. interests. From time to time, Egypt is even accused of obstructing the Arab-Israeli peace process, manipulating the Arab masses, and turning back to the Nasserist, anti-Western ideology and practices of the 1960s.

None of these complaints are new on either side. In recent years, however, new strains in the relationship have deepened these latent tensions and brought the relationship to the brink of crisis. A series of developments—the election of a neo-conservative administration in Washington, the breakdown of the peace process, the events of September 11, increased U.S. unilateralism, and the U.S. invasion and occupation of Iraq—have created a new global and regional environment in which both sides have begun to reexamine their longstanding belief in the importance and utility of U.S.-Egyptian strategic cooperation.

This trend is reflected in public opinion. Since September 11, polling data have shown a disturbing drop in the “favorability” ratings of the United States among Egyptians and of Egypt among Americans. The growing divide can be seen even at the highest levels of decision making. At the June 2003 Sharm al-Shaykh summit, for example, President Hosni Mubarak rebuffed a U.S. request for Arab states to send troops to Iraq as part of an international force, declaring that

Egypt would not send troops to Iraq even under the aegis of the United Nations.

Even before September 11, therefore, U.S.-Egyptian relations were characterized by an identity of interests and a commitment to the relationship at the top leadership level, yet they were also plagued by negative perceptions and periodic tensions. In the post-September 11 world, the common interests that used to tie these two countries together in a strategic alliance with benefits for both sides have begun to diverge, and the negative perceptions which the political élite on each side has had of the other have begun to worsen. Thus, U.S.-Egyptian relations are at a critical juncture. Either they can be left to deteriorate until they reach the point of no return, or the political will can be mustered on both sides to strengthen this relationship.

MUTUAL PERCEPTIONS: A VIEW FROM EGYPT

In order to understand the roots of the crisis in U.S.-Egyptian relations, it is important to understand the gap in perceptions that has developed between Americans and Egyptians. For an American readership, a brief look at the Egyptian point of view may be especially instructive. Whereas Americans tend to see the United States as a benevolent champion of peace and democracy, Egyptians see a threatening superpower that is potentially hostile to Egyptian interests. This negative perception of U.S. motives and policies has taken a sharp turn for the worse under the administration of President George W. Bush, especially in the wake of September 11 and the war in Iraq.

In Egypt, there are widespread doubts about the legitimacy of American behavior in the world. The end of the Cold War and the rise of the United States to sole superpower status has raised fears about the hegemonic tendencies of Washington. American interventions in the Persian Gulf, Bosnia-Herzegovina, Kosovo, and now in Afghanistan and Iraq are not per-

ceived as an attempt to stabilize a turbulent world, but as the work of a imperial power trying to change the world according to its own image, to manipulate the United Nations in the service of its own sinister interests, and to interfere in the business of sovereign states.

Washington's special relationship with Israel complicates the picture, setting up an uneasy diplomatic and political triangle in which Egypt seems to be at a disadvantage. Despite the peace treaty between the two countries, Israel's superiority in conventional weapons and its status as an undeclared nuclear power arouse real concern in Egypt. The continuous U.S. supply of advanced arms and military technology to Israel, which far outstrips comparable U.S. aid to Egypt, is therefore troubling.

Meanwhile, Israeli pressure on the United States to reduce military aid to Egypt and limit its assistance to Egypt's military modernization is a matter of current concern. When the State Department notified Congress of the proposed sale of 53 Harpoon Block 2 missiles to Egypt in 2001, for example, Israeli security officials tried to stop the sale, alleging that the satellite-guided missile could threaten Israel's national security and suggesting the postponement of the sale until the region became more stable. Although it went ahead with the sale, the United States restricted the Harpoon's ability to hit ground targets as a result of Israeli pressure.¹¹

More broadly, the lack of evenhandedness in U.S. policies in the Middle East, particularly in the Arab-Israeli peace process, is unanimously criticized in Egypt. Washington's dual role as the sole guarantor of Israel's security as well as the principal mediator between Arabs and Israelis creates contradictions and often leads to American partiality towards Israeli interests, irrespective of their legitimacy. American timidity on the issue of Israeli settlements, on Israel's nuclear capabilities, and most recently on the separation wall is often cited as an example of the double standards

11 Barbara Opall-Rome, "Compromise Near on Egyptian Harpoon Sale," *Defense News*, February 11-17, 2002, p. 6.

and moral weakness of U.S. policy in the region. Meanwhile, Israel demonstrates its readiness to use heavy firepower and its missile attack capabilities against the Palestinians on a daily basis, and even against the Syrians from time to time.

From an Egyptian point of view, U.S. motives and intentions often appear to be inimical both to Egypt and to the Arab world. There is a widespread perception that, for Israel's sake, the United States opposes Egypt's traditional leading role in the Middle East. Some Egyptians will go so far as to liken the state of U.S.-Egyptian relations to a hidden war waiting to be declared.

THE DOWNTURN: THE WAR AGAINST TERRORISM AND IRAQ

In spite of periodic crises, the top leadership in both the United States and Egypt has always had an appreciation of the important gains that have accrued to both sides from their strategic relationship. Common strategic interests and mutual gains solidified U.S.-Egyptian relations, and helped them withstand periodic tensions and misunderstandings. However, in the past few years, especially since the events of September 11, this pattern began to change. A number of factors have contributed to this downturn, all of which are reinforced by the doubts and suspicions that have traditionally plagued and weakened the U.S.-Egyptian relationship.

Fighting terrorism continues to be a common strategic goal for both Egypt and the United States, and Egypt has supported the United States in its efforts to hunt down terrorists in places like Afghanistan and the Philippines. Yet Egypt has vehemently opposed the United States' loose definition of terrorism and the linkages the United States has drawn between terrorism, on the one hand, and the Palestinian and Iraqi questions on the other.

On the Palestinian question, the rift between Egyptian and U.S. points of view has only widened in the post-

September 11 era. The peaceful resolution of the Arab-Israeli conflict has always been an important strategic goal for both Egypt and the United States. Egypt continues to affirm that violence in Israel and the occupied territories is the outcome of continued occupation. According to Egypt, terrorism is in large part the product of the excruciating and unique circumstances under which Palestinians live. Egypt has also repeatedly maintained that the persistence of the Palestinian-Israeli conflict fuels radical tendencies in the region, and indirectly perpetuates terrorism. The resolution of this conflict is, from the Egyptian perspective, a necessary component of the war against terrorism.

Since September 11, however, the United States has looked at the Palestinian-Israeli conflict through the narrow prism of its war against terrorism. It has thus insisted that the Palestinians end the use of violence, irrespective of the surrounding circumstances. The new strategic thinking in Washington is more sympathetic to the security solutions of Israeli Prime Minister Ariel Sharon and does not place a high priority on the resolution of the Israeli-Palestinian conflict, focusing instead on reshaping the political map of the Middle East and demanding political reform as a prerequisite to peace. This growing divergence in perspectives over the Palestinian-Israeli conflict has been an important source of heightened tensions between the United States and Egypt in the past few years. Negative U.S. voting in the UN Security Council on the issue of removing the late Palestinian President Yasir 'Arafat from Ramallah in 2003, Israel's construction of the separation wall, and many other issues sensitive to the Arab public have inflamed anti-American sentiments and rendered effective military and diplomatic cooperation extremely difficult for Egypt, even if both sides agreed on the necessity of encouraging the Sharon plan, implemented in August 2005, to disengage from the Gaza Strip and a small part of the West Bank.

The U.S. war in Iraq has also been an important source of tension between the United States and Egypt—perhaps the most important since they resumed diplomatic relations in 1973. Egypt opposed the U.S. invasion and

occupation of Iraq, and has challenged the United States' three main justifications for invading Iraq: terrorism, weapons of mass destruction (WMD), and regime change. Egypt has consistently denied the link that the United States has drawn between the Iraqi regime and al-Qa'ida, maintaining that there was no evidence to justify the extension of the war against terrorism to Iraq. Egypt has also maintained that concerns over Iraq's WMD programs were best addressed by the resumption of UN weapons inspections in Iraq. Egypt worked very hard to convince the Iraqi regime to accept the inspectors back, thereby potentially postponing a U.S. attack. Furthermore, Egypt objected to U.S. plans to bring down the regime, seeing this as a flagrant and unacceptable infringement of the sovereignty of an Arab state. Moreover, Egypt maintained that regime change was an internal Iraqi matter which Iraqis had to decide for themselves.

U.S. insistence in going ahead with the Iraq war without a UN mandate and despite opposition from global public opinion confirmed the worst fears of Egyptian popular perceptions of the United States. The war reinforced the belief that the United States is an imperial power that resents the Arab and Muslim worlds and seeks both to extend its global hegemony and to transform the world in its own image. The issue of participation in the post-war reconstruction efforts in Iraq has been controversial in Egypt and in the Arab world as a whole. Supporters of participation have argued that the "responsibility to protect Iraqis and to help them in time of crisis" should prevail and guide the Egyptian actions in Iraq.¹² On the other hand, opponents argued that the war was illegal and that it is necessary to wait until Iraq had a legal representative government to deal with it.

Finally, Washington's sudden shift of strategy for reform in the region, from a longstanding emphasis on stability and gradual change to a much more aggressive push for rapid reform and democratization, has desta-

bilized the U.S.-Egyptian relationship. In the past, the United States often criticized Egypt for resisting structural adjustment and economic reforms, or for implementing them at an exceedingly slow pace, or alternatively for resisting normalization with Israel. Despite these complaints, political reform and democratization were never high on the list of priorities in American foreign policy towards Egypt. Rather, the main priorities were economic reform and relations with Israel.

In the wake of the September 11 attacks, U.S. priorities began to change. Americans have increasingly seen Egypt as a breeding ground for terrorists and extremists and not as a bastion of moderation and stability in the region. Egypt's social, economic, and political structures have increasingly been portrayed as backward, corrupt, stagnant and exclusionary, and thus conducive to fostering extremism and violence. In addition, the Egyptian government has increasingly been blamed for encouraging, or at least tolerating, a radical discourse that is said to incite hatred towards the United States and Israel, and which thus indirectly reinforces terrorism.

Political reform and democratization therefore have now become a priority for American foreign policy in Egypt and the region as a whole. As U.S. policymakers increasingly attribute the region's problems to the constraints that Arab regimes have imposed on political rights and liberties, Egypt is coming under more pressure to reform its political structures and its cultural and religious discourse. U.S. attempts to reshape Egyptian politics and society have generated an angry reaction from the Egyptian elite, who see this increased interventionism as an infringement on Egyptian sovereignty and an attempt to dilute Egypt's cultural and historical particularity.

All these tensions have been reflected in the sharp deterioration of the United States' image among the Egyptian public. In June 2004, a poll commissioned by

12 Mohamed Kadry Said, "Potential Egyptian Contribution to a Security Framework in the Gulf," *Middle East Policy*, Vol.11, No.3 (Fall 2004), p. 67. Available at <http://www.mepc.org/public_asp/journal_vol11/0409_said.asp> and http://www.mepc.org/public_asp/journal_vol11/said.pdf.

the Arab-American Institute in Washington surveyed 3,300 Arabs living in Morocco, Saudi Arabia, Jordan, the United Arab Emirates, and Egypt. The results show that out of the six Arab countries, who all had a highly negative attitude towards the United States, Egypt is the country where the United States had both the lowest favorable and the highest unfavorable ratings. The table also shows that negative attitudes grew from 2002 to 2004, particularly in Egypt (see Appendix Table 2). In his essay “Egypt After 9/11: Perceptions of the United States,” the political scientist Samer Shehata concludes “that Egyptian perceptions of the United States have never been more negative. Egyptians from all walks of life, urban, rural, educated and illiterate, rich and poor, are outraged at American policies in the region, particularly with regard to the Israeli-Palestinian conflict and the current crisis in Iraq.”¹³

RECOGNIZING THE DIFFERENCES

The rapid decline in U.S.-Egyptian relations is a consequence of drastic changes in the strategic environment, especially following September 11 and the Bush administration’s decision to adopt an interventionist, pre-emptive mechanism of change in the region. From an Egyptian point of view, the huge imbalance of power caused by the U.S. military presence, and the uneven acquisition of nuclear weapons, missiles, and advanced armament in the region, are exacerbating the Middle East’s security problems. Even more important is the current process of attempting to drastically change the value system in the region to fit Western models. This policy is likely to generate security stresses that may fuel even more terrorism.

Diverging perceptions of these strategic changes have led to shifting policy orientations in Cairo and Washington. This gap in perceptions of the new situation in the Middle East, and possibly the world, has led to differing visions of regional and international issues, and separate policies in dealing with the very

objectives that made the two countries into allies in the first place.

Stepping back to survey U.S.-Egyptian relations today, it is possible to discern a whole range of deep-seated differences that threaten to weaken the relationship:

- *Absence of a common vision.* U.S.-Egyptian military cooperation now faces a vision and credibility gap in addition to ample confusion over concepts and terminology, particularly after September 11 and the wars in Afghanistan and Iraq. The ongoing political processes in Afghanistan and Iraq are described differently by the two countries. The United States call its presence in Iraq “liberation”, while Egypt calls it “occupation.” In contrast to the Gulf war of 1991 where both countries had common goals, the United States and Egypt have no common definition of victory for the conflicts in Afghanistan and Iraq. However positive the changes in Afghanistan and Iraq as the result of U.S. military intervention may be, they are not perceived or even understood as such by Egypt. People in the Middle East do not understand what the United States is trying to do in Iraq or Afghanistan, regardless of how noble or righteous the United States might think that these endeavors are;
- *Differences in approach to regional and international problems, particularly the issues of “rogue states” and WMD proliferation.* Despite the inherent interdependence in the U.S.-Egyptian relationship, it has faced growing friction and strains owing to differences between Washington and Cairo on a range of regional and international foreign policy issues. In the case of Libya and Sudan, as well as Iraq, all considered “rogue states” by Washington throughout the 1990s, the Egyptian government pursued a policy of trying to rehabilitate and reform the behavior of these regimes through engagement, while its U.S. ally sought to put pressure on them or to remove

13 Samer Shehata, *Egypt After 9/11: Perceptions of the United States*, Social Science Research Council, 2002. Available at <<http://conconflicts.ssrc.org/mideast/shehata/>>.

them altogether. President Hosni Mubarak has always opposed using force to change other countries' regimes. The new U.S. policy of "regime change" therefore is in direct conflict with this stance. A longstanding difference of opinion is over Israeli nuclear weapons. Israel's nuclear arsenal, which Egypt considers a threat to Egyptian national security, has been an additional source of U.S.-Egyptian tensions over nonproliferation policy. Thus, despite strong American support for the indefinite extension of the Nuclear Non-Proliferation Treaty (NPT) in 1995, Egypt opposed the treaty extension unless it was universally accepted—thus putting pressure on Israel to surrender its nuclear weapons;

- *Diverging viewpoints on Iraq.* The period following major combat operations in Iraq has vindicated many Egyptian assumptions about the likely negative consequences of the war and its aftermath. The U.S. failure to produce evidence of Iraqi WMD has added to Egyptian—and Arab—doubts about the U.S. project in Iraq. Since the initial stages of war, both sides have taken conciliatory steps. The fall of the Ba'thist regime in Baghdad and the subsequent chaos and violence have induced Washington to seek multilateral help through a UN resolution and greater international efforts to get Iraq back to normal. At the same time, the postwar situation has forced Cairo to help legitimize the new Iraqi authority in the Arab League and the Arab world in general. Cairo has continued, however, to express its objection to a long-term U.S. occupation of Iraq;
- *Differences regarding the Middle East peace process.* On many occasions during the Arab-Israeli peace process, the United States and Egypt found themselves in opposing positions. Unflinching U.S. military and political support for Israel in all circumstances ultimately constrains Egypt's ability to cooperate openly with the United States in all matters. For example, negative U.S. voting in the UN Security Council on the issue of removing the late Palestinian President Yasir 'Arafat in 2003, Israel's

construction of the separation wall, and many other issues sensitive to the Arab public have inflamed anti-American sentiments. Despite U.S.-Egyptian agreement on the necessity of encouraging the Sharon plan to disengage from the Gaza Strip and a small part of the northern West Bank, U.S. positions have rendered effective military and diplomatic cooperation extremely difficult for Egypt;

- *Conflicting approaches to reform in a changed strategic environment.* Since the mid-1970s, Egyptian economic and—to a much lesser extent—political reforms have been on the bilateral agenda. U.S. economic and military aid to Egypt is one of the tools Washington has used to shape the process of change in Egypt. The very tools that helped cement the U.S.-Egyptian alliance have now become, however, a source of contention between the two states. While the meaning of "reform" in terms of pace, scope, goals, and priority areas was commonly understood to include stability, the U.S. administration had a change of heart in the wake of the events of September 11. The Bush administration claims that terrorism breeds in undemocratic political systems, and therefore democracy in the Middle East, particularly in Saudi Arabia, Egypt, and Pakistan, is more important than stability. One of the reasons offered by the Bush administration for the war in Iraq was the wave of democratic change that would spread from Iraq into the rest of the Middle East. The new conceptualization of sources of instability in the Middle East has triggered disagreements over the model of change and reform that is appropriate for Egypt and the rest of the region.

Certainly, projects inspired by the U.S. and the European Union have opened the door for dialogue and debate over not merely the need for reform—which is a widely held, longstanding aspiration of Arab societies—but rather on how to launch reform without the ruling élites evading it or creating the possibility of reform becoming a cover for intervention by external powers. Nevertheless, the current process of attempting, through different projects for

reforming the “greater Middle East,” to drastically change the value system in the region to fit preconceived models has exacerbated the region’s security problems. At the same time, the tragic absence of progress in bringing a just and fair solution to grave security issues such as the Palestinian question adversely, and even perversely, affects the progress of democratization. In Iraq and elsewhere, the instability wrought by “regime change” is likely to generate security stresses that may fuel terrorism.

The bond between the United States and the mainstream Arab states such as Egypt, as well as moderate Arabs in general, has long been their shared desire to work for the stability of the Middle East. The bond worked well during the Cold War to thwart Communist expansion, Iran’s Islamic revolutionary wave, and Saddam’s radical and regional ambitions. Now, it appears to Egyptians and other Arabs as if the major force for instability in the region is the United States itself, which has moved militarily into Iraq, put the Arab-Israeli peace process on hold, given Sharon a free hand, and even insinuated a radical program for change in the region without building a strategic understanding about it.

Thus, the U.S.-Egyptian strategic alliance—which was crucial for stabilizing the Middle East and containing radical states and extremist groups, and almost succeeded in bringing the Arab-Israeli conflict to a close—is now at a vulnerable and critical stage. Many factors are undermining this strategic partnership, which has been a principal source of stability for Egypt, the region, and perhaps the world as a whole. We are now at a crossroads. The U.S.-Egyptian relationship can either be left to deteriorate, bringing further chaos and instability to the region—or the political will and commitment can be mustered on both sides to rehabilitate the relationship as a stabilizing force in the Middle East.

REVIVING THE U.S.-EGYPTIAN ALLIANCE: A NEW STRATEGY

As the preceding discussion has shown, U.S.-Egyptian relations are highly cooperative at the operational and practical levels, yet adversarial and conflict-ridden at the perceptual and cognitive levels. This contradiction can be attributed to a multiplicity of factors, including the imbalance of power between a superpower and a regional power, an advanced industrial state and an underdeveloped country, a new country and an old one, and an open and democratic society and a highly centralized state. For three decades, U.S.-Egyptian relations have followed a course of ambivalent alliance in which operational cooperation has continued despite increasing gaps of perception. It could be argued therefore that this trend has thus far served the major and vital interests of both sides. Why, then, should anyone rock the boat in Washington or Cairo by attempting to tamper with this interaction and address the underlying difficulties?

In view of the longstanding ambivalence and periodic conflicts that have marked the relationship from the beginning, some may question whether we have reached a genuine turning point in U.S.-Egyptian relations at all. It could be argued that the Arab-Israeli peace process still serves as an enduring bond, saving the relationship whenever its decline seems to be reaching dangerous levels. During 2004, U.S.-Egyptian relations improved as a result of Egyptian efforts to handle the issue of the tunnels along Egypt's Gaza Strip border and its initiative to save Israeli Prime

Minister Ariel Sharon's Gaza Strip disengagement plan. Despite Egyptian opposition to the U.S. war in Iraq, not only did Egypt cooperate with the United States operationally, but the two countries have grown closer to each other on the necessity of implementing a stable and smooth transition of power in Baghdad and—more important—not allowing terrorist forces to win the war in Iraq.

In the long term, however, the durability of any relationship depends on the ability to sustain pressures from within and from without. As has been demonstrated above, support for the relationship is declining on both sides. More important, the ability of both sides to maintain agreement on the major strategic objectives of the relationship is deteriorating. After being on the same side in the victories of the Cold War, the Iran-Iraq and Persian Gulf wars, and in the stabilization of Bosnia-Hercegovina and other places, Washington and Cairo have been on different sides on the key issues of today. On issues as varied as Arab-Israeli peace, Gulf security, regional stability, the war against terrorism, the transformation of Iraq, and reform in the Arab world, the views of both countries are moving further and further apart.

The next Middle East crisis—in Iraq, the Palestinian territories, Saudi Arabia, Sudan, or elsewhere—may only exacerbate the divisions between Cairo and Washington. As anguish grows in the Egyptian street

over U.S. policies in the region, the ability of the Egyptian government to manage its relations with Washington inevitably diminishes. The Bush strategy—relying on preemptive strikes, unilateralism, democracy promotion, strategic superiority, and a crusade against terrorism—is likely to stir opposition in Cairo with each attempt to implement it in the Middle East or elsewhere. If we continue down that path, the perception gap is likely not only to grow, but also to start eroding the operational confidence of both sides.

A different approach prevailed during the 1990s. President Bill Clinton used the Arab-Israeli peace process as an opportunity to build a framework of multilateral regional cooperation to define U.S. bilateral relations with states in the region. The assumption was that the European Union model of regional cooperation could help in resolving the Middle East conflict, and in the meantime create more room for the expansion of U.S. interests in the region. Yet this effort at regional cooperation declined and finally stopped at the end of the 1990s, as the violence in Israel and the Palestinian territories has made it impossible for all the regional states to cooperate. Not surprisingly, extremists on both sides of the Arab-Israeli conflict have passionately resisted all notions of regional cooperation, which they consider a threat to their national values. The concept of “normalization” has taken on negative connotations in the Arab media, while in Israel it is often considered to be a fantasy that obscures Israel’s security needs.

The “Bush option,” therefore, seems certain to end in disaster for U.S.-Egyptian relations. Yet owing to changed circumstances in the region, the “Clinton option” of embedding the relationship in a wider system of regional cooperation may no longer be viable. Fortunately, there is a third option: a concerted bilateral effort to upgrade and institutionalize the U.S.-Egyptian relationship, thereby putting it on a sounder footing for the long term. The rationale for this option is that U.S.-Egyptian relations are of paramount importance to the interests of the United States and

Egypt, Middle East stability, and global security in general. This relationship should therefore not be subjected to *ad hoc* management and impulsive improvisation as has been the case under the Bush administration, nor should it be tied to the ever-volatile Arab-Israeli conflict, nor linked to the use of force and idealistic designs of forced change. It is a relationship that deserves to be upgraded to the strategic level of other international alliances underpinned by common values, institutions, and strategic objectives.

The following is an outline of how this “strategic option” might be implemented. Above all, there is a need to lay a new basis for the relationship by agreeing upon common values and building shared bilateral institutions to promote deeper understanding and cooperation between the two allies. At the same time, the two allies must agree on a broader program that encompasses three main objectives:

- i) resolving the core issues posed by the Israeli-Palestinian conflict and the war in Iraq;
- ii) promoting change in Egypt through homegrown economic and political reform; and,
- iii) building a new framework for regional cooperation.

The overall objective is to strengthen and consolidate the U.S.-Egyptian relationship as a foundation for stability and security in the region by building common values and institutions that will allow these objectives to be met.

BUILDING COMMON VALUES AND INSTITUTIONS

The United States and Egypt belong to two different worlds, particularly in their cultural and political values. These differences may account for the ambivalence in their relationship. Unless the two allies succeed in building a system of common values, the relationship will always be threatened with a loss of legitimacy in the eyes of the U.S. and Egyptian publics,

bureaucracies, and élites. Above all, the two sides need to come to consensus on five principal values:

- *Transparency.* As has been demonstrated above, the United States and Egypt have gone to war together, have intensified military and strategic cooperation, and have been involved in a complex network of political and economic relations. Yet most of these interactions are not well known to the public in the United States or Egypt. Little is known in Egypt of Washington's role in the liberation of Egyptian territories during the Arab-Israeli peace process, U.S. aid to Egypt, and the depth of cooperation between the two countries. Similarly, very little is known in the United States of Egypt's role as a serious strategic partner during and after the Cold War both in the Middle East and the world. The élites on both sides, as well as the publics, need to be made aware of the accomplishments and problems of the relationship. Transparency will have a positive impact on the relationship that far exceeds the current policy of low-level openness. American ties to Israel may cause embarrassment in Cairo and force the Egyptian government to upgrade popular knowledge of its association with Washington. Equally, the slowness of reform in Egypt might cause embarrassment to different U.S. administrations. However, the lack of transparency is undermining the foundation of the relationship in the eyes of the public in both countries, and making the élites and bureaucracies doubtful of its value and future;
- *Realism.* The second value is for both countries to realize that it is policies that decide differences, not a deep-seated image of the other side. Public opinion surveys clearly show that the decline in popularity among the public in both the United States and Egypt is not rooted in the other side's religious or ethnic characteristics, but rather because of specific policies—particularly, on the Egyptian side, those U.S. policies related to the Arab-Israeli conflict. It is time that both countries in principle accept as “givens” the historical as well as the moral ties they have to the parties of that conflict. In this way, the two countries will be capable of differentiating between situations in which both the United States and Egypt, for their own reasons, will have a common policy and those situations in which they will basically differ. The value of honest differences, because of different historical and geopolitical positions, is the cement that binds alliances and allows them to continue to achieve common objectives;
- *Legitimacy.* In many quarters in Cairo, the discrepancy of power between the two countries detracts from the legitimacy of the U.S.-Egyptian alliance. In many ways, U.S. leadership of the world is not accepted on grounds similar to those widely accepted in the European Union.¹⁴ In Washington, the situation is similar. Egypt's status as an American ally is in doubt not only because of its political and economic underdevelopment, but also because of the lack of common political values. In both Cairo and Washington, these doubts about the legitimacy of the relationship add to the perception that it is only a transient alliance of convenience, lacking solid foundations. Despite these deep doubts, the history of the relationship and its achievements all attest to a common effort by a superpower and a regional power to rebuild the Middle East. In this war-torn and violence-ridden region of the world, such a shared effort has a value that can give the relationship moral as well as political legitimacy;
- *The centrality of Middle East peace as a strategic goal for the region.* The United States and Egypt should reach a consensus that the Arab-Israeli conflict is a conflict of strategic magnitude. Time will not lessen its acuteness, reduce its agonies, heal its wounds, nor end its pains. Furthermore, the conflict takes place within a highly integrated strategic context in which issues such as Iraq, Palestinian-Israeli problems, terrorism, reform, and fundamentalism are all related and interdependent. The Arab-Israeli conflict was

14 See Robert Kagan, “America’s Crisis of Legitimacy,” *Foreign Affairs*, Vol. 83, No. 2 (March/April 2004), pp. 65–87.

one of the most important chapters of the Cold War, and now it could be the most important chapter in the war against terrorism. One of the greatest achievements of the peace process in the last three decades has been the transformation of the conflict from an existential war into a question of how Arabs and Israelis can live with each other. However, in a time of transition, this achievement is susceptible to reversals by the same forces that have opposed peace from the beginning. The resolution of this conflict should therefore be at the top of the U.S.-Egyptian agenda;¹⁵

- *Concert of Powers.* The fifth value is a belief in the necessity of building a wide-ranging regional coalition for moderation and modernization. In alliance with the United States and the European Union, a Concert of regional Powers such as Egypt, Saudi Arabia, Morocco, the new Iraq, and Turkey—and possibly Israel, once the conflict with its neighbors has been resolved—should work for the reconstruction of the Middle East and its integration into the globalization process.

Beyond a consensus on these shared values, the U.S.-Egyptian relationship also needs a new institutional framework to promote understanding and cooperation. U.S.-Egyptian relations need to be rehabilitated on three different levels: political, economic, and social and cultural. Practical measures should therefore be taken in the three following areas:

- *A political council.* Over the past three decades, U.S.-Egyptian cooperation has largely been concentrated in the economic and military realms, and political interaction has mostly been restricted to the top leadership levels. If the negative perceptions and divergent interests discussed above are to be successfully managed and addressed, increased interaction between the political élites in both countries needs to be encouraged and institutionalized. To

this end, the United States and Egypt should form a political council, bringing together representatives from political parties and research institutes from both countries on a periodic basis to deepen each side's knowledge and familiarity with the other and to forge a common understanding and vision for the Middle East. This political council would be well advised to avoid the mistakes of the strategic dialogue that took place between the Egyptian Ministry of Foreign Affairs and the U.S. Department of State, whose discussions focused almost exclusively on the Arab-Israeli conflict. The political council proposed here should be much broader in scope and should focus on developing mechanisms for crisis management and conflict resolution between the United States and Egypt, and should explore avenues for U.S.-Egyptian cooperation in places like the Mediterranean and Africa;

- *A cultural initiative.* A cultural initiative between the United States and Egypt which promotes a dialogue of religions, cultures, and civilizations and the values of tolerance and mutual understanding can significantly help combat negative perceptions and increase each society's knowledge and understanding of the other. To this end, a media-monitoring organ bringing together media specialists and journalists' rights advocates should be formed, with the task of monitoring how the media in each country portrays the other country. This organization will be in charge of identifying incorrect information and negative perceptions that each side has of the other and suggesting means of rectifying them;
- *An economic initiative.* American investment in Egypt remains relatively meager. An economic council to attract increased U.S. investments and redirect current investments into more viable, export-oriented, and diverse activities is required. This economic council can supplement the work of the Egyptian American Business Council, whose

15 Abdel Monem Said Aly and Shai Feldman, *Ecopolitics: Changing the Regional Context of Arab-Israeli Peacemaking*, Belfer Center for Science and International Affairs, Harvard University, August 2003. Available at <http://bcsia.ksg.harvard.edu/BCSIA_content/documents/Ecopolitics_BCSIA.pdf>.

activities have been focused almost exclusively on lobbying for a free trade agreement between Egypt and the United States, and venture into other areas such as encouraging Egyptian-Americans to invest in their country of origin.

RESOLVING THE CORE ISSUES: THE ARAB-ISRAELI CONFLICT AND IRAQ

Changing the prevailing balance of U.S.-Egyptian relations and creating new institutions and initiatives will require a deep revision and assessment of military and security relations in view of the strategic changes unfolding in the Middle East. This will require a new approach toward the most important issues affecting the Middle East region. The grand strategic goal of this new approach is to form an international and regional coalition for the transformation of the Middle East from a region of conflict to a region on the way to peace and development. Below is an attempt to recommend policies that might enhance this process of building such a grand coalition.

To resolve the Arab-Israeli conflict, it is vital to change the regional context by building a system of incentives that make it possible for all the parties concerned to advance their interests. The cornerstone of this system of incentives would be an American declaratory commitment for a resolution of the conflict on the basis of an Israeli withdrawal to more or less the 1967 borders. In exchange, Arab countries would take the initiative in parallel with the implementation of the Road Map, which has been accepted by both Israel and the Palestinians.¹⁶

In the meantime, since all the parties to the Israeli-Palestinian conflict have failed to move forward with the Road Map, Israeli Prime Minister Ariel Sharon announced and implemented plans to disengage unilaterally from the Gaza Strip and a small part of the West Bank. Egypt cooperated in this process by help-

ing the Palestinians to get their house in order and assisting both sides to prevent chaos and violence in the areas that were evacuated by the Israeli military and Israeli settlers, an initiative that has a number of achievements to its credit. All these are merely tactical advances and as such are temporary and reversible. Israel's refusal to link the Gaza Strip disengagement to the Road Map and its continuing settlement activity in the Palestinian territories have threatened to undermine Egypt's position and the domestic legitimacy of its engagement in the peace process. Similarly, the U.S. letter of assurances to Prime Minister Sharon of April 2004, touching on sensitive final status issues, was an embarrassment to Egypt and its efforts. Unless genuine help from the United States and the other members of the international Quartet (the United States, Russia, the United Nations and the European Union) is forthcoming, the Egyptian initiative on the Gaza Strip linking it to the Road Map will join a long list of failed attempts to resolve the conflict.

Just as U.S.-Egyptian cooperation was essential in all the previous stages of the peace process up through the 1990s, continued cooperation between Cairo and Washington is necessary now. Attempts to pollute the air between the two capitals at this stage, and in particular through using the assistance program, or playing up a non-issue such as the Gaza tunnels, will not be helpful, and will shift U.S.-Egyptian dialogue away from advancing the cause of peace and change in the region. On the contrary, now is the time to appreciate Egyptian efforts on the border with Israel and increase U.S. assistance to Egypt in order to build a coalition of moderation in the region. This coalition will not only advance the cause of peace in the Middle East, but will also be a cornerstone for the rebuilding of the region.

More specifically, the United States and its partners could help Egypt in her efforts to bring this strategic objective closer by doing the following:

¹⁶ Ibid.

- Make a commitment to the original Sharon plan for a clean disengagement from the Gaza Strip that makes it clear that the disengagement plan was part of the first phase of the Road Map. Subjecting the Egyptian initiative to the changing winds of Israeli domestic politics will put in doubt the chances of Egypt's success and even its continued engagement;
- Support this commitment with a bipartisan congressional resolution that will make U.S. policy in the Middle East less likely to be affected by domestic U.S. politics;
- Work out a formula for Palestinian legislative and Presidential elections and a referendum on a two-state solution to the Palestinian-Israeli conflict. Such a process will help to give the Palestinian Authority the legitimacy it badly needs and will isolate Palestinian extremists;
- Give material support and assistance in the rebuilding of Palestinian institutions, particularly security institutions;
- It is important for the Palestinians to feel that a change is taking place in their lives and that "Gaza first" will not be "Gaza last." Therefore, U.S. help is needed to ensure the opening of the Gaza airport and a corridor for travel and trade between the Gaza Strip and the West Bank;
- Ask Arab countries to restore their relations with Israel following the Israeli disengagement from the Gaza Strip (in line with the parameters set above for linking the disengagement to the Road Map) and to communicate to the Israelis the Arab commitment to the Arab League's March 2002 peace initiative;
- Make preparations and consultations for the next phase of the Road Map—particularly the international conference which is responsible for starting the final status negotiations;
- Create support for the Geneva accords, the private peace initiative of 2003, in Egypt and the United States through hearings, congressional missions, dialogues, and other tools;
- Work out a formula that will deal with contingencies such as terrorist acts against Palestinian civilians and suicide bombings against Israelis.

On Iraq, a convergence of interests can be obtained if the U.S. administration begins to understand the depth of its problems there, and Egypt and the rest of Arab states recognize that it is not in their interest to be passive bystanders. A solution needs to be found to provide a decent exit strategy for the United States and to assure a democratic and integral future for Iraq. The following steps should be agreed upon by the United States and Egypt and marketed among regional and international allies:¹⁷

- The United States should formally commit itself to withdrawing its troops from Iraq at the time it transfers most aspects of formal sovereignty to the Iraqis and once a new constitution and an elected parliament are installed in Baghdad. The withdrawal would be phased according to the development of alternative forces to fill the security gap and the decision of a legitimate, elected Iraqi government. While Iraq's own forces would have to take over security in the long run, the transitional Iraqi government should have the authority to recruit, under its authority and at its own discretion, interim forces from the United Nations, NATO, the Arab League, or individual countries;
- The United Nations, the United States and its Coalition partners, and the Arab League should negotiate with the Iraqi government on appropriate

¹⁷ Some of these steps were suggested in the Arab-American Dialogue conducted by the Middle East Institute in Washington and the al-Ahram Center for Political and Strategic Studies in Cairo during 2003 and 2004. A report is forthcoming

guidelines for the restoration of peace and security inside Iraq and decide on the terms of deployment, coordination, and principles of operation for Coalition and other troops until Iraqi forces are capable of doing the job and foreign forces are withdrawn. All foreign forces could be placed under a UN authority to guarantee objectivity and unity of command;

- An alternative proposal is to develop the Saudi initiative, which aims at the creation of Arab and Islamic peacekeeping force which could gradually replace U.S. troops. Such an arrangement would have to be carried out under the auspices of the United Nations. It would depend, however, on Iraq's initiative and full agreement. A detailed UN resolution on this matter would be required for the implementation of these commitments.

The problem of security in Iraq will be greatly reduced when Iraqis are certain that their country will have its independence restored on a clear path which is not subject to a U.S. veto. The United States and Egypt should work to make sure that such assurances reach all political forces in Iraq and are widely disseminated in the Arab media. By ensuring that fair elections for democratic institutions are held in Iraq, a new political momentum will attract other major segments of Iraqi society. Political equilibrium among different sectors of Iraqi society should be assured through constitutional and political arrangements.

FOSTERING HOME-GROWN POLITICAL AND ECONOMIC REFORM

The art of politics has been defined as the ability to make the right choice between what to keep and what to transform—to change when change will be for the better, and to preserve when change will be for the worse. That is the major question now facing U.S.-Egyptian relations regarding the need for reform in the countries of the Middle East. The answer to this question in Cairo has been different from the answer in Washington. Both have differed on the proper mix

of external and internal policies to enhance progressive change in Arab countries, including Egypt, and the linkages between reform and the resolution of the Arab-Israeli conflict. The G-8 declarations on the topic of reform in the Middle East have bridged these gaps to some extent. However, a new U.S.-Egyptian dialogue on the issue also needs to begin.

In Egypt, five major reforms are needed:

- A transition from partial to comprehensive political reform. Egyptian reform efforts have always focused on aspects of the political system. This focus has resulted in some useful outcomes, such as the abolition of state security tribunals and the establishment of the Higher Council for Human Rights. But this strategy of partial reform has hit the buffers. A new comprehensive reform strategy is in order;
- Changing the existing democracy-by-doses strategy, which always allows room for anti-reform forces to sabotage the process of transformation, into a fully fledged democratization strategy in terms of the pace and mechanisms of political and constitutional change;
- Achieving balance in the political system, by checking the hegemony of executive authority under the 1971 constitution and moving towards more local and administrative decentralization;
- Normalization of politics in Egypt. Since independence in the 1950s, Egyptian politics has always sought to deal with extraordinary circumstances: national liberation in the 1950s, war against Israel in the 1960s and 1970s, war against terrorism and violent groups in the 1980s and 1990s. It is high time that Egyptian politics were normalized, to deal with the threat of terrorism through legal codes known in all democratic countries;
- Finally, a change is needed in Egypt, from a mobilized security state into a developmental state that seeks to maximize political and economic gains all

around. In that manner, the geo-economic determinants of policy will become more important than the previously dominant geopolitical determinants of political and economic development.

Achieving these reforms is an Egyptian responsibility. However, the United States can help in different ways. Enhanced U.S. understanding of the complexity of the reform issue in Egypt and the Arab world will reduce the polemical nature of the topic in U.S.-Egyptian relations and pave the way for a much more constructive approach.

In general, more U.S. balance between U.S. geopolitical concerns and U.S. geo-economic interests is needed. Thus far the American geopolitical agenda in the region—oil, Israel's security, and stability in general—far exceeds its interest in economic and cultural cooperation. A balance in U.S.-Egyptian relations is needed now more than any time before. Given the various challenges for Middle East stability at present—the Palestinian territories, Afghanistan, Iraq, terror, fundamentalism—now is the wrong time to reduce economic aid to countries in the region, particularly Egypt.

In light of the staggering cost of wars in Afghanistan and Iraq, investment in the betterment and development of the region is necessary to minimize the need for the use of force.

The United States should work to create the conditions for change—not change itself and its mechanisms. One such condition is the expansion of the Egyptian middle class, which alone can supply the political demand for democratization. More U.S. investment and business activity in Egypt will contribute to such goal. Meanwhile, the link between Egyptian-Americans and their homeland is a cultural bridge that needs economic and social reinforcement. The United States should use more aid in a way that encourages investment in the region, and an agreement to establish a free-trade area between the United States and Egypt should be a priority in the bilateral relationship.

BUILDING A NEW FRAMEWORK FOR REGIONAL COOPERATION

The fight against terrorism and fundamentalism, the resolution of major crises in the Middle East, and the drive for economic and political reform, will all be in vain in the absence of a more comprehensive vision for regional integration. The Clinton administration put in place elements of such a vision, but it was too closely tied to the Arab-Israeli conflict. The result was that as soon as the peace process came to a halt, so did the regional integration project. By contrast, the European Union's Barcelona process has worked more effectively in creating Mediterranean regional arrangements that serve the political and economic interests of the member states. An ambitious vision is needed to address both the geopolitical and the geo-economic problems of the region. The United States and a Concert of Powers, particularly Egypt, should work to develop such a vision for regional integration.

The Arab League peace initiative of March 2002 can be a starting point for that vision. This initiative proposes a grand bargain, that is to guide the parties in the geopolitical maze of the Israeli-Palestinian conflict. It also proposes a shared future on the basis of normal relations between the Arabs and the Israelis. This common project for the future needs to be elaborated if the Arab League initiative is to play a part in reshaping the regional environment to promote peace.

To do so, the United States and its regional partners could undertake steps that would be very helpful, particularly if they match the progress of each phase in the implementation of the Bush administration's Road Map for solving the Israeli-Palestinian conflict. For example:

- A group of experts could be convened to study the record of the previous experience in Middle Eastern regional integration. This commission would hold highly visible meetings and hearings to show the seriousness of the sponsoring powers' intent to reach an agreement on regional issues, while also working to resolve conflicts in the region;

- A study could be undertaken to explore the feasibility of extending some of the electricity and gas agreements that have already been implemented between Egypt and Jordan to Israel and the Palestinian territories;
- The Dead Sea Middle East Economic conference could be expanded into a series of thematic conferences dealing with energy, information technology, trade, and other economic issues;
- Middle Eastern journalists and intellectuals could be encouraged to produce a charter for peace and reconciliation that would give moral guidance for the press, television, and other media.

As it undertakes these steps, the United States and its allies in the Concert of regional Powers should prepare to establish a new Middle Eastern order involving three types of regional regimes. The first would be a security regime that would serve as a forum for regional conflict resolution and that would pave the way for creating an area free from weapons of mass destruction. The powers would also put in place an economic regime that would integrate the current European Union, U.S., and Arab projects to create free trade areas in the region. Finally, there is also a need for cultural cooperation to encourage the spread of a culture of peace in the region. For example, an Arab-Israeli front could be formed to fight anti-Semitism throughout the world, including in the West.

CONCLUSION

There are some moments in history that are more important than others, moments that have to be seized. These important moments usually succeed defining times. The defining times in the Middle East were after World War II, and the end of the Cold War. Now, after September 11 and the wars in the Palestinian territories, Afghanistan, and Iraq, is also a defining moment. Now is the time to act to change the course of history in the Middle East, and the world. Failure to do so will be a submission to the law of nature. And, when nature takes its course, all parties lose.

The beginnings of this common loss are already there. Palestinians are deprived not only of their national goals but also of the basic needs of life. For some Palestinians death is now more rewarding than life. Israelis are not much better off. Walls now surround the national dream of a safe and accepted homeland. Israel is increasingly becoming the largest Jewish ghetto in history. Other regional powers are entangled in a conflict that has so far resisted solutions; their national agendas are delayed and extremists are ready to attack. Afghans, Iraqis, and others in the region are torn between choosing an association with the West and the United States in the name of progress that evokes old memories of the past colonial relationship, or fighting in the name of an authenticity that seems only able to generate chaos and instability.

If the Middle East is left to its current historical trajec-

tory, its future could be a dim one indeed. Now is the time to change the future. Now is the time for a long-term vision, not the short term management of events. It is the time for strategy, not tactics. It is the time to deal with history by creating a better future, not by eternally reliving the past. If that is the case, U.S.-Egyptian relations will be at the center of the new future.

As this paper has argued, the U.S.-Egyptian relationship has been the cornerstone of the successes of the Middle East for four decades. When Cairo and Washington are close, the region is more likely to move forward—and when they are divided, the opposite is the case. The current critical situations in Palestinian territories, Afghanistan, Iraq, Sudan, and other countries in the area are largely due to the absence of order in the region. Order, by definition, requires a sense of legitimacy and a dimension of cooperation between global powers and regional powers to work on the agenda of the future. In the case of the Middle East, this agenda includes measures for conflict resolution and a program for reform.

It is obvious that the continuing ambivalence in the U.S.-Egyptian alliance is not working in that direction. As the stress increases, the ambivalence will most likely be resolved in the direction of a strained relationship. Furthermore, a relationship that is based only on the ups and downs of the Arab-Israeli conflict will be good neither for the conflict nor for the region. Both

the relationship and the conflict, in addition to other major issues in the Middle East, must be located in a broader concept for building a new region.

This concept of regional integration has been instrumental in the transformation of Europe, East and Southeast Asia, and South and North America from war to peace and from backwardness to progress. The absence of this concept in the Middle East, Africa, and Central and South Asia has contributed to a lack of economic and social growth, conflicts, and terror. Creating such a concept is the essence of this paper. For Egypt and the United States to achieve their objectives and serve their interests, they will have to reach a strategic understanding about the region and their roles in it. In a way this strategic option is a maximalist option and opposes the current minimalist option. It is the option that can take the U.S.-Egyptian relationship to its greater potential, and can avert the coming dangers not only for Egypt and the United States but also for the region and the world.

APPENDIX

TABLE 1. U.S. ECONOMIC AND MILITARY ASSISTANCE TO EGYPT, 1948–1997 AND 1998–2004
(\$ million)

Year	Economic	Military	International Military Education and Training	Total
1948–1997	23,288.6	22,353.5	27.3	45,669.4
1998	815.0	1,300.0	1.0	2,116.0
1999	775.0	1,300.0	1.0	2,076.0
2000	727.3	1,300.0	1.0	2,028.3
2001	695.0	1,300.0	1.0	1,996.0
2002	655.0	1,300.0	1.0	1,956.0
2003	911.0	1,300.0	1.2	2,212.2
2004 ^a	575.0	1,300.0	1.2	1,876.2
Total	28,441.9	31,453.5	34.7	59,930.1

a Requested.

Source: Clyde R. Mark, *Egypt–United States Relations*, Congressional Research Service, 2003, p. 13. Available at <<http://fpc.state.gov/documents/organization/22170.pdf>>.

TABLE 2. ARAB ATTITUDES TOWARD THE UNITED STATES: JUNE 2004/APRIL 2002
(% of respondents)

Country	2004 Favorable / Unfavorable	2002 Favorable / Unfavorable
Morocco	11 / 88	38 / 61
Saudi Arabia	4 / 94	12 / 87
Jordan	15 / 78	34 / 61
Lebanon	20 / 69	26 / 70
UAE	14 / 73	11 / 87
Egypt	2 / 98	15 / 76

Source: Arab American Institute, *Impressions of America 2004: How Arabs View America, How Arabs Learn About America*, July 2004, p. 3. Available at <http://www.aaiusa.org/PDF/Impressions_of_America04.pdf>.

THE SABAN CENTER FOR MIDDLE EAST POLICY

The Saban Center for Middle East Policy was established on May 13, 2002 with an inaugural address by His Majesty King Abdullah II of Jordan. The creation of the Saban Center reflects the Brookings Institution's commitment to expand dramatically its research and analysis of Middle East policy issues at a time when the region has come to dominate the U.S. foreign policy agenda.

The Saban Center provides Washington policymakers with balanced, objective, in-depth and timely research and policy analysis from experienced and knowledgeable scholars who can bring fresh perspectives to bear on the critical problems of the Middle East. The center upholds the Brookings tradition of being open to a broad range of views. The Saban Center's central objective is to advance understanding of developments in the Middle East through policy-relevant scholarship and debate.

The center's foundation was made possible by a generous grant from Haim and Cheryl Saban of Los Angeles. Ambassador Martin S. Indyk, Senior Fellow in Foreign Policy Studies, is the director of the Saban Center. Kenneth M. Pollack is the center's director of research. Joining them is a core group of Middle East experts who conduct original research and develop innovative programs to promote a better understanding of the policy choices facing American decision makers in the Middle East. They include Tamara Cofman Wittes, who is a specialist on political reform in the Arab world; Shibley Telhami, who holds the Sadat Chair at the University of Maryland; Shaul Bakhash, an expert

on Iranian politics from George Mason University; Daniel Byman, a Middle East terrorism expert from Georgetown University, and Flynt Leverett, a former senior CIA analyst and senior director at the National Security Council, who is a specialist on Syria and Lebanon. The center is located in the Foreign Policy Studies Program at Brookings, led by Carlos Pascual, its director and a Brookings vice president.

The Saban Center is undertaking path breaking research in five areas: the implications of regime change in Iraq, including post-war nation-building and Persian Gulf security; the dynamics of Iranian domestic politics and the threat of nuclear proliferation; mechanisms and requirements for a two-state solution to the Israeli-Palestinian conflict; policy for the war against terrorism, including the continuing challenge of state-sponsorship of terrorism; and political and economic change in the Arab world, in particular in Syria and Lebanon, and the methods required to promote democratization.

The center also houses the ongoing Brookings Project on U.S. Policy Towards the Islamic World which is directed by Peter W. Singer, Senior Fellow in Foreign Policy Studies. The project focuses on analyzing the problems in the relationship between the United States and the Islamic world with the objective of developing effective policy responses. The Islamic World Project includes a task force of experts, an annual dialogue between American and Muslim intellectuals, a visiting fellows program for specialists from the Islamic world, and a monograph series.



THE BROOKINGS INSTITUTION
1775 MASSACHUSETTS AVE., NW
WASHINGTON, D.C. 20036-21803
www.brookings.edu