



**Beyond the Headlines  
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Atlantic Council**

***The US and Egypt: Between Islamists and Generals***

**Patricia Ellis:** Good afternoon everyone and welcome, we're so glad you all could join us today. We are very excited about today's program on Egypt and we have the speaker to hear from when one thinks about Egypt, Michele Dunne, who is director of the Rafik Hariri Center for the Middle East at the Atlantic Council. This is part of one of our favorite series, Beyond the Headlines, and recently we have done events about Afghanistan, Pakistan, Libya, and just last week we had a very interesting program on Burma. So we are going to keep these coming on relatively short notice because we want them to be timely, but there are some issues that are always going to be timely no matter when you do them. It's almost one year since Tahrir Square and almost one year since we had Michele with us, before, and we thought this would be a great time to look at the question of Egypt one year later, between Islamists and generals. We also want you to look out for notices about a number of other exciting things that we have coming up in our Author Series, our Embassy Series and very soon we are going to have our mentoring fair, where we give back to the next generation. We are still looking for mentors, so anyone who is interested—it's held at GW, February 6—so anyone who is interested in that, we sit at tables and counsel the next generation, and it's a great and very rewarding experience.

So this event also couldn't be more timely. Just this morning, there are hundreds of Egyptians starting protests in advance of the one year anniversary. The parliamentary elections have just concluded, and the Muslim Brotherhood declared a winner, and also just this week the Egyptian government asked for a \$3.5 billion loan from the IMF. There are many other things that have gone on, but just to give you a sense of how dynamic and fluid the situation is, so much is going on at this time. So just a bit more about Michele for those of you who don't know her, Michele is a frequent media commentator—you could see her on CNN, PBS, NPR and [in] *The Washington Post*, and prior to joining the Atlantic Council she was at the Carnegie Endowment for International Peace. She edited *The Arab Reform Bulletin*, did a lot of writing on Arab politics and US policy towards the region, and most recently she has written about Libya, and of course the transition in Egypt. She has also served in the US government on the National Security Council, on the State Department's Policy Planning staff and in its Bureau of Intelligence and Research, and was also a diplomat in Cairo and Jerusalem. So after Michele speaks we always have lots of time for Q&A. I'll open it up and then we will get into a really great discussion, because we have a lot of different expertise in this room. So thank you all so much again for coming and please join me in welcoming Michele Dunne. [Applause.]

**Michele Dunne:** Thank you very much Pat for inviting me back. It's great to be back a year later to talk about what's going on in Egypt. As Pat mentioned, I'm working on a new project since I was last with you a year ago, which is building this Rafik Hariri Center for the Middle East at the Atlantic Council, and I've brought with me today two of my new colleagues—maybe they can just wave their hands, where are you? Danya Greenfield is the deputy director of the center and Mara Revkin is assistant director, and Mara also heads what I think is one of our most exciting projects, our new blog *Egypt Source*. And we've left back on the table there for you some of our publications and so forth. I hope you'll check them out and please check out our blog.

So let's see, I hear a lot of times these days people talking about what's going on in the region and saying is this an Arab Spring, is it a Winter, is it an Awakening, a revolution, an uprising, a transition? And you know what I suspect is rather than looking at a season, we are looking at a decade or a generation of change, and we're still at the beginning of this in Egypt and in a lot of other countries in the Middle East and North Africa. But it is fair—here we are almost a year after the beginning of the Egyptian uprising—it's fair to ask, where is Egypt after this day of rage that was planned for January 25, 2011 and snowballed into a full-fledged uprising within a few days? So Egyptians carried out a revolution of sorts, kind of a demi-revolution in a way, because what they did was remove those who had held political power for a long time and left in place a military leadership, and entrusted the military leadership with a transition to democracy, which is what the military leadership promised to do at the time. So there's so much going on there it's really difficult to sum it up in just a few minutes, which is what Pat would like me to speak for. [*Laughter.*] I know, and so I'm going to try.

**Ms. Ellis:** More than a few. [*Laughter.*]

**Ms. Dunne:** I'm going to try and wrap this up in three main points. Alright, first point is many of the political developments going on in Egypt look to me, from my point of view, more or less healthy, and to be expected. With this uprising, the lid of Pandora's box was opened and a lot of different things have come out after 30 years of repression, and much of the competition and so forth we see going on right now is not at all surprising, and I'll say a little bit more about that. But there are also some developments in Egypt that I consider unhealthy, and even dangerous, and they are related to the actions of the military leadership which is still in place a year after the uprising began. They are related to two things—one is what I think has been a mismanagement of the country during this transition period, and I'm going to point to some specific things related to the economy, related to security, internal domestic security issues in Egypt, and related to civil society. So there are some problems related to the mismanagement of the country in the last year, and then there's another problem which is related to the attempt by the military to manipulate the transition and manipulate especially the new constitution in order to give the military powers that it did not enjoy even during the Mubarak era, and those are some things that I'm very troubled about. The third general point I'm going to make is the fact that the military is doing these things puts the United States in a very uncomfortable position, because the United States has a long relationship with the Egyptian military. The United States has been giving \$1.3 billion in assistance to the military, and then in addition to that, economic assistance for many, many years. And because of concerns about these issues that I mentioned, Congress has now put in legislation specific conditions on the military assistance that are related to the democratic transition, and this puts the US administration up against some difficult decisions. In the next few weeks and the next few months, they are going to face some difficult decisions about how to handle this relationship with Egypt. And all of this points out what I think is the larger problem—that the whole US–Egyptian relationship needs rethinking and reinventing, but right now neither side is ready to do that, neither the Egyptian nor the American side, and so we are kind of betwixt and between.

Alright, so let me go back and say a little bit about each of these three points. Now maybe it's surprising, but actually I think the healthiest and most encouraging developments in Egypt over the last year have been on the political side. The Egyptian military did agree to lift their restrictions on the formation of political parties, and we saw over 50 political parties emerge in Egypt over the last year. 27 of them ran in the recent legislative elections, and 15 of them won seats in the new parliament. They are organized, by the way, into coalitions, so they weren't each running independently. So there's certainly a lot more political life and people are able to compete politically, explicitly, including of course Islamists in a way that they have not been able to before in Egypt. The first elections that Egypt held, which were for the lower house of parliament, the People's Assembly, took place in several rounds between late November and early January, and they were not perfect, but they were very different from previous Egyptian elections and there was a real attempt, I think, on the part of the officials in power to run them in a free and fair and largely transparent way. And because of that the results of these elections are broadly accepted by the Egyptians as being legitimate and as reflecting the sentiments of the 60% or so of the electorate that turned out for these elections. So what we are ending up with is a

parliament that is going to have—the official results are actually going to be announced tomorrow, so I'm still speaking a little bit in rough terms—but about 46% of the parliament will be controlled by the Muslim Brotherhood's Freedom and Justice Party, another 23% by the al-Nour Party, which is the Salafi Islamist Party, about 9% by the Wafd Party, which is kind of a centrist liberal party, one of the old parties of Egypt. Another 8% or 9% by a bloc of several liberal parties called the Egyptian bloc, and then there are smaller shares of 5% or so going to lots of other parties, some of them are Islamists of different stripes, some of them are remnants of the old ruling party, the National Democratic Party, some of them are other liberal parties, etc. We can get into more detail about these parties and what we can expect of them in this parliament in the Q&A period. But in general the whole legislative elections experience, so far, has been a pretty good experience for Egyptians. They are now going to proceed to elections for the upper house in parliament, the Shura Council, which is somewhat less significant politically than the lower house, but it will be there. So that will mean all the legislative elections will be finished by the end of February.

But there are other political developments that I think are a lot less healthy and a lot more troubling, and many of them are linked to the decisions of the Supreme Council of the Armed Forces, the SCAF. First of all, there's still no broad consensus on the shape of the political transition going forward. For example, there were some very important questions, and very urgent questions. When will the presidential election be held? They are supposed to now, according to the temporary constitution, appoint a one hundred member—that is the parliament is supposed to appoint a one hundred member constituent assembly that is to write a new constitution and pass it, which will then go to a public referendum. How's all of this going to happen? It's really still very unclear how the constituent assembly's going to be chosen and how will it be legitimate and representative and widely accepted, and all of that kind of thing. How quickly, or slowly, should this new constitution proceed? Some people want to see the whole thing happen in a couple months and think that that's just fine. Other people say when countries are undergoing these transitions they normally take their time, they normally take a year, two years, write the constitution, let it be thoroughly vetted and discussed before people vote on it, and that kind of thing. So that's very much still up for grabs.

Now why is there this lack of consensus a year later? It's because the military leadership has kept all the decision making power in its own hands, and it has not brought civilians into the transition. It has not agreed to share power with civilians or establish any kind of a round table-type process, which is often what's done in these countries, what Tunisia did for example. And instead the military has been consulting with this one and that one, but then issuing decisions itself, and then often having to reconsider and change those decisions if there's an uproar about them. It's been a very non-transparent and unpredictable kind of process. The military council is now going to relinquish legislative power to the new parliament, however it's trying to hold on to executive power because—through the writing of a new constitution, the military has kept insisting that, no, no, the new constitution should be written before a president is elected. Why is that? I mean, the ostensible reason is that you need to define the powers of the president before he's elected and so forth—and unfortunately we will definitely be talking about a “he” in Egypt. [*Laughter.*] There's maybe only one woman candidate for the presidency in Egypt so far, and while she's a great person, I don't think she's seen as having a real chance. I think the real reason is that the military wants to ensure that the constitution says what it wants to have said about the military itself. And actually the military was pretty open about this—they issued a set of extra-constitutional principles. These involved things like no parliamentary oversight of the military budget, military ability to veto any legislation that's passed related to military, and giving the military the role as protector of the constitution, which is code for having the legitimate ability to intervene in politics. Okay, so there were a number of things like this that were really quite troubling, that the military wants to see put in the constitution. I think there was a big uproar against this, and the military has had to back off a little bit, but I don't think these things are really off the table. I think the military is still going to try to find ways to bring them back, and they think the best way to do that is to make sure that all of this writing and passing of the constitution takes place while they are still in control. So I think this is a very dangerous situation, because you could end up with a situation in which you have elected civilian institutions but they don't hold the real power in the country. The military is

separate and apart, and in some ways above, the whole system, and not directly accountable to the population because it's not supervised by elected officials. So that troubles me.

Also, I mentioned the mismanagement of the economy. This is a very, very serious issue and probably worries me more than anything else about the immediate future of Egypt over the next few months. There is a looming economic crisis—the transitional government headed by the military has spent more than half of Egypt's foreign reserves over the last year and they're drawing down very, very rapidly. They really only have a few months left of funds to spend, and a budget crisis could cause a collapse of the currency and hyperinflation, and we all know that this then leads into very unpredictable political consequences, once you get to the population panicking about the economic situation. This is possible in Egypt. Unfortunately the military decided to turn down help from the IMF and World Bank last summer, and I think that was a very serious mistake. They're now re-engaged with the IMF and World Bank, but now we are really at the eleventh hour, and things are teetering. So I hope that there will be an IMF arrangement and I hope this will tide Egypt over, but the military and the cabinet that they have appointed has been holding out for grant assistance. They wanted free money from the West, from the Gulf Arabs and so forth, and they haven't gotten that much of it, which is why now they have to look at international loans. They have also done a tremendous amount of domestic borrowing, which is very costly and very distorting to the domestic economy.

The other thing that has been, I think, a failing of the military-led transition has been internal security problems, ongoing and serious internal security problems that are related to the failure to reform the internal security forces and the regular uniformed police. Why haven't they reformed them? This is a little bit of a mystery, but I think it is related to—there is a problem with accountability and transitional justice. You've had over 1,000 Egyptians, maybe as many as 1,500 killed in demonstrations and so forth over the last year, and there's a real question about whether members of the police and other security forces in the military itself are going to be prosecuted for this and held accountable. And you see the ongoing sort of charade of the Mubarak trial—which I'll be happy to address in Q&A if you are interested in it—but I think because the military has no answer to this, does not want to be held accountable for the Egyptians who have been killed, and does not really want to hold police and others accountable, that has impeded the reform of the police. And therefore, because the police are not out and fully functional, this also causes other security problems. Because the military has had to keep its soldiers concentrated in the main populated areas of the country, in control of the country, that means they are not out there in the numbers they should be on the borders, in the Sinai, and so forth. And we are seeing a lot of weapons trafficking and I think a very scary situation in the Sinai, of terrorist groups operating more freely and things like that. There are a lot of security issues, and you would think that with the military in power the one thing you could count on would be security, right? *[Laughter.]* Well that hasn't been the case here. And one of the things related to security problems has been a very ugly sectarian situation, in which there have been a number of very ugly clashes in which quite a few people have been killed. Sectarian tensions, Muslim-Christian tensions, have gotten out of hand in the last year or so, and to a much greater extent than they did during the Mubarak era. There were some serious sectarian incidents during the Mubarak era, but there have been more this year, and they're partly also related to the rise of the Salafis in Egypt as a kind of social force—and frankly I think that the Salafis have been choosing to provoke tensions with the Christians, from their point of view, for political advantage, and it has created an ugly situation. The military has not done a good job at all of getting on top of that.

And the last thing I'll say about this is civil society. You might have heard about this—there has been a real campaign against civil society organizations in Egypt, which has been unprecedented. This never happened, even during the Mubarak era, where they have gone out and raided the offices and stopped the operation of a whole group of Egyptian civil society organizations, especially those working in democracy, rule of law, etc., as well as American organizations working in Egypt. Freedom House, the International Republican Institute, and the National Democratic Institute have all been shut down in Egypt, and there has been a real attack on this. And this has brought relations between Egypt and the United States to a bit of a crisis. I think this was really what motivated the Congressional conditionality. I

mean it was already being discussed, but this sealed it, that there was definitely going to be conditionality in the assistance, this raid on civil society organizations. Again, I can say more about why that happened, what's behind all of this, during our discussion, but this creates for the US administration an immediate problem. Do they certify that Egypt has complied with legislative conditions so that the military assistance can keep flowing? The conditions that Congress has placed are mainly three. One is that Egypt is observing the peace with Israel, which they are doing. The second one is that the military is allowing a real transition to civilian authorities—very much a question mark—and then the third one is that the military is allowing and protecting freedoms—freedoms of association, expression, etc. Impossible, I think, for the Administration to certify that right now. So I think the Administration is in a tough position—two out of the three conditions are not being met. The other thing they can do if they want to keep the money flowing is there is a national security waiver, but if they exercise that waiver, what does this say about where the United States stands on democratization for a country like Egypt? Which says it is democratizing, okay—this is not about the United States saying “you should be democratizing against your will.” The Egyptian authorities say they are democratizing the country, and then I just want to mention there is this larger problem of the need to re-imagine the entire relationship.

Now, I think you can tell from what I have said that I don't think that the United States should go ahead and certify compliance and go ahead and keep the military aid flowing to Egypt under the current circumstances. At the same time, I think it would be a shame—it would be tragic for the United States to give less assistance to a democratizing Egypt than we gave to an authoritarian Egypt, right? I don't want to see things go that way. I don't want to see the US–Egyptian relationship deteriorate, but the bargain that was reached in the 1970s between the US and Egypt, where basically they would get this very large aid package with very few strings attached as long as they observed the peace treaty with Israel, is worn out. Decades have passed since then, and I think while of course the United States wants Egyptian–Israeli peace to continue, and I think it will continue, this triangulation of the relationship has become a very unhealthy one, and Egyptians resent it deeply. They want the United States to deal with Egypt for its own sake and to make decisions about what kind of aid we give, etc, based on Egypt's needs, not based on Israel's needs. I think we can do both—I think we can continue to be in favor of Egyptian–Israeli and Arab–Israeli peace, but also start looking at the relationship with Egypt through its own lens. And we need a new, more future-oriented partnership, and probably a rebalancing of the aid, and probably more economic aid and less military aid. We also need to have a broader relationship, I think, with the Egyptian people. The whole picture is changing in the Arab world, citizens and their elected representatives are going to count for a lot more. And the one person at the top of the pyramid is still going to be important, but is not going to count for as much as before. So we need to rethink how we conduct these relationships. I'll stop there.

**Ms. Ellis:** Okay, well thank you so much. [*Applause.*] So I'm just going to open up with a couple of questions—one on the political front, one on the economic front. Since these protests are starting and leading up to the anniversary on the 25<sup>th</sup>, how significant do you expect them to be, and how much support do the protesters have? The reason I ask that is because the military lately not only has been cracking down physically, but they have also been cracking down verbally on so many activists groups, saying that [the military] is the only way to ensure the survival of the country at this point. And then how critical is support from the outside, from the EU and from the US, in terms of keeping things going for the protesters? Because internally—that is why I'm asking how much support they have internally. The other question I have is on the economic front. You talked about the dire situation, one thing you didn't mention, one of their great sources of income was tourism that has dipped 30%...

**Ms. Dunne:** At least.

**Ms. Ellis:** At least. Well that is the figure that has been put out, but it's probably even more. Then if aid is being held up, whether it's from the US or other countries, let's talk a little bit more about the political implications. Because what people want, one of the big changes the huge, young population of the country was expecting was jobs, and so if there's nothing doing, and in this context the head of the

military council went to Libya this week for a variety of reasons, but I'm wondering how much of an economic rationale there was, not only oil but also so many Egyptians used to work in Libya and send back money to Egypt, so if you could just talk about those two things. Thanks so much.

**Ms. Dunne:** Alright, on the protests, so yes, because of this lack of consensus on the transition that I mentioned the whole January 25<sup>th</sup> commemoration issue is very much a contested one in Egypt. I mean the military said, "Okay, go ahead, now January 25<sup>th</sup> is going to be a national holiday just like July 23<sup>rd</sup>," the anniversary of the 1952 revolution. And they tried to just make it into an official thing, and some of the revolutionary groups and youth groups very much objected to that and are saying, "Absolutely not, and we're going to use January 25<sup>th</sup> to push the military to get out power, and to say that we have not realized the goals of the revolution, and we have to be pushing for that." How much support do these protesters enjoy? Well, I mean one thing that has—the role of the Islamists is very critical here. And the Islamists, the Muslim Brother[hood] and the Salafists, have decided over the last few months to remain focused on the elections and not to fritter away their energies in the protests. That's one of the reasons—not the only reason, but it's one of the reasons why they did so well and liberals and revolutionary groups did so poorly. I was honored to be invited by IRI [International Republican Institute] to be an election observer, and I could give you some specific stories of specific races that were lost because the supporters of a liberal candidate were in Tahrir demonstrating when the supporters of the Brotherhood candidate were in the streets handing out leaflets in front of the polling places. So this was a factor in the elections, so I think that if the Islamists at some point choose to throw their weight behind these protests then they will become huge again, and that can happen at any time. The Islamists have been supporting the military at certain times and then other times objecting. What became so big a year ago was all these different political forces pulling together, and all Egyptian society getting this feeling of this overwhelming consensus in favor of change. We see stories in the media about Egyptians becoming impatient with protests and wanting life to get back to normal and so forth, and I think that's true and that's certainly very understandable.

Now you said something Pat which was interesting about the military turning against the protesters, and I think this is part of what's behind the crackdown on civil society. Yes, the military at this point wants people to go home, it does not want to be subject to these protests that are going on in Tahrir and elsewhere, and forced to make concessions and so forth. They feel—I don't know whether it's true or not—that a lot of the civil society organizations are linked in to the protesters and perhaps are instigating the protests, and they want to quiet the whole thing down. I also think that in the longer run they just don't really want these organizations that are going to be watchdogs, that are going to be pushing for transparency and accountability and all of that kind of thing that the military would really find very annoying. All governments find it annoying. So how critical is outside support? These organizations face extreme constraints, and in fact just within the last couple of days there's a new draft law on nongovernmental organizations that has come out. For a long time the Egyptian government has tried—and the new law shows it will keep trying—to keep civil society organizations under many, many constraints. It's difficult to form an organization, and if you succeed in forming it, it's very, very difficult to raise funds domestically, and then you have a lot of constraints on to what extent you can accept funds from organizations abroad or even work with organizations abroad, and so forth. A lot of these organizations have relied on external support, and it's been partly because they really have not been able to do domestic fundraising for political and security reasons, they've been prevented from doing so. The issue on the economy, yes tourism is way down; the 30% figure is disputed...

**Ms. Ellis:** Low.

**Ms. Dunne:** It's probably double that or more—it's way down. The young people want jobs, youth unemployment and the unemployment of educated youth is a major issue in Egypt, as in all of these countries, and as we all know generating jobs is really hard. That's not an easy thing to do. I didn't really fault the military with that, because it's really hard to do, but you need to have a whole economic—you need to know where you are going economically and to be able to attract investment, both domestic investment and foreign investment in order to generate those jobs, and that is not

happening now. That is a big problem for the military. By the way, it's also a big problem for these Islamists who have been elected to parliament—they are going to be looked to now for these answers and they are trying to come forward with their ideas economically. As you could imagine, the Muslim Brotherhood ideas are a lot more practical than the Salafi ideas. I mean a Salafi, one of the Salafi politicians was interviewed about tourism a week or two ago and said, "Well you know, I think that European tourists come to Egypt because of our history and our culture, not because they want to get naked on beaches and drink alcohol," and I thought you know, I think you are wrong about that. [Laughter.] I wouldn't bet on that, so this has been something that the Islamists are talking about, how to handle issues like that.

But they're going to be in the hot seat now. Winning the first elections after a revolution is a blessing and a curse, and we'll see how they'll do. It's going to be really difficult for them too, and this is probably one reason why the Muslim Brotherhood is not going for the presidency. They don't want full responsibility, there's got to be somebody else to blame when things inevitably don't go well, and the economy of course is going to be one of the hardest things to really get going. Again, you mention the Defense Minister Tantawi's trip to Libya, and I'm sure this probably had several important—at least two important issues. One of them is the economic issue, and Egypt does stand to benefit from the reconstruction of Libya. Egyptian companies, Egyptian employees, managerial expertise, and skills, all of this could be very helpful to Libya and could be very helpful to Egypt in the form of remittances and so forth. So I'm sure he was on that. The other issue is the weapons issue. Security along the borders—I'm just speculating, but they might have been looking for how they can cooperate on that front because there is a problem with weapons. As you know, a lot of weapons were stolen or went missing in Libya and there's certainly a lot of talk about them flowing across the border into Egypt, perhaps from there into Gaza and so forth.

**Ms. Ellis:** Okay well, let's open it up and if you don't mind, can we take a few questions together so we can make sure to get to everybody and as many questions as possible? And if people could just identify themselves and keep the questions brief.

**Question:** May Rihani, FHI 360. Thanks Michele for an excellent presentation, and my question is about women in Egypt. My question is based on what I have been reading and my Egyptian friends. I haven't been to Egypt since the revolution, but I know Egypt quite well. Things such as, there was a law that says the age of marriage should be at the age of 18, and what I'm hearing is that there is a movement to abolish that law. There was a law that says—there are many laws that are in support of women, in support of girls and women, and that allow women to participate in the society like men. What is happening? Tell us more about women.

**Question:** Emily Vargas-Baron, The RISE Institute. Thanks for an excellent presentation—I'd also like to ask another question about the social sector, but to a slightly different level. In areas like education, health, and children's policies, to what extent do you believe that policy development can begin at this post-election period—I mean of the president and the constitution settlements—and that agreements arrived at, at this time would be honored past the current time? And then secondly, what are the relationships—you talked about relationships—what are the relationships now with leading members of the UN family, such as UNDP, UNICEF, WHO?

**Question:** Susan Vogelsang, Conflict and Stabilization Operations at the State Department. My question goes in a little bit different direction, and thank you for your remarks. On the security assistance and security cooperation side—you would rebalance it toward the economic side and I wonder, given Egypt's very strategic relationship with our military, how would you deal with that \$1.3 billion and their reliance on that? And the sort of strategic openings, as it were, that that has given us in the past—how would you actually attack that rebalancing?

**Ms. Dunne:** Alright. Okay, May, to your question on women's issues. I do think with about 70% of the parliament controlled by Islamists, this is going to be an issue. Now I'm not aware of—the parliament

hasn't even convened yet for its first session, so we are not talking about draft laws or specific initiatives or anything yet, but that is something to be concerned about. Certainly there is a difference of views between the Muslim Brotherhood's Freedom and Justice Party, and the Salafis. Of course they are not all the same, and the Salafis would be much more extreme in their views of women's rights and so forth, and one of the big questions has been whether the Freedom and Justice Party will cooperate more with the Salafis or more with the others in parliament, the non-Islamists. My own feeling about it is that they're probably going to have different tactical allies on different issues. That's their typical, that's the Brotherhood's typical way of behaving—not to make a permanent alliance, but to have different alliances at different times on different issues. Up until now, the Brotherhood in Egypt has stepped very carefully over the last couple of months. I think they were very careful to secure the best legislative election results they could, and they've been very careful to try not to antagonize either the military or the United States, Europe, and outsiders too much, and they know that women's rights are a red line for the outsiders, for the United States and Europe. This is going to be one of the major issues on which they're going to be judged, and they don't want to end up facing the same kind of treatment that Hamas got.

They also know, by the way, that relations with Israel are one of the red lines, as well as treatment of minorities, including Christians. They know that these are some of the concerns that are the highest on list, and so far they've tried to show, "Don't be afraid of us, we are responsible, we're not going to make any extreme changes." Over and over again, "We are not going to violate the rights of women" and so forth, so we will see. But I also think that good behavior—I mean there is a certain—I do believe that when Islamists are brought into formal politics there is a moderating effect on their positions, generally, over a long period. But I do think this is one of the reasons why the civil society groups are so important and really should be—and that we as outsiders should do whatever we can to stop the Egyptian military from crushing these civil society groups, because that is where the liberalism really resides in Egyptian societies, in these groups. The liberal political parties are there, but they are still extremely weak. They are brand new, they have no idea how to organize themselves or mobilize support, and they are really bad at it. But the civil society groups are pretty vigorous, and in terms of women's rights and a lot of the other issues I mentioned they are going to be critical.

Okay, Emily's question on policy development in education, health and so forth—can it begin now? No. Unfortunately it's just because you don't have an empowered cabinet in place. Ministers are able to do only relatively small things, everybody knows in this transitional period that they just are not. So I think real policy development on these issues is going to have to await a period in which you've got an elected president and a real cabinet, and what's really a question is whether the cabinets in the future are going to be technocratic or political, representing the forces in the parliament. I think the Brotherhood is going to want people in the cabinet, and these are exactly the issues—these internal issues are going to be exactly the ones that the Brotherhood is most interested in being there. Okay, will agreements be honored? That's a very important question. For example, the IMF and World Bank have just been in Cairo talking about some very serious agreements. I've talked to their people, and I know they feel that at this point they must have the buy-in of the parliament for any big agreements that are reached. You look at the SCAF, you look at the cabinet, are these people going to be there 12–18 months from now? Maybe not, so you have to—they feel they have to get broader buy-ins so it makes it more complicated to reach any kinds of agreements and so forth. The UN and UNDP has a very large presence in Egypt, so yes, Egypt has been very actively engaged with international institutions including UN institutions.

Okay Susan's question: what to do? Well this is a really big question about the security relationship and the military assistance, and there are different ways of looking at the military assistance to Egypt. The Egyptian government sends a military delegation to town a couple of times a year, and they will sit you down and give you their paper that explains how responsibly every Dollar is spent and how basically every Dollar ends up being spent here in the United States on weapons and contracts and so forth, so it benefits the American economy and all of this increases the interoperability of our forces and that kind of thing. And then you can talk to, as I did, to a former senior official of the US government who says all



of it really was just a bribe. I'm not saying corruption, not that kind of a bribe—I'm saying it was a payment from the United States government to the Egyptian government to buy their compliance with the peace treaty with Israel, and to keep them from trying to project military power elsewhere in the region. That was much more an issue in the seventies, by the way, than it would be today. So I really think from the Egyptian side this bargain has worn out too, and when you talk to people from Egypt they have their resentments too. On the one hand the military will tell you, "You've been paying us the same Dollar number for 30 years and it's worth so much less to us than it used to be." They're unhappy with it in some ways, although they keep asking for it, and in Egyptian society more broadly it is seen as having been a bribe to get Egypt to comply with US foreign policy positions and take away Egypt's freedom of movement, and so I think that there's kind of bad feelings on all sides at this point about it.

Now in terms of economic assistance, I don't believe in just throwing a lot of money at Egypt for economic assistance, and there are many lessons learned over decades of US economic assistance to Egypt and a lot of other developing countries. But I do think that if it were part of a more serious economic growth and development plan on the part of Egypt, where Egypt wanted its economy to go—and for example Egypt having greatly enhanced trade relations with the United States—I think the United States should be, not immediately, but when it can, moving toward negotiating a free trade agreement with Egypt. I think Europe should offer Egypt much, much freer trade, and I think there could be a lot of very good development assistance that could go toward supporting that as the Egyptian economy tries to move in a new direction—education, building of infrastructure, there's a lot that could go into that, but as I said, I think it needs a whole new 'think'. Unfortunately we are just not yet at a place—I mean the Egyptian political picture has not stabilized enough so that that can really happen.

**Question:** Ronna Freiberg of LSI Associates, thank you very much, it has been really interesting. My question is about how much we know about the internal politics of the SCAF. Are they as unified as they appear to the outside, are there factions beginning to develop there that could be exploited in some way? Is there anybody who's more pro-reform than anybody else? Somebody that we, the US and Europeans, might be able to talk to?

**Question:** Ann Mangold of the Women's Foreign Policy Group. Egypt and many of the other countries in the Arab Spring are characterized by the fact that they were leaderless revolutions, and I wondered what impact that had on the military taking over once Mubarak was gone—you know, all these disparate factions formed that have united around this one idea and there is no really civilian person or natural leader to step into that role. Is that affecting the process of assistance?

**Question:** Gordon West with RTI International. Beyond the US–Egyptian bilateral relationship, what would you consider the next most important bilateral relationship with Egypt, and what are the implications? Are those supporting or complicating relationships?

**Ms. Dunne:** Okay, Ronna's questions. I don't know much at all about the internal politics of the SCAF. It's very opaque—the Egyptian military has generally been pretty opaque to outsiders. I think if you were to sit down with senior American military officials who spent a lot of time working with them, they could talk to you a little bit about the slightly different personalities and slightly different tendencies of individuals on the SCAF. The defense minister who heads it versus the chief of staff, Sami Anan, versus—I mean there's one general who's really sort of tasked with being the main point of contact with the United States, General el-Assar, and so forth. So there are individuals and you can know a little bit about them, but that doesn't always predict where they will be on particular issues, and that's often not something that they disclose to outsiders. I think it's pretty hard to do that and I don't know if the United States is trying to play that game.

**Ms. Ellis:** Michele, just to follow up on that, don't they also feel under attack? So that there would be less of an opportunity to sort of, say, get to know them because they feel very protective of the situation?

**Ms. Dunne:** Yeah, I'm sure that's true, and there's also been this controversy with one of the ministers in the cabinet. The minister of planning, Faiza Abul Naga, has been at the forefront of speaking against US assistance and foreign assistance to civil society organizations and spearheading this campaign to investigate the organizations and close them down and all that kind of thing. And there's been a lot of speculation about whether everyone in the SCAF agrees with that or not, or don't they see that she's caused a major problem with them and the relationship with the United States? Some of this is really hard to know, I mean people speculate, but...

Okay, Ann asked about the impact of the leaderless revolution. This has definitely been a characteristic of these Arab revolutions, and you almost have the sense that these societies overdosed on leadership—that they had these leaders who were so heavily bearing down on the society for many years, and people just kind of don't want it any more. And so, it's kind of a sensitive issue now in Egypt for anyone to stand up and proclaim themselves a leader of some kind or another. I'm just recalling a political discussion that I was at amongst some Egyptians a few months ago, and one of them stood up and was talking about the demands of demonstrators in Tahrir, and said, "We demand this and we demand that." And one of the other guys said, "And exactly who are you speaking for?" And he said, "Oh, uh nobody," because it's not good to be, you know... So it's an issue, and I think you're right—what was implied in your question is, is this leading to some of the confusion? The good side of it is that many, many voices can now be heard because you don't have those few voices that are drowning everyone else out, but it leads to a perhaps necessarily chaotic political situation, a cacophony of voices.

And Gordon asked about what was the next most important bilateral relationship for Egypt. Well, Saudi Arabia and Israel are both important in different ways. I mean Saudi Arabia as an Arab supporter and an investor and an ally in a lot of things, and Israel of course is a very important relationship—and a difficult relationship in a way, but [important] in a security point of view. And then Turkey is, I think, the number one single country investor in Egypt—that's an important relationship. And to make this more complicated, the number one trading partner altogether is the EU bloc, and then the US is also an important trading partner, so that gives you an idea of some of the most important relationships for Egypt. Other countries are important too—Sudan and the other countries to the south of Egypt are very important from a water point of view. So those are some of the more important relationships.

**Ms. Ellis:** Okay, we have time for one or two more questions.

**Question:** Joris Totté from the Embassy of Belgium. Two quick questions—one about the SCAF, and one about the constitution. In your opinion, what motivates the SCAF and where do they want to go with this? Is it just a sort of illegitimate "we want to keep our hands on the money and decide where it goes," is it a legitimate interest in protecting the nation's security and the state, and where do they want to go with this? Is there an interest in governing or is there no interest at all in governing? Are we going to work—I'll just throw it out there—a more Pakistani model? Where is this all going? That's on one side, and very quickly on the constitution. In your opinion, it can be long, it can be short, but I've heard both voices. This should be a democratic process, that if it's drawn out that it's better, but I've heard other voices that it's one chapter about the power of the presidency and the power of the parliament and the government, and all the rest is just a constitution like there are so many with all the liberties already embedded in it, so I just wanted to get your take on that.

**Question:** Mary Ann Stein with the Moriah Fund and the Fund for Global Human Rights. I'm just curious to know your thoughts on the tourism issue since that is so critical to the economy of Egypt, how do you see it playing in all of the various—well not all, but most of the issues that you raised in terms of the challenges, and how do you see it then impacting how some of these things are going to resolve?

**Question:** Michelle Paison from IREX, following up on the constitution and SCAF question—as the SCAF continues to institutionalize its power with the parliament selecting the hundred writers of the constitution, how do you think that will change the dynamic between the SCAF and the leading Islamists?

**Ms. Dunne:** Right, so the two on the SCAF and the constitution and so forth. Where does the SCAF want to go with this? I think its straight forward that they believe from their point of view that it's not right for civilians to supervise military people because they don't know what they're doing and so forth. One member of the SCAF was in town a few months ago, and said something in a meeting that was quoted, he said "people are trying to push on us civilian supervision of the military budget—no country in the world does that." And people were sort of like, "what?" So they have kind of been living in their own reality for a long time, and I think it's a very unfamiliar and unwelcome idea. You're going to have elections and who knows whom you're going to elect and then they're going to be put in charge of important things. It's just, it's an unfamiliar idea. There's also the economic side to it. As you're probably aware, the military has extensive involvement in the Egyptian economy and extensive economic interests that have benefited from access to state land, tax free status, etc. Well they don't want to give all that up and that's been supporting the military budget and so forth, and so it's a whole—it's been all set up that way and they don't want to give that away. I just don't know if they are at a place where they accept—I mean maybe some people do—that all of this is going to change. It's not going to change overnight, but it is going to change over years and they need to start getting their minds around that, but that's what they're fighting with the constitution, I think, are those things. And also as I said, just the general unpredictability and feeling that they would like to have a brake that they could apply to this process if, from their point of view, it started getting out of control. That is, the electoral and legislative process.

Okay, Michelle your question. This is really an interesting thing because I do think back in the—the SCAF put out this group of supra-constitutional principles that they wanted to see in the constitution in November. A lot of people objected to it, most of the Islamists—at least, the Brotherhood objected to it, the Salafis were maybe not so much—but the Brotherhood did object to it. And I think without it having been formally decided a two-prong strategy resulted, which was that the non-Islamists, the secular objectors, started going into Tahrir and elsewhere and really putting on the pressure through demonstrations, and the Brotherhood concentrated on winning the election, and in the end that is a very effective way for them to act—because now, as I said, you've got this parliament elected and it enjoys a lot of public support and legitimacy, and now that is a very effective way for them to say to the SCAF, "Oh no you don't." And they can do that also through the selection of the constituent assembly and so forth. So yes, this is going to be the new pressure tool and I think we'll see both of these things coexisting, demonstrations and political pressure, through the parliament.

And then tourism, how is the tourism issue going to play out? Mary Ann, I don't think they are going to ban alcohol or do anything like that. I think the Salafis will probably use that as an issue, and they'll use it against the Brotherhood because that's their market share. They have already grabbed some of the Brotherhood's market share and they want more of it, so they're going to say to the Brotherhood, "You're not really Islamists, look what you're permitting," and so forth. I think the Brotherhood will resist that because they want to bring tourism back. Now for tourism to come back though, some of these other issues that I mentioned, especially the internal security, absolutely have to be addressed. Tourists would flow back into Egypt if it didn't become a democracy—that's not the issue. But they're not going to go back if there's crime, or kidnappings, or bombings, and weapons floating around, and that's scary particularly in the Sinai, which is one of the main touristic areas, so that's going to be a difficult one. Egypt has tremendous assets in tourism, assets that no other country in the world has with their Pharonic heritage, and so the long term outlook for tourism in Egypt is excellent—it always is. But it's the shorter term, how do you get back there and get people? You need a good six months or so of quiet where people start to feel, "oh, oh okay, it's normal, it's safe to go back."

**Ms. Ellis:** Okay, well we've come to the end of yet another fantastic program. [Applause.] Michele, thank you so much. You see why we turn to Michele when we want to discuss Egypt, thank you very much.

**Ms. Dunne:** Well thank you, Pat.

**Ms. Ellis:** We all learned a lot and thank you for your great questions. We look forwards to seeing you all again soon.