

BURNING AMBITION: EGYPT'S RETURN TO REGIONAL LEADERSHIP AND HOW EUROPE SHOULD RESPOND

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SUMMARY

- After a decade of domestic turmoil, Egypt is looking to regain its former role as a major regional player.
- Growing stability at home, improving economic prospects, and recent détente across the Middle East have boosted Cairo's feelings of self-assurance.
- In particular, Egypt is distancing itself from the anti-Islamist alliance it had joined with the UAE and Saudi Arabia and is engaged in dialogue with former adversaries Qatar and Turkey.
- Major threats along Egypt's borders, including water security concerns to its south and the war in Libya, have prompted Cairo to re-engage with its European partners – which it expects to help on these issues.
- American and European fears that Egypt is “too big to fail” further boost Cairo's confidence.
- The Egyptian regime has become somewhat more open to discussing matters such as human rights than Western capitals sometimes assume.
- Europeans should seize this opportunity as part of a wide-ranging engagement addressing European regional interests as well as ongoing concern about the domestic situation in Egypt.

Introduction

“Egypt is back” is the message Egyptian foreign policy officials wish to send to their counterparts across the globe. Shifting regional dynamics have prompted Egypt to adopt a more active foreign policy. Its government is beginning to feel more confident at home, take on new roles and responsibilities, and invest in new forms of regional alignment.

In the past, Egypt was a key foreign policy player in the Middle East. Thanks to its size, location, stability, and distinct self-confidence in its own importance, the country was able to influence numerous regional developments; and it successfully established a close and long-standing, if at times fraught, relationship with the United States. The same cannot be said of Egypt over the last decade. On major issues ranging from the wars in Yemen and Syria to Iranian nuclear proliferation, Egypt has been relatively absent from regional diplomacy. This was a time of domestic political turmoil following the Arab uprisings, which diverted Cairo’s attention away from foreign policy and towards power struggles at home and its ailing economy.

Throughout that decade, Egypt largely moved in the slipstream of smaller, richer petrostates such as the United Arab Emirates – which was engaged in an intense rivalry with Qatar. But several regional and international developments in the last 12 months have brought about a shift in Egyptian thinking and activity. These include the change of leadership in the US; the denouement of the ‘Gulf crisis’ blockade of Qatar; the creation of a political road map to end the conflict in Libya; and an attempt to restart peace talks in Yemen.

Meanwhile, Turkey has begun to seek dialogue rather than confrontation with Egypt and its Arab neighbours as part of this wider regional détente. In addition, while there remain many warning lights flashing over the Egyptian economy, Cairo has growing confidence in its ability to forge a new set of diplomatic relations on its own terms, by making the most of what it believes to be Egypt’s position as a future regional energy hub for its European and Arab neighbours. This has been accompanied by the regime’s increasing sense of domestic security, which is now encouraging it to turn its attention to foreign policy once again – with the aim of regaining its historical position as a formidable regional player.

Is Egypt “too big to fail”, as one US official puts it?[1] Its leading policymakers often seem to believe so, causing them to make assumptions about the steadfastness of future US support – but also about Europeans’ need and desire to work with the country. They may have a point: Egypt’s Western partners often overlook its domestic troubles, such as the harmful impact of the regime’s economic policies on the country’s citizens, and of its security policies on the broader human rights agenda –

which is coming under pressure as it continues to crack down on ordinary Egyptians' personal rights and freedoms. For the European Union, Egypt is a long-standing partner in its southern neighbourhood. And, for Europeans, stabilising this region remains of primary importance. From their point of view, working with Egypt to address conflicts such as those in Libya and Gaza is eminently sensible, and provides an important boost to nascent moves towards regional de-escalation. But the EU and its member states should engage with a re-emerging Egypt without abandoning their core values, including their support for democratic norms and human rights. Indeed, the present author's conversations with Egyptian officials suggest that there is now more latitude to discuss such issues than outsiders sometimes assume.

The Egyptian regime's newfound confidence, on both the international and domestic fronts, offers European officials a unique opportunity to engage more constructively with their Egyptian counterparts. European policymakers should now consider how best to work with, and positively influence, Egypt in pursuit of their own interests and values – which include a more stable and prosperous Egypt and Middle East. If Europeans get this right, they will benefit themselves and Egyptians alike.

Egypt's quieter decade

Home and away

Egyptian foreign ministry officials interviewed for this paper describe the last decade of Egypt's regional positioning as “defensive” in nature as the country contended with domestic issues.

Of course, Egypt never entirely retreated from the regional scene. Vital interests such as water security in its relationship with Ethiopia and Sudan to its south, or the unignorable war in Libya to its west, meant it could not seal itself off from the world. But Egypt's domestic political troubles since the 2011 revolution, President Abdel Fattah el-Sisi's seizure of power in 2013, and ongoing turmoil in the Egyptian economy all stymied Cairo's ability to develop effective, Egyptian-led policy to respond to mounting regional challenges. This defensive policy was compounded by a particularly insecure period for the country between 2016 and 2018, amid a string of Islamic State group attacks on Egyptian soil and increasing lawlessness in the Sinai Peninsula.

During this time, domestic politics – most notably Sisi's anti-Islamist political agenda and years-long effort to remove the Muslim Brotherhood from political, social, and economic life in Egypt – shaped the contours of the country's foreign policy. The biggest manifestation of this was Egypt's decision to join an alliance that was led by Saudi Arabia and the UAE, and that sought to contain Iran and

'Islamist-friendly' countries such as Qatar and Turkey.

The new alliance brought with it considerable Emirati and Saudi financial support for Egypt, at a time when the Egyptian economy was on the ropes. But the partnership was also underpinned by a shared ideology defined by the aim of empowering authoritarians and ousting political Islam across the region. While this vision was shared by Saudi Arabia, it was most fervently pursued by Sisi and the UAE's crown prince and de facto leader, Sheikh Mohamed bin Zayed Al Nahyan.

Their collective efforts included targeting Qatar – which has long played an important role in hosting and nurturing regional Islamist groups – and culminated in the imposition of an economic blockade on the country in June 2017. This anti-Islamist policy also involved concerted attempts to back Libyan strongman Khalifa Haftar, who portrayed himself as a bulwark against Islamism. And, together with the UAE and Saudi Arabia, Egypt took a strong line against Palestinian Islamist group Hamas – an offshoot of the Muslim Brotherhood. Egypt and its Gulf allies have regularly accused the group of fomenting domestic insecurity. Egypt classified the Muslim Brotherhood as a terrorist organisation in 2013, while a 2015 ruling by an Egyptian court added Hamas to the country's list of domestic terrorist entities.

The stand-off with Qatar was finally resolved in January 2021 with the signing of the Al Ula Agreement, which lifted the blockade. The accord, signed in the Saudi desert in January 2021 by Saudi Arabia and other Gulf Cooperation Council members – including Qatar and the UAE – came about partly because of the economic toll the blockade was taking on the parties. It also reflected a broader decline in regional tensions, as seen in Turkey's recent efforts to dial down its competition with the UAE and improve its relationship with Saudi Arabia and Egypt, and in Saudi Arabia's and Iran's resumption of their bilateral dialogue.

The new accord was, however, not initially met with great enthusiasm in Cairo. In private, there was deep disappointment with the way in which the de-escalation effort came about – namely, at the instigation of Saudi Arabia and its de facto leader Crown Prince Mohamed bin Salman, who allegedly paid little regard to Egyptian concerns.[2] This feeling was shared by the UAE, although it eventually acquiesced to the Saudi initiative. In the end, Egypt also chose to officially accept the agreement. It was initially determined not to participate in the signing ceremony, leading to a stand-off between the Egyptians and Saudis over the level of leadership to send to the event.[3] While the Saudis implored Egypt to send Sisi himself, the Egyptians sent the foreign minister, Sameh Shoukry, as their representative – reflecting their lukewarm approach (although not outright opposition) to re-engaging with the Qataris.

Indeed, members of the Egyptian regime now argue that they had no intention to cut ties with Qatar

forever.[4] Actors within Egypt's intelligence sector claim that, even before the genesis of the Al Ula Agreement, they supported ending the blockade. They maintain that Egypt stood to benefit from the re-establishment of diplomatic and economic ties with Qatar.[5] Despite this, Egypt remains ideologically opposed to Qatar, due to the latter's continued support for Islamist groups. And parts of Egypt's security apparatus – a dominant force within the regime – have not yet forgiven the Qataris for their support for the Muslim Brotherhood and its rise to power in Egypt following the 2011 revolution.

Yet, as part of a growing decoupling from the UAE in the wake of the agreement, Egypt is now pursuing a rapprochement with Qatar. Cairo and Doha have restored their diplomatic ties, including by exchanging ambassadors. They have found common ground working together on bilateral trade and investment opportunities, and on areas of foreign policy alignment in Libya and the Horn of Africa.[6][7] Some sources suggest that, most recently, they have even made progress on the issue of Islamist groups, with the aim of finding a more balanced approach that can help them develop their bilateral relationship.[8] This effort involves Egypt's removal of a blanket request for extradition of any perceived Islamists now in exile, and of a ban on Qatari media outlet Al Jazeera, which has recently dispatched journalists to Cairo once again.

The Egyptian-UAE decoupling

Egypt's partnership with the UAE (and, by extension, Saudi Arabia) was never an unconditional alliance. Despite their shared ideology, Egypt and the UAE have pursued different foreign policy objectives at various points in the last decade – and, sometimes, they have had conflicting agendas.[9] For example, Cairo refused to send troops to support the Gulf alliance in Yemen in 2015. Egyptian military leaders were unwavering in their opposition to the request, as they were conscious of the legacy of the war in Yemen in the 1960s, during which thousands of Egyptian troops died. Egypt has also continued to back Syrian president Bashar al-Assad – despite opposition to his rule from some Gulf Arab states. In 2018 Egypt decided against publicly supporting the overthrow of Sudan's Omar al-Bashir until it became a foregone conclusion, despite an early Gulf Arab push to remove him from power. Today, the divergences between Cairo and Abu Dhabi extend to issues that are of vital importance to Egypt, including those in Libya and the Horn of Africa – a critical region for Egyptian water security.

Having said that, and despite internal disagreements among its members, Egypt's 'anti-Islamist' partnership with the UAE and Saudi Arabia is not disintegrating. The UAE continues to be particularly closely aligned with Egypt. One Emirati official told the present author that Egypt's large population and strategically important geographical position made it integral to his country's foreign

policy goals in the region.[10] And the two countries continue to find common cause. For instance, the UAE, Saudi Arabia, and Egypt have this year provided considerable diplomatic support to Tunisia's president, Kais Saied, who launched a 'constitutional coup' in July and targeted the Islamic democratic party Ennahda.

But, since more or less mending fences with Doha, Cairo believes that the momentum is no longer with Abu Dhabi – whose reluctance to agree to a reconciliation was largely overridden by Riyadh.[11] For Egyptian officials, this is only the latest sign of the decline in the UAE's regional standing, which results from its regional overreach and a diplomatic approach that has alienated many Arabs. At the heart of this, according to one Egyptian diplomat, is the UAE's deal to normalise relations with Israel – an agreement that has no material preconditions as regards the Palestinians – and the ensuing reputational damage this has caused.[12] The agreement came after the UAE endorsed then president Donald Trump's Middle East Peace Plan (the so-called "deal of the century"), which was widely denounced by most other Arab states.

Some Egyptian officials now argue – in private, for the moment – that their country ought to distance itself from the UAE to avoid further reputational damage by association among Arab states, particularly Jordan and Palestine.[13] They express a sense of disappointment with Abu Dhabi's behaviour and its unwillingness to openly back Cairo's foreign policy goals. Egyptian officials reject any suggestion that Egypt is now striking out on its own again, maintaining that their country has always had the weight to achieve its objectives in the region.[14] They do, however, feel a sense of urgency in distancing themselves from Abu Dhabi, not least because the latter's stance on Horn of Africa issues causes increasing alarm in Egypt about its future access to water.

Overall, Egypt's military leadership now feels more self-assured than it has in many years, buoyed by greater stability at home and Egypt's improving economic prospects. As Egypt regains its confidence, it will likely attempt to challenge the regional order that has emerged in recent years. The country hopes to return to a version of normality it recognises as commensurate with its historical sense of self – as a regional leader, and in line with the nationalistic mantra that it is "*om el donia*" (mother of the world).

Egypt's emerging regional position

As well as somewhat cooling its relationship with the UAE, and somewhat warming that with Qatar, Egypt has recently sought to improve its relations with other regional actors. Cairo is seeking out new positions of influence in different parts of its neighbourhood.

Israel and Palestine

This year, the conflict between Hamas and Israel in Gaza provided Egypt with an opportunity to reprise its traditional role as a key international interlocutor on security issues – an opportunity it seized. Egypt won international plaudits for helping secure a relatively swift end to the 11-day conflict. The country has since seized the chance to remind its neighbours, and the rest of the world, that – as an immediate neighbour of Gaza – it remains the strongest partner in efforts to protect Israel’s security interests and reach a more sustainable outcome for the Palestinians.[15] Egypt has combined this with a more pragmatic stance on Hamas than it had previously adopted under Sisi’s leadership: the country actively mediated a ceasefire agreement between Hamas and Israel, with an eye to securing the group’s cooperation with Egyptian efforts to stabilise the Sinai Peninsula and reduce the threat of militancy in Egypt.

That said, there is recognition among international observers that Egyptian efforts to stabilise the Strip cannot be fully realised without alignment with Doha and Qatari financial support for Gaza.[16] Cairo, Washington, and Doha are currently discussing arrangements to aid development in Gaza, such as those to fund Egyptian gas supplies to the Strip, as well as economic projects in North Sinai – including ports and, possibly, an airport.[17]

The “Arab Alliance”

As Egypt has reasserted its role as Israel’s main security partner in the region, it has also sought to build new alliances based on historical relationships.[18] By partnering with Jordan and Iraq, Egypt is now working to fully establish an “Arab Alliance”. While this undertaking initially sought to restart failed peace negotiations between the Israelis and the Palestinians (at least publicly), it now aims to strengthen economic ties between the three countries.

In the last couple of years, the members of this alliance have held numerous trilateral meetings – the most recent one in Baghdad. They have made commitments to implement infrastructure deals, provide energy to one another, and strengthen their trade relationships. This growing alignment would, in principle, offer Cairo, Amman, and Baghdad the opportunity to decrease their reliance on Gulf states. It has allowed them to endear themselves to the US, which has welcomed the new grouping, especially its potential to reduce Iraq’s economic dependence on Iran (although some Iraqi experts remain sceptical that this will happen in practice).

For Egypt, the prospect of new regional economic connectivity has taken on added importance since

Israel normalised relations with the UAE and speculation arose that Saudi Arabia would eventually follow suit. Further such normalisation with Israel could circumvent Egypt's position as a traditional host of key infrastructure connecting the Mediterranean to the Gulf and beyond, if Israel became a potential alternative and a more convenient site of such infrastructure. Some Egyptian experts downplay the risk of this happening but, even so, Egypt's new regional economic and political alignment with Jordan and Iraq could help offset this.[19]

Libya

Egyptian officials maintain that they have long believed that there is no military solution to the conflict in Libya. Despite an early role as a spoiler of attempted political processes in Libya, Egypt has endeavoured in the last 12 months to help forge a diplomatic arrangement – albeit one designed to secure its position as the primary political and security partner for eastern Libya. This Egyptian shift has helped unlock the UN-led peace process and also provided an opportunity for rapprochement with Turkey and Qatar, which supported western Libyan forces opposed to Haftar.[20]

While Egypt continues to back to its partners in eastern Libya, this is no longer directly tied to Haftar himself but rather to the collection of forces that serve in the renegade Libyan National Army, which he leads. This has resulted in friction with the UAE, which is still pursuing a more confrontational policy by continuing to back Haftar. Egypt views the UAE's backing of Haftar's attempts to take Tripoli by force as unrealistic and detrimental to Egyptian policy and security objectives.[21] As a result, Egyptian officials believe that Abu Dhabi does not fully understand or respect the security priorities of their country – whose border with Libya runs for more than 1,100km.

As Cairo pushes forward in support of Libya's diplomatic road map, it continues to raise the issue of other militant activity in the country, using opportunities for rapprochement with Ankara and Doha to demand the withdrawal of mercenaries and official security forces. That said, Cairo has been reluctant to back the withdrawal of proxy actors that support eastern Libyan forces, which reflects its unaltered policy to use its diplomatic posture to influence the road map.

Turkey

Since the start of the wider détente in the region, talks about facilitating rapprochement between Cairo and Ankara have stumbled, but are continuing. However, there are still several significant barriers to full normalisation. Indeed, the present author's discussions with Egyptian security officials reveal a deep-seated animosity towards Turkey, in large part due to Turkish president Recep Tayyip Erdogan's Islamist policies and the country's continued support for the Muslim Brotherhood. This

animosity is even stronger than that for Qatar – the officials describe Turkey as a “non-Arab aggressor”, but Qataris as “our Arab brothers”.[22] Moreover, Turkey is a more sensitive topic than Qatar because, since 2013, thousands of Egyptians have received Turkish citizenship after going into exile.

The bilateral relationship between Cairo and Ankara is also overshadowed by the significant effort that Egypt – together with Cyprus, Israel, and Greece – made to set up the East Mediterranean Gas Forum (EMGF) in 2020. The forum has since morphed into a legitimate regional mechanism for energy diplomacy, and has attracted members such as Italy and France. But Turkey continues to regard the creation of the organisation as a major diplomatic snub – one that has effectively cut it out of decision-making around key energy interests in its neighbourhood.

Nevertheless, in recent times, Turkey has reportedly pressured Muslim Brotherhood media outlets to either tone down their rhetoric against the Egyptian president or cease transmission entirely, while closing some official Muslim Brotherhood offices in the country. These moves could herald further détente between Cairo and Ankara.

Egypt and Turkey have also begun a dialogue on their respective roles in Libya. Cairo believes that it can convince Ankara to adopt a more relaxed role in the conflict there, including by withdrawing its mercenaries from Libya.[23] For Egyptian officials, this would effectively mean supporting Egypt’s leadership of the Libyan political process and continued presence in Libya, as a form of barrier that protects Egyptian national security.[24] However, the fact that Turkey has recently stepped up its role in the Horn of Africa – by providing combat drones to Ethiopia in a deal facilitated by the UAE – has deeply disappointed Egypt and set back rapprochement efforts.

Water security in Egypt and the Horn of Africa

One former Egyptian diplomat characterises the current course of events in the Horn of Africa, coupled with the crises in Libya and Gaza, as a threat to Egypt’s borders on a scale not seen since the Arab-Israeli wars.[25] Of particular concern to Cairo is the construction of the Grand Ethiopian Renaissance Dam (GERD) on the Nile – which could significantly reduce water levels downstream in Egypt and set a damaging precedent for future upstream development along the river. Importantly, given the strength of the relationship between Cairo and Abu Dhabi, this issue threatens to lead to a face-off between the two sides.

Egypt’s close relationship with the UAE in recent years has been of no help to it in dealing with this threat. Since the GERD crisis began in 2011, Egypt has found itself with little power in negotiations

with Ethiopia. In 2015 Egypt signed the Declaration of Principles document, which was the framework within which it was supposed to reach an agreement with Ethiopia and Sudan. In signing the document, Cairo shifted its policy position from one of outright rejection of the GERD to one of negotiation, but it has nevertheless spurned opportunities since then to reach a deal, refusing to concede on any material aspect of its water rights. Since the collapse of talks in Washington in early 2020, Ethiopia has continued to refuse to negotiate a water management agreement. Egypt responded by seeking to build alliances and strategic partnerships to isolate Ethiopia and try to place itself in a more favourable position. But, despite a string of joint defence and trade cooperation agreements with a number of countries in the Horn of Africa, Egypt has been unable to change the power balance and reach a negotiated political agreement on the use of Nile water.

Egyptian officials see the UAE's support for Ethiopia as a primary factor in the difficulties it has faced. [26] A divergence of policies and priorities between Egypt and the UAE in the Horn of Africa has prompted Egyptian officials to begrudgingly (if only privately) acknowledge that the UAE has become an active spoiler to their country's efforts to protect a vital interest: water security.[27] Having concluded that it can no longer rely on Abu Dhabi to help safeguard its interests in this region, Cairo is now openly exploring a diplomatic and security role that neither relies on nor expects Emirati support. This approach is designed to capitalise on existing trade and investment relationships, as well as Egypt's position as a leading generator of power and an emerging gas hub, and the joint defence and security cooperation agreements noted earlier. Of late, this has borne fruit in a growing partnership and security alliance with Sudan, which has extended to a strong diplomatic alliance on the GERD.

Crucially, Egypt also sees Qatar as a counterweight to the UAE on the issue. While Qatar does not have a strong strategic relationship with Ethiopia, regional dynamics demand a holistic approach. And Egypt acknowledges Gulf Arab states' growing political power in the Horn of Africa. Qatar could ultimately help Egypt achieve its security goals.

Syria and Iran

Egypt's increasing regional activism extends to events in Syria and their connection to Iran. Indeed, Sisi has long sought a role for his country in the diplomatic developments surrounding the Syrian war. Egypt failed to secure such a role at the Geneva conferences in the middle of the last decade – despite heavy lobbying targeting the EU – but now seeks a role as the 'Arab leader' in the Astana process, which is comprised of Turkey, Iran, and Russia.[28]

In defiance of Gulf Arab states, Sisi has for many years staunchly supported Assad's rule of Syria and

led the charge to diplomatically rehabilitate the Syrian leader. Although it does not have the investment power of the UAE or Saudi Arabia, Egypt still wishes to position itself at the head of the pack in establishing a foothold in an eventual reconstruction and rehabilitation agenda for Syria. Cairo has regularly hosted quiet meetings with Syrian intelligence officials in Cairo throughout the Syrian conflict.

By establishing his country as a leading Arab partner in Syria, Sisi hopes to negotiate support for diplomacy with Tehran – a diplomatic player that Egypt has remained relatively ambivalent about for decades. Egypt believes that, due to the size of its Sunni Arab population, it can provide material support for – and protect its own interests in – negotiations between Iran and Gulf Arab states, in which Gulf leaders will compete to pursue a détente with Tehran.[29] To this end, Egypt recently hosted Iranian security officials.

Economy, energy, and infrastructure

Following a debilitating electricity shortage in 2013, Egypt has sought to strengthen its energy sector. The country’s discovery of massive offshore gas reserves in 2015, combined with deals to import additional gas from Israel, have since made Egypt a self-proclaimed “energy hub” in the region. More recently, the government has turned its attention to developing its solar power sector through major reform (including eventual privatisation) of the electricity sector and the development of large-scale solar farms.

Egypt now has a surplus of power, an advantage it is attempting to make the most of as part of its foreign policy. The country aims to sell its surplus electricity production to regional neighbours, including the EU, which has already begun to help fund Egypt’s ambitious solar power projects. The expansion of energy infrastructure linking Egypt to Europe, via Cyprus, and other regional markets would provide another opportunity to expand Egypt’s emerging economic diplomacy. Egyptian leaders may not yet describe their efforts in these terms, but it is clear that they seek a more substantial economic role in countries such as Iraq, where Egypt has been a mere observer for decades.

However, there are challenges in translating these ambitions into real influence. As economists and other experts note, Egypt suffers from not just domestic issues such as a disorganised bureaucracy and tight military control over natural resources but also a lack of creative thinking about how to develop the energy sector.[30] While private sector investors in Egypt remain cautiously optimistic about the prospects for increasing energy exports to Europe, they see little net gain economically in applying this policy across the Middle East.[31] Yet there are obstacles here too, not least given

Europe's gradual shift away from fossil fuels and the demise of plans for an 'East Med' pipeline to send gas from Egypt to Europe (although there is now a new iteration of the gas pipeline, which would connect Cyprus's gas fields to Egypt's liquefied natural gas plants). Added to this is the fall in Egypt's own gas supplies at a time of increasing domestic gas consumption, which has limited the amount of energy that it can sell abroad.[32]

More modest energy deals may be more realistic. The Egyptian government hopes that it will be able to increase its domestic gas supply through a new "power for gas" arrangement with countries such as Iraq and Libya, alongside new arrangements with Qatar to secure a cheap, long-term gas supply in exchange for cheaper and more desirable routes through the Suez Canal Corridor project area. This would allow Egypt to enter the regional renewable energy market, arguably making it a desirable economic partner for Europeans as they prioritise policies to deal with climate change.

Relations with the West

Ever since the overthrow of Egypt's democratically elected president, continuing US support for, and European worries about, the country have reinforced a belief both in Egypt and elsewhere that it remains too big to fail. Indeed, for a president who has successfully consolidated enough power over the years to now sit comfortably at home, his core legitimacy these days is derived primarily from the international community, including the EU, the US, and regional powers such as the UAE.[33] This is despite regular criticism from Washington and European capitals over Sisi's authoritarian practices and allegations of human rights abuses, which is known to irritate the regime.

For years, the US and Europe have found their relations with Egypt frustrating, and have regularly expressed their consternation at developments in the country. Yet policymakers in both places often seem to believe that they have little leverage over the Sisi regime, not least in the face of the support it has received from Gulf Arab states in recent years. But, equally, they have made little attempt to create the conditions to exercise leverage over Egypt on its domestic problems, or to work more closely with the country to resolve some of the major regional issues of the day. Where Western powers have attempted to deploy leverage over the regime, such as by lifting restrictions on military aid, it has been short-lived and lacked impact. On occasion, other considerations overrode such efforts. For example, during the 2021 Gaza conflict, Western powers praised Egypt for its role in bringing about a cessation of hostilities.

As the Middle East begins to adjust to the US retreat from the region, the importance, or prioritisation, of both the relationship with the West and its financial value for Egypt is becoming less clear.[34] There is little doubt that Sisi relies on the diplomatic legitimacy afforded to him by

maintaining good relations with partners such as the US and Europe. Yet, as Egypt strengthens its economic ties with China and Russia, increases its security cooperation with EU member states (albeit at a financial cost, in contrast to US security support), and recalibrates and relations with the Gulf and Turkey, confidence is rising in Cairo that the US “needs us more than we need them”.^[35]

The United States

In early 2021, Egypt expected that there would be a significant deterioration in its relations with the US after the Biden administration took office. Following the November 2020 US election, Sisi scrambled to hire prominent local lobbyists in Washington to promote Egypt’s agenda, but endured several months of silence from his US counterpart. The conflict in Gaza later in the year, however, led to a return to ‘normal’ in US-Egypt ties, with the US depending heavily, as in the past, on Egypt leading the diplomatic and security efforts to secure a ceasefire. Sisi was rewarded with two phone calls with Biden in one week, official trips to Cairo by secretary of state Antony Blinken, and a visit to Washington by Egyptian intelligence chief Abbas Kamel. The White House has since provided Egypt with yet another effective moratorium on criticism of its domestic rights record by refusing to place conditions on future US military funding for the country. Nevertheless, there has still been something of a shift in this part of the relationship: the Biden administration placed conditions on \$130m of a remaining portion of \$300m of aid (for 2020). These conditions include a requirement for Egypt to finally close its long-standing investigation into civil society (commonly known as “Case 173”) and to release 16 political prisoners. The push for such conditionality is believed to have come from an advocacy base and Congress, which have demanded a response to Egypt’s continued detention of human rights activists.

In the last decade, Washington has frequently complained about Cairo’s ties with Gulf Arab states, fearing that these countries’ substantial financial support for Egypt would render US military assistance ineffectual, including by eroding American influence over human rights and governance issues.^[36] Sources on Capitol Hill relate that Trump’s overt support for Sisi made it significantly more challenging for the US to productively engage with Egypt on the issue of conditional foreign military funding or to materially criticise the country for its poor human rights record under Sisi, as his regime felt secure.^[37] But, broadly speaking, successive US administrations have proven reluctant to initiate major shifts in the relationship with Cairo or to expend political capital on addressing crackdowns and human rights abuses in Egypt.

An increasingly progressive Congress, however, continues to chip away at the traditional \$1.3 billion of annual military funding the US provides to Egypt. Recent foreign military funding budgets passed by the House of Representatives have increased the amount of aid to Egypt that is conditioned on

human rights issues. For the first time, future portions of such funds may be unconditionally held back in response to Egypt's detentions of its citizens and treatment of human rights actors and political prisoners. There now appears to be a significant appetite in Congress to attach conditions to up to \$300m of military funding for Egypt without the option of the White House deploying a national security waiver. This is significantly different from the US president's position.[38]

Sisi may well continue to enjoy the relationship with the White House that he has become accustomed to, but the financial value of that relationship is slowly diminishing. This will have varying effects in different parts of the regime: the military apparatus views this aid as confirmation of Egypt's role as a key security partner to Israel; but sources suggest that Sisi remains more focused on diplomatic engagement and the political legitimacy Egypt derives from its relationship with the US, such as by securing a face-to-face meeting with Biden and by conducting a state visit to the US or arranging a reciprocal visit to Cairo. Washington would arguably have better success if it were to itself separate the question of military support from the political alliance with Cairo, responding to the priorities within the regime to better manage the US-Egypt relationship.

Europe

Since 2013, the EU's 27 member states have remained split over how to engage with Egypt.[39] Egypt's relationship with the EU is complicated by its bilateral relationships with member states. Part of the challenge for the EU is that its policy priorities vis-à-vis Egypt are largely undefined – and undermined – by member states' independent engagement with the country, which precludes the formation of unified policy agenda. Trade remains the most important element of its relationship with the country, especially with member states directly. This is most evident in the security and arms sales agreements Egypt has reached with Italy, France, and Germany.

While member states sign lucrative deals of this kind, the EU's attempts to raise the issues of rights and governance, particularly in relation to the civic space in Egypt shrinking in recent years, are generally relegated to an ineffectual European Parliament. This situation may have only become more complex with Brexit, which has changed the dynamics in Brussels and added impetus to Cairo's relationship with London, especially as the UK is a key investor in Egypt's private sector. This relationship looks set to remain strong, meaning that a significant amount of investment will bypass the EU's political agenda.

Moreover, despite this institutional and policy cacophony, the EU has in the last decade largely been in alignment with several of Egypt's priorities. After successful diplomacy in 2014 under former army chief of staff Mahmoud Hegazy, Egypt won the support of prominent EU member states such as

France and Germany for its policy on Libya – and has since received European backing for the establishment of the EMGF. In addition, the EU is largely supportive of Egypt’s attempts to seek a resolution to the GERD crisis, although the bloc’s efforts in this area have fallen short of Cairo’s expectations.[40]

However, the EU is often self-defeating in its interactions with Egypt. Keenly aware of the bloc’s preoccupation with migration and terrorism, Egyptian officials are more than happy to raise the spectre of these concerns in response to European attempts to pressure Egypt on sensitive issues. As a result, European diplomats have privately criticised this “obsession” for years, citing the damage it has inflicted on EU foreign policy.[41] In addition, the EU’s habit of raising some human rights cases but remaining quiet over others gives it an air of inconsistency that sometimes weakens its position.

The EU’s concerns play into Egypt’s hands. While Egypt has never been a major source of migration to Europe, it remains a transit country for migrants from states across North and East Africa. Cairo often uses arguments about ‘stopping the boats’ to gain political and financial support from Europe. For instance, in response to the water shortage threats posed by the GERD, Cairo appears to have hinted it will facilitate an increase in migration flows to Europe – hoping to push the crisis up the European diplomatic agenda.

As discussed, the EU has occasionally taken a visible stand on the deterioration of the human rights situation in Egypt. For instance, the bloc suspended all major aid loans and guarantee mechanisms to the country in response to the regime’s violent crackdown on the protests at Rabaa in summer 2013. However, the EU later reinstated those financial instruments – and has sometimes been almost silent about Egypt’s domestic rights record. Member states have regularly disagreed about which events in Egypt warrant their attention. And, as noted above, European capitals have continued to expand their bilateral relations and security cooperation with Cairo. Yet, contrary to the positions they take in public, Egyptian government and security officials are now more open to private discussions on the human rights agenda than they were at previous points under Sisi. It is not yet entirely clear why these incremental shifts have occurred within the regime. But regime stability and confidence, along with the diminution of both material challenges to the status quo and the threat of civilian unrest, could play a part in this. These factors may support stronger diplomacy and advocacy on issues such as the regime’s introduction of draconian legislative amendments on personal freedoms, and the continued detention of human rights activists and repression of the political opposition

Conclusion

From the outside, one could conclude that Egypt is still playing second fiddle to other powers in its

region. But judging by the views of those in and around the regime – and of Middle Eastern diplomats who deal with Egypt – it appears that the country is growing in self-confidence and becoming keen to assume a regional leadership role once again.

There remains a genuine cause for concern about Egypt's domestic human rights record, although recent opportunities to engage with the country may offer some hope that the regime could ease its years-long crackdown. In light of this – as well as a newfound optimism, domestically and regionally, about Egypt's developing energy policy and shifting regional alliances and roles – there should be a renewed international focus on Egypt and its actions. And, without buying into the inflated sense of self-importance that Egyptian diplomats often express in public, Egypt genuinely requires regional and global support on important issues such as its struggle for water security – a problem that should be of graver and more immediate concern to Europeans and all those interested in the stability of the region.

As Egypt seeks to recalibrate its position in its neighbourhood, there is an opening for Europe to play a significant part in assisting the country while also attempting to influence its future domestic, regional, and international policy choices. No longer dependent on Gulf aid, Egypt is seeking to build its own energy and investment policy, which is creating new opportunities for Europe. This includes engagement on maritime policy in the eastern Mediterranean, energy exploration, water rights, and relations with Libya and Turkey. In particular, the EU should actively engage with the Arab Alliance grouping of Egypt, Jordan, and Iraq to support mutually beneficial economic policies that strengthen these countries' economies.

In turn, Egypt can help Europeans by working to ease tensions between the EU and Turkey. With EU accession for Turkey effectively dead, Europe still needs to find ways to moderate Turkish behaviour in relation to migrants and refugees, issues in the eastern Mediterranean, and military confrontations in the Middle East (including in Iraq and Syria). European and Egyptian goals in Libya appear to align: Cairo seeks to remove the Turkish presence in the country and currently supports a European and international post-conflict road map (although it is angling for one that also directly addresses its own security concerns).

The shift in Egypt's relations with its Gulf partners can also support EU policy designed to help end the conflicts in Syria, Libya, and Yemen, and to reduce the threat posed by the behaviour of the UAE (and, to a lesser extent, Saudi Arabia).

Egypt now requires strong support from, and frank exchanges with, its partners. European capitals should have no illusions that there will be material change on Egypt's human rights agenda specifically, or that Cairo will even take on board their recommendations – at least not immediately.

But, at a time when Egypt is the most domestically stable and secure it has been in a decade, the country's European interlocutors have a moral obligation and a duty to ramp up their dialogue with the country. They can develop regional and economic relationships with both a desire and determination to significantly ease the crackdown in Egypt. The EU should not shy away from confronting this issue in its bilateral engagement with the country. It should do this while continuing to work with Egypt to de-escalate conflicts, promote economic development, and – crucially – protect water security in the region.

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[1] Interview with a US policy expert based in Washington, DC, via Signal, June 2021.

[2] Interview with a security official, Cairo, February 2021.

- [3] Interview with a retired Egyptian diplomat, Cairo, June 2021.
- [4] Interview with a retired Egyptian diplomat, Cairo, June 2021.
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- [6] Interview with a retired Egyptian diplomat, Cairo, June 2021.
- [7] Interview with a domestic gas investor, Cairo, May 2021.
- [8] Interview with a foreign policy expert, London, September 2021.
- [9] Interviews with a retired Egyptian official, Cairo, May 2021.
- [10] Interview with a UAE official, Dubai, May 2021.
- [11] Interview with an Egyptian official, Cairo, June 2021.
- [12] Interview with a retired Egyptian diplomat, Cairo, May 2021.
- [13] Interview with an Egyptian security official, Cairo, May 2021.
- [14] Interview with an Egyptian diplomat, Cairo, May 2021.
- [15] Interview with an Israeli official, June 2021.
- [16] Interview with a US policy expert in Washington, DC, via Signal, June 2021.
- [17] Interviews with an Egyptian adviser with direct knowledge of the talks between Egypt, the US, and Qatar, Cairo, June 2021.
- [18] Interview with an Israeli official, June 2021.
- [19] Interview with an Egyptian economist, Cairo, June 2021.
- [20] Interview with an Egyptian diplomat, Cairo, June 2021.
- [21] Interview with an Egyptian security official, Cairo, May 2021; interview with an Egyptian diplomat, Cairo, May 2021.
- [22] Interview with a security official, Cairo, April 2021.

- [23] Interview with an Egyptian official, Cairo, May 2021.
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- [25] Interview with an Egyptian diplomat, Cairo, April 2021.
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- [29] Interview with a retired Egyptian diplomat, Cairo, May 2021.
- [30] Interview with an Egyptian economist, Cairo, July 2021.
- [31] Interview with an energy specialist, Cairo, June 2021.
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- [33] Interview with a UAE official, Dubai, May 2021.
- [34] Interview with a security official, Cairo, April 2021.
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- [36] Regular interviews with foreign policy experts and administration officials in Washington, DC, 2014-2019.
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