

The Failing State of Egypt

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The aggrieved supporters of ousted Egyptian President Mohamed Morsi and the jubilant protesters who pushed the military to remove him have divided Egypt into two irreconcilable camps, both reflecting and reinforcing the country's deeper problems. Indeed, Egypt is now largely an ungovernable country that subsists on generous foreign handouts.

Morsi never appreciated his tenuous position. Though elected democratically, he chose to govern undemocratically. He was bent on purging the judiciary and the public prosecutor's office, claiming that they were aligned with the protesters opposing his government and their military backers, who had been overthrown in 2011. Morsi brooked little opposition in pushing through a controversial draft constitution. In doing so, he neglected to focus on the structural problems that propelled a docile society to pour into the streets 2 1/2 years ago to bring down his predecessor, Hosni Mubarak.

The lion's share
of U.S. aid

to Egypt is
military.
Washington
and other
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focus more
on providing
economic aid.

Just as damaging as Morsi's governing style was the Muslim Brotherhood's go-it-alone mentality. Decades of persecution have instilled in its leaders the belief that the world is aligned against them. Assuming power only stoked their paranoia.

The Brotherhood's leaders believed that the U.S. and Egypt's elite were bent on ensuring their failure. For this reason, they refused to reach out to their secular opponents to offer them a piece of the political pie.

But it was not only Brotherhood politicians — inexperienced in the ways of democracy — who stumbled. The debate in the U.S., long Egypt's primary ally and donor, did not center on strengthening Egypt's embattled institutions, but focused instead on how to ease the military out of power by withholding aid. Multilateral lenders like the International Monetary Fund were fixated on fiscal reforms such as reducing costly subsidies rather than shoring up a beleaguered economy.

Today, a democratic transition that the West sought to portray as a model that other Arab nations could emulate lies in tatters. Egypt's economy, bruised by the outflow of foreign investment and a dearth of tourists, is on life support. Rebuilding the country will require much more than the cheering from the sidelines that Western countries have offered so far.

Egypt has always relied on munificent benefactors to sustain its patchy state and economy. After the military coup in 1952, the Soviets provided much of the needed aid. Their "technical" experts turned the country's second city, Alexandria, into a Russian country club. After Egypt pivoted to the West in the wake of the 1973 war against Israel, the U.S. became its main patron.

But America's ritual annual gift of roughly \$1.5 billion could only dull the pain of Egypt's problems, not resolve them. By making aid conditional on economic reform and democratic transition, however, the international community risks political triage. It should instead focus on financial assistance that blunts Egyptians' frustrations and that contributes to building the institutions that will facilitate the transition toward democracy.

But of the \$1.56 billion that the U.S. State Department requested for Egypt in 2013, only \$250 million is earmarked for nonmilitary programs. The U.S. should increase funding for projects that focus on governance, civil society and strengthening the rule of law. Such programs receive a paltry \$25 million in the 2013 budget.

The U.S. and other Western donors should instead help Egypt to husband its resources, which are often misspent in an effort to placate its people. Egypt is the largest wheat importer in the

world, and food subsidies account for about 2 percent of gross domestic product. To preserve its precious foreign currency reserves, Egypt needs the U.S. and its allies to provide foodstuffs. Such a policy was adopted in the aftermath of the 1973 war, when the U.S. offered \$200 million annually for wheat procurement. Embracing such policies will give institutions and the democratic process the time and space they need to plant firm roots.

Beyond such questions lies the fate of democracy in one of civilization's most ancient lands. Whoever triumphs in future elections will lack the legitimacy that only a majority can provide. Such a majority spoke last year, when it elected Morsi. To strip him of his post negates a basic pillar of democracy and sets a dangerous precedent.

But in a country that faces so many problems, the paradox of Morsi's removal from power and the dilemmas of democracy that occasioned it are not among them.

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