

US Aid and Turmoil in Egypt

Egypt has been the second largest recipient of US foreign assistance since 1979, with between \$25-30 per capita in total annual aid (USAID, 2000). In the light of the recent protests and Mubarak's resolve to stay in power, one might conclude that it is such foreign aid that led to the degradation of the country's status. Turmoil is undoubtedly a sign of instability; however, the non-violent, democratic nature of the protests mitigates the assumption that Egypt's situation has degraded. Moreover, a close look at US aid to Egypt, which reveals an overwhelmingly large military component, also shows the army has acted as a sponsor of order in recent developments.

Democratic momentum in Egypt: are things really "worse"?

In an essentially authoritarian regime, recent events are evidence of a shift, albeit tumultuous, from a state-controlled economic system towards tolerated liberalism and pluralism. Given these concepts are pervasive in Western economies, Egypt's turmoil can be viewed as a *positive* long-term development. Even in the US, the Boston Tea Party of 1773 exemplifies how revolutionary acts can serve as democracy's roots.

Breakdown of USAID-Egypt: a mainly military – *not* economic – aid

The *total* aid to Egypt grossly overestimates the *economic* aid to the population, biasing any comparison between aid to Egypt and aid to other developing countries. In 2008, for example, assistance to democracy, human rights, education, and socio-economic development reached only \$235 million (USAID, 2000). Therefore, aid directly improving the lives of Egyptians was about \$3 per capita, on par with other global American food and poverty assistance efforts.

The Egyptian army: a quasi-neutral institution, despite government pressure

After the 1973 Arab-Israeli war, the US administration attempted to draw Egypt out of the Cold War's Soviet camp: aid therefore focused on weaponry, while relatively meager amounts aimed at socio-economic development. To that extent, foreign aid to Egypt arguably helps keep Mubarak's repressive regime in power (Ruttan, 1996). Throughout the Cairo revolts, however, armed forces – again, the main recipients of aid in Egypt – have not intervened against anti-government demonstrators. US Senator Lindsey Graham makes a forceful case for the legitimacy of the Egyptian army: he maintains it has been a rampart against radicalism in the country, so that cutting off assistance would have further reduced the people's ability to face challenges posed by an authoritarian polity.

Aid vs. self-sufficiency: the fundamental problem of causal inference

In this context, one can legitimately ask, what would have happened, had the US *not* supported Egypt financially in the past three decades? The definite answer hinges on the *counterfactual* observation of Egypt's evolution without billions of dollars of aid. This datum, however, is impossible to generate; hence, inferring any causal relationship between foreign aid and development overlooks this

fundamental issue.

Ongoing revolts and people's demands for freedom and democracy – chief values of the US Constitution – mitigate the sentiment that current developments in Egypt are signs of deterioration. Further, a compartmentalization of US aid to Egypt reveals that the Egyptian army – aid's principal beneficiary – has played a quasi-neutral role in recent developments, so the conclusion that “foreign aid makes things worse” is refuted.

Works Cited

RUTTAN, Vernon, W. (1996), *United States Development Assistance Policy: The Domestic Politics of Foreign Economic Aid*, p. 279.

USAID – United States Agency for International Development (2000), *American Assistance to Egypt: A Briefing Book*, Washington: United States Government Printing Office, 3.