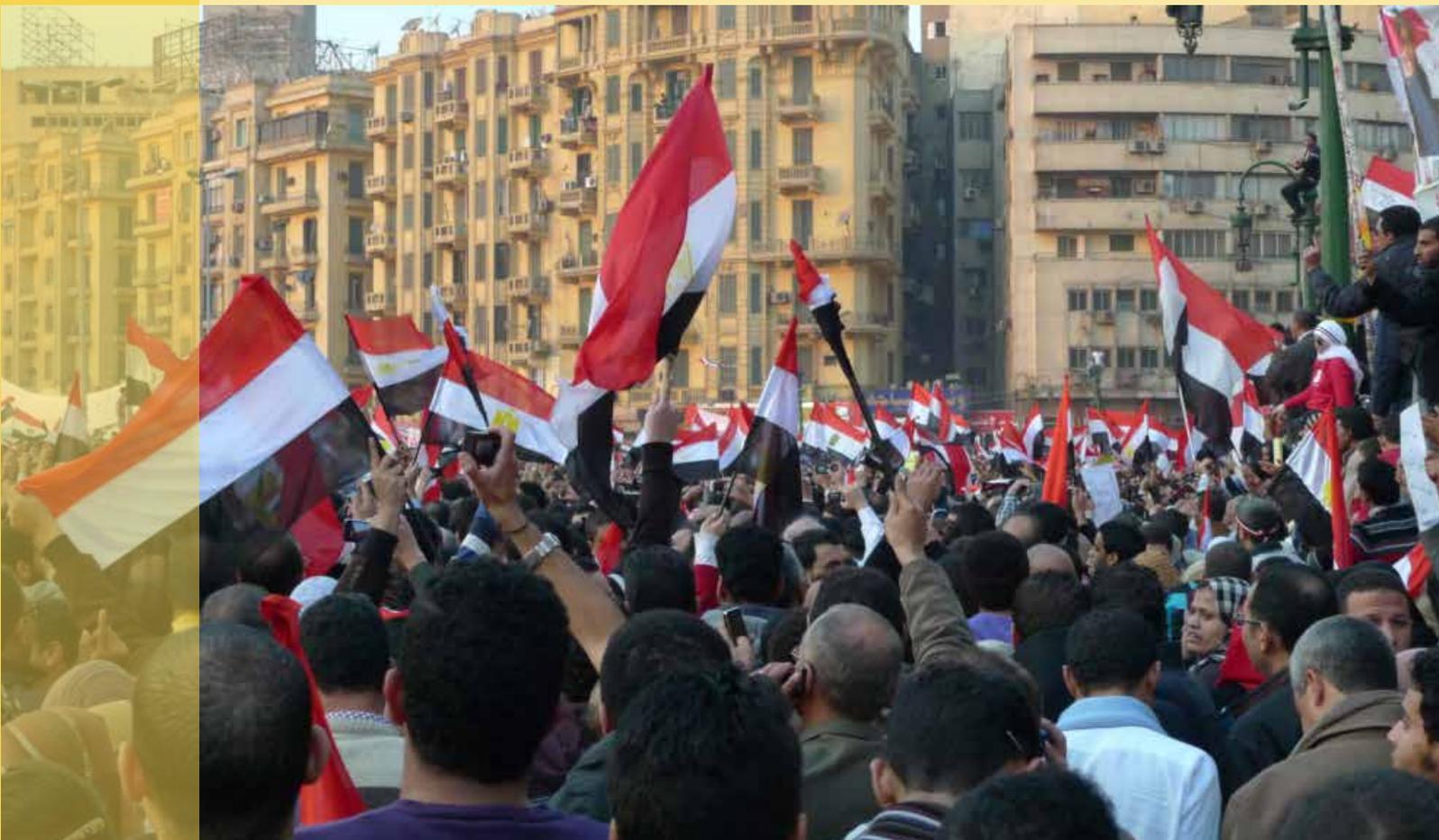


Conference Report

Security Sector Governance in Egypt: Civil-Military Relations in Focus

DCAF International Expert Conference,
Montreux, Switzerland 2-4 April 2014



DCAF

a centre for security,
development and
the rule of law

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About DCAF

The Geneva Centre for the Democratic Control of Armed Forces (DCAF) is a Swiss-based international organisation dedicated to assisting states – both developed and emerging democracies – in advancing good security sector governance, within a democratic framework and in respect of the rule of law. DCAF provides in-country advisory support and practical assistance programs to states that seek to strengthen governance of their security sector. DCAF works directly with national and local governments, parliaments, civil society, international organisations, and defence and security forces.

DCAF currently has 62 member states, including Lebanon and Tunisia. In its activities, DCAF is guided by the principles of neutrality, impartiality, inclusive participation, and local ownership. For more information, please visit DCAF's website: www.dcaf.ch

This conference report will be accompanied by the publication of research papers commissioned for the conference. Both the conference report and the research papers are available on: www.marsad.eg

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Editor: Måns Hanssen

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1. INTRODUCTION

Following the 2011 revolution, all successive Egyptian Governments – regardless of their political or ideological affiliations – have expressed a commitment to democratisation. It is within the context of these aspirations and in the wake of the adoption of the 2014 constitution that Egypt's civil-military relations should be analysed and understood.

The Geneva Centre for the Democratic Control of Armed Forces (DCAF) organised a conference in Montreux, Switzerland from 2 to 4 April 2014 to examine the relationship between the armed forces and citizens of Egypt. DCAF brought together leading experts on civil-military relations from four continents, including former members of armed and security forces, academics, politicians, and representatives of the media and civil society. To provide a conceptual baseline for the discussions, DCAF commissioned research papers for presentation at the conference, some of which will be published.

During the conference, the participants reviewed the current state of civil-military relations in Egypt and related challenges. Following an overview of the key role that the Egyptian Armed Forces have played in Egyptian politics for over 60 years, the participants turned to in-depth analysis of several critical issues in civil-military relations:

- the legal framework governing them, including the varying balances instituted by different Egyptian constitutions;
- the influence of the armed forces on the media and on shaping public perceptions;
- the increasing role of the armed forces in the Egyptian economy; and
- foreign assistance, in particular the case of U.S. military aid.

This report provides an insight into the discussions that were held during the conference. It is not meant as a comprehensive account of the proceedings, but rather as an introduction to key issues that influence Egyptian civil-military relations.

The conference concluded that balanced civil-military relations are essential to Egypt's future. If civil-military relations are not re-defined and rendered consistent with existing international standards, these relations will directly affect political reconciliation, the performance of state institutions and civil society, human security and rights, and the prospects for economic recovery. The conference also concluded that balanced civil-military relations are in the long-term interest of the Egyptian Armed Forces, as it allows them to focus on their core mandate, namely, to protect Egypt against external threats.

2. CIVIL-MILITARY RELATIONS IN A DEMOCRACY

6

Throughout history, the relationship between political and military leaders has produced debate, conflict, and at times, destruction. Historical examples abound of absolute political rulers sending their armed forces into disaster against the advice of their military leaders, or of military leaders grasping for political power. Yet the modern academic debate on the management of this complex relationship is relatively new, dating to the 1957 publication of Samuel Huntington's *The Soldier and the State: The Theory and Politics of Civil-Military Relations*. Since then, the literature on civil-military relations has grown steadily, developing into a major area of study for a global community of researchers.

When analysing civil-military relations, two important questions are noteworthy:

- How does the state/society ensure that the armed forces submit to civilian authority, serve the interests of the state, and do not use the powers that the state has conferred to them in their own interest?
- How does the state/society ensure that the civilian authority respects military professionalism and abstains from interfering with military competence by micro-managing military decision-making?

The aforementioned studies have explored different models for answering these questions. Since the late 1990s, the discussion on civil-military relations has become increasingly absorbed by the wider debate on Security Sector Governance (SSG). With the emergence of a new trans-national understanding of security built around shared security interests, the role of traditional security providers has changed. This change also presents new challenges to democratic societies:

- How are security providers such as the armed forces, the police, or the intelligence services governed in a democratic framework?
- What laws or institutions are needed to ensure proper oversight and control of armed forces by civilian authorities and the society?
- How should the state distribute responsibilities amongst executive authorities, parliament, the judiciary, and armed forces in order to ensure both the proper functioning of all institutions and the necessary control and oversight?
- How much authority should various parties be granted in defining a national security strategy, in defence and security planning, in defence and security budgets, in procurement, and in appointing and dismissing military commanders?

While answers to these questions vary at a national level, there is a broad international consensus – shared by the United Nations and various regional and sub-regional organizations such as the Organisation for Security and Cooperation in Europe (OSCE) and the African Union (AU) – that Security Sector Governance should observe a set of internationally-agreed standards. These international standards see democratic control of the armed forces, the police, and the intelligence services as an important building block for collective security¹ and conflict prevention.

The OSCE Code of Conduct on Politico-Military Aspects of Security attaches great importance to the democratic control of armed forces, police, and intelligence services. Consequently, it prohibits military co-operation with countries which have not established this control. Article 25 of that Code stipulates that “the participating States will not tolerate

1. Collective security means that the security of one actor is of concern to all actors, and therefore commits them to a collective response to threats and breaches of peace.

or support [armed] forces that are not accountable to or controlled by their constitutionally established authorities". This Code is morally binding for all 57 OSCE member states in North America, Europe, and Central Asia. It should be noted that the OSCE maintains special relations with six Mediterranean Partners for Co-operation, including Egypt².

While the OSCE Code of Conduct is very explicit on the need for democratic control over armed forces, it contains relatively few detailed prescriptions on how states should exert control over the armed forces or hold them accountable. A country usually establishes democratic control by a set of legal and institutional measures that mutually reinforce each other. Effective democratic control of armed forces requires in particular:

1. Establishing civilian supremacy over the armed forces

The country's constitution and national laws must state, in unambiguous terms, that the armed forces are subordinate to democratically elected civilian leaders. The legal framework should also specify the respective authorities and responsibilities of the head of state, government, parliament, judiciary, and the armed forces in both peace- and wartime, and clarify the relations among these various actors. For the development of sound civil-military relations, it is important that the constitution does not grant the armed forces any prerogative in interpreting the state's constitution and/or its laws; in political appointments (for example: minister of defence, commander of the armed forces, chairman of the parliamentary defence committee, etc.); and concerning defence policies or budgets. In turn, the legal framework also needs to ensure that politicians respect military professionalism and do not interfere, for example, with tactical and operational decision-making.

2. Ensuring civilian leadership in defence planning and budgeting

Defence planning and budgeting are key responsibilities of a civilian government. While the armed forces contribute technical expertise, the ultimate political decision on defence planning and budgeting is a civilian, not a military task falling within the responsibility of defence ministries. In order to ensure civilian leadership in defence planning and budgeting, the ministry of defence needs not only to be placed under civilian control, but also adequately staffed with civilians. Best practice shows that well-functioning defence ministries always have a mix of civilian and military staff, in order to ensure that decision-makers can draw on the complementary expertise of each group. The ministry of defence also interacts with parliament and/or its specialized committees on all matters of defence planning and budgeting. Experience shows that countries emerging from authoritarian rule usually do not have the institutions in place for civilian defence planning and budgeting. These require investment in the development of both staff and institutions, such as a ministry of defence that is capable of functioning under civilian supremacy.

3. Establishing effective parliamentary oversight

In order to ensure democratic legitimacy and popular support, parliament must play an important role in national defence and security decisions. Parliament usually establishes one or several specialized committees for these matters (e.g. defence, security, intelligence). In general, parliament confirms appointments, dismissals or promotions of senior commanders, and approves detailed budgets as well as financial expense and income reports of the armed forces, the police, and the intelligence services. It also approves national security policy decisions presented by the government, and decides on war and peace.

2. The OSCE's other Mediterranean Partners for Co-operation are Algeria, Israel, Jordan, Morocco, and Tunisia.

4. Developing civilian security sector governance expertise

Civilian supremacy requires the development of the necessary civilian expertise and knowledge. Without developing this expertise, it will be difficult to staff civilian key positions in control and oversight institutions such as the ministry of defence or parliament. Thus, establishing democratic control often involves an active decision by the state to invest in independent research and training institutions. At these institutions, interested civilians can then acquire knowledge on national and international security affairs, the country's particular security environment, defence and security planning (including budgeting), preventing corruption in military procurement processes, etc. States unwilling to establish democratic control often use the limited expertise of civilians as an excuse to limit their role, and actively prevent the emergence of the training institutions needed to produce well-trained civilians.

5. Developing a culture of openness and transparency

Well-functioning security sector governance involves many different actors and requires public debate, because costly defence decisions often involve important trade-offs in other policy areas, such as education, health, and social security. This implies that defence and security decisions are no different from any other policy area of government. The information on which political decision-makers base their decisions must be open and transparent. Democratic control therefore implies transparency, via detailed defence budgets, on all military income and expenses, and salaries/benefit payments to members of the armed forces and to ministry of defence staff. It also requires transparent policies and procurement processes. Developing a culture of transparency takes time, but it remains a necessary component for ensuring the integrity of both the armed forces and civilians independently and in relation to each other.

6. Free environment for media and civil society

Democratic control also requires a free environment for media and civil society, enabling them to investigate and report on matters related to national security and defence, free from political or military censorship. Over time, media and civil society can develop a sound understanding of security issues and may make important contributions to a country's debate on national security, as well as on defence planning, budgeting, and procurement.

7. Armed forces' understanding of their role in a democracy

The establishment of democratic control requires that the members of the armed forces develop an understanding of their role in a democratic society and are at ease with it. Embedding the armed forces in a democratic process not only provides the armed forces with much greater legitimacy and public support, but it also means its members are full citizens, free to exercise their political rights.

Creating a democratic environment and adapting it to the particularities of each state poses many challenges. Establishing civilian democratic control over the armed forces is one of the key challenges, which in some countries has taken several decades to achieve. Yet, it is an integral part of democratic development, and democracy cannot be limited to some areas of government and not others. There is no democracy without democratic control over the armed forces, and a country's long-term stability and development hinges on its ability to balance its civil-military relations. This is particularly relevant for countries emerging from conflict or authoritarian rule.

3. CIVIL-MILITARY RELATIONS IN EGYPT'S MODERN HISTORY

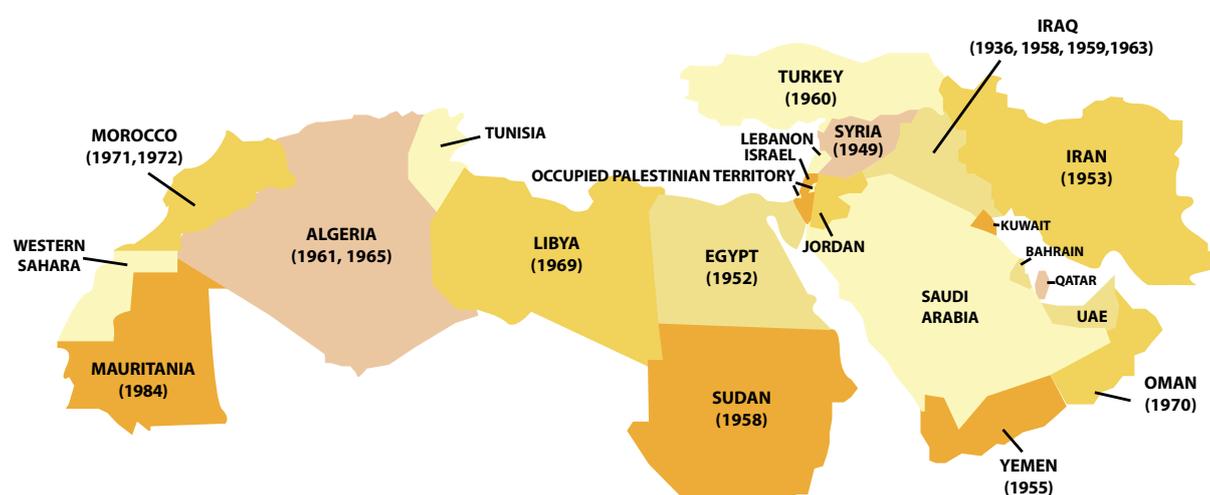
Civil-military relations have occupied a prominent place in politics in the Arab region since Iraq's 1936 military coup led by General Bakr Sidqi. This event sparked many other military coups in Iraq and across the Middle East and North Africa: Syria (1949), Egypt (1952), Iran (1953), Yemen (1955), Sudan (1958), Iraq (1936, 1958, 1959, 1963), Turkey (1960), Algeria (1961, 1965), Libya (1969), Oman (1970), Morocco (1971, 1972), and Mauritania (1984) to list just a few. Most of these coups had in common the attempt to assert military supremacy over civilian institutions.

The roots of Egypt's modern civil-military relations can be traced back to the 1952 military coup. The key question in Egyptian politics at that time was who should rule Egypt: the junior officers who led the coup, or parliament? In other words, the armed or the elected? The armed forces and the Egyptian public were divided on that question. Commanders and divisions within the artillery and armoured corps strongly lobbied for a quick return to the barracks and the restoration of the constitutional parliamentary republic.

Notable advocates of that position included heroes of the 1948 war such as Colonel Youssef Siddiq, Colonel Ahmed Shawky, and Lt. Colonel Rashad Mehanna. Other officers, who represented a majority in the Revolutionary Command Council (RCC), wanted an Egyptian Republic dominated by the armed forces. By the end of 1954, they had succeeded in imposing their view and establishing military rule. Their opponents who favoured a more democratic Egypt were imprisoned, executed, exiled, or marginalised.

Egypt's military defeat in the 1967 war with Israel was a major setback for the armed forces and the Egyptian population. Thus, between 1967 and 1973, the armed forces' focused on developing their military capacity in order to defend the country against external threats. The concern for military professionalization gradually reduced the officers' interest in direct political rule, a mission that they had assigned themselves between 1954 and 1967. The capacity of the Egyptian Armed Forces was arguably at its peak during this period of professionalization.

Examples (1936-1984) of Military Coups in the MENA Region



The tensions between the office of the presidency, mainly populated by military officers, and the high command of the armed forces, never abated completely. Subsequent presidents were involved in power-struggles with their commanders. Rivalry marked the relationships between President Gamal Abdel Nasser and Field-Marshal Abd al-Hakim Amer, between President Anwar al-Sadat and General Mohammed Fawzy (and other generals), and between President Mubarak and Field-Marshal Mohammed Hussein Tantawy. In the first two cases, the presidency emerged as the stronger institution: Field-Marshal Amer was killed, and General Fawzy was jailed alongside other generals. In the third case, President Mubarak managed to assert himself in the political arena by allowing the armed forces to expand the scope of their mission to non-military activities, incorporating more and more lucrative economic activities. This allowed the armed forces to develop into an important economic actor (see chapter 6).

In 2011, the Egyptian Armed Forces managed to achieve an unprecedented concentration of power. The Supreme Council of the Armed Forces (SCAF) elevated itself over the presidency by deposing and then jailing two consecutive presidents. In both cases, the armed forces could count on significant public support, which was partly spontaneous and partly engineered (see chapter 5). In July 2013 the SCAF appointed Adly Mansour as Interim President. Finally, the SCAF also endorsed the candidature of Field-Marshal Abdel Fatah al-Sisi for the 2014 presidential elections. According to the official election results, Mr. Sisi won 96.91% of the 25,578,223 votes, with a voter turnout of 47.4%.

Studies of interstate wars between 1816 and 1982 show that democracies are more likely to emerge victorious from armed confrontation with another state than non-democratic states. A wealth of literature has discussed the reasons

for the superior military performance of democracies, which have more to do with governance than technological advantages. In particular, democracies tend to prevail due to their accountability, transparency, prospects for political survivability of elected leaders, caution in the selection of military strategies, resource allocation, open decision-making procedures, and public support. Public debates in democracies – on appointments, promotions, awards, and benefits – tend to be handled in a more transparent way, and are therefore, in general, fairer and more equitable. In contrast, military-controlled authoritarian rule almost inevitably pulls the armed forces into a confrontation with one or more segments of society, undermining social peace and political stability.

Ultimately, balanced civil-military relations are in the long-term interest of any military establishment, regardless of the political affiliation of the government. A fully depoliticized approach allows the armed forces to focus on their core mandate, which is to protect the country against external threats. It is for the successful execution of this mandate that the armed forces earn respect and reputation.

4. THE LEGAL FRAMEWORK FOR EGYPT'S CIVIL-MILITARY RELATIONS

As the basis for the Egyptian state, the constitution and its implementation through legal texts is an essential step towards defining democratic civil-military relations. During the conference, the issue of the 2014 constitution was extensively discussed. However, Egypt's constitutional history and the way in which civil-military relations have been defined, or proposed, in previous constitutions, also received significant attention.

Forexample, Egypt's 1954 draft constitution attempted to reduce the dominance of the armed forces. The members of the Constitutional Assembly that proposed this draft broadly represented Egyptian society, including figures in the Egyptian military such as General Ahmad Fu'ad Sadiq, the General Commander of the Egyptian Armed Forces in the Arab-Israeli War of 1948. It also included well-respected intellectual, legal and political figures from across the socio-political spectrum, such as Taha Hussein, Abd Al-Razzaq al-Sanhouri, Abd Al-Qadr Audeh (of the Muslim Brotherhood), and Zaki Ariby (a renowned lawyer and the Dean of the Egyptian Jewish Communities). The draft constitution categorically outlawed the prosecution of civilians by military courts. It further required that the state educate all conscripts. It also established a National Defence Council (NDC), but relegated it to an advisory role on three specific issues: declaration of war, truce and reconciliation, and defensive measures. Article 1 of that draft constitution stipulated that "Egypt is a parliamentary representative republic."³ Accordingly, the draft gave the elected parliament the power to pass most of the legislation relating to the armed forces and the police.

In comparison with the 1954 draft constitution, the constitution of 2012

moved civil-military relations backwards. For example, it gave the SCAF the power to appoint the Minister of Defence for a period of two presidential terms. The 2012 constitution further ensured that the National Defence Council (NDC) had a majority of military representatives. The NDC was the sole institution where the budget of the armed forces was to be discussed, after which it was to be incorporated as a single figure into the state budget. Finally, article 198 allowed military tribunals for civilians in cases "when a crime harms the armed forces."

The 2014 constitution shifts power even further away from civilian actors, granting the armed forces prerogatives which are unprecedented in Egypt's history. They even exceed those granted to them at the time of President Nasser. This is explained by the fact that the 2014 constitution was drafted when the Supreme Council of the Armed Forces (SCAF) acted as the supreme authority in Egypt. There was no power to counterbalance that of the SCAF, as the lower house of parliament had been dissolved in June 2012 and the upper house in July 2013. The SCAF appointed the Constitutional Assembly itself. As already noted, the assembly not only ensured that all the prerogatives granted to the armed forces under the 2012 constitution were upheld, they expanded them. The new prerogatives turn the Ministry of Defence into a largely autonomous institution, equipped with special powers. Similarly, the 2014 constitution also grants significant powers to the General Intelligence Services and the Ministry of Interior.

The special powers of the armed forces fall under two categories: institutional autonomy, and legal immunity and constitutional rights.

3. Instead of being ratified by President Nasser, historian Salah Issa found the only copy of the 1954 draft in 1999, in the basement of a think tank affiliated with the Arab League. He wrote a book entitled *A Constitution in a Trash Bin* to reflect the irony.

Institutional autonomy

The 2014 constitution leaves the armed forces with considerable autonomy. Article 201, for example, requires that the Minister of Defence be appointed from among the officer corps. Moreover, Article 234 requires that the Supreme Council of the Armed Forces (SCAF) approve the appointment of the Minister of Defence for two subsequent presidential terms, i.e. for eight years. These measures provide considerable institutional protection for the Egyptian Armed Forces and for the first time in Egypt's history the institution is shielded from the presidency to a large degree.

The 2014 constitution does not contain any reference to the military-industrial complex nor the economic activities of the armed forces. It does not contain any article that would provide for civilian oversight over the armed forces, or monitor and regulate the acquisition, holding and selling of land or other civilian assets by the armed forces. Nor does any other legal instrument that has come into effect since July 2013. As a

result, civilian oversight over the armed forces is absent from both the constitution and current legislation. In addition to the aforementioned absence of civilian oversight, Law No. (313) of 1956 continues to prohibit publishing any news about the armed forces, and isolates them from public oversight.⁴ The described constitutional and legal framework thus places a large part of the Egyptian economy out of the State's control (see chapter 6). In practice, this could for example, result in decreased tax revenues and limit the State's ability to implement economic reforms.

Another example of the large autonomy granted to the armed forces is their right to outnumber the civilian representatives in the national Defence Committee (NDC) by a 9-to-5 majority.⁵ The NDC is the leading executive body on military and security matters. Its primary mandate is to "secure the state" via determining its "political-military objective," "approve its political-military guiding document and coordinate that document with foreign policies", and

Excerpts from the 2014 Constitution

Branch III – Military Courts – Article (204)

Civilians can stand trial for "...crimes that constitute a direct assault against military facilities or camps of the Armed Forces, or their equivalents, against military zones or border zones determined as military zones, against the Armed Forces' equipment, vehicles, weapons, ammunition, documents, military secrets, or its public funds, or against military factories; crimes pertaining to military service; or crimes that constitute a direct assault against the officers or personnel of the Armed Forces by reason of performing their duties."

"The Military Court is [...] exclusively competent to adjudicate on all crimes pertaining to the Armed Forces, the officers and personnel thereof, and their equivalents, and on the crimes committed by the personnel of the General Intelligence while and by reason of performing their duties."

Source: Un-official translation by the Egyptian State Information Service
Egyptian State Information Service, <http://www.sis.gov.eg/Newvvr/Dustor-en001.pdf>

4. Law No. (313) of 1956 on the Prohibition of Publishing any News about the Armed Forces, later amended by Law No. (14) of 1967.

5. The armed forces' political influence is symbolized by Article 203 of the 2014 constitution, a modified version of Article 197 of the 2012 constitution.

give “political-military orders.”⁶ The NDC has a constitutionally-protected right to discuss the budget of the armed forces, which is later incorporated as a single figure into the state budget (and as such supposedly discussed in a future parliament). In contrast, the civilian-majority National Security Council (NSC) has constitutionally been assigned a purely advisory role.⁷ Several observers hence see the establishment of the NSC as a distraction and an attempt to divert the attention of civilian representatives, as important topics will be decided upon in the NDC, by the president, or by the SCAF.

Legal immunity and constitutional rights

The 2014 constitution extends the legal immunity of the armed forces via Article 204, which represents an expansion of Article 198 of the 2012 constitution. It allows for civilians to be tried in military courts to an extent that is incompatible with international standards and good practices. It further shields both military and intelligence staff and their equivalents from any civilian oversight (whether judicial, parliamentary, or otherwise). In addition, recent legislation places police officers under military jurisdiction. This marks a trend towards the military assuming increasing power over judicial affairs.

In conclusion, there have been historical examples of efforts to democratise civil-military relations in Egypt. The contemporary situation does however seem to be tilting towards military dominance. This is notable through the power that the military judiciary has gained, and the constitutional and legal protection that the Egyptian Armed Forces enjoys.

6. For a full version of the NDC law see: <http://www.elwatannews.com/hotfile/details/512>

7. Established by Article 205 of the 2014 constitution.

5. THE MILITARY, THE MEDIA, AND PUBLIC PERCEPTION

The conference also examined the relationship between the media, the narratives the armed forces disseminate, and the impact these have on public perception as a crucial aspect of how civil-military relations are perceived in Egypt and internationally.

A national media survey conducted by Gallup in December 2013 found that the Egyptian Armed Forces is one of the few national entities enjoying consistently high approval ratings (around 90%). A plausible reason for this situation could be the ability of the armed forces to create and disseminate compelling narratives and to exert pressure over the domestic press corps, ensuring the propagation of these narratives. At the same time, 90% of respondents believed that an objective and independent media is important for Egypt's future. Why the Egyptian population supports the armed forces (who have a strong media and information monopoly) while still considering an independent media as important, is however harder to explain.

The state protects and disseminates the narrative of the armed forces through the educational curriculum and textbooks, as well as state-owned media,⁸ making it the predominant influencer in Egyptian society. In addition, the mandatory conscription of young males provides the armed forces with a way to exert direct influence over a large portion of Egyptian society.

Both state- and privately-run news outlets are under intense pressure from the armed forces and security establishments to respect strict red lines, as defined by the Director of the Military Intelligence Department.⁹ It is forbidden to publish any information on the armed forces, their structure, movements, and personnel

without express consent from the military intelligence. Punishment for breaking these rules includes imprisonment from six months to five years and/or a fine. The law on state intelligence and secret services is equally repressive,¹⁰ covering all activities, personnel matters, operations, and functions of the security services. The penalties are similar to those for releasing military information without permission. Finally, Law No. (58) of 1937 (the Penal Code) includes some wide-ranging provisions designed to protect secrets in relation to national security.

Some positive developments were recorded between February 2011 and July 2013, a period in which the Egyptian Armed Forces increased their communication efforts through routine statements and outreach policies, and used social media in an effort to communicate with younger generations. However, even then the overall record on press freedom was negative. Freedom House rated Egypt's press as "Partly Free" in 2012, dropping to "Not Free" in 2013, a rating that has held steady in 2014.

Egypt 2014 Freedom House Rankings



Source: Freedom House

8. The Egyptian state remains the largest owner of media outlets in Egypt, and whoever controls the state will therefore be able to disseminate his/her/its narrative via its media apparatus.

9. As supported by Law No. (313) of 1956, amended by Law No. (14) of 1967 on Prohibiting the Publishing of any News about the Armed Forces.

10. Law No. (100) of 1971

Some of the actions influencing this rating include the deliberate influencing of media by the Egyptian authorities to present one-sided views, suppressing the coverage of important events, incarcerating journalists, and leaking rumours to discredit or slander journalists.

The conference discussions regarding the military, the media, and public perceptions concluded that further attention ought to be devoted to this understudied area. In addition to the research papers already being prepared by DCAF on the topic, complementary activities should be established to further promote alternative reporting on the security sector and information relating to it (within legal boundaries).

6. THE ECONOMIC ROLE OF THE EGYPTIAN ARMED FORCES

The conference participants concluded that an understanding of the Egyptian Armed Forces and civil-military relations in Egypt is incomplete and misleading if it does not consider the economic role of the Egyptian Armed Forces. Participants were of the opinion that the economic activities of the Egyptian Armed Forces – which is estimated at 20-40% of the total Egyptian economy – constitute a black hole in terms of information availability. With public deficit and debt at elevated levels, the pressure for general economic reform in Egypt is high. Dealing with the Egyptian Armed Forces economic privileges can thus be expected to be a pressing issue for any democratically elected president, government, and parliament.

The Egyptian Armed Forces have gradually expanded their role in the economy. Under President Mubarak, they were given wider access to corporate business opportunities and focused more on economic activities than on national security issues. At the same time, Mr. Mubarak started to rely more and more on the use of the security forces connected to the Ministry of Interior and the State Security Investigations Service (SSI) for domestic control.

Land ownership is one of the most important revenue sources for the Egyptian Armed Forces, and has been highly controversial not least as a result of corruption charges. Private corporations under military control benefit from access to land, access to labour,¹¹ and preferential financial treatment (preferential tax, customs and exchange rates, and exceptions). This preferential protectionism has continued throughout recent years. As indicated previously in this conference report, there is no legislation that allows for civilian oversight over the military economy.

Three military bodies have been heavily engaged in civil manufacturing and services: the National Service Projects Organization

(NSPO), the Ministry of Military Production, and the Arab Organization for Industrialization. The NSPO owns nine companies and manages a “food security sector”, while the Ministry of Military Production owns eight manufacturing plants; almost half of their combined production targets the civilian market. The Arab Organization for Industrialization owns eleven factories and companies, with roughly 70% of production targeting the civilian market. The three bodies produce a wide variety of goods, including steel, cement, chemicals, luxury jeeps, butane gas cylinders, home appliances, gas pipelines, infant incubators, mineral water, pasta, olive oil, and other food products. In addition, the armed forces own a large number of gas stations, hotels, restaurants, wedding halls, supermarkets, parking lots, domestic cleaning services, and logistics companies.

The conference participants indicated that it would be essential for future civil-military relations to gain a thorough understanding of the Egyptian Armed Forces economic activities. This would facilitate a proper evaluation of the current Egyptian economy and possible needs for reform. It would also provide a valuable input to the discussion on civilian oversight of the Egyptian Armed Forces.

11. More than 700,000 Egyptian men reach conscription age annually.

7. U.S. MILITARY AID TO THE EGYPTIAN ARMED FORCES

In addition to the economic role of the Egyptian Armed Forces, the conference participants concluded that a major factor that influences the role of the armed forces in Egypt, and thus civil-military relations, is the substantial foreign funding that the armed forces receives from the United States.

The Egyptian Armed Forces receive by far the most consistent and highest levels of foreign funding in Egypt. By contrast, non-governmental organisations (NGOs) face strict government control regarding potential foreign funding. Egypt is one of the most prominent receivers of U.S. military aid alongside Israel. U.S. aid¹² has primarily taken the form of Foreign Military Financing grants, which supports purchases of U.S. arms, defence equipment and services, and military/technical training. Egypt has also participated in the International Military Education and Training (IMET) program, an exchange program for foreign military officers to study and train in the U.S. and affiliated regional centres. Foreign Military Financing grants, after an initial military loan of \$1.5 billion in 1979, have remained constant at about \$1.3 billion a year since 1987. Funding for IMET has fluctuated between \$200,000 and \$2 million annually, averaging roughly \$1.3 million per year. The total value of U.S. military aid is estimated to constitute 25-30% of the budget of the Egyptian Armed Forces, and amounts to 80% of their procurement spending.

It is important to remember that Egypt does not receive cash contributions from the United States; rather, the military aid is deposited in an interest bearing bank account in the U.S. which is used by Egypt to pay for defence purchases from U.S. defence companies. The U.S. disbursement process has granted Egypt two important privileges. First, from fiscal years 2001 to 2011, the U.S. permitted “early disbursement” to an

interest bearing account. This allowed Congress to deposit the full amount of aid into the Federal Reserve of New York bank account less than 30 days after congressional appropriation. These funds earned interest throughout the fiscal year, increasing the amount Egypt was able to spend. Second, the U.S. provides Foreign Military Financing assistance through a statutory “cash-flow financing” arrangement that allows Egypt to make purchases in one year, and pay for them in succeeding years with grants from “future” congressional appropriations. Egypt essentially receives a limitless credit card backed by the faith that funding will continue to the Foreign Military Financing program without change.

U.S. military aid to Egypt is based on strong domestic political support in the United States, as it provides a large volume of contracts and employment for the American defence industry. U.S. Congressional representatives that support military aid to Egypt often hail from districts where defence equipment is produced, and are dependent on the support of defence industries for their re-election campaigns and thus their continued political careers. These domestic factors have a large impact on the size and nature of U.S. military aid to Egypt and help explain some decisions concerning U.S. military aid, much more so than the political situation in Egypt or U.S.-Egypt relations.

The fact that the Egyptian Armed Forces have enjoyed substantial foreign financial support might have increased their ability to focus their own financial resources on civilian projects, hence in some ways contributing to mission-creep.

12. U.S. security assistance consists of: Foreign Military Sales (FMS), Foreign Military Financing (FMF), and the International Military Education and Training Program (IMET). For more information please read: Vogelsang, Susan S. (2011) U.S.-Egypt Cooperation after Egypt's January 2011 Revolution. U.S. Department of State.

8. CONCLUSIONS

Egypt's popular aspirations – freedom, social justice, economic prosperity, human rights, international reputation, political reconciliation, performance of state institutions and civil society, human security, military professionalism, and the reputation of the Egyptian Armed Forces – are all contingent on balanced and democratic civil-military relations.

Any attempt at national reconciliation and/or crisis containment will have to address various elements of civil-military relations and security sector governance, including:

- the mandate given to the armed forces;
- the role and scope of the military justice system;
- the accountability system of the armed forces;
- the role of government and parliament in appointing senior military commanders, in setting defence policy, and approving defence budgets.

The conference highlighted that Egypt's prospects for economic recovery and

social stability would be bleak if the relationships between its civilian and military institutions are not redefined and rendered consistent with existing international best practices. Thus, the issue of adhering to international standards on civil-military relations becomes ever more important for Egypt and its international partners, many of whom have signed the 1994 OSCE Code of Conduct on politico-military aspects of security. Although it is clear that the Egyptian Armed Forces are constitutionally protected from meaningful civilian control and oversight, at present this does not seem to have curtailed the scope or content of international assistance.

Finally, the conference concluded that balanced civil-military relations are also in the long-term interest of the Egyptian Armed Forces not least because it would allow them to focus on their core mandate, which is to protect Egypt against external threats.

9. RECOMMENDATIONS

CONFERENCE PARTICIPANTS RECOMMENDED

To Egypt's political and military authorities:

- To consider the restructuring of civil-military relations as an integral part of Egypt's democratic transition and as a basis for future economic growth and sustainable development;
- To actively encourage an open national debate on civil-military relations and promote an understanding for international norms, standards, and best practices within the civil administration, parliament and the armed forces;
- To initiate practical steps and tools, which progressively enhance transparency and accountability of the armed forces, in line with international norms and standards.

To Egypt's academic research- and training institutions:

- To include civil-military relations and security sector governance in teaching and research programs;
- To give military and security professionals access to programs for comparative study of civil-military practices in transformation contexts;
- To facilitate the exchange of different national experiences related to security sector governance and civil-military relations;
- To research the impact of civil-military relations on Egypt's political and economic development agenda;
- To engage civil society organizations and media in research related to civil-military relations;
- To consider publishing a defence atlas that provides the public with a periodic update of key defence sector data.

To DCAF:

- To organize workshops, seminars and a follow-up conference on Egyptian civil-military relations with broad participation;
- To create a knowledge hub on security sector governance in Egypt;
- To collect, analyse, and publish legal texts governing the Egyptian security sector in order to provide easy online access to security- and defence-legislation in Egypt.

DCAF Head Office, Geneva

By post:
Geneva Centre for the Democratic Control of Armed Forces (DCAF)
P.O. Box 1360
CH-1211 Geneva 1
Switzerland

For visitors:
Chemin Eugène-Rigot 2E
1202 Geneva
Switzerland

Tel: +41 (0) 22 730 94 00
www.dcaf.ch



DCAF

a centre for security,
development and
the rule of law

DCAF Beirut

Gefinor Center - Block C - 6th Floor
Clemenceau Street
Beirut
Lebanon

Tel: +961 (0) 1 738 401
Fax: +961 (0) 1 738 402

DCAF Ramallah

Al-Maaref Street 34
Ramallah / Al-Bireh
West Bank
Palestine

Tel: +972 (2) 295 6297
Fax: +972 (2) 295 6295

DCAF Tunis

14, Rue Ibn Zohr – 1er étage
Cité Jardins
1082 Tunis
Tunisie

Tel: +216 71 786 755
Fax: +216 71 286 865

www.dcaf-tunisie.org