



## National Council on U.S.-Arab Relations

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### 23<sup>rd</sup> Arab-U.S. Policymakers Conference

*Framing and Charting the Region's Issues, Interests, Challenges, and Opportunities:  
Implications for Arab and U.S. Policies*

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### ***"GEO-POLITICAL DYNAMICS: EGYPT & NORTH AFRICA"***

#### *Chair & Speaker:*

**Dr. Paul Sullivan** - Professor of Economics, National Defense University; Adjunct Professor, Security Studies, Georgetown University; Adjunct Senior Fellow for Future Global Resource Threats, Federation of American Scientists.

#### *Additional Speakers:*

**Dr. Michele Dunne** - Senior Associate, Middle East Program, Carnegie Endowment for International Peace; former Director, Rafik Hariri Center for the Middle East, Atlantic Council; former Editor, *Arab Reform Bulletin*, Carnegie Endowment for International Peace.

**Ms. Ellen Laipson** - President and CEO, The Stimson Center; former Vice Chair, U.S. National Intelligence Council; former Special Assistant to the U.S. Permanent Representative to the United Nations.

**Dr. Michael Hudson** - Seif Ghobash Professor *Emeritus* of Arab Studies and International Relations, and former Director of the Center for Contemporary Arab Studies, Edmund A. Walsh School of Foreign Service, Georgetown University; former Director, Middle East Institute and Professor of Political Science, National University of Singapore.

**Dr. William Lawrence** - Professorial Lecturer, Elliott School of International Affairs, The George Washington University; former Director, North Africa Project, International Crisis Group; former Senior Advisor for Global Engagement, Bureau of Oceans and International Environmental and Scientific Affairs, U.S. Department of State.

*Remarks as delivered.*

**[Dr. Paul Sullivan]** Well thank you, Pat. I have to repeat the caveat – all opinions are mine alone – from my speech anyways – do not represent those of the National Defense University, Georgetown, or any other institution I might be associated with.

We have a really interesting panel here, a rather good variety of people talking about the geopolitical dynamics of Egypt and Arab North Africa.

I think you all pretty much know who I am from my introduction earlier this morning. I'll be taking chair's privilege in going first. Michele Dunne – senior associate, Middle East Program, Carnegie Endowment – will be number two. Ms. Ellen Laipson, President and CEO of the Stimson Center, will be number three. And then Dr. Bill Lawrence, professorial lecturer at Elliot School of International Affairs at George Washington, will be number four. And then one of the eminence grise of Arab studies, Michael Hudson, will do the last talk.

Now, obviously this part of the world is simple, peaceful, rather easy to understand. Wrong. I'm going to focus on resources because that's a lot of what I work on.

This morning I spoke about energy. Right now I'll talk about the energy-water-food nexus. Most people when they think of energy policy they think of energy alone. Water policy – they think of water alone. Food policy – they think of food alone. What needs to be done – and if the folks back there could be a little bit quiet that might be helpful – is that we think of energy, water, and food as a system within systems nested in other systems.

Energy and water are definitely connected with communications, transportation, finance, cyber issues. Pipelines need electricity, which means there's other linkages across energy systems. Refineries need water and electricity and certainly the fuel to go into them. And how many of you can think about how water is attached to ATMs in the financial network? You cannot use ATMs without electricity, and in this part of the world you cannot produce electricity generally without water, and one of the largest uses of water in the world is to produce electricity through the cooling towers in thermoelectric plants. So your ATM will not work without water, and this is a part of the world that is getting more and more stressed with water. The policies have to have a nexus. They have to have a network.

I'm going to get to the point here about North Africa and Egypt and all of that. Population is increasing. Industry will likely increase once things slow down.

Agriculture will be needed for those greater populations, and there will be increasing water use throughout the region. The real stress point, the real constraint will likely be water for both the other two: food and energy. And also we have desalination, not just in the Gulf, but in North Africa. You have to use energy to desalinate. This could be done with solar, wind, or whatever, but mostly it's going to be done with thermoelectric or nuclear. So there will be increasing water stress, and water is the main underlying constraint to much of what would be happening.

Energy uses water in refining, extraction, bio-fuels, thermoelectric plants, even some renewables – concentrated solar power uses water. Solar really doesn't, nor does wind. Agriculture, irrigation, processing. One thing we need to look at to help resolve the issue I will finally get around to is a water footprint. If you're not aware of a water footprint I'll give you an example. The water footprint of one kilogram of beef is fifteen thousand liters of water. Of a similar amount of protein in rice it's about fifteen hundred liters of water. The choice of your crops, the choice of your diet can define how your water is used. Hybrid varieties use even less water.

Now, let's talk about the Nile – finally getting around to it. Egypt needs water, desperately. If you walk to the end of the Nile in Alexandria you will see a trickle coming out into the Mediterranean Sea. It needs water for its further development, it needs water for its electricity, it certainly needs water for its agriculture, which could be greatly improved in what is called water efficiency. I can't tell you how many times I've walked across farms and fields in Egypt to see flood irrigation of rice as I was watching the desert just a few hundred meters away. If you were in a country with extreme water stress it may make sense to change your cropping patterns.

Egypt needs water for its growing population, close to 90 million people, and every time I think about the estimates for the next thirty years it's not exactly a calming moment. When I first landed in Egypt for the first time many, many years ago there were sixty million people. There are now close to 90 million people. Back then I wondered how Cairo could survive. Now I'm still wondering how Cairo could survive. Talk about organized chaos. But the water is a big issue. USAID actually helped out with that. One of the "how" questions that John Duke asked is how could the United States help resolve some of these problems? We've tried in the past, and if USAID got beyond focusing on governance – which of course has not worked out particularly well now, has it? – and started to focus on digging wells and putting down electricity systems and building clinics and all of that, we might get back onto the right pathway. We've kind of gotten off that pathway.

The Peace Corps and all of that – how do you build respect, how do you build friendship? The Nile River has been in decline in outflow for the last century, yet the populations of the countries along the Nile have been on an increase, and the demand for water has been increasing concomitantly, actually faster than the population growth rate.

Sudan needs this, meaning North Sudan. South Sudan isn't really connected with the Great Ethiopian Renaissance Dam, which is an issue of continuous tension between Egypt and Ethiopia. Sudan doesn't seem to be as wound up as much as Egypt is right now, but could this get to a conflict? Indeed it could.

Think of that trickling of water coming out into the Mediterranean. Now think of the decline in the Nile output historically, and the population growth in all of this, and if an improper treaty is signed – the 1959 treaty with regard to the Nile, the 1927 treaty with regard to the Nile. All these treaties are not long-term treaties. They are short-term treaties. You have to consider what things might be in ten, 20, 30, 50 years, and I'm afraid when these negotiations start it will be more screaming and yelling and tension than thinking about 50 years hence.

Ethiopia is an extraordinarily poor country. It's also a country of close to 94,000,000 people, second largest population in Africa. Famines have happened many times in the past. It needs electric power. The power output and brass plate of the GERD Dam is 6,000 megawatts – that's a lot. That's an awful lot. But part of the problem with this is they're building the dam without really discussing it much with others. It's about 40% finished. And they're funding it much like Egypt is going to fund or has been funding the Suez Canal expansion. There are no proper financial studies. There are no proper technical studies. There are no long-term studies of the feasibility of this dam, and they're essentially funding it through the population with local bonds. And the Egyptians in the room or people who watch Egypt know that's quite familiar. Egypt collected close to 66 billion Egyptian Pounds with no technical studies. That's an awesome result of PR and selling, and it may actually work, but Ethiopia and Egypt are also in an interesting battle for control of the Nile, and that is going to be something that we have to take a look at very deeply as the United States. I've been asked to advice certain senior leaders on this in the next three weeks or so. It's something that we would likely want to be involved with in a cautious manner.

I have a lot more to say, but I have a feeling my colleagues have some other very interesting things to say to you as well. But don't forget the energy-water-food connection. All kinds of things about bombs and energy, and all this really fascinating political science and all this stuff, but let's move on to Michele Dunne. I have a feeling she's going to be talking about Egypt.

**[Dr. Michele Dunne]** Thank you very much, Dr. Sullivan. And thanks to Dr. Anthony for inviting me to be here today.

So, I was asked to address some things related to the geopolitical dynamics regarding Egypt. You've seen some of the questions in your program - Egyptian relations with the United States, with Russia, with the GCC, the economy, the future of the Muslim Brotherhood - that's a lot to cover in a few minutes, but it helps that in a way all of those things are connected to one point, which is stability. The stability of Egypt and one question - is Egypt headed toward it or is it not?

Now, there are probably a range of views in this room as to whether Egypt should have ever attempted a democratic transition in 2011, whether it's in one now or not, whether President Morsi should have been ousted, whether the Muslim Brotherhood is behind terrorism or not, whether the United States should be taking these issues heavily into account in its policy towards Egypt or not, and I'm going to suggest that for the moment we set all those arguments aside and look at something that I think probably most people in this room could agree on, which is that the United States and other international players would like to see Egypt internally peaceful, progressing towards greater economic prosperity, and playing a peaceful and stabilizing role in the Middle East and Africa.

The problem is Egypt has not been able to do any of those things in the last four years due to all this internal turmoil following the 2011 uprising. Now, recently Egypt - the government of Egypt has had on a strong effort to show that stability is returning to the country. They have the very understandable aim of trying to - the President Sisi and his government know that restarting the economy is absolutely critical. They still have the same youth bulge, the same large number of unemployed young people they had when it all started about four years ago, and they know that the economy will be critical to stability. So they understandably want to attract investors, whether it's Egyptian investors, foreign investors, and tourists back to the country so that the economy can get moving again. But I'm afraid they keep being frustrated in this.

Just last week as I said there were a lot of positive reports that came out about stability returning to Egypt. Moody's raised Egypt's ratings and so forth, and then we saw over the weekend these very terrible attacks in the Sinai. Terrorist attacks in which 31 soldiers were killed in ambushes by the group Ansar Beit al-Maqdis which has shown I think the fragility of these claims, that things are stabilizing in Egypt. And then unfortunately those attacks also launched a pretty furious reaction inside of Egypt. Not only the imposition of a state of emergency in northern Sinai, but also in the rest of Egypt too, a decree by President Sisi that

anyone who attacks or impedes public facilities would be subjected to military trials, which will probably mean once again large numbers of civilians going to military trials.

So let's look at this a little bit, okay. Ansar Beit al-Maqdis is a really scary terrorist group, and in fact the United States government has also declared it a terrorist group. It is a fringe group, it's a small group, but it's creating a lot of trouble. But I think the important question is not so much whether Ansar itself or the other small terrorist groups that are forming in Egypt can be contained. The question is a much broader one. Counterinsurgency 101 is that you need the support of the population against the terrorists or the insurgents, and that is the question here. The real question I think is whether President Sisi and his government are going to be ruling Egypt by consensus or by coercion.

Now, right now I would say we have a real mix. There is certainly some - there are some people who very strongly support President Sisi and he has a certain amount of consensus behind him, but it's far from universal and there are a lot of things going on. Egypt now has the worst human rights situation the country has had since at least the Nasser era and perhaps well before that. It has the exclusion from political and public life not only of the Muslim Brotherhood of Morsi but of more and more critics, including secular critics and so forth. And one really has to ask whether this kind of approach is going to be fighting or fueling radicalization.

Also on the economy - now, President Sisi is getting some good marks for some bold steps he took on the economy, notably - the one really important thing was a cut in energy subsidies. He has cut energy subsidies - they're still not anywhere near market energy prices in Egypt, but he made a pretty significant cut in subsidies. But there's also a question I think of the overall approach to the economy. What we have seen so far is that President Sisi's approach to the Egyptian economy is a very status one -state-driven. Not a private sector approach to development, and one that doesn't necessarily promise to generate the kind of jobs that will be needed.

In a country like Egypt it's primarily small and medium enterprises that generate large numbers of jobs, and we're not seeing that kind of an economic strategy in Egypt, which it's understandable when you've got someone making the decisions who spent his entire life in the military and in the government.

Now, let me turn a little bit to the foreign relations issues. Egypt-U.S. relations have been strained since the July 2013 coup, but there is an attempt recently by both sides to repair those relations a bit.

On the American side, I think this is related – largely it's related to the need for cooperation against Da'esh, against ISIS. And by the way not just for the need of Egypt's cooperation, because actually the military role-played by Egypt against Da'esh is minimal at this point. Egypt is pretty much offering the routine kinds of security cooperation it normally offers to the United States. It's playing a much less significant and direct military role than some of the other Arab states, but I think it's really because the United States needs the cooperation of Saudi Arabia, and of course Saudi Arabia and some of the other Gulf states are pressing very hard for the acceptance and full sort of reintegration of Egypt and renormalization of the U.S.-Egyptian relationship.

And it's – I would say having such friends in Saudi Arabia and the U.A.E. in particular has been very important to Egypt. Obviously they've made huge investments and have given the Egyptian government some breathing room in terms of the government budget, and they've also been advocates for the Egyptian government around the world including very much with the United States.

Now, on the Egyptian side I think the desire to repair relations in a way is also related to the awareness that the level of support that they've been getting from Saudi Arabia and the Gulf can't go on forever, that the level of contributions is very high and so forth, but also as Dr. Sullivan was talking about – this is a nation of ninety million people. It needs a real economy. It needs investment. And no matter what the Gulf States give that can help out the government budget. It helps on the fiscal side, but it doesn't help the economy that much, and I think there's a real question even about Gulf funding for mega-projects in Egypt like the canal and other projects, mega-housing projects, what the real economic impact will be is still a question mark.

So what Egypt knows is that it needs domestic and foreign investment, which means that it needs the approval of international financial institutions, especially the IMF, and that means in a way they need the support of the United States. So there is an attempt – Secretary Kerry was in Egypt recently, Secretary Lew – that was a very significant visit. There's an American business delegation going, the United States has pledged to be there at an economic conference for Egypt next February. But unfortunately the fact that there is all this repression ongoing in Egypt, and it still seems to be in an escalating rather than diminishing trend, it really tests U.S. policymakers in their desire to normalize relations because it's not a matter of abstract principle. It's not a matter of "Oh, does the United States have to trade its values for its interests?"

Let's just talk about the interests, let's talk about stability, and it's a matter for U.S. policymakers of do they believe Egypt is on a sound course that they want

to encourage, that they want to invest in, or not. What we've seen so far is a lot of ambivalence on the part of U.S. policymakers and members of Congress and so forth as to whether Egypt is on a sound path or not. As I said, is it going to rule by consensus or by coercion? And if there's a lot of coercion going on how's this going to work out? There's a lot of concern about this, both for Egypt itself and for the broader issue of, is the Egyptian government – yes, it's fighting terrorism – but is it also fueling radicalization in Egypt and in the region by its policies?

I'm going to end with one recommendation on the "how" regarding the U.S. relationship with Egypt, and my recommendation is going to be a little bit different from that of Dr. Sullivan.

I think first of all that the U.S. needs to – look, this relationship with Egypt over many years has become I think very, very unbalanced. It's become very military-security heavy, and very development light. And Egypt's development and economic needs are huge. I think that the aid package and the relationship itself should be rebalanced, the security side should be maintained but right-sized, and the development side should be bigger, but I wouldn't recommend the development in infrastructure so much.

I would recommend an investment in human development because that's where Egypt's ultimately got to find its wealth, is in those nearly 90 million people, in that young generation, and that's where also the United States arguably has the most to offer in terms of, for example, university education and professional education, vocational education, and so forth. I think that's where the United States could make a greater contribution to the future of Egypt.

Infrastructure building and repair will be important, but there are a lot of others who can do that as well. So I think I'll stop for now.

Thank you.

**[Ellen Laipson]** Well good evening. I have the happy task of talking about Tunisia, which is of course the last country standing in the Arab Spring. And Tunisia just finished successful elections. It appears, although the numbers are changing a little bit in this window of 48 hours since the polling, that the Nahdah party came in second. They did drop by about five percentage points from their showing last time, and Nida Tunis, which had not existed the last time Tunisians went to the poll, but is a fairly inclusive collection of secular liberal political figures including from the old regime came in first.

It looks like the distribution of seats in a 200 person parliament will be 70 seats for Nahdah and 80 seats for Nida Tunis.

So how should we interpret this? How should we put this in a larger context about the politics, the security, and the economics of North Africa? First, we should say that as transparent and as open and participatory as Tunisia has become – really a country with a relatively free press, with a high level of education and literacy – we got it wrong. The prediction had been for a low turnout and for Nahdah to come in first. Turns out the Tunisians showed up in pretty significant numbers – over 60% turnout at the polls, and they seem to be expressing some wariness about Nahdah dominance of the political scene, and I think it's too early to call it with great definitiveness, but I'd like to share a couple of thoughts on how we may have come to this result and what's the larger meaning of it.

So Caid el Sebdi is this eighty-seven year old former regime figure. He had been the Foreign Minister of Tunisia more than 25 years ago. He has become a bit of a father figure, and it seems he is reassuring to the urban elites of Tunisia as representing in some ways the old order. He said just a few hours ago that he was hoping to form a government with those “closest to us,” which I assume to mean a coalition of like-minded parties, the very small parties centered around individuals, rather than an across the spectrum coalition with Nahdah.

Nahdah on the other hand is arguing for a full national unity government, a coalition between themselves and the secular parties. And Nahdah to its credit has been very careful in understanding what is the mood of the Tunisian people. They realized they did not govern very well the first time they were elected in 2011. They realize that they run the risk of polarizing Tunisian society if they come on too strong, so they have been very attentive to this notion of sharing power and building trust in the Tunisian people, but I do think the success of Nida Tunis probably means that we're going to go in a different direction.

So while I would say that democracy is on track, Tunisia has a constitution. It now has perhaps roughly a two-party system with some smaller parties on the fringe. The parties and the citizens of Tunisia performed very honorably. There was very little violence, Nahdah accepted defeat gracefully, etcetera.

I do think we can't quite yet say whether the success of Nida Tunis doesn't represent something that could be a slight step away from democracy. So I'm thinking of Michele's work, whether there was a little bit of a Sisi effect in the Tunisian elections, and whether there's some impulse in Tunisian society to return to the old order.

People are understandably quite rattled about the rise of extremists in Tunisia. It is stunning to me that Tunisia by some metrics is the country in the Arab world

that is contributing the most, the largest number of young people to ISIL – more than Saudi Arabia, and think about the population proportions there. Here's Tunisia of maybe 11 or 12 million people producing perhaps as many as 3,500 recruits for ISIL.

So the society on the one hand is moving forward in this very impressive institution-building direction of democracy, but somewhere in that mix there is a part of the population that is disaffected. I am not of the one dimensional view that if you are recruited to ISIL it must mean that you are a rural, uneducated, deeply impoverished person, the way – someone said it to me in a recent trip to Tunisia. ISIL has leaders, it has managers, and it has followers, and Tunisia is probably contributing in all three categories.

The Tunisians are capable of being leaders of extremist movements. They do some of the big ideas and the thinking, as well as the bang bang stuff. So I would just caution that we don't know whether these election results reflect some impulse, a step in a different direction on the part of Tunisian society. It is understandable, the fear of the extremists that they see around them, and their own physical security is now very much a front-burner issue for Tunisians, even more than democratization in some ways.

They've got this very insecure border with Libya. Over one million Libyans are now resident in Tunisia. They are allowed like Syrians in Lebanon to mingle in the towns, to work for employment in the informal sector. They don't all sit in refugee camps. They are in some ways becoming a new economic factor with both the good news and the bad news of that.

On the Algerian border in the mountains we know that the Tunisian security services have been called on to break up cells of al Qaeda in the Maghreb, and then of course some groups that are even more extreme than that. But it does seem to me that the Tunisians understand that security is now a bigger priority than it was a year or two ago. The security services are coordinating closely with Algeria. They're getting help from the United States and from Europe, and they certainly have their eyes focused on the requirement.

On a recent trip to Tunisia what I heard a lot of grouching about was economics and that in the new politics of Tunisia the new politicians don't really understand economics, they don't care enough about it, and they have not done – they have not created the enabling environment for Tunisia, which after all does have that human capital that Michele was referring to, has great potential to be a fairly sophisticated economy. They have not yet unleashed some of the potential of the private sector and of youth unemployment. Banks, for example, in Tunisia don't make loans to young entrepreneurs. It's a very hierarchical and

very formal banking sector. So what I heard from the private sector was a great call – a hope that the new parliament will pass a whole series of economic reforms that would be the counterbalance to this siren call of ISIS that is clearly affecting some young Tunisians.

Another issue for Tunisia in terms of how it moves on the path to democracy and how it opens up its economy is the role of the labor movement. As you know the UGTT is more than a labor movement. It's really a political force and a cultural force in Tunisian history and Tunisian life today. They are probably quite resistant to some of the economic reforms that the businessmen feel so strongly are needed.

Let me turn to John Duke Anthony's two "how" questions. How can Tunisia resolve the problem of radical extremists and from young Tunisians joining the ranks of ISIL? In the short-term I do think it is about security, it's about borders, it's about the criminal justice system. Tunisia is making some progress in strengthening the capacity of its services, and unlike Egypt I would say in Tunisia we don't have to worry that there is a tendency towards a very large security sector that is very dominate.

At the end of the Bin Ali period the Minister of Interior were definitely bad guys, they were definitely very repressive on Tunisian citizens, but I think today we should not worry about Tunisia turning into a Mahabharat state or a security state, but I think Tunisian citizens do want their security services to perform effectively on the borders and within the cities and towns itself. But in the long run, of course it's about education and job creation, and here I think the Tunisians have not come as far as they would have liked.

Even Tunisia with high literacy rates, people complain that the quality of education had been in decline for a few decades and people had not quite realized it. A lot of work needs to be done to improve the quality of education.

My second question was, how will its democratic development affect the political dynamics in the neighboring countries? And here I think we should have modest expectations. Tunisia is after all a small country. It would love to be in the vanguard and influence other countries in the Arab world and in Sub-Saharan Africa, but I think its impact will be relatively modest. Rashid al-Ghannushi tells a sweet story of traveling in Africa when he was in exile and seeing young African Muslims wearing the red boiled wool fez hats, and he said that I was, on the one hand I was very happy to see that Tunisia has had this impact on Muslim communities elsewhere, but he said I don't want to be on the top of their heads, I want to be inside their heads. What I want Tunisia to do is to be really a proponent and a pioneer of a very moderate and inclusive Islam.

These election results suggest that for now Nahdah is an opposition party, not running the show, but I think they will, unlike in other countries, be around for some time to come.

Thank you.

**[Dr. William Lawrence]** In keeping with Chas Freeman's introduction this morning, Libya is a mess, and in my opinion it's not because there was no strategy, although there was the phenomenon of bombing without a strategic follow up, but because the Libyans didn't want help during the civil war, beyond the air campaign, and afterwards.

In fact, in many ways it was the experience of Libya that set the U.S. off on this course of sort of dominant air power without boots on the ground that we're living in the entire region right now. Libyans themselves kept kicking the can down the road, and every Libyan would tell you I don't want foreign help or my neighbor won't put up with it. And so the can kept getting kicked and the problems weren't resolved.

But there was a strategy - I was on all five Libya working groups at the State Department. We'd mapped out the whole thing. We had a plan but it was never implemented.

U.N. Special Envoy Bernardino Leon said today that Libya is very close to the point of no return. We're at the worst point in Libya's post-revolutionary development. And we've been hearing it's at that point for three and a half years now.

So I'd like to point out that we're now actually at that point.

Libya is also different from all of its neighbors in an important geopolitical way I'll point out before I get onto my other points. Libya is both huge and small, and we make a mistake when we don't understand its hugeness and its smallness. It's huge in that like Algeria it's a massive, far-flung population covering a huge African expanse, like a large western state in the U.S., larger, and it fragments because of that. On the other hand it's a tiny population - there's only about five million Libyans, and they all know each other, and they all have each others mobile numbers. So a political solution in Libya is quite easy if you can just get people to talk to each other.

Now, sometimes they don't have their mobile numbers, and when I was head of Crisis Group North Africa we used to give mobile numbers to different armed group leaders, sometimes to help them connect because they didn't always have

them, or a new mobile number – but everyone’s a phone call away and everyone’s a relative of someone, so in that sense it’s a very, very small country.

How did we get to this point in Libya? I’ve been saying for over three years now Libya is not one big mess, it’s a lot of little messes, and the assassinations in Benghazi were different from the caliphate in Derna which was different from the political struggle in Tripoli, which was different from the fighting over control of smuggling routes on the Tunisian border, which was different from ethnic conflicts in the south, and as you went around and looked at Libya’s myriad conflicts they were all different. I’ve now found that a lot of people are quoting me on that when everything changed.

Since May Libya has stopped being a mosaic of conflicts and has become one big conflict, one big civil war, and I’d like to say – I don’t think anyone’s said this yet – the first civil war in Libya went from February to November 2011. Since then we were not in a civil war, although you often here people say that.

The new civil war in Libya started in May. No one else is saying this, but it started in May, and it started with the General Haftar attacks in Benghazi and then spread around the country. We are now in a new Libyan civil war, which as Leon said is about to become a long civil war if there isn’t a deal.

Is Libya controlled by militias? No. There’s a lot of bad nomenclature about Libya, and that’s one of them. Libya is controlled by revolutionary brigades, almost all of whom are affiliated with the government. Even the terroristic brigades like Ansar al-Sharia members of which were involved in the attack on the U.S. Mission in Benghazi – they were on the government payroll at the time.

And so – well what do we have in Libya. We have revolutionary armed groups established during the revolution; we have municipal guards established after the revolution, largely in pro-Qaddafi areas. We have regular armed groups established during the revolution that do most of the human rights abuses that we hear about, and we have a small percentage or criminal and terroristic militias, and of course there’s some overlap between these groups, but if we don’t get that straight then we don’t understand who’s controlling the country.

Did Libya have an Arab Spring? Yes. People misunderstood that because a conflict broke out in Libya that there wasn’t – that people believe there wasn’t an Arab Spring – but half of Libya fell very quickly at the beginning of the Arab Spring with the same slogans and the same tactics, and many of the same characteristics as what happened in Tunisia and Egypt. Eight thousand army soldiers defected, half of the country was under control of the revolutionary

council very quickly, and what played out in the west was a war except in August 2011 when Tripoli fell very, very quickly.

The call to prayer went out I believe on August 21<sup>st</sup>, 2011, and within 24 hours 80% of Tripoli was in rebel control with almost no shots being fired, and none of the armed groups had gotten there either. This was just a transfer of crowds rising up, grabbing weapons or being handed weapons by government forces. And so Libya's not different. The aspirations of revolutionary youth are very similar to the other countries.

So what's been going on over the last three and a half years? One way to see it is brinks and deals, brinks and deals, and we need another deal now. Libyans are fond of saying that Libya and Tunisia are totally different, and in many objective ways they are - geographically, economically, historically, even culturally, but there's a very important similarity.

In Libya right now and earlier this year we had a phenomenon of dueling prime ministers, and much of the political conversation centers around who's going to be in charge of the country. This is very similar to what happened in Tunisia when its big political crisis broke out at the end of July 2013 with the second political assassination, where almost the entire conversation in this quiet national dialogue that became rechristened *the* national dialogue in the fall of 2013 was around who would be the head of the country, who could we trust not to alienate either the Islamist side or the secular side or minority groups. Same thing in Libya. Right now the conversation is about who will lead, who can everybody trust?

Now, is Libya a failed state? It's a failed state by every objective definition, and I looked them all up - except I don't really think it's a failed state.

What it is, is armed municipalities. There was a joke around the time of the Libyan revolution that we were going to end up with a Jamahiriya with guns, and in many ways that's what we got. We got armed local communities - sometimes it's referred to as a confederacy of municipalities, confederacy of cities - fighting each other. What happened in 2014 is these groups of cities started to team up with each other and go at each other in a larger civil war.

Is the oil flowing? Yes. Are ISIS forces in Libya going after Libyan oil fields? Yes. Although there are not very many there yet, but they're coming. There were a lot of Tunisians and Moroccans that have gone to Syria and Iraq, but a lot of Libyans too, and they're coming back now.

There's two caliphates now declared in small eastern communities and small numbers of soldiers, but if there isn't a political deal and we don't get stability this will grow in Libya. Many have thrown their weight behind Haftar I think this is a mistake. Haftar has consistently alienated groups that are not Islamists by lumping them together with Islamist groups and consistently been losing battles because he does that.

It's Haftar's actions beginning in May 2014 that forced the situation into what it is now. Now, Haftar has a lot of support, and General Haftar did what he's doing for good reasons. He did it in response to the assassinations in Benghazi which could reach as high as one hundred a month – it was a horrible situation, going after army officials, police officials – but by whacking at almost the entirety of the Libyan political class and most of the militias under the pay or armed groups under the pay of the government, he's created a worsening situation in which his forces are losing more than they're winning.

Now, there are a lot of scenarios for Libya. A lot of Libyans talk about a Somalia scenario, Mali scenario, but I think what we're beginning to see more and more is an Algeria-like situation – Algeria from the 1990s. Not that we've had a secular takeover yet, and the Haftar forces are only controlling about two large cities and some other areas, but a protracted conflict on Islamist versus secular grounds that didn't need to exist on those terms.

What Libya needs is a political deal. There are a lot of ways to get to a political deal, and arriving at political order in any country is haphazard business. There's not one formula. There's a lot of different ways to get there. And no society is guaranteed to have political disorder or not to have political disorder. There needs to be a grand political deal though including all of the armed groups. A lot of people say it has to be tribal, and that Libya is essentially tribal. I completely disagree with this. Most young Libyans don't think of themselves as being tribal. One of the slogans of the revolution was [Arabic phrase] “No to tribalism.”

Tribal leaders would be chased out of municipal meetings as they tried to insert old authorities, and the vast majority of armed groups in Libya don't affiliate with any tribal group. They're affiliated with as I said local municipalities. So those who tell you that Libya is essentially tribal like some Middle Eastern places, and there's a tribal solution – I don't agree.

What we do need to encourage is Libyan ways of dispute resolution, which often involve not the types of formal techniques for these types of dialogues that NGOs and the West try to encourage, but a Libyan-style conversation, which often shouldn't probably have Westerners, even U.N. representatives there. We should help them get to the deal-making place whether it's in Malta or wherever,

but then let them work it out. Part of the deal will have to include dealing with these Islamic secularist issues, which are getting worse and worse. But don't believe the rhetoric about Islamism and secularism, which is in fact in many ways packaged for us in the West. The vast majority of Libyans, for example, want Sharia as the basis of law in Libya, different from some of the neighboring states. But the most important quality for a Libyan politician or a Libyan political party, according to the best polling, is ability to deal with the west.

So how is that? How is it Libyans want an opening to the west and want international inputs, but want Sharia too? We need to sort through that. We need to think through that. And part of it is that Libyans mostly have no idea what Sharia is. They want it, but there needs to be kind of a redefinition of a twenty-first century Sharia for Libya that includes women's rights and other things, and they can be helped in that conversation.

Security sector – there's been too much focus on this general purpose force and on counterterrorism. A lot of the comments that have been made about other countries apply to Libya, too. We need a much more holistic approach to developing Libya's institutions and Libyan human capital. Libya has a very high literacy rate, very educated population, consistently in all three elections voted anti-Islamist, against the Islamist party and its proxies, which is one of the reasons we're in the situation we're in right now. Has a very unfortunate political isolation law which forced out a very popular prime minister, and so we need to get moving on transitional justice and justice reform, and of course the economic element. The oil's flowing but the money's not distributing out to the ministries.

The question from [John] Duke, and I'll conclude with this, how likely is it the United States will play a decisive role in assisting Libya and the turmoil engulfing it? How can the United States and Egypt face down the violent extremist Islamists in control of Libya's capital and other areas? Well, first of all we must point out the U.S. is still held in very high regard in Libya. A lot of the Libyan elites were educated in the United States in the 70s and 80s. The U.N. is held in high regard. Libya is one of the few countries in the world that was established by a U.N. Resolution in 1951, and it will be only with U.S. and U.N. leadership that Libya emerges from the morass it's in.

But so far Egypt and the U.A.E.'s incursion into Libya have made things worse, have consolidated opposition against those aligned with Egypt and U.A.E., and we will not see a solution, a military solution, to this conflict because no single group in Libya has the coercive means to force all of the other groups to follow it. Therefore the only deal will be political.

Thank you.

**[Dr. Michael Hudson]** Well, first of all thank you very much to Dr. John Duke Anthony and his intrepid colleagues at the National Council on U.S.-Arab Relations, and to the chair of our panel, Dr. Paul Sullivan.

I want to take a slightly different tack. We've heard detailed and insightful accounts of the post-uprising trajectories in three of the major countries across North Africa - Egypt, Tunisia, and Libya. I'm not a specialist on any one particular country in this far western region of the Arab world, so I'd like to make some more - and maybe this is appropriate by way of sort of concluding the main presentations - some more broader comparative perspectives, and what I'm trying to grasp is first of all the peculiarity of North Africa as a region, and I want to make about five points, and one of them is that North Africa in some ways is an integrated region. In some ways it's not.

And I want to speculate a little bit about two sort of constant factors that I think have affected the very different trajectories of uprisings and so forth across all of North Africa, including Algeria and Morocco, in terms first of all of the nature of the state and regime to which reference has been made by I think all the panelists so far, and secondly, on the nature of civil society in these places to try and figure out why things have gone in such different directions across the southern Mediterranean.

And then finally I want to look at two dynamic factors that I think have played an important role but a very different role in all five cases, one of them being the role of the military, and the other one being of course the role of Islamists and Islamist movements and so forth.

So, basically five observations.

First of all I think the uprisings of 2011 showed in a way that North Africa and the broader Arab world were at least initially a community where something transformative in one part spread by contagion, as it were, as if it were kind of an epidemic of protest, across borders to the other parts - Tunis, to Egypt, to Libya, and then of course in much more muted form to Algeria and Morocco. So in some ways here was a region, an integrated region where borders in some ways were crossed. And if you see any relevance in all this to the question farther to the Mashreq whether Sykes Picot lives or not - that's interesting to talk about.

But secondly, North Africa clearly turned out to be not an integrated region as the very different post-uprising trajectories showed. Each country followed its own relatively self-contained path. In Tunisia, you move toward, as Ellen has

nicely described this, towards stable democracy, through compromise on the part of Islamists and military restraint. In Egypt a vast upheaval, but democracy was stifled, at least temporarily by a military coup and the return of the deep state. In Libya, as we've just heard, I think owing to the hollowness of the long-running Qaddafi project, the Jamahiriya project, it devolved into what Lawrence has rightly described as a kind of chaos of one sort or another. In Algeria, relatively feeble protests petered out because I think of the popular memories of earlier uprisings, of the earlier uprising, the bloody experience of the 1990s. And in Morocco, we had an alert and agile monarch successfully preempting meaningful limitations on monarchical authority.

So we have very different stories across this region that in some ways is an integrated place, and in many other ways is clearly not. So, those are the first two points - the question of North Africa as a region integrated, the question of North Africa as not a region, not integrated, at least politically.

Let me turn to the third speculation, which has to do with the nature of the state across North Africa. I like to analyze the state in terms of two dimensions.

First, the bureaucratic strength of the state, the sort of governability, the administrative capacity of the state, which we can measure in terms of government employees, budgets, so forth and so on. And a second dimension has to do with moral strength or more precisely regime legitimacy. And I think we have to look at - when we're talking about the question of failed states or failed regimes we need to look at both the capacity of a government to do things and the way in which it is perceived, revered, or despised, as the case may be. And when we do that it seems to me - these are very broad generalizations - where the state was bureaucratically strong but the regime was morally weak in Egypt, for example under Mubarak, the struggle was between elements to capture the state, the state being symbolized by that formidable building in known as the Mogamma in Tahrir Square.

So it was struggle between elements who wanted to capture the state. First it was the Muslim Brotherhood, which then as we know lost control, and secondly last year the military "feloul" complex, the military supported by elements of the entitled regime employees, people that thought running of Egypt was their thing to do - an elite, as it were. This military "feloul" complex which holds it for the moment.

In Algeria, the military behind the scenes was able to push aside reformers. In Morocco, the state remained strong both bureaucratically and morally. We think of the monarchy in Morocco as being deeply rooted, widely regarded as legitimate.

In Tunisia, the state was strong both bureaucratically and morally, but the regime was hollow, lacking legitimacy under Ben Ali. So protests were channeled in a positive way.

But in Libya, the state was a failure both bureaucratically and of course in terms of regime legitimacy - very weak, indeed. So even though the regime in Libya was overturned, with a lot of help from NATO, there was and is an institutional vacuum yet to be filled, as we have just heard. So that's how we try to figure out the question of the causal impact of states of different degrees of strength, bureaucratic or moral.

Fourth point - civil society, and again I generalize very broadly. It seems to me we saw a vibrant civil society in Tunisia and in Egypt. It seems to have carried the day in Tunisia but was derailed in Egypt, first by the weight and ambition of the Muslim Brotherhood when it came legally to power but then squandered its opportunity, and second by the military coup.

Yes, I used the "C" word. I was in Egypt last March, and when I used the "C" word - and I talked before the Egyptian Council on Foreign Relations - I was afraid they were going to throw shoes at me, but fortunately there was a power failure at that moment so they couldn't see me.

But when it comes to Egypt, I am sympathetic to the drift of Michele's argument here - civil society isn't going away in Egypt, and it might be prudent not to bet on the longevity of what seems now to be the Sisi dictatorship. In Algeria, civil society has been anesthetized after its brief flowering around 1990. In Morocco, civil society has been largely co-opted by the royal establishment. And in Libya, it scarcely existed under the weird Qaddafi Jamahiriya.

So, finally - fifth point. I want to say just a couple of words about the two more dynamic factors if state and civil society are sort of given static things. The role of the military and the role of the Islamists - these are more dynamic elements. And here's, again speaking very broadly, what I think about the military. In Tunisia, the professional military - and we stress the word professional here - the professional military essentially stayed in the barracks.

In Egypt it was different. The SCAF and then Sisi intervened continually, maneuvering to contain the uprising and then to mobilize the populous against an ineffectual and non-inclusive Muslim Brotherhood government. In Algeria, the military simply as I understand it continues to hold the reigns from the shadows, the [Puub-wah (phonetic)] as I believe they call it in Algeria. The military stands in the shadows but allowing a façade of civilian politics, with in this case and

also in the Moroccan case tame Islamist parties being allowed to participate in what some people would call façade democracy.

In Morocco, ever since the abortive of coups against King Hassan the military has been as far as I understand this subordinate to the monarchy. And in Libya, Qadaffi's what shall we call it - tribalized military might have saved him had it not been for the NATO intervention. And maybe now that we've heard about another military man coming along in Libya, that may not be good news either. And it is interesting just as an aside that in the one North African case of direct foreign military intervention it has led to or it has been associated with the greatest chaos.

And then let's say a word about the Islamists. In Tunisia as we've heard a moderate party -- Ennahda -- has liberal leadership and has been amenable to power sharing. In Egypt, the Muslim Brotherhood, owing I think in part to its clandestine past, could not practice or did not practice inclusivity, leading to its demise.

In Algeria and Morocco, tame Islamist parties encouraged but monitored closely by the authoritarian rulers have so far taken the edge off of radical Islamism. And in Libya - I won't elaborate further - but the regional familial tribal segmentation in that society has led to a proliferation of Islamist militias, some of which have radical links to al Qaeda or perhaps to ISIS.

But the important thing to remember here is that radical Islamism, radical Islamism, knows no territorial boundaries, or it denies them, it wants to erase them. ISIS claims no nationalist legitimacy - territorial - and to the extent that stressed socioeconomic strata exists all across North Africa there are still fertile grounds for radical Islam to spread.

So in a way - going back to the question of regional integration on a political dimension, you've come full circle. In early 2011, you had a kind of an integrated, cross-national protest movement. In 2014, it may be that you're having a radical, cross-nationalist, Islamist Ummah community in the process of formation if states cannot acquire legitimacy and governability, and if civil society cannot organize in a rational manner.

If there is time, I want to refer to John Duke Anthony's "how" questions - I picked out two that might be relevant. He asks how like is it that a coalition of willing North African partners can be built to deal with the problem of al Qaeda in the Islamic Maghreb? I think this depends heavily on political outcomes in Libya. And before the Arab uprisings there was regular and institutionalized cooperation between the intelligence services of Egypt, Libya, Tunisia, Algeria,

Morocco. Since the uprisings, and I'm not entirely up to date on this, but my impression is one can imagine that the governments of Egypt, Algeria, and Morocco are bent on continuing cooperation, while Tunisia is likely to have a government either dominated by or maybe more likely influenced by Ennadha, an Islamist party, and therefore taking a more nuanced view, approach to political Islam.

One might imagine it still has an interest in curbing al Qaeda in the Islamic Maghreb or other forms of Islamist extremism in the region, but Libya seems up for grabs lacking a coherent government at all, and Islamist militias if they maintain their present influence or come to dominate a future Libyan government then there might be a very weak link – this might be a very link in the regional anti-al Qaeda, anti-Islamic extremist coalition chain.

We don't have a GCC for the Maghreb. We do have something called the Arab-Maghreb Union, but it seems to have been largely defunct for many a year for reasons I won't go into. So in any case it's an open question I think to what extent there is a regional, again a cross-national regional effort to contain what may be a cross-national movement towards a radical Islamist Ummah.

Second question, and last, from Dr. Anthony – how should the United States work with regional actors and European countries to stem the flow of violent extremists and arms across Northern Africa? I may be cynical or maybe I just don't have the stomach for it, but I don't think the United States can do a lot. As has often been correctly stated, combating extremists cannot be accomplished by military means alone. The U.S. is good at military means. It's not so good, it seems, at political activity.

Political instruments also have to be deployed, and it is evident that the climate and constituencies for supporting Islamist extremists definitely exists across North Africa in its broadest sense, especially in Egypt, Libya, and Tunisia, and the governments would seem to have quite different approaches to the issue. What can the U.S. do? I don't think it can do much.

The big problem is that the main flow to Europe of migrants seems to come mainly through Libya, which is in chaos, and also from Tunisia, where there seems to be substantial Islamist extremist tendencies as we have heard. When you look at all those Tunisians going to fight on behalf of ISIS.

So the U.S. I think alone has neither the will nor the means to uplift the impoverished masses of North Africa, and at best such an effort requires a joint effort by the European Union and the U.S., and of course absolutely with the

active and meaningful assistance of the local governments to the extent that you have local governments there.

Thank you.

**[Dr. John Duke Anthony]** Few people could give the comparative reach that Michael Hudson just gave and going after five – four countries vertically and horizontally and diagonally there, and make sense out of it, and give people information and insight that's relevant to enhancing their knowledge and understanding. Thank you, Michael.

Most of the questions that I have are for Egypt, but that's not going to be fully fair, so I'm going to make one up regarding Tunisia for you, Ellen, and the UGTT, if you could explain that a little more. It's been remarkable about with regard to Arab trade union movements. Their work is all over the world and yet there's no trade union movement that really comes close in the western Arab world to Tunisia's trade union movement – point one.

Point two – in any look at the map and you see Tunisia sandwiched in between gigantic Libya and gigantic Algeria. What have been the staying powers all these years?

Thirdly – reflecting a little bit more on women in Tunisia. Correct me if I'm wrong but women have had codified rights – civil rights, human rights, gender rights – to a far more advanced stage than women elsewhere in the region and earlier than elsewhere in the region. Was it Bourguiba's wife or Bourguiba's long reign that had something to do with these two things? How has Tunisia really been able to make it? I've been there for parades and it's pretty difficult getting a good-sized band to march down the main streets.

That's for you, Ellen. And I'll leave the others for Egypt, for you, Paul, to ask if you like. And Michael was magisterial in his brush stroke there.

But Michele, we have quite a few questions for you. Do you want to ask them, Paul? Go ahead.

**[Paul Sullivan]** About Egypt? I think there was one in there that I saw that had to do with food driving the Arab Spring.

**[Dr. John Duke Anthony]** Okay, sure. But Ellen, we would appreciate her response, if Ellen would.

**[Ellen Laipson]** So let me go quickly through John Duke Anthony's very interesting points. The UGTT, the Union Generale du Travail Tunisienne, has been around since independence. It has certainly functioned in a very - in a relatively homogeneous country with a liberal social democratic regime, at least in the '60s and '70s, as really more than a labor union. It has been instrumented social mobilization. It has been an institution through which people get trained and educated. And in years when there were no politics in Tunisia it has been a surrogate political party.

So at the beginning of the Arab Spring, the UGTT really did bring people into the streets, a very large cross section demographically, geographically, and so it is indisputably a very powerful organization.

I think it was Bill who mentioned the national dialogue in Tunisia that rescued a faltering political process in 2013. It was the labor movement, the union of employers, the Bar Association, and the human rights association. These four civil society organizations together pushed the sort of inexperienced political actors to a new consensus - a very remarkable story.

It would really be hard to imagine that level of societal problem solving in almost any other Arab country.

On the question of Libya and Algeria, I do think the Tunisians historically punched above their weight in part because the politics of the country were somewhat more advanced, sophisticated, it had close ties to Europe, and the Tunisians made a virtue of their small size. They provided a kind of harbor for, first of all the independence struggle in Algeria, they provided a sort of neutral territory that was always pro-Maghreb union, and they have been advocates. The Secretary General of the Arab-Maghreb union, Habib Ben Yahia, former Tunisian Ambassador to Washington, former Tunisian Foreign Minister - he's limping along, still running the Maghreb Union, which is a defunct organization.

But I wanted to make a point in contrast to discussion of the GCC Union, political union in the Gulf. I think there is a paradox in North Africa that - a little bit draws on Michael's point. The big scheme that's going to be imposed from the top of the political leaders on integration isn't going to happen, but there is a kind of bottom up, piecemeal integration happening. Whether it's happening because labor and people are moving across borders. Whether it's because the business community looks for scaling up projects by doing joint ventures and et cetera.

What's missing is the political will that it would take to do the integration of east-west highways and train routes, some integration of the energy system,

some integration of water management systems, et cetera. But I haven't given up on integration. I still think that at some level it is possible. It will take leadership.

Your last point was women in Tunisia. It's absolutely Bourguiba's legacy. He passed family status law and gender equality measures in the '60s, so Tunisia got a jump-start on any other Arab country.

Women participate in national life in every way. The rise of Nahdah of course was very threatening to women, and it was much more palpable in 2011-2012 that Tunisia was experiencing culture wars between women, modernized, westernized women who were terribly worried about being told that they no longer could move around in public space, and the expectation that Nahdah would somehow be draconian in its imposition of veiling and limitations, et cetera. Amazingly that hasn't happened.

When I was in Tunisia two weeks ago I would say the young women veiling - very fashionable, bright colored veiling - maybe 30 percent of the population, and if you're in downtown Tunis there is absolute sharing of public space, very Western dressed, and veiled women interacting, and that sense of tension that you felt after the fall of Ben Ali about the secular liberals feeling very agitated and very nervous about rolling back the achievement of women - that really has largely passed and there is a new kind of live and let live, and I think that Nahdah deserves some credit in trying to defuse that sense of uncertainty about the culture wars.

**[Dr. John Duke Anthony]** Super, thank you. Paul, if you'd take it.

**[Dr. Paul Sullivan]** Well what I was trying to get at in the beginning is there's a lot more happening here than just the Arab Spring. This has become an inertial industry in Washington. The things that drove the Arab Spring weren't just ideology. If you take a look at Syria and the droughts that happened in the northeast, and the people had to leave the northeast and head to the cities - water was a huge part of it.

Also, if you're taking a look at the demise of Morsi, which I do not call a coup, and in many ways I will be an outlier in this city by saying the military actually saved Egypt from something that could be much more dreadful than what's happening now. And I know some people are probably angry at me for that one. Frankly, I call them as I see them like a baseball umpire. I've had 25 years of experience with Egypt. I know the Egyptian people pretty well. I visited the countryside and asked people about their support for this or their support for that. I got no one saying directly to me that anyone supported the Brotherhood.

Now, think of the following - if the Brotherhood were now in charge of Egypt, and now we have ISIS and we have the extremists in Libya - where would we be today? That's a nightmare. That's an absolute nightmare. And also the blackouts, the water shortages and so forth - this all adds up to a resource-driver for the next stage of conflict. The Nile River will be a big issue. It's not hit the newspapers here just yet. It will. I once asked an Egyptian senior office, what would happen if the Ethiopians built a large dam and controlled a lot of the water in the Nile? His answer was "F-16. Do you want dessert, Dr. Sullivan?"

The Nile is what keeps Egypt alive. It is running out of water. It runs its electricity system. It runs its agricultural system. When this dam is filled up depending on the speed of it, it could be extremely problematic, and for the United States policy for North Africa and other parts of Africa along the Nile Basin this is vital. This could make the Arab Spring look fairly tame when the water situation gets as bad as many think it will. But there's a way around that, and that's where the U.S. policy fits in - using the water more efficiently, changing cropping systems, using different energy methods that don't use so much water. I know this sounds really technical and engineering-like, but sometimes the technical and engineering stuff saves lives.

**[Dr. John Duke Anthony]** Ellen, you have another one, and then Michele has several, and Bill also.

**[Ellen Laipson]** My question is Tunisia is the most secular Arab country yet the largest number of ISIS fighters are from there, why? Well here I'd like to make a distinction. Tunisia, like Turkey perhaps a generation ago - we have to make a distinction between a very assertive, secular elite that has created political institutions and the dominant political culture of the country, and a society that's actually more socially conservative and more privately pious than we had realized. So I think we have discovered that Tunisia in some respects is a more conservative country socially, at least in parts of the country.

I heard a number of explanations for why, and I don't think we can prove scientifically any one of these reasons. It appears that there were always Salafis in Kairouan and some of the smaller towns of southern Tunisia, there were always Salafis in hiding, and then the Arab Spring came and they got to express themselves. Other people say the cohort of Islamists that are veering towards radicalism has expanded dramatically in a freer environment, that people who are not identified as Salafis or jihadis have now stepped up and that has been their new inspiration.

Some say it's disappointment that Nahdah wasn't more effective as the dominant Islamist party. So there's a variety of explanations, and I wouldn't pretend to try

to give a single explanation of why or how it's happened. It is a bit of a conundrum and a mystery, I think. It doesn't completely make sense, and so I think it does need to be studied a little bit more.

**[Dr. John Duke Anthony]** Thank you. Michele and Bill, and then one for you, Michael, and we'll end.

**[Dr. Michele Dunne]** Okay, quickly I have one question. Do you think the United States will continue its support of the current Egyptian government despite the human rights violations?

The United States is very heavily invested in this relationship with Egypt. It's a relationship of decades. It's a relationship in which the United States and American taxpayers have invested tens of billions of dollars, both on the military side and the economic side, right? And the United States certainly doesn't want to walk away from Egypt.

But we keep hearing and we heard it from President Obama recently when he met with President Sisi in New York, that the U.S. government is troubled about the political trajectory in Egypt and about the human rights violations. So I think we're probably going to continue to see this ambivalent U.S. policy - not cutting off the relationship altogether, but not being - withholding some forms of support and so forth. And we'll see how that balance develops. I really think it will be in reaction to how the internal situation in Egypt develops.

What kind of relationship between the United States and Egypt as it relates to the Israeli-Palestinian conflict?

Despite all the turmoil in Egypt, it still occupies the same real estate, very critical real estate, and right next door to Israel and to Gaza. So Egypt's role remains quite important there. We're seeing with President Sisi's government a sort of unusual situation in which we see the Egyptian government really much closer to the Israelis than to the Palestinian side of the conflict, and much more overtly so and willing to play that role in a more overt and even in a ruthless sort of way as we look back at, for example, Egypt's role in the last Gaza conflict.

So what does that mean about the United States? The United States has to, absolutely has to deal with Egypt regarding Gaza and what the arrangements there and so forth will be, but I think it's quite uncertain what role the U.S. Administration is going to play on Israel-Palestine over the next couple of years in any case. So it's not clear how closely the United States and Egypt will be cooperating on that.

Comment on Egypt's shift in its foreign economic policy, direction of the BRICS, Brazil, Russia, et cetera.

This attempt to diversify Egypt's economic relations, to move away from the military dependence on the United States, move away a bit from the economic dependence of the EU - this has been a theme in Egypt for some time, and it certainly from the beginning of the revolution, and it was the case with Morsi's government as well as Sisi's government.

So I think we'll continue to see that as a theme. There may well be some Egyptian military purchases from Russia that will be Gulf-financed. This will be a trilateral relationship. I think that Russia is eager to give President Sisi political support. I don't think Russia is offering the kind of military security assistance package that the United States has offered. So while we may see some diversification, I don't think it will be a wholesale change.

And the last question - how would the development of human capital help Egypt if there's no serious job creation?

This is an important, very important question, and this is why I think the United States, while as I advocate an investment in human capital in Egypt, the United States and other players, the EU and international financial institutions, should be working with the Egyptian government and pressing the Egyptian government toward an economic strategy that is more private sector-driven, inclusive development, improving policies and so forth for small and medium enterprises exactly to create jobs, and then the United States helping out on the educational side to help equip young Egyptians with the professional and other kinds of skills needed for the jobs that will be created.

**[Dr. John Duke Anthony]** Bill, then we'll come back to Michael.

**[Dr. William Lawrence]** I've got five questions here - three from the audience on two cards, and two from - the [John] Duke asked the panel prior to the panel that haven't been answered by the panel, so I'll take a stab at those two as well.

First question - how active militarily is Egypt involved in Libya, and what affect will this have on other nations in the region?

Egypt is not very involved yet but increasingly saber rattling let's say, and there have been several incursions. We have to go back to the war. During the war, Qatar, the Emirates, many of the Gulf countries played important roles in arming various groups. Egypt did not play much of a role. Even Sudan played a role,

and now Sudan's trying to step in with one of the latest national dialogue initiatives, which I'll get to in a minute.

But generally speaking, Egypt's bark has been bigger than its bite on Libya, and I expect more. The more Egypt gets hits from the West the more they're going to get involved, and so far the interventions have had reverse effects in terms of what's happening in Libya.

How will this affect other nations in the region? Well it's interesting. At one point Bouteflika was reputed to have said he was going to defend Libya up to the Egyptian-Libyan border, which of course didn't pan out, but there is that aspect of Maghreb unity in the rhetoric at times. But both Egypt and Algeria are involved in attempts to sponsor both international and national-level dialogue on Libya, and that hopefully will bare fruit, which gets to the next question.

There have been many calls for national dialogue in Libya by a number of groups. Where are we in that process?

There have been over thirty distinct national dialogue efforts. None of them have bore much fruit. Even in the last couple of weeks there was one in Ghadames. There's a current one right now between the House of Representatives in Tobruk and certain Misratan elements.

So there's been many efforts but no real deals. One of the reasons is that those with the arms aren't generally at the forefront of the dialoguing. Politicians and other representatives are for dialoguing, but they're not the ones who wield the power. So we're going to increasingly need to involve the armed group leaders in the negotiations to get a deal.

In past dialogues Libya - how do you deal with the groups that currently dismiss legitimacy of elections and use terms like legitimacy of the revolution? Legitimacy of the revolution is a term being used by one of the rival parliaments to justify the fact that it wasn't elected in the last election, and the parliament that was for a while on a car ferry off the coast of Tobruk but now is in Tobruk is rightfully claiming legitimacy of elections, but what they've done since the elections isn't very legitimate. So some analysts refer to it as the rump parliament in Tobruk. Both parliaments and both sides are ramping up the rhetoric with very little legitimacy in their actions.

The other two questions the [John] Duke asked the panel - one was how would the United States help Algeria build credible institutional infrastructure that can help chart its political future?

It hopefully will, but this depends much more on what the Algerian government does than what the U.S. government does. Most U.S. NGOs that work in Algeria are severely hamstrung, the way NGOs have been hamstrung in Egypt prior to the revolution and since the Sisi advance to power, very much controlled by the government in every way including surveillance and limiting their actions. So it won't be until the actual assistance that is offered is allowed to operate effectively that you will begin to have more fruit borne.

Now, there was a post-9/11 rapprochement between the U.S. and Algeria, which developed very effective cooperation in counterterrorism and intelligence sharing, but it hasn't branched beyond that. And until we're dealing with the aspirations of the large Algerian youth cohort, which now according to official Ministry of Interior statistics is confronted by Algerian riot police over 10,000 times a year in Algeria over the last five years - over 10,000 times a year small crowds have to be controlled by riot police. Until we're dealing with the issue of Algerian communities and Algerian youth we won't get much progress.

And the other question [John] Duke asked us is how like is the United States to become further involved in resolving the dispute between Algeria and Morocco over Western Sahara?

My answer is very unlikely. On the one hand, the U.S. privileges its special relationship with Morocco every chance it gets, and for good reason - there are a lot of good reasons this relationship is strong and needs to be strong - but the Algerians are increasingly an important ally of the U.S., whether it help on Mali, help on Libya, other regional terror threats, trafficking of all kinds imaginable including large amounts of drugs coming from Latin America through this part of the world up to Europe.

So there's a lot of assistance that the U.S. needs from Algeria and so they're not going to rock that boat. That said, letting this issue go is terrible for the region. The Saharan population is suffering in a kind of 40year frozen political situation - languishing economically, languishing politically.

Estimates from the Peterson Institute have put GDP growth reduced by two or three percent in Algeria and Morocco because there's no trade between the countries. There is - this is the part of the world, North Africa's the part of the world with the least regional trade of any part of the world.

So until the international community steps up and pushes a deal between Algeria and Morocco, the region is going to continue to suffer economically.

Thank you.

**[Dr. John Duke Anthony]** Last question will come to you, Michael, and Ellen if you want to add in because of your Tunisia focus. Michael, you've been a pioneer in writing about political change and legitimacy, and there was a reference from David des Roches in an earlier session – a throwaway line to Max Weber. And here we're talking about the institutionalization of charisma.

How do you take the spark of a great leader who she or he casts their shadows very long and leave behind an institutionalized relationship for succeeding generations in your work and in your life?

I mean you've watched Nasser and his shadow in Egypt, King Hussein in Jordan, his brother Hassan and his son Abdullah. Turkey – Kamal Ataturk and Ismet Inonu followed him. In Morocco you've had Mohammed the Fifth, Hassan the Second, and now Mohammed the Sixth, and in Tunisia you come back to someone like Rashid Ghannouchi and Ellen was talking about this triad or quadruple group of institutions that came together to hold the peaceful at least atmosphere in the moment, being politically propitious to go forward with their experimentation.

And Tunisia being unique in so many other ways. When the Israelis invaded Lebanon in 1982, the PLO was evacuated where? To Tunis. When Egypt was thrown out of the League of Arab States after the Camp David treaty, where did the League of Arab States move its headquarters? Moved it to Tunis.

Various groups that I've taken to the region were wowed by Tunisia having its foreign investment promotional authority. If anybody here walked out and saw a vacant lot here in Washington and say hey, that would be a great place for a hotel or a clinic, I don't think you could get it built in less than three, four, five years, but in Tunisia they had one building where you could go in and there were 13 desks, and they're all in the same room. And they had a director, a deputy director, and an assistant deputy director. This one gave you your electricity permit, this one gave you your sewage permit, this one gave you your water permit, this one gave you your labor permit, this one gave you your environmental permit, this one gave you your import permit, this one gave you an expert.

You could do it all within one day, to get all of the permits and the licenses. I've never seen anything like this in any other country in the world.

So Tunisia is an example of sorts it would seem, but Michael, how do you see this laboratory for people to study Arab North Africa in terms of the institutionalization of rule, and governance, and legitimacy in governmental

structures, and political dynamics, and political leadership? And Ellen, if you want to jump in with the Tunisian aspects, feel free to do so. This will be the last question.

**[Dr. Michael Hudson]** Well first of all, I don't think that charisma can be inherited. I think it's in the nature of the beast. Charisma is a very illusive, fluid, idiosyncratic, and personalized quality.

When Weber talks about charisma, he's often talking about individuals who exert magical authority, and a certain kind of religious aura, and even though one charismatic leader may pass along power to the son, I don't think charisma goes along with it. So that's one thing. Charismatic leadership is probably very important at a certain sort of initial stage of state formation or nation building, but it's not the most useful kind of leadership to build institutions and to develop governance.

I think - when I look at the mostly depressing trajectories of the Arab uprising so far it occurs to me the missing element is leadership, that somehow they just haven't put it together, with the qualified exception again perhaps of Tunisia, but when we look at the failure of the protesters, the failure of civil society, somehow the failure of political parties to produce leaders that could exude if not charisma, at least authority and rationality, it's puzzling. It's just a puzzle, and I keep wondering if there's something in the recruitment process for leaders in this part of the world that brings mediocrity to the top.

**[Dr. John Duke Anthony]** Ellen, you want to add?

**[Ellen Laipson]** Well, just very quickly I do think that the real charismatic leaders in the Arab world in many cases stayed too long and their charisma really had diminished by the end, and if they got stuck in place long after that magic it wasn't necessarily good for their societies, and it does come at the expense of institution building.

But I would argue that the protestors in Tahrir Square and in the streets of Tunis maybe were looking for anti-charismatic leader. They were looking for less dominance by one personality and more kind of collective action. So I do think we have to accept that the pendulum swings to an avoidance of two dominant a personality or leader doesn't necessarily mean decision-making is easy or efficient, but I feel that is an impulse today in the Arab Spring - whatever's left of the Arab Spring.

**[Dr. John Duke Anthony]** Okay. Paul, you want to make a final statement?

**[Dr. Paul Sullivan]** Well this is all quite interesting. I learned a pile from all of you about various things that are happening recently. With regard to mediocrity bubbling to the top, I think that's a global issue - it's not just in the Arab world - and that's part of the reason we're in the situation we're in.

If we had real strategic leaders who thought through these problems, looked at where things might be going, made proper decisions on time, had good advisors, a lot of what we talked about today so far probably would have been unnecessary.

**[Dr. John Duke Anthony]** Please join me in thanking these fantastic speakers in this last session.

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