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Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

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EGYPT: THREATS TO THE REGIME AND TO THE FOREIGN PRESENCE [redacted]

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Summary

The political climate in Egypt is stable as President Mubarak continues his slow process of liberalization. This stability, however, is threatened by deteriorating economic conditions, the resurgence of Islamic fundamentalism, and the impact of turmoil elsewhere in the region. In addition, Mubarak and other senior Egyptian leaders, as well as US and Israeli personnel and facilities, are vulnerable to violent acts by small, disciplined and well financed groups from either the Islamic fundamentalist right or the radical left. [redacted]

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Mubarak's flexible approach toward dissidents is proving moderately successful, but the dangers to the regime have not been eliminated. Although the government appears to have succeeded in co-opting the more moderate opposition elements, repression of violence-prone radicals risks prompting a political backlash that could strengthen popular support for extremists' goals. While Egyptian security forces are adept at forcefully suppressing public disturbances, we believe that they remain largely incapable of detecting or preventing isolated attacks by extremist groups. [redacted]

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This memorandum was prepared by [redacted] Office of Near Eastern and South Asian Analysis. Comments and queries are welcome and should be addressed to the Chief, Arab-Israeli Division [redacted]

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The Political Climate

Political stability in Egypt has been reinforced during the past year by a string of domestic and foreign policy successes that have boosted President Mubarak's confidence and strengthened the government's legitimacy. Mubarak was reelected last October by a popular referendum to serve a second six-year term. Mubarak's National Democratic Party retained a large majority in the People's Assembly after national elections last spring. At the same time, the opposition presence in the Assembly almost doubled, enabling the President to claim a step toward more representative government. In addition, nine Arab states unilaterally restored full diplomatic relations with Cairo after the Arab Summit in November 1987 on essentially Egyptian terms. These states had severed formal ties in 1979 after Egypt signed a peace treaty with Israel.

Political liberalization remains a stated priority of the Egyptian Government, and we believe the political climate in Egypt is freer today than at any time since the 1952 revolution. In his drive to liberalize the political system, Mubarak can point to a number of accomplishments that are largely alien to Egypt's long tradition of authoritarian rule, including:

- A strengthened judiciary.
Under Mubarak, the judiciary has enjoyed unprecedented independence, and public respect for the courts appears to be increasing. Rulings are taken seriously from the President on down, in contrast to earlier eras when the national leadership routinely ignored them.
- A more representative People's Assembly. Mubarak has welcomed the opposition's increased presence in the national legislature, and he encourages their participation in debates on national issues. Although he tolerates an increased presence of Muslim

Brotherhood members in the Assembly--about 36 deputies--he and his security advisers remain suspicious of their professed desire to work within the system.

--Increased Press Freedom.

Under Mubarak, the Egyptian press enjoys significant freedom. Overt censorship--the rule under Nasir and Sadat--no longer exists. The opposition papers regularly publish scathing attacks on the government with apparent impunity, although criticism of the President is cautious and far less intense.

Major Areas of Concern

Economic Problems. Economic grievances, in our view, continue to hold more potential for generating domestic unrest than any political issue. Over the past three decades, Egyptians have come to regard the government's generous system of subsidies on food and other necessities as a right. To secure a standby arrangement from the IMF last spring, however, Mubarak had to commit himself to significant economic reforms that are likely to erode the government's ability to provide these benefits. We expect Mubarak will continue to shy away from reform measures that he and his advisers believe to be politically and socially destabilizing, but public complaints about such issues as inflation are already mounting rapidly.

Islamic Resurgence. Cairo's concerns about the economy are intensified by the Islamic resurgence in Egypt. Although the Islamic fundamentalist movement in Egypt is diverse and lacks widely accepted leadership, individual groups tend to be disciplined, well organized, well financed, and eager to exploit popular grievances as a weapon against the government. Moreover, in more general terms, resentment over worsening economic conditions is feeding a broad popular shift toward more conservative Islamic thought and values. The US Embassy in Cairo reports evidence of a reversion to Islamic lifestyles:

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alcohol consumption is down, criticism of sexually explicit Western media is up, and more women are wearing the veil. Embassy officials say that attendance at mosques is rising. According to an Egyptian scholar, mosques have recaptured a central role in Egyptian Muslim communities that had been lost in recent years.

[redacted]

Influence of Outside Events. Events outside the country--and beyond Mubarak's control--may undermine or reinforce domestic stability. The recent assassination of Abu Jihad and Israeli intransigence on the peace process in addition to the Palestinian uprising in the occupied territories have once again made relations with Tel Aviv a focus of protest in Egypt, on campuses and in the mosques as well as in the press. So far, sympathetic disturbances have been easily contained by security forces, but the government is clearly worried that future demonstrations might act as a catalyst for more widespread unrest fueled by economic grievances. On the other hand, steadily improving ties between Egypt and the moderate Arab states will boost Mubarak's political confidence at home, particularly if accompanied by financial aid. [redacted]

The Threat from Radical Groups

Islamic Fundamentalists. Six years have passed since the Mubarak government hanged young Egyptians who, in the name of Islam, were convicted of killing President Sadat. The grievances that motivated the assassins, however, still fester:

- Deterioration of Egyptian living standards and the regime's perceived inaction to improve social and economic conditions.
- Perceived Israeli and US hostility toward Muslims and the regime's acceptance of the Camp David accords.
- The regime's harsh treatment of Muslim dissidents. [redacted]

Incidents of violence by radical fundamentalists are increasing, indicating a renewed militancy among Muslim activists:

--In recent months, violent clashes have occurred in upper Egypt between Islamic radical groups and the police and at least two youths have died--representing the first deaths from political violence there since late 1986. These clashes have been directed against the government's tough security measures rather than the usual target--the Coptic Christian minority--and could encourage widespread violence against the authorities.

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--Members of a small radical Islamic group called "Survivors of Hell" were put on trial in early April for three assassination attempts against prominent Egyptians in spring of 1987. Revenge appears to have been the major motive: two of the Egyptians were former interior ministers who had played a part in the suppression of al-Jihad--the Islamic group that killed President Sadat--and the third was a prominent editor with known anti-fundamentalist views. [redacted]

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Non-Islamic Extremists. To a lesser extent, the Egyptian government faces a threat from non-Islamic extremists--primarily leftists and Nasserists with anti-Israeli and anti-US ideologies. While these groups may deliberately avoid attacking Egyptians, their targeting of foreigners constitutes a serious security threat, and focuses public attention on the negative aspects of the regime's relationship with the United States and Israel. A recent example of such a group is the self-styled Nasserist terrorist group "Egypt's Revolution". [redacted]

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Egypt's Revolution claimed responsibility for four attacks on Israeli and

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US targets between June 1984 and May 1987, but in September 1987 Egyptian authorities--acting on information provided by an informant--arrested virtually the entire membership. Subsequent investigation revealed the group was led by Khalid Nasser, the son of the late President, and that Libya may have contributed money to the organization's coffers. The Egyptian Public Prosecutor announced on 18 February that 20 defendants linked to Egypt's Revolution had been indicted and would stand trial on a variety of charges including murder and forming a secret organization. Authorities are seeking the death penalty for 11 defendants, including Khalid Nasser, and will ask for life at hard labor for the remaining nine. Cairo contacted Yugoslav authorities to request the extradition of Nasser who currently resides in Belgrade. No trial date has been announced and the case continues to hold potential to backfire on the government. [redacted]

after Sadat's assassination in 1981 and extended repeatedly since then--helps Mubarak control Islamic and leftist extremists by allowing him to suspend certain political liberties and supersede normal arrest and detention procedures in times of trouble. The key component in implementing the law is the state security apparatus, particularly the security forces under the control of Interior Minister Zaki Badr--an unpopular, ruthless former policeman with a penchant for heavy handedness. Although Zaki Badr follows the government's hard line with considerable zeal, his services have had serious difficulty tracking down the perpetrators of recent attacks, and they are hard-pressed to detect violent radical groups before they strike in a crowded city like Cairo. [redacted]

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Ultimately, the government relies on the army as the guarantor of public security and Mubarak's power. The Egyptian military is the country's strongest institution and is the only force that alone can replace the regime or protect it against internal opposition groups. Its history of loyalty to the presidency was reaffirmed in February 1986 when it acted quickly to suppress police riots in Cairo. Even so, the government is especially watchful for signs of politically motivated fundamentalism in the armed forces. To minimize this risk, Mubarak endeavors to protect the military from economic hardship while service commanders monitor their ranks for signs of religiously inspired dissent. [redacted]

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External Actors. Virtually all recent terrorism in Egypt appears to be the work of indigenous elements. The extent of the international links, if any, of Egypt's Revolution remains unclear, and we cannot confirm suggestions from high-level Egyptian officials that Libya was somehow involved. In the past, Libya has attempted to infiltrate terrorists into Egypt, but they have been targeted almost exclusively against Libyan dissidents resident there and have been detected easily by Egyptian security elements. Similarly, the ability of Iran and its sympathizers to destabilize Egypt is minimal. Egyptian authorities keep a close watch on Iranians and their surrogates. Iran's sole resident diplomat in Cairo was expelled in the spring of 1987 for channeling funds to Islamic extremists, and Cairo almost certainly will turn down Iranian requests to send another. The Palestinian Abu Nidal Organization is capable of terrorist attacks in Egypt, but we have no evidence of its involvement in any recent incidents. [redacted]

Regime Capabilities and Strategy

Ability to Maintain Public Order. Mubarak has ensured that considerable power to maintain public order remains at his disposal. The emergency law--promulgated

Mubarak's Carrot and Stick Policy. Mubarak has adopted a flexible, two-track policy toward domestic dissidence that aims to divide the opposition and appears to be meeting with moderate success. Selective repression of violence-prone religious extremists has been balanced with accommodation of more moderate opposition elements:

--Accommodating the Opposition. Mubarak and his advisers have shown that they are prepared to tolerate non-violent dissent in the interest of strengthening democracy and avoiding the kind of general crackdown that led to

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Sadat's assassination. Mild forms of Islamic dress and behavior are permitted as expressions of personal piety, for example, and the government has used establishment theologians to engage the Islamic opposition in open debates on religious issues. In addition, Mubarak allowed the technically illegal Muslim Brotherhood to participate in last year's People's Assembly election in alliance with two legal opposition parties--hoping that its fundamentalist views would be seen as unreasonable and its public support would erode. The Brotherhood has behaved itself in the Assembly, but Mubarak and senior security officials appear to have growing misgivings about its political agenda and are keeping a watchful eye on the Brotherhood's activities. [Redacted]

power, in our view. These groups lack cohesion and widely accepted leadership and represent the views of only a tiny minority of Egyptians. [Redacted]

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Nevertheless, in that they pose a threat to the lives of prominent Egyptians, Americans, and Israelis, radical fundamentalist groups threaten the stability of the Mubarak regime. There are probably hundreds of fundamentalist cells in Egypt--even within the military and security forces--and new ones forming continually. Their membership varies from a handful to several thousand, and most are located in fundamentalist strongholds of Cairo, Alexandria, and Asyut. They are disciplined and well financed, and some favor using violence for political purposes. Their secretive nature and cellular organization severely hampers government attempts to infiltrate and monitor their activities and lowers the chances that assassination plotting will be discovered and countered. [Redacted]

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At the same time, growing popular frustration with the regime and its policies poses a significant danger of widespread unrest and a climate potentially more supportive of extremists. Economic crises such as food shortages or dramatic price increases and outside events such as the Palestinian uprising will continue to concern Egyptian leaders because of their potential to act as catalysts for broad-based civil disorder. Continued government stonewalling on Islamic reforms also could lead to fundamentalist-inspired demonstrations which might ignite sectarian violence and spread through upper Egypt. [Redacted]

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--Targeting the Extremists. On the other hand, the government has not hesitated to suppress forcefully political extremism of both the right and the left. The emergency law--recently extended for an unprecedented three year period--was used to round up and detain several thousand Islamic fundamentalists after the assassination attempts last year. Security services also turned out in force in response to student demonstrations in January 1988 in support of the Palestinian uprising in the occupied territories. [Redacted]

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A heavy handed response by security forces against such demonstrations could prove counterproductive and prompt a popular backlash. Government reliance on tough tactics--mass arrests and interrogations--risks radicalizing devout Muslims and encouraging the formation of new groups bent upon anti-government violence. The trend toward harsher controls, if it continues, is likely to encourage increased student unrest that could spill over from the campuses. After two relatively quiet years, support for fundamentalism at Egyptian universities is growing, Islamic radicals are combining forces

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The Dangers Remain

None of the extremist groups from either the radical left or the Islamic fundamentalist right is capable of seizing

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with campus leftists and Nasserists to undermine the establishment, and campus unrest is increasing. [redacted]

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Implications for the United States

The roundup of a number of Egypt's Revolution members appears to have reduced the most immediate threat to US personnel and installations in Egypt. Fundamentalist violence to date has been almost exclusively targeted at native Egyptians, not foreigners. A future attack by Islamic radicals on Americans in Egypt is certainly possible, however, given the size and visibility of the US presence there, US ties to Israel, and close US identification with the Mubarak regime. Events seen as evidence of Israeli (and by association, US) hostility toward Muslims--such as alleged Israeli responsibility for the Abu Jihad assassination--will significantly increase the likelihood of attacks on Americans. In addition, the inability of the Egyptian security services to monitor small groups means that they may not be able to prevent such acts against US personnel and facilities. [redacted]

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The forces working against Egyptian stability also imply a more indirect threat to US interests. Mubarak might be forced to put distance between Egypt and the United States under a number of different scenarios. The United States could become a handy scapegoat to blame for painful economic reforms--we may be accused of not giving Egypt enough aid or failing to use our influence with the IMF to help Egypt. Widespread disorder, no matter what the cause, would force the government to clamp down and possibly shelve the political liberalization process--a setback for US interests in promoting stability through democracy in the region. Furthermore, any Israeli act seen as humiliating Muslims or desecrating Jerusalem would make it harder for Cairo to defend its relations with Tel Aviv, increasing radical pressure on the regime to abrogate the Camp David accords. US support of Israeli moves or US military intervention in the region would focus fundamentalist pressure on US-Egyptian ties. [redacted]

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ANNEX 1:

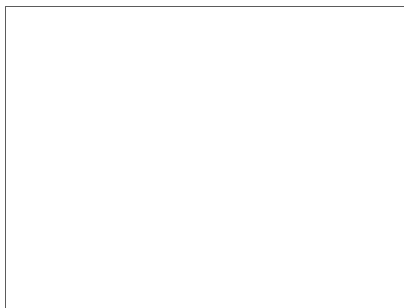
**EGYPT'S COUNTERTERRORIST UNITS:
LIMITED CAPABILITIES**

Cairo's efforts to develop counterterrorist forces have intensified during the past few years as a result of a series of violent incidents like the hijacking of an Egyptian aircraft in 1985 and the more recent attacks on Egyptian officials and US Embassy personnel in Cairo. Its progress in improving them, however, has been slow and hindered by economic constraints. 


Egypt's intelligence and security apparatus is one of the largest in the world and part of its activities are directed at detecting and preventing terrorism. In particular, the Ministries of Defense and Interior have designated counterterrorist units:

--Unit 777--a ranger unit under the Ministry of Defense--is tasked with protecting military and government facilities and personnel from terrorist attacks and with performing counterterrorist operations--on airplanes, ships and against buildings--outside Egypt.

--The Hostage Rescue Force (HRF) is a counterterrorist group established by the Interior Ministry whose mission is to respond to domestic terrorist attacks in which hostages have been taken.




We believe Egypt's primary counterterrorist units--Unit 777 and the HRF--remain largely incapable of fulfilling their

missions. Although Cairo has been attempting to improve the rescue skills of its special units, economic constraints continue to stymie progress. Unit morale has suffered as personnel have attempted to adjust to a tight operational budget. Training remains inadequate, despite help from Western countries, including the United States. The units have sufficient small arms, but often lack ammunition for training and the sophisticated equipment that would be needed for hostage rescue attempts. In addition, the units lack thorough contingency plans, and future operations are likely to suffer from insufficient standard operating procedures. Furthermore, poor coordination between counterterrorist forces and other security or military units increases the chances of a mishap during a crisis. 

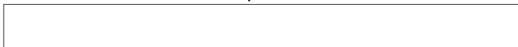
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National pride will cause Cairo to continue to rely on its own forces, although improvements in Egyptian counterterrorist units--without substantial foreign financial and training assistance--will probably be slow and sporadic. Rather than transfer responsibility for rescue tasks to more capable foreign teams, Egypt will more likely turn to other states, including the United States, for advice and equipment and will cooperate with them in resolving international incidents. Even so, weaknesses in its counterterrorist forces probably will make Cairo more cautious in deploying Unit 777 abroad or less likely to authorize risky or bold action. 

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Egypt: Threats to the Regime and to the Foreign Presence [Redacted]

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