Egypt’s civil society organizations: Between a rock and a hard place

The foreign funding debate in post-Jan 25 Egypt and the campaign against progressive civil society organisations

In the past weeks, debating foreign funding and campaigning against its recipients within civil society has been big in Egypt. The campaign involves everybody, from the political left to the right, and features everywhere, from protest meetings to TV talk shows. This brief text analyses the motives and the repercussions of this debate that re-emerged in post-Jan 25 Egypt. The main characteristic of the anti-funding discourse lies in the utilisation of a nationalistic discourse that directly accuses civil society organisations – predominantly those working with regards to political and human rights issues – of subordination to foreign interests. In the past, this debate usually materialised as soon as organisations crossed a red line as defined by the regime or when their work got generally too political for the regime’s taste. Organisations have always been quick to point out the fact that there is no alternative local source of funding available to them and thus foreign funding remains their only means of survival.

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The foreign funding debate is not a new topic to the Egyptian public sphere and its protagonists more or less remain the same. Although Egyptian President Hosni Mubarak has been forced to resign on 11 February 2011, only 18 days into the revolution, and that governmental matters have been taken over by the Supreme Council for Armed Forces (SCAF) and a weak cabinet, oppressive measures against the Egyptian civil society are still in effect. Since the start of the revolution, Egyptian civil society, represented in its progressive political movements and NGOs, still remains a target for attacks as it used to be during Mubarak’s regime. In July, this older debate came back to the public sphere in full force following a statement made by the U.S. ambassador to Egypt who said that the United States have spent $40 million since the start of Jan 25 revolution to “support democracy” in Egypt.

This debate has been magnified and brought to the fore mainly by three parties or groups with different motives. The first are populist critics seeking their moment of fame in post-revolutionary Egypt. Secondly, some Islamist figures that have seized the opportunity in their general smear campaign against liberal and secular parties. And thirdly and most importantly, elements related to the SCAF which are – as was Mubarak’s regime – intolerant of criticism, suspicious of independent political activities, and ready to distort the image of opposition movements. These different groups, although having different motives, all play on the nationalistic sentiments of the population – which have grown compared with pre-revolutionary Egypt – with the demon of foreign intervention and conspiracy theories.

The statements by the US ambassador regarding funding for civil society organisations has lead many leaders of political parties¹, opposition forces, and presidential candidates to demand the disclosure of the names of the individuals and institutions that received those grants.² Additionally, on 27 July, the cabinet voiced its disapproval of foreign intervention into the country’s domestic affairs, including all forms of direct financing to civil society institutions. The government therefore has tasked the Minister of

¹ The parties included leftists and liberals (the Wafd, the Nasserist and the Progressive Unionist parties) and not just Islamists.
² The situation later on evolved in the sudden resignation of USAID director Jim Bever.
Justice, Mohamed al-Gindi, with forming a fact-finding panel to prepare a detailed report on the foreign funding of civil society groups and unlicensed foreign organizations operating in Egypt. Moreover, the Central Bank of Egypt (CBE) has ordered banks to provide the Ministries of Social Solidarity and Justice with information about transactions involving charities and civil society organizations.

Means of control

Egypt is a country with a tradition of centralised power, and this power has always had a firm grip on all forms of associational life. For a long time, NGOs that focus on democratic change have been viewed by the government as corrupted by foreign political interest and have consequently suffered a lot of repression. In an authoritarian regime that tries to destroy or co-opt all forms of opposition, laws were made to control NGOs through different means. The Egyptian government prohibits NGOs from receiving foreign funds without its permission which is rarely granted. According to Article 17 of law 84/2002 (the repressive law that still governs NGOs until today); “associations may not accept foreign funding without explicit authorization from the Ministry of Social Affairs within sixty days”. The problem is that this authorization procedure is usually tiresome, lengthy and might end up driving some NGOs to insolvency due to the lack of operational funds. This has led to the paradox situation, whereby a lot of civil society organisations looking for a legal way out would choose not to register as NGOs with the Ministry of Social Solidarity, but use other means of registration. A big number of those organisations manage to find donors who understand the situation and the restrictions they face and agree to financially support their projects. This has made it impossible to track and monitor all foreign funding and its effects, which has been the actual goal of the government’s measures.

Critics of foreign funded NGOs accuse these of representing “a homogenous bloc of Western interest seeking to dominate Egypt”. It is obvious that neither Western nor Egyptian interests can be seen as homogenous blocs. The fact that NGOs and a good part of the state’s budget have been funded by foreign states and organizations is not new. These funds have been flowing for decades now and there is a need for first analyzing the effects of this Western and other aid to the former Egyptian government and the civil society, in order to truly debate about the effect of foreign funding in Egypt.

In an article of 14 August 2011, an Egyptian journalist cites a CIA document proving its influence in fragmenting former Yugoslavia by supporting local civil society organisations. “The US is trying to achieve the same in Egypt now, through the fifth column that includes a number of Egyptian civil society organisations. They do this to reroute the revolution to their advantage and subdue the political will of Egypt by funding civil society organisations in order to fragment and control the civil society, taking into consideration that no one is monitoring these NGOs or knows its actual names and objectives.”

Although this exaggerates the situation, given the public and monitored nature of the civil society organisations in Egypt, there are, of course, justified arguments for monitoring and scrutinizing the foreign aid for civil society organisations and its local impact and seeing it as a form of neo-colonialism. In Palestine, for example, research has found that Western funding in the fields of democracy and human rights has actually harmed these issues and politically marginalized the progressive grassroots movements and parties that represent these issues. Furthermore, the huge wave of foreign funding for the Palestinian Authority and the civil society has eliminated the spirit of voluntary work and thus the basic foundation for an effective struggle for freedom and independence.

Civil society leaders in Egypt have reacted to the accusations and investigations with indignation, claiming that they are aiming to tarnish Egyptian civil society’s reputation. Furthermore they have argued that this propaganda against a certain part of civil society aims to divert the people’s attention away from pressing issues that have been brought to the forefront by civil society institutions, like the campaign for the national minimum wage, the ongoing subjugation of civilians to military trials, and the regime’s intimidation and violation of protestors’ human rights as was the case by

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3 Now Ministry of Social Solidarity.
4 Register as a not-for-profit company or a consultancy firm...etc.
subjecting female protesters to virginity tests and other protesters to torture and severe beating.

Delegitimizing progressive movements

Political movements have not been immune to these accusations of foreign subordination. On 23 July 2011, the SCAF, in its 69th statement, has accused the April 6 Youth Movement\(^7\) of receiving foreign donations and of driving a wedge between the people and the Armed Forces. More accusations have been made by Armed Forces figures like Major General Hassan Al-Ruweiny, Head of the Central Military Command of Egypt to the April 6 Movement and to the Kefaya (Enough) Movement for Change\(^8\) whereby he accused them of treason and “accepting foreign funds”. These accusations have been refused by all political movements, especially because they are made by the SCAF, as the Egyptian government itself is the receiver of the second largest amount of annual military aid from the United States after Israel\(^9\). It is worth noting that these two political movements have had a very important role in helping ignite the spark of the revolution.

But although the discussion about foreign funding has remained superficial until now, there are many who push interesting questions:

- What is a bigger threat to Egypt’s national security: the US funding to the Egyptian military that ties it to US interests or the Western funding to Egyptian civil society?
- If we have such an intrusive law governing NGOs and lengthy, unpractical procedures, how can you blame NGOs for trying to find other means to survive and work?
- The foreign funding of Islamist parties and their civil society organizations has not been part of the debate. Will they also be monitored now?
- As the regime has been trying in the past years to co-opt the fields of advocacy and human rights, it has created organizations working in the field which take a large proportion of the foreign funding\(^10\). Will these semi-governmental institutions also be subjected to monitoring?
- Why should international relations be monopolized by a government? Shouldn’t civil society’s relations with the outside world be seen in a more balanced light, with its pros and cons?

The danger in the current debate is that there are no distinctions made by different sources and agencies of funding and no attention given to Gulf countries’ funding to Egypt, despite the fact that it might also have harmful effects. More importantly, the Egyptian community with all the changes that are taking place due to the instability of the transitional period and all the rising xenophobia and the media’s stories on alleged spies; is also starting to sign up for this view of the NGOs as “rich affiliates to foreign interests”.

There is a need for a new NGO law, one which does not put so much restriction on establishing organisations and on foreign funding, but subjects organisations’ funding matters to government monitoring that takes place following a societal dialogue on the matter. With all the accusations that are directed to civil society organisations, it remains unknown whether they will be able to use their political resources to defend their position and to affect societal change in post-revolutionary Egypt, or whether they will be forced to exist in a protracted hostile environment that will hinder their efforts.

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\(^7\) A group of mostly young and educated Egyptians, which formed on Facebook in spring 2008 around an effort to stage a general nationwide strike in support of workers’ strike in Mahalla.

\(^8\) A loose coalition of socialist, leftist and Islamist groups that formed in 2005

\(^9\) The US has given Egypt an average of $2bn annually since 1979, much of it in military aid, according to the Congressional Research Service.