The Cold War and the foreign aid to the the non-aligned countries: a case study on the Nasserist Egypt (1955-1967)

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Introduction

In this work we analyze the impact of the non-aligned movement in the dynamics of the Cold War and the relationship between the United States and Soviet Union with the recently created ‘neutral’ states. Emphasis is given to the relationship between the cooperation for development [foreign aid] programs established by both superpowers with the new neutralist world of peripheral countries. The proposal is to identify, from the combined perspective of geopolitics and economic history, under which conditions the ‘neutrality’ policy could serve as an effective tool for the viability of economic development programs of the new post-colonial countries. Following our analysis, we present a case study on Egyptian foreign policy and its relationship with the United States and the Soviet Union regarding formalization of economic (technical, financial, commercial) and military (technical, weapons) cooperation agreements. The period comprises the pinnacle of Egyptian neutralism policy during the government of Colonel Gamal Nasser, i.e., between the Bandung Conference (1955) and the Khartoum Conference (1967).

Objectives

The objectives of the present work include analysis of:

1) Egypt foreign policy of non-alignment during the Gamal Nasser’s presidency (in particular, the years between 1955 and 1967).
2) Geopolitical conditions that made feasible “non-alignment” as a strategic policy during the Cold War, with particular emphasis on the role of Egypt in the Middle East.
3) The relationship between United States and Soviet Union with Egypt regarding foreign aid.
4) The relevance of the foreign aid between both superpowers and Egypt to the formulation and implementation of the main domestic development projects.
5) The relationship between regional, global and economic domestic policies.

Main questions

1) How did non-aligned states obtain foreign aid for development from the rival blocks of the Cold War?
2) What was the role of technical and economic foreign aid and the Nasserist industrialization policies?
3) Considering the Egyptian case, what was the relationship between the regional war and the internal economic development?
4) What was the perception of the United States and Soviet Union on the regional expansionist movement from Nasserist Egypt?
5) Why both superpowers still provided foreign aid to Egypt despite knowing that Egyptian foreign policy was conflicting with their regional strategies?

Method

This research combines an approach of geopolitics and economic history. We divide our analysis in three levels: global, regional and domestic. Considering that each of them have their own internal dynamics, our interest was to explore the interactions between these three levels.

1) Global: characterized by the relations between Egypt with United States and Soviet Union. This perspective permits to highlight the bargain game between a neutralist policy (looking to create external facilities for its own domestic development) and conflicting superpowers (interested in their own geopolitical strategies in the region).
2) Regional: adopting an expansionist project of power. Egypt was involved in most of the regional conflicts during the pinnacle of the neutralist policy years. This study emphasizes the relationship between the Egyptian’s regional foreign policy and its impact on the dynamics of the Cold War in the Middle East.
3) Domestic: adopting the perspective of political economy, we aim to better understand the impact of the foreign aid (technical, economic and political) on the implementation of the main development programs of the Egyptian government.

Argument

As illustrated by the Egyptian case, the neutralist action was not limited to the relationship between Egypt and the two superpowers, as this relationship was developing at the pace of the Egyptian ability to act on its regional surroundings. The influence achieved by the Nasser government on the Arab environment served as a measure of the degree of importance that their neutrality could have for mediating the regional objectives of both superpowers. So it was through the mobilization of the “regional charter” that Egypt became able to intervene on both United States and Soviet Union interests on Middle East, resting permanently its geopolitical weight within the bipolar conflict. In other words, the Nasserist neutrality was dependent of the projection of Egypt’s state power on the regional surroundings.

As a result, during a certain period and under certain circumstances, Egypt received technical, military and financial foreign aid from both Cold War blocks, and those played an important role on the design of his domestic programs of economic and social development. The effectiveness of neutrality in this case is mainly measured by how it contributes to economic goals and strategic policy defined by the Egyptian political elite. This “advantage” obtained by neutralist policy is clear when comparing the neutralist period (1955-1967) with that precedent (1952-1955), when external facilities were difficult to obtain.

References:
