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# The Pharaohs in Uniform: The Evolution of Military Governance in Egypt

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**Abstract**

This research seeks to explore and evaluate, through a historical perspective, the significant role the Egyptian Armed Forces (EAF) has had in shaping Egypt's political, economic, and societal spheres since 1952. This research's analysis will dissect the Presidencies of Gamal Abdel Nasser, Anwar El Sadat, and Hosni Mubarak with the aim of unearthing the intricate interplay between the military and governance in Egypt. In addition, the examination of the EAF's deep-rooted influence on the Egyptian political landscape will be examined through two specific theoretical lenses. The notion of the 'Soft State' and progressive military 'engagement' provides the theoretical basis for this investigation, enabling this research to indicated sings of dynamics and continuity between the three Presidents. Moreover, the multifaceted historical analysis would then also serve as a base for a concise yet comprehensive overview of the EAF's impact on Egypt post-2011, with the aim of raising questions on the sustainability of the military's predominant role post Mubarak.

# TABLE OF CONTENTS

**Introduction**

The intricate and fascinating modern political history of the Arab Republic of Egypt undoubtedly makes the North African nation a peculiar subject of scholarly inquiry. Egypt's government is officially founded on the principle of republicanism, featuring a semi-presidential system of government and a unicameral legislature. However, despite its official allusion to democratic republicanism, it is widely acknowledged that the line between the Armed Forces and the government remains nebulous at best. Egypt's political peculiarity lies in its historical and present capability to transition from one military administration to another, preventing potentially disastrous and calamitous power vacuums and civil unrest. This phenomenon sets Egypt apart from most authoritarian systems, prompting a closer examination of what distinguishes the Egyptian Armed Forces from their counterparts.

This research aims to inquire about the evolution and impact of the Egyptian Armed Forces in Egypt's political system, economy, and society while also analyzing its transformations over time. Despite international criticism for the return of the Armed Forces to the helm of government, the disruption of Egypt's short-lived democratic 'experiment' was foreseeable and, in some quarters, perhaps, welcomed. During my residence in Cairo from 2009-2017, I acquired a distinct perspective on Egypt's military establishment. This perspective did not preclude the recognition of their human rights transgressions. Instead, it entailed a more comprehensive understanding of this institution in the country's administration, the stability of its economy, and its status among the population. Concretely, this research has a broader objective. It aims to thoroughly examine Egypt's military expansion since 1952, highlighting how it has cemented its role within Egyptian state affairs, the economic landscape, and the societal framework. This investigation will unfold in three distinct, albeit overlapping, phases:

1. This research will assess the factors contributing to the Egyptian Military's deep-seated influence and the processes through which it fortified its standing in the political and economic landscapes and, by extension, the social fabric of Egypt.

2. Subsequently, it will analyze the patterns of engagement and disengagement in the role of the Egyptian Armed Forces (EAF), by analyzing their impact on the country's institutions and political development as well as economic development.

3. Then, this research will explore the persistent elements and evolving dynamics that characterize the tenures of Egypt's presidents, delineating shifts and continuities in their approaches to governance

The ultimate objective of this research is to offer a multifaceted, historically-based perspective on Egypt's political evolution. Instead of narrowly focusing on engagement and disengagement features, changes, and continuities alone, this research intends to integrate these aspects into a broader thematic historical context, thereby proving a more comprehensive understanding of Egypt's political landscape and its evolution over time. In order to achieve these objectives, this research will leverage historical narratives and analysis to detail the EAF's pivotal role as the foundation and backbone of the nation's economic and political landscapes. Moreover, this approach will be substantiated by a diverse array of empirical sources, ensuring a comprehensive examination and the intertwined nature between the EAF's involvements and influence on political and economic landscapes and, by extension, their disposition towards society. Therefore, through this historical methodology, this research aims to illustrate the complex processes that have intertwined the military with the political establishment, state bureaucracy and elites, economic development, and foreign policy affairs in an effort to provide a multifaceted reflection of Egypt's developmental trajectory.

**Theocratic Framework and Literature Review:**

This research wishes to introduce the notions of the 'Soft State' and 'engagement and disengagement' to substantiate the historical discourse. On one hand, the designation of Egypt as a 'soft state' differentiates it from other authoritarian systems and identifies the reason for its linear, undemocratic political development. On the other hand, engagement and disengagement help frame and highlight the degree of involvement of the EAF. The concept of soft states is based on the premise that these political regimes are "unwilling and technically unable to engage in a kind of primitive extraction of surplus from their populations through public policies and ideologies that promote" states' interests (Waterbury 1985, 65). Therefore, the soft states operate under two

potential models. The first is a passive governance approach where the state's ability to enforce control over economic resources is limited. This passive approach is a frequent feature of states that evolved a social contract consciousness with the citizenry, whereby the state provides waferier services in exchange for loyalty. However, Egypt is positioned to transition towards a second model, where the state maintains control over crucial economic resources but employs them to craft incentives that provoke different reactions for the wider society (Waterbury 1985, 65). Thus, in this model, ideological tendencies, whether nationalistic or religious, can temporarily foster an ethos of sacrifice for the collective good of the nation. Nevertheless, these periods are seen as temporary, and Egypt undoubtedly experienced both models, culminating in an interesting move towards becoming a state more engaged with the strategic use of state powers to foster long-term state-society cohesion while still fundamentally aligning with the characteristics of a soft state. (Waterbury 1985, 68). *Engagement* and *disengagement* refer to the trends of direct participation and sidelining of the armed forces in the governance of the country. *Disengagement*, which this research posits began after Nasser's death in 1970, is often associated with the emergence of limited democratic developments within the country analyzed. Nevertheless, this research subscribes to Linz's *Transition to Democracy* definition of *disengagement* as "conceptually separate from the transition to democracy" (Beat 1997,1333). Military *disengagement* is often linked to the military's withdrawal from politics and deliberate subordination to civilian authorities, implying changes within military-civilian relationships. The *civilianization* of the regime implies civilian control of the armed forces through a set of institutions and practical mechanisms that ensure civil government supervision and anti-manipulation instruments, such as budgets, endowments, and specific rules of control (Harb 2003, 273). Thus, *civilianization* can be measured by analyzing the institutional mechanisms that restrict the army's involvement, turning the armed forces into a political interest group rather than an immediate national decision-making body. Therefore, the "civil-military *problematique*" in which the military possesses the strength to fulfill any task requested by a civilian government and remains sufficiently subordinate to act within the bounds of what civilian's permit is accompanied by a balanced equilibrium of their roles (Harb 2003, 273). However, despite the *disengagement* trends that appeared throughout Sadat's and Mubarak's governance of Egypt, this research posits that such trends were neither sufficient nor intended for

democratic development in Egypt. As Linz explains, there is an "analytical separation between authoritarian regimes and transition to democracy; often, the former is not followed by the latter, and one *coup d'état* may only change the ideological orientation of the regime, not end it" (Beat 1997,1334). In fact, this section seeks to unearth how military *disengagement* represents a form of a shift in the ideological orientation of the regime rather than substantial progress toward democratic development, seeking to adopt Linz's analytical separation between the two. On the other hand, while the change from the ruler regime of Nasser to the multi-party system under the civilized authority of the President (Sadat and Mubarak) implies *disengagement*, it does not imply a transition to democracy. In fact, several instances exemplify this claim. The Ba'thist Parties of Iraq and Syria in the 1960s forced the military into subordination with no concomitant transition to democracy, while in Mexico, civilian control of the military was institutionalized in 1911 but actively engaged in the democratic process in the 1970s (Harb 2003, 273). Manifestations of *disengagement* do not represent a comprehensive application of the limits to military power, and civilian control of the armed forces drastically depends on the institutional relationship with the military of the country in question. Thus, throughout the periods of regime change, the Egyptian military remained consistently loyal and accountable to the *civilianized* holder of authority, a president who was formerly a military officer. This form of "authoritarian enclave, reserved domain or tutelary power" is a manifestation of an incomplete *disengagement* and a scarcely comprehensive application of it (Harb 2003, 276).

The notions of engagement and the soft state posited by Harb and Waterbury are instrumental for this research in contextualizing the intricate development of the EAF's role within the broader governance framework of the country. Moreover, the diverse array of empirical sources utilized in this research contributed to the multifaceted analysis it aims to deliver, with empirical sources spanning across a broad spectrum of chronology, tropics, and cultural origins of its authors, aiming to deliver an equitable mix of perspectives by including both international and Egyptian scholars. Additionally, this research incorporates additional insights directly from Egypt's leaders and data from global organizations and an international institute. The selection of sources is undoubtedly a pivotal step in every research project, with this study seeking to draw from a wide range of viewpoints to illustrate a comprehensive understanding of the EAF's

evolving role and the complexities of identifying military engagement in political and economic spheres.  In addition, the integration of direct statements from Egypt's presidents is meant to provide an authentic glimpse into the justifications and conduct of the various presidents in order to illustrate a more valuable interpretation of the motivations behind each president. Additionally, the utilization of information from global data organizations, United Nations institutions, and international think tanks enriches comparative analysis and supplies helpful figures aiding in the contextualization of various events. Lastly, the essence of the diverse empirical foundation of this study rests on its aim to unearth the complex interplay between political authority, societal change, foreign policy predicaments, economic development, and military power.

**Methodology and Limitations:**

This study will analyze the complex interplay between the broader development of Egypt and the underlaying military influence by providing a similar analysis of the presidencies of Gamal Abdel Nasser (Chapter 1), Anwar El Sadat (Chapter 2) and Hosni Mubarak (Chapter 3). The chapters have been designed to highlight the president's role in shaping Egypt's modern political and economic landscapes as well as trace the evolution of the political system as a whole by identifying and evaluating consistent trends across the different eras in the following sections.

1. **Political Development**
   a. This section delves into the political strategies of each president by examining the key events that defined each presidency.

2. **State Bourgeoisie/Elite Structure**
   a. The focus of this structure is to illustrate the composition and dynamics of elite groups and interest groups, highlighting the changes and continuity in elite structure throughout different eras

3. **Economic Development**
   a. This section examines the economic policies and conditions of each presidency

4. **Ideology or Social Mood**
   a. The ideology or social mood section explores the social attitudes or prevailing ideological inclinations that defined the different presidencies

5. **Foreign Policy Affairs**

a. This section analyzes each president's foreign policy decision, with particular attention to geopolitical, military and economic considerations

The final section, named **Final Remarks**, will focus on the post-2011 era following Mubarak's ousting to shed light on more recent trends by providing a brief historical analysis of the events that lead to and unfolded after the 2011 Revolution along with highlighting the EAF's more vested interests in the economic landscape. Additionally, by comparing the historical patterns with a more recent scenario, this research seeks to offer insights into the future trajectory of Egypt's development, raising questions over the sustainability of the military's governance.

The limitations of this research stem primarily from two significant challenges that shape the scope and depth of this analysis. The first challenge is the inherent depth of the study's objective, while the second is the secretive nature of military affairs. Firstly, the aim of comprehensively exploring the political development of Egypt through a multifaceted approach entails selectivity in topics and cases. Given the vastness of information in the realm of political, economic, and social developments under the presidencies of Nasser, Sadat, and Mubarak, the challenge of covering in a comprehensive manner the tenure of all three presidents is inevitable and requires focusing on pivotal trends, leaving out less prominent instances that could offer additional insights. Secondly, the secretive nature of military affairs presents a substantial obstacle to obtaining accurate information regarding the EAF's involvement in political affairs. The full extent of the military involvement is difficult to gauge as publications and official disclosures lack accurate details, and available materials may be subjected to government-sponsored censorship or self-censorship. Acknowledging these limitations also means acknowledging the potential gaps in the findings of this study, as the limitations to accurate and direct information regarding the military's "shadow" works in the political establishment along with the comprehensive aim of the research in identifying Egypt's political development through a multifaceted scope, are important limitations.

# CHAPTER ONE
## GAMAL ABDEL-NASSER

## 1.1 Political Affairs

### 1.1.2  *The Struggle for Independence: The Three Revolutions.*

The sociopolitical character of most independence revolutions is often rooted in the general socioeconomic conditions that precede the revolts.  While the revolution of 1952 is no exception to this trend, Baha Abu-Laban posits a noteworthy parallel between the influence of Westernization induced by Britain's'veiled' protectorate (1882-1932), its formal occupation of Egypt until 1955 and the broader independence movement.  In fact, "the principles of European ideology singled out for particular commendation by the Arab writers were constitutionalism, with references to limitations on the absolute power of the executive branch; freedom, both individual and of association; and justice" (Abu-Lughod 1964, 254). Nevertheless, the increasing "Westernization" of Egypt towards the latter part of the 19th century, coupled with intermingling currents of social, economic, and political thoughts diffused from various European societies, increasingly served as a motive to denounce the British occupation and to demand political freedom (Abu-Laban 1967, 181).

As a result, a small but active segment of the Egyptian political elite played a significant role in shaping the country's political landscape. This period saw notable milestones such as the formation of the *Hizb al-Watan* (The Fatherland Party) by Mustafa Kamil in 1894, the *Hibz all-Umma* (People's Party) in 1907 with Sa'ad Zaghlul Pasha's assistance, the *Hizb al-Wafd* (Delegation Party) in 1918 also under Sa'ad Zaghlul Pasha; and *Hizb al-Ahrar al-Dusturiyin* (Liberal Constitutional Party) in 1922 by 'Adli Pasha (Abu-Laban 1967, 181). Despite the considerable revitalization of political life in Egypt in pursuit of constitutionalism, the limits of autocratic rule and colonial exploitation meant that Egypt's independence remained largely nominal. While the arguments and

logic that gave rise to newspapers and political parties to enlighten the Egyptian public and restore human dignity cannot be understated, the struggle for independence fell short of achieving revolutionary change.Gamal Abdel Nasser, in his account of *The Egyptian Revolution* (1955), identified three distinct revolutionary periods of Egypt's history: - 1882, 1919, and 1952. The first revolutionary period began with General Arabi's revolt against the Khedive in 1882, which the British quashed upon the invitation of Khedive Tawfik at the Battle of Alexandria (Abdel Nasser 1955, 202). This marked the onset of Britain's'veiled' protectorate, leading to the disbandment of the Egyptian Army and the appointment of British advisors with complete control in every department of government. The 1919 Revolution eventually led to London's declaration of Egyptian independence on February 28, 1922. Subsequently, Fuad I declared himself King of Egypt despite public apathy, and in 1923, the Wafd Party drafted a new constitution based on a parliamentary system with the return of Saad Zaghlul as Prime Minister in 1924 (Abdel Nasser 1955, 200). Nevertheless, progressively, under the illusion of independence, political parties became embroiled in a series of power struggles and internal factionalism, shifting their focus from broader national objectives to personal or party interests. At the same time, popular trust in the monarchy remained tarnished (Abdel Nasser 1955, 200). Despite the recognition of Egypt's formal independence during the period of British subordination, the country wrestled with significant internal vulnerabilities induced by a stark societal divide between a privileged minority and a deprived majority, accentuated by the absence of a large, stabilizing middle class within the Egyptian social fabric. The system of free enterprise introduced by the British pushed a majority of Egyptians under conditions that were only one step removed from slavery, entirely at the mercy of the landed aristocracy for subsistence, while political rights were enjoyed by a minute privileged class in alignment with the British (Abdel Nasser 1955, 200). The British dissolution of the absolute state monopoly of land and commerce initially instituted by Mohammed Ali into private ownership and free enterprise permitted crushing taxation on Egyptian peasants, further pushing the rural population towards poverty. The dissolution of the state monopoly also brought privileges known as *capitulations* to foreign businesses that could operate without taxation, allowing them to dominate the emerging Egyptian merchant class while taking advantage of Khedive Ismail's banking system designed to serve only the interests of the vested class (Abdel

Nasser 1955, 200). This system was fortified by British forces that still occupied the country and were indispensable for the survival of the monarchy and the landed aristocracy. Despite the efforts to reduce the British military presence through the 1936 Anglo-Egyptian treaty, the British continued to dominate Egypt and support the local nobility and the throne while developing a strong vested interest in maintaining the status quo in the country (Abdel Nasser 1955, 200). The Anglo-Egyptian Treaty of 1936 did not fare well regarding the presence of British military forces in Egypt, which contributed to the stability of the monarchy and the bolstering of the prominence of the *Hibz-al-*Ittihad (Union Party) in Parliament. Consequently, the post-1936 treaty political landscape hardly changed and continued to stall any efforts to create a robust constitutional system by limiting the monarch's powers and advancing social reforms. As a result, the British took advantage of Parliamentary frictions to continue to renew their intervention in Egyptian affairs, and King Farouk was able to exploit internal factionalism to realize personal ambitions at the expense of the vital interests of the people (Abdel Nasser 1955, 202).

In 1952, Egypt was ripe for revolution. A few years earlier, the disheartened army, after its humiliating experience in the Palestine War of 1948 due to the mismanagement and corruption of the King's clique, which included trading defective arms that rendered fruitless, stirred the nation into protest (Abu-Laban 1967, 182). The humiliation of 1948 began a period of civil and violent disobedience that would signal the inevitable. Guerilla actions against British bases, paramilitary formations in the cities and towns, and spontaneous street demonstrations were the first signs of the desire of Egyptians to seize control of their own destiny (Johnson 1972,3). Ultimately, the excesses of the British military occupation, the crass interference of the British embassy in the political affairs of the country, the extravagant vacillations of King Farouk, the incompetency of a series of different governments, the harsh control of the land by the descendants of foreign conquerors, and the virtual monopoly of commerce by foreigners provoked Egyptians of all classes except the highest to rebel against the established order (Johnson 1972,3). An attempt to divert the attention of the masses to the abolition of the 1936 Anglo-Egyptian Treaty, which was consonant with national desire and genuinely of national interest, failed, paralyzing the government and widening the gap between the government and the governed. The culmination of these vulnerabilities and the magnitude of the government's

ineffectiveness became apparent during the riots of 1952, known as *Black Saturday*. Amidst the period of civil disorder, the desire for the evacuation of British forces and for complete independence mounted under the leadership of Nasser and the secret organization of the Free Officers, which, on the eve of July 23rd, found the providential moment to strike, marking a pivotal turning point in Egypt's political history (Abu-Laban 1967, 183).

### 1.1.3   *The Dawn of a New Era: The Consolidation of the Nasserist Regime*

The quest for national identity is often a perennial catalyst for nationalistic movements, and the July 23rd, 1952, revolution exemplifies this claim. The 1952 coup d'état, orchestrated by the Free Officers Movement led by Mohammed Naguib and Gamal Abdel Nasser, initially centered on grievances against King Farouk and aimed to thwart the effects of centuries of foreign domination. Still, the movement harbored more wide-ranging political aspirations that would usher a wave of revolutionary fervor across the Arab World and contribute to developing Third World non-aligned solidarity during the Cold War. Under Nasser, the revolutionary government adopted an anti-imperialist and nationalist agenda, which was distinctively expressed in the realm of policy advocating for a new social organization that was national in scope and of socialist orientation (Abu-Laban 1967, 179). In order to elucidate Nasser's overall vision for the nation, this section will delve into the continuous struggle for independence until 1952, the consolidation of power by the Free Officers, the emergence of a state bourgeoisie in concomitance with the military regime, the Regime's economic agenda, the ideological framework of Nasserism enshrined in his *Charter*, the foreign policy position of the country, and finally, the transition from Gamal Abdel Nasser to Anwar El-Sadat.

Following the 1952 Revolution, during which the Free Officers assumed control of the government, the process of consolidating their authority over the entirety of the nation arguably spanned a decade. At the time of the Free Officers' ascent, Egypt was effectively a semi-feudal nation where the 'forces' of modernity were yet to exert their influence on the nation. The consolidation of power came through a series of pivotal events, both domestic and international, that brought about overhauling changes to Egypt's ruling class, economic system, and culture. Despite the Free Officers harboring ambitious objectives, this section primarily centers on the transformations of Egypt's political

landscape. The Free Officer's consolidation of authority over the nation marks the shift from a British-backed monarchy with a ruling landed aristocracy to an effectively authoritarian nationalistic one-party state system presiding over the country via a prominent state bourgeoisie. This research will delve into four key events that contributed to this transformation: the dissolution of the *Ancien Règime,* the Muslim Brotherhood, the power struggle with General Mohammed Naguib, and the ascendency of Gamal Abdel Nasser. Furthermore, this section unearths several recurrent themes that resonate throughout the political history of Egypt. These themes include the dynamics surrounding the evolution and governance of elite groups, the intricate interplay between the Armed Forces and political parties, and the relationship between the military and the Muslim Brotherhood.

The Egyptian Free Officers, who seized power in 1952 had been planning their revolt in secret for many years and were resolute in their mission to dismantle the monarchy, the British military occupation, and corruption in Egypt. Although no political label except "Egyptian Nationalists" could be attributed to the Free Officers at that stage, many of them had close affinities with the Muslim Brotherhood, while others were inclined towards Marxism (Mansfield 1973,670). Of particular interest was Gamal Abdel Nasser, who was a particularly strong anti-communist who paradoxically maintained a temperamentally sympathetic disposition toward the United States, all while being unwavering in his commitment to achieving complete independence from the West (Mansfield 1973,670). While the Free Officers succeeded in their coup, any free parliamentary elections under the 1923 Egyptian Constitution would have enabled a number of parties to vie for authority over the country. The primary contenders for rulership were the Muslim Brotherhood and the Wafd party, although the latter had been discredited and hollowed out by the time (Mansfield 1973,671). The Revolutionary Command Council (RCC), the executive committee of the Free Officers, was obliged to neutralize leftist and rightist oppositions to establish their positions as Egypt's new rulers. In fact, the Free Officers were afraid of any popular organizations, and their first task was to break and ban all political parties, which was justified by the "task for national consolidation which the revolution itself had demanded the people to rally around the revolutionary vanguard" (Johnson 1972, 4). There were effectively two main potential

oppositions to the authority of the RCC: the remnants of the *Ancien Règime,* represented by the Wafd Party, and the extra-parliamentary group of the Muslim Brotherhood.

The Wafd Party, despite its substantial resources, nationwide organization, and historical claim to govern stemming from its leadership in the Revolution of 1919, proved ineffective in challenging the RCC. The RCC's 'law of political parties' of September 10, 1952, mandated the public disclosure of political programs, party funds, and internal organization, swiftly fragmenting the Wafd into competing factions (Mansfield 1973,671). The *Ancien Règime,* which was primarily composed by Wafd members and some members of the intellectual élite often represented a variety of conflicting interests and failed to offer a convincing challenge or alternative to the Nasserist Revolution. The internal strife instigated by the RCC's law, allowed the RCC, on September 15th, to trial Wafdist ministers and members of King Farouk's entourage in front of a revolutionary court (Mansfield 1973,673). With the *Ancien Règime* fractured and virtually ceasing to be a threat, the Free Officers were able to pave the way to their envisioned republic.

With the definite dissolution of the *Ancien Régime*, the Free Officers still had to cope with extra-parliamentary revolutionary elements, most notably the Muslim Brotherhood. It is essential to mention that the Muslim Brotherhood likely remains the most influential Sunni Islamist organization. It is not monolithic; while it has moderately conservative factions, the radical militant factions of the organization represent the most significant concern for the RCC. From a philosophical standpoint, Gamal Abdel Nasser repudiated, at best, the Muslim Brotherhood and not only viewed them as a physical threat but an ideological threat unreconcilable with the Revolution. In his personal account of the *Egyptian Revolution,* he explains:

> "Reactionary religious groups such as the Muslim Brotherhood are neither genuinely political nor genuinely religious. Their ultimate aim is power, and to realize it, they adopt methods contrary to the spirit of Islam and the spirit of the age. Islam derives from a comprehensive philosophy that never fails to accommodate various human feelings and aspirations. In this sense, it is not only humanitarian but also elastic and tolerant. It has ubiquitous principles applicable to time and place and is mindful of the rights of man. It condemns

intolerance, terrorism, prejudice, and organized hatred. Its teachings form the core of a true democracy" (Abdel Nasser 1955, 209).

Nevertheless, despite Nasser's apathy towards the Muslim Brotherhood, in many respects, the Muslim Brotherhood had spearheaded the movement, which had caused the monarchy and the parliamentary regime to crumble before the Free Officers overthrew them (Mansfield 1973,673). Despite being an extra-parliamentary group, the Muslim Brotherhood's contribution to the fall of the *Ancien Régime* was significant given their nationwide organization based on political activism and fairly extensive social services. As a matter of fact, the Muslim Brotherhood took credit for the revolution and was expected to be called upon to take a share in the government, presenting demands to vet all new legislation (Mansfield 1973,673). As previously mentioned, many members of the Free Officers had affiliations with the Muslim Brotherhood. While the Free Officers generally recognized the Muslim Brotherhood's role during the revolution, they were unprepared to share power with them. In view of the Muslim Brotherhood's uncompromising attitudes and its vast links within the Free Officers movement, Nasser's masterful abilities as a political tactician emerged to tackle the Muslim Brotherhood and establish authority over the RCC. At this time, all main political groups looked at General Mohammed Naguib as the last line of protection for political freedom against the growing authoritarianism of the RCC (Mansfield 1973,673). Although Gamal Abdel Nasser was the main founder of the Free Officers organization and orchestrator of the July 1952 Revolution, he himself, like many of his comrades, were all young men of the rank of colonel or below and therefore recruited Mohammed Naguib, a well-respected and known figure as the head of the Free Officers. However, Mohammed Naguib had no intentions of remaining a figurehead as he was accustomed to command, did not believe in committee rule, was a moderate conservative by temperament, and regarded his younger colleagues as rash, hotheaded, and increasingly misguided (Mansfield 1973,673). Therefore, the clash between Nasser and Naguib was inevitable. With the growing authoritarianism within the ranks of the RCC, Naguib threatened to resign in 1954, which allowed him to be re-installed as president of the RCC and Prime Minister. Gamal Abdel Nasser countered with a supremely able maneuver by giving the appearance of complying with Naguib's demands, which would later put him in a position to counter both the

Muslim Brotherhood and seize power from General Naguib (Mansfield 1973,678). At Nasser's instigation, press censorship was abolished, and the RCC passed a resolution providing for the Council's dissolution, the restoration of political parties, and free elections to a constituent assembly (Mansfield 1973,678). In full effect, Nasser placed General Naguib in the impossible position of presiding over the liquidation of the revolution he had led. The Army surged to Nasser's support, capitulated General Naguib, instated Nasser as Prime Minister, reimposed censorship, and effectively gave the RCC a new lease of life (Mansfield 1973,679).

Although Nasser's maneuvering broke General Naguib's power within the RCC, he was still the president and was becoming increasingly endorsed by an unbroken Muslim Brotherhood. In response to Nasser's actions, in July 1954, the Muslim Brotherhood launched a campaign against Nasser's growing ambitions to become the leader of the RCC and accused him of betraying the nation (Mansfield 1973,679). The turning point came about on October 26th, 1954, when a poor worker, allegedly instigated by the Muslim Brotherhood, unsuccessfully attempted to assassinate Nasser in Alexandria (Mansfield 1973,679). This gave Nasser the opportunity to suppress the Brotherhood, which led to a severe crackdown on the organization and its official banning, setting the groundwork for the Muslim Brotherhood's underground activities, which have been a constant throughout Egyptian history. Furthermore, evidence linking General Naguib to the Muslim Brotherhood was revealed during the crackdown and subsequent trials, leading to his removal from the presidency of the RCC. Henceforth, Gamal Abdel Nasser gained complete political authority only two years after the planning of the 1952 Revolution.

### 1.1.4 Overview of Nasser's Leadership

From 1954 onwards, Gamal Abdel Nasser's personal ascendency to power was assured. One man virtually governed Egypt. Nasser had a clear notion of what he did not want: a return to the system of political parties, what he regarded as a sham parliamentary democracy (Mansfield 1973,685). Nasser's mission was ultimately to create a viable political system to sustain the revolution through domestic economic and social reforms. In pursuit of his mission, Nasser almost unilaterally took every major domestic and foreign policy decision throughout his leadership. Nasser's governance of the country was in full effect an authoritarian regime backed by robust security forces, with growing

aspects resembling a police state, such as the severe curtailing of public liberties and heavy press censorship (Mansfield 1973,686). However, author Peter Mansfield posits an interesting point about Nasser's authority, which will develop into a critical point of comparison through this research. Mansfield explains that Nasser's "authority was more natural than enforced," that his personality dominated those around him, and that the mass of Egyptians accepted his decisions without question (Mansfield 1973,686). Despite Nasser's almost natural position of leadership within Egyptian society and his complete authority over the RCC and the nation by 1954, in 1956, Nasser began a political process to provide himself and the Revolution with its own political system by constitutionalizing his power. In January of 1956, a constitution was published providing for a national plebiscite to be held on the constitution itself and on Nasser's candidature for presidency, of which, in both cases, 99 percent of the votes were affirmative (Mansfield 1973,686).

The 1956 constitutionalizing of Nasser's presidency is rather symbolic; he had retained full control by 1954, but this act informs of the start of the revolutionary path of Arab Socialism and Egypt's quick transformation from a British-backed monarchy to an interim military junta to finally an authoritarian government. With the affirmation of Nasser's governmental position, the RCC ceased to exist, a new cabinet was formed that excluded some prominent RCC members, and the rather vague party, the Liberation Rally, was replaced by the National Union in 1957 (Mansfield 1973,686). Nasser's National Union was an important instrument, providing Egyptians with limited representation and participation in governmental affairs. Formally, its structure permitted a wider discussion about the course of the country, and it served to ratify the decision of the emerging state bourgeoisie. However, it was tightly controlled from above, with Anwar El-Sadat serving as its first secretary-general (Johnson 1972, 6). The National Union adopted a pyramidal structure for representation and participation. Beginning with elected basic units at the foundation, utilizing the pre-existing parliamentary constituencies, the structure ascended through districts, councils, and governate councils, reaching the national congress at the apex, which would elect the higher executive, serving as the supreme policy-making body in the nation (Mansfield 1973,685). This important first step for Egypt's political development under the new revolutionary government was somewhat sidelined by one of Nasser's greater Arab socialist ambitions, the formation of the United Arab Republic. Foreign policy concerns not only consistently

diverted Nasser's attention from domestic economic and social reforms but ultimately hindered the development and establishment of a stable political system to support the revolution. The union with Syria brought the complete dissolution of the NU, as the union required a different political structure, which the UAR replaced. The system of the NU was applied to Syria through the UAR with indifferent results; Egypt's political development was eventually held up as Nasser was absorbed by the supremely difficult task of governing Syria from Cairo (Mansfield 1973,686). The short-lived UAR ultimately collapsed in 1961, and the reasons will be delved into in greater detail in the *foreign policy* section, but ultimately left Nasser with a significant political void to contend with. The Egyptian leader assumed that Syria's secession was the cause of infiltrations of the National Union by counter-revolutionary forces and replaced the NU with a new organization, the Arab Socialist Union (ASU) (Mansfield 1973,686). This new socio-political structure was meant to more closely reflect the political and socio-economic changes that materialized during Nasser's tenure. Presented to a National Congress of Popular Forces in 1963, the ASU followed the pyramid-like structure of the NU; however, the sole method employed by Nasser to exclude counter-revolutionary elements was to increase the representation of the masses. This was achieved through a decree that allocated at least half of the seats on all elected bodies of the ASU to 'workers and peasants' and was set up as the only political party (Mansfield 1973,687). Despite the creation of the ASU, which increased participation in comparison to the NU, it was still tightly controlled from above, making it virtually impossible for workers and peasants to actively participate except for the ratification of decisions that came from above. A series of strikes and tensions between the population and the ruling class did not effectively speed up the completion of the ASU as Nasser had envisioned it. Despite the agricultural revolts of 1965 and substantial strikes of Port Said dockers in 1966 as clear signs of the lack of effective representation in the ASU structures, no popular movement was organized to challenge the Nasserist Regime, despite its relative weakness due to the economic downturn of the late 1960s (Johnson 1972, 8). What sped up the completion process was the considerable discontent that emerged through the structures of the ASU in 1967 as a result of the Arab-Israeli War, which compelled Nasser to complete the pyramidal framework of the ASU as well as hold new elections for the entire structure. (Mansfield 1973,687). By Nasser's death in 1970, the ASU was virtually incomplete and

still had some fundamental flaws. Firstly, the new permanent constitution, which was being drafted on Nasser's instruction by the National Assembly, had not been finished, and secondly, the functions of the various bodies of the ASU and their power relationships had not been worked out in practice (Mansfield 1973,687). However, despite Nasser's abrupt death and shortcomings in establishing a permanent political structure, his successor, Anwar El-Sadat, would ultimately finalize the Constitution and preserve the ASU by reshaping it according to his own vision. Nevertheless, notwithstanding Nasser's attention frequently being diverted from the development of his envisioned institutional establishment, between 1952 and 1968, Gamal Abdel Nasser profoundly influenced Egyptian society through his endeavors to industrialize the nation and enhance the status of its citizens through his three-pronged development program.

## 1.2 Elite Structure

### *1.2.2 The Emergence and the Hegemony of the State Bourgeoise.*

In fact, Gamal Abdel Nasser's comprehensive, three-pronged development program necessitated the establishment and dominance of a state bureaucratic bourgeoisie capable of overseeing this expansive economic plan. This section will predominantly focus on the development of a state bourgeoisie, a pivotal element of the political and economic program. For clarity, this section has been segregated from the economic program plans themselves, as it warrants specific attention due to its significance in characterizing not only Nasser's regime but also subsequent ones.

The very first course of action regarding the state bourgeoises involved the complete replacement of the pre-revolutionary bourgeoisie. All political organizations and elites that had governed the country prior to 1952 were dissolved, and the Land Reforms bolstered the rural bourgeoisie at the expense of the landed aristocracy (Johnson 1972, 4). During the enactment of the *Agrarian Reform Bill* of 1952, a substantial portion of the industrial economic development was entrusted to the private enterprise by encouraging investments from the strengthened rural bourgeoisie and the weakened landed aristocracy. However, the dispossessed landlords, despite retaining considerable wealth, effectively lost control over the levers of power and, therefore, were hesitant to invest in industry (Johnson 1972, 4). In the period between 1952-1954, per-capita income was falling, and government encouragement of private investments in the industrial sector was

largely unsuccessful. On the other hand, the United States and Britain placed political conditions and economic restraints on the possibilities of investment in Egypt, which left the regime powerless to direct the economic development it had promised the Egyptian people (Johnson 1972, 4). This marked a severe economic shift, which is referred to in the subsequent section of this paper as the first planned economic phase of 1952-1956.

During this period, the regime initiated direct investments in the industry, recognizing that this effort was likely to falter without significant capital and technical expertise from foreign powers. The ideological orientation of the regime led it to favor capital-intensive development patterns on a capitalist model rather than labor-intensive patterns on a revolutionary socialist model, akin to the Chinese model (Johnson 1972, 4). However, Egypt did not retain the necessary technical capabilities, financial resources, and domestic willingness to invest and advance its industrial sector independently on a capital-intensive development structure. Moreover, since the Regime was also in need of popular support in addition to technical expertise and capital for its development program, it could not accept Western aid with its concomitant political conditions, which were inherently contrary to the Revolution's philosophy. However, the death of Joseph Stalin in 1953 and the subsequent leadership of Nikita Khrushchev became pivotal for Nasser's regime. Khrushchev's prevailing view of the Union of Soviet Socialist Republics (USSR) was essentially the establishment of a state bourgeoisie interested in developing the Soviet economy along capitalist lines (Johnson 1972, 4). This form of 'revisionism,' distinguished by its primary emphasis on economic development over the political development of the people, not only resounded with Nasser's philosophy, but its success outside the Eastern Bloc was fundamental for Khrushchev's political influence over the USSR. The relative weakness and underdevelopment of Khrushchev's model of state bourgeoisie compared to Western bourgeoisies made the former more inclined to provide lower-interest loans and assistance with 'demonstration projects,' seeking to overcome the skepticism of Third World ruling classes (Johnson 1972, 5). Egypt was effectively identified and served as the first testing point for the new internationalist Soviet state bourgeoisie model.

The Suez Crisis marked a profound change in Egypt's economic development, international orientation, and bureaucratic establishment. In fact, by 1955, Egypt was faced with Israeli aggression in Gaza and was able to get arms form the West only under

the unacceptable conditions of signing one of Dulles' Pacts (Johnson 1972, 5)[1]. Egypt bought arms from Czechoslovakia and began discussions with the USSR about financing the Aswan High Dam (Johnson 1972, 5). The Western nations, faced with the possibility of losing the competition to the USSR, offered to finance the Dam but abruptly withdrew the offer in the summer of 1956 in an attempt to extract better terms from Egypt (Johnson 1972, 5). The Egyptian Regime, in response promptly nationalized the Suez Canal and a few months later Britain, France and Israel initiated the Sinai Campaign, a move that was condemned by both the United States and USSR. With the nationalization of the Suez Canal and British and French firms, considered by this paper as the 'second planned economic phase,' the Regime found itself as the owner of a major part of Egypt's economic structure. To put it bluntly, the Regime found itself as a 'senior partner' in the economy in what had really become a joint venture with the most important sectors of the Egyptian economy, including the Suez Canal. The series of nationalization of French and British assets that followed the Suez War enabled the military bourgeoisie to control vast segments of the economy, however, this exercise of control had to be substantiated by a political structure that could accommodate the growing state bourgeoisie.

By 1956, the Regime had consolidated itself enough to promulgate a constitution and elect Nasser as President of the Republic, which was followed by the creation of the National Union in 1957 (Johnson 1972, 6). As the country's only political party, it was tightly controlled from above, and with Anwar El Sadat as secretary-general, the NU served as the ratification body for the emerging state bourgeoisie. With Egypt's new state bourgeoisie integrated within the NU's political framework, the elevated national and international popularity enjoyed by Nasser following the Suez affairs, and an increasing endorsement by the USSR, more radical factions began contemplating expanding their influence into Syria. An unstable coalition of social forces was ruling Syria, fueling the ambition and desire of the Egyptian state bourgeoise, which constituted Nasser's power base, to extend their influence over Syria, establishing the United Arab Republic in 1958 (Johnson 1972, 6). The UAR, which replaced the NU, was nearly identical in structure as previously mentioned; however, it became apparent that the power relationship between the Egyptian and Syrian state bourgeoisie was asymmetrical. As previously mentioned, Nasser believed that the infiltration of counter-revolutionary Syrian forces within the

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[1] DULLAS PACT

structure of the UAR was the main cause of its demise. On the other hand, author Peter Johnson explains a compelling parallel, suggesting that the organization of Syrian bourgeois elements, labeled by Nasser as 'counter-revolutionary' forces, stemmed from the perceived political and economic exploitation of Syria by Egypt's government and state bourgeoisie (Johnson 1972, 6).

The challenges faced by the regime in governing Syria were not exclusively tied to the difficulty of administering Syria from Cairo. In fact, similar issues arose in managing the regime's economy and overseeing the enterprises it controlled. The Regime brought to the posts of economic control a mass of technocrats, who often encountered frustration due to the prevailing interest of the state bourgeoisie in private profit rather than in investing in national development (Johnson 1972, 6). As Nasser's industrialization program progressed and expanded, the growing state bourgeoisie increasingly found itself in a position of dominance. In 1961, the Economic Agency began a policy of collaboration with private enterprises, mainly concerning mergers in the country's most important economic domains (Johnson 1972, 7). These substantial mergers caused a power struggle over the control of such domains between the old and new bourgeoises. The Regime, mindful of the power base that the new state bourgeois provided, acted accordingly to end the power struggle. A series of nationalizations in 1962 and 1963, which will be explained in greater detail in the following section, served to calm this power struggle and effectively assert the dominance of the new bourgeoisie, composed of military men and technocrats (Johnson 1972, 7). The nationalizations of the early 1960s marked the hegemony of the state bourgeoisie over the economy, not only costing the old bourgeoisie significant influence but directly challenging the interests of the Regime itself. As the challenges of administering Syria and managing Egypt's economy intersected, the growing dominance of the state bourgeoisie became a pivotal factor. The transformations that marked the hegemony of the state bourgeoisie of military men and technocrats will be explored in the next section by evaluating the multifaceted aspects of the Nasserist Regime's three-pronged development program and ambitions to reshape Egypt's socio-economic landscape.

**1.3 Economic Affairs**

*1.3.2 Nasser's Three-Pronged Development Plan: A Capitalist Model with Socialist Underpinnings*

Upon independence, the new regime had a sharp policy for rebuilding the country's economy. Nasser envisioned an economic plan based on a capital-intensive industrialization model monitored and controlled through an extensive bureaucratic authoritarian regime (Wahdan 2007, 2099). While the Revolution had politically liberated Egypt from the yoke of Western dominance, economic sovereignty was yet to be achieved, and social democracy was still a long way to go. The overall impact of the military administration's transformative agenda was remarkably intricate and multifaceted, although the three-pronged policy to develop Egypt's economy had one objective view: to raise the standard of living among Egyptian citizens (Abdel Nasser 1955, 208). With the task of transforming Egypt from a semi-feudal state into a modern state, this section will highlight a series of transformations by delving into the paradigmatic model and the spatial, agricultural, economic, and social developments under the Nasserist Regime's two distinct economic phases: the first planned economic phase of 1952-1956, the second from 1957-1963. Additionally, this research refers to Nasser's three distinct 'five-year plans' as two 'planned economic phases' in an effort to bring a broader scope, enabling the separation of the three phases on the content of their policies rather than strictly dates while following the correct temporal line of events. In addition to examining Nasser's industrialization plan, this section will provide a critique in order to highlight the contradictory nature of Nasser's capital-intensive development with socialist underpinnings. Ultimately, the section's culmination of the physical planning and associated institutional foundations will provide the base for a more in-depth comparison between Nasser and the subsequent Egyptian Presidents by highlighting the growing share of the government's involvement in the economy and society.

Before delving into the physical planning of Nasser's three-pronged development program during the two planned economic phases, it is essential to evaluate the theocratic

model underlying the national development plan. This section will effectively briefly introduce the contradictory nature of Nasser's Capitalist development program with Socialist underpinnings but also the difficulty in implementing such a comprehensive plan, given Egypt's largely uneven demographic distribution. In fact, since "ancient times, settlements have occupied only around 5 percent of the total national territory" confined along the banks of the Nile and in the fertile delta of Lower Egypt (Wahdan 2007, 2104). Given the uneven territorial distribution of the population, which results in the overpopulation of a few concentrated areas, a pronounced challenge of this development program arises from the uneven geographic development and, consequently, a strong urban dependency. As a result, Nasser's plan to propel the nation "on a course of capital-intensive industrialization" implies the use of natural resources and the rectification of the chronic uneven spatial distribution of habitation (Wahdan 2007, 2105). To substantiate this section's claim of the enduring 'mismatch' between geographic unevenness and economic development, it is pivotal to establish a theoretical background that underpins such a relationship.

Under the capitalist mode of production, growth depends on the "production of commodities through a system of capital circulation, driven by the pursuit of profits, hinging on the expansion of the value of commodities produced, requiring exploitable labor as a factor of production." (Wahdan 2007, 2099). Consequently, profit emerges from labor's ability to produce more than it receives through the exchange of its labor power as a commodity in the buying and selling process, establishing capital-labor relationships (Wahdan 2007, 2099). The pursuit of maximizing profits motivates technological and organizational changes aimed at controlling the labor supply, necessitating investments to reproduce both capital and labor. This situation gives rise to the "growth and technology paradox," where the overaccumulation of both capital and labor cannot be absorbed into further production (Wahdan 2007, 2100). These conditions are inherent to capitalist growth, and the absorption of over-accumulated labor often finds an outlet in long-term and physical infrastructure projects, a phenomenon Egypt is familiar with. However, this section's primary focus lies in examining the connection between geographic inequalities and capitalist development. This relationship has been explored in various theories, including Harvey's Circles of Development, Vance's "mercantile model," and Friedmann's "center-periphery" theory. All of these theories

underscore the emergence of dependent urbanization in decolonized nations and the gradual integration of the space economy from external sources (Pagel 1951, 24). This phenomenon holds particular significance and poses a structural predicament for Egypt during Nasser's era. Nasser's ambitious economic plan, aimed at building a robust industrial nation and rectifying the persistent uneven spatial distribution of the population, needs to be contextualized against the backdrop of rapid population growth. In addition, although successive governments after Nasser have pursued different planning schemes, the fundamental orientation since independence has remained centered on establishing new rural and urban settlements in non-arable areas, a phenomenon still present today (Wahdan 2007, 2101). Therefore, before delving into the economic development during Nasser's era, this research aims to provide a concise overview of the issues related to dependent urbanization and spatial inequalities. This overview will serve as a foundational context for all subsequent sections covering economic development under different presidents.

In 1952, Egypt's population stood at 22.1 million, increasing to 25.9 million in 1960 and 34.7 million by Nasser's death in 1970, all within the same 5% of the total land area (Macro Trends n.d.). This pattern of spatial distribution continues to persist throughout time. The riverbanks of the Nile Valley and Delta, consisting of just 5% of the total land area, are currently occupied by 109.3 million inhabitants (Macro Trends n.d.). While these figures underscore the unequal distribution of the population, they also signal a phenomenon of uncontrollable population growth, foreshadowing the challenges faced by subsequent presidents in addressing it. In addition, arguments could be developed on the basis that a significant portion of Egypt's land consists of desert, and therefore, the uneven spatial distribution does not inherently imply urban dependency. On the other hand, the issue of urban dependency is very pronounced today, and its roots date back to Nasser's time. Presently, Egypt boasts a population of 109.3 million people, yet it has only three cities with populations exceeding a million: Cairo, Giza, and Alexandria. Cairo, with a population of 9.45 million inhabitants (not including Giza, a separate city but entirely absorbed by Cairo, housing 8.8 million inhabitants), holds a dominant position (World Population Review 2023). The dominance of the capital city is not solely a consequence of chronic spatial inequalities inherited by decolonized nations;

it is also a byproduct of Nasser's capitalist development plan, which paradoxically, in his attempts to reduce this dominance, inadvertently fueled it.

In 1960, Cairo hosted 3.4 million people and accounted for 43.57% of the country's industrial employment, 34.4% of value-added, 48.3% of the total electrical power consumption, 39.15% of gross trade, 23.3% of banking services, 38.5% of brokerage, 23.5% of transportation, and 28.8% of warehouses (Wahdan 2007, 2102). These statistics underscore the phenomenon of urban dependency, which expanded during the first eight years of Nasser's economic plan and has continued to characterize Egypt for decades. This issue remains relevant when contemplating the various economic development models of the subsequent presidents.

In addition, it is essential to note that this section does not aim to critique Nasser's economic development plan but rather intends to highlight some structural predicaments that accompanied it Nasser's development plan. Nasser's desire to make Egypt a strong industrial nation has to be mitigated with the structural realities of the country at the expense of the Nasserist leadership, not only concerning the spatial inequalities and the urban dependency created as a result of industrialization but also the incredibly difficult task of transforming a predominantly agrarian nation into an industrial regional powerhouse. In the next section of this research, this study will move from the theoretical framework of capitalist development and special inequalities into Nasser's pragmatic approach to diminishing economic inequalities through land reforms. This juncture, therefore, underlines the shift away from abstract critique to implementable policy, evidencing the strategic intervention of the regime in terms of channeling resource redistribution away from the structural inadequacies outlined before.

*1.3.3 Land Redistribution and Agricultural Reforms:*

Since the revolutionary regime found the nation in a predominantly feudalistic state with a sizeable inequitable wealth distribution, the Regime enacted the *Agrarian Reform Bill* of 1952. Substantially, the bill aimed to regulate the relationship between landlords and tenants by legalizing several rights for tenants and setting a ceiling on land ownership and rent. More specifically, the Agrarian Reform Board aimed to break up holdings exceeding five acres and redistribute the surplus areas, together with the land confiscated from the Royal Family to the peasants (Abdel Nasser 1955, 204). It was designed to liberate the bulk of the peasants from the feudalistic constraints that were a natural consequence of

the land tenure system. The scope of the *Agrarian Reform* itself accounted for six million *feddans*, approximately 10 percent of Egypt's cultivated area, and three percent of Egypt's land surface (Mansfield 1973, 672).[2] Although, in effect, this reform was a moderate measure in size, it was successful in not resulting in a drastic fall in agricultural output and in compensating farmers who did not benefit from land re-distribution. Article 3 of the 1952 Law provided for a compulsory reduction in agricultural rents, benefitting nearly four million peasants through an average net increase in income of about 50 percent and the establishment of government-supervised cooperatives, which helped to ensure that technical standards were maintained or improved for peasants that were not direct beneficiaries of land re-distribution (Mansfield 1973, 672). After achieving early success in preventing the drastic fall in agricultural output, the Nasserist government's plans for comprehensive public social programs had to be substantiated by an expanded agricultural industry and the creation of an industrial sector.

Between 1952 and 1954, it became apparent that the *per-capita* income was falling at a time when the Nasserist Regime wished to increase expenditure on public health, education, and other social services to satisfy the greater widespread hopes raised by the revolution (Mansfield 1973, 680). The first Nasserist policies were markedly more conservative and orthodox than the economic policies of previous parliamentary regimes in the pursuit of deflation, producing budget and balance of payments surpluses for the first time in years. Nevertheless, the government realized that increasing investments and expenditures was necessary to maintain a three percent production annual growth, in accordance with the Regime's industrialization plans. In effect, the repeal of protectionist legislation had little success in attracting foreign investments, and the landowners, after the land reforms, were not investing in industry as planned but in real estate (Mansfield 1973, 680) Thus, to meet its production growth targets, the government initiated a series of less orthodox policies, increasing government expenditure in agriculture and industry by establishing a separate development budget mainly financed by domestic banks, public loans, and foreign aid.

*1.3.4 The First Planned Economic Phase 1952-1956:*

Between 1952 and 1956, the government played and continued to play a more significant role in the economy. This planned economic phase saw the considerable

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[2] *Feddan:* a unit of area equivalent to 1.038 acres

government's expansion of agriculture, critical infrastructure, and industry. The first planned economic phase was perhaps the most comprehensive of the two. Subsequently, to the land reforms, the government sought to rapidly increase the agricultural output of the newly redistributed land by establishing the *Saad el Ali* scheme, the four-year plan designed to increase agricultural output by almost 50 percent (Abdel Nasser 1955, 204). The Aswan High Dam, inaugurated in 1970, was officially conceived as part of the *Saad el Ali* scheme to increase and expand cultivatable areas, agricultural production, and hydroelectricity generation. The High Dam was projected to reclaim an additional 2,000,0000 acres of agricultural land, supply water for 700,000 acres of rice plantations, and turn 700,000 acres of one-crop land in Upper Egypt to perennial irrigation (Abdel Nasser 1955, 205). While the High Dam is undoubtedly the centerpiece of the Nasserist economic planning, it represents an interesting parallel that this research wishes to highlight: how every Egyptian President embarks on a mega-project. Nasser's Mega-Project, by all accounts, is indeed an expensive one, amounting to a cost of $516,000,000; however, with a projected increase in national production by $450,000,000 a year and an estimated annual government revenue of $60,000,000 (Abdel Nasser 1955, 205). Aside from the cost, it was a technically and politically complex infrastructural project, marking an important steppingstone for Egypt's international orientation within the global community during the Cold War. While the international complications will be examined in greater detail later in the following chapter, the Aswan Dam is primarily considered a success in aiding the kick-start of Egyptian industry. Pending the construction of the High Dam, which was effectively initiated in 1961, the four-year plan conceived a system where agricultural projects would contribute to industrial development and industrial development to agricultural expansion. The total plan covers an area of 600,000 acres in the provinces of Tahrir, Western Desert, Upper Egypt, and Sinai and includes the tunneling of water from underneath the Suez Canal into reservoirs and artificial canals across the country, all connected to artisanal wells (Abdel Nasser 1955, 205). The *Saad el Ali* scheme enabled Egypt's cultivable land to be expanded and agricultural yields per acre to increase in the areas under the Agrarian Reform Program, handled by state cooperatives that supervised technical standards, as mentioned before. The second outlet of the *Saad el Ali* scheme was the increase in hydroelectrical power due to the creation of canals to divert the Nile's water to newly re-claimed agricultural areas. In 1955, the 16

turbines set up on various canals generated an estimated 10 billion kilowatt-hours every year, without counting the High Dam, which was expected to add 2 billion a year (Abdel Nasser 1955, 206). The production of hydroelectrical power was an essential milestone for supplying Egypt's growing industry, which at this point largely remained private. Nevertheless, at this phase of the three-pronged economic plan, it had become apparent that the government primarily retained control of the primary sector and critical infrastructure. Moreover, the Nasserist Regime sought to maximize the exploitation of Egypt's oil resources, thus furthering their control over the natural resources of the nation. To begin with, the Mining Law restricting the operation of foreign companies was revised to allow operations and permit the transfer abroad of the companies' profits and capital (Abdel Nasser 1955, 206). The liberalization of the national oil sector culminated in significant oil concessions, the largest being the 75,000 square miles concession granted to the Egyptian-American Oil Company in the Western Desert (Abdel Nasser 1955, 206). The opening of Egypt's energy sector to foreign companies through concessions brought in significant capital and valuable competencies that were extremely limited locally at the time. The capacity of pre-existing government-run oil wells by the Red Sea increased their output, while the Suez refinery capacity had been raised from 300,000 to 1,300.000 tons annually, which later on in 1973 would be complemented by the *Sumed* pipeline (Abdel Nasser 1955, 206).[3]

The first planned economic phase of 1952-1956 informs us of the growing share of the government's participation in the primary sector concerning agriculture, energy, and critical infrastructure. However, as previously mentioned, the Nasserist Regime envisioned an industrialization in which agriculture would supplement the industry, and the industry, in turn, would increase agricultural expansion. The following examples demonstrate the second phase of the three-pronged development program: the creation of an industrial complex. The most extensive blueprints at the time concerned a fertilizer factory near Aswan and an iron and steel works in Helwan. The prior would come at a cost of $72,000,000, expecting a production of 375,000 tons of calcium nitrates annually, estimated to be raised to 500,000 tons once the *Saad el Ali* scheme starts producing hydroelectrical power through the Aswan Dam (Abdel Nasser 1955, 206). Intrinsically tied to the *Saad el Ali* scheme, the fertilizer factory near Aswan is a good instance,

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[3] the *Sumed* pipeline Suez-Cairo

exemplifying the underlying cyclical scope of the three-pronged development plan as expanded agricultural fields need more fertilizer, and more fertilizers are a critical input for agricultural expansion. The second largest blueprint concerns the Helwan iron and steel works constructed by the German firm Demag, costing nearly $45,000,000 with a yearly turnout of steel products of 240,000 tons (Abdel Nasser 1955, 206). This project is quite crucial, as it marks Egypt's entry into the field of heavy industry and, in particular, state ownership of critical industries. A few other examples of the expansion of the public sector include a beet sugar factory with an annual capacity of 50,000 tons costing $15,000,000, a rubber mill turning out 200,000 tires annually costing $7,000,000 and a jute plant with a capacity of 20,000 tons a year costing around $6,000,000 (Abdel Nasser 1955, 207).

While the bolstering of the Industrial Bank enabled the Nasserist Regime to expand and retain control of Egypt's agricultural and industrial sectors, the private sector was not completely overtaken by the public sector. More specifically, the planned economic phase supplemented Egypt with missing inputs and commodities to fix its heavy foreign trade deficit. The cutting down on non-essential imports, along with agricultural and industrial expansion, reduced imports of foodstuffs and manufactured goods, supplementing the more specialized and growing private industry while retaining hard currency from earnings. The interim period between the two distinct economic phases refers to the effort to fix Egypt's trade deficit and total debt but also marks the turn from the growth of a public sector alongside a private sector to the dominance of the former over the latter. In the effort to reduce Egypt's chronic total trade deficit, which stood at nearly $1.5 billion in 1942, the government adopted measures to help the private industry, such as "improvement of internal communications, temporary protective tariffs, reduced customs on imported machinery and the encouragement of foreign capital" (Abdel Nasser 1955, 207). Along with the agrarian reforms and the economic phase, Egypt's capital underwent a significant switch from agriculture to industry, as prominent landowners were given compensation for their estates in the form of bonds that could be invested in industrial projects. The remarkable debt recovery was exemplified by the country's total trade deficit of $225,000,000 in 1955 and a profit of $61,000,000 in the second quarter of 1957 (Abdel Nasser 1955, 207). While the first planned economic phase exemplifies the Nasserist Regime's switch from deflationary policies to an

expansion of government expenditures, marking the growing share of government's intervention into the economy, the large public expenditures that brought about the remarkable debt recovery were financed by a political move of international stature, the Suez Affair.

*1.3.5 Second Planned Economic Phase 1958-1963: The Suez Affair and Nationalization*

The Suez Affair had several significant economic effects, which not only helped sustain the first economic phase financially but solidified the nationalization trends that would catapult Egypt directly into the second economic phase. This comprehensive nationalization that occurred in Egypt between 1958-1963 would not only increase the government's share in the economy but dictate Nasserist Egypt's international orientation within the Cold War context and ultimately end Nasser's 1958 Pan-Arab union with Syria (United Arab Republic). As previously mentioned, the international events that characterized Nasser's leadership will be further discussed in subsequent sections, where they will be examined in greater depth. This section primarily focuses on how these international events reflected Nasser's economic planning for Egypt. The first major international event was the nationalization of the Suez Canal and the subsequent Suez War, which signaled a significant economic shift for the nation. Already pre-1956, Egypt was buying large quantities of Soviet arms while the West was reducing their purchase of Egyptian cotton (Mansfield 1973, 681). However, the Suez War was followed by an economic boycott of Egypt by Western powers, including the United States, which had opposed the Western action in Suez (Mansfield 1973, 681). The Soviet states quickly filled the trade void left by the Western boycott, providing Egypt with essential resources and aid for Nasser's five-year plan (Mansfield 1973, 681). While Soviet foreign aid was paramount during that period, Egypt's political victory in the Suez War enabled the government to undergo an internal fundraising campaign through the nationalization of foreign assets present in the country. Together with the nationalization of the Suez Canal, a series of laws in January 1957 enabled the government to nationalize all British and French property, obliging all foreign banks and insurance companies to Egyptianize themselves (Mansfield 1973, 681). The nationalization of the Suez Canal Company and foreign financial assets meant that the foreign share of the overall Egyptian economy, which had been predominant at that time, had been liquidated. This is a pivotal moment,

outlining the growing governmental interventionism in the economy. Not merely through the act of nationalizing foreign assets but the transferring of the majority of the liquidated shares to the Egyptian government directly. To fill the vacuum left by Egyptian private capital, the government formed public economic organizations between 1957 and 1960 to look after the states' interests (Mansfield 1973, 680).

In effect, the share in the economy of the government was growing fast, and this trend will continue to do so. The Republican Constitution announced in 1958 that "development must be planned" and that the [second] five-year plan for industry was to be launched with the state "providing 61 percent of the finance" (Mansfield 1973, 680). This section wishes to examine the second planned economic phase not by offering examples of industrialization blueprints like in the previous section but rather by focusing on the nationalization of key assets. In 1958, Egypt was effectively a planned and semi-socialized economy that would undergo an accentuating trend towards economic socialism. In February of 1958, the government took steps to nationalize the National Bank of Egypt and the mixed public-private Banque Misr, which controlled a substantial sector of the economy (Mansfield 1973, 681). This was quite a significant step, as it was the first time Egyptian-owned firms were being nationalized as opposed to foreign-owned firms. Comparably smaller steps were taken to nationalize 'sectors' of Egyptian society, supporting the pursuit of a socialist socio-economic orientation by the government. In June 1960, the press was nationalized, and the municipality took over the Cairo buses (Mansfield 1973, 681). The government's control over press and movement were essential steps underscoring their control over infrastructure, accessibility to social services, and mobility, impacting the city's overall economic and social dynamics. Nevertheless, more extensive steps were taken in July and August 1960, which would dramatically accentuate the government's share in the economy. In July 1960, the government conceived a comprehensive, third economic phase from 1966-71 with the target of doubling the national income by 1970, where about 80 percent of the plan (of which 40 percent would be allocated to the industry, 25 to agriculture and 15 to social services) would be undertaken by the public sector (Mansfield 1973, 681). In view of such ambitious public expenditure objectives, the government acted accordingly to the plan in July and August 1960. Within these two months, a series of decrees enabled the government to take over the entire import trade and a significant part of the export trade,

including raw cotton, and nationalize all banks and insurance companies, along with 300 industrial and trading establishments (Mansfield 1973, 681). Through a series of nationalizations, Nasser's model for the economic structure of Egypt was virtually complete. However, along with mass nationalization, one of the most important developments during the second economic phase came from the Soviet Union's decision to replace Western powers in building the Aswan High Dam. With work beginning in 1961 and finishing in 1970, the Soviet Union provided the whole foreign-exchanged cost of the dam and much of the technical expertise, while Egypt's contribution in labor, material, and money was very high for a developing nation (Mansfield 1973, 682). Undoubtedly, the successful mobilization of resources and men for this mega-project was a significant international achievement for the Nasserist government and revolution. Nevertheless, despite Nasser enjoying considerable admiration abroad, particularly in the Arab world, for his domestic achievements, his attempted application of Egyptian-style agrarian reforms and socialism to Syria's free enterprise economic system ultimately led to the secession of Syria and the collapse of the United Arab Republic. While the political 'schism' between Egypt and Syria, which led to the dissolution of the UAR, will be examined further in the *Foreign Policy* section of this research, Nasser's reaction to the secession of Syria was to accentuate his move towards the left, fearing that the same bourgeoisie and land-owning classes might plan similar actions in Egypt. In fact, the intensifying competition and friction between the old and new bourgeoisie, alongside the technocrats and military figures mentioned earlier, acted as a catalyst for a broader nationalization effort. Aimed at averting any scenarios reminiscent of Syria's secession, the Regime recognized the significance of consolidating its own power vis-à-vis the Egyptian bourgeoisie. By 1962, all banks, heavy industry, insurance, and other key enterprises were state-owned, and all smaller businesses were obliged to accept 51% state participation in ownership and administration (Johnson 1972,7).These maneuvers culminated in the drastic fall of the private sector. Although the private sector held a substantial presence in certain domains—93.8% in agriculture, 87,5% in real estate, and 79.1% in commerce—the overall portion of the economy that fell under the private sector in 1962 was 56%, experiencing a notable reduction to 20% in 1963. These economic transformations into a state-dominated economy founded the basis for a broader change in ideology, encapsulated in Nasser's National Charter of 1962, which aimed not only at

economic reform but also at reinforcing the socio-political pillars of the revolution and its leadership.

*1.3.6 Overview and Critique of the Nasserist Welfare State and Socialist Economy:*
Nasser's *National Charter* of 1962 serves as a manifesto encapsulating the leader's 'spiritual' and technical vision for his nation. While the socio-political content of the *Charter* will be delved into in the subsequent section, briefly acknowledging the economic aspirations outlined in the *Charter* provides a valuable insight into the national character of the 1952 Revolution and its leader. Gamal Abdel Nasser had developed a view that true independence and democracy could not be achieved without the socialization of the economy and summarized his envisioned economic aspect of socialism as such: (1) the economic infrastructure, including roads, ports, airports, power supplies, dams, sea, land, and air transport and other public services that should come under public ownership; (2) the majority of heavy, medium, and small industries should be publicly owned, and though an industrial private sector may exist it should be under the general control of the public sector; (3) all import trade and at least three-quarters of the export trade must be publicly owned; (4) banks and insurance companies should be in the public sector (Mansfield 1973,683). The establishment of public social services was one of the main practical and theoretical objectives of Gamal Abdel Nasser's *Nasserism* and a cornerstone of the revolution of 1952.  The ultimate idea behind the three-pronged development policy was to end exploitation, realize national aspirations, and develop a mature political consciousness that is an indispensable preliminary for a sound democracy (Abdel Nasser 1955, 208). To provide Egypt with a genuinely democratic representative government, the standard of living of the masses had to be raised, and education and social consciousness expanded. In 1954, the government undertook a vast social services program with an estimated $200,000,000 allocated to social reforms (Abdel Nasser 1955, 208).  While the political goals of the social programs were to develop the ground for a sound democratic system, the 'social' objectives were to remedy the class stratification that characterized Egypt's social fabric for centuries and to increase the standard of living by doubling the national income by 1970. The government established around 200 social welfare units by 1954, including schools, health centers, and social-agricultural extensions in rural areas, serving 15,000 inhabitants (Abdel Nasser 1955, 208). The expansion of education was not the only fundamental

precondition for establishing a socialist democracy but also the nationalization of education. A prime aim of the revolution was to 'Egyptianize' education to eliminate the 'cultural anarchy' of the previous system in which Egypt's élite was educated in foreign schools (Mansfield 1973,685). The 'nationalization' of education inevitably brought some decline in the quality of education. While Nasser claimed in the early years of the reform program that two new primary schools were being opened every three days, illiteracy had not fallen as fast as he had hoped by 1968 (Mansfield 1973,685). The general health of the Egyptian population was another primary objective that the Revolution promised. While combating diseases is as difficult and costly as eliminating illiteracy, there have been significant improvements under Nasser's leadership. In fact, by 1965, there were two and a half times as many doctors as in 1952, many new hospitals had been built, and good progress was made towards covering the countryside with a network of health centers (Mansfield 1973,685). While certain diseases are undoubtedly the outcome of hygienically poor working and living practices, requiring a long process of social education, real progress was made towards diseases that had plagued Egypt's rural centers for centuries. Tuberculosis and ophthalmic diseases had been much reduced, along with parasitic diseases such as bilharziasis and ancylostomiasis, with the near elimination of malaria, which had been a terrible scourge (Mansfield 1973,685).

Despite Nasser's government having made considerable progress in transforming Egypt from a semi-feudal country into an industrialized nation, Nasser's Arab Socialism was not spared from heavy criticism. Both the right and the left often criticized his policies. On the one hand, the Marxists claimed that Nasser had not achieved a radical distribution of wealth, that the old bourgeoisie had been merely dismantled to be replaced by a new bourgeoisie of technocrats and army offices, and above all, that the refusal to adopt collective farming in favor of preserving private ownership of land had postponed indefinitely the solution of Egypt's fundamental problem of agrarian poverty (Mansfield 1973,684). As previously mentioned, Nasser's Arab Socialism had several differences from orthodox Marxism, for instance, rejecting concepts such as an atheist state, a proletariat dictatorship, and the priority of heavy industry at the expense of consumer goods. On the other hand, the right-wing and liberal criticism points to the bureaucratic inefficiency of the huge state apparatus, the hastily planned industrialization, the flight of capital and loss of technical and commercial skills of foreign minorities, and the serious

decline in Egypt's financial credit abroad resulting in the loss of foreign aid and investments, especially in the 1960s (Mansfield 1973,684). In addition, there were several bureaucratic contradictions and economic deficiencies in Nasser's planned capital-intensive development. The state bourgeoise was dynamic primarily when it was struggling to become dominant, and once in a position of power, individualism flourished. State enterprises were neglected, and corruption proliferated as private capital sought licenses or special conditions, effectively turning public funds into private enterprises (Soper 1970,849). Nasser's peculiar and ultimately contradictory economic development rested on a capitalist foundation; however, 'socialized' through the substantial economic dominance of the public sector, which was managed by a state bourgeoisie that increasingly utilized public funds to enlarge the private sector for its own interests. This contradiction can also be analyzed in power terms, as the state bourgeoise was initially dependent on the regime, but once it became the indispensable power base of the regime and took charge of managing the economy, it could pursue its own interests effectively against the interests of the regime. The economic shortcomings as a result were considerable. Cotton production was hardly greater in the mid-1960s than it had been in the past 50 years. Imports of wheat, meant to be reduced through the expansion of agriculture, went from 15,000 tons in 1955 to 3 million tons in 1967. The Five-Year Plan (1960-1965), intended to be almost entirely financed by the public sector, relied heavily on foreign aid, which increased from LE 10 million in 1954 to 100,000,000 in 1964. The 7% annual growth forecast was closer to 4%, and public expenses, meant to be reduced, rose from LE 500 million in 1960 to 1.2 billion in 1966 as the number of state employees more than doubled. Public debt increased from LE 70 million in the 1950s to 350 million in 1964, making the Aswan High Dam the symbol of foreign debt (Soper 1970,850).

 While Marxist and right-wing criticism undoubtedly has elements of truth, in addition to the considerable shortcomings of Nasser's planned economic model and state bourgeoisie management, these criticisms must be evaluated against the positive achievements of the three-pronged development program. The government was able to maintain a respectably high economic growth rate of 4-5 percent a year between 1956 and 1966, causing a real shift in income for the urban working class through a system of subsidies, rationing of necessities, progressive taxation, price control, and rent control; as well as the outstandingly administered Suez Canal Authority and Egyptian State Oil Corporation

(Mansfield 1973,684). Undoubtedly, under Nasser's leadership, Egypt made substantial progress towards industrialization during the 1950s and 1960s planned economic phases. From a semi-feudal economy to one that produces a wide range of heavy and light industry-manufactured goods, with a modernized and expanded agricultural system and the establishment of government companies able to administer and harness the potential of critical infrastructure in the country,. In effect, the positive achievements of the Nasserist revolution were considerable. The Nasserist revolution directly favored industrial workers by expanding the light and heavy industries, while the peasants inevitably benefited from expanding social services (Mansfield 1973,684). The construction of the High Dam, the agrarian reforms, the expansion of education and health, and the elimination of foreign economic dominance in Egypt are among the principal keystones underscoring Nasser's successes during his leadership. Nevertheless, these achievements must be set against Nasser's overriding aim, which was nothing less than the regeneration of Egyptian national life, as explained in his 1962 *National Charter* (Mansfield 1973,688). While Nasser's industrial and economic successes arguably enabled him to secure the consent of his people, his powerful domination over Egyptian life did not necessarily guarantee the participation of Egyptians, as he had hoped in his *National Charter* of 1962.

**1.4 Ideological Dimension**

*1.4.2 Philosophical Nasserism: The Charter of 1962*

The quest for national identity, which led to the abdication of King Farouk and the path to Arab socialism, marked a profound crisis of political and social change. The revolutionary government promoted an overhauling of development in economic, social, and cultural terms. While in the preceding section, Gamal Abdel Nasser's conceptualization of the relationship between the state and the economy as per his *National Charter* was emphasized, the current section will concentrate on the cultural or nearly 'spiritual' pursuit of the nationalist and socialist paths. The *National Charter* articulated six principles for the pursuit of such a path: "(1) destruction of imperialism; (2) abolishment of feudalism; (3) ending monopolies and the domination of capital over the government; (4) establishment of social justice; (5) building a powerful army; (6) establishment of a sound democratic system" (Abu-Laban 1967, 183). However, the initial efforts of the new government were primarily centered on resolving political rather

than social issues. Outstanding political matters were given precedence over the revolutionary changes envisioned by Nasser for Egypt's socio-economic structure. The social revolution began with redistribution and land reforms, and the expansion of social services is interpreted as a revolutionary step to reconstruct the nation's socioeconomic fabric. Nevertheless, even though the core objectives of the 1952 Revolution and the Three-Pronged Development program were centered on raising living standards and establishing a functional socialist democratic political system for Egyptians, the true essence of the Revolution and Nasserist leadership was not precisely delineated until 1962, when Nasser presented his *National Charter* to the Egyptian people. Henceforth, an analysis of the *Charter* is essential to evaluating how the structure of political and social relations had to be reformulated post-1962. In fact, in 1962, the *Charter* was presented to the public as a blueprint for a nationalistic-socialist state, providing a theoretical framework underpinning Egypt's transformation and crystallizing the broader understanding of the Egyptian shift identity after a decade of military leadership (Abu-Laban 1967, 184). According to Gamal Abdel Nasser, the philosophy of his envisioned revolution comes in two stages. The prior is a political revolution where the nation "recovers its right for self-government from an imposed despot," and the latter is a social revolution in which the "classes of society would struggle against each other until justice for all countrymen has been gained, and conditions have become stable" (Abu-Laban 1967, 184). This section will focus on the 'social revolution' envisioned by Nasser through his *Charter*, giving the revolution a specific persona. The *Charter* gives six macro-dimensions of the modern 'Nasserist' image of Egyptian character and identity: (1) revolutionism, (2) modernism, (3) future orientation, (4) self-confidence, (5) egalitarianism, and (6) no isolationism (Abu-Laban 1967, 184). These six dimensions will be explored not only to ground Nasser's vision but also to understand the overarching principles that bind the Armed Forces with the Egyptians. In fact, while Nasser's *Charter* is not strictly applicable to contemporary governance, the principles of social justice, non-alignment, and nationalism have continued and persist to resonate within the Egyptian political and societal context.

According to the *Charter,* the first dimension of *revolutionism* refers to the historical efforts of the Egyptian people in constantly fighting for social reforms and freedom from despotic authority. This dimension best encapsulates the early stages of the

relationship between the armed forces and Egyptian society. This dimension is more specifically referred to as "deep-seated revolutionism," indicating that Egyptians, guided by intolerance for injustice and by humane values, continuously fought for freedom from their oppressors (Abu-Laban 1967, 185). The 1952 Revolution is considered by Nasser as a direct expression of the dimension of *revolutionism* inherent to the Egyptian nation.

> "Revolution was the only way out. And it came in 1952, led by the army and backed by the nation. In the pre-revolutionary period, the army was an instrument in the hands of despotic rulers who used it against nationalist movements. Now, it understood its position and joined the ranks of the people to head the movement for national liberation. The greatest thing about the Revolution of July 23, 1952, is that the armed forces who set the stage were not the makers of the Revolution but its popular tool" (Abdel Nasser 1955, 203).

By attributing the Egyptian people as makers of the 1952 Revolution, Nasser raises the status of the Egyptian people not only by attributing to them the success of the Revolution and identifying the population's revolutionary qualities (*revolutionism)* but also by identifying them as the ultimate and most legitimate source of power within the state. Thus, the early cementation of this complex and persistent relationship between the Egyptian people and the Armed Forces began to take shape, as the people are the ultimate source of power within the nation, and the Army is their tool of action.

The *Charter* attributes *modernism* as the second trait of the national character. In effect, the struggle between modernism and traditionalism has been a prevalent phenomenon in virtually all societies, especially in times of revolutionary ruptures with the past. Nasser directly attributes the Revolution to the success of modernism over tradition, not only implying that the Egyptian national character has revolutionary qualities but is also modernist. While the struggle between modernity and tradition often implies an increased dependence upon scientific findings, the extended meaning of *modernism,* in this instance, can be divided into three smaller dimensions. The first is the attribution of *modernism* to the Revolution, which informs the modernity of the Egyptian people in embarking on a new path and breaking with centuries of Monarchism, while the second and third dimensions refer to a profound reliance on science and rationality of

action consistent with the objectives of the revolution. Despite the Nasserist regime's desire for an overhauling scientific transition, they were fully aware of the strong influence Islam had on the Egyptian population despite the dissolution of the Muslim Brotherhood (Abu-Laban 1967, 186). In order to continue to cultivate political support from religious leaders in connection with the introduction of socialism, the regime had to re-interpret religious beliefs to facilitate such a transition:

> "All religions contain a message of progress. But the forces of reaction, desiring to monopolize all the goods on earth and use them to serve their own selfish interests alone, committed the crime of attaching their greed and cupidity to religion and of reading into something that contradicts its very spirit with the object of stemming the current progress. The Islamic State was the first socialist state. After the Prophet, in the days of Abu Bakr and Omar, the Islamic state trod the path to socialism. In the days of the Prophet and at the present time, the poor were and are protected from the rich. In the days of Omar, the land was nationalized and distributed among agricultural workers. All religions call for social justice. Islam is thus a socialist religion" (Abu-Laban 1967, 187).

The transition to a more science-based society was a crucial objective for the revolutionary government in terms of being able to implement a specific course of action that would fulfill the objectives of the revolution. *Rationality,* in this instance, implies "developing a means-end schema" consistent with revolutionary objectives, where the desired outcome is the development of a new national culture providing for innovative practices and equality between sexes (Abu-Laban 1967, 187). According to the logic of socialist rationality, by changing the nation's social fabric from a traditionalist to a modern socialist structure, the nation will be better able to find more suitable solutions to its problems.

> "The need for a new road is not prompted by the mere desire for innovation
> or mere considerations of national dignity, but it arises from the fact that the

Revolution is now facing new circumstances, therefore, demanding more suitable solutions" (Abu-Laban 1967, 187).

This socialist rationality does not only inform changes in the nation's social fabric for budling a path towards achieving the objectives of the Revolution, but it also indicates a flexible and judicious ideological approach to the Classical Socialist ideology as the Regime felt "no longer compelled to observe laws formulated in the 19th century [as] contemporary world conditions have created a new situation for socialist experiments" (Abu-Laban 1967, 188). The *charter* reads:

 "The government does not assume a priori the falsehood of all previous theories, nor does it categorically reject all solutions reached by others. Trial and error are believed to yield invaluable experiences to a developing country such as Egypt" (Abu-Laban 1967, 188).

The *modernist* national character, in effect, informs the Egyptian public of drastic changes to social structures to sustain the ambitious objectives of the revolution. Although the *Charter* clearly concedes that mistakes may be committed in pursuit of national objectives, the creation of a socialist socioeconomic structure needs to be reinforced by the development of a new socialist rationalized social fabric.

In direct connection to *modernism* as a condition for progress and national development is a *future-oriented* national character. This dimension directly fits into the wider interplay between traditional and modern practices, effectively asking Egyptians to rid themselves of certain traditional practices in favor of modernity. The *Charter* states that the new role of Egyptians in building a new society is "not an action to wipe out the ruins of the past but rather to build up the future" (Abu-Laban 1967, 188). Societal modernization, according to the *Charter's* socialist rationale, not only entails the mobilization of all available resources, both human and natural, in a 'rational' manner but also precludes well-defined ways in which these resources will be changed and used individually and collectively to pursue the objectives of the revolutionary government. In this case, the *future-oriented* national character is intended to change the population's

feelings of submission to fate regarding their economic and family lives to more functional elements of responsibility.

> "While the Egyptian is represented as unwilling to compromise his beliefs… he is prepared to retain the functional elements of his past heritage and discard those that conflict with the objectives of the revolution. Deep awareness of the necessity of planning in an individual's life is the decisive solution. This awareness will change the individual's feeling of submission to fate and will replace it with a feeling of responsibility that drives the individual to plan the family economy" (Abu-Laban 1967, 189).

The emphasis on the importance of planning at the individual level is not only important within the context of the nationalist socialist economic planning of modern Egypt but also for the purpose of alleviating some social pressures such as food shortages and overpopulation. Thus, in this view, surrendering to fate in terms of the vicissitudes of nature and natural fertility is a sign of weakness that the revolutionary government is attempting to eradicate by instilling in the population individual and collective responsible planning.

The fourth major dimension of the Egyptian national character is *self-confidence*. The *Charter* indicates that this trait is expressed in two terms: the rediscovery of their collective abilities and the determination to pursue collective aspirations. The prior was undoubtedly captured due to the success of the 1952 Revolution, considering the decades of struggles for independence and freedom. In contrast, the latter refers to the aspirations of the Egyptian people toward democracy, unity, and progress. According to Abu-Laban, "the Egyptian people are believed to be moving confidently toward these ideals, for they have dissolved the forces which suppressed their identity" (Abu-Laban 1967, 190).

The belief in *egalitarianism* is the fifth trait of the imagined Egyptian national character. The attitude toward *egalitarianism,* according to the *Charter,* is manifested in the social, economic, and political spheres. The social dimension of *egalitarianism* is best exemplified by the Egyptian people's ability to eliminate feudal structures based on lineage and social class, eliminating the injustices imposed on them by despots. Moreover, the *Charter* further advocates for egalitarian opportunities in old age security, education, and medical care; equality of sexes replacing the traditional collective

orientation towards women; and sufficiency and justice, which can only be brought about by socialism. In the economic dimension, *egalitarianism* is manifested in the elimination of the economic dependence of one segment of the population on another through the provision of equal job opportunities in accordance with qualifications, something the landed aristocracy was not sympathetic to (Abu-Laban 1967, 190). While the guiding principles of *egalitarianism* in the political dimension are democracy and universal equality before the law,. This new attitude towards egalitarianism does not eliminate hierarchical division based on social, economic, and power criteria but emphasizes some basic universal rights guaranteed to the citizens. The following quote best exemplifies this point:

> "[Under Socialism] every individual shall have a chance and an opportunity. There shall be equality and freedom for each individual in this nation… I want a society in which class distinctions are dissolved through equality of opportunity for all citizens. I want a society in which the free individual can determine his own position by himself on the basis of his efficiency, capacity, and character" (Abu-Laban 1967, 191).

It should nevertheless be noted that since the 1952 Revolution, restrictions on political and civil liberties under the justification of national unity have progressively increased. It could be assumed that these restrictions are positively related to the regime's need to produce consensus and legitimize itself. Thus, the removal of any political currents against the revolutionary objectives elevated the status of the *Charter* as a new 'constitutional,' social, economic, and cultural blueprint.

The last major dimension of the Egyptian national character refers to *non-isolationism.* In this very case, the internationalist 'vocation' of the Egyptian nation is expressed by the *Charter*. Specifically, the *Charter* describes Egypt's destiny as being intermingled with the destiny of the Arab world, that Arab and Egyptian nationalism are not in conflict with one another, and that contemporary Egyptian society is the guiding force for securing liberty, socialism, and unity for all Arab nations (Abu-Laban 1967, 191). The second tier of Egypt's *non-isolationist* character shapes up on the African Continent. Given its geographical location in North Africa and bordering the Middle East, the *Charter* states the following:

"Gone are the ages of imperialist piracy, when people's wealth was looted to serve the interests of others with neither legal nor moral control. We should stamp out the remaining traces of those ages, especially in Africa." (Abu-Laban 1967, 192).

The *Charter* makes it clear that Egypt's destiny is to embark on a mission to spread socialism and ramp out any remaining form of imperialism. The idea of facing 'the world at large' is also expressed through Egypt's commitment to the non-aligned group of states that emerged during the Cold War, mindful of the effects that alignment could have brought to Egyptian society. The Nasserist government quelled any attempts at isolationism by calibrating a careful and flexible foreign policy that ultimately led Egypt to never be properly aligned with either block.

Gamal Abdel Nasser's *National Charter* clearly defines Egyptian identity from the perspective of the Revolution. In full effect, the *Charter* espouses the idea of a social revolution, indicating how the revolutionary leader organized the perception of Egyptians and emphasized the individual and collective orientations of the national character that must necessarily be consistent with the national effort (Abu-Laban 1967, 198). As Nasser and his political elite had come to dominate almost the entirety of Egyptian life, the dimensions of the emerging identity emphasized in the *Charter* primarily reflect the activities and orientation of the government rather than the actual behavior of Egyptian society. This does not preclude that the activities and policies enacted by the government were not coherent with the imagined national character or revolutionary objectives; as a matter of fact, examples illustrating such a relationship are vast. Nevertheless, the *Charter* is more accurately a synthesis of the revolutionaries' collective thinking and experience, identifying the dimension of an imagined national character that gives meaning to the Government's varied activities and policies rather than bringing about a comprehensive social change. (Abu-Laban 1967, 198). Hence, while Nasser's prominent influence in virtually all aspects of Egyptian life enabled him to secure the approval of fellow Egyptians, it did not necessarily ensure the active participation of Egyptians, as he had envisioned in his *National Charter*.

**1.5 Foreign Affairs**

Although the National Charter unequivocally alludes to an Egyptian national character intended to transcend national boundaries and envisions a nation actively engaged not only in revolutionary changes worldwide but serving as the ultimate orientation toward future Arab liberty, the international character of Nasserist Egypt had existed long before the formalization of the National Charter. Reflecting, perhaps, the internationalist vocation of Gamal Abdel Nasser himself, Egypt's international relations during Nasser's era underwent significant changes. As previously stated, Nasser's broad foreign policy objectives were marked by a solid commitment to end imperialism, enhance Arab nationalism, and achieve political and economic independence.

This section will examine Nasser's foreign policy for Egypt's international relations by adopting a dual perspective. Firstly, by delving into Nasser's aspirations for Egypt's international role as delineated in his personal narrative of The Egyptian Revolution (1955) and National Charter (1962). Secondly, through an examination of pivotal facets of Egypt's international relations during Nasser's leadership, encompassing the 1952-1956 era, the Suez Crisis (1956), the United Arab Republic (1958), the Six-Day War (1967), and the Post-1967 Realignment. The dual perspective adopted in this section aims to juxtapose Nasser's vision against the historical record of events and elucidate how Nasser's vision shaped Egypt's international conduct during and after his tenure. Nasser's personal vision for Egypt's international role will serve as an essential benchmark vis-à-vis subsequent Egyptian presidents, emphasizing Egypt's enduring strategic non-alignment policy.

### 1.5.2 Philosophical Aspirations and International Underpinnings:

In his testament, "The Egyptian Revolution" (1955), Gamal Abdel Nasser delineates his foreign policy aspirations for Egypt, asserting his conviction that Egypt should be the leading nation in fostering Arab unity and pan-Arabism. The concepts of Arab unity and pan-Arabism are both central tenets of Nasser's philosophical perspective. Although distinct and yet undoubtedly intersecting, the former refers to increased collaboration and integration among regional powers, whereas the latter refers to a firmly integrated federation under Arab Socialism. From Nasser's perspective, the shared element between these two concepts is Egypt's 'manifest destiny' leadership role in pursuing either or both objectives. Nevertheless, despite Nasser's philosophical portrayal of Egypt's international role being somewhat idolized in his personal narrative when juxtaposed with

historical events, he unmistakably endeavors to promote a non-aligned international agenda. Notably, Nasser's preference for international non-alignment did not result in a static and isolationist foreign policy for Egypt. In essence, Nasser aspired to create an Egypt-led Arab block that would be shielded from the polarization of Cold War international politics while concurrently retaining significant international clout. In Gamal Abdel Nasser's foreign policy philosophy for Egypt, non-alignment signifies active involvement in international and regional politics rather than detachment, underscoring that Egypt's trajectory under Arab Socialism transcends internal development and encapsulates the external influence capable of unifying the Arab World. In this very case, the early philosophical centrality of the concept of 'Arab unity' must be interpreted within the context of achieving complete regional independence from Western imperial powers and remaining distant from Cold War factionalism. The establishment of the Arab League in 1945 through the 1944 Alexandria Protocols represents the most enduring and cohesive organizational embodiment of Arab unity to date, albeit markedly distinct from the structure and integration level observed in the European Union and its antecedents. The institutional design of the Arab League was purposefully geared towards obstructing significant integration, with the intent of forestalling any potential erosion of influence among domestic political leaders (Dakhalla 2012, 412). Ultimately reflecting the dynastic Arab leaders' apprehensions about the survival of their regimes, the Arab League could scarcely be associated with pan-Arabism. Ten years after the founding of the Arab League, Nasser explains that "Arab nations have more in common than the various European nations which hope to work together [and that] efforts to unite have been blocked by dynastic rivalries, and to a greater extent by outside forces conspiring against us" (Mansfield 1973, 672). While the existing institutional structure of the Arab League itself could not practically satisfy Nasser's pan-Arab ambitions, it was identified as a prospective instrument for laying the groundwork for achieving Arab unity through regional independence. Nasser prioritized the pursuit of regional independence as a more pressing concern, firstly considering the incomplete decolonization of the Middle East and secondly, since practical integration efforts would have faced significant resistance from certain Arab states. In fact, among the eight members of the Arab League in 1955, five were monarchies: Iraq, Jordan, Saudi Arabia, Libya, and North Yemen (Imamate), while the remaining three members were republics: Egypt, Syria, and Lebanon. Nasser,

instead of placing emphasis on pan-Arabism and Arab socialism, underscored the importance of fostering robust regional cooperation through mechanisms such as collective security, which would empower the Arab League members to realize tangible regional independence.

> Egypt has made every effort to strengthen the Arab League's Collective Security Pact. There is no reason why the 70,000,000 Arabs could not build up an army of several divisions for the defense of their lands. Our countries possess great potential wealth, not to speak of the oil for which our deserts are famous, but of our Arab brethren, who have proved to be no less capable than any other people in the world (Abdel Nasser 1955, 210).

While emphasizing increased collective security cooperation to achieve regional independence could be interpreted to be in the interests of the members of the Arab League, there were numerous objections to such a level of cooperation. Firstly, Nasser attempted to 'sell' his envisioned regional *Collective Security Pact* to foreign powers by stating that "Powers who believe in peace should and will help us strengthen against aggression" and that the Collective Security Pact would be open to "coordinating [their] defense plans with those of any other nation interested in the defense" of the Middle East *world* (Abdel Nasser 1955, 210). In attempting to gain international credibility for his Collective Security Pact, Nasser deliberately fails to mention the origin of such 'aggression' which is the basis for the creation of an Arab security pact. Nevertheless, his non-aligned and perhaps opportunistic conduct in international affairs did not spare his plans from a series of objections. The first main objection refers to the necessity of such an organization in the region given that Western control has aided in the stabilization of the Middle East. Nasser responds as such:

> "The Government of Egypt point[s] out that the evacuation of British troops from the Suez Canal will not create a military vacuum but will pave the way for strengthening the area's defenses. The defense of the Middle East must rest primarily with the inhabitants of the area. No outside forces can defend this soil as effectively as the people who live here" (Abdel Nasser 1955, 210).

The second objection refers to the idea that if the Arabs were to receive military assistance and coordinate defense capabilities, they would immediately attack the state of Israel. To such an objection, Nasser responds:

> "Egyptians feel that a great injustice was committed against the Arabs generally, and especially against the millions of Palestinians. However, we do not want to start any conflict. We have much to do in Egypt, and the rest of the Arab world has much to do. A war would cause us to lose, rather than gain, much of what we seek to achieve" (Abdel Nasser 1955, 211).

The third main objection came from other quarters where there has been talk of Communist infiltrations in various Arab nationalist movements. With decolonization happening rapidly and Cold War tensions steadily increasing across the globe, Nasser appealed directly to the United States to address such objections. He states:

> Procrastination gives the Communists the chance to take over what usually start as genuinely patriotic movements, as was the case in Indochina. There would not be any Communist infiltration if the United States could develop a courageous policy of supporting those who are anxious to get rid of foreign domination and exploitation. Real independence is the greatest defense against communism. Free men are the most fanatical defenders of their liberty (Abdel Nasser 1955, 211).

In essence, the international character of Nasserist Egypt was deeply rooted in Gamal Abdel Nasser's vision for the nation. While Nasser harbored aspirations of guiding the Arab world towards unity and independence, he remained cognizant of the challenges posed by the remnants of Western imperialism, the intricate dynamics of Cold War politics, and the entrenched regional rivalries. From these previous assertions of his testament, it can be deduced that while Egypt is committed to a non-alignment policy, this does not preclude cooperation with the West or alienation of the East. Yet, while the philosophical underpinnings of Egypt's international policy may bear certain elements of idealization, the unwavering pragmatic and notably non-aligned foreign policy stands as an enduring legacy of Gamal Abdel Nasser, one poised to transcend his own presidential tenure.

*1.5.3 International Relations During Nasser's Early Political Career:*

Gamal Abdel Nasser's philosophical orientation distinctly articulates his desire for Egypt's ascendency as a regional power. This section will primarily focus on examining historical events through the lens of international relations, thereby providing a contrast between Nasser's ideological aspirations and the practical realities that unfolded during his leadership. This section will primarily focus on the political orientation during the years 1952-1955, the significant episode of the Suez Crisis, the formation of the United Arab Republic, the Six-Day War, and the subsequent post-1967 realignment. Within the scope of this paper, these events are identified as the principal foreign policy and internationalist developments that transpired during Nasser's era. Studies on Egyptian foreign policy during the Nasserist era have arguably predominantly focused on the policies and ideology of the leader post-Suez Crises (1955). Understandably, Egypt's success in seizing the Suez Canal marked a period of ascent for Nasser, becoming an emblematic figure of Arab nationalism. However, these studies arguably and unintentionally cast a shadow over the formative years of Nasser's early political career, one characterized by a profound sense of insecurity as he sought to navigate the intricate landscape of international affairs (Podeh 1996, 159). The early Egyptian foreign policy landscape, in the aftermath of the Second World War, primarily concerned the immediate end to the British presence in Egypt. However, "despite the bitter struggle against Britain and sporadic contact with the Eastern bloc, the basic orientation of Egypt's foreign policy remained pro-West" (Podeh 1996, 160). The question of whether Egypt's neutralist stance during the Cold War emerged as an intrinsic historical process or was precipitated by the deterioration of Western-Egyptian relations remains a subject of ongoing debate. This research subscribes to the interpretation put forth by author Elie Podeh, who posits that Nasser's foreign policy conduct was a natural outgrowth of the political landscape characterizing his era. According to Podeh's interpretation, neutrality represented a "natural choice for Nasser," suggesting that Nasser's deliberate and well-calculated policy opposed Western influences and paradoxically contributed to his readiness for tacit cooperation with Western nations (Podeh 1996, 163). Undoubtedly, this conduct informed Egypt's disposition towards neutrality and positioned Nasser as a figure shaped by decolonization. The 1952-1955 era was characterized by a series of complex political dynamics that progressively pushed Egypt towards perhaps unintentional, albeit necessary, neutralist political conduct. In 1952, at the height of the internal power struggle

between Muhammad Naguib and Gamal Abdel Nasser, two distinct and conflicting foreign policy orientations began to take shape. One approach leaned towards fostering cooperation with the United States, while the other advocated for neutrality in international affairs. This duality of outlook led to considerable confusion among Western policymakers, who "often misinterpreted Egypt's neutral position as a tactical maneuver aimed at extracting concessions from the West rather than a genuine expression of discontent with Western imperialism" (Podeh 1996, 165). Nevertheless, in 1953, Nasser's rapprochement with the non-aligned movement enabled Egypt's gradual inclination towards neutrality. The encounter between Nasser and India's leader, Jawaharlal Nehru, exposed the theoretical aspects of neutralism and influenced Nasser's 'socialization process' that shaped his worldview during his formative political years (Podeh 1996, 165). This gradual inclination toward neutrality may have manifested best in the realm of Western-led security organizations in the Middle East to curb Soviet influence. More specifically, after the Second World War, Western nations devised a series of initiatives to surround the Soviet Union with a chain of alliances based on the NATO model, such as the Middle East Command in 1951 and the Middle East Defense Organization in 1952 (Podeh 1996, 165). The creation of such models of collective security raised a number of questions and suspicions for Egypt. Was this a model to continue Western imperialism based on the Soviet menace, and what would Egypt's special status and strategic significance have been? In fact, adamant Egyptian refusal to cooperate largely hindered any progress until a collective defense initiative between Turkey, Pakistan, Iran, and Iraq was identified by Western powers as a more realistic basis for a regional defense organization than Egypt and other Arab states (Podeh 1996, 168). This conceived alliance, referred to as the Northern Tier concept, soon developed to be a serious affront to Egypt's national interests. The Free Officers recognized that this concept would likely diminish Egypt's influence in the Arab World, sideline Egypt's strategic importance, and largely favor Egypt's main rival for Arab leadership, Iraq (Madadi 1970, 297). Egypt vigorously opposed this development. Consequently, a series of declarations by exponents of the Egyptian government and a series of media campaigns reiterated Egypt's position and served to articulate Egypt's gradual shift to neutrality. In 1954, the Minister of National Guidance Salah Salem articulated Egypt's policy by describing it as "neutrality or what you like," followed by an influential Egyptian journalist Ahmad Baha

al-Din's criticism of Western defense organizations as "mechanisms to safeguard their own interests" (Podeh 1996, 169). The extent of this media campaign and strong declarations not only accentuated Egypt's opposition to regional political developments that would hinder its strategic importance but were largely meant to resonate within other Arab states. The latter objective was achieved upon Iraq's Prime Minister Fadhil al-Jamali's statement that Iraq "had not been invited to join" the 1954 Turkey-Pakistan friendship pact devised by the United States (Podeh 1996, 170). While the risk of having any other Arab nation enter a US-endorsed regional agreement akin to the Turkish-Pakistani Pact had been avoided, Egypt, at this point, had not dealt with the British occupation of the Suez Canal. One of the principal constraints on Western and Egyptian cooperation rested on the official termination of the British occupation. While Britain had largely withdrawn from Egyptian territory, it still retained considerable influence over the Suez Canal due to the presence of military facilities in the area. On July 27, 1954, the Anglo-Egyptian agreement was signed, stipulating that in exchange for the complete British withdrawal to be carried out by 1956, the Suez base would be reactivated in the event of an external attack against any member of the Arab Collective Security Pact or Turkey (Podeh 1996, 169). This agreement, as mentioned in the earlier sections, was a main precondition to early popular dissent against Nasser, which culminated in the attempted assassination of the President in Alexandria. Therefore, Nasser was mindful of the need to find an agreement with the British and the popular dissatisfaction with granting any concessions to the British, especially in regard to losing sovereignty over Suez in case of an attack against the non-Arab nation of Turkey. Nevertheless, despite the immediate objective of finding an agreement with the British being fulfilled, pressing domestic issues began to dictate Egypt's move towards neutralism and away from the West. In effect, this was characterized by a series of diplomatic exchanges between Egypt and the United States. Firstly, the decision on a military aid agreement presented by the American Ambassador William Caffrey to Foreign Minister Mahmud Fawzi had been postponed, while Egypt's Ambassador to the United States, Ahmad Hussein, was instructed to explain to the U.S. Administration that Egypt did not reject American aid but that the domestic pressing need to maintain distance from Western powers was mounting (Lefebvre 1993, 327). Ambiguity was starting to become a prominent feature of Nasserist Egypt's foreign policy. Finding the balance between countering a Middle

Eastern pact that would undermine Egypt's influence, reducing any efforts of Western imperialism, and continuing to collaborate with the West while maintaining domestic tempers at bay was becoming increasingly complex. This ambiguity manifested itself in late August and early September of 1954. On August 31st, Nasser stressed that Egypt was resolute in opposing any Middle Eastern pact involving the US and the UK and any Arab state joining the Turco-Pakistani agreement; however, two days later, the RCC released a statement indicating that the Soviet Union was the primary threat to the Middle East and that Egypt preferred to align itself with the West (Podeh 1996, 171). Naturally, these mixed signals were deliberate actions to manage the difficult balance Nasser had found himself in. As criticism of the Anglo-Egyptian agreement threatened the regime's popularity, these mixed signals were crafted to calm the population and not alienate the West. As a countermeasure to this position, Egypt became increasingly more engaged in the idea of Arab future orientation, which culminated in the creation of Nasser's narrative "The Egyptian Revolution," which was analyzed in the previous section. Nevertheless, Egypt's somewhat receding neutrality after the Anglo-Egyptian agreement of 1954 re-emerged due to already-addressed affairs. In February of 1955, the Turco-Iraqi Pact of Mutual Cooperation was signed with an umbrella clause enabling the British to join the Pact in April (Lefebvre 1993, 325). Any regional pact was, in Egypt's perspective, an instrument to undermine its strategic influence, and therefore, Egypt moved to contain it immediately. In anticipation of British Prime Minister Eden's visit in February 1955, Nasser hosted two prominent leaders of the non-aligned movement, Yugoslav President Marshal Tito and India's President Nehru, prior to Eden's arrival (Lefebvre 1993, 326). In addition, within the same month, Minister Salah Salem declared in Damascus that the "ACSP no longer existed" and that he was going to propose to Syria the creation of a unified Arab army within the framework of a new Arab Defense Pact (Lefebvre 1993, 325). Undoubtedly, Egypt found itself in an extremely complex international dynamic with strong domestic implications that could very easily erode the regime's support. Consequently, Egypt's position led Nasser to adopt a more ambiguous foreign policy until the reaction to the announced Arab Defense Pact forced his hand. Two days after the announcement by Minister Salem, Israel launched a raid into the Gaza Strip, inflicting many Egyptian casualties and revealing the inferiority of the Egyptian army (Oren 1989, 350). While Nasser's approach was to mitigate domestic opposition towards the West and

convince the West that despite public declarations, Egyptian foreign policy continued to be Western-oriented, the Israeli aggression in Gaza signaled a strong shift in foreign policy. On March 28[th,] 1955, Nasser declared that:

Communism has been considered a danger, but I still believe that imperialism or domination of us by the other side [Israel] represents another danger. We are a state that lived under the yoke of imperialism for 75 years in the form of British occupation. Before the British occupation, we had Turkish colonization for 300 or 400 years. I consider that Egypt at present, now that she is beginning one phase of liberation, must rid herself completely of every foreign influence so that she can stand on her own two feet. After that, if she finds that it is in her interest to conclude an agreement with another state on the basis of equality, she will conclude that agreement to further her interests, but she will never do so as a result of pressure. You [the West] want a defense against the communist danger; we too are not complacent regarding the communist danger. But we fear Western domination as well as communist danger, and on this ground, the defense of this area must come from the states of the area and from its sons without any foreign intervention. If you consider that arming us will be consistent with your interests in any way, then give us arms (Podeh 1996, 172).

Nasser's frustration with Western policy plans for the Middle East and deliberate neglectfulness in the face of Israeli aggression marked a critical shift in Egypt's foreign policy from a Western-oriented foreign policy to one of positive neutrality with a sympathetic outlook towards the Eastern Block. The first real manifestation of such a drastic, although foreseeable, policy shift occurred at the Bandung Conference of April 1955. Prior to Nasser's arrival in Bandung, Indonesia, he had visited Pakistan, India, and Burma with varying results; however, the most prominent was in Burma when he unexpectedly met with the Chinese Leader Chou En Lai and discussed receiving military aid, eventually leading to the arms deal between Egypt and Czechoslovakia in September of 1955 (Rajak 2014, 148). The Bandung Conference signals a turning point in Nasser's shift in thinking, not only reinforced by his growing disillusionment with the West but also dictated by his interactions with Chou En Lai and Nahru, which enabled him to view positive neutrality and non-alignment as more favorable foreign policy conduct for Egypt. In light of this new foreign policy direction, Nasser's resentment towards the West continued due to

Britain's attempt to pursue Jordan to join the Baghdad Pact in December of 1955 and the US's decision to stop funding the Aswan Dam in 1956, a decision that would lead Nasser to nationalize the Suez Canal.

The American withdrawal of funds from the Aswan Dam project compelled Gamal Abdel Nasser to act accordingly. The Aswan Dam was of monumental importance for Nasser's industrialization plans and the centerpiece of his leadership. As a result, on July 26th, 1956, during a speech in Alexandria, Nasser declared the nationalization of the Suez Canal (Oren 1989, 347). The aim of the Canal's nationalization was primarily to finance the construction of the Aswan Dam; however, this daring action by the Egyptian leader very rapidly sparked an international crisis. This international crisis was first characterized by a series of discussions and negotiations that had their roots in the nationalization of the Canal, which would ultimately fail and escalate the crisis into an armed conflict. The nationalization of the Suez Canal, in addition, represented a situation of gains and losses for several international players. Britain, for instance, was profoundly concerned about the flow of oil from the Middle East, given its diminishing influence in the region and substantial investments in the Canal (Wright 1980, 28). France, on the other hand, had considered the Canal a French enterprise due to its historical involvement and harbored hostility towards Nasser for supporting Algerian rebels (Wright 1980, 28). As a result, Nasser's actions were a considerable threat to both Britain and France, which sought to counter Nasser expediently. At this stage, due to the US's delicate and evolving position in the Middle East along with minimal investments in the Canal, it refrained from explicitly supporting Franco-British political positions. and urged restraint (Wright 1980, 28). On the other hand, the USSR, concerned about Western-led containment efforts through the Baghdad Pact, sought to maximize its potential political gains during the crisis. In fact, the USSR planned on backing Egypt in the August negotiations related to the Suez Canal, announced by the British Cabinet on August 2, 1956 (Kanet 1975, 340). Despite Britain and France adamantly wanting to resolve the crisis in their favor, the counterweight posed by the USSR and the lack of explicit endorsement of Franco-British designs by the United States contributed to the escalation of the crisis. The London conference on the discussion of the international operations of the Suez Canal involving twenty-two maritime nations (with the exception of Egypt as it refused the

invitation) stipulated a common agreement that Egypt was to have equal representation on the Board of the Suez Canal and all necessary rights; a proposal strongly criticized by Nasser and dubbed "collective colonialism" (Wright 1980, 30). On the other hand, a significant participant in the Suez War was the State of Israel. The rationale behind Israel's invitation to attack and occupy the Suez Canal Zone was a French initiative. In fact, France had been secretly supplying Israel with military weaponry and had proposed to British Prime Minister Eden the idea of forming an alliance to seize the Suez Canal (Delpech 2012, 63). The military plan entailed launching a major attack on the Sinai province on October 29th, followed by an ultimatum on October 30th that would call for an immediate ceasefire and permit British and French forces to occupy the canal zone if overruled by Egypt (Wright 1980, 30). At dusk on October 29th, Israel initiated a large attack in the Sinai province, and on October 30th, Nasser received the British-French ultimatum requesting both sides to retreat to positions ten miles east and west of the Canal (Wright 1980, 30). This requirement was immediately refused by Nasser, who believed the ultimatum could have been a ploy to assist Israel in achieving an easy victory since Israeli troops were 110 miles away from the Canal (Delpech 2012, 64). Understandably, the ultimatum pushing for each belligerent to retreat to positions ten miles away from the Canal was effectively asking Israeli troops to advance 90 miles and Egyptian troops to withdraw 110 miles. Despite having considered an ultimatum a ploy to favor an easy Israeli victory, Nasser had arguably underestimated the situation. On October 31st, Egyptian airfields were severely damaged, the risk of having Egyptian forces trapped east of the Canal significantly increased, and in November, British and French forces landed in Port Said and Port Fouad (Delpech 2012, 64). Despite French, British, and Israeli advancements, the USSR and the United States were against this foreign intervention in Egyptian affairs, and Britain's assumption of American support would reveal it to be a fatal miscalculation. Britain had found its oil supplies halted due to nationalization, and to avoid a financial crisis, Britain desperately needed a 300-million-pound loan from America, which was denied as a form of pressure (Wright 1980, 35). Thus, as a result of the pressure exerted by both the US and the Soviet Union, a ceasefire was imposed in November 1956, marked by the withdrawal of foreign troops and the deployment of United Nations peacekeepers.

A major milestone for Nasserist Egypt after the Suez Crisis of 1956 was its unification with Syria two years later. The United Arab Republic comprised a union between Egypt and Syria that spanned from 1958 until 1961. Although previously mentioned throughout this chapter, in this section, the unification and dissolution processes of the UAR will be delved into in greater detail. While Pan-Arabism can directly be associated with Nasser, the UAR's example is relevant to this research for two primary reasons: firstly, it emphasizes the influence of Nasser's philosophy outside Egypt's border, and secondly, it represents a legacy that President Anwar El-Sadat would embark on through the Federation of Arab Republics. While the second pan-Arab political venture will be more closely analyzed in the following chapter, this section will analyze the UAR by underscoring the relationship between Syria and Egypt that led to its formation and rapid dissolution. In fact, support for pan-Arabism was particularly strong in Syria prior to unification. In November 1957, the Syrian Parliament passed a resolution calling for the union of Egypt and Syria, while actual negotiations for the merger were conducted in Cairo in January 1958 following a brief coup by the Syrian Army (Palmer 1966,51). Interestingly, the desire for prompt unification stemmed from Damascus rather than Cairo, despite Nasser having extensively talked about a future Arab Union. There were a series of factors that pushed Damascus to negotiate this merger with Cairo, most of which were inherent to the political landscape that characterized Syria during the late 1950s rather than the genuine desire for Pan-Arab unification. The Ba'athist Party, which was the driving force of the Syrian government, was a parliamentary minority with its members deeply entrenched in the Army, which was experiencing considerable pressure from the Communists and the Syrian right (T.R.L. 1958,94). It is safe to assume that the collusion between the diffusion of power across Syria's party factions and the considerable emotional disposition of Arab populations towards Nasser made the union a bold political maneuver to prevent any type of drastic regime change in Syria. However, the parliamentary legislation calling for unification and the internal difficulties of the Syrian army were considered by Nasser as inadequate justifications for unification, and the army did not represent the constituted government of Syria, thus refusing the unification proposal altogether (Palmer 1966,54). The Syrian Ba'athist's anxiety about ensuring unification and the prevention of a drastic regime change domestically eventually brought them down the

path of unification through the complete dissolution of the Syrian Republic. In fact, shortly after Nasser's refusal, the Syrian Foreign Minister Salah Bitar flew to Cairo and was presented with Nasser's conditions for unity. The proposal included "a plebiscite, the dissolution of parties, and the withdrawal of the army from politics," which was initially met with silence; The proposal and decision were dispatched to Colonel Sarraj, who accepted Nasser's conditions based on the claim that "popular pressure for unity was mounting and impossible to withstand" (Palmer 1966,55). Therefore, the UAR emerged out of the dissolution of the Ba'athist party and all other political parties, the withdrawal of the Army from politics, and the complete termination of the Syrian Republic. Despite the harsh conditions imposed by Nasser, the impetus for the formation of the UAR came from Syria's masses and Ba'athist establishments rather than from Nasser directly. These two elements undoubtedly constituted Nasser's major support base for the union, but the overhauling conditions imposed by the Egyptians rapidly turned Syrian enthusiasm for the union sour, especially among the Elites. In fact, many Ba'athist members were originally dissatisfied with the terms of the merger, and Syrian elites often felt relegated to secondary positions and were disillusioned by the Union as they were not consulted on major developments. More specifically, Syrians headed less prestigious ministries, Egyptians tended to overfill lucrative positions, and the excessive centralization imposed by Cairo relegated Syrian officials to village and municipal affairs, largely excluding them from national affairs (Palmer 1966,55). The result of excessive centralization fueled the disinterest of the elites and of the urban masses, which represented a silent and gradual popular hostility towards the union. Nevertheless, the rising tensions between Egyptian and Syrian elites within the structure of the Union were not the sole factor in its curtailing support. The economic situation of the Union and its ability to respond to challenges were significant inhibitors of domestic support. Syria had suffered economically prior to the unification due to a series of droughts and the effects of the Suez Crisis. By 1958, Syria had lost one-third of its national income, with oil transport revenues falling from £90,000,000 in 1956 to £25,000,000 in 1958 and a mass exodus of foreign capital totaling £600,000,000 by 1961 in anticipation of import restrictions due to the merger with Egypt (Palmer 1966,61). While Egypt undoubtedly found Syria's economy weakened, the excessive centralization of the Union in Cairo inhibited any economic progress or

real development. The UAR, as previously mentioned, was never able to develop a robust political structure, and its excessive centralization, therefore, reduced its administrative capabilities. Moreover, the social interactions between Egyptians and Syrians also hindered economic advancement, and the following segment is an exercise of 100 interviews conducted by author Monte Palmer in Damascus in 1963 that exemplifies this claim:

> "First, the Egyptians and Syrians did not work well together. Second, we have observed that the fact that Egyptians filled a large number of desirable government positions had created animosity among the Syrians. Such animosity was sharply increased by what one observer referred to as "the inability of the Egyptians to understand the Syrians.". Frequently, they assumed supercilious attitudes, insinuating that the Syrians were country cousins. Such attitudes provided fertile ground for suspicions that Syria was being turned into a colony. From all accounts, however, the overwhelming majority of the suspicions concerned blunders, repressions, suggestions of further integration measures, and accounts of various misdeeds and indiscretions on the part of the Egyptians." (Palmer 1966,62).

The lack of collaboration between Syrians and Egyptians may arguably underscore, on a wider scale, the inability to create economic prosperity for both, but it undoubtedly signals that the enthusiasm of 1958 for the Union may have been somewhat superficial. Numerous examples of alleged Egyptian misdeeds were enough to instill mistrust in Syrians, and combined with the adverse economic situation, discontent with the Union spread. The reaction to such economic adversity would ultimately bring the Union to an end. In 1961, the Socialist Decrees were issued, implying stringent currency regulations, Egyptian government ownership in all sectors of the economy, the abolishment of the regional council, and extensive power transfers to the military (Palmer 1966,66). The Socialist Decrees serving to tighten Cairo's control over Syria's economy were seen by Nasser as a measure to combat "extra-parliamentary revolutionary elements" in the UAR, while in Syria's eyes, they were a measure to further Egyptian exploitation. These conflicting attitudes ultimately culminated with the resignation of Abd El-Hamid

Al-Sarraj, Vice President of the Republic, and a coup led by a small group of army troops that established the terms under which the Union could be re-designed, terms that Nasser refused:

> "What happened today should not be subject to bargaining or compromise. This is my firm belief, and this is what I consider my duty at this moment. I entirely reject bargaining and half-measures. When struggling involves bargaining, it loses its sacred significance. We cannot bargain for our Arabism or nationalism. Should we thus bargain, we would then be signing the document of slavery of this Republic" (Palmer 1966,67).

On September 28th, 1961, the United Arab Republic ceased to exist.

*1.5.4 The Transition: The 1967 War and Post-War Realignment and transition*

Whether the quarreling of Egyptian and Syrian elites, the economic inefficiency of the Union, and the inadequate bureaucratic apparatus for administering Syria from Cairo serve as examples that put into question the Nasserist concept of Arab unity is open to debate. What is certainly a unifying factor in the Arab region is the presence of the State of Israel. As a matter of fact, in light of the UAR's failure, which arguably constituted a severe blow to Nasser's Pan-Arab ambitions and regional prestige, the 1967 war against Israel could be interpreted as another Pan-Arab 'venture' and effort to restore Egypt's prestige and leadership role in the Middle East. The connection between Arab Unity and the 1967 conflict is evident in a series of summits that occurred in 1964 as part of an Egyptian regional reorientation effort post-UAR. The all-Arab summits held in Cairo and Alexandria between January and October 1964 achieved a series of milestones. Initially, a joint plan was drafted to prevent Israel from using the Jordan River to irrigate the Negev desert, then the groundwork for organizing the Palestinians was supported through the establishment of the Palestinian Liberation Organization (PLO) and, lastly, the acceptance on behalf of the Arab states of Nasser's long-term anti-Israel strategy, comprising a patient but thorough military build-up (Karsh 2017,4). This normative alignment on behalf of Arab nations against Israel played a role in Nasser's prestige. These summits perhaps once again signified that Nasser was the only Arab leader capable of transcending national boundaries and mobilizing support from the masses.

Nevertheless, whether these summits served as concrete mechanisms of Arab military cooperation against Israel or merely as instruments to improve Nasser's domestic and regional prestige, the first escalation of what would drive the Arab states to war with Israel came in the form of a Soviet warning. In fact, in May 1967, the Soviets warned Egypt and Syria of a large Israeli military build-up on Syria's border (Johnson 1972, 7). While this military buildup has been debated and numerous academic sources discredit the reliability of this Soviet report, it was, however, a major catalyst for the conflict. Just in the month of May, the Egyptian Armed Forces were placed on the highest alert and began moving into the demilitarized Sinai while Lt.-General Mohammed Fawzi flew to Damascus to coordinate a possible response given Egyptian obligations under the 1966 mutual defense treaty with Syria (Karsh 2017,8). The movement of troops in the demilitarized Sinai and the absence of an Israeli military build-up on Syria's border effectively changed the character of this escalation from a defensive mobilization to an offensive strategy aiming at changing the 1956 status quo. As troops amassed in the Sinai, the U.N. Emergency Forces were quickly withdrawn, with Nasser announcing on May 22nd the closure of the Tiran Strait to Israeli ships (Karsh 2017,10). Whether Gamal Abdel Nasser meant to provoke Israel into a war directly is subject to debate; what is certain is that while moving troops into the demilitarized zone is definitely a serious provocation, the closure of the Tiran Strait could arguably be interpreted as an act of war. Nasser's speeches resulted in an increased militancy by directly calling Israel into action by stating, "The Jews have threatened war; you are welcome; we are ready for war; this is the real rising of the Arab nation" (Sharnoff 2012, 10). Nobel Prize winner Naguib Mahfouz describes the situation in which Egyptian war preparations were carried out in an extravagant and confident fashion in front of the eyes of the world media in the following manner:

> "When Nasser held his famous press conference before the June 1967 war and spoke with confident pomp, I took our victory over Israel for granted. I envisaged it as a simple journey to Tel Aviv, of hours or days at the most, since I was convinced we were the greatest military power in the Middle East." (Karsh 2017,11).

Nasser's pomp, confidence, and militancy were undoubtedly contagious beyond Egypt's borders, turning regional rivals into important allies. In fact, by May 30th, Jordan's King Hussein who previously mocked Nasser for "hiding behind UNEF's apron," arrived in Cairo to sign a defense pact with Egypt, while on June 4th, Iraq followed suit (Karsh 2017,12). Despite the militant zeal that wiped out the Arab states, Nasser was wary of striking first and was mindful of the US's commitment to Israel's territorial integrity. There are three main strategic motivations behind Egypt's refusal to start hostilities. Firstly, Egypt and the wider Arab alliance were not prepared just yet; secondly, since the strategic objective was to drive into Israel to create a land bridge with Jordan, acting in self-defense would have prevented a military intervention by the United States (Karsh 2017,13). Therefore, Egypt had to absorb the first blow. While Nasser's strategy makes political sense, he perhaps underestimated the might of the Israeli Air Forces. Nasser predicted that Egypt's Air Force would have incurred no more than a 15-20 percent loss before dealing a devastating blow to Israel, while on June 5th, the Egyptians saw their air force destroyed within three hours of the outbreak of the war (Karsh 2017,14). Over the next three days, the Egyptian army was crushed and expelled from the Sinai as Syria, Jordan, and Iraq saw their armies routed in a similar fashion (Karsh 2017,14).After only six days of armed combat, Israel expanded its dominion over the Suez Canal, the Jordan River, and the Golan Heights. The 1967 six-day war may represent Nasser's final pan-Arab venture. In an attempt to recover from the disillusionment endured by the dissolution of the UAR, the pan-Arab objective of a definitive victory over Israel may have been driven by a misguided sense of grandeur inherent to Nasser's pan-Arab ideology.

The loss of territory, infrastructure, and military equipment as a result of the Egyptian defeat in the 1967 War severely damaged Nasser's reputation, leading to widespread popular disillusionment with his government and his ideology. The effects of the war prompted Nasser and his close ally, Commander-in-Chief of the Armed Forces Abdel Hakim Amer, to tend their resignations on June 9th, 1967 (Harb 2003, 273). Interestingly, Abdel Hakim Amer, a close friend and ally of Gamal Abdel Nasser, is a key figure in the post-1967 domestic realignment, as his arrest marks a new approach to military rulership that will be continued under President Anwar El-Sadat. More specifically, popular demonstrations in Egypt forced Nasser to withdraw his resignations, and Amer's attempt to do the same was met with army loyalist officers staging a mutiny

and arresting him, who would kill himself while in custody shortly after (Harb 2003, 272).While Nasser's popular support and integrity within the military establishment were enough for him to continue to hold the reins of the country, the mutiny that led to Amer's arrest signaled a growing dissent within army ranks. On June 11th, Nasser appointed General Mohammed Fawzi as Commander-in-Chief and purged the ranks of the military, replacing the new officer corps with a second generation of officers that had no direct relation to the Free Officers Movement, depoliticizing the military from its revolutionary ethos (Harb 2003, 272). This purge led by Nasser in the final years of his leadership and life is an indicator of *disengagement,* as the military, under Nasser's ideological aspirations, was the popular tool through which the objectives of the 1952 Revolution could be achieved. Despite this fundamental change, Nasser's governance ultimately represented a full-fledged personal leadership of the country through the use of the military. Gamal Abdel Nasser reshaped Egypt by introducing political structures such as the National Union and later the Arab Socialist Union, steering the nation towards industrial growth through his three-pronged development program, establishing a state bourgeoisie of technocrats and military men to administer the economy, and crafting his foreign policy around philosophical perspectives and ideological beliefs. Nasser's comprehensive influence on Egypt from 1954-1970 solidified the foundations of military governance that would structurally persist throughout Egypt's political history.

## CHAPTER 2: ANWAR AL SADAT

### 2.1 Political Affairs

Nasser's abrupt death in 1970 was followed by Anwar El-Sadat's accession to the Presidency of Egypt. Anwar El-Sadat would govern the country from 1970 until his death in 1981, bringing about radical changes in domestic, economic, and foreign policy decisions. While the previous chapter served to outline the foundations for comparison, this chapter will focus on the fundamental changes brought forth by Anwar El-Sadat's leadership. In fact, during El-Sadat's governance, Egypt underwent a drastic transformation from Nasser's authoritarian-populist state to a 'post-populist' state, with important features of military *disengagement* from the political arena. As previously mentioned, while *disengagement* does not entail the democratization of the political

system, El-Sadat's policies of *disengagement* serve to draw a compelling comparison with the political structures and foreign policy orientation of Gamal Abdel Nasser. This chapter will break down the *disengagement* features into four macro-categories: domestic political developments, elite management, economic policy, and foreign policy. The first section will be substantiated by analyzing Sadat's rise to power and domestic institutional developments referred to as the *Corrective Revolution*; the second will analyze the effective changes that occurred to Nasser's state bourgeoisie; the third will analyze the economic shift to privatization, referred to as the *Intifah* (open door policy), and finally, the fourth will analyze the shift in foreign policy orientation towards a Western outlook and Sadat's political relationship with the Muslim Brotherhood as a result.  The aim of this chapter is not only to analyze the trends of *disengagement* under Sadat's leadership in an effort to provide a comparison with Nasser's governance but also to highlight how Sadat's successor, Hosni Mubarak, would inherit a completely different country from how Sadat received it. Moreover, the underlying aim of this process is to accentuate the perpetual military's role in the political arena despite drastic political, economic, and international changes.

### *2.1.2 Sadat's Corrective Revolution and Institutional Developments: The Civilianization of the Presidency*

Anwar El-Sadat's ascendency to power was undoubtedly an intricate and complicated affair. He, like Nasser, used the military as a source of legitimacy and power for his regime but had a very different leadership style than the former leader. Originally appointed as Vice President by Nasser in 1969, he became Acting President in 1970 by approval of his formal candidature by the executive committee of the ASU and confirmed by a national referendum on October 15th, 1970 (Rubinstein 1977, 19). Despite being approved by the military-political establishment, Sadat found himself inheriting the whole of Nasser's legacy, including Nasserist loyalists. In effect, Anwar El Sadat had a small organic political base of his own, unlike his predecessor, which made the sidelining of Nasserist loyalists an inevitable first step in his ascendency to power. While Nasser rested his power on his loyalists, Sadat sought to manipulate army officers against each other in order to eliminate the centers of power that had formed early into his presidency. The targets of Sadat's *Corrective Revolution*, which was

essentially a purge, included Minister of War Mohammed Fawzi, Minister of the Interior Saad Jumma, Minister for Presidential Affairs Sami Sharaf, and Arab Socialist Union President Ali Sabri (Harb 2003, 276). One of the foremost challenges of the early transition between Nasser and El-Sadat was posed by Ali Sabri's bid for the presidency. In fact, in the succession conflict between Sadat and Sabri in 1971, the prior perceived the former as a restriction of his "right" to the presidency and believed Sabri's alternative conception of a political system that could have made the President accountable to other centers of power, notably the party, was a direct threat to Sadat's political integrity (Hinnebusch 1981,444). Upon Sabri's defeat, no other member of the military elite had been able to pose a significant challenge, and as of May 1971, the Egyptian military leadership pledged allegiance to a new leader, Anwar El-Sadat. The purges that occurred between 1970-71 are only a feature of Sadat's Corrective Revolution and overall leadership. While the policy of sidelines Nasserist loyalists arguably rendered the armed forces subordinate to the *civilianized* leadership of Sadat, the constitutionalizing of his powers in 1971 is interpreted in this research as one of the main indicators of such a process of *disengagement*. As mentioned in the previous chapter, Nasser's intention to reform the 1963 Constitution was completed by Anwar El-Sadat in 1971, granting the civilianized Presidency sweeping authoritarian powers. The formal constitutional powers of the President greatly overshadowed the legislature and the judiciary, setting the President above formal constraints while binding his subordinates to administrative regulations (Hinnebusch 1981,444). Thus, the President remained the major source of policymaking in the country by constitutionalizing enormous, personalized powers. Despite the figure of the President being civilianized, the lack of constitutional accountability and constraints effectively made Sadat's powers no different than Gamal Abdel Nasser's powers.

Nevertheless, Sadat's leadership style marks a major change from Nasser regarding the philosophical and traditional conception of the leader's role. While Nasser was the 'father' of the Revolution and 'champion' of Arab Socialism, Sadat could arguably be described as a simple 'pragmatic realist,' with no real associations to Nasserism or any other ideological convictions. Nasserism and Nasser's leadership style cemented a profoundly illiberal conception of the President's role, where Egyptian society is seen as an authoritarian patriarchal family with the President as the "father,"

entitled to ultimate respect and obedience (Hinnebusch 1981,444). On the other hand, Sadat's leadership style has a real impact on the distribution of power and the liberalization of the political system, forgoing any emphasis on the spirit of the Revolution and any other allusions to Nasserism. Sadat was indeed ready to coexist with liberalization and pluralization as long as it was subordinate to presidential prerogatives and carefully controlled, encouraging a "state of laws and institutions, rather than men" (Hinnebusch 1981,445). This change, of course, falls short of establishing an institutional system that would enable the president to withdraw from the policy-making process, but it does contribute to maintaining a lower profile in the state. Moreover, Sadat envisioned pluralization as a means to transport any opposition into restricted elite circles, offering practical alternatives within the broad lines of presidential policy (Hinnebusch 1981,445). Having established his political career during Nasser's leadership, Sadat was widely aware of the opposition in elite circles to Nasser's interventionist style. While Nasser's goal was to transform Egypt, Sadat's was to accept the *status quo* of the elites, recognizing that his support depended on maintaining a lower presidential profile in the state and society (Hinnebusch 1981,446). The cautious pluralization of the political system and the new strategy of elite management adopted by Sadat arguably characterize his dominant domestic political legacies. While Sadat's power was formally established by 1971 due to the first phase of the Corrective Revolution, his role in changing Nasser's domestic institutions and elite management style arguably occurred after his re-election in 1976.

With Anwar El-Sadat firmly in power through his dismissal of Nasserist loyalists and constitutionalizing of personalized powers, the now civilianized figure of the President sought to civilianize the political structure inherited by Nasser. Sadat's reforms of pluralization of political parties are often viewed as an effort to democratize the political system and dismantle the structure of Nasser's regime. On the other hand, according to this research logic, Sadat's three platform reforms characterize the difference in leadership style vis-à-vis Nasser rather than a commitment to democratic rule. Anwar al-Sadat's anticipated limited political reforms came after his unanimous nomination by the People's Assembly on August 25th, 1976, and his approved election via a referendum held on September 16th, 1976, approved by 99.94 percent of voters (Rubinstein 1977, 19). Having won a second six-year presidential term, Sadat's political

reform formally came into effect. With the objective of holding elections for the People's Assembly in October of 1976, Sadat strategically crafted a compromise plan for carefully regulated political pluralism. Given that the October elections would have given voters a wider opportunity to choose among different candidates than they had under Nasser, Sadat promptly moved to establish the institutional system that would enable him to control and regulate the political process. In January of 1976, Sadat established the Commission on the Future of Political Action of the People's Assembly, proposing to institutionalize, on March 14th, a delegated constitutional authority that permitted individual representatives to coalesce with others who shared similar outlooks (Rubinstein 1977, 20).

> "Through these platforms, more than one nucleus will emerge to be a point of attraction for a popular and mass grouping around a specific opinion or trend" (Warburg 1982, 137).

Interestingly, despite the reforms giving the illusion of a multi-party system, Sadat's platforms were meant to constitute the Arab Socialist Union, and the 1953 ban on political parties remained effective. The rationale behind the platforms (only three permitted) was the representation of the right, the center, and the left within the ASU (Rubinstein 1977, 20). Sadat did not reform Egypt's political system by making its People's Assembly a multi-party chamber; he reformed the ASU as a multi-party within a one-party state system. For all accounts, the pluralization of the ASU indicates a radical change from how Nasser had intended it to function but ultimately falls short of being identifiable with a multi-party system. Sadat explains that:

> "The ASU is the vessel and the framework, while the platforms are the actual political organizations which carry out all their political activities and programs in full freedom and submit candidates, who, if they reach the People's Assembly, exercise their full constitutional rights" (Rubinstein 1977, 21).

Undoubtedly, the new structure of the ASU could more effectively voice constructive criticism up the chain of command and increase oversight while functioning as a representative body, unlike the pyramid-like structure adopted by Nasser. However,

whether this process could, in effect, strengthen any substantial democratic reforms is unlikely, as the ASU ultimately remains bound by administrative and constitutional constraints that render it subordinate to the President. Nevertheless, the three platforms previously mentioned, representing the center, the right, and the left within the ASU, were divided in the following manner: the Egyptian Arab Socialist Organization (center), the Socialist Liberals (right), and the National Progressive Unionist Rally (left).

The Egyptian Arab Socialist Organization, representing the center, is the pro-Sadat establishment. Including the Prime Minister, most members of the Cabinet, and the heads of the country's 26 governments, the EASO supports current government policies of gradualism and guided democracy, favoring a mixed economy with a healthy dose of private sector and investment, along with closer relations with the Western world (Rubinstein 1977, 25). The Egyptian Arab Socialist Organization then overwhelmingly won the October 1976 People's Assembly elections. On the other hand, the Socialist Liberals, representing the right-wing platform, mainly focused their political representation efforts on pushing economic reforms rather than political reforms. More specifically, the SLs chaired by Mustafa Murad (Ex-Free Officer) are neither socialist nor liberal, favoring capitalism, a greater emphasis on private enterprise, and reliance on market forces (Rubinstein 1977, 25). Finally, the leftist platform represented by the National Progressive Union Rally has a more holistic approach than its right counterparts. Chaired by Khaled Muhyi al-Din, an original member of Nasser's RCC, the NPUR aims for Marxist-oriented policies, elements of the Nasserist establishment, dominance of the public sector, reliance on class struggle, and closer ties with the Soviet Union (Rubinstein 1977, 25).

Undoubtedly, the three platforms that make up the ASU represent a dramatic shift from the tightly controlled ASU; despite proposing the same pyramid-like model, the wider opportunity given to citizens to vote for different candidates constitutes an impressive pluralization of the system. Nevertheless, this political experiment, in times of economic difficulties, was not left to run on its own by Sadat. The president strategically placed his loyal lieutenants to carry out his policies and maintain control during this period of political experimentation. Vice-President Hosni Mubarak, Prime Minister Mahmoud Salim, and Speaker of the People's Assembly Sayyid Mar'i were

instrumental in regulating this spoon-fed political pluralism once it went into effect (Rubinstein 1977, 23). As previously mentioned, the cautious pluralization of the ASU not only constituted structural political changes but was also an overhauling process for the hierarchy and management of the elite model established under Gamal Abdel Nasser.

Given the success of the three-platform model, shortly after the People's Assembly elections of October 1977, Sadat announced his commitment to continue to upgrade the three platforms into parties, setting the Egyptian Parliament on course to accommodate a multi-party state system. The Law on the 29th of June 1977 adopted by the Egyptian Parliament abolished the 1953 Law on Political Parties and permitted the establishment of political parties under a series of conditions: "1) that any new party must have the authorization of the ASU; 2) parties must include at least twenty members of the Egyptian Parliament; 3) the parties should not have been in existence at the time of the Monarchy (parties dissolved in 1953 could not be revived); 4) any new party must support national unity and acknowledge that Egypt's problems could only be solved by "socialist" means; 5) the aims and principles of any new party must be different from those of the groups affiliated to the ASU" (Sen 1981, 421). Despite this considerable step towards a democratic multi-party system, the conditions outlined by the law indicate that the ASU would remain in control over the parties and clearly imply that the Muslim Brotherhood, the Wafd, and the Communist Party could not be re-established. These three groups constituted the bulk of the opposition to President Sadat's regime, and the manner in which Sadat ultimately deals with these opposition groups will result in a significant backslide from his multi-party system impetus.

*The Muslim Brotherhood.* Despite most of the members of the MB being released from prison in the late 1960s and after Sadat came to power, they did not pose a considerable challenge to Sadat's regime. In fact, Anwar El Sadat had close affinities to the MB in his youth and allowed its unofficial revival to unfold unchallenged as long as it did not materialize into a political party. In fact, the MB "reorganized itself in small secret cells in villages, religious schools, towns, and cities" rather than attempting to reconstitute itself as a political party (Sen 1981, 421). The MB for Sadat represented a means to fight Nasserist and Leftist opposition by appealing to more conservative factions across the country. The MB's general pressure on the regime was for a further movement

towards Islam and Sadat in order to court conservative factions. It informally proclaimed Egypt as an Islamic state, limited the sale of alcoholic beverages in May 1976, and adopted certain legislation based on the *Sharia* as placatory gestures vis-à-vis the MB (Al-Sayyid n.d., 59). On the other hand, Sadat considered the Communists and the wider Leftist factions a more pronounced threat than the MB. While the far-left never really enjoyed any significant power under Nasser or Sadat, it espoused significantly deeper relations with the Soviet Union, which was fundamentally against Sadat's foreign policy objectives. The far left, represented by the National Progressive Union Rally, had been publicly attacked by Sadat himself by being called "traitors" and foreign "agents," emphasizing that Sadat desired a left wing that "was Egyptian and not Soviet" (Sen 1981, 421). In addition, while the Leftist political block generally did not constitute a severe threat to Sadat in terms of representation with the ASU, it became significantly engaged in voicing criticism through the press. A degree of freedom of the press inevitably came along with the 1977 reforms concerning the pluralization of political parties. The first opposition newspaper, *Al-Ahra* (The Liberals), established in 1977 as an organ of the Liberal Socialists, mildly and cautiously criticized the government for the frequent Cabinet shuffles (three times as many ministers per year have served under Sadat than Nasser) (Sen 1981, 421). *Al-Ahra's* cautious criticism of the Regime provides a solid example of the degree of press freedom acceptable in Sadat's Egypt, constituting an interesting intersection between the Regime's need for public legitimacy and the importance of not alienating liberal factions. In essence, this 'compromise' constitutes an agreement allowing for press criticism as permissible, provided that it avoids significant national matters or any policies determined by the President. On the other hand, the National Progressive Union Rally's newspaper, *Al-Ahali* (The People) manifests the very limits of freedom of the press in Egypt. *Al-Ahali,* known for its sharp critique of the government and subsequent popularity as a result, saw its circulation surge from 50,000 to 135,000 in just four months before being seized by the authorities on April 11th, 1976,6, due to the publication of an interview with Mohammed Hassanein Heikal (Sen 1981, 421). The NPUN, lacking sufficient representation in the ASU to offer a credible opposition platform— due to the purging of many of its leaders and affiliates— expressed their dissent by publishing sharp critiques of the regime and by providing a platform for Nasserist figures. *Al-Ahali*

resumed its publications in July 1978, criticizing the peace initiative with Israel, but was banned in August 1978 before resuming publication through the new paper, *Al-Tuqaddam* (Progress), which was shut down in January after protesting Sadat's decision to host the exiled Shah of Iran (Sen 1981, 421). These shutdowns not only highlight the tight control of the regime over media narratives and intolerance for dissenting opinions but also underscore the fundamental threat posed by leftist political factions to Sadat's regime. Nevertheless, the real potential threat to Sadat's regime came in the form of the New *Wadf*. Despite disappearing in 1953, the *Wafd* arguably remains one of the strongest electoral forces in modern Egyptian political history. The New *Wafd* officially registered as a party on February 4th, 1978, coming up as the first freely created party since 1953, having on board 23 members in the Assembly, making it the second largest party (Al-Sayyid n.d., 68). The New Wafd distinguishes itself from the National Progressive Union Rally, which had ex-Free Officers elements within its ranks, as a genuinely civilian party. The New Wadf threat did not come in the form of dissent through newspapers but from widespread support. The New Wafd represented itself as a credible alternative to Sadat's regime. With a claimed membership of 50,000 — which was believed to represent only a fraction of the potential membership— the Party openly asserted that their representation in the Assembly was hindered by the stage management of their re-emergence by the ASU, obstructing their participation and potential for change in Egypt (Al-Sayyid n.d., 68). The manner in which the Regime dealt with the opposition coming from the Wafd Party greatly differs from how the NPUR was dealt with. The manipulation of political dynamics was an essential strategy to prevent the New Wafd from securing a fair representation, reflecting on the broader struggle by the Regime to ultimately prevent the formation of a more inclusive and democratic political process. The 1977 reforms were largely aimed at placating more liberal factions and the broader popular request for a more democratic process without relinquishing power. Similar to Sadat's approach to the media, the reforms focused on balancing appeasement with maintaining authoritative control over the country. Thus, the New Wafd increasingly threatened the Regime's balanced approach. Faced with concerns that the New Wafd could become a serious opposition group and amid fears among the privileged Armed Forces of being ousted by a genuinely civilian administration, al-Sadat called a referendum to prevent the opposition from becoming

uncontrollable. Sadat's political management strategy has often been sidelining elements that could be considered a threat, and the referendum of May 1978 underscores Sadat's strategy by directly invoking the decision-making process in an effort to contain political dissent. The 1978 Referendum was based on whether to allow Communists and officials who served the pre-1952 system to hold key posts in government (Sen 1981, 421). The approval of this referendum's thirteen points has direct implications for the New Wafd, representing the pre-1952 elite, and the National Progressive Union Rally, representing the Nasserist elite. Despite being generally opposed, on June 2ⁿᵈ, 98.29 percent of the votes were affirmative, with the verdict being the purge of at least three top New Wafd leaders—Chairman Serageldin, Secretary-General Ibrahim Farag, and Deputy Chairman Abdel Fattah Hassan– in addition to the ban on Marxist and pro-Moscow officials who served under Nasser on the basis that they supported an ideology "incompatible with religion" (Sen 1981, 422). With the new law rendering political parties a "façade" rather than an active opposition, the democratic image of the regime shifted. Although this practice does not constitute a form of increased *engagement* on behalf of the armed forces, it does constitute a form of democratic backslide within a 'partly-free' multi-party system. Three days after the verdict of the referendum, the New Wafd dissolved, followed by the Unionists shortly after, leaving the governing Egyptian Arab Socialist party with 300 of the 360 seats in the Assembly and the right-wing Liberal Socialist Party, which supported the government on major issues (Sen 1981, 423). The dissolution of the New Wafd and the NPUR not only contributed to damaging the regime's democratic image but drastically increased the risk of non-organized dissent, as the dissolved parties, although virtually powerless, still retained considerable support among the Egyptian population. Leaving a political void over the control of the opposition, Sadat moved swiftly to fill the void less than a month after the referendum, announcing the creation of his very own party. The necessity to manage opposition emerging from the dissolution of the New Wafd and the NPUR, coupled with the dismantling of the ASU and distancing from Nasser's legacy, underscores the significance of this decision. Generally, this strategy highlights the complexities of transitioning away from already established political structures, illustrating Sadat's ambition to reshape Egypt's political landscape.

Sadat's new party, the National Democratic Party (NPD), attempted to reshape the political landscape in several ways. Firstly, it was modeled after Western European social-democratic parties, aiming to strike a balance between individual and communitarian interests by adopting a program based on Islamic and Christian values fused with the principles of the 1952 Revolution and the 1971 Corrective Revolution; secondly, it attempted to merge the ideologies of the two suppressed parties by taking the populist tone of the NPUR and adopting the more favorable disposition towards private interests of the New Wafd (Sen 1981, 423). Essentially, the NDP aimed at collecting the diverse domestic electorate left behind by the dissolution of the New Wafd and NPUR without alienating the conservative factions that largely supported the Regime. The NDP signifies an attempted effort to foster political diversity within one dynamic party, marking a significant departure from the ASU and the unquestioned dominance of Arab Socialism, effectively setting aside Nasserism indefinitely. In addition, in order to secure the democratic image associated with Sadat, a salient part of his strategy resides in the call for the formation of an "honest" opposition, constituting the formation of the Socialist Labor Party and the National Front, two parties that enjoyed very little popular support and did not embark on any outspoke criticism of the government or presidential policies (Sen 1981, 423). While the significant backsliding from the ethos of the 1977 Reforms served to curb any threatening opposition while reaffirming Sadat's legitimacy as the initiator of a gradual process of democratization to the mass, his legitimacy within the establishment was hardly challenged due to his particular re-adjustment of Nasser's elite structures that would serve as his powerbase within the government.

## 2.2 Elite Structure

### 2.2.2 The Hierarchy of Power: The Structure and Management of the Elites

Despite the considerable changes brought about by the three-platform reforms and the 1977 reforms, the bureaucratic and authoritarian state established by Gamal Abdel Nasser largely continued to be intact under Anwar El Sadat. Perhaps one of the most successful features of Nasser's bureaucratic state was the management and recruitment of elites and state bourgeoisie that emerged to serve the interests of the Revolution.

Nevertheless, despite the structure being intact, under Sadat, it was being increasingly utilized for objectives that diverged from its original designs by dictating the dynamics of elite politics. This section seeks to identify the changes to elite groups' structure and social composition that define Sadat's era. The hierarchy of power under the Sadat establishment largely followed a pyramid-like structure with the President at the apex, followed by the higher elite, the middle elite, and the sub-elite, which constituted the President's power base and increasingly began to identify with the consumerism culture that emerged as a result of the *Infitah* by gradually abandoning Nasserism. As previously mentioned, despite the ASU reforms, presidential power is no less concentrated than it was during Nasser's ruling regime. However, there is a fundamental change in terms of accountability between the two leaders that indicates a significant shift in the dominance of the political system under Sadat. In fact, Nasser was partly constrained and held accountable by the inner core of the revolutionary commander and free officers (Hinnebush 1981, 445). On the other hand, Sadat's Corrective Revolution enabled him to edge Nasserist elements out of power. Nevertheless, there were a few additional factors that enabled Sadat to retain his presidential position above the establishment. Apart from purging individuals related to Ali Sabri's faction and the Nasserite personalities, he enjoyed legitimacy as a senior Free Officer, for his association with the October 1973 War and by winning loyalty from elites through the *Infitah* 's political realization and corrupt practices (Hinnebush 1981, 446). Interestingly, while the Corrective Revolution largely served to cement his authority and later constitutionalize his power over the political system, his complete personal dominance of the decision-making process did not necessarily isolate the elites as much as Nasser's establishment. In an effort to maintain his legitimacy, he "allowed the elites considerable jurisdiction over lesser decisions and more autonomy in their own domain than they enjoyed under Nasser" (Hinnebush 1981, 445). Nevertheless, as previously mentioned, Sadat was not constrained by an inner circle of free officers, unlike Nasser, which created an even bigger spatial separation between the President at the apex of the pyramid and the *higher elite,* which formed Sadat's inner circle.

*Higher elite.* Due to the purges initiated by Sadat, the higher elite was not composed of free officers or personalities from the military establishment. This was a notable change from Nasser's era, where figures associated with the Free Officers held significant

sway. The most significant transformation of the leader's inner group is perhaps the convergence between individuals with close political and familial ties to Sadat, resembling a royal court. This indicates a more personalized form of the inner circle than his predecessor by forging close personal connections with trusted figures rather than only institutional personalities. The higher elite was primarily headed by four men, three of whom were linked to Sadat's family by marriage ties: Osman Ahmad Osman, director of the Arab Contracting Company; Saiyid Marei and Mahmoud Abu Wafaa, coming from the old, landed families; and finally, Vice President Hosni Mubarak, a successful Air Force Commander (Hinnebush 1981, 447). Another striking difference is the representation of capitalist, non-agricultural, and non-revolutionary interest groups closest to the President, underscoring Sadat's economic liberalization known as the *Infitah*, which will be delved into in the *economic section* of this chapter.

*The middle elite.* Following the cadre of elites, the intermediary layer, the middle elite, played an important role in bridging the gap between presidential policy and practical governance at the local level. Divided between technocratic-administrative elites and growing interest groups, the middle elite is mainly composed of members of the establishment who constitute the Sadat's power base within the structures of the ASU. The middle elite is made up of most cabinet ministers and governors of the provinces who exercise considerable discretion in their own domains within the lines of presidential policy and are largely non-political technocrats, lacking both ideological commitment and constituencies (Hinnebush 1981, 447). The middle elite in Sadat's governance structure serves as an important link for the chain of command as they establish the elite recruitment channels, emphasizing the reliance on technocratic bureaucracy like his predecessor but distant from the revolutionary fervor that characterized Nasser's technocratic elites and state bourgeoisie. The Parliament serves as a battleground for the middle elite, where the focus is shifted to the cultivation of personal connections rather than ideological convictions. Therefore, being a non-political stratum, the parliamentary elites have demonstrated a sense of collective solidarity vis-à-vis the President, in which Sadat continuously sought to keep the main constituency in Parliament satisfied in his bid to enhance power.

*The sub-elite.* The lowest stratum of Sadat's elite hierarchy is the sub-elite. The sub-elite constitutes a solid support base for the president, directly linking the institutional

framework to the population. It includes subcabinet members, top civil servants in various state departments, commanders of military units, public-sector managers, editors of newspapers, religious leaders, professional syndicates, chamber of commerce leaders, and notable politicians who head the branches of the ASU (Hinnebush 1981, 447). Thus, the sub-elite has extra-parliamentary elements that ensure that support penetrates different segments of society. In addition, as previously mentioned, the middle elite within the structure of Sadat's elite hierarchy plays a fundamental role in linking support for the president by recruiting members of the sub-elite.

The social composition of the new elites under President Sadat marks a fundamental change from Nasser, reflecting the presidential policies that reshaped Egypt once again. Under Nasser, the Free Officers — military officers of rural lower-middle-class backgrounds — were elevated into top and middle-elite roles, urban upper-middle-class academics and bureaucrats were limited to middle-elite roles, and the sub-elite comprised of a middle-class class of officials and rural notables in local government, all while the aristocratic bourgeoisie was entirely excluded from the Nasserist elite stratification (Springborg 1979, 52). Nasser's separation of the elite into three channels, with the middle elite serving as the main recruitment channel, informs of a substantial continuity with Sadat's elite hierarchy. However, Nasser's rigid elite caste system did not persist indefinitely under his regime, and elite differentiation had formed within the lower-middle-class elites through business ties and higher salaries, transforming themselves into the state bourgeoise that wielded considerable influence during Nasser's tenure. Nevertheless, despite Sadat's adherence to the tripartite model of elite segregation and his reliance on the middle elite for recruitment, a series of transformations within the elites' social composition considerably altered Nasser's elite framework. The most notable change was the diminishing role of military careers as a path to elite status. While the President and Vice-President are ex-officers, the Prime Ministership, once a monopoly of the military, is now a civilianized figure under Sadat, along with ministerial portfolios dwindling in numbers of officers (Springborg 1979, 53). This shift increasingly created openings for civilians while limiting the advancement of opportunities for individuals from rural, lower-middle-class backgrounds seeking to advance their status through military careers. With the military's role in recruitment waning, academia emerged to serve as a main recruitment

channel, supplying nearly one-third of elite recruits and a significant portion of Egypt's top economic managers (Springborg 1979, 53). Additionally, Nasser's "technocratic revolution" that gave rise to a powerful group of engineer bureaucrats remains an important recruitment channel and continues to hold considerable influence despite organizational changes in government and the threats of the *Infitah* to the public sector (Springborg 1979, 57). However, despite the persistent influence of the Nasserist state bourgeoise and resilience to the challenges posed by the *Infitah*, the shifts in elite career opportunities inform a move beyond the traditional barriers established under Nasser. In fact, the *Infitah* led to the revival of career opportunities outside the state-academic-complex —in private business — which had lost considerable significance under Nasser (Hinnebush 1981, 450). In conclusion, the civilianization of the structure of elites could arguably be considered a rudimentary step towards a wider liberalization of the political system. The decrease in military control over elite positions, alteration of recruitment channels, and incorporation of previously excluded elites suggest a tendency towards the creation of wider intra-elite spheres of autonomy, indicating, if not a growing liberalization and diffusion of power, at the very least a significant form of military disengagement. Nonetheless, briefly outlining the roles and social compositions of Sadat's elite falls short of revealing whether growing spheres of autonomy assured stability for Sadat's presidential governance, prompting a closer evaluation of their respective cohesion to the system.

*The military elite.* The military elite's role under Sadat's system marks a significant shift from its previous status due to the gradual sidelining of military officers from political decision-making roles. This change reflects Sadat's broader strategy to reshape and recalibrate the power dynamics in Egypt's political landscape while undertaking a large privatization program under the *Infitah* agenda. Nevertheless, throughout Sadat's tenure, the military remained the most critical source of legitimacy and power for the president. The military's unique position and capacity to enforce a regime change and challenge Sadat's authority underscore its importance. Yet Sadat's ability to marginalize military officials from governmental structures without losing control of the establishment highlights a strategic redefinition of the role of the Egyptian armed forces. Under Nasser, the army acquired the status of protectors of the revolution and champions of Arab nationalism against imperialism. On the other hand, the military

acquiescence to Sadat's policies is due to an increased *embourgeoisement* and ideological concretization paralleling that of the civilian elite (Hinnebush 1981, 454). This long-term transformation of the military establishment has its roots in the final years of Nasser's leadership and in the successes of Anwar El Sadat in the 1973 war. In fact, the 1967 War served as a critical juncture for this transformation. More specifically, the defeat in the 1967 War pushed numerous officers to blame Naser's anti-imperialist and Arab-nationalist policies, inclining the military away from supporting radical causes outside of Egypt and increasingly accepting a more strictly professional role and ethic of non-involvement in politics (Sabet 2017, 55). Thus, the disillusionment with Nasser's nationalist policies and the effective losses endured as a result of Egypt's defeat in 1967 propelled a change of conduct from within the military establishment. In addition, the professionalization of the armed forces implied the unquestioned acceptance of the President as the legitimate authority, which was reinforced by the relative successes of the 1973 war, which validated this role change in the military's eyes (Sabet 2017, 55). The 1973 conflict, which will be analyzed in greater detail in the *foreign policy* section of this chapter, marks a pivotal moment in the military's transition towards a professional temper that abstains from political involvement. This comprehensive transformation, highlighting the evolving interplay between military power and political authority, predictably generated unease among military officers. However, most officers faced limited viable alternatives, and a change in leadership could have jeopardized the privileges Sadat carefully accorded them, leading to a lack of cohesion as an interest group due to the high risks associated with opposition (Sabet 2017, 56). Thus, this subordination of the armed forces enabled Sadat to count on the support of loyalist elements to retain control of the military establishment while implementing his vision for overhauling changes to Egypt's political and economic structure.

  *Technocratic-administrative elites.* As previously mentioned, the middle elite can be divided into the technocratic-administrative state bourgeoisie that emerged under Nasser and the increasingly growing business-oriented interest groups within the middle elite that emerged as a result of the *Infitah*. With greater spheres of autonomy granted by Sadat, the middle elite, already influential under Nasser, emerged as an important asset of support for the president. The technocratic elites under Nasser constituted a

privileged class. They were typically statist, illiberal, pragmatic, and adaptable; they were "socialists by presidential decree" (Hinnebush 1981, 454). However, unlike the military officials, the technocrats were not happy with how Nasserism had evolved in the 1960s and almost unanimously welcomed the victory of Sadat over the Nasserist left in 1971 (Hinnebush 1981, 454). This sentiment signaled a significant shift among the technocratic elite, not only reflecting the discontent with Nasserist policies but also the readiness to support Sadat in great numbers in 1971, signaling the willingness to change the country's political landscape. Despite playing a pivotal role in the administration of the economy under Nasser, this shift highlights the intra-elite conflict between the military officials and their vested interests in maintaining the status quo and the middle-class's growing desire for economic liberalization. Moreover, for Sadat, their support was a contribution to the legitimacy of his regime, and because his policies were favorable to them, the middle class largely applauded the reversal of Nasserist policies (Sabet 2017, 56). Undoubtedly, Sadat's political and economic reforms leading up to the *Infitah* resounded with the technocratic elite, which, in turn, provided the President with a significant base of support in the early years of his regime. The conjunction of the middle elite's aspiration and Sadat's need to consolidate power underscored the president's strategic approach in the early transitionary period during the struggle with Ali Sabir. More specifically, the more tolerant view taken by Sadat of self-enrichment, relaxation of controls from the top, lower taxes, raised salaries, and the influx of foreign businesses under the *Infitah* greatly widened licit and illicit opportunities for tax-free commission and other income supplements (Sabet 2017, 56). The overarching military influence dominating both politics and the economy under Nasser continuously fostered a sense of dissatisfaction among the civilian elites, and Sadat's departure from Nasserist policies provided the middle elite with unprecedented opportunities for personal wealth accumulation. With more personal security, professional autonomy, and more freedom to make middle-level decisions free of political controls, the middle elite largely supported the *Infitah*, marking the eclipse of the statist Nasserist orientation in the elite and the beginning of a major reorientation in Egypt's economic policy (Hinnebush 1981, 455). This shift signals a fundamental realignment of Egypt's economic management by steering away from socialist-oriented policies to a market-driven economy, providing the middle elite with unprecedented opportunities, and profoundly

transforming the socio-political fabric of the nation. One of the most evident transformations concerning the elites within Sadat's hierarchy of power is the emergence of interest groups representing private, semi-private, and professional interests. As previously mentioned, since the power struggle with Ali Sabri, Sadat has worked to win the support of the private bourgeoisie in order to expand his support base beyond state elites and to gain support for his liberalization policies. Sadat's favoritism for the private bourgeoisie is evident as they dominate the President's inner circle, enabling business owners to benefit from having a direct channel to the center of power, more than they have ever had since the 1952 Revolution. In fact, although Egypt has yet a few business magnates, the *Infitah* created a stratum of new millionaires, and in large business owners Oman Ahmed Osman and Mansur Hasan, the business world finds effective linkages to decision-makers (Hinnebush 1981, 457). This semi-integration of the business sector into the state's core represents a more inclusive approach as economic stakeholders are given the ability to vocalize their interests, fostering more cooperative relationships between the private sector and the government, signaling a radical shift from Nasser's model. However, the business world does not find paths into the core of the state only through business ties; Sadat enabled institutionalized channels to be put in place, which rendered the political elite more accessible, facilitating the growing relationship between the political elite and the business community. The Chamber of Commerce, representing merchants and employers, and the National Council on Production, which voices the interests of Egypt's middle-class industrialists, became some of the pivotal platforms for dialogue (Hinnebush 1981, 458). Despite Sadat's clear favoritism for private bourgeoisie connections, support, and interests, other groups making up the upper-middle class and middle elite strata enjoyed similar accommodations. The agrarian bourgeoisie's Agronomists' Union had Saiyid Marei, the leading member of the President's inner circle, as head of the union, representing their interests, while the "free professions" were represented in the elite by their syndicate leadership filling cabinet posts such as doctors recruited as Ministers of Health and lawyers heading the Ministry of Justice (Hinnebush 1981, 458).

During Nasser's era, professional syndicates wielded a considerable degree of influence, yet the Regime in the 1960s made considerable attempts to control them through the ASU. As a result, the syndicates naturally welcomed the dismantling of

ASU controls and the increased autonomy enjoyed under Sadat. In addition, the inclusion of religious elites is a strong differentiation from his predecessor's management of religious elites. In fact, the Islamic religious leadership appointed by the government has responded favorably to Sadat's desire to allow greater autonomy to the *Minister of Waqfs* to regularly recruit from the establishment itself (Hinnebush 1981, 458). Sadat's strategy of integrating Islamic religious leadership within the governmental structure ensures that religious leadership remains aligned with the objectives of his regime. On the other hand, journalists have been largely excluded from the sphere of autonomy enjoyed by other professions. In fact, mass media is regarded, no less under Sadat than Nasser, as an instrument for shaping public opinion in the government's interests (Ibrahim 2008, 48). Sadat endorsed the creation of institutional pathways to appease all other interest groups mentioned, as he recognized that these interest groups had something to benefit from. On the other hand, it is safe to assume that journalists perceived greater freedom of the press as their main benefit, one that could not be reconciled with the regime's need to guide public perceptions and ensure popular alignment with their policies. For instance, the fall of journalist Heikal at *Al-Ahram* not only silenced a prominent Nasserite personality but signaled that no major independent voice varying from the presidential policy would be tolerated (Hinnebush 1981, 458). Thus, the dismissal of Haikal is a simple example that underscores the regime's inflexibility with dissenting voices and opinions and its need to be able to control the narrative. Therefore, despite pluralization and liberalization steps across state and civilian elites, freedom of the press has largely remained unchanged since the 1952 revolution. Nevertheless, despite Egypt's poor freedom of media record, the regime constantly deals with an interesting balancing act. More specifically, under Sadat, as under Nasser, editors of major papers were appointed and periodically removed by the President, experiencing cycles of contraction and loosening of control, reflecting the contrary impulses of the regime to repress dissent and to avoid antagonizing liberal public opinion (Ibrahim 2008, 59). Thus, despite the regime's desire to restrict media to "constructive" criticism and to avoid any journalistic commentary on major issues occurring in the country, the regime still recognizes that too strict control could alienate segments of society, resulting in undesired and unproductive backlashes.

*Party Elites.* The party elites provide Egypt's governmental organization with a bond between the establishment — inner core and middle-elites—and the sub-elites that represent the support core in villages and urban centers. Sadat's National Democratic Party inherited numerous characteristics from Nasser's ASU in providing this link between the establishment and the wider popular forces. The party leadership, similarly to the ASU, is mostly composed of the same social groups within the realm of officials, urban professionals, small to middle business owners, and rural notabilities (Ibrahim 2008, 59). However, Party leadership recruitment methods underwent significant changes, reflecting Sadat's gradual suffocation of the Party's autonomy over time. Following Sadat's 1976 three-platform reform, the ASU evolved as a centrist faction under the leadership of Mahmoud Abu Wafia, primarily consisting of notables that had already enjoyed local prestige and support; however, the 1977 reforms led to top-down leadership changes in the party, including the imposition of several ministers and Sadat himself as party leader, with the 1979 election serving to purge many local notable-deputies with newcomers, resulting in a more compliant parliament (Hinnebush 1981, 460). Hence, while the higher and middle elites enjoyed relatively more stable positions vis-à-vis Sadat's strategic re-transformations to centralize power, the party elites were overwhelmingly exposed to Sadat's frequent strategy of dismissal. On the other hand, members of the party were, for the most part, from the middle landowning classes, educated professions, and bureaucrats (Hinnebush 1981, 458). Similarly to other elites, the party elites supported Sadat due to the opening up of establishment positions to civilians, enabling party elites to recover parliamentary seats and local power in their respective constituencies. The NPD, similarly to the ASU, provided the broader party elite with access to local power, different levels of government, and strategic connections to the center, even though party leaders were relatively more liable to dismissal than party members. On the other hand, the NPD's support base included a broad set of social forces reflecting its diversified political values that were held together not by formal ideology, which was of minimal significance, but rather by personal connections, pragmatic concerns for career advancements, and the willingness to follow President Sadat (Hinnebush 1981, 458). Thus, despite the structural changes of the NPD vis-à-vis the ASU and the politics of dismissals employed by President Sadat, the support structure of the NPD demonstrates continuity with Nasser's early

ASU. However, two elements of the NPD's support base drastically differ from Nasser's ASU's support base, namely at the village level and in the Party's student organization, reflecting Sadat's reshaping of the establishment into a "softer" state. Firstly, at the village level, the NPD lacks a formal presence by relying exclusively on personal ties for support, reflecting a lack of interest in the organizational penetration of mass society and a degree of demobilization compared with the 1960s (Springborg 1979, 63). This suggests a departure from the more grassroots mobilization tactics endorsed by Nasser into more top-down governance via a personal connection at the expense of societal engagement. However, this strategy of demobilization in rural villages and reliance on personal connections was a deliberate tactical maneuver by the NDP, which enabled it to garner rural support through adherence to Egypt's traditional rural hierarchies. More specifically, by engaging with a network of clientage connecting minor notables and affluent peasants—who provide much of the natural leadership of the village — and leveraging the traditional peasant deference to authority alongside the president's patriarchal village-notable mode of public engagement, the NDP ensured that the influence of peasant and solider votes would help mitigate the urban-based opposition (Springborg 1979, 63). This NDP strategy not only underscores the understanding of traditional rural socio-political dynamics but is coherent with its rather conservative ethos and soft-state approach, opposite to the Nasserist Regime. In addition, an important strategy employed by the NDP's party elite to combat and contain urban-based opposition is through the Party's student organizations. In the 1960s, student organizations in universities were merely the youth-wing of the ASU, comprising the only political student body with virtually no opposition. Under Sadat, student organizations offer an important link between the establishment and the base. The NDP's student organizations are not merely used as youth-wings for recruitment; with the help of university administration, they actively compete with Islamic fundamentalist student organizations and leftist student organizations for control of the student union (Hinnebusch 1981, 461). The active engagement in student politics illustrates one of the NDP's strategies to influence the political landscape within universities to contain urban-based leftist and religious opposition while acting as a recruitment channel similar to Nasser's ASU. The Party elites substantially connect the

inner core of sub-elites to the support base in a 'softer' but equally intrusive manner than Nasser's grassroots mobilization efforts.

## 2.3 Economic Affairs

### *2.3.1 Sadat's Open Door Policy: The Infitah*

Anwar al-Sadat's open-door policy, the *Infitah*, represents a transformative period for Egypt's economy. Varying across different sectors, the *Infitah* aimed at modernizing the Egyptian economy by attracting foreign capital and further integrating Egypt into the global economy. Its far-reaching liberalization efforts highlight the difficulties of transitioning from a mostly state-controlled economy with a dominant public sector into a liberal economic model. The section will seek to evaluate the impact and consequences of the *Infitah* on the agricultural, industrial, and financial sectors of the Egyptian economy, highlighting the impact of the shift towards a more market-oriented economy and moving away from a dominant public sector. Additionally, this section seeks to present the *Infitah* as part of Al-Sadat's civilianization of the country and the disengagement of the armed forces from the economy.

Before diving into the economic aspects of the *Infitah,* it is crucial to re-state Egypt's underlying structural predicaments and assess the purpose and objectives of the *Infitah* for a comprehensive understanding of Sadat's economic policies during his tenure. Additionally, analyzing Egypt's structural problems, such as overpopulation and spatial inequality, not only serves as a parallel to Nasser's three-pronged development program but also aids in framing the continuity in both leaders' efforts to address Egypt's enduring challenges. Under Nasser's regime, Egypt faced significant demographic and spatial inequalities, a situation Sadat inherited as well. These circumstances are essential for understanding the context in which Sadat's policies were formulated. Sadat inherited a nation where the narrow banks of the Nile River were heavily relied on for habitation, with Cairo constituting the bulk of the nation's industrial employment, financial activities, gross trade, and value-added services. By the time Sadat took office, Egypt's population had reached 35.5 million, surging to 40 million by 1977 and further to 45 million by 1981 (Wahdan 2007, 2106). This growth represented a significant demographic challenge, with the population increasing by roughly 25.74% during Sadat's ten-year tenure, compared to a 60.74% increase during Nasser's 18 years in power, highlighting a continued but slowing growth trend with an

annual rate of 2.47% across three-decades (O'Neil 2021, 1). Despite these demographic

pressures, the geographic distribution of Egypt's population remained largely

unchanged, although Cairo's population expanded from 5.5 million in 1970 to 7.5

million in 1981 (O'Neil 2016, 1).  Economically, under Nasser, Egypt experienced an

average GDP growth of 5.11% from 1962 to 1970, with a peak of 11.4% in 1964 amidst

Nasser's development initiatives and a low of -1.6% in 1968 following the 1967 War

(Jean-Jacques 1989, 172). Sadat's era saw average GDP growth of 6.15%, with a peak

of 13.3% in 1976 fueled by the Infitah and increased foreign aid post-1973, but a

significant drop to 1.6% in 1974 (Jean-Jacques 1989, 172).  The economic performances

outlined above demonstrate the 'superficial' impact of both leaders' policies against the

backdrop of Egypt's structural challenges. The transition from Gamal Abdel Nasser to

Anwar El Sadat not only reflects a shift in leadership but also in economic continuity

while attempting to address Egypt's deeply entrenched challenges of overpopulation,

urban dependency—particularly on the Capital— and geographic inequalities. In

addition to demographic challenges, Egypt's main economic problems manifest

themselves in scarce cultivable land, limited investment funds, bureaucracies burdened

with unproductive workers, rising unemployment and inflation, and an expanding pool

of university-trained graduates with little prospects for professional advancement

(Rubinstein 1977, 21). Therefore, Egypt's economic challenges are not just rooted in its

physical limitations but also in systemic constraints. More specifically, the imbalance

between the availability of arable land and rapid population growth exacerbates the

pressure on the agricultural sector, an essential source of employment and a vital sector

of the economy. Limited investments suppress the potential for innovation across

various industries, and bureaucratic inefficiency reflects the shortcomings within the

public sector. Consequently, the rising rates of unemployment depict a growing

disparity between job supply and demand, with the risk that underemployed university

graduates may lead to a growing brain drain. Therefore, the intersection between

demographic, economic, and systemic challenges underscores the urgent need for

comprehensive economic reforms. Indeed, while Nasser managed to turn Egypt from a

largely agrarian nation into a semi-industrialized and socialized economy by

undertaking large development ventures and nationalizing numerous firms under the

public sector, his burdening administrative structure and growing pursuit of individual

interests by the state bourgeoisie ultimately led to the economic downturns of the late 1960s.

As a result, Sadat, in April 1974, set forth Egypt's long-term economic and social objectives outlined in his "October Paper," which symbolized Sadat's belief that the 1973 October War had ushered Egypt into a new era (Rubinstein 1977, 21). The October War—which will be analyzed in the *foreign policy* section of this chapter— marked a turning point for the President as it bolstered his international and domestic standing, which enabled him to pursue the objectives outlined in the October Paper, leading to the *Infitah*. The October Paper discussed the broad successes of the 1952 Revolution and identified a series of shortcomings in Egypt's economic structure, such as bureaucratic inefficiency, large-scale underemployment in the public sector, and excessive arbitrary interference by government ministries in the economy (Rubinstein 1977, 21). The identification of the successes of the government and the shortcomings of the Nasserist leadership in the October Paper demonstrates a balancing act but also signifies the President's commitment to a policy shift, laying the foundation for a significant economic reform. The October Papers outline a change in the philosophy of planning and implementation of government policy, calling for greater decentralization and regionalism in efforts to make Egypt's administrative machinery responsive to innovation by streamlining the management of public sector enterprises and improving training of top and middle-leverage administrations (Rubinstein 1977, 21). While Nasser's development program set the foundations for more comprehensive industrialization and modernization of the agricultural sector, Sadat's Infitah essentially sought to break up large and inefficient public enterprises, restructure the administrative machinery, and integrate Egypt into the global economy through foreign direct investments, privatization, and access to foreign aid. At its inception, the infitah was more akin to an attitude than a set of policies. The driving factor behind this 'state of mind' was the pursuit of liberalization. The following excerpt from the October Paper of 1974 best exemplifies this claim:

> "We realize that the burden of progress and construction falls essentially
> upon the shoulders of the Egyptian people. But whatever the extent of the
> resources we are able to mobilize locally, we are still in dire need of
> external resources. The circumstances of the world today permit us to have

access to these resources in a way that strengthens our economy and promotes growth. It is on this basis that we call for the economic open door, and it is a call based, on the one hand, on Egypt's economic needs and, on the other, available external financing." (Rubinstein 1977, 21).

The inception of the *Infitah* broadly emphasized five primary objectives that would drive the liberalization and internationalization of the Egyptian economy. "1) Attraction of Arab investment capital to Egypt; 2) attraction of Western technology an investment through joint ventures with Egyptian public and private enterprises; 3) the promotion of Egyptian exports and stimulation of the private sector; 4) bringing Egypt's trade with convertible currency economies into the state budget; 5) the promotion of the rejuvenation and competitiveness of public sector enterprises" (Waterbury 1985, 70). With the intent to generally liberalize and modernize Egypt's semi-socialized economy by integrating it with global economies, it is important to note that the *Infitah* was not designed to dismantle Nasser's economic model but to modify it.

### 2.3.3 Agricultural Administrative Reforms:

Sadat's *Infitah's* policies primarily reshaped Egypt's domestic economic composition and international orientation. The impact of the *Infitah* on agriculture follows a systemic change from Nasser's centralization efforts to a more decentralized and community-based agriculture system by reshaping key institutions. The legacy of Nasser's agrarian reforms is significant, and it was largely unchanged under Sadat. During Nasser's tenure, two-thirds of the population lived and made a living off the land, and more than half of the national labor force was rural (Harik 1984, 43). Six primary features characterized Nasser's agrarian reforms: 1) upholding private land ownership while promoting agricultural productivity through the establishment of state cooperatives; 2) redistributing land by implementing ownership ceilings; 3) sustaining productivity with financial support to counteract the effects of land fragmentation, encouraging collaboration between cooperatives and private landowners; 4) exerting state oversight over the agricultural sector; and 5) undertaking land reclamation efforts, which were largely unsuccessful (Harik 1984, 44). These reforms aimed at restructuring the agricultural landscape and sought to balance the maintenance of private ownership with enhanced state involvement to improve efficiency and equity in

rural areas. Despite the reforms' early successes, by the late 1960s, the effectiveness of Egyptian agriculture was put under scrutiny for a series of factors. The continued existence of large estates caused a downturn in the productivity of traditional crops; the functionality of cooperatives waned as they failed to collect loans extended to farmers; and governmental favoritism for large landlords contributed to excessive fragmentation of land, reducing overall farm size below the minimum level that allows peasants to make a living (Harik 1984, 47). The limitations of Nasser's agrarian reforms ultimately signal the pressing need for new approaches that could address the challenges posed by agricultural development in a nation like Egypt. While land distribution had its successes in not drastically reducing crop output, the inefficiency of the cooperative system in collecting debts and the favoritism for large landowners ultimately signal the need for different solutions that could revitalize the agricultural sector. A year after the *Infitah's* launch in 1975, the Sadat government refocused its efforts on revitalizing the agricultural sector. Sadat's approach to the institutional challenges faced within the agricultural sector emphasized the role of local governments and their linkage to the national system. More specifically, the reform may be summarized in the following points: 1) "decentralization of authority by a process of devolution from the national levels (decentralization); 2) providing secure and regular sources of income to sustain the formal measures of decentralization; 3) consolidating local authority in the municipal administration and strengthening the representative character of village councils; 4) disaggregating cooperative functions and placing most of them in a new structure, the village bank" (Harik 1984, 53).These points signal the priority of addressing the structural issues faced by local institutions that are overlooked by the national government. Sadat's *infitah's* reforms for the agricultural sector—apart from the general privatization and liberalization of the economy—entailed substantial changes to the administrative structure within the agricultural sector rather than the adoption of revolutionary reforms. The cooperative system established under Nasser continued to function under Sadat with a series of fundamental changes. In 1975, the Sadat government established a network of village banks as local branches of the Agricultural Credit Bank to carry out conventional banking activities and took over many of the functions previously handled by cooperative societies, including providing credit to farmers, supplying agricultural inputs, and marketing state crops (Harik 1984,

54). The new system significantly strengthened the connection between local and national systems, enhancing the support reach and efficiency delivered to farmers. Additionally, the village bans were marked by the upgrading of administrative personnel, as they were well-staffed and able to carry out the diverse activities assigned to them (Harik 1984, 54). The enhancement of staffing facilitated more responsive and effective services to local issues but significantly reduced the functions of cooperative societies' elected boards. Evidently, the functions of the village banks not only improved the connection between local and national systems and overall functions due to better staffing, but they also reduced the development of local participation and democratic practices enshrined in the cooperatives of the old system. Nevertheless, perhaps more promising and effective reforms concerning the administrative structure of the agricultural sector affected municipal councils. Law 52 in 1975 reorganized local governments to overcome a series of weaknesses that hindered their efficiency under Nasser, namely the government's failure to complete municipal formations, the lack of jurisdiction of village council's heads over local officials, almost the total reliance of village councils on the national governments for funding, and the ambiguity in the representative nature of village councils (Harik 1984, 55). The general reforms of the *Infitah* reflect a broader strategy of administrative streamlining and modernization, with Law 52 focusing on the enhancement of local governance. In 1977, progress was shown by the activities of many municipal councils, and while many were performing on ordinary or lower levels, the government's vigorous pursuit of local reforms was mitigated by an attitude of gradualism due to the limited resources present in the country (Boughton 2001, 673). Despite resource constraints being the main cause influencing the gradual implementation of the reforms, the moderate pace at which changes took place prevented the overwhelming of the existing systems, with the aim of ensuring that the modifications brought by Law 52 would be sustainable and enduring over the long term.  This gradual approach signals a continuity between Nasser's and Sadat's municipal systems, thus compelling an evaluation of Law 52 as reinforcing the structures established in the 1960s rather than completely overhauling the municipal system. One major principle marking this continuity goes back to the 1960 Law that granted governors the authority to make decisions regarding local government, which continued to be upheld by Law 52. More specifically, the law upgraded the governor's

authority by granting Presidential powers at the governate level, indicating the national government's resolve to make decentralization work (Boughton 2001, 673). The devolution of the policy-making process from the national government to the provincial government reaffirms that Sadat's decentralization efforts are not merely theoretical. In addition, coupled with this shift was an innovation at the national level linking the Ministry of Local Governments to the development plans at the municipal level through an agency known as the Organization for Reorganization and Development of the Egyptian Village (ORDEV), which was created for the purpose of stimulating local investment and income-generating activities (Boughton 2001, 701). In addition to providing a link between the national level and development at the local level, this innovative strategy empowers local entities and fosters a localized approach to development. This form of devolution renders the municipal councils responsive to the unique needs of each rural community and allows for greater local administrative authority to stimulate rural economic development. While ORDEV had not been able to extend its services to all village councils in the Republic by the late 1970s, where it had, a marked difference in economic growth could be observed as Law 52 enabled local councils to engage in diverse economic activities to develop local resources and use them to benefit the community (Boughton 2001, 702). Thus, laying the groundwork for a self-sufficient and economically effective local governance structure involves engaging in the diversification of economic activities with the ability to retain revenues for reinvestments. While ORDEV's success can be scrutinized for its inability to extend its services across the country, it should be noted that while resource constraints may hinder ORDEV's reach, its positive results constitute an effective blueprint for an eventual extension of its services. Additionally, councils that had not received loans from ORDEV could continue to implement income-generating economic activities by borrowing from banks at an interest rate of nine percent collected from villagers in the form of project shares (Boughton 2001, 702).The reform's broader administrative reforms linking rural localities to the national government significantly bolstered the access to funds and financial independence of municipal councils, enabling them to undertake projects that could generate sustainable income streams, reducing the financial burden imposed on the national government and overriding the negligence of the Nasserist years. On the other hand, the more specific aspects of the reforms

concerning the structure of the municipal councils paved the way for a more accountable and transparent local governance system. More specifically, the structural reforms in municipal councils introduced clear distinctions between elected representatives and official leaders, significantly enhanced the authority and responsibilities of the Head Executive Officer over village officials and development activities, and enabled councils to independently receive grants from foreign donors and raise and allocate funds, with 75 percent of taxes levied by the central government on agricultural land returning to the municipal councils directly (Harik 1984,56). In the old system, the municipal councils had to struggle to obtain funds from the provincial authorities, signifying a transformative step towards the financial autonomy of local governments. Moreover, revenues that were produced locally were reverted to a special village fund called the Local Fund for Services and Development (LFSD), created to finance local services and economic projects (Harik 1984,56).

Ultimately, the expansion of municipal councils to encompass the entire nation, coupled with the completion of their staffing requirements, marks a significant step towards economic decentralization. The ambiguities surrounding the authority of the head have been conclusively addressed, and the representative role of local councils has been clarified, demonstrating the operational effectiveness of the new framework. Additionally, the reforms have substantially reduced municipal councils' fiscal dependency on higher levels of government, empowering them to autonomously generate revenue and retain a portion of locally levied taxes. These strategic reforms not only addressed pressing concerns but also laid the foundation for a more autonomous, efficient, and responsive system of local governance in Egypt, indicative of a profound shift towards enhanced local self-administration and governance capacity. Sadat's *Infitah* era reshaped Egypt's agricultural landscape and local governance structures, shifting from Nasser's centralized model to a more decentralized, community-focused approach. By implementing reforms like Law 52 in 1975, Sadat aimed to revitalize agriculture through decentralization, enhance local autonomy, and promote economic self-sufficiency. The establishment of village banks and the restructuring of municipal governance improved support for farmers and strengthened the linkage between local and national systems. These reforms laid the foundation for a sustainable and responsive governance framework, fostering a more efficient and self-reliant agricultural sector.

Additionally, *Infitah* similarly spurred significant changes aimed at invigorating Egypt's industrial base by attracting foreign capital and modernizing its financial services, marking a departure from Nasser's state-dominated economy.

*2.3.4 The Infitah's* Performance: New Egyptian Rentier State (?)

In order to understand the overall performance associated with the *Infitah* policies, a contextual evaluation of the Egyptian economy's state under Nasser provides a crucial context for comprehending the outcomes of the *Infitah*. Despite Nasser's focus on economic self-reliance and import-substitution policies, Egypt's high degree of economic 'extroversion' signals that the country's need for involvement in the international economy has been a constant reality that is likely to continue. Geographic, demographic, and resource constraints, along with the growing demand for services and commodities, have characterized Egypt's constant relationship with the international markets. More specifically, Egypt's resource endowment necessitates a significant engagement in the global economy, as the country must export goods and services to finance a portion of its increasing commodity imports, many of which cannot be substituted domestically (Waterbury 1985, 66). Nasser's desire for a completely self-sufficient economy through his import-substitution policies was mitigated by the structural realities of the Egyptian economy, thus leading the leader to accept a growing dependency upon the Soviet markets. Egypt's increased trade with the Soviet bloc, especially after the 1967 War, not only underscores Egypt's unfeasibility of becoming a self-sufficient economy able to forgo international trade but also indicates Egypt's international orientation under Nasser. Therefore, while the economic needs of the country could not dictate a retreat from the international economy, the political character of the nation determined Egypt's trading partners. The bilateral agreements Egypt entered with the Soviet bloc were characterized by barter trade dynamics, frequently resulting in a positive trade balance for Egypt, primarily serving as a mechanism to service its debt to socialist partners for military acquisitions and economic aid, exchanging raw materials like cotton, rice, and phosphates for finished goods (Waterbury 1985, 66). These bilateral agreements exemplify Egypt's reliance on trading raw materials for finished goods, underscoring the limitations of the public sector in generating sufficient trade revenue to meet its financial obligations and domestic demand. In fact, given Egypt's growing debt-service commitments to Socialist

countries in the late 1960s, Nasser had to rely on the private sector to boost exports due to the public sector manufacturing's minimal contribution to trade. In addition, Egypt, similar to most developing economies, could not completely replace imports from Western economies with bilateral agreements with socialist nations. This became an increasingly difficult situation under Nasser as Western exports were traded in convertible currencies, which required Egypt to generate foreign exchange earnings through exports to Western markets, while a significant part of Egypt's trade was already bound to socialist states. The positive trade balance with socialist countries was more than counterbalanced by a large negative balance with the West; with Egypt's industries not being able to penetrate Western markets, the trade gap had to be financed by increasing external borrowing and indebtedness (Boughton 2001,705). Thus, Nasser's import-substitution industrialization plans were often altered by Egypt's domestic and geographical vulnerabilities, and such problems persisted throughout Sadat's tenure. For instance, cheap fuel was at the heart of Egypt's drive in the 1960s toward import-substituting industrialization (ISI), but when fuel prices soared after 1973, domestic industries were not able to operate at a profit even within highly protected domestic markets, slashing any aspiration to produce exports (Boughton 2001,705). The 1973 oil embargo, which spurred the global economic recession of the mid-1970s, also ushered a new era of détente between the USA and the USSR, thus reducing great power confrontation. The era of détente signaled for Sadat's Egypt that the leader could no longer derive many of the benefits Nasser had leveraged during the height of the Cold War era. The ISI model was directly conditioned by the relative pacification between the world's superpowers, affecting the availability of concessionary aid to finance the import of technology and raw materials as both the USA and USSR had curtailed this kind of assistance to Egypt's development (Harik 1984, 58).

Therefore, the alarming trade deficit with Western markets, the economic shocks derived from increased oil prices, and the growing internal deficit essentially constitute Egypt's financial dependency on the global economy, which Sadat sought to alter by modifying the existing system by shifting trade away from socialist nations. In fact, it could be argued that the shift in trade towards Western economies is an integral part of Sadat's *Infitah.* As previously mentioned, the *Infitah* was conceived as a state of mind

articulating the general direction the Egyptian economy had to steer toward to solve its economic issues. However, a series of instruments and policies were adopted between 1974 and 1981 that served as the most important tools to liberalize and modernize Egypt's economy. Firstly, Law 43 of 1974 and its revision through Law 32 in 1977 comprehensively established the framework governing foreign and Arab investments in Egypt; the liberalization and partial privatization of foreign trade; the domestically formulated exchange system to finance private sector imports moving towards periodically adjusted exchange rates; the streamline of the Egyptian banking sector and the reorganization of the public sector (Waterbury 1985,70). This legislation marks the creation of a more favorable environment for foreign investors by offering a clearer legal framework. In addition, it initiated a process towards economic liberalization in foreign trade and the banking sector, making Egypt's economy more competitive and integrated with the global market as the move towards an adjustable exchange rate system better equips Egypt with greater financial flexibility and responsiveness to market dynamics. Furthermore, the reorganization of the public sector, which was intended to enhance efficiency, aligns public enterprises more closely with the demands of a liberalized economy. Laws 43 and 32 are effectively at the heart of the *Infitah*'s liberalization process. In addition, Law 159 of 1981 extended to the Egyptian private sector many of the privileges granted to foreign investors under Laws 43 and 32 to increase their competitiveness domestically and internationally in an effort to drive Egyptian exports and foreign currency accumulation (Waterbury 1985,70).  The accumulation of foreign currency is a salient objective of the *Infitah,* which drove much of the policymaking behind the liberalization plan. In fact, while the *Infitah* overall had a significant impact on Egypt's economic growth — unprecedented at the time— this growth could be attributed to rents rather than increased domestic productivity. More specifically, during the period of the *Infitah*, Egypt experienced significantly higher real growth rates than those of the early 1960s, with its GDP growing on an average of 9.1 percent per annum between 1974 and 1982, with the rate of national savings markedly improved (Table 1).[4]

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[4]Waterbury, John. "The 'Soft State' 73.

| | 1974 | 1980/81 |
|---|---|---|
| Consumption | 94.2 | 85.9 |
| Gross National Savings | 8.5 | 19.5 |
| Gross Domestic Capital Formation | 22.5 | 29.5 |
| Net Foreign Savings | 13.9 | 9.3 |

*Source:* Waterbury, John. "The 'Soft State' and the Open Door: Egypt's Experience with Economic Liberalization, 1974-1984." *Comparative Politics* 18, no. 1 (1985): 65–83. https://doi.org/10.2307/421658

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However, this remarkable growth raises questions about the long-term viability of the *Infitah* as it does not necessarily foster sustainable economic development due to its reliance on rents—earnings from foreign investments or natural resources—suggesting that economic growth was not spurred by domestic productivity.  In fact, the four main drivers behind the impressive growth in GDP between 1974-1982 were petroleum exports, which grew at a rate of 45 percent per annum, Suez Canal revenues, workers' remittances, and tourism, which all grew by nearly 12 percent per annum, with all four totaling $600 million in 1974 (15 percent of GDP) and $7.5 billion by 1983 (38 percent of GDP) (Waterbury 1985,73).  In addition, the reliance on rents at the 'expense' of domestic economic development is not necessarily attributable to the *Infitah*. The resource constraints of the country, which were also faced by Nasser's three-pronged development program, has been driving Egypt's economic extroversion. With the inability to produce a series of goods domestically due to resource constraints and thus necessitating international trade, one of the *Infitah*'s primary objectives dealt with the ratio between GDP growth and debt servicing. Unmistakably, the direct result of resource constraints is an increase in external debt. External debt rose from about $3 billion in 1974 to $19 billion in 1983, including disbursed and undisbursed debt and not military or short-term debt, which likely totaled $5 billion and $3 billion, respectively, in 1983 (Waterbury 1985,74). The interplay between economic expansion and resource limitations is a complex one. Greater engagement in international trade is required to improve the limited domestic production capabilities, along with a debt servicing strategy to balance economic growth with the burdens of debt. However, while civilian medium- and long-term debt grew by about six and a half times, GDP grew by 5.8 times

between 1973 and 1984, with debt servicing averaging about $1.4 billion per year, or about 17 percent of all earnings (Boughton 2001, 712). Undoubtedly, the figures demonstrate that while Egypt was able to expand its economy quite rapidly during the *Infitah*, this expansion was characterized by a proportional increase in external debt. Nevertheless, total trade as a proportion of GDP—a standard measure of external dependency—remained fairly steady from 1960 and especially during the mid-1970s, indicating an acceptable debt-management strategy (Waterbury 1985,74). (Table 2)

| | GDP | MERCHANDISE TRADE | TRADE/GDP |
|---|---|---|---|
| 1960/61 | 1,364 | 413 | 30.3 |
| 1962 | 1,412 | 459 | 32.5 |
| 1963 | 1,563 | 625 | 39.9 |
| 1964 | 1,740 | 648 | 37.3 |
| 1965 | 1,975 | 669 | 33.8 |
| 1966 | 2,124 | 728 | 34.3 |
| 1967 | 2,180 | 590 | 27.1 |
| 1968 | 2,188 | 560 | 25.6 |
| 1969 | 2,339 | 601 | 25.7 |
| 1970 | 2,553 | 673 | 26.4 |
| 1971 | 2,820 | 743 | 26.3 |
| 1972 | 3,047 | 750 | 24.6 |
| 1973 | 3,464 | 805 | 23.2 |
| 1974 | 4,111 | 1,716 | 41.7 |
| 1975 | 5,218 | 2,210 | 42.3 |
| 1976 | 6,727 | 2,258 | 33.6 |
| 1977 | 8,344 | 2,703 | 32.4 |
| 1978 | 9,795 | 3,534 | 36.1 |
| 1979 | 12,705 | 4,194 | 33.0 |
| 1980 | 17,320 | 5,534 | 32.0 |
| 1981 | 20,490 | 4,683 | 23.0 |

*Source:* Waterbury, John. "The 'Soft State' and the Open Door: Egypt's Experience with Economic Liberalization, 1974-1984." *Comparative Politics* 18, no. 1 (1985): 65–83. https://doi.org/10.2307/421658

Nevertheless, despite Egypt's GDP growth mostly deriving from a rentier state or quasi-rentier state model akin to the ones adopted by Gulf countries, the 'rentier state' critique as an evaluation of the *Infitah* performance will be delved into in the following section.

Sadat's *Infitah*, despite its shortcomings, had a significant impact on the share of property income, the expansion of subsidies, foreign direct investments, and the private sector. The Egyptian Ministry of Plans estimated that the share of property income grew from 50 percent to 70 percent between 1973 and 1980 (Waterbury 1985,74). Property income refers to income earned from owning assets, generally in the form of interest, rental income, dividends, capital gains, and royalties, which reflect overall changes in national income. Several observers suggested that the increase in property incomes accrues largely to the government through petroleum, canal, and tourism revenues rather than individuals, and while estimates including worker remittances indicate an increase in the wage share during the 1970s, the impact of the *Infitah* upon income distribution is poorly understood (Waterbury 1985,74). On the other hand, despite the uncertainty about the Infitah's impact on wage distribution and the high inflation rates caused by the oil crisis recession, the state's disposal of new financial resources enabled it to mitigate some of the recession's effects. The state used its new financial resources to pay for subsidies, cost-of-living allowances, salary increases, and welfare programs while preventing a serious deterioration of civil service salaries, while substantial segments of the private sector at nearly all income levels have done considerably better than in the 1960s (Boughton 2001, 715). In addition, the *Infitah's* impact on foreign direct investments (FDIs) had been significant in the services sector. With Law 43—later Law 32 in 1977—accounting for 7 percent of gross fixed investment over the period of 1974-1979 firmly placed Egypt in the ambit of multinationals and world capitalism (Handoussa 1990, 88). More specifically, by the end of 1983, 650 firms with capital costs of LE 2.1 billion had started operation, with nearly 68 percent of all outlays going into services and 32 percent into the productive sectors, manufacturing, and agriculture (Handoussa 1990, 88). (Table 3)

| Sector | No. of Projects | Capital Costs | | |
|---|---|---|---|---|
| | | Local Currency | Foreign Currency | Total |
| **Services** | | | | |
| Investment Finance | 89 | 290.7 | 370.4 | 661.1 |
| Banking | 66 | 217.6 | 270.3 | 487.9 |
| Tourism | 41 | 49.6 | 90.6 | 140.2 |
| Housing | 22 | 8.9 | 23.5 | 32.4 |
| Transportation | 13 | 6.5 | 29.2 | 35.7 |
| Hospitals/Medical | 16 | 31.1 | 20.4 | 51.5 |
| Consulting | 20 | 3.4 | 4.9 | 8.3 |
| Other services | 23 | 29.2 | 26.1 | 45.3 |
| Sub-total | 290 | 637.0 | 825.4 | 1462.4 |
| **Agriculture** | 38 | 74.2 | 50.1 | 124.3 |
| **Contracting** | 69 | 30.5 | 35.2 | 65.7 |
| **Manufacturing** | | | | |
| Textiles | 43 | 32.6 | 50.7 | 83.3 |
| Food & Beverages | 44 | 30.9 | 31.9 | 62.8 |
| Chemicals | 69 | 38.4 | 82.9 | 121.3 |
| Wood & Furniture | 10 | 5.4 | 17.6 | 23.0 |
| Engineering | 24 | 11.8 | 19.5 | 31.3 |
| Building materials | 29 | 67.0 | 46.5 | 113.5 |
| Metallurgy | 23 | 13.2 | 19.1 | 32.3 |
| Pharmaceuticals | 3 | .4 | 3.8 | 4.2 |
| Mining & Petroleum | 8 | 6.8 | 19.7 | 21.5 |
| Sub-total | 253 | 206.5 | 286.7 | 493.2 |
| Grand Total | 650 | 948.2 | 1197.4 | 2145.6 |

*Source:* Waterbury, John. "The 'Soft State' and the Open Door: Egypt's Experience with Economic Liberalization, 1974-1984." *Comparative Politics* 18, no. 1 (1985): 65–83. https://doi.org/10.2307/421658

The service sector was undoubtedly more attractive to foreign investors, constituting the largest number of projects and investments in local and foreign currency. Moreover, the revision of Law 43 into Law 32 in 1977 aimed to channel foreign investments into the agricultural and manufacturing sectors, enabling the establishment of import-substituting firms to sell products domestically. The enabling of open-door joint ventures is responsible for generating upwards of 17 percent of gross fixed investment, bringing in an amount of foreign exchange currency exceeding the Suez Canal revenues (Handoussa 1990, 88). These developments illustrate Sadat's strategic approach to diversify the country's hard currency earnings away from the traditional reliance on the Suez Canal by revising Egyptian investment laws. In addition, these policies were

successful in attracting significant joint-venture contributions to the country's gross fixed investment, marking an important pre-condition for economic diversification, despite a substantial part of the joint ventures and FDIs being present in the service sector. Nevertheless, of the 492 in-country projects totaling an equity capital of LE 1.31 billion, 65 percent of them were Egyptian-based (Waterbury 1985,78). (Table 4)

| Source | Total Equity |
| --- | --- |
| Foreign | LE 462.4 million |
| Egyptian Private | LE 522.9 million |
| Egpytian Public | LE 324.6 million |
| 78 | |

*Source:* Waterbury, John. "The 'Soft State' and the Open Door: Egypt's Experience with Economic Liberalization, 1974-1984." *Comparative Politics* 18, no. 1 (1985): 65–83. https://doi.org/10.2307/421658

In addition, the *Infitah* policies were successful in preventing a net drain of capital from the Egyptian economy, also known as the 'Latin American syndrome.' In essence, the risk of net drainage of capital was real as Egyptian investors that mobilize the capital necessary to launch joint ventures converted Egyptian pounds into foreign currencies from the reserves of the Egyptian Treasury destined for foreign accounts and mother companies, thus resulting in a larger outflow of capital, diminishing foreign exchange earnings as a whole (Waterbury 1985,78). On the other hand, this scenario did not materialize under Sadat; on the contrary, the investments of the joint ventures overtook the ones in the oil sector. In 1980, Law 43 investments exceeded those in the oil sector by reaching 3.5 percent of GDP, while remitted profits from all sources—including oil—sat at 4.5 percent (Waterbury 1985,78). (Table 5)

|                  | 1974 | 1979  | 1980/81 | 1981/82 |
|------------------|------|-------|---------|---------|
| Law 43 Invest.   | 4.6  | 180.2 | 487.6   | 1,045.3 |
| Oil Expl. & Prod.| 73.6 | 530.5 | 870.8   | 812.2   |
| Total For. Inv.  | 78.2 | 710.7 | 1,358.4 | 1,857.5 |
| Profits Remitted | 50.0 | 947.0 | 1,310.0 | 1,340.0 |

A significant part of the projects under Law 43 were public-sector enterprises that broke off to become part of the private sector. Undoubtedly, Law 43's encouragement of the dissolution of part of the public sector was met with criticism. As previously stated, the *Infitah* generally aimed at modifying the Egyptian economy rather than erecting new zones of economic development, which entailed the liquidation of public sector enterprises into the private sector. Critics of the efforts to attract foreign capital point out that the state has abandoned sectoral planning, diverting resources into non-strategic investments by liquidating public assets through joint ventures and siphoning off the best public sector managers and workers to Law 43 companies (Handoussa 1990, 100). While the criticism directed against Law 43 for the liquidation of public assets has considerable elements of truth, it must be evaluated in the context of Law 43. Firstly, the state is most definitely not shriveling away. In 1982, public expenditures were 60 percent of GDP, while public revenues constituted 40 percent and the public deficit 20 percent, with the total fixed investment in public sector companies amounting to LE 7.4 billion, the public sector production at LE 5.3 billion, and the total public sector value added at LE 2.3 billion (Handoussa 1990, 109). By considering the broader economic context, the state's role in the economy remained substantial, as indicated by the significant share of public expenditures in GDP and continued public sector investments. The recalibration of Egypt's economic direction towards a more diversified structure via privatization and foreign investments does not suggest an extensive governmental retreat from economic management. Moreover, while the movement of skilled workers from the public sector to the private sector is an inevitable consequence of Law 43 enterprises offering higher salaries, it should be noted that this process must be contrasted within a broader employment context. By 1982, the 492

100

projects under Law 43 provided employment for 45,000 Egyptians; another 191 projects not associated with Law 43 generated 11,000 jobs; the 365 public companies employed over 1.2 million Egyptians; and an additional two million Egyptians were employed abroad (Waterbury 1985,79). Therefore, given the relatively low levels of employment generated by Law 43 enterprises and the vast number of Egyptians working abroad, Egypt's brain and skill drain is a cause of emigration rather than Law 43. Moreover, an additional fear of public sector officials vis-à-vis Law 43 enterprises referred to the gradual erosion of legislation protecting worker's rights. These rights, popularly referred to *as al makasib al-thawra* (fruits of the revolution), provided for workers' representation on company management boards and fixed shares in company profits, which were removed for joint-venture enterprises under Law 159 of 1981 (Waterbury 1985,80). This effectively gives Law 43 enterprises a greater degree of freedom in determining the procedures of employment (hiring, promoting, dismissing). However, as of 1978, the government pushed an effort to extend the privileges of Law 43 to the public sector. In practice, this allows public sector enterprises to have some flexibility in their employment policies, removing the obligation to hire university graduates assigned to them by the Ministry of Human Resources (Waterbury 1985, 80). The removal of legal obligations to follow public sector procedures for private sector enterprises coupled with a higher flexibility in the employment policies of public sector companies best exemplifies what the October Paper meant with streamlining and modernizing the administrative features of the economy. In addition, one of the primary objectives of the *Infitah* was to promote the growth of the private sector, which unquestionably occurred. At the inception of Law 43, the private sector accounted for 23 percent of Egypt's industrial production; by 1982, that proportion had risen to 32 percent, while the private sector's share of total lending rose from 18 percent to 30 percent over the same period (Waterbury 1985, 80). Moreover, the growth of the private sector was not at the expense of the public sector, as the latter witnessed a significant increase in credit availability and production. The *Infitah'*s impact on the private sector is overwhelmingly positive, given the significant suppression of the private sector with the nationalizations that occurred in the 1960s under Nasser. As a matter of fact, the number of private companies with shares traded on the stock exchange went from 240 to 60 under Nasser, while under Sadat, the number grew to 560 companies under Law 43 and an additional

138 companies under Law 159 between 1974 and 1981 (Waterbury, 1985, 80). Nevertheless, despite the *Infitah's* significant successes in fostering growth within the private sector, its successes and sustainability have been long debated. The *Infitah* is considered to be a healthy decrease in the dominance of the public sectors in some quarters, while in others, it represents the dismantling of Nasser's legacy and an affront to the Egyptian 'spirit.'

### 2.3.5 Critique of the Infitah and Rentier States

As previously mentioned, Egypt's GDP growth can largely be attributed to the inflow of rents form workers' remittances, the Suez Canal, oil, and tourism revenues rather than the development of the domestic industry. While the *Infitah*'s contribution to the private sector, and to a lesser extent, the public sector, is significant, the fact that rents comprised 38 percent of GDP by 1983 is a relevant figure that warrants a more detailed investigation. One of the most frequent critiques of Sadat's open-door policies is that they have pushed Egypt toward the status of a rentier state as oil exports, worker remittances, the Suez Canal, and tourism revenues came to dwarf all other sources of foreign exchange by the late 1970s (Waterbury 1985, 67). Naturally, rents are not considered an integral part of economic liberalization, and it is likely that the *Infitah* program itself did not consider rents as such. Additionally, Suez Canal and tourism earnings had been very much developed under Nasser after being eventually chocked off as the result of the 1967 war, and while labor migration had been curtailed in the 1960s, it would have been difficult to predict that there "would not have been a substantial outflow of Egyptian labor during the 1970s" to oil-exporting countries given the OPEC price increases (Waterbury 1985, 67). Therefore, under both Nasser and Sadat, rents constituted a significant source of foreign exchange accumulation to strengthen the Egyptian economy, as rents were not a direct result of the *Infitah*. Nevertheless, the *Infitah's* contribution to the accumulation of foreign exchange currency is definitely significant, as it marked its enormous expansion under President Sadat. In 1974, resources external to Egypt's domestic labor productivity, termed 'exogenous resources,' constituted 6 percent of the state's total available resources, surging to 45 percent by 1983 (Waterbury 1985, 67). These statistics not only underscore Egypt's overall economic extroversion but the deliberate pursuit of the state for rentiers' profits, despite potential distortions to domestic productivity. (Table 6)
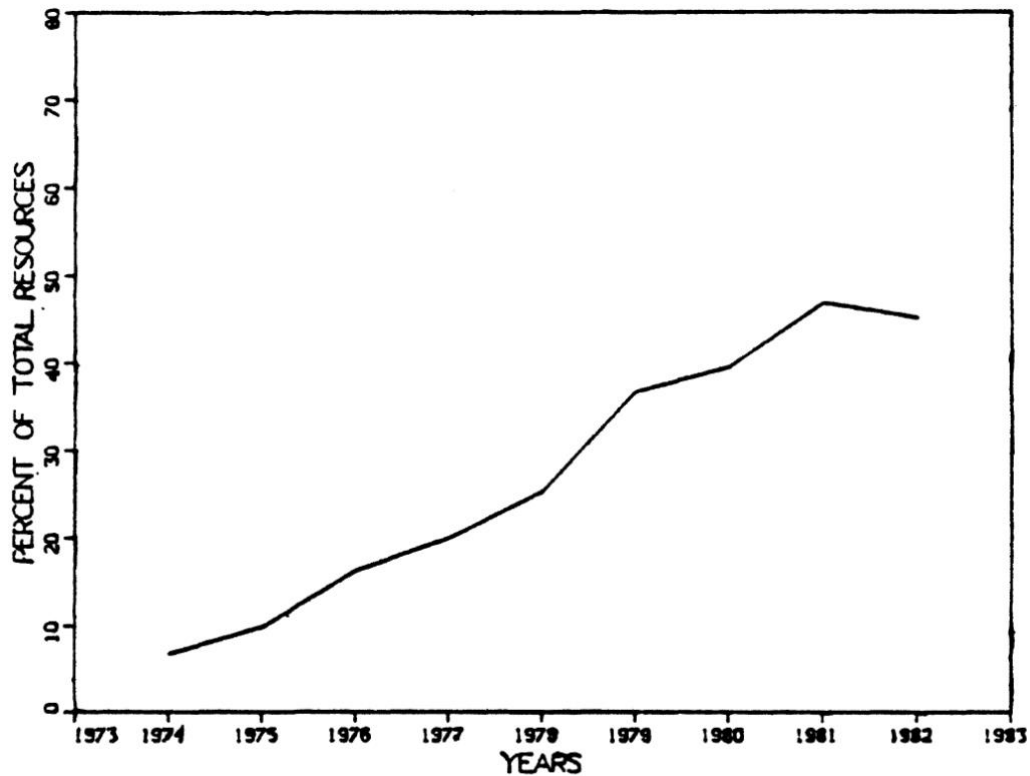
Therefore, these figures prompt the posing of a series of questions. Author John Waterbury poses the following question: "if Egypt's economic disposition towards global markets has led the state to neglect issues in domestic productivity, what has been the effect of the state's control over the accumulation of foreign exchange?" (Waterbury 1985, 69). The state, during the Nasserist era, undertook the mobilization of investment capital and captured the profits of growth through the nationalization of private assets and the taxation of public sector enterprises, while under Sadat, the state continued to mobilize capital but ceded profits to private local and multinational actors (Waterbury 1985, 69). Despite Nasser and Sadat diverting the state's mobilized capital into different sectors of the economy, the state, under both leaders, took charge of the accumulation of foreign exchange resources. In addition, the enduring state management of foreign exchange reserves highlighted through the governmental control of the public sector, petroleum exports, and a substantial part of the baking system indicates that the state capitalism built by Nasser in the 1960s is still the predominant

economic structure under Sadat (Solingen 1994, 126). Therefore, Egypt has arguably been moving towards a rentier state model since Nasser's socialist experiment and the growing reliance on rents from exogenous resources instead of expanded domestic production reasonably characterizes Egypt's economic orientation under Sadat. Sadat's promotion of a greater degree of economic liberalization and turn toward Western markets sped up this process of foreign exchange accumulation, underscoring the government's salient role in the economy and Egypt's reliance on the global economy. Identifying Egypt's trajectory towards a rentier state serves as a pivotal background for better assessing the criticism associated with the *Infitah*. These critiques, often voiced by renowned authors and journalists, mainly revolve around Egypt's growing dependency on foreign markets, the distortion of socialist ideals, and a new culture of consumerism, embezzlement, speculation, and illicit activities. The academic Fuad Morsi, in his *This is the Economic Open-Door Policy* book, provides a Marxist critique of the *Infitah,* positing that a "parasitic bourgeoisie, fattened on state business under Nasser, was finally able to assert itself in the 1970s and extract from a sympathetic president the laws enabling to invest its earnings profitably in import-export trade, currency speculation, and joint ventures" (Waterbury 1985, 71). Through this lens, Morsi interprets the effects of the *Infitah* as a 'mechanism' through which existing elites were able to accrue wealth and leverage their positions to influence presidential policies. Morsi also postulates that Sadat's policies did not dismantle Nasser's economic order but rather adapted it to serve the interests of the vested class. He continues by claiming that "Nasser's half-hearted socialist experiment created the class monster that would thrust Egypt into the world of capitalism," succeeding only through the exploitation of the working classes (Waterbury 1985, 71). Thus, according to Morsi's Marxist critique, the liberalization of the economy and willingness to allow foreign investments largely exacerbated class disparities, with the wealth gap characterized by the exploitation and marginalization of working classes and the increasing economic and political significance of a gradually evolving capitalist class. Therefore, it is safe to assume that for Morsi, the *Infitah* and Egypt's subsequent GDP growth did not serve as a 'level playing field' but was rather a vehicle for an increasing economic disparity within the Egyptian social fabric. On the other hand, other critiques were less grounded in Marxism and class-struggle dynamics and highlighted the

growing dependency on Western markets and the changing cultural landscape as more damaging results of the *Infitah*. Economics author and commentator Adil Hussein is one of the main proponents of this critique. In his book, *The Egyptian Economy from Independence to Dependence,* he laments Egypt's growing external dependency and calls for a renewal of auto-centered accumulation by proposing an "appropriate civilizational project analogous to that launched by Mao based on meeting basic needs, equitable distribution of income and appropriate consumption patterns" (Waterbury 1985, 71). Through his seminal work, Hussein emphasized the importance of auto-centered accumulation as a self-sufficiency development model in the wake of growing dependency on foreign economies and its inevitable vulnerability to global economic shocks. Additionally, he calls for an approach to Egyptian economics that goes beyond economic metrics of growth and can distribute the newly acquired wealth. Similarly to Fuad Morsi's critique, Hussain brings into question the effects of the *Infitah* on a more equitable distribution of wealth, given the considerable accumulation of wealth brought by liberalization policies. Furthermore, Hussein's "appropriate civilizational project" extends beyond the egalitarian principles of wealth distribution and provision of basic needs; it encompasses the role of religion in the rediscovery of national and regional authenticity within progressively consumerist societies. He calls for a "collective effort of self-renewal" where Egypt's Islamic heritage must be "granted a pride of place," stating that "the Nasserist project came closest to what he advocates but was deficient in handling external threats, provoking profound social transformations and in neglecting Islam in defining the basis for independence" (Waterbury 1985, 71).  It is deductible that Hussein's "civilizational project" advocates for a development model that incorporates self-sufficiency, the addressing of economic disparities, and the fostering of a united identity through religious values. In contrast, the *Infitah* represented the antithesis of self-sufficiency characterized by a growing external dependency and consumerist culture, and while not anti-religious per se, the *Infitah* could be considered a largely secular set of policies, falling short of emphasizing any spiritual affiliations with it. In addition, prominent Egyptian economist and university professor Galal Amin espouses a similar critique to Hussein's, albeit from a secular standpoint. In his work *Development or Cultural Economic Dependency*, Amin explains that the "new exploitative order must be combatted by fostering national enthusiasm that could be

achieved through import reductions, boycotts of foreign goods, and buy Egyptian campaigns" (Waterbury 1985, 72). Interestingly, despite Amin alluding to a changing order based on exploitation and a growing external dependency, his measures to combat both are arguably less radical than his counterparts, who advocate for protectionist measures to stimulate internal development. In addition, in Amin's conceptualization of Egypt's new exploitative order, the working class is not exploited; the consumers are: *"The new mode of exploitation requires the diffusion of a completely different ideology, resting on a perpetual striving to change one's social class by means of changing one's consumption"* (Waterbury 1985, 72).

While the primary victims of the *Infitah*'s exploitation are the consumers, according to Amin, not the working class, as suggested by other critics, there is a general agreement among critics coming from diverse viewpoints that the *Infitah* directly resulted in the exploitation of a specific social class. The general consensus among critics strongly accentuates the profound impact of the *Infitah*'s policies on Egyptian society. Furthermore, Galal Amin questions the ethics and moral implications of Egypt's growing consumer behavior fostered by the *Infitah*. Amin asserts that individuals are "conditioned to demand items they don't need, make advance payments leading to debt and discarding goods before their utility is exhausted" while engaging in "smuggling and embezzlement" (Waterbury 1985, 72). Amin's critique invites a reflection on the broader societal effects promoted by the *Infitah*, questioning the sustainability and moral dimensions of a consumer-driven society. In fact, the *Infitah* coincided with a significant expansion in the rate of illicit activities. In 1980, the total value of transactions within the "black economy" accounted for over 17 percent of GDP (Waterbury 1985, 72). (Table 7)

| | |
|---|---|
| Moonlighting | LE 514 million |
| tax evasion | 250 million |
| hashish trade | 128 million |
| profits on real estate speculation | 328 million |
| customs evasion | 109 million |
| informal housing construction | 260 million |
| smuggling | 177 million |
| All sources total | LE 2.1 billion |

*Source:* Waterbury, John. "The 'Soft State' and the Open Door: Egypt's Experience with Economic Liberalization, 1974-1984." *Comparative Politics* 18, no. 1 (1985): 65–83. https://doi.org/10.2307/421658

Amin's critique sheds light on the notable scale of illicit activities, indicating regulation and compliance issues as a consequence of rapid liberalization. Amin's critique is arguably perhaps the most holistic analysis of the *Infitah*'s impacts on consumer behavior, exploitation, and ethical consideration, leading him to assert that illicit behavior can be curtailed through taxes and that the payment of taxes is a "patriotic act (Waterbury 1985, 71). The 'black economy' was not a marginal phenomenon; its rise alongside Egypt's unprecedented economic growth signals the growing economic disparity between social classes and the lack of regulations overseeing illicit involvements.

2.4 **Social Dimension**

2.4.2 The Culture of the *Infitah*

While Sadat did not have a specific ideology or philosophical direction for Egyptian society, the *Infitah* sparked different dimensions of change within Egypt's cultural and societal fabric. As previously addressed through the assessment of some of the *Infitah's* primary vocal critics, the growing consumerist behavior and economic disparities were defining outcomes of Sadat's policies. This research posits that the 'culture' of the *Infitah* emerged from a top-down phenomenon in which the elites within Sadat's framework progressively associated themselves with elitism and privatization, causing a trickle-down effect on the rest of society, sparking an increase in consumerism and

cosmopolitanism as defining cultural features of the *Infitah*'s years. More specifically, the economic liberalization and openness towards the West of the *Infitah* policies had a profound impact on state elites, shifting their lifestyle progressively towards Western-styled consumerism and gradually permeating their values within the broader Egyptian society. Furthermore, the emergence of the *'Infitah* culture' emphasizes the impact of elites on society in setting 'cultural trends and profound changes in social behavior and values brought by open-door policies. The disappearance of mainstream Nasserist values of redistribution and mass participation through grassroots mobilization left a significant socio-political void to contend with. Nasserist populist measures such as "efforts to redistribute resources by administrative means, subsidies on mass consumption goods, maximization of employment and limits on salaries and profits" were increasingly viewed as distortions of market efficiency (Hinnebusch 1981, 452). The increased allocation of state financial resources to Law 43/32 enterprises and the liberalization of the private sector to foreign investments consequently resulted in an increase in salaries and an 'emigration' of skilled workers from the public to the private sector. As previously assessed in the economic affairs section of this chapter, the private sector projects—Egyptian-based and joint-ventures—generated low to moderate employment opportunities, with the employment levels of the public sector dwarfing those of the private sector. Nevertheless, the *Infitah's* championing of the private sector increasingly identified skilled personnel as key to Egypt's development, resulting in inequalities "from the allocation of rewards to a minority that controls the country's scarce resources" (Hinnebusch 1981, 452). Therefore, the disappearance of Nasserist populist values and measures, along with the nurturing of skilled private sector elites by open-door policies, accentuated the growth of elitist principles. Generally speaking, "elitism can be seen in the [general] devaluation of the masses" as the *Infitah* concentrated a sizeable amount of wealth in the hands of a few elites (Hinnebusch 1981, 452).

Additionally, the growth of elitism within the structures of Egyptian society, with a minority of highly skilled workers able to access higher salaries and assert their control over important resources, was accompanied by the growing pursuit of private interests. Privatization and openness to Western trade indeed opened up Egyptian society's consumerism, with the interplay between social class and consumption playing

a pivotal role, as alluded to by Galal Amin in his critique of the *Infitah*. While the *Infitah* did not necessarily dismantle the state's overall involvement in the economy, it did dismantle the 'spirit' of Nasserism, emphasizing "duties rather than rights, discipline and control and the castigation of individual self-interest" legitimized by the *Infitah* (Hinnebusch 1981, 453).In addition, the *Infitah* generated another stark contrast to Nasserism. Cosmopolitanism is a defining characteristic of the newly emerging elite. Cosmopolitanism, in this case, referring to the growing identification of the elites with Western values and lifestyles—undoubtedly driven by the vast influx of Western cultural and consumer commodities—is not a new phenomenon (Hinnebusch 1981, 453). Certainly, a political and societal parallel between pre-revolutionary Egypt under British subordination and Sadat's pursuit of deeper relations with the United States and the Western bloc can be struck. Nasser had gone to great lengths to remove remnants of Western cultural influence in Egyptian society, while Sadat had opened Egypt to Western trade and commodities. More specifically, the "Egyptian ruling was distinctively cosmopolitan in pre-revolutionary Egypt and while Nasser favored an Arab-Islamic identity, the embourgeoisement of the elite and its amalgamation with old westernized upper class" signaled a strong resurgence of cosmopolitan values (Hinnebusch 1981, 452). The resurgence of cosmopolitan values, along with the influx of goods and cultural commodities imported from the West, culminated in a significant cultural shift, despite Sadat being a conservative figure. In fact, while Egyptian identity under Nasser emphasized Egypt's Arab-Islamic heritage, the emergent inclination in favor of a "Pharaonic or Mediterranean" identity that would set Egypt apart from the Middle East and forge links westwards became more pronounced (Hinnebusch 1981, 452).

Furthermore, while cosmopolitanism could generally be traced back to a phenomenon mostly originating in large urban centers, the countryside and villages were significantly impacted as well. As the rampant consumerist behavior associated with the elites rapidly trickled into mainstream society, material possessions became important status symbols. The commercialization of society as a result of the *Infitah* constituted a revolutionary change within the Egyptian social fabric, not only redefining norms and behaviors but fundamentally altering the country's social stratification. Firstly, while consumption is often associated with cities, the "proximity of rich and

poor promotes emulation, and the democratization of consumption makes goods available throughout Egyptian society (Shechter 2008, 577). With the widespread availability of goods, rampant intra-class consumerism was rapidly shifting Egypt's socio-economic life away from Nasserist culture. Cities landscapes were changed by advancements in tourism that "supported a luxury hotel culture and the development of notorious local entertainment mostly associated with the nightclubs on Pyramid Road in Cairo and the re-emergence of advertising magnified the visibility of a new Egyptian world of goods and unrestrained consumption" (Shechter 2008, 577). Egyptian villages and countryside localities were equally thoroughly transformed. Remittances turned "mud huts to red-brick houses, with the content of homes transformed with new electric appliances and furnishing" increasingly turning agricultural settlements into urban suburbs (Shechter 2008, 578). The consumerist drive that characterized the *Infitah*'s consumer society largely broadened the middle class, constituting a major shift from the social stratification that had developed under Nasser. Under Nasser, the middle class was based on education, which led to civil service and public-sector managerial jobs. The *effendiya*—educated middle-class professionals—was disappearing under the *Intifah* as the 'middle-classness' became determined by the ability to consume private commodities rather than produce and allocate public goods (Shechter 2008, 578). Therefore, the consumerist culture that emerged out of the *Intifah* could be associated with a sort of new social order and social stratifications, as it fundamentally altered the previous existing order. The *effendiya* is a primary example of this social transformation, and despite their prominence under Nasser and their identity being a complex negotiation between traditional values and Western influences, effectively setting them apart from other social classes, their notability was progressively endangered by the *Infitah's nouveaux riches* (Shechter 2008, 578). Despite the significant impact the *Infitah* had on Egyptian society, it is safe to assume that these were not calculated outcomes and were rather unintended. A primary manifestation of these unintended, albeit pronounced, consequences was portrayed through the Egyptian film industry. With the cinematic narratives of the period wishing to explore the impact of the *Infitah* on gender relations and family values, where love crumbled due to the inability of the *effendi* protagonist to buy an apartment, the prerequisite for marriage depicts the difficulty males had to establish or sustain family under female consumerist

aspirations (Shechter 2008, 579). The cinematic narratives that emerged during this period underscore the economic disparities and hardship exacerbated by consumerism that had a direct impact on gender relations and family lives. Indeed, the emergence of private-sector cinema associated with the "commercialization and vulgarization of culture by the *Infitah's* new public is symbolized as a broader social malaise and the demise of the *effendi* way of life" (Shechter 2008, 579).

## 2.5 Foreign Affairs

*2.5.2 The Breaking of Nasser's Legacy: A New International Order.*
The Presidency of Anwar El Sadat marks a profound reposition of Egypt's international stance illustrating a definitive break with Egypt's international posture under Nasser. Nasser steered Egypt towards Arab unity as a regional policy, was staunchly against Israel, and pursued a non-alignment policy internationally while maintaining a friendly disposition towards the Soviet Union. Nasser's pursuit of the United Arab Republic through the union with Syria, Egypt's role in the formation of the international non-aligned movement, increased commercial relations with the Soviet bloc, and engagement in the 1967 Six-Day War underscore the salient international policy orientation pre-Sadat. On the other hand, Egypt's international orientation under Sadat is characterized by a diplomatic rupture with the Soviet bloc, a reorientation towards the West, and a pragmatic regional policy denoted by the 1973 October War, the abandonment of the Federation of Arab Republics project, and the Camp David Accords of 1979. Sadat's policy shift, in addition to enabling the reception of substantial American economic and military aid— indeed, a primary objective of Sadat's foreign policy—increased domestic tensions with the Muslim Brotherhood, which became progressively more critical of Sadat's foreign policy.

For much of Nasser's tenure, Egypt represented the Soviet's foothold in the Middle East and North Africa. Sadat's shift in Egyptian-Soviet relations is perhaps the result of a series of different issues concerning frustration with the *status* quo regarding Israel, dissatisfaction with Soviet military support, unfavorable trade relations, and pronounced cultural differences. Nasser's evaluation of the potential benefits of a hypothetical Egyptian-Soviet relationship was the result of Egyptian public pressure as well as pressure from the Free Officer to open relations with the Soviet Union (Ferris

2011, 5). Indeed, the ideological inclination of Nasserism greatly contributed to this pressure, despite Nasser nurturing an unfavorable view of Soviet Marxism. Nevertheless, the need to be on an equal footing with Israel from a military standpoint pushed Nasser towards the 1955 trade agreement with Czechoslovakia, quickly expanding Moscow's role in equipping and training the Egyptian Army (Badolato 1984, 70). This was a major development in the 1950s—as previously illustrated in chapter one—and a cornerstone of the emerging Egyptian-Soviet relationship. In addition, the Soviet Union's pro-Egypt stance during the 1956 Suez Crisis was received favorably and expanded the USSR's patronage and influence over Egypt substantially (Badolato 1984, 70). However, despite the 1956 Suez Crisis representing an opportunity for the Soviet Union to expand its influence in Egypt, the 1967 War resulted in a significant setback in Soviet-Egyptian relations.  With the systematic destruction of the Egyptian Army, numerous Egyptians became disillusioned with the USSR, feeling that the "Russians had let them down," and anti-Soviet sentiments began to surface in Nasser himself (Badolato 1984, 71). The Soviet-Egyptian relationship, therefore, post-1967, was characterized by growing friction between the two. While the Egyptians felt let down by the Russians, the Russians, in turn, believed that the failures of the 1967 War were more attributable to Egyptian military inefficiency than Soviet arms and equipment. With Nasser's abrupt death in 1970, Egypt's close to two-decade relationship with the USSR was on the very brink of existence. The 'Great Divorce' was unilaterally determined by President Sadat on July 19th, 1972, terminating the Soviet mission in Egypt and resulting in the withdrawal of 20,000 Soviet advisors (Badolato 1984, 71). Indeed, the 1972 expulsion of Soviet advisors from Egypt is as significant as the 1955 arms deal with Czechoslovakia, marking the beginning and the end of Soviet-Egyptian relations as they had been in the 1950s and 1960s. While Egyptian disillusionment with the Soviet Union as a result of Egyptian defeat in 1967 greatly contributed to the termination of Egyptian-Soviet military relations, frustration with the *status quo* in the Middle East may have accompanied this radical policy shift. According to U.S. Secretary of State Henry Kissinger's reflective analysis, the "decision came as a complete surprise to Washington, and the frustration over the lack of movement on the Arab-Israeli issues as a result of US-USSR rapprochement" may have been a critical motive behind the termination of Egyptian-Soviet military affairs

(Badolato 1984, 71). Undoubtedly, the Egyptians defeated in 1967 may have viewed
the US-USSR rapprochement and subsequent relative pacification of the international
multi-polar order—the era of detente—with frustration. The vested interest on behalf of
the world's Superpowers in maintaining the *status quo* in the Middle East may have
accentuated Sadat's policy shift vis-à-vis the USSR. Moreover, the friction between
Egypt and the Soviet Union was also characterized by a series of economic relations
that turned out to be unfavorable for Egypt and fundamentally incompatible with
Sadat's economic designs (*Infitah*). With Egypt heavily dependent on the sale of cotton
to Western markets to earn foreign exchange, the mortgaging of much of its crops to the
Soviet Union to pay for arms shipments caused a depression in the prices of Egyptian
cotton, contributing to the debtor relationship with the USSR (Holbik 1971, 145).
Therefore, the allocation of much of Egypt's agricultural export to the Soviet Union to
pay for arms shipment meant that Egypt's ability to amass credit access vis-à-vis
Western markets to substantiate internal economic development was greatly
compromised. Therefore, the unfavorable trade relationship struck with the USSR, the
disillusionment of Soviet support, and the frustration with the unchanged *status quo*
constituted friction within Egyptian-Soviet relations. In addition, while the previously
mentioned reasons may have been true in 'high quarters, the pronounced cultural
differences between Russians and Egyptians may have constituted a significant factor of
friction for ordinary Egyptians. Egyptian sources claim that culturally, the Russians
were generally obtuse in dealing with Egyptians, maintaining an image of aloofness by
keeping mainly to themselves to the extent that their children had separate playgrounds
and they purchased expansive properties for their self-isolation, which did not endear
them to the generally gregarious Egyptians (Badolato 1984, 73). While the cultural
aspect may have constituted the least aspect of the deteriorating Soviet-Egyptian
relationship, it illustrates an interesting feature of the multi-dimensionality of their
diplomatic relationship. Nevertheless, this cultural outlook was eventually articulated by
Sadat himself, as he recalls that:

> "The Soviet Union began to feel that it enjoyed a privileged position in
> Egypt— so much so that the Soviet Ambassador had assumed a position

comparable to the British High Commissioner the days of the British occupation of Egypt" (Brugioni 2004, 6).

In summary, the expulsion of Soviet advisors in 1972, primarily driven by Egyptian disillusionment with the Soviet Union and frustration with the *status quo* in the Middle East, marked a significant international policy shift from Nasser's stance. The termination of the Egyptian-Soviet military alliance amounted to Sadat's strategic repositioning of Egypt towards the United States, paving the way for a renewed Egyptian role in international and regional affairs.

Although the establishment of the Federation of Arab Republics (FAR) in 1972 is a minor Egyptian foreign policy 'milestone,' perhaps more attributable to Muammar Gadhafi than Anwar El Sadat, a brief evaluation of the FAR serves as a noteworthy parallel between Nasser's and Sadat's approaches to regional politics. Sadat's downgrading of Gadhafi's unitary pan-Arab state into a federation and subsequent Egyptian withdrawal in 1977 signaled the President's disappearing interest in pan-Arabism as an instrument for regional influence and prestige. In addition, it also marks the end of one of Nasser's pillars in the realm of foreign policy, contributing to the overall disappearance of Nasserist values under President Sadat.

On December 27th, 1969, Presidents Muammar Gadhafi of Libya, Gamal Abdel Nasser of Egypt, and Jaffar al-Numayri of Sudan signed the Tripoli Charter, setting in motion the proclamation of the FER, which was to include Syria and temporarily exclude Sudan (Bechtold 1973, 152). The FAR undoubtedly constituted a renewed step towards greater Arab unity and cooperation, but with Sadat's ascendency to power, the FAR would largely be unsuccessful and short-lived. Despite significant normative developments between 1969 and 1972 in the realm of institutional and economic integration, the 1973 October War would ultimately comprise its demise four years earlier than its official dissolution. While the FAR was a 'small parenthesis' in Sadat's eleven-year tenure, the FAR had some relevancy for the President. Firstly, on September 1st, 1971, referendums in Egypt, Libya, and Syria were overwhelmingly positive, with 99.96 percent of Egyptian voters approving the union (Bechtold 1973, 153). Thus signaling a popular and governmental willingness and disposition towards Arab union and Arab nationalism in the early 1970s. It is safe to assume that the

inception of the FAR before Sadat's Corrective Revolution was largely applauded by Nasserist elements that occupied the majority of key positions in the establishment. In addition, the stipulation of the Tripoli Charter, –which was signed but never implemented—was characterized by the downgrading of the merger into a Federation by the direct suggestion of El Sadat and enabled Egypt, Syria, and Sudan to access large grants of Libyan petrodollars (Anderson 1971). Nevertheless, with Sadat's Corrective Revolution in vigor by sidelining Nasserist elements, the President increasingly viewed Muammar Gadhafi's radical rhetoric as problematic. Indeed, Sadat ultimately did not implement the Tripoli Charter in 1973 and deliberately didn't notify Libya of his plans to attack Israel in 1973, causing anger and a period of frequent diplomatic rifts between Egypt and Libya along with the cessation of the FAR (Anderson 1971). The claim that the FAR was a relatively minor and unimportant milestone is substantiated by its brief existence and the lack of academic literature. Nevertheless, Sadat's initial entertainment of the FAR and subsequent reluctance to pursue further integration prompt a series of questions. Was Sadat's early enjoyment of the FAR due to the presence of Nasserist elements pre-Corrective Revolution? Despite the speculatory nature of the question, what is certain is that with the abandonment of the FAR, Sadat firmly put an end to Egypt's regional pursuit of Nasserist-Arab unity in favor of a more pragmatic and less ideologically driven approach to Middle Eastern dynamics.

*2.5. The 1973 October War*

On the other hand, a cornerstone of Anwar al-Sadat's foreign policy was the alteration of the post-1967 *status quo*. The conditions for the 1973 October War largely lay in the outcomes of the 1967 Six-Day War. With Israel occupying the Sinai Peninsula along with El Sadat's frustration due to the US-USSR agreement in maintaining the s*tatus quo* in the Middle East, El Sadat's Egypt meticulously prepared for war. In the pre-war efforts, the professionalism evident in the recruitment, equipment acquisition, and training of troops enabled the Egyptians to conduct a successful initial military campaign in the 1973 War (Harb 2003, 283). While the early successes can be attributed to Egyptian professionalism and preparedness, it is worth mentioning that a change in Israeli perceptions vis-à-vis the aggression potential of its neighbors played a significant role in Egypt's successful campaign early into the war. More specifically, as a direct outcome of the 1967 War, the Israeli leaders felt that the Arabs did not constitute a

serious preoccupation, and thus, there was no serious national security penalty for ignoring Arab demands (Terrill 2009, 9). The 1967 War resulted in Israel occupying the Golan Heights, the West Bank, the Gaza Strip, and the Sinai. Despite Israel's ability to negotiate better terms due to its military posture, it is difficult to view any negotiations between Israel and Arab nations without the prior ceding of the occupied territories. In addition, the brief war of attrition in 1970-71 between Egypt and Israel, which consisted of Egyptian artillery bombardments across the Suez Canal to pressure the Israeli commander to withdraw, was met with deep penetration raids by the Israeli air force, coercing Egypt to accept a cease-fire in August 1970 (Khalidi 1973, 60). The evident reach of the Israeli military might—especially via their air force—compelled Israeli commanders to progressively adopt a perhaps overly optimistic strategic approach for countering a possible Arab escalation. More specifically, Israeli commanders believed that "Syria would not attack Israel unless it did so in collaboration with Egypt, while Egypt would not attack until it had achieved air parity with Israel," which was conveniently considered an unattainable objective (Terrill 2009, 10). Israeli commanders, therefore, asserted that Israel's air superiority characterized the best form of deterrence to any alterations to the post-1967 *status quo*. Understandably, Israeli air superiority proved to be a 'game changer' in the 1967 War, as it was able to deliver shaking blows to Arab air forces in the first few hours of the war. In anticipation of the outbreak of violence, the Israelis' confidence in their air doctrine was exploited by the Egyptians and the Syrians. Firstly, they had been acquiring a significant number of modern anti-aircraft and anti-tank weapons; secondly, on the eve of war, they tailored a deception plan to play to Israeli biases about the shortcomings of Arab armies (Terrill 2009, 11). The plan involved the public announcement of a military maneuver, the "Tahrir 41," scheduled for October 1-7, where a number of Egyptian soldiers were assigned to help deceive the Israelis by appearing "lackadaisical, engaging in fishing, sunbathing and sitting at their posts without helmets or appropriate military gear" (Terrill 2009, 11). Syrian troops adopted a similar 'ruse.' Moreover, the Egyptian decision to go to war came from Cairo's leadership's belief that the *status quo* was intolerable. Egypt opted for a limited war with carefully proscribed goals linked to Israel's nuclear capacities and Egypt's infrastructural shortcomings, seeking to overrun Israeli defenses and prompting an American de-escalatory effort, thus a war plan that

would be initiated with a military option and ended with a political solution (Terrill 2009, 14). Finally, the 1973 Arab-Israeli War began on October 6th. The start of the war at 1:55 pm on *Yom Kippur* comprised a simultaneous attack launched by Egypt and Syria, with Egyptian forces executing a complex and well-organized maneuver with the first wave of forces crossing the canal in boats and bypassing the strongpoints along Israel's Bar-Lev Line to prepare for an armor-heavy counterattack (Safran 1977, 137). Moreover, Egypt's deception plan essentially meant that Israel had been caught by surprise and did not have time to mobilize a response against Egyptian forces. The Israeli commanders confidently believed that the air force could disable Egypt's attack in a mere 24 hours; however, Egypt did not employ the air force to match the Israelis. Rather, they provided control of the airspace over a limited amount of territory where the Egyptians waged ground operations by employing surface-to-air missiles (SAMs) and anti-aircraft artillery guns (AAA) in combination with infantry and anti-tank units to avoid the tank-to-tank battles that the Israelis excelled at (Terrill 2009, 24). The defenses of the Ber-Lev line failed to contain the Egyptian military maneuvers, and on October 8th, the Israeli counteroffensive was set in motion. The Israelis had been surprised by the scale and organization of Egypt's attack. In addition, the initial Israeli counteroffensive quickly stalled as Israeli tank units had insufficient levels of cover and were highly vulnerable to Egyptian soldiers using ATGMs and RPGs as they stood their ground and inflicted massive Israeli losses, forcing their retreat in disarray (Terrill 2009, 27). The first 48 hours of the 1973 war were nothing like the 1967 war. The Egyptian forces were better equipped and adopted a more professional approach, enabling them to sustain complex operations involving ground and air forces. Nevertheless, Egypt's success in the Sinai was not matched by Syria's success in the Golan Heights. Israel was able to conduct a series of successful operations to drive the Syrian troops off the Golan Heights, and by October 13th, Israel had delivered artillery strikes on Damascus airport, threatening the capital (Givens 2002,140). Despite the losses on the Sinai front, the considerable advances made on the Golan front reinforced Israel's morale and ignited a daring response by Egypt's leadership based on political rather than military calculations. On October 14th, Sadat ordered a major offensive to reach the Mitla and Gaddi passes 30 miles east of Suez in order to relieve pressure on Syria, a decision that Lieutenant General Shazly criticized as he maintained that Egyptian troops should not

move out of the protection of the air defense umbrella set up over the Suez Canal (Terrill 2009, 27). The movement of Egyptian troops out of the air defense umbrella caused them to be increasingly exposed to Israeli retaliatory air strikes. In fact, the Israeli air force quickly exploited the gaps left by advancing troops, destroying the Egyptian air defense system, and Israeli troops crossed the Canal on October 15th and 16th (Safran 1977, 140). Despite Egypt's military successes early into the 1973 War, Syria's military failures compelled Egypt to launch an offensive that would place its military forces in a precarious position. With the Israeli troops crossing the Canal, the fight had shifted out of the occupied Sinai into Egypt. This serious defeat compelled Anwar El Sadat on October 16th to address the Egyptian Parliament, stating that he would agree to a cease-fire if the Israelis returned to the Sinai and that Egypt would attend a peace conference and encourage other Arab states to do so (Karawan 1994, 251). Anwar El Sadat's allusion to the possibility of a formalized and permanent peace with Israel signals the leadership's concern with implementing a truce given the deteriorating military situation. On October 23[rd,] a UN-sponsored cease-fire went into effect but rapidly collapsed, with the Israelis capturing Suez City on the 24th and almost completely encircling Egypt's 40,000-man Third Army (Terrill 2009, 47). The encirclement of Egypt's Third Army exemplified a series of issues. Firstly, it was clear that the deteriorating military situation was significantly worsening. Secondly, heavy losses could have been a realistic possibility given the difficulty of providing supplies during encirclements, and lastly, casualties could have been accentuated by Egypt's potential attempts to break the Israeli's encirclement.  The dire conditions Egypt found itself in could have had serious domestic implications for Anwar El Sadat's regime if the Israeli advance wasn't halted or countered. Nevertheless, on October 25th, after intense diplomatic activity by Kissinger, the war ended as the US leadership had taken a chance on Sadat, who had been using secret channels to indicate his willingness to facilitate a lasting Arab-Israeli peace (Terrill 2009, 47). Therefore, the intervention of the United States saved Egypt from a catastrophic defeat in 1973. Nevertheless, the end of the 1973 War and the new-found relationship with the United States would be a salient factor for Sadat's *Infitah* and roadmap to peace with Israel.

*2.5.4 Peace Process and Camp David Accords.*

The aftermath of the *Yom Kippur* 1973 War was characterized by the increasingly critical role of the United States as a mediator for the Arab-Israeli conundrum. This newly acquired role by the US not only underscored the USSR's waning importance in the region but progressively brought the US to perceive Egypt as a crucial nation in the implementation of a comprehensive regional peace process. The broader peace process that brought about the Camp David Accords in 1978 and the Egyptian-Israeli Peace Treaty of 1979 was characterized by a series of milestones. Firstly, the immediate aftermath of the 1973 War was marked by US Secretary of State Henry Kissinger's efforts to establish cease-fires and disengagement agreements between Egypt, Israel, and Syria. Kissinger's successes in the region were followed by a period of stagnation vis-à-vis the peace process and important Egyptian policy shifts that culminated in Sadat's visit to Jerusalem in 1977. Sadat's bold and unprecedented move to break the deadlock that had been stalling the peace process consequently led to the Camp David Accords of 1978 and the final Peace Treaty in 1979.

The 1973 war had a series of lasting consequences that would drive the peace process. Firstly, Egyptian successes in the early days of the war helped overturn the "myth of Israeli invincibility" (Al Roy 1970,55). Secondly, the decline of the Soviet Union's influence was becoming an evident reality, leading to Egypt's growing perception that the US was the realistic option for an Arab-Israeli settlement. Lastly, the oil embargo had significantly changed the dynamics of the conflict and sent shock waves in the Western world and Japan, underscoring the global interest in finding a stable solution to the Arab-Israeli conundrum. The first steps towards peace were led by the efforts of US Secretary of State Henry Kissinger via 'shuttle diplomacy' to erect disengagement agreements between Israel, Egypt, and Syria. Kissinger was aware that a conundrum of this magnitude could not be solved in one stroke and, therefore, "shuttled relentlessly between various Arab capitals and Jerusalem trying to convince both Arabs and Israel to strike a bargain with each other" (Naidu 1992, 402). After the adoption of the 1973 ceasefire by the UN, Henry Kissinger developed a strategy for implementing a lasting ceasefire and military withdrawals, along with the inclusion of non-belligerent Arab nations in the broader peace discussion. Kissinger's primary strategy vis-à-vis Egypt was to "drive to the point that the US was the key to any resolution to the conflict and that any amount of military aid from Moscow would not be sufficient for Egypt" to get

the Sinai back (Naidu 1992, 399). The negotiations with Sadat revolved around Palestinian issues and Israel's military withdrawal, but time was of the essence as the Egyptian Third Army was still being encircled. Sadat eventually agreed to Kissinger's disengagement agreement, which immediately provided for partial military withdrawals, prisoner exchanges, and a relief corridor for the Third Army while assuring Sadat that some form of Palestinian participation would eventually be arranged, as well as the complete Israeli withdrawal from the Sinai (Sheehan 1976, 17). Having succeeded in winning Sadat's support, Henry Kissinger additionally 'targeted' King Faisal of Saudi Arabia and President Assad of Syria.

Saudi Arabia was quite important in the 1973 war dynamics, despite not being actively belligerent towards Israel. Apart from the economic support granted to Arab nations in the pre-war preparation stages, Saudi Arabia's leveraging of oil prices drastically expanded the importance of the conflict and brought the attention of the world to the Middle East. In addition, it signaled that Saudi Arabia had the capacity to influence the outcome of regional dynamics and naturally could not be left out of any discussions toward the resolution of the Arab-Israeli conflict. In addition, King Faisal was one of the "pillars of American policy" in the Middle East, and the Saudi Monarchy was the main "benefactor" of Egypt in the 1970s by providing enormous economic aid (Naidu 1992, 400). Negotiations with King Faisal revolved around ending the oil embargo and explaining the US's motivations for their actions in support of Israel. Kissinger identified Saudi Arabia as crucial in its ability to sway Arab states and steer them towards a peace agreement with Israel. While Saudi Arabia could exert considerable weight on Egypt due to its economic influence, Egypt already retained a favorable disposition towards peace. Saudi Arabia turned out to be crucial for the inclusion of Syria in the disengagement process. In fact, despite negotiations with King Faisal being challenging, as time passed, it became "clear to the King that he could not hope for a total Israeli withdrawal and became the financier of Kissinger's interim diplomacy; he subsidized Sadat and seduced the Syrians" (Sheehan 1976, 22). Sadat's approval of a disengagement agreement with Israel diminished Assad's bargaining position significantly. The Syrian President had hoped to "put up a joint front in the negotiations," but as Sadat approved a separate deal with Israel, Assad had no choice but to negotiate with Kissinger (Naidu 1992, 401). Syrian President Assad's disposition

was not as cooperative as Sadat's. Kissinger recalled the difficulties in negotiating the disengagement agreement due to the tense situation in the Golan Heights, with Assad demanding a full withdrawal; nevertheless, Kissinger prevailed as Assad ultimately agreed to disengagement (Sheehan 1976, 29).

Kissinger's successful mediation of disengagement agreements in 1974 via "shuttle diplomacy" came to a halt when the Watergate scandals reeled the Nixon Administration. The Watergate scandal, which subsequently greatly diminished President Nixon's credibility, leading to his official resignation in 1974 and the inception of President Gerald Ford, sparked a period of stagnation in the development of peace in the region. In addition, the "grinding halt and stalemate" continued after Jimmy Carter became president in 1977. This stalemate in the broader peace process was eventually broken by President Sadat himself upon announcing his willingness to visit Jerusalem. Sadat's historic announcement to visit Jerusalem and address the *Knesset* came as a surprise and marked a departure from the common Arab stance of avoiding direct negotiations with Israel (Naidu 1992, 404). Sadat's visit to Jerusalem signaled Egypt's willingness to continue with the peace process, bringing Sadat under scrutiny and criticism by a diverse number of factions. Indeed, his decision to visit Israel further sowed divisions among Arabs as he was accused of "treachery and betrayal" with radicals launching an "all-out vicious campaign" against the President (Naidu 1992, 404). Nevertheless, despite the undesirable fomentations instigated by Sadat's visit, it broke down the psychological barriers between Israelis and Egyptians and led to the reciprocation by Israeli Prime Minister Menachem Begin as he visited Cairo in 1978. Sadat's visit to Jerusalem and Begin's reciprocation reignited the momentum for the finalization of the peace process. It could be deduced that the bilateral willingness to pursue peace commitments further motivated President Carter to invite both Sadat and Begin to Camp David. On September 17th, 1978, the three leaders presented their two frameworks for peace, one outlining the peace treaty between Egypt and Israel and the other the autonomy plan for the establishment of a self-governing authority for Gaza and the West Bank (Naidu 1992, 405). The details of the Egypt-Israel Peace Treaty were worked out several months after Camp David's official inception in 1979. The Peace Treaty's framework called for the withdrawal of Israeli forces from the Sinai over a three-year period, the restoration of Egyptian territory, the establishment of

security zones, and the establishment of diplomatic relations between the two countries (Naidu 1992, 405). Sadat's Egypt was the undeniable beneficiary of the peace accords. The fact that Egypt borders Israel is a noteworthy factor. Egypt has been a direct beneficiary of the impetus of wars against Israel, which has put enormous pressure on Egypt's economy. The peace treaty constitutes Egypt's gaining back the Sinai, the reopening of the Suez Canal, and a relaxation of their defense expenditures (Ibrahim 1982, 80). The early disengagement agreements marked a period of relative peace and a growing relationship with the United States that underscored the successes of the *Infitah*. The end of the war, the subsequent economic recovery and relative prosperity, and the finalization of the peace treaty by the end of the decade marked the end of the pan-Arab Nasserist rhetoric espousing the Arab brotherhood, which fervently led Egypt to the edge of financial ruin twice.

Generally, throughout Sadat's tenure, the Muslim Brotherhood had emerged as the most critical voice in the country. Although Sadat courted conservative factions to counter Nasserist elements in the early years of his leadership, his foreign policy shifts caused increasingly vocal and vehement criticism from the MB. Indeed, the *Infitah* and the process of democratization have "appropriated relatively less of the MB's attention" in comparison to Sadat's alliance with the West and conciliation with Israel (Ibrahim 1982, 80). The Muslim Brotherhood had generally not spared many occasions to highlight the deficiencies of the government, underscoring an interesting puzzle as to why they are seemingly immune from Sadat's exhaustive intolerance for public dissent. Perhaps Sadat's quest for legitimacy staked on his democratization platform and adoption of religious faith—with *Al-Iman* as one of his regime's slogans—prevents the curbing of MB publications and criticism as it could potentially expose him as anti-Islamic (Ibrahim 1982, 90). In addition, delving into a brief evaluation of the Muslim Brotherhood's tactics is essential for contextualizing their criticism of Sadat's foreign policy. The MB has two operational principles and has voiced its criticism of Sadat's leadership through two main periodicals. The strategic principle emphasizes creating an Islamic social order based on Shariah, while the tactical principle focuses on raising awareness among Muslim masses to influence the decision-making process; meanwhile, the Muslim Brotherhood's leadership distinguishes itself from other Islamic groups by avoiding violent confrontations against the Sadat Regime, by limiting themselves to voice their vehement

criticism through their two periodicals are *Al Da'wa* and *Al-I'tisam* (Ibrahim 1982, 81).
The Muslim Brotherhood largely derives its legitimacy from voicing criticism by
assuming the position that they are speaking for the good of Islam and that they only fear
God. The Muslim Brotherhood had been extremely critical of Sadat's foreign relations
and had adopted an escalatory tone in their publications as the peace process progressed.
The MB criticism revolves around the argument that Israel is an aggressor villain on the
abode of Islam, an evil to be eradicated for its desecration of Muslim shrines, treatment
of Palestinians, and control of the Holy Land (Ibrahim 1982, 85). The general point of
view towards Israel marks the MB's uncompromising attitude around the impossibility
of peaceful coexistence with Israel, which is starkly in contrast with Sadat's foreign
policy. The antagonism for Israel likely derives from the MB's historical involvement in
the Palestinian military resistance of 1948. Additionally, the MB identifies two other
enemies of Islam: the never-ending crusade of the West—*al-Salibiyya al-Gharbiyya*—
and communism (Ibrahim 1982, 86). The MB mobilized its periodicals to deliver
vigorous criticisms condemning Sadat's visit to Jerusalem, the Camp David Accords, and
the Peace Treaty. In their periodical *al-I'tisam*, they recount:

> "Dying for the sake of God is our dearest aspiration. From this vantage
> point, we consider the shameful peace produced at Camp David and the
> Treaty with the enemy of God, the Prophet, the believers, humanity, and
> justice to be an illusion. We believe from the depths of our hearts that it is a
> false peace. As the treaty [with Israel] is false, so are all its consequences.
> Normalization, therefore, is not only religiously condemned, but it also
> entails rampant dangers for Muslim Egypt. It is a disguised Jewish invasion
> of Egyptian society, which, until then, was the fortress of Islam. Egypt has
> been the last line of defence against the three enemies of Islam: Western
> crusaders, Communists, and Jewish Zionists." (Ibrahim 1982, 80).

The MB's vantage point of fearing God and nothing else and speaking for Islam enables
them to put Sadat in a difficult position. Given the restriction on the freedom of the
press under Sadat, it is safe to assume the regime would have cracked down on any
form of critical reservation towards the peace initiative. The MB's defiance of

censorship laws underscores their influence as a group, which undoubtedly had grown to become the most realistic threat to Sadat's regime. In addition, the MB does not spare any criticism for Sadat's general reorientation towards the West for political and commercial reasons. The Muslim Brotherhood, despite initially supporting Sadat's disengagement from the USSR, redirected its critique towards the West and the United States, driven by grievances over the West's encroachment on *Dar al-Islam*, humiliation of Muslims, support for Israel, secular influence diluting Islamic culture, its alleged involvement in the MB's persecution in Egypt during the 1940s and 1950s, and a perceived ongoing crusade against the Muslim world that began in the eleventh century (Ibrahim 1982, 87). The overall impact of the Muslim Brotherhood's critique of Sadat's foreign policies is significant. Under Sadat, Egypt experienced significant changes, marked by increased political and economic liberalization, the introduction of Western and consumerist values into society, a noticeable pivot towards the West in the realm of foreign policy, and the establishment of peace with Israel. These ground-breaking policies were met with domestic opposition, especially from the Islamist factions that increasingly opposed Sadat. While the MB has no affiliations with armed and violent Islamist groups per se, they were part of a broader Islamist opposition that progressively identified Sadat with the betrayal of Islamic principles. The MB, moreover, played a crucial role in shaping the political environment and climate for this opposition, which was met with a severe crackdown on Islamist groups known as the September arrests of 1981 (Ibrahim 1982, 88). The September arrests, along with the vocal criticism of the MB, played a significant role in inflaming tensions. On October 6th, 1981, President Anwar El Sadat was assassinated by members of the Egyptian Islamic Jihad (Harb 2003, 284). While the Muslim Brotherhood did not orchestrate the assassination of Anwar El Sadat, the MB's overwhelmingly significant role in shaping the political climate of religious extremists in Egypt, alongside the shared affinities with the Egyptian Islamic Jihad, contributed to the environment that facilitated Sadat's assassination by creating a political context of tensions and ideological radicalization that influenced the actions of more militant groups.

## Chapter 3: HOSNI MUBARAK

### 3.1 Political Affairs

Following Anwar El-Sadat's transformative era, Hosni Mubarak ascended to the presidency of Egypt after Sadat's assassination in 1981, leading the country until 2011. Mubarak's leadership of Egypt was characterized by many "firsts." Apart from having ruled the country for longer than any other Egyptian President to date, Mubarak was the first Egyptian President to undertake water management projects, host the World Economic Forum, provide political reforms that would turn elections into a multi-candidate system, and openly hint at the possibility of a successor after his tenure. The fact that Mubarak's presidency constituted many "firsts" is largely due to his efforts to stabilize Egypt and his regime, which successfully enabled him to remain in power for 30 years. Mubarak's 30-year tenure was marked by continuity and change, focusing on stability, economic liberalization, and foreign policy adjustments within the frameworks established by Anwar El Sadat. Under Mubarak, Egypt solidified its 'post-populist' state characteristics, with the military maintaining a significant, albeit different, role in governance. Unlike the disengagement of the military from direct political involvement initiated under Sadat, Mubarak's era was characterized by a recalibration of the military's involvement that ensured its continued influence without overt dominance in civilian governance. This chapter will dissect these dynamics across four main areas: domestic political stability and governance, elite management and co-optation, economic reforms and liberalization, and foreign policy realignments. In addition, due to Mubarak's extensive hold on power, this chapter will seek to identify the major milestones that have characterized Mubarak's regime both positively and negatively. Broadly speaking, the initial section will explore Mubarak's rise and stabilization measures to ensure a smooth transition of power from Sadat. Indeed, Mubarak's rise to power largely maintained the institutional legacy of Sadat's Corrective Revolution, amplified the political liberalization process started and reverted by Sadat, but ultimately drastically changed the figure of the President in the latter years of his presidency. The latter part of Mubarak's presidency will be identified within all relevant sections in order to provide a multidimensional analysis of his ousting in 2011. Secondly, this section will assess the shifts in the elite dynamics, informing an increase in the broader powers and influence of the business elites and a fundamental return of military elites that Sadat had sidelined. Thirdly, the economic legacy of Mubarak can be generally attributed to his continuation of the liberalization policies of Anwar El Sadat.

Nevertheless, the continuation of the *Infitah* under Mubarak had a distinct twist, that is, the rise of military enterprises and "off-budget" activities under a reform of Sadat's Law 32. The rising autonomy of the military within the Egyptian economy is a direct consequence of the re-inclusion of military elites in key positions, along with Mubarak's need to balance the political liberalization he had promised. Lastly, Egypt's active engagement in foreign policy affairs is characterized by a continuation of a pro-Western alignment, the upholding of the peace process with Israel and Egypt's engagement in a series of complex regional issues. The primary objective of this chapter analysis is not only to recount the significant developments during Mubarak's presidency but also to offer an analytical understanding of how Mubarak's leadership both followed and diverged from Sadat's path. Ultimately, the last section will delve into the transition of power from President Mubarak to President Abdel Fatah Al Sisi amidst the 2011 revolutions.

*3.1.2 Mubarak's Ascendency and Stabilization: The First Phase: 1981-2000*

As previously mentioned, Mubarak's 30-year tenure encompasses numerous milestones that have characterized it. For the sake of clarity and in an effort to best keep this section in line with the chronological occurrence of events, this section on Mubarak's domestic affairs will be 'divided' into two phases. The first phase, from roughly 1981-2000, will address Mubarak's ascendency and stabilization of his Regime, along with the role of 'civil society' and the limited political liberalization that characterized a political stagnation rather than concrete developments. The second phase will be substantiated by Mubarak's constitutional amendments in 2005 and 2007, succession speculations, and the political situations leading to 2011. The second phase ultimately seeks to underline the cause that led to the 2011 uprisings and the definite ousting of Hosni Mubarak, although these conditions will be delved into in a subsequent section informing the transition to Al-Sisi.

With the assassination of President Anwar El Sadat on October 6th, 1981, Hosni Mubarak assumed the leadership of the country. What is particularly interesting about Mubarak's initial ascent to the presidency—despite the urgency for a swift transition due to Sadat's assassination—is the adherence to legal procedures involving the succession from one president to another. More specifically, following Sadat's

assassination, Speaker of the People's Assembly Soufi Abu Taleb assumed the role of acting head of state as per the Egyptian Constitution, while Hosni Mubarak, the Vice President, was nominated by the NDP and by the People's Assembly, culminating in a national referendum on October 13th, where Mubarak was elected President for a six-year term with 98.46 percent of votes (Merriam 1983, 24). This context underscores the constitutional establishment's maintenance, as the power transition was orderly and constitutionally proscribed. Transitions of power are typically complex affairs in nations led by authoritarian figures and are often followed by power struggles, power vacuums, and purges. Mubarak's case, however, highlights a transition of power where legislative norms were respected amid the growing social instability that led to Sadat's death. Moreover, it further illustrates Mubarak's continuity of Sadat's legacy, as the adherence to the legal 'formalities' demonstrates the President's commitment to institutional integrity, ensuring a degree of continuity and stability. In addition, a smooth transition of power may arguably contribute to domestic and international legitimacy as it avoids the disorderliness of power struggles. Nevertheless, despite Mubarak's long career in public service, he was a relatively unknown figure in 1981, lacking Nasser's charismatic qualities and Sadat's adventurism and personal flamboyance (Davidson 2000, 77). Understandably, it could be argued that this may have posed a challenge in establishing his leadership over the establishment and securing the same level of domestic and international recognition his predecessors enjoyed. Nevertheless, Mubarak's first phase is characterized by a balanced approach to stabilization. Unlike Sadat, who immediately set about dismantling Nasser's programs, Mubarak remained highly loyal to the policies instituted by his predecessor, displaying the cautious and graduate approach that would come to characterize his mandate (Davidson 2000, 78). In addition, Mubarak inherited Sadat's growing opposition, particularly from Islamic militant factions critical of Sadat's foreign policy. The heightened socio-political situation and militancy coming from Islamist factions prompted Mubarak to enact a state of emergency immediately after his inception as president. The Emergency Law allowed President Mubarak to declare a state of emergency "whenever security or public order are jeopardized, whether due to war, natural unrest, general disasters," with Article 3 providing that the President is empowered to "restrict freedom of assembly, movement, residence, and empowers arrest and detention of suspects" (Davidson 2000, 90). The explicit lack of a

time limitation or 'return to normalcy' clause akin to the dualist constitutional systems of Western Europe underscores the method by which stabilization would be secured under Mubarak's presidency. Indeed, Mubarak had adopted a dual approach to stabilizing the country that is coherent with the development of a democratic system under the watchful eye and supervision of the state. This first approach is undoubtedly the security method, while the second is the political opening approach. Indeed, since the declaration of the state of emergency, Egyptian authorities have detained thousands of persons suspected of belonging to Islamist organizations, with the number of detainees estimated to be as high as 16,700 (Davidson 2000, 90). On the other hand, to counterbalance the effects of the State of Emergency Laws crackdowns, Mubarak sought to expand the political participation objective outlined in Sadat's October Paper. In addition, due to his perceived lack of charisma, unlike his predecessors, it is safe to assume that Mubarak's legitimacy would be based on his policies rather than his natural appeal, like Sadat and Nasser. In fact, "Mubarak cultivated the illusion that he was on the side of all groups and classes, with the exception of extremists in the Islamic *Jamaat* and the Coptic minority," holding out an olive branch to domestic opposition and inviting the leading members of secular and religious opposition to the Presidential Palace on the day of their release from prison in November 1981 (Ansari 1985, 23). Nevertheless, despite giving the impression that Mubarak would be open to expanding political participation, his further policies would demonstrate that political participation continued to be expanded under the strict supervision of the state and that political participation could not be a priority over stability. In fact, Mubarak harbored "a deep-seated mistrust of popular participation and thus remained unwilling to effect the deep reforms of political structures," ensuring that Egypt's political environment remained a highly restricted autocratic political system controlled by a dominant executive and his political supporters (Davidson 2000, 80). Mubarak's limited reforms signaled a period of stagnation in the liberalization process of political life in Egypt. Only limited reforms were introduced in his 'first phase' of leadership that could somewhat constitute some degree of change to the political system, albeit mainly reflecting the dominance of the NDP rather than the expansion of political liberalization. Nevertheless, despite introducing political reforms that would ultimately restrict political participation, Mubarak often counterbalanced his restrictions on political participation with the

illusion of a greater degree of political freedom. Mubarak's first step under his Party slogan *Al-Tahara* (Purity) was to distance himself from the influential members of the NDP, who had become notorious for their corrupt and illegitimate means of amassing wealth, ordering the prosecution of the "fat cats" in the private sector and his own ruling party (Ansari 1985, 24). This political move undoubtedly accommodated the opposition that rose due to the inequalities produced by the *Infitah* in the 1970s. In addition, it sparked hopes of a 'retreat' from politics from the president on behalf of opposition groups. The opposition held the view that "Mubarak should not identify himself with any party and should become an arbiter among parties instead, a proposition the NDP dismissed as merely "wishful thinking" (Ansari 1985, 24). Despite Mubarak's sidelining of NDP elements that had grown wealthy and powerful amidst the *Infitah* policies under Sadat, he retained the position of party leader and affirmed his belief in the NDP.

Nevertheless, limited political reforms came in 1983 due to a series of riots sparked by the widening of the socioeconomic gap between social classes that continuously increased under the tenure of Nasser and Sadat. The contrast between the stability of the political establishment and the economic conditions that drove the impetus for reforms is an essential pre-condition for analyzing Mubarak's domestic policies. Indeed, while the subsidy system was maintained under Mubarak, there were two primary underlying flaws. From a theoretical standpoint, these flaws are deeply rooted in the parallel existence of socialist and capitalist models of development that stroked a troubled equilibrium and have contributed to Egypt's traditional dependence on imported grains and foodstuffs. On the other hand, there were no attempts to ensure that subsidies were delivered to their intended recipients, and with an increase in the urban population and a decrease in agricultural production, Egypt in 1983 imported around 40 percent of its food provisions with direct subsidies amounting to $2 billion, of which wheat comprised $400 million (Ansari 1985, 24). Thus, Mubarak's continuation of his predecessor's reforms, namely Sadat's *Infitah* and Nasser's welfare policies, reflected the severe balance of payments Mubarak inherited and an increasing dependence on American financial aid. Against the backdrop of the 1977 Bread Riots, which were not directly replicated under Mubarak, public dissatisfaction related to food prices and subsidies nevertheless persisted during Mubarak's tenure. While civil unrest

during the early tenure of Mubarak did not escalate to the magnitude of the 1977 Bread Riots, the government's renewed centralization efforts to balance subsidies and economic inequalities resulted in structural contradictions and vulnerabilities in the agricultural sector. More specifically, agricultural production was constituted by "parallel markets" in which one produced cash crops and the other constituted government-regulated crop production whose rent controls kept prices below the free market rate, thus leading to tensions between tenants and landlords (Ansari 1985, 28). Nevertheless, while the backdrop of an unstable system of subsidies and the economic inequalities resulting from the *Infitah* will be delved into more detail in the economic section of this chapter, their mention is essential for understanding the impetus of Mubarak's electoral reform of 1983. Indeed, the contrast between the deteriorating socio-economic conditions and Regine's primary aim for political stabilization underscores the inception of the 1983 electoral reforms.

In addition, growing and diverging notions of civil society that emerged in the post-1977 socio-economic conditions exerted considerable influence in paving the way for the 1983 reforms. Early notions of civil society in Egyptian political discourse, known as *sulta mandiyya* (civil authority), were shaped by the influence of European and Arab Christian intellectuals through interactions with the Muslim world, exemplified by dialogues between Egyptian Mufti Muhammad 'Abduh and French Historian Gabriel Hanotaux in 1900, and the contributions of Farah Antun, a Lebanese Christian residing in Egypt who published the influential *Jami'a al-Uthmaniyya* (The Ottoman Community) (Lavie 2017, 25). Although several additional examples may constitute the influence of notions of civil society in Egyptian political discourse, the centrality of such exchanges prior to the 1970s focused on secularism and the importance of science, concepts reiterated in Nasser's Charter of 1962. Nevertheless, the friction between civil society as a concept of secularism and civil society deriving its authority from Islamic principles progressively increased during Sadat's tenure. More specifically, a more "meaningful and vibrant debate over the concept of civil state emerged in the late 1970s against the backdrop of Islamization," manifested in growing mosque attendance, religious rhetoric in media and from state officials, and the growing dominance of Islamist organizations in Egypt's public arena (Lavie 2017, 27). The general Islamization process provided growing religious interpretations of civil society and

debates on the role of Islam in civil government, which exerted considerable influence on Mubarak's early presidency and decisively persisted throughout his three-decade tenure. Moreover, the popular sidelining of moderate interpretations of an Islamic civil society contributed to an increase in the power of political Islam and the spreading of less moderate interpretations. For instance, Judge and Intellectual Muhammad Sai'id al-'Ashmawy, part of the moderate Islamic school *wasatiyya* (moderation) explains his opposition to the codification of shari'a and the Islamic Revolution in Iran in his 1979 book *Usul al-shari'a* (Foundations of Shari'a) claiming the following:

> "In Islam, government is civil. Shari'a advocates a civil government that rules in the name of the people rather than a religious government that claims to rule in the name of God. Only the Messenger, the Prophet, rules in God's name. Since his death, nobody has been entitled to claim that he rules on God's behalf and that, therefore, he cannot be held accountable or criticized … One who purports to rule in God's name does so in order to lend a halo of sanctity to his rule and render his opinions and decrees unassailable … Nobody is entitled to claim this…" (Lavie 2017, 27).

'Ashmawy's publication was stopped and renewed only after the authorities intervened due to the outrage sparked and the demonstrations of Al-Azhar University students encouraged by the minister of the *awqaf,* underscoring the growing religious attitudes in Egypt advocating for a shift in favor of the notion of an Islamic civil state (Lavie 2017, 27). The sidelining of more moderate interpretations of civil society in favor of a more explicit governmental affiliation to religious values underscores the general context of Islamization in Egypt and characterizes a form of discontinuity between Egypt's presidential administrations and Egyptian society. In addition, the progressive pressure to adopt religious values in civil government defines Mubarak's impetus for granting further liberalization through the 1983 electoral reforms to divert these influences induced by Egypt's economic deficiencies and gain legitimacy in an increasingly complex societal landscape.

The new procedures in anticipation of the People's Assembly elections of May 1984 constituted the restriction of electoral districts from 176 to 48 along with the

adoption of proportional representation and a voting-by-candidate system instead of the traditional absolute majority vote between two-member districts (Ansari 1985, 23). The shift from the traditional electoral system to one that could see a potential increase in representation for opposing political parties represents an important streamlining of the electoral process as a whole. Nevertheless, the rearrangement of the electoral system to proportional representation did not rid it of the traditional influences that have constituted the previous framework. Indeed, the electoral system was subjected to a clause that limited party representation to eight percent of votes cast, changing the number of seats in the People's Assembly from 382 to 448, continuing to reflect the NDP strength in rural districts (Ansari 1985, 25). With the underlying deteriorating socio-economic conditions, the 1984 elections constituted an important opportunity for Mubarak to secure greater legitimacy. Despite the obvious underlying influence of traditional forces that enable greater political liberalization with a caveat, that is the eight percent limit of party representation, this system of election may arguably constitute the 'freest' thus far. The NDP's tailored electoral law best describes the balance between state control, political concessions, and the quest for legitimacy. In addition to switching the electoral system to proportional representations rather than the traditional 'winner-takes-all' system, the Law stipulated that any party unable to obtain eight percent would be eliminated, with the votes going to the largest party along with the forbidding of coalitions and independent candidates and the inclusion of reserved seats for women in almost every district (Hendriks 1985, 129). The Electoral Law demonstrates the clear NDP bias and pro-establishment stance while underscoring Mubarak's quest for legitimacy given the fragile political system inherited from Sadat. The forbidding of coalitions reduces the chances that opposition parties may obtain at least eight percent of votes and thus be represented in the People's Assembly. In addition, the allocation of votes to the largest party — the NDP— from parties that are unable to reach the eight percent ceiling demonstrates the systemic dominance of the NDP in the Electoral Law. Both of these factors broadly represent the electoral Law's pro-establishment bias and the political stagnation rather than gradual liberalization that characterized Mubarak's domestic political reforms. On the other hand, the inclusion of seats for women, along with the inclusion of any party that does reach the threshold, underscores the balance between Mubarak's quest for legitimacy and a state-controlled

liberalization of the political system. Nevertheless, Mubarak's general approach to allowing opposition parties to join the 1984 elections arguably enhanced the legitimacy of his leadership and the credibility of the elections themselves. After all, although serious limits were imposed to reduce the impact of elections on the NDP's dominance, the 1983 Electoral Law did provide for a degree of space for a well-mobilized opposition to be included in the People's Assembly. In addition, according to this research's logic, a more in-depth analysis of the procedural aspects of the 1983 Law and 1984 Elections campaigns warrants attention as it arguably sets out the political mechanisms that enabled Mubarak to sustain his leadership for three decades. Indeed, the 1983 Electoral Law faced initial criticism from opposition forces. In fact, existing opposition parties — the *Ahrar* (Socialist Liberal Party,) the *'Amal* (Socialist Labor Party)*, and *Tagammu'* (National Progressive Union Party)— including representatives from Communist, Nasserist, and Muslim Brotherhood factions all joined in the Committee for Defense of Democracy during the October 1983 Consultative Council elections in an effort to boycott the 1983 Electoral Law (Hendriks 1985, 129).[5] The New *Wafd*, had sent representatives to the opposition committee but had not formally joined, given their involvement in legal proceedings concerning their re-introduction as a party (Ansari 25, 1985).  In addition, Mubarak's decision to enable the New *Wafd* to participate in the 1984 elections collapsed the opposition's boycott movement (Ansari1985, 25). At the surface level, the significance of the positive ruling vis-à-vis the New *Wafd* effectively increased the credibility of the 1984 elections and provided Mubarak's electoral reforms with additional legitimacy. On the other hand, Mubarak's decision to allow the New *Wafd* to participate could be understood as a bold political maneuver to destroy the boycott movement that hindered the legitimacy of the electoral reforms and, more importantly, to fragment the opposition, causing smaller parties to be eliminated from the electoral 'race.' Moreover, this deliberate fragmentation of the opposition was also characterized by the fact that the ban on the Muslim Brotherhood remained in place, thus preventing a substantial part of the NDP's opposition from mobilizing in the 1984 elections. The growth of positive attitudes towards the Muslim Brotherhood and other conservative factions is largely the result of Sadat's lax approach towards the MB in comparison to Nasser, the socio-economic difficulties emerging out

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[5] Consultative Council was established by Sadat to limit parliamentary powers

of the *Infitah* that were increasingly identified by conservative factions as the result of Egypt's diversion towards the West and away from Islam, citing moral corruption and the broader effects of the Islamic Revolution in Iran. Thus, the 1984 elections underwent within the context of an 'Islamization' trend in the Egyptian social, cultural, and political landscape as previously mentioned. Therefore, with the growing affiliations towards Islamic civil society models, the role of Islam had become a central theme for virtually all parties involved in the 1984 elections. From a strictly political standpoint, the results of this 'Islamicized' political climate were represented in the alliance of convenience between the New *Wafd* and the Muslim Brotherhood and the commitment of all parties contesting elections to the upholding of *Shari'a* in their political programs— highlighted by the employment of Qur'an recitals during political meetings and the widespread distribution of *imsakiyya* given that the elections were held on the eve of Ramadan (Hendriks 1985, 219).[6] Additional to the centrality of Islam in election campaigning, the unrestricted use of mass media played a pivotal role in shaping voters' attitudes toward the competing parties.  According to Hendriks (1985,129), the four opposition parties were given 40 minutes on television each week and were limited to distributing their weekly papers to cities in comparison to the NDP's utilization of the government apparatus for constant television and press outreach. In addition, it is important to shed light on the campaign initiatives and limits of the competing parties given the fact that the 1984 elections underwent during the state of emergency enacted in 1981.

   *Tagammu'*. For *Tagammu',* the National Progressive Union Party, the 1984 elections represented a monumental challenge. Given their inclination toward Marxism, the Islamicized socio-political context of 1984 caused *Tagammu'* to tread carefully during its campaign, and its suppression under Sadat due to their affiliations with Nasserist elements caused the party to shrink significantly. Nevertheless, in the months before the May elections, *Tagammu'* became increasingly vocal about the importance of welfare measures and subsidies, guarding against any changes that may impact either of the two. Additionally, *Tagammu'* continuous campaigning against price rises led to serious riots at the *Kafr al-Dawwar* industrial complex in September of 1984, causing the death of three workers and over 120 arrests along with Mubarak's repealing of price

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[6] *Imsakiyya* are Fasting Calendars distributed during the Month of Ramadan:

increases for cooking oil and pasta (Posusney 1993,117). Moreover, *Tagammu'* did attempt to relax voters vis-à-vis their stance on religion, given their association with Marxism. A notable instance of *Tagammu's* accommodation efforts towards religious groups is represented by a meeting in the neighborhood of *Zawiya al-Hamra* in Cairo where a meeting with renowned Marxist party leaders, the Coptic head of the local list, and the Al-Azhar Sheikh worked together to "convey the party's respect for religious values and its conception of national unity." (Hendriks 1985, 130). Nevertheless, it is important to note that *Tagammu* was often discredited by more conservative factions. An additional challenge faced by *Tagammu* leading to the 1984 elections concerned their considerably shrunk popularity under Sadat's repression and subsequent loss of candidates nationwide. Given their limited gains from conservative factions and indirect role in inciting the *Kafr al-Dawwar* riots, *Tagammu* faced increased pressure from Mubarak's state of emergency laws, which drastically limited their ability to mobilize public support as restrictions on manifestations were in place. This led *Tagammu* to discard large public meetings altogether and host hundreds of small meetings with youth clubs, coffeehouses, and professional organizations, facing occasional police instructions but ultimately enabling them to place 900 candidates in virtually all electoral districts in comparison to the 34 candidates they had in 1979 (Hendricks 1985, 131).

       *'Amal.* The Socialist Labor Party— *'Amal*— established during Sadat's three-platform reforms represents perhaps the most flexible ideological evolution of any other party competing in the 1984 elections. Despite its name's implications, *'Amal'*s support base did not rest in industrial neighborhoods or among public employees. Rather, its support base was largely contested with that of the New *Wafd.* Born as a socialist platform and then party under the leadership of Shukri—Sadat's Minister of Agriculture— *'Amal's* ideological character was perhaps more inclined towards Islamic nationalism than socialism, to some extent resembling the *Misr el-Fatah* Party by 1984 (Aknur 2007, 314). The *'Amal* struggles in the election campaign primarily derived from the New *Wafd*'s popularity and lack of internal organizational structure. More specifically, while the *'Amal* benefitted from more positive coverage by the state-controlled media in comparison to other parties, its credibility was diminished by the

lack of cadres and organization in their campaigning, leading numerous potential voters to opt for the more organized New *Wafd* (Hendricks 131, 1985).

*Ahrar.* The Socialist Liberals — *Ahrar*— initially established as the right-wing affiliation within the ASU, were largely unsuccessful in the campaign and electoral results of the 1984 general elections. It could be assumed that their lack of success could be attributed to the party's ideological platform drifting right and, therefore, having potential votes being absorbed by the widely more organized New *Wadf.*

*New Wafd.* The legalization of the reintroduction of the Wafd into the political landscape marked an important return. The ability of the *Wafd* to surpass the eight percent ceiling and constitute a serious political challenge to the NDP's dominance compared to the other parties was a realistic possibility. In addition, given their alliance with the Muslim Brotherhood, the *Wadf* had access to a significantly expanded support base, given Egypt's increasingly conservative socio-political landscape in the 1980s. Nevertheless, it is important to underline that the Muslim Brotherhood was outlawed as a party for not fulfilling the secular requirements prescribed under Sadat's Law on Political Parties. Therefore, while the alliance marks the departure of the *Wafd's* traditional secular stance, the alliance between the two was primarily dictated by the political strategy of the *Wafd*. In fact, apart from being an alliance of convenience sharing the aversion for the July 1952 coup d'état that banned both parties, their platforms fundamentally did not align. More specifically, out of the 70 candidates proposed by the Muslim Brotherhood, only 18 were accepted, with the Old Guard comprising the bulk of the decision-making bodies of the New *Wafd,* and the party's stance on claiming *Shari'a* as the principal source of legislation—virtually adopted by all parties—stemmed more in appeasing the general Islamic societal mood than a concession to the MB (Hendriks 131, 1985).

*The NDP.* On the other hand, Mubarak's National Democratic Party, despite being able to access the government's media and press mechanisms to mobilize support and retain institutional bias, was consistently pushed to adopt a defensive discourse during their campaign. In fact, the socio-economic conditions brought forth by the *Infitah* post-1977 that enabled *Tagammu's* campaign to trigger riots and the *Wafd*-MB alliance to garner enormous support placed the NDP in a very difficult position. Their campaign revolved around defending the "socialist gains" under Nasser and called for a

more "productive *Infitah*" engaging in minor modifications of Sadat's domestic and international policies while adopting a Nasserist discourse by broadcasting archival footage to remind citizens of their suffering at the hands of feudalist landlords when the *Wafd* was in power (Hendriks 1985, 131). The defensive discourse adopted by the NDP arguably acknowledged the growing socio-economic difficulties faced by Egyptian citizens but fell short of proposing wide-reaching changes to tackle such difficulties. Indeed, this may signify that despite its popular mandate, the NDP lacked the political support base for the policies it is committed to (Hendriks 1985, 131).

*Election Interference*. Additionally, given the strategies adopted by the competing parties during the 1984 general elections, it is important to shed light on the alleged interferences that occurred during the election day. As previously mentioned, the shift from an absolute majority electoral system to one of limited representation may have marked the most democratically free elections for decades. Additionally, it is important to consider that while this shift may have increased the domestic legitimacy of Mubarak and the credibility of the general elections, it likely had a similar impact on Mubarak's international standing and credibility at a time when American financial aid was crucial for Egyptian foodstuffs. Nevertheless, despite the elections being conducted within a considerably more democratic framework than in the past, they were allegedly filled with electoral interference. The witness account of research by Bertus Hendriks in his work "Egypt's Elections, Mubarak's Bind" serves as a compelling insight in identifying the electoral interferences that occurred during the 1984 general elections. Hendriks, along with several Egyptian observers, visited 15 polling stations between Cairo and the rural province of *Qalyubiyya* on election day. Their witness reports generally concluded that electoral procedures were correctly observed in the city centers of Cairo and Benha, while in rural areas and poorer outskirts, the electoral procedures were tampered with on a large scale (Henricks 1985, 129). These infractions included the impossibility of casting a secret ballot as curtains were not available and voting took place on "a large table in the middle of the polling room, surrounded by NDP people"; the widespread provision of false voting cards; the incoherence between names on voting cards and national identification documents; the exclusion of Egyptians abroad; and, in some cases, physical and verbal intimidation at polling stations. (Hendricks 1985, 129). A few assumptions may be deduced thanks to Hendrick's witness account. Firstly, the

imbalance between the observance of electoral procedures between urban and rural centers may have indicated Mubarak's need to ensure that free elections would take place in areas that contained the bulk of the opposition—that is, urban areas—in an attempt to garner credibility for his personal leadership. Secondly, for the same reason, it could be deduced that the presence of domestic and international observers and journalists may have been higher in urban centers and thus easier to control or circumvent in rural areas.

*The Results.* Nevertheless, despite the alleged voting interference favoring the NDP and considering the NDP's perhaps unconvincing electoral campaign, this does not guarantee a possible victory for opposition parties if such infractions had not occurred. Perhaps the largest limit was indeed the eight percent threshold and the allocation of non-qualifiable votes to the largest party. The election result unsurprisingly demonstrated a swift victory for the NDP. The *Ahrar* obtained less than one percent of votes; *Tagammu'* obtained slightly over four percent; *'Amal* fell short of representation by obtaining seven percent; while the New *Wafd* obtained slightly above 15 percent of the votes and the NDP 73 percent, culminating in 390 seats for the NDP—including the votes of parties under the threshold—and 58 for the New *Wafd* in the People's Assembly (Ansari 1985,26). The 1984 May People's Assembly elections underscored a series of important changes and signs of continuity. On one hand, the 1984 general elections accounted for an extension of democratic practices by enabling a multi-party election with the inclusion of an opposition within the People's Assembly. On the other hand, it limited political liberalization by hindering the political mobilization of the opposition through the ban on coalitions and the eight percent threshold limit. Therefore, the 1983 electoral reforms underscore a process of liberalization akin to Sadat's, a liberalization process tightly controlled from above. Indeed, the 1984 general elections demonstrated the government's control of the opposition by limiting its mobilization and excluding a substantial part of the opposition, namely, the Muslim Brotherhood. Therefore, while the general elections may have contributed to Mubarak's legitimacy domestically and abroad, it could be safe to assume that its legitimacy was somewhat placated by the Islamicized social context and greater calls for an Islamic civil model, which the NDP 1983 Law deliberately sidelined. In addition, the elections were important for absorbing the opposition into the

established system—the New *Wafd*—in order to dissociate it from the Muslim Brotherhood and the religious opposition (Hendricks 129, 1985). Moreover, the limited reforms and its 'insidious' strategy to counter the MB's influence on the legal political opposition underscore the role of the army in the civil and political arena that although disengaged and relegated to the 'shadows' remains a present influence in determining the direction of the political establishment.

Dissecting the 1983 Electoral Reforms and subsequent 1984 general elections is considered essential by this research's logic as it exemplifies not only one of Mubarak's most important domestic reforms but also the progressive de-liberalization of the political system and the patterns of electoral interference that characterized Mubarak's leadership until 2011. The social context of 1984 also informs us of the continuous struggles endured by Mubarak in asserting control over society and his political maneuvers to constrain the growing influence of the Muslim Brotherhood under societal Islamic revivalism. After having successfully re-shaped Egypt's political landscape in 1984, the persisting economic difficulties, such as significant budget deficits, pressures from subsidies, and inflation, continued to characterize the post-1984 social climate. On one hand, Mubarak had won over the political system by offering a more pluralized political platform while contracting opposition; on the other, it failed to win over the wider social context as economic problems persisted. Perhaps the best representation of this claim lies in the February 1986 riots. The February riots were sparked by a mutiny of the Central Security Forces—a paramilitary force under the Ministry of the Interior— primarily in Cairo and Giza due to their discontent with low wages and the extension of their conscription service, prompting Mubarak to deploy the military to quell the uprising and imposing a curfew (Lesch 1986, 139). The February riots and the earlier *Kafr al-Dawwar* riots are a few instances that underscore Mubarak's limited liberalization reforms in an effort to contain public discontent with the economic situation. Nevertheless, the backdrop of the economic situation of the 1980s, partly as a result of the International Monetary Fund's loan requirements—which will be analyzed in greater details in the economic affairs section— along with the growing discontent from the opposition for the alleged government interference in the 1984 elections brought forth a series of political challenges for Mubarak's leadership. Indeed, in November 1986, opposition parties along with the Muslim Brotherhood pressed their

claims for illegal government interference in the 1984 elections, enabling an administrative appeals court to uphold 10 complaints filed by opposition parties and furthering them to the Assembly—as per Egyptian Law—that was free to dismiss them, as it did (Post 1987, 147). While the political impact of the opposition in this very case is limited by the supremacy of the NDP in the People's Assembly it signaled the broader unsatisfaction with the electoral reforms of the 1984 general elections calling into question Mubarak's legitimacy over Egyptian society. Nevertheless, a more threatening approach was adopted by independent lawyer Kamal Khaled, who brought the case of the unconstitutionality of the 1983 Election Law itself to the Supreme Court based on the claim that the prohibition of independent candidates violated the provisions on "rights of individuals" under the Egyptian Constitution (Aknur 2007, 314). Moreover, in January 1987, the Supreme Court ruled in favor of Khalid, placing Mubarak in the difficult position of being elected by an unconstitutional parliament since the Assembly had to rule on Mubarak's second term in November 1987 (Post 1987, 147). The Supreme Court ruling, along with earlier successful attempts by the opposition to file a complaint about governmental non-compliance with fair electoral procedures, undoubtedly underscores Mubarak's difficulties in establishing his legitimacy over society. With the growing economic difficulties prompting more frequent riots and open discussions about the adoption of Islamic principles in civil government, the 1984 elections ultimately fell short of solidifying Mubarak's legitimacy. Moreover, the favorable ruling of the Supreme Court prompted Hosni Mubarak to call a national referendum on the dissolution of the parliament, a new election, and amendments to the electoral law that would include the setting aside of one seat for each voting district for independent candidates, contestable by party-nominated candidates, while keeping the eight percent threshold in place and the supervision of the Ministry of the Interior for electoral procedures (Aknur 2007, 317). The new electoral reform demonstrates a continuum within the broader presidential conduct of controlled liberalization, aiming to grant an 'illusion' of democratic concessions that could never amount to an actual threat. More specifically, the ability for party candidates to run for independent seats naturally favors candidates with party affiliations, while the role of the Ministry of the Interior continuing to supervise electoral procedures signals that the interferences of 1984 would not be significantly

limited. In addition, Mubarak's strategy placed the opposition in a difficult position. After all, the opposition appealed to the administrative courts by contesting the 1984 election results and supporting the Supreme Court's unconstitutionality ruling of the electoral law, thus placing them in a position where they could not refuse the new electoral law despite its obvious shortcomings. The referendum was held on February 18th, resulting in an affirmative vote of 90 percent, confirming the electoral law's amendments, and calling for elections on April 6th, effectively giving all parties seven weeks for their campaigns (Post 1987,147). Indeed, Mubarak's announcement of new elections just three years after the last general elections underscores his strategy during his 'quest for legitimacy.' On one hand, appeasing the opposition's calls for the irregularities and illegitimacy of the 1984 elections enabled Mubarak to emerge as a political figure committed to a more democratic process. On the other hand, he forced the opposition to accept the new elections as it would cost them their legitimacy in the eyes of the public after having publicly initiated legal proceedings against the 1984 results. Therefore, Mubarak undercut the opposition by placing them in a position where boycotting the elections could not be a conceivable option and giving them less than two months to mobilize their electoral campaigns. In addition, the call for rapid elections further fragmented the opposition. *Tagammu's* formula of dividing seats won among the opposition parties as a way to overcome the eight percent limit was rejected all-together leaving *Tagammu* largely alone; the New *Wafd* withdrew from their alliance with the Muslim Brotherhood believing it would fare better going alone; while *'Amal and Ahrar* joined what came to be known as the *Tahaluf* (alliance) by joining the MB and participating in the elections under the name *Hibz al-Amal al-Islami al-Masri (*The Egyptian Islamic Labour Party) (Post 1987,147). In effect, not much had changed from the political landscape of 1984 and campaigning was largely limited by the seven weeks granted for electoral mobilization. The largest change is reflected in the *tahaluf,* which arguably enabled the MB to have more space to dominate the alliance with the smaller *'Amal and Aharar* parties rather than with the New *Wafd*. The 1987 elections were allegedly characterized by similar governmental interferences akin to the 1984 elections, and on the 6th of April, out of 400 seats, the NDP won 309, approximately 69.6 percent of the votes; the Islamic alliance won 17 percent of votes, or 56 seats; the New *Wafd* obtained 35 seats, equivalent to 10.9 percent of votes; while the *Tagammu'*

only gained 2.2 percent and failed to obtain the minimum requirement to be represented (Post 1987,147). In addition, the 48 seats distributed to independent candidates were entirely won by NDP-sponsored candidates, bringing their total number of seats in the People's Assembly up to 453, comprising approximately 80 percent of the national vote (Post 1987,147). The 1987 elections as a whole demonstrate a similar pattern to the 1984 elections. Firstly, they underscore Mubarak's challenged and perhaps gradual, albeit successful, establishment of legitimacy over the political structures of the nation. By upholding the unconstitutionality ruling of the Supreme Court regarding the electoral reforms of 1983, Mubarak demonstrated his commitment to following a path of liberalization while at the same time responding firmly to co-opt and contain the opposition. In addition, the 1987 election, although it conceded more seats to opposition parties, served to secure Mubarak's second six-year term as President of Egypt.

Egypt perhaps appeared to be a relatively liberalized nation during the 1970s and 1980s, undoubtedly enjoying limited civil liberties such as voting rights and limited freedom of the press. Before the 1990s, Egypt arguably appeared to be a country on the general trend of transitioning to democracy and democratic institutions. However, the 1990s constituted a decade of de-liberalization and democratic backsliding, characterized by an even stronger dominance of the NDP in parliamentary structures and a heightened security response from the government towards dissenting factions. Much of the backsliding in progress towards the liberalization of the political system stems from the same socio-economic conditions that characterized Mubarak's first term as President of Egypt. The backdrop of the economic situation post-1987 and the expanded role of civil society are essential pre-conditions for assessing the 1990s under Mubarak. On one hand, the measures to overcome and alleviate the economic crisis Egypt found itself in the 1980s were in concomitance with the IMF's agreement on macroeconomic stabilization, which ultimately resulted in budgetary imbalances due to low productivity, high consumption, and insufficient earnings from exports (Kienle 1998, 231). More specifically, the economic reforms failed to improve the living conditions of numerous Egyptians, and while positively affecting inflation, the poverty rate in rural and urban areas rose from 26.9 percent and 33.5 percent, respectively, in 1982 to 39.2 percent and 39 percent by 1991 (Kienle 1998, 231). While the economic conditions under Mubarak's tenure will be further analyzed in the economic affairs section of this

chapter, mentioning the economic conditions that led to further de-liberalization patterns in the 1990s is essential. Mubarak had won his second term in 1987, enabling him to put in place the IMF's structural adjustment programs and economic reforms that would have improved Egypt's macroeconomic deficiencies and deteriorated microeconomic conditions. On the other hand, in the backdrop of the IMF's and Egypt's austerity reforms, the expansion of the role of civil society began to increase a climate of political violence, primarily filled by the state and Islamic fundamentalists. Broadly speaking, while the MB remained outlawed as a party, Mubarak had allowed the MB to join forces with other legal party entities and enabled the debate over civil society to continue in the public space. However, in 1990, Mubarak had increasingly adopted the concept of the civil state as the official ideology of the NDP while making intensive efforts to dominate the public discourse towards the de-Islamization of the public arena (Lavie 2017, 31). Mubarak's efforts to reduce the influence of the MB on civil society discourse are a probable cause of the rise in Islamist political violence post-1990.

In fact, in 1990, the Supreme Court issued a ruling of unconstitutionality of the provisions under which the parliament had been elected due to insufficient judicial oversight, with a referendum calling for the dissolution of the 1987 Parliament obtaining 94.34 percent of votes on October 11th and calling for fresh elections on November 29th (Kienle 98, 224). Interestingly, the rationale behind the Regime's compliance with the 1990 Supreme Court ruling of unconstitutionality may be attributed to several factors. Firstly, Mubarak had secured a second term in 1987 and was in a position where he had to push austere economic reforms that would have been widely unpopular; secondly, since he had already won the second-term and secured agreements with the IMF, he did not need to establish his domestic and international legitimacy through further liberalization, and therefore, his primary aim had turned to containing popular opposition and Islamist political violence that may result from his dissatisfaction with his economic reforms. In addition, the 1990 election provided an opportunity for Mubarak to de-liberalize the political system and enable him to supplement the state of emergency with new and far-reaching security laws. In fact, the Regime complied with the Supreme Court's May 1990 ruling but only promulgated it on the 29th of September and added modifications to the party list system replacing it with a two-round majority-polls system where votes were cast for candidates rather than

parties, along with the gerrymandering constituencies' boundaries on October 2$^{nd}$ without consulting opposition parties (Kienle 98, 224). The timing and content of the modifications to the electoral system in anticipation of the 1990 elections demonstrated the preparations for a major political backsliding to limit the political spectrum. It is important to consider that while the Supreme Court holds a respectable place within the hierarchy, it is largely used by the Regime as a legitimacy 'machine'. The Regime is not legally bound or obliged to follow the Supreme Court rulings, as they first have to pass by the NDP-dominated parliament. Mubarak had used the Supreme Court to first accentuate his legitimacy domestically and internationally by giving the impression of a leader committed to democratic reforms, and in the 1990 elections, he used it to suppress the opposition and return Egypt to a more direct form of authoritarianism. Given the last-minute modifications and gerrymandering that would have positioned the NDP on the course of an overwhelming victory, the Islamic Alliance (MB+*Ahrar+Amal*) and the New *Wafd* largely boycotted the elections, and formally only the *Hibz al-Umma* and *Tagammu'* parties participated in the election (Kienle 1998, 224). The modifications to the electoral law, the limited timing for campaigning, and the boycott of the main opposition parties assured the NPD's landslide victory in the 1990 general elections. In fact, the NDP came on top, obtaining 79 percent of the seats in comparison to the 68 percent obtained in 1987, translating to 348 seats, with *Tagammu'* obtaining 6 seats and 83 seats allocated to independent candidates (Goodson and Radwan 1997, 11). The 1990 general election result largely served to widen the gap between the NDP and the opposition rather than broaden political representation. Thus, the 1990 elections arguably marked the start of Mubarak's de-liberalization process. The years 1991–92 were marked by a series of daunting economic factors that would increase strikes, riots, and political violence, prompting Mubarak to respond with more repressive measures. Indeed, real GDP growth for the fiscal year 1991-92 stood at 0.3 percent, with the number of reported major strikers rising from eight in 1990 to 26 in 1991 and 28 in 1992 resulting in an increase in violence from *Jama'at Islamiyya* (Islamic Groups) and causing military forces to intervene directly in society, further blurring the line dividing the military sphere from the civil sphere (Goodson et al. 1997, 5). The already inflamed political context, along with the increase in political violence from Islamist groups, enabled the government to empower security and military forces

with new legislation under the state of emergency. In July of 1992, the NDP amended the penal code and the Supreme State Security Courts, introducing tougher penalties for belonging to Islamist groups, such as the replacement of prison sentences with forced labor and more frequent life and death penalty sentences (Goodson et al. 1997, 5).

 The amendments to the penal code under the auspices of the Regime's state of emergency not only made sentences more severe for engaging with armed groups that sought to undermine law and order but also greatly expanded the legal jurisdiction of military courts, further re-introducing the military into the civil sphere. The Terrorism Laws increased the number of civilians referred to military courts, with their number rising from 48 in 1992 to 312 in 1993, the number of death sentences passed on civilians rising from 8 to 31 in 1992 and the number of political detainees reaching more than 16,000 in 1996 (Kienle 1998, 222). The escalating violence and detention efforts by the Mubarak Regime increased with efforts to cover a broader scope of dissent by controlling the public sphere directly. Civil society, which had been marked by a growing intervention of the NDP in NGOs and syndicates, was substantiated by laws in 1993 granting the regime powers to invalidate the elections within professional syndicates and in 1994 by removing the electoral process all together in favor of the appointment of syndicate heads (Moustafa 2003, 889). The efforts by the government to curb professional syndicates as part of the larger mosaic of civil society associations were mainly directed at reducing the impact of the MB in the public sphere. Additional pressing laws on citizens' civil liberties came in the anticipation of the 1995 parliamentary elections to counterbalance the relative warming up of civil societies and NGOs, a strategy aimed at alleviating the economic burdens of unemployment and increased poverty. The increased rate of NGOs in the public sphere is partly a result of the *Infitah'*s privatization and liberalization policies, as well as the relative stability achieved in 1995 as a result of tougher emergency legislation. Indeed, by 1995, the "government began to grow warmer towards NGOs as it increased support for NGOs performing economic and social services" pushing the government to tolerate international funding for Egyptian NGOs and regulate administrative conflicts between the state and NGOs (El-Koudi 2013, 208). While the efficacy of NGOs in the Egyptian social context was likely diminished given the fact that they have been marginalized for decades, this opening limited the ability of the MB to provide social relief, such as their

intervention during the 1992 earthquake in Cairo. Therefore, the end of the decade-long marginalization of NGOs in Egypt needs to be interpreted in the context of the overwhelming presence of the NDP in political and civil society structures, regulating the conduct of Egyptian-based NGOs, and making sure that their affiliations do not lie with the MB. In addition, the 1995 socio-political landscape was substantiated by perhaps the most repressive press censorship laws since Nasser. Previously, a degree of criticism was tolerated by the state, with more 'harmful' criticism often punished by fines and the closure of press activities. On the other hand, the 1995 press-laws consisted of repressive amendments to the penal code, imposing sentences of up to five years imprisonment, the payment of exceedingly high fines, and culminating in the arrest of 99 journalists before their abrogation in June of 1996 (Kienle 1998, 223). Nevertheless, despite being perhaps the only law that furthered de-liberalization efforts to be removed, it underscores the general return of a more authoritarian state after a period of brief political liberalization.

The 1995 were largely a repeat of the last two previous elections, with the only difference being that the 1995 elections were contested by all opposition parties. Nevertheless, the NDP's control over unions, professional syndicates, and substantial oversight of the activities of NGOs served to tighten control over the public arena and the electoral process. In addition, the 1995 elections were marked by even more intrusive state interference. For instance, MB members running as independent candidates were regularly harassed, with as many as 1,000 members being arrested on the eve of the elections, while NDP candidates received thousands of fictitious votes, such as the NDP candidate for Cairo's suburb, *Madinat Nasr,* receiving 10,000 nonexistent votes (Kienle 1998, 226). In the 1995 elections—which were postponed to 1996—the NDP managed to obtain the largest number of seats ever, largely signaling the end of popular political participation. Voter turnout, according to official figures, fluctuated around 40-60 percent in all elections, while independent figures estimate that political participation reflected 10-20 percent of all eligible voters, with the 1995 elections constituting a little over 10 percent (Aknur 2007, 316). The breakdown of the 1995 elections consisted of the *Ahrar*, the *Hibz al-'amal al-islami al Masri* and the *Hibz al-'Arabi al-Dimuqrati al-Nasseri* (Arab Democratic Nasserist Party) parties obtaining one seat each, *Tagammu'* gaining 5 seats, the New *Wafd* at 6 seats, and the NDP at 318,

with 99 of the 112 independent candidates joining the NDP, culminating in a total of 417 seats out of 454 (Aknur 2007, 326). The elections further consolidated the NDP's overwhelming dominance that had been achieved in 1991, turning the enthusiasm of 1984 into a distant memory. The 1995 elections underscore the consolidation of power between the Regime and NDP within the public sphere, as the systemic composition of the electoral process marginalizes opposition forces that may challenge the party's authority. The relative optimism of the 1984 elections and the stark de-liberalization highlighted in the 1995 elections illustrated the broader political evolution of Egypt, indicating the entrenched nature of political power within Egypt's controlled system. The chart below breaks down the political changes that have occurred from 1984-1995 and substantiates the growing dominance of the NDP. With overall political participation decreasing from 1984 onwards, the NDP's dominance of the People's Assembly had been relatively stable up until the 1995 elections, where it obtained an absolute majority. (Table 7)

| POLITICAL PARTIES | 1984 PEOPLE'S ASSEMBLY ELECTIONS (SEATS) | 1987 PEOPLE'S ASSEMBLY ELECTIONS (SEATS) | 1990 PEOPLE'S ASSEMBLY ELECTIONS (SEATS) | 1995 PEOPLE'S ASSEMBLY ELECTIONS (SEATS) |
|---|---|---|---|---|
| National Democratic Party | 384 | 346 | 348 | 416 |
| New Wafd Party | 58 | 35 | did not participate | 6 |
| National Progressive Unionist | ---- | ---- | 6 | 5 |
| Islamic Alliance | did not exist | 60 | did not participate | did not exist |
| Socialist Labor Party | ---- | did not exist | did not exist | did not exist |
| Liberal Socialist Party | ---- | did not exist | did not exist | did not exist |
| Liberal | did not exist | did not exist | did not exist | 1 |
| UMMA | did not exist | ----- | | did not exist |
| Nasserite Arab Democratic | did not exist | did not exist | did not exist | 1 |
| Independent | did not exist | 7 | 83 | 15 |
| TOTAL | 448 | 448 | 437 | 444 |

Heiss, Andrew. "The Failed Management of a Dying Regime: Hosni Mubarak, Egypt's National Democratic Party, and the January 25 Revolution." *Journal of Third World Studies* 29, no. 1 (2012): 155–71. http://www.jstor.org/stable/45194857.

Many of Mubarak's efforts to curtail liberties in the 1990s could be attributable to placating the growth of the Muslim Brotherhood and other affiliated Islamist factions in the public sphere. While Mubarak's previously mentioned reforms also served to subdue any other type of opposition, the Muslim Brotherhood had been seen for decades not only as an opposition force but arguably as an alternative to the military-led establishment. In fact, throughout the 1990s, Hosni Mubarak adopted legislation to further curb the influence of the MB on civil society. Mubarak's 'de-islamization' efforts were evident in two dimensions. Firstly, within the security dimension,  as Mubarak kept waging an "all-out war" against Islamist organizations, especially in the wake of the 1997 Luxor Massacre, where *Jama'a al-Islamiyya* killed 58 foreign nationals; on the other hand, within the legislative dimension, as Mubarak dismissed leading clerics that did not conform with his policies and banned female genital cutting and the *niqab* for school pupils in 1996 (Lavie 2017:32) The 1997 Luxor Massacre had a sharp impact on tourism, one of Egypt's vital sources of foreign exchange, and while the massacre sharply reduced the popularity of Islamist organizations, it prompted Mubarak's regime to speed up the process of de-Islamizing society.

### 3.1.3 Democratic Regressions during the Second Phase: The 2000

The late 1990s until the early-mid 2000 were characterized by a period of relative domestic stability. Interestingly, Mubarak's'second phase' of ruling over Egypt between the years 2000-2011 has arguably strong similarities with hist 'first-phase' between 1981-1999. After Sadat's assassination in 1981, Mubarak inherited a complex socio-economic and political landscape as a result of the economic inequalities exacerbated by the *Infitah,* which culminated in frequent riots and the growing dominance of the MB in the public arena. In an attempt to appease growing opposition forces and mitigate the impact of the economic difficulties, Mubarak changed the electoral process and enabled the opposition to receive a form of limited representation in the 1984 elections. As previously explained, from 1984 onwards, Mubarak progressively restricted the opposition by suppressing their ability to obtain a sizeable representation politically and by mobilizing themselves in the public sphere. The 2000s demonstrate a similar pattern

in Mubarak's domestic oversight of Egypt. Given the relative stability achieved in the mid-to-late 1990s, the 2000 elections were hailed as a return to the 1984 platform. Indeed, Mubarak's Egypt was catapulted into the new millennium with a new election that sought to level the playing field among political parties and undoubtedly constituted a major step towards the limited and supervised liberalization of the political system since 1984. In fact, the 2000 elections were, for the very first time, going to take place over three consecutive stages, with 4,116 candidates running for election, and with the inclusion of judicial supervision instead of the supervision guaranteed by the Ministry of the Interion (Makram-Ebeid 2000). The inclusion of judicial supervision for the 2000 elections revealed once against Mubarak's compliance with the Supreme Constitutional Court's (SCC) rulings. The SCC had declared the unconstitutionality of the 1990 and 1995 elections due to the lack of judicial supervision, thus placing Mubarak in the situation of having been confirmed for a third term by an unconstitutional parliament (Moustafa 2003, 921). However, it is important to consider that since the 1990 elections, the character of the Egyptian multiparty system has been geared towards removing political parties from the political scene by adopting a voting system based on candidates rather than parties themselves. Therefore, the inclusion of the judiciary as a supervisor during the elections has to be considered within the backdrop of the general loss of political culture. The electorate voting for candidates in ballot boxes rather than parties directly does not necessarily imply that opposition parties as agents of democratic progress have been rendered powerless, but it could arguably indicate that local loyalties and patronage relationships could have a significant influence on the electorate. Moreover, the dominance of the NDP in civil-society structures and restrictions on legally non-compliant NGOs played an important role in disrupting the prospects for the development of opposition parties' grass-root movements meant to challenge the NDP, essentially creating a system of "parties without followers for people without parties" (Makram-Ebeid 2000). Nevertheless, despite the NDP's structural and logistical advantages, such as state control of broadcasting stations, newspapers, and general access to state resources, the 2000 election results signaled a broader loss of faith in the political establishment than any sweeping political changes.

*The National Democratic Party*. The NDP faced a significant setback after the three rounds of voting, marking its poorest performance thus far by securing only 318 of the 454 available seats (Makram-Ebeid 2000). Although the reasons behind the wins and losses of the NDP are complex and not easily identifiable, Dr. Mona Makran-Ebeid offers a compelling analysis by attributing the NDP's failure to internal factionalism and disconnect with the electorate. According to Dr. Makran-Ebeid, voters did not reject the NDP directly but rather "punished NDP candidates seen as out of touch with their constituents", describing senior NDP officials as "cardboard leaders who did everything possible to cling to their seats for decades" (Makram-Ebeid 2000). Dr. Makram-Ebeid's analysis suggests that the NDP's leadership was perceived as superficial and unresponsive, highlighting the disconnect between politicians and the everyday realities of their constituents. To the extent that one of the strongest reactions to the NDP's failures came from Gamal Mubarak, the President's son and member of the party's general secretariat, by explaining that:

> "Following the elections, the time will be ripe for introducing a radical
> change to the NDP ranks. The true weight and popularity of the NDP with
> the masses will be clearly assessed. The results of the elections to date
> indicate that the central leadership of the party had nearly lost contact with
> its officers in villages and towns" (Makram-Ebeid 2000).

The experience of the NDP in the 2000 elections underscores the consequences of neglecting the electorate, with perhaps the advantages enjoyed by the NDP overwhelmingly taking away from the party's genuine engagement with voters.
*The New Wafd*. As previously noted, the NDP's inability to resonate with the electorate and consequently secure fewer seats than in previous elections does not necessarily translate into significant gains for the opposition's parties. This is evident in the case of the 2000 elections, where general voting trends signaled a diminishing faith in the political establishment. The New *Wafd* performance was particularly underwhelming, securing only six seats in the People's Assembly and thereby surprising numerous observers(Makram-Ebeid 2000). Similarly, to the NDP, the dynamics that explain the failure of the *Wafd* are complex and elusive; however, it is evident that the New *Wafd*

had been on a 15-year decline, with its peak popularity translating to 57 seats in 1984 during their alliance with the Muslim Brotherhood (Makram-Ebeid 2000). Therefore, it is plausible that the *Wafd* candidates, like the NDP candidates, failed to resonate with the electorate, reflecting the broader trend of disillusionment with political life and participation. Despite the 2000 elections implementing judicial supervision to prevent widespread government interference, the New *Wafd*'s modest gains and the NDP's struggles may suggest that the broader disillusionment with the political system may be a cause of perceived corruption in governmental structures, a lack of genuine reforms, and ultimately, ineffective governance.

  *Tagammu', The Nasserists and Independents.* In the 2000 elections, the remaining seats were divided among the *Tagammu'* party, the Nasserist party, and candidates who ran as independents. Despite *Tagammu's* efforts to rally support through a comprehensive 20-page electoral platform titled "Popular Participation is the Road to Change" the performance translated into 5 seats; and the Nasserists faced internal leadership disputes, leading some candidates to run as independents, ultimately resulting in a single seat won through direct elections (Makram-Ebeid 2000). On the other hand, the independents attracted significant support from members of the Muslim Brotherhood. Notably, just before the elections, three "embryonic" parties associated with the Muslim Brotherhood were refused licenses to contest the elections: *Al Wassat* (centre), a faction that had broken away from the Brotherhood, and both *Al Sharia* and *Al Islah* (reform) which represented centrist Islamists and former members of the *Al-Jihad* and *Jamaa al-Islamiyya* groups (Makram-Ebeid 2000). Given the prohibition against the Muslim Brotherhood as a political party and the absence of any Islamic party contesting the 2000 elections, the MB orchestrated a strategic maneuver by mobilizing a substantial number of candidates to run as independents. Initially, 75 Muslim Brotherhood candidates ran as independents, but following the 2000 summer crackdowns ordered by Mubarak, only 17 secured seats out of the 72 available to independents (Makram-Ebeid 2000). Nevertheless, despite facing repression and the authorities' intolerance towards the party, the MB demonstrated during the 2000 elections that it retained its considerable support base. Indeed, the outcome highlights a critical aspect of Egyptian politics vis-à-vis the Muslim Brotherhood. While the MB cannot directly participate in elections, the governmental restrictions do not necessarily

deter it from exerting influence and mobilizing support within the Egyptian political and public spheres, arguably making the MB's adaptation to the challenging political environment one of its most important strategies.

The breakdown of the 2000 election results is as follows: the NDP secured a total of 353 seats, including 35 from independents; the New *Wafd* obtained seven, one of which came from independents; the *Tagammu'* party secured six seats, with one from independents; the Nasserists totaled three seats, two of which were from independents; while independents accounted for a total of 33 seats, with an additional 10 seats reserved for presidential appointments and two seats left vacant due to the Court annulling the results in the Alexandria constituency (Makram-Ebeid 2000). The 2000 election results mark a critical juncture in President Mubarak's leadership for several reasons. Firstly, the NDP's loss of seats, while not signaling the dismantling of the party, was a significant embarrassment for the regime, so much so that Gamal Mubarak called for radical internal changes. Secondly, the modest gains by opposition parties do not necessarily indicate that the NDP's shortcomings were their gain; rather, they reflect a general decline in faith in the political establishment. This is a salient aspect of the 2000 elections; the inclusion of judiciary supervision likely made the 2000 elections among the most transparent in Egypt's history. Thirdly, the significant number of independent candidates depicts a broader disillusionment with the establishment and established parties, while also emphasizing the continued popularity of the Muslim Brotherhood despite President Mubarak's efforts in the 1990's to marginalize them from the public and political spheres. And lastly, the NDP's diminished control indicated that it lacked the previous freedom and legitimacy to pass legislation without considering the opposition's views, and although it is improbable that opposition forces could halt controversial laws, they could still leverage their limited members to question and raise opposition on sensitive issues such as a civilian trial by military courts, political reforms, and corruption (Makram-Ebeid 2000). Nevertheless, the largest outcome of the 2000 elections refers to the broad disillusionment of the electorate towards the established system, a general feeling that would persist throughout the early 2000s. In fact, the desire for political reforms that grew in the early new millennium is a result of a series of domestic and regional events that would give rise to one of Egypt's most important modern movements, *Kefaya* (Enough). The Egyptian Movement for

Change, informally known as *Kefaya*, was a grass-roots coalition that emerged as a significant force in Egyptian politics as it rallied support from across the political spectrum (Shorbagy 2007, 40). It was largely a platform for protesting Hosni Mubarak's presidency, corruption, and human rights abuses. The movement gained significant prominence in 2004 by sparking one of Egypt's largest protests and in the 2005 constitutional referendum. *Kefaya* marks the resurgence of Egyptian street politics, primarily involving the youth, after years of NDP dominance and the restrictions and suppression of opposition grassroot movements. Nevertheless, *Kefaya*'s origins are traceable to the solidarity committees formed during the Second *Intifada* in October 2000, characterized by pro-intifada demonstrations of previously non-politicized youths (Shorbagy 2007,45). The movement gained significant momentum after the US-led invasion of Iraq in 2003, effectively transforming anti-war voices into an anti-Mubarak regime movement (Shorbagy,2007,46). The anti-war protests served as a foundational platform for *Kefaya* as they established its mobilization strategy. In fact, the antiwar 2003 demonstrations utilized emails and text messages for widespread communication, marking *Kefaya's* approach to safely communicating with the public by reaching thousands of people (Owedait, Benard, Stahl, Kildani, O'Connel, Grant 2008, 21). By the summer of 2004, amidst rumors of political shifts and cabinet reshuffles favoring the political prominence of the president's son, Gamal Mubarak, the *Kefaya* movement had rapidly ignited. To prevent a potential hereditary presidency akin to that of Syria, broad societal demands for constitutional and economic reforms became evident. *Kefaya* played a pivotal role in mobilizing support for direct presidential election reform. Despite lacking the Mubarak's regime media platforms, legacy of older parties and the financial network of the Muslim Brotherhood, *Kefeya's* straightforward message "*la-lil-tawrith, la lil-tamdid*" [No to inheritance, no to extension] resonated with thousands of Egyptians (Owedait et al. 2008, 17). Although criticized for focusing too narrowly on targeting Mubarak and neglecting the broader institutional framework, *Kefaya's* approach was ultimately very strategic (Shorbagy 2007,54). Indeed, the political parties at the time largely played by the rules of the regime's game and had been confined to their headquarters and deprived of a level playing field by restrictive laws and legal caveats. On the other hand, *Kefaya* directly targeting Mubarak and the system at large had served as an effective means to "break taboos" about criticizing the

President and to address one of Egypt's most acute political problems, the widespread political apathy on the part of the vast majority of Egyptians (Shorbagy 2007,54). Additionally, *Kefaya*'s outreach strategies were multifaceted, with their goals being to ultimately dismantle the barriers that prevent a direct confrontation with regime policies. They engaged with international and independent media, documenting human rights abuses reported by major news outlets such as Al-Jazeera, BBC, Washington Post, New York Times, and CNN (Owedait et al. 2008, 24). The movement's public outreach efforts sought to propagate its message and encourage broad participation in its demonstrations by welcoming individuals from all political backgrounds, eventually encouraging large protests in 2003, 2004 and 2005 (Owedait et al. 2008, 17). Additionally, bloggers played a crucial role in this mobilization, with affiliated blogs featuring the *Kefaya* insignia and reporting on human rights abuses significantly contributing to the movement's impact, such as *wa7damasrya.blogspot.com* and *misridigital.blogspirit.com,* to name a few examples (Owedait et al. 2008, 17). The movement adeptly challenged Mubarak from multiple angles. *Kefaya* notably re-engaged those previously disinterested or disengaged from politics, including non-politicized youth and the politically apathetic electorate. Its straightforward message resonated across the spectrum of opposition forces, increasingly focusing its efforts against Mubarak and his government's policies. This era was marked by the distribution of a petition advocating for constitutional and economic reforms, an end to the possibility of hereditary succession, and the call for presidential elections. On December 12, 2004, Kefaya organized a pivotal demonstration at the High Court in Cairo, directly demanding President Mubarak's resignation. In February 2005, President Hosni Mubarak announced an amendment to Article 76 of the nation's constitutions via referendum on May 25th, inducing the possibility of a multi-candidate election while eyeing his potential presidential re-election on September 7th, marking his fifth term in office (Church, 2005). President Mubarak's strategy has often been to accommodate calls for change while undercutting the opposition, and the 2005 constitutional amendments follow the same recipe. In fact, the inception of a multi-candidate election was marked by a significant restriction: presidential candidates were required to secure written support from 250 elected officials, and given the NDP's dominance over all governmental structures, this caveat effectively meant that no real opposition against

Mubarak could be mobilized (Church, 2005). Given the backdrop of the 2004 demonstrations, Hosni Mubarak's announcement of an amendment to Article 76 of the Egyptian Constitution ignited the *Kefeya* movement. The group rapidly transformed from a broad-based movement into a focused campaign opposing the amendment, publicly condemning it as "theatrics, fake reform and a reformulation of dictatorship" (Church, 2005). The *Kefaya* movement demanded nothing short of free and democratic elections by devising a strategy to oppose the referendum and the 'illusion' of democratization that came with it. More specifically, *Kefaya's* message aimed to abolish the Emergency Laws and other legislations that curtailed political freedom along with the removal of any caveats that would impair the democratic process as prerequisites of fair elections while expanding their critique to the government's failures in employment, education, and social welfare services (Church, 2005). *Kefaya* mobilized within a changed political landscape that perhaps made it more difficult for President Mubarak to contain. While in the 1980s and 1990s, the political landscape was largely characterized by the progressive importance of religion in civil government and political debates, the political landscape post-2000 had changed significantly. While the islamization of the public sphere posed severe challenges to Hosni Mubarak's presidency, namely the growth of Muslim Brotherhood activities, the subsequent crackdowns on the organization, and instances of violent attacks such as the 1997 Luxor Massacre, *Kefaya* emerged out of a different socio-political context. In part, Mubarak's policies to placate the political and public spheres' demands that characterized his first three-terms ultimately led to the stagnation of the political system vis-à-vis liberalization and an increase in public apathy towards political participation. On the other hand, the early activations of *Kefaya*, namely in 2003 antiwar protests and the use of digital sources as mobilization tools, brought back large scores of previously non-politicized youths and re-invigorated the culture of Egyptian's street politics. These changes were evident in the protests organized in late March and throughout April of 2005. More specifically, on March 30th, *Kefaya* staged protests in Cairo, Alexandria, and Mansoura, urging for the demonstration to be conducted pacifically and voicing opposition to Mubarak's re-election with slogans such as "No to a fifth mandate", "No to Mubarak, his party and his son", "Mubarak you failed us; what did you do without money?"(Church, 2005). Nearly a month later, on April 28th, *Kefaya's* call for support

was answered with demonstrations in 14 cities, garnering support from all opposition movements, including the Muslim Brotherhood, and receiving support from the judiciary that had been trying to pressure Mubarak to get election monitors, with 1,200 judges in Alexandria stating that they would not oversee the elections unless they were granted proper independent oversight (Church, 2005). The strength of *Kefaya's* message was in its simplicity. Their message did not debate what political or ideological inclinations the country should follow; they simply had 'enough' with the establishment. This message resounded with thousands as *Kefaya* made effective use of digital resources and international newspapers and channels. On the day of the referendum on May 22nd, *Kefaya* held a large protest at the Saad Zaghlul mausoleum, prompting a police response that reportedly engaged in violence and sexual assaults of some protesters, further outraging the Egyptian public and enabling *Kefaya* to mobilize the rage by holding organized protests every Wednesday for the entire summer of 2005 (Church, 2005). Despite the protests, the referendum on Article 76 unsurprisingly passed; however, *kefaya* could be attributed to the referendum's low turnout. According to government reports, the turnout was about 23 percent, while the Egyptian Independent Committee reported a turnout of 18 percent (Church, 2005). The lead-up to the 2005 elections was characterized by the continuation of protests throughout June and July. In fact, these protests were often met with repression, prompting *Kefaya* to change its inclinations by supporting well-known candidates contesting the elections rather than boycotting them (Church, 2005). Therefore, despite the changed socio-political landscape, which signals a broader disillusionment with the political establishment, Mubarak was still able to strike the difficult balance between enabling a degree of dissent while fundamentally containing any real change that could threaten the president's position while socializing any opposition movements into the established system. While *Kefaya's* support for other candidates contesting the elections may signal their reluctant acceptance of the constitutional amendment, this does not necessarily mean that they had accepted Mubarak's fifth term as legitimate. On September 7th, Hosni Mubarak defeated Ayman Nour from the *El*-Ghad Party, obtaining 88.57 percent of votes, confirming his fifth term as President of Egypt (Shehata 2011, 30). *Kefeya* continued to hold protests on election day that were not met with violence, something *Kefaya's* leader George Ishak believed that the lack of brutality from the Regime could

be attributed to the global attention to Egypt's multi-candidate election as there were 1,800' foreign correspondents present (Church, 2005). The *Kefaya* movement significantly reaffirmed the challenges faced by Hosni Mubarak in maintaining control over Egypt's changing and evolving political landscape. Indeed, this was not Mubarak's first encounter with political changes; the president had previously navigated through the challenges posed by the broader trend of islamization in Egypt throughout the 1980s and 1990s and the difficulties posed by Islamist militant factions. Nevertheless, despite such hurdles, Mubarak had consistently maintained the upper hand and enabled the continuity of his regime. In addition, the year 2005 was a significant year in Egyptian politics for Hosni Mubarak. Not only did Mubarak swiftly secure a fifth term while accommodating and containing calls for a multi-candidate presidential election, but the 2005 parliamentary elections held in November and December of 2005 highlighted the persistent challenges to the NDP's supremacy that were evident in the 2000 elections. In fact, the 2005 parliamentary elections signaled the gradual yet noticeable erosion of the NDP's share of seats in the People's Assembly, alongside the growing share of Muslim Brotherhood independent candidates in the People's Assembly despite the government's restrictive and repressive measures taken against them. The 2005 Parliamentary results included the NDP obtaining 324 seats, signaling a continuity in decline; meanwhile, the New *Wadf* gained six seats; both the newly established Dignity and *El-Ghad* parties obtained two seats each; the *Tagammu'* party secured two seats also; and the Muslim Brotherhood independents won 88 out of 96 seats allocated to independent candidates (El-Din 2005, under "procedures"). Evidently, the shifts in the parliamentary landscape signaled a change in the political dynamics of the nations and illustrate the resilience and growing influence of the Muslim Brotherhood as an opposition force. The events of 2005 represent a critical point in Egyptian political history that would set the stage for the eventual disturbances that would follow in the years to come. The events post-2005 that would eventually lead up to the 2011 upheavals and fall of the Mubarak Regime included the 2007 constitutional amendments, involving changes to 34 articles of the Egyptian Constitutions designed to further entrench and consolidate the dominance of the NDP (Brown 2007, 7). The 2007 Constitutional Amendments evidently emerged as a reaction to the challenges posed by the changing political landscape and the mobilization of anti-

Mubarak sentiments. Mubarak's approach to the 2005 *Kefaya* movement and the prominence of Muslim Brotherhood independent candidates was to accentuate his move on repression through the widely unpopular constitutional amendments. Among the 34 articles amended, perhaps the most salient changes refer to Article 76, which strengthened the President's powers by making it harder for independent candidates to run for presidency by expanding the requirements to run for presidency to the securing of endorsements from an enlarged number of lower and upper house members of parliament along with local councils effectively dominated by the NDP (Brown 2007, 7). Effectively, the amendment to Article 76 restricted participation in the presidential elections to candidates of the NDP. Article 88 which ensured judicial oversight over the election process, was amended to include a government-sponsored electorate commission to oversee the elections, effectively diminishing the judiciary's role (Brown 2007, 7). Given the upheavals of the 2005 elections, Mubarak's strategy for the continuation of his regime revolved around a more comprehensive deliberation by making sure that presidential candidates only came from established parties and that electoral interference could happen more easily. Additionally, further restrictions towards the legal opposition were established as the amendment to Article 5 included re-affirming the banning of any political activity or parties based on religion in an attempt to further marginalize the Muslim Brotherhood politically, while the amendment to Article 179 on the emergency powers included the enabling of the president to refer any terrorism-related activity to any judicial body, including military courts, thus bypassing the ordinary judicial process and providing the constitutional basis for more controversial emergency laws (Brown 2007,11). The political climate after the Constitutional Amendments of 2007 and the continuous talks of a possible hereditary succession continued to inflame the public sphere. In 2008, the April 6th Youth Movement engaged in a series of protests and online advocacy campaigns. Originally started as a social movement composed of young Egyptians founded to support the workers in the industrial town of El-Mahalla El-Kubra to protest lower wages and unsafe working conditions, the movement quickly broadened its focus and became a camp against Hosni Mubarak's constitutional amendments, leveraging the power of the internet and playing a key role in organizing the mass protests on January 25th, 2011 (Gerbaudo 2012, 17).

Hosni Mubarak's impact on the domestic political development of Egypt marked a significant juncture in Egypt's modern history. The President, having governed the nation from 1981 until 2011, navigated the Egyptian political landscape over the three-decades of his tenure by building upon and diverging from the foundations laid by Anwar El Sadat. From a domestic political perspective, Mubarak's leadership was distinguished by his efforts to stabilize the country through a series of political reforms that would have a long-term impact on the nation, exposing the intricate balance between stabilization and controlled liberalization in Egypt's evolving political landscape. Hosni Mubarak had inherited the heightened social climate that largely resulted as a consequence of the *Infitah* and that ultimately led to the assassination of Anwar El-Sadat. In order to stabilize the nation, Hosni Mubarak's domestic leadership marks a critical juncture of changes for Egypt's political establishment, effectively liberalizing the participation of a legal opposition, along with the inclusion of judicial supervision over the electoral process and culminating in a multi-candidate presidential election. Nevertheless, these changes were altered post-2005 due to Mubarak's inability to properly contain the re-ignited and re-mobilized socio-political landscape that emerged via the internet and a generation of politically oriented youths.

The challenges brought forth a politicized public sphere, which prompted Mubarak's contradictory reform efforts to liberalize and then de-liberalize the political establishment and contributed to the growing discontent that culminated in the fall of his regime in 2011, which will be further analyzed later in this chapter. As Egypt continues to evolve, the legacy of Mubarak's presidency remains a point of reference for understanding Egypt's contemporary political trajectories, with the transition from Hosni Mubarak to Abdel Fatah al-Sisi underscoring the changes and continuity that characterize Egypt's broader models of governance.

### 3.2 Elite Structure

#### 3.2.2 Mubarak's business and military elites

The structure of the elites under both Gamal Abdel Nasser and Anwar El Sadat was multifaceted and comprehensively set out a system of elite management on different levels. On one hand, Nasser relied on bureaucrats and the emerging state bourgeoise as

his power base within elite circles. Egypt, at the time of Nasser, was a nation directly governed by the military establishment, where military officials held top leadership posts while bureaucrats largely filled up the subordinate elite positions in Nasser's ASU and large public sector. Anwar El Sadat's frequent re-shuffling of individuals in key positions largely pushed out many elements of the old bourgeoise, and his moves to civilianize and subordinate the military and break up the public sector encouraged the emergence of a mixed strata of elites. In fact, the elite structure under Sadat expanded the possibilities for individuals of non-technocratic backgrounds to rise through the ranks and established levels of elites, with individuals linking the Party to citizens at the very bottom, while the President himself and his entourage were placed at the very top. Although Mubarak's elite structure largely stems from that of his predecessors, a degree of differentiation was present. First of all, under Mubarak, the military began to have spheres of autonomy and vested interests in Egypt's private domestic sector, with military elites re-entering into elite positions through government posts and positions in private/public enterprises. In addition, the growth of the private sector enabled the emergence of a new business elite. While an analysis of the military's involvement in the economy will be presented in the final section of this research, the growing involvement of military officials in elite positions under Mubarak will be delved into. During the tenure of President Hosni Mubarak, the elite structure broadly reflected an increase of military officials in civilian posts of the political system. In fact, between 1981 and 1989 nearly 30 percent of all provincial governors were retired military officers, with this figure growing to 44 percent between 2000 and 2011 (Rutherford 2018, 187). A possible reason for this growth arguably relates to a shift in the utilization of the military from Sadat to Mubarak. The prior largely derived his power base and legitimacy from the military establishment, while the latter increasingly utilized the military to deal with uprisings and the tense socio-political landscape that characterized Mubarak's Egypt throughout his three-decade tenure. Therefore, it is safe to assume that having retired military officers in civilian posts such as governors may have facilitated the use of the military to quell uprisings and militancy. Nevertheless, the increase of retired military officers in civilian posts constitutes one side of Mubarak's elite structure, informing on the changes that occurred within the political elite of the regime. On the other hand, the general business elite had expanded as well. In fact, under

Mubarak, the broader business community consisted of "private sector individuals connected to the regime, independent civilian owners of large and medium-sized modernized enterprises, retired officers running private firms, and a small but emerging sector of 'Islamic' enterprises composed of Muslim Brotherhood leaders and affiliates (Springborg 2017, 195). While these changes constitute a considerable expansion of the business elite, they are unsurprising given the context of Mubarak's pursuit of a market-oriented economic transformation. Moreover, these changes progressively sidelined the state bourgeoisie of civilian managers of state-owned enterprises, who played an important role during Nasser's and Sadat's era, in favor of officer-managers within the public sector (Springborg 2017, 195). Therefore, while Sadat's structures of elite hierarchy largely remained intact under Mubarak, the business community, public sector, and political establishment generally witnessed the progressive presence of retired military officials occupying civilian posts. Considering the backdrop of Egypt's unequal access to resources, the new business community, although expanded, was limited to a few large firms. More specifically, Mubarak's business elite was missing a middle stratum as business activity was clustered in a few large firms while the rest struggled to expand due to the lack of access to capital and a discriminatory regulatory environment favoring larger firms (Springborg 2017, 195). This, in addition, increased competition and tensions between civilian elites tied to Mubarak and the retired military elites who managed military, public, or private enterprises. The nature of this tension largely stemmed from the fact that both the civilian business community holding large, modernized enterprises and the retired military business community existed primarily as contractors to the state, with the Ministry of Defense and the Suez Canal Authority dominating this sphere (Springborg 2017, 195). Therefore, while the fusion of the new business elites marks an important discontinuity with Sadat as it largely excluded the remnants of the old state bourgeoise, this does not directly imply that the new elites under Mubarak developed under the military tutelage or patronage of military officers. While this may be the case after Mubarak, the incremental growth of retired military officials in the public, private, and political landscapes likely indicates Mubarak's utilization of the military establishment to ensure the prolonged stabilization of his regime, marking a departure from Anwar El Sadat.

### 3.3 Economic Affairs

The stabilization, development, and broader handling of the economy under Mubarak's leadership were marked by a more coherent continuity with the economic policies initiated under Anwar El-Sadat. In fact, perhaps the most significant economic developments under Hosni Mubarak refer to the deepening of the *Infitah*'s economic liberalization policies aimed at increasing the share of the privatization of state-owned enterprises, the deregulation of markets, the attraction of foreign direct investments, and the integration of Egypt into the global economy. Mubarak's leadership, from an economic perspective, successfully facilitated a higher degree of economic opening as international investments and tourism revenues boosted Egypt's hard currency accumulation. On the other hand, the cost of implementing policies geared towards macroeconomic stabilization in concomitance with the international financial institutions, while undoubtedly bolstering Egypt's balance of payments and budgetary discipline, had mixed outcomes. With benefits being unevenly distributed, the effects of Mubarak's liberalization policies indicate a discrepancy in the broader distribution of economic benefits. From a social perspective, Mubarak's continuation of the *Infitah* echoed the dilemmas faced by Anwar El Sadat, underscoring the challenges of striking a balance between economic growth and equity in the process of transitioning to a liberalized economy. This section will provide an overview of the economic policies enacted during Mubarak's tenure and their wider implications for the Egyptian economic landscape. Initially, this section will analyze the macroeconomic adjustments undertaken by Mubarak in concomitance with the international financial institutions through the Economic Reforms and Structural Adjustment Programs (ERSAPs) of the 1990s. In addition, this analysis sets the stage for an examination of Mubarak's agricultural strategies against the backdrop of export-oriented policies. Subsequently, a brief evaluation of Mubarak's endeavors to continue liberalization into the first decade of the 2000s through financial sector reforms, special economic zones, and support for small and medium enterprises (SMEs). Lastly, this section will critique the unequal economic outcomes stemming from the prolonged continuation of the *Infitah* under Mubarak's leadership by offering an economic lens through which to view the events that contributed to the 2011 uprisings and subsequent fall of the Mubarak Regime.

Before delving into the economic reforms and effects of the Mubarak Regime, it is crucial to briefly re-introduce Egypt's structural predicaments to form a comprehensive understanding of such economic policies. The contextualization of Egypt's structural challenges aids in understanding not only what shaped Mubarak's policies but also how to ultimately evaluate their effectiveness. In 1981, Mubarak inherited a country grappling with declining socio-economic conditions and deteriorating standards of living resulting from Sadat's *Infitah*. Nevertheless, the structural and spatial inequalities that marred the nation's development at the time of Gamal Abdel Nasser remained largely unaddressed as Mubarak entered office. The issues of overpopulation and geographical inequalities inform the continuity and complexity of Egypt's developmental challenges under successive regimes, issues that are likely to persist in the future. Mubarak, like his predecessors, inherited a nation relying heavily on the banks of the Nile River for housing, with Cairo constituting the bulk of Egypt's industrial and financial activities, contributing to the continuous neglect of rural areas. Nevertheless, concerns about overpopulation have emerged as a consistent theme and critical concern of Mubarak's presidency, explaining in 1982, after his accession, that:

> "We cannot ignore the fact that the current rate of increase in population will hinder our efforts to achieve development, dissipate our hopes for changing the quality of life of every Egyptian, and confine our ambitions to preventing the deterioration and aggravation of our situation. We cannot accept this" (Population Council 2008, 583).

Despite all three presidents sharing concerns about overpopulation, Nasser's acknowledgement of this issue in his Charter and his family planning policies, which continued under Sadat, had a limited impact as Egyptian population ballooned from 26 million in 1952 to 46 million at the time of Mubarak's ascension in 1981 (United Nations Population Program 2008, 114). Although Mubarak's policies successfully managed to reduce the population growth rate from 2.8 percent in the 1980s to 1.9 percent by 2008, the necessary balance between population and resources remained elusive as Mubarak's policies did not manage to contain births a year below the 2 million barriers—especially in rural areas—reaching 2 million in 2008 and 2.4 in 2011

(Population Council 2008, 583). Undoubtedly, addressing overpopulation is an inherently complex phenomenon intertwining economic, social, religious, and cultural dimensions, necessitating a multifaceted approach across all these levels to mitigate its effects. For instance, policies and programs for the mitigation of overpopulation growth necessitate frequent updating and re-adaptation, with enhanced efforts to eliminate illiteracy, reduce school dropout rates, combat child labor, boost the educational, cultural, and economic empowerment of women, support their increased involvement in social advancements, and require a swift progression towards redefining the demographic landscape and achieving a more balanced geographical distribution (Population Council 2008, 583). Evidently, the biggest roadblock for Egypt is the vast number of resources and investments needed to mitigate population growth, as well as the social and cultural costs of such programs. The difficult balance between Egypt's socio-economic conditions, the drive for liberalization, the need for macroeconomic adjustments, and the unequal spread of benefits underscores the complexity of the overpopulation phenomenon and the limits of its mitigation. Mubarak's efforts to mitigate Egypt's structural issues ultimately reveal the enduring challenges of aligning economic reforms with sustainable and equitable social development.

*3.3.2 Economic Reforms Structural Adjustment Programs (ERSAPs)*

Having re-introduced Egypt's structural problems, an examination of the country's reforms during the Structural Adjustment Programs (SAPs) period is essential to comprehending the complex juncture between macro-economic efficiency and social equity. In fact, Egypt's ERSAPs in the 1990s underscore a series of landmark financial reforms within Egypt's economic landscape. Conversely, the ERSAPs undertaken by the International Monetary Fund and the World Bank are often associated with austerity programs to stabilize the recipient's economy through general fiscal austerity and a decline in public expenditure such as social welfare to stimulate macro-economic stability (Hamad and Harrigan 2014, 101). Undoubtedly, the social cost of structural adjustment programs is often high, as fiscal austerity measures often negatively impact the social conditions of the recipient nations, and Egypt is no exception. Nevertheless, the effects on Egypt's standards of living and poverty as a result of the ERSAPs will be delved into in the critique section which will consider various economic indicators from the 1980s up until the first decade of the 2000s to substantiate the effects of Egypt's

ERSAPs on the population. Notwithstanding, this section will concern Egypt's financial reforms under the ERSAPs and improved macro-economic indicators. Egypt officially accepted cooperation with the IMF and WB in 1991, operating on the conditions outlined in the "Washington Consensus" which demanded "stabilization measures calling for massive cuts in public spending, broader taxes, high interest rates, immediate trade liberalization, currency devaluations, reductions in tariffs, elimination of non-tariff barriers, privatization of state-owned enterprises and deregulation of financial systems and prices" (Hamad et al. 2014, 101). The Washington Consensus conditions, which exemplify the *modus operandi* of the SAPs, have very much remained consistent in spite of the recipients' region and domestic economic realities. Nevertheless, Egypt in the late 1980s was undoubtedly placed in a better economic position than its north-African counterparts, which undertook similar programs in the same period and bolstered a period of strong macro-economic growth during the 1980s. However, the decisive factor that gave Egypt the impetus to enter into cooperation with international financial institutions was the crisis it faced in the late 1980s, as its rentier state model was progressively undermined by global economic conditions. More specifically, Egypt enjoyed considerable economic growth from the 1970s until the 1980s based on rents from remittances, tourism, oil and Suez Canal revenues, and foreign aid, along with large sums of foreign direct investments, which prompted an inward-looking interventionist approach to the economy (Hamad et al. 2014, 105). Therefore, while the rentier economic model enabled Egypt's to access and accumulate foreign currency and the liberalization policies undertaken under Sadat and Mubarak facilitated Egypt's overall trading position vis-à-vis foreign markets, domestic development was largely based on consumption rather than production and exports. By the end of the 1980s, the rentier model could no longer be sustained given the collapse in oil prices at the time, resulting in external debt challenges, high inflation, significant budget deficits, and a progressively unsustainable balance of payments (Hamad et al. 2014, 105). It is also important to contextualize Egypt's economic growth as the nation's healthy macro-economic performance did not necessarily translate into increased prosperity at the micro-economic level. The issues of income distribution and social welfare programs continued to be relevant during Egypt's almost two-decade long significant economic growth, which were exacerbated in the late 1980s, giving rise to the previously analyzed

heightened and somewhat militant public sphere defining Mubarak's presidency into the 1990s. In the 1990s, Hosni Mubarak's regime positioned itself in accordance with American foreign policy objectives in order to reap the advantages of American cooperation. More specifically, Egypt's support of the US-led coalition during the First Gulf War between 1990-1991 brought about a large debt 'forgiveness' package and an "IMF and WB policy-based lending program designed to promote economic liberalization and macro-economic stability" (Hamad et al. 2014, 105). The SAPs were meant to sustain Egypt's move towards economic liberalization as the country's rentier model began to be unsustainable and domestic disturbances continued to challenge any economic reforms that would have enabled liberalization to continue undisturbed due to its impactful 'side effects' on the general standards of living. The capitalization of the ERSAP for Egypt was estimated at $562 million, of which $300 million came from the World Bank, $130 million from the African Development Bank, and $132 million from the European Economic Community; nevertheless, the actual amount disbursed was $380 million, mostly from the World Bank (African Development Bank 1999, 3). The substantial financial package obtained implied sweeping economic reforms based on the Washington Consensus, giving the IMF, the WB, and the ADB important influence in the decision-making process of economic policy implementation. The reforms broadly concerned areas such as macroeconomic stabilization, foreign trade, public and private enterprise reforms, price liberalization, privatization, and private sector development, as previously mentioned. Regarding macroeconomic stabilization under the SAPs, Egypt had achieved a considerable degree of success. The ERSAPs consisted of the reduction of the fiscal deficit through budget restructuring and stabilization of monetary and exchange rate policies, resulting in the fiscal deficit as a share of GDP decreasing from 17 percent in 1990 to 2.5 percent by 1994, converting the government's primary deficit of 9.5% of GDP to a 10% surplus by the same years (African Development Bank 1999, 10). Egypt's macroeconomic success under the SAPs in a mere four years entails an effective handling of state's finances and currency stabilization. In addition, the rate of broad money—referring to the total amount of money circulating within the economy—declined from 28% in 1991 to 12% by 1994 through the elimination of foreign exchange restrictions, enabling the Egyptian Pound to remain stable over the SAPs period, culminating in the reduction of inflation per year from over 20% in 1990 to 9%

in 1994 (African Development Bank 1999, 10). More prudent banking regulations, attentive government spending, and increased alignment with international currency rates were effective monetary policies that enabled Egypt to achieve its macro-economic targets under Mubarak in a brief period of time. In addition, Egypt's alignment with American foreign policy objectives was a salient decision for its balance of payments situation. More specifically, Egypt's official balance of payments stood at a deficit of $1.2 billion in 1990 and swung to a surplus of $5.9 billion in 1992, with the Egyptian Central Bank's foreign reserves standing at $18 billion by 1994, significantly as a result of the generous rescheduling of Egypt's International debt by the Paris Club, bilateral creditors and huge foreign currency inflows into Egyptian Banks due Egypt's support of the US-led coalition in the Gulf War (African Development Bank 1999, 11). The ameliorated balance of payments situation, slowing down of inflation, and large cuts to budgetary spending improved Egypt's credit reliability internationally. In fact, foreign debt as a ration of GDP declined from over 150% before the SAPs to about 70% in 1994, with the debt service ratio declining from 47% to 17% of import receipts, turning Egypt into a moderately indebted nation (African Development Bank 1999, 11). Another significant aspect of the SAPs and Mubarak's economic reforms between 1990 and 1994 concerned foreign trade with particular attention to trade tariffs and import bans that had been put in place by Mubarak's predecessors. The foreign trade reforms underscore a critical change from Egypt's rather protectionist approach to one meeting international obligations to foster trade liberalization. At the beginning of the SAPs, 37.2% of Egypt's tradable output was protected by import bans and tariffs on imports ranging from 5-100%, while the coverage of import bans was brought down from 22.7% in 1991 to 10.1% by 1993, below the reform's target of 10.6% (African Development Bank 1999, 11). Despite Egypt's two-decade efforts to liberalize its economy and the extensive import ban coverage, the effects of the *Infitah* under Sadat and Mubarak largely contributed to the development of domestic consumption rather than domestic production, with increased availability of foreign currency facilitating the purchasing of foreign imports, enabling the state to profit from its imposed tariffs despite large import bans. Considering that nearly 40% of Egypt's tradeable output was under import bans before 1991, economic liberalization was marginally achieved as protectionist measures clearly remained in place. Nevertheless, the drastic falls in the

coverage of import bans also narrowed down the tariff range to 5-80%, below the target range of 10-80% reflecting the government's concern over the possible negative effects on investments (African Development Bank 1999, 12). The government's unwillingness to raise minimum tariffs to 10% could be attributed to the Government's acknowledgement that higher tariffs may deter investments and physical capital inflows as higher tariffs increase costs for businesses that rely on imported goods. The important changes to Egypt's trade policies in an effort to align the North African nation with international trade standards undertaken by Mubarak are a prelude to the sweeping price liberalization reforms of the 1990s, which had a considerable impact on average prices and inflation rates. More specifically, since 1990 the Egyptian government has made significant progress in the liberalization of energy, agricultural, and industrial prices, with the average price of petroleum products reaching 100% of international prices and electricity rising to 74% in line with the SAP targets (African Development Bank 1999, 12). In part, price liberalization undoubtedly effects market efficiency by allowing prices to be determined by market forces rather than government intervention, with the removal of subsidies enabling prices to rise and meet international levels. The long-run marginal cost of price liberalization in sectors such as energy and agriculture often results in an increase in the cost of living for the population, as the removal of subsidies on essential goods can disproportionally disadvantage certain segments of the population. In fact, this was the case under Law 96 for people living in rural Egypt, which will be delved into later. Nonetheless, other sweeping reforms during Mubarak's presidency concerned the continuation of the privatization of public enterprises and the development of the broader private sector. The move towards privatization often needs complementary measures that ensure a smooth and orderly transition and the breaking up of public enterprises. As a result, in 1991 Mubarak enacted Public Enterprise Law 203, a cornerstone to the Regimes' privatization program under the SAPs. Law 203 concerned the establishment of the Public Enterprise Ministry (PEM), which presided over public enterprises, arranging 27 public sector companies into holding companies and affiliate companies, effectively decreasing the number to 17 by 1992 and widening the sectoral coverage by issuing guidelines for the restructuring and managerial performance of the newly liquidated public enterprises (African Development Bank 1999, 12). Nevertheless, although a higher degree of privatization of

public enterprises has been a government objective since Anwar El Sadat, privatization has to be contextualized within the backdrop of the state renouncing a certain market share. In fact, the government's approach was cautious, announcing in 1991 that it intended to sell shares worth $1.1 billion by June 1994, with performance falling short of expectations as no public enterprises were sold until 1993 (African Development Bank 1999, 13). Notwithstanding, by the year 1993, the government had taken steps to facilitate privatization and formalize the legal framework, ensuring the orderly liquidation and sale of public enterprises concerning both domestic and foreign investors. In fact, Law 95 of 1992, enacted to substantiate the framework put in place by Law 203, allowed for the reforms of the capital and stock markets, leading the government to sell majority shares in 119 companies, of which 100 had become fully privatized by 1996 with the government retaining only minority shares in the remaining 19 (African Development Bank 1999, 14). In addition, different normative approaches were undertaken by the government to supplement the development of the private sector. Indeed, although the government ensured an orderly privatization of public enterprises, a number of factors continued to obstruct the efficiency of privatized companies and the broader private sector. Some instances include the lifting of quantity restrictions and liberalization of cement and fertilizer prices, the abolishment of investment and production licensing requirements, and the removal of various employment restrictions on private firms, such as the ability to advertise employment needs, special recruitment services, and examination job applications through Labor Law reform (African Development Bank 1999, 16). The overall implementation of the ERSAPs had been widely satisfactory, enabling Egypt to improve its creditworthiness, achieve its macro-economic targets, remove trade barriers, and continue to move in the direction of a liberalized, market-oriented economy based on a capitalist development model. Nevertheless, despite Egypt's successes in a relatively short amount of time, macro-economic efficiency does not directly translate into social equity or improved standards of living, and liberalization of prices and trade does not necessarily benefit the entire economy.

### 3.3.3 Agricultural Reforms:

The effects of the ERSAPs on the agricultural sector concerning price liberalization and changing dynamics between landlords and tenants underscore one of the drastic effects

of Egypt's structural adjustment programs vis-à-vis the population. The intricate relationship between economic efficiency and social equity, particularly in the agricultural domain, marks a series of significant aspects that influence social stability, as illustrated by the agricultural reforms adopted throughout Egypt's history.

Not only do the agricultural reforms under Sadat and Mubarak inform of the challenges to mitigating population growth but they also substantiate the declining economic and societal conditions that manifested themselves, namely in the 1977 Bread Riots and in a series of uprisings under Mubarak. In addition, the evolution of agriculture policies under Egypt's three presidents underscores not only shifts but a certain continuity in strategic efforts affecting the agricultural sector. Most notably, Gamal Abdel Nasser's era was characterized by the introduction of significant land reforms aimed at limiting tenant rents and redistributing land from large landowners to peasants by breaking up holdings over the legally established limit. Conversely, Anwar El Sadat's presidency pursued adjustments to Nasser's reforms, especially in the relationship between the wider agricultural sector and the institutional establishment, in order to optimize agricultural output and increase the share of privatization and liberalization within the agricultural sector. Finally, under Mubarak, the agricultural sector continued to be liberalized, with Mubarak's reforms geared towards the shift to liberalization and a commercialized agricultural sector, largely influenced by international pressures and a focus to align Egypt with global markets. The attention of Egypt's Reform and Structural Adjustment Program (ERSAP) in concomitance with international financial institutions, is particularly focused on stabilizing the economy and reducing government spending to tackle inflation, resulting in the slashing of subsidies, the promotion of cash crops for exports, and land reforms favoring landowners rather than tenants (Bush 2000, 235). Mubarak's agricultural strategy, largely aimed at achieving the macro-economic targets set by international financial institutions, had a significant impact on the levels of inequality, especially in rural areas. The strategy followed by the World Bank and Egypt's Government to curb Egypt's agricultural crisis is geared toward raising productivity and rural income through land reforms by liberalizing markets and prices while seeking competitive advantage in export markets for cotton and cash crops (Bush 2000, 237). Nevertheless, it is safe to assume that issues regarding Egypt's dwindling agricultural productivity, which have persisted since the times of Gamal Abdel Nasser,

may indicate a history of excessive government intervention that reduced the efficiency of the agricultural system. In addition, the inception of Mubarak's Law 96 in 1992 and final adaptation in 1997, viewed Egypt's agricultural crisis as stemming from a fragile environmental base rather than Egypt's acute inequality of access to resources, uneven capitalist development, and the progressive political deliberation of the 1990s (Bush 2000, 237). In this research's view, Law 96 provides a satisfactory instance of shifts and continuity to the government's approach towards agriculture. On one hand, Mubarak's agricultural reforms strip away the limited stabilization reached under Gamal Abdel Nasser—and continued under Sadat—through the application of subsidies and tenants' rights. On the other hand, all approaches had largely failed to mitigate the issue of dwindling agricultural productivity and increased reliance on exports for basic foodstuffs. While Egypt's environmental challenges constitute an enormous setback for agricultural production, the trend of falling agricultural output throughout the tenure of Nasser, Sadat, and Mubarak highlights the effects of unequal access to resources and uneven capitalist development, which had largely continued under the three presidents. Indeed, Law 96 reversed Nasser's measures that ensured a limit on the size of land holdings, granted tenant farmers rights and legal status over farmlands, and fixed rents for stallholders, which curbed the insecurity that manifested itself in the pre-revolutionary period (Bush 2000, 238). On the other hand, Law 96's objectives and effects are diverse and multidimensional, being less concerned with stability per-se and more vested in generating financial resources, by employing the government's security forces to crush any form of dissent. From a normative viewpoint, Law 96 "ended security of tenure for farmers, gave landowners the right to levy rents at 'markets' rates and allowed contracts to last 12 months only" with the view that increases in rents would improve incentives to invest in land (Bush 2000, 238). The discontinuity from Nasser's agricultural policies that stabilized rural Egypt post-1952 arguably re-ignited the same inequalities, transporting them into the 1990s. In fact, land dispossessions significantly increased under Law 96, as did levels of rural poverty, indebtedness, and migration out of rural areas (Bush 2000, 239). In addition, the effects that derived from the enactment of Law 96 contributed to the general societal instability witnessed in the 1990s, with governmental repression highlighting the absence of a civil society discussion for rural areas despite civil society debates on legal rights being a defining

feature of the 1990s in urban settings. From 1997 until 1999 an extensive level of countryside violence was reported, with incidents leading to at least "87 deaths, 545 casualties and 798 arrests", with opposition control featuring the use of torture and unlawful imprisonment of tenants who challenged Law 96 (Bush 2000, 239). Consequently, the government's efforts to achieve its macro-economic targets under the influence of international financial institutions and the spiking economic inequalities in rural areas underscore the discontent for the Law 96 reforms and the government's approach to any sort of opposition, despite the debate for expanded political and civil rights being a trending issue at the time. From an economic perspective, Law 96 did not sustain a growth in agricultural production and a reduction in agricultural imports. The efforts to "Egyptianize" the agricultural sector and put Egypt back on the path of macro-economic stability are largely the result of the contradictory approaches employed by both the Egyptian Government and the World Bank. In fact, the "failure of the WB to deliver a nuanced strategy for agricultural reforms" and the Egyptian government's reluctance to promote its own reforms through the investment of sufficient resources by privatizing state assets colluded with the "lack of transparency, oneness and accountability" on both ends, with the Law 96 reforms largely suited for the broader objective of "putting the adjustments in place, by reducing inflation and liberalizing all agricultural prices except for sugar" (Bush 2000, 237). Regardless of the real impetus behind the application of Law 96 and the shortcomings of both the World Bank and the Egyptian Government in implementing a sound agricultural policy in line with Egypt's macro-economic target requirements, Law 96 largely failed to meet the desired level of growth in the sector in question. Despite changes in input and output prices and patterns of broader liberalization, agricultural growth in 1990 demonstrated a decrease from the period of 1980-1987, with exports progressively falling and imports ballooning. More specifically, while Egypt's overall exports figures increased between 1980 and 1998, where exports stood at LE 418 million and LE 1.9 billion respectively, a significant decrease in exports from $615.5 million in 1994 to $320.7 million in 1996 signaled the dwindling agricultural productivity and the effects of price changes on Egypt's agricultural exports, which tend to have more elasticity in comparison to its imports. Despite the general increase in exports since 1980, imports, characterized by commodities with low elasticity such as wheat and sugar, significantly increased.

Imports increased from LE 1.2 billion in 1980 to LE 11 billion in 1998, contributing to 33 percent of Egypt's trade deficit by 1998, highlighting the failure of over a decade of liberalization policies in driving and Egyptianizing agricultural input, with Law 96 substantiating this trend as an estimated loss of 700,000 agricultural jobs between 1992 and 1997 was endured by the agricultural sector (Bush 2000, 238). The wider effects of the ERSAPs did not necessarily garner successes across the agricultural sector, which endured a significant drop in productivity, employment, prices, and exports. Despite the shortcomings highlighted in the agricultural sector, the Mubarak Regime did little to prevent further losses and compliment macroeconomic policies with sustainable social relief measures.

*3.2.4 Privatization post-ERSAPs 2000-2011*

The economic reforms enacted from the year 2000 until the fall of the regime underscore the Mubarak government's commitment to continue to pursue an aggressive liberalization of the economy even after the ERSAP period. While this section will briefly provide a few instances of reforms enacted during this period that substantiate the continuity of Mubarak's economic policies, it wishes also to highlight the contradictory nature of Egypt's macroeconomic indicators. In fact, the impetus for more economic reforms during the early 2000s is attributable to Egypt's economic slowdown from the 1990s, and while its rapid recovery satisfied the nation's macro-economic performance and bolstered its creditworthiness, it did not translate into improved standards of living. In fact, although Mubarak's ambitious reforms launched in the 2000s "won plaudits from the business community, they have done little for the average Egyptian," with this disconnect raising questions as to whether the government can sustain its 7 percent annual rate growth rate amid increased labor unrest and a generalized atmosphere of complaint (Said 2014,107). A brief analysis of the reforms enacted with the start of the new millennium serves to highlight the government's pursuit of profit-generating reforms rather than policies mitigating the social impact of the ERSAPs as arguably one of the leading causes of the uprisings of 2011. In addition, the reforms enacted in Mubarak's final decade of leadership demonstrates an interesting parallel with his domestic 'quest for legitimacy'. As previously analyzed, during elections, Mubarak largely upheld the integrity of the electoral system in urban centers, while rural areas witnessed enormous infractions and government interference in the

electoral process. Similarly, the economic reforms post-2000 were undoubtedly geared towards strengthening economic activity in urban centers, neglecting rural regions, as these reforms were not necessarily adaptable to the conditions of non-urban areas despite their broader effects on the economy. Law 83 of 2002 perhaps serves as the best instance of the government's efforts to reform Egypt's economy by improving the broader business environment for domestic and foreign investors. Law 83 designated additional areas as special economic zones (SEZs), by developing the regulatory framework to increase the attractiveness of the Northwest Suez Economic Zone, part of the larger Suez Canal Economic Zones, aimed at leveraging the canal's strategic location for maritime logistics and industrial development, along with the Tedad Economic Zones focused on attracting investments in high-tech and innovation industries (Organization for Economic Cooperation and Development 2019). Although SEZs were present before Mubarak, Law 83 gave the pre-existing SEZs a new strategic outlook by enabling these areas to receive tech-industry-related investments. In addition, the new SEZs were empowered by Law 82's intellectual property framework, which strengthened the protection of trademarks, patents, and copyrights and facilitated investments in research and development, aiming to comply with international standards outlined in the World Trade Organizations Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreements (Goans, Skillington, Weinsten and Drost 2003,5). Laws 82 and 83 are undoubtedly part of Mubarak's effort to modernize Egypt's economy and align the domestic business environment with international standards to facilitate investments and the general ease of doing business. From 2002 onwards, the Mubarak Regime embarked on a series of sweeping economic reforms meant to modernize the economy, giving the business community and related interest groups enormous opportunities to amass wealth and, on the other hand, modernizing and overhauling workers' conditions. The 2003 Unified Labor Law 12 meant to modernize labor and employment conditions and developed a clear framework for dispute resolution, employment, and protection of workers, such as hours and vacations, largely aimed at stabilizing the interests of both employers and employees (Riad & Riad 2023). However, despite the efforts of Law 12 to foster a stable environment for employer and employee' relations, its wider effects are debatable as Egypt regional inequalities largely prevent the broad compliance with the law's conditions vis-à-vis employees. In

addition, considering the high percentage of "off the books" business activities in Egypt, Law 12 likely had an impact on foreign firms or larger Egyptian private enterprises. Nevertheless, the limited effectiveness of Egypt's economic reforms is unsurprising given the context of the nation's structural predicaments, with unequal access to resources playing a pivotal role in diminishing the reforms' efficiency. Moreover, while little to no reforms based on redistribution were implemented during Mubarak's era, sweeping reforms to the financial conduct of the Egyptian economy were undoubtedly prioritized. The Banking Sector Reform Program (2004) for instance, strengthened banking supervision on non-performing loans.

Tax Reform Law (2005) simplified tax brackets through the introduction of a new income tax law which reduced taxation for higher tax brackets.

The Customs Tariff Reform (2007) simplified the tariff system and aligned it to international standards, thus increasing the transparency of customs procedures, while the Capital Market Law Amendment (2007) strengthened oversight over market manipulation and insider trading (African Development Bank Group 2010). The Regime's objective to continue market liberalization reforms post-ERSAPs evidently heavily favored financial interests over addressing socio-economic disparities. While the reforms were successful in streamlining Egypt's economy, thus making it more attractive to foreign investments, the focus on modernization arguably sidelined social welfare considerations. In fact, in order to comprehensively examine Mubarak's economic reforms and their legacy, it is crucial to delve into the societal impacts of Mubarak's multifaceted economic approach.

*3.2.5 Critique of Mubarak's Economic Reforms*

As previously mentioned, the economic outcomes of Mubarak's economic reforms under the guidance of international financial institutions in the ERSAPs period and later in the 2000s did not reflect a comprehensive distribution of the obtained economic benefits. While this impact has been illustrated through the effects of Law 96 on the agricultural sector and rural population, this research seeks to expand the focus by utilizing worsening poverty and malnutrition as indicators to reveal the 'side effects' of Mubarak's macro-economic policies. Given the backdrop of Egypt's structural predicaments, it is safe to assume that macro-economic policies need to be complemented by policies of social relief, given the drastic effects of fiscal austerity.

While providing social relief policies while implementing austerity measures is an extremely complex task, the Mubarak Regime's neglect of social inequalities and amendments or the removal of pre-existing subsidies fundamentally highlights the changing role of the relationship between the state and its citizens. In fact, Egypt—as a result of Nasser's leadership and the 1962 Charter—had entered into a social contract with its citizens, where the state provided a series of social welfare services such as food subsidies, healthcare, education, and guaranteed employment within the public sector. In return, these welfare provisions guaranteed a level of compliance and loyalty from the citizens. Nevertheless, the ERSAPs arguably broke down the social contract by shifting the traditional role of the state as a welfare provider, ultimately resulting in increasing levels of economic disparity. In fact, the welfare state put in place since the Nasserist revolution has greatly improved the social welfare dimension since 1952 as ratio and subsidy programs effectively protected the population from food insecurity (Hamed et al., 2014, 105). Policies such as land distribution and public sector employment, along with free access to education and healthcare, contributed to a steady increase in the standards of living of Egyptians. Despite considerable setbacks by the end of the 1970s because of the inequality and disparities in income distribution resulting from the *Infitah*, at the time of the 1991 SAPs, Egypt was perhaps in a better position than many other developing nations undergoing SAPs. In addition, while the SAPs did ameliorate Egypt's macro-economic conditions and poverty alleviation strategies under the guidance of the World Bank did manage to create a social fund, the primary issues lied in Egypt's geographical inequalities (Hamed et al., 2014, 105). Indeed, the effectiveness of the ERSAPs on poverty levels was mixed, although they demonstrated a general decrease in poverty. For instance, the national poverty head count and the US $2/day measure both worsened between 1990 and 1996, with the prior increasing from 49.27 percent to 51.43 percent and the latter from 39.45 percent to 41.52 percent (Hamed et al., 2014, 106). These increases in poverty indicators are likely due to the fact that the government pursued economic growth in the short-term as a primary objective despite the negative social consequences. Nevertheless, poverty trends by the years 1999 and 2000 demonstrated moderate improvements, although they likely highlighted that the effects of SAPs and economic reforms on poverty were

mixed. The table below best exemplifies the improvements in the realm of poverty: (table 8)

**Table 2: Poverty Trends in Egypt 1990–2000 (percent of population)[31]**

| Trends | 1990/91 | 1995/96 | 1999/2000 |
|---|---|---|---|
| Lower National Poverty Line Head Count | 24.32 | 19.41 | 16.74 |
| Poverty Gap (National Poverty Line) | 7.08 | 3.39 | 2.97 |
| National Poverty Line Head Count | 49.27 | 51.43 | 42.63 |
| Poverty Gap (National Poverty Line) | 16.98 | 13.92 | 10.83 |
| Poverty Line Head Count (at US $2/day PPP) | 8.24 | 2.50 | 0.68 |
| Poverty Gap | 2.27 | 0.33 | 0.07 |
| Poverty Line Head Count (at US $2/day PPP) | 39.45 | 41.52 | 24.84 |
| Poverty Gap | 12.41 | 9.93 | 5.00 |
| Food Poverty Line | 8.93 | 3.05 | 2.87 |

El-Said, Hamed, and Jane Harrigan. "Economic Reform, Social Welfare, and Instability: Jordan, Egypt, Morocco, and Tunisia, 1983-2004." *Middle East Journal* 68, no. 1 (2014): 99–121. http://www.jstor.org/stable/43698563.

While general poverty trends have improved from 1990 to 2000, the table above does not factor in Egypt's geographic inequalities. The greatest improvements to poverty levels were recorded in the Greater Cairo Area, with moderate improvements in Lower Egypt while Upper Egypt—traditionally Egypt's poorest region—grappled with increased poverty levels rising from "29.3 percent to 34.2 percent in rural areas and from 10.8 percent to 19.3 percent in urban areas from 1995/1996 to 1999/2000" (Hamed et al., 2014, 105). The division in poverty incidence highlights a change in poverty patterns. Traditionally, poverty incidence has generally been more prevalent in rural areas than in urban areas. The case in the early 2000s is a result of biased development and investment growth patterns during the 1990s, which concentrated the bulk of the nation's development in Lower Egypt and around the Greater Cairo Area while Upper Egypt experienced virtually no growth, shifting the rural/urban poverty divide into a regional one (Hamed et al., 2014, 107). While average national poverty declined from 24.32 percent in 1990 to 16.74 percent in 2000 as shown by the table above, the improvements to poverty are highly disproportionate, with Upper Egypt becoming poorer during the same time period. In addition, while the ERSAPs had attempted to compliment Egypt's macro-economic maneuvers with social relief policies, generally increasing employment and lowering poverty from 1991 to the year 2000, poverty

trends post-2000 demonstrates test a reversal in poverty reduction as Mubarak's financial reforms post-ERSAPs largely neglected the need to provide countermeasures for their social costs. By 2004/2005 poverty was estimated to have increased to 19.6 percent nationwide, with Upper Egypt experiencing a poverty level around 40% and 8.6 percent of children under the age of five experiencing malnutrition (Hamed et al., 2014, 107). The poverty trends that have worsened since the ERSAPs were further exacerbated by the 2008-2009 global financial crisis. The lack of policies regarding poverty and social welfare under Mubarak failed to shield the population from the crisis' economic effects and exacerbated the already growing poverty and wealth gap. The table below best exemplifies this claim: (table 9)

| | 1999/00 | 2004/05 | 2008/09 | 2010/11 | 2012/13 |
|---|---|---|---|---|---|
| National Poverty Lines | | | | | |
| Extreme Poverty Line | 2.9 | 3.6 | 6.1 | 4.8 | 4.4 |
| Lower Poverty Line | 16.7 | 19.6 | 21.6 | 25.2 | 26.3 |
| Upper Poverty Line | 42.6 | 40.5 | 41.7 | 48.9 | 49.9 |
| International Poverty Lines | | | | | |
| $1 PPP a day per person | 3.4 | 3.4 | 3.2 | 4.8 | 4.4 |
| $2 PPP a day per person | 43.7 | 42.8 | 42.0 | .. | .. |

El-Said, Hamed, and Jane Harrigan. "Economic Reform, Social Welfare, and Instability: Jordan, Egypt, Morocco, and Tunisia, 1983-2004." *Middle East Journal* 68, no. 1 (2014): 99–121. http://www.jstor.org/stable/43698563.

The concerning aspect of the worsening poverty under Mubarak and in the post-Mubarak era is that nearly half of the population lives within the national poverty lines. In addition, this places millions of people in an extremely vulnerable economic position, as the removal of subsidies and price shocks as a result of the 2008 economic crisis have significantly impacted poverty. In fact, in the "first-half of the year 2008, wheat and rice prices increased significantly, profoundly effecting the Egyptian economy" as Egypt is a net importer of food (Tsuchiya 2016, 63). In addition, given the already present uneven geographical economic disparities, the woes brought forth by the 2008 global financial crisis further exacerbated the uneven poverty levels and income distribution patterns that characterized the national economic landscape pre-2008. The following two tables reflect the geographical disparity during the 2008 crisis by highlighting the poverty rate by geographic region based on the national poverty line and the income distribution by government: (table 10).

| | 2008/2009 | 2010/2011 | 2012/2013 |
|---|---|---|---|
| Urban governorates | 7.0 | 9.6 | 15.7 |
| Lower Egypt | | | |
| Uran | 7.0 | 10.3 | 11.7 |
| Rural | 17.0 | 17.0 | 17.4 |
| Upper Egypt | | | |
| Urban | 21.0 | 29.5 | 26.7 |
| Rural | 44.0 | 51.4 | 49.4 |

El-Said, Hamed, and Jane Harrigan. "Economic Reform, Social Welfare, and Instability: Jordan, Egypt, Morocco, and Tunisia, 1983-2004." *Middle East Journal* 68, no. 1 (2014): 99–121. http://www.jstor.org/stable/43698563.

The first table highlights the persistent growth of poverty based on regional disparities within the backdrop of the 2008 financial crisis and the rise in food prices. While the poverty rates of Egypt's urban governments, including Cairo, Alexandria, Port Said, and Suez, and the poverty rates in urban lower and upper Egypt signal worrisome growth, rural areas demonstrate a significantly higher incidence of poverty (Tsuchiya 2016, 64). In addition, both the tables above and below identify that Egypt's poverty rate and income distribution issues inform a divide that is more geographical and regionally based than a strictly urban/rural divide. In addition, the table below demonstrates that regional disparities, although present, are not easily identifiable. For instance, for the year 2008/2009, Egypt's national average GDP per capita stood at LE 10,246, expenditure per capita amounted to LE 3,712, while the bottom 40 percent of the population received 22.3 percent of the total income generated in the country. Interestingly, when looking at Egypt's governates' GDP and expenditures per capita along with income share, these indicators do not differ much from the national average, despite Upper Egypt generally performing worse than the other regions. Nevertheless, the disproportionality is visible in the incidence of poverty and extreme poverty. Within the same years, total and extreme poverty stood at 6.9 and 1.5 percent, respectively, in the urban governorates, 14.2 and 2.0 percent in lower Egypt, 11.1 and 3.8 percent in the frontier governorates, and 36.9 and 12.8 percent in upper Egypt. Some striking comparisons can be made by taking, for instance, Suez and Damietta, which have a total poverty incidence of 1.9 and 1.1 percent, respectively, and Assiut and Suhag, which have a poverty incidence of 61 and 47.5 percent, respectively.

| | GDP per capita (LE) | Expenditure per capita (LE) | Income share Lowest 40% | Gini coefficient | Poor persons (%) Total | Poor persons (%) Extreme |
|---|---|---|---|---|---|---|
| | 2007/2008 | 2008/2009 | 2008/2009 | 2008/2009 | 2008/2009 | 2008/2009 |
| **Urban Governorates** | .. | **5,832** | **20.1** | **0.35** | **6.9** | **1.5** |
| Cairo | 7,726 | 6,151 | 18.8 | 0.38 | 7.6 | 1.7 |
| Alexandria | 8,978 | 5,139 | 22.6 | 0.30 | 6.4 | 1.2 |
| Port Said | 10,550 | 5,895 | 20.1 | 0.34 | 4.4 | 1.7 |
| Suez | 8,746 | 6,485 | 22.6 | 0.29 | 1.9 | 0.3 |
| **Lower Egypt** | .. | **3,556** | **26.3** | **0.23** | **14.2** | **2.0** |
| **Urban** | .. | **4,327** | **15.1** | **0.27** | **7.3** | **0.8** |
| **Rural** | .. | **3,275** | **32.3** | **0.20** | **16.7** | **2.5** |
| Damietta | 7,884 | 4,678 | 27.2 | 0.21 | 1.1 | 0.2 |
| Dakahlia | 9,112 | 3,796 | 26.6 | 0.22 | 9.3 | 1.0 |
| Shrkia | 8,700 | 3,108 | 28.0 | 0.19 | 19.2 | 1.9 |
| Kalyoubia | 8,134 | 3,754 | 25.8 | 0.23 | 11.3 | 1.8 |
| Kafr El Sheikh | 8,928 | 3,526 | 27.1 | 0.21 | 11.2 | 2.1 |
| Gharbia | 8,800 | 4,057 | 25.9 | 0.24 | 7.6 | 0.8 |
| Menoufia | 9,854 | 3,355 | 26.4 | 0.23 | 17.9 | 3.1 |
| Behera | 9,452 | 3,039 | 28.2 | 0.19 | 23.5 | 3.8 |
| Ismailia | 8,970 | 3,785 | 24.1 | 0.27 | 18.8 | 4.3 |
| **Upper Egypt** | .. | **2,916** | **23.4** | **0.28** | **36.9** | **12.8** |
| **Urban** | .. | **3,879** | **12.8** | **0.33** | **21.3** | **6.3** |
| **Rural** | .. | **2,501** | **31.6** | **0.23** | **43.7** | **15.6** |
| Giza | 8,243 | 3,960 | 20.2 | 0.34 | 23.0 | 7.6 |
| Beni Suef | 8,857 | 2,555 | 27.0 | 0.21 | 41.5 | 11.5 |
| Fayoum | 8,434 | 2,778 | 27.5 | 0.21 | 28.7 | 5.9 |
| Menia | 8,656 | 2,901 | 25.6 | 0.24 | 30.9 | 7.0 |
| Assiut | 8,020 | 2,220 | 23.8 | 0.27 | 61.0 | 31.4 |
| Suhag | 7,330 | 2,392 | 25.8 | 0.23 | 47.5 | 18.5 |
| Qena | 6,388 | 2,646 | 25.8 | 0.23 | 39.0 | 11.5 |
| Luxor | 9,106 | 2,714 | 25.4 | 0.24 | 40.9 | 14.3 |
| Aswan | 7,057 | 3,590 | 23.6 | 0.27 | 18.4 | 4.0 |
| **Frontier Govs** | .. | **4,380** | **22.8** | **0.30** | **11.1** | **3.8** |
| **Urban** | .. | **5,016** | **17.0** | **0.30** | **4.8** | **1.2** |
| **Rural** | .. | **3,165** | **48.2** | **0.23** | **23.2** | **8.7** |
| Red sea | 8,461 | .. | .. | .. | .. | .. |
| New valley | 12,682 | .. | .. | .. | .. | .. |
| Matrouh | 10,346 | .. | .. | .. | .. | .. |
| North Sinai | 8,884 | .. | .. | .. | .. | .. |
| South Sinai | 12,455 | .. | .. | .. | .. | .. |
| **EGYPT** | **10,246** | **3,712** | **22.3** | **0.31** | **21.6** | **6.1** |
| **Urban** | .. | **4,843** | **20.7** | **0.34** | **11.0** | **2.6** |
| **Rural** | .. | **2,924** | **26.0** | **0.22** | **28.9** | **8.5** |

El-Said, Hamed, and Jane Harrigan. "Economic Reform, Social Welfare, and Instability: Jordan, Egypt, Morocco, and Tunisia, 1983-2004." *Middle East Journal* 68, no. 1 (2014): 99–121. http://www.jstor.org/stable/43698563.

In addition, income distribution is actually relatively egalitarian by the standards of developing nations, as the overall Gini coefficient of Egypt is 0.3 (Tsuchiya 2016, 64). Therefore, while interpersonal inequality—indicated by the Gini coefficient— not necessarily indicate heightened levels of income inequality, the lack of diversity of job opportunities and economic dynamism are likely attributable to the significantly higher poverty rate in Upper Egypt.

**3.4 Foreign Affairs**

*3.4.2 Mending Imbalances and Continuing the Status Quo*

As previously outlined in the *economic affairs* section of this chapter, Mubarak's foreign policy decisions, namely Egypt's support for the US-led coalition opposing Iraq's invasion of Kuwait brought about a series of economic incentives to substantiate the economic woes from the falling effectiveness of Egypt's rentier state model. While this is not the only instance where Mubarak's foreign policy position enabled Egypt to access financial support from Western nation, it signals a specific trend that characterized Egypt's foreign policy affairs under Mubarak. Indeed, unlike his predecessors, Mubarak's Egypt did not engage in any military confrontation with Israel, nor changed Egypt's international affairs positions. Mubarak's foreign policy was arguably calculated to maintain stability within the country rather than actively engaging in regional affairs unilaterally. Nevertheless, Egypt's domestic affairs taking precedence over international or regional affairs under Mubarak does not necessarily signal Egypt's retreat from regional events, and Mubarak's foreign policy, although focused on maintaining domestic stability, could be described as pragmatic and successful in helping Egypt navigate the challenges that have evolved in the region. In addition, Mubarak's foreign policy largely represents a continuation with the *status quo*, by inheriting and maintaining the Camp David Accords, breaking the imbalances and regional isolationism inherited as the result of the Peace Accords with Israel, continuing to foster closer relations with the West and Egypt's balancing act in the region.

The Camp David Accords, brokered by President Anwar El Sadat, Israeli Prime Minister Menachem Begin, and US President Jimmy Carter in 1978, established the framework that would enable Egypt and Israel to enter into a formal peace agreement in March of 1979. President Hosni Mubarak's Egypt inherited the *status quo* established by the Camp David accords, and throughout his presidency, Hosni Mubarak largely maintained peace with Israel. The relationship with Israel had two direct outcomes for Mubarak's Egypt. Firstly, the Camp David Accords strained relationships between Egypt and the Arab World, leading to Egypt's suspension in March of 1979 from the Arab League. Secondly, Egypt under Mubarak had developed a vested interest in

mediating any attempts to address the Palestinian-Israeli conflict, enabling Egypt to retain a central position within the wider 'Palestinian Cause.' The balancing act between breaking isolationism and maintaining peace with Israel and the United States, by extension, perhaps highlights one of Mubarak's most important and pragmatic foreign policy positions for Egypt. As a result of Egypt's expulsion from the Arab League, Mubarak rapidly changed Egypt's disposition towards fellow Arab nations. Anwar El Sadat had adopted a defensive posture vis-à-vis the Camp David Accords, often ordering hostile propaganda campaigns to depict Arab nations as "dwarfs or kids," a strategy that had been rapidly replaced by Mubarak in favor of a more friendly discourse towards other Arab states and their respective heads of state (Shama 2014, 59). Nevertheless, the changing tone of the propaganda ultimately fell short of assuring Egypt's Arab neighbors that its peace with Israel would not limit any commitments to Arab countries. Mubarak's balancing approach and attempts to break isolation were quickly put to the test in 1982. Egypt's response to Israel's 1982 invasion of Lebanon highlights this balancing strategy. In response to the invasion, Egypt sent low-level nonmilitary humanitarian assistance to Palestinians, vocally condemned the invasion, and withdrew Egypt's ambassador from Tel Aviv after the Sabra and Shatila massacres, bringing an end to Syria's and Algeria's condemnation of Egypt for having "betrayed" Palestinians (Shama 2014, 60). The Egyptian response to the 1982 Israeli invasion of Lebanon demonstrated Egypt's commitment to its binding agreements under the Camp David Accords, ultimately appeasing the United States and Israel without isolating domestic and regional pressure fomented by pro-Palestine sentiments. In this regard, Mubarak's foreign policy demonstrates a stark change from Nasser's approach to international affairs, which included a much higher level of involvement in regional affairs and a lesser regard for provoking major foreign powers. Moreover, Egypt's response to the Iran-Iraq war of 1980–1988 illustrates a similar approach. In this case, Mubarak intensified efforts in order to prove his Arab commitments, and in coordination with Jordan, Egypt sent extensive military aid to Iraq, which led to the full restoration of diplomatic relations with the Jordanian Kingdom in 1984 (Shama 2014, 60). It is also safe to assume that Egypt's responds to the Iran-Iraq War not only enabled a rapprochement with Arab states but ultimately appeased the United States' broader strategic goal of Iranian containment. Nevertheless, despite Israel's invasion of

Lebanon, attacks on Iraqi military facilities, and the annexation of the Golan Heights, Egypt's attitude towards Israel remained unchanged despite Israel's actions, freezing any prospects for a wider normalization (Shama 2014, 60). Egypt's role in the 1982 Israeli Invasion of Lebanon and the 1980-1988 Iran-Iraq war demonstrates valuable instances of Mubarak's pragmatic foreign policy position, aiming to mend the regional imbalances that formed under his predecessor. In addition, Mubarak must act in line with this vision vis-à-vis superpowers. Under Anwar El Sadat, relations with the Soviet Union rapidly deteriorated as Sadat heavily favored Egypt's relationship with the United States. By the time Mubarak ascended into power, relations with the Soviet Union were virtually inexistent, while Egypt's dependency on the United States had grown significantly. As a result, in an effort to mend this gap, Mubarak asked the Russians to provide technical assistance on several industrial projects, culminating in a number of mutual visits and a bilateral trade agreement that enabled full diplomatic relations to be restored between Egypt and the Soviet Union in July 1984 (Shama 2014, 61). Mubarak's efforts to restore relations with the Soviet Union were part of a broader effort to diversify Egypt's commercial and military relations and did not exactly point towards the drastic change in international orientations witnessed under Anwar El Sadat. Moreover, as previously mentioned, while Mubarak's foreign policy interests were continuously 'sandwiched' between the interests of superpower and regional powers, domestic pressures also exerted considerable influence of Mubarak's international conduct. For instance, the Ras Banas base 'incident' illustrates Mubarak's intentions to minimize Egypt's dependency on the US while continuing Egypt's committed relationship with Washington and factoring in domestic pressures.  The Ras Banas Base on the Red Sea coast was offered to the Americans by Sadat for temporary use, a promise Mubarak decided not to uphold and denied the American request largely based off the

rising internal domestic threat and unpleasant memories of Egypt's past with foreign military bases (Great Britain) (2014 2008, 61). The domestic context was a major preoccupation for Mubarak, which often influenced Egypt's international conduct. The 1980s were characterized by calls for reforms, rising militant Islamism, and severe economic woes, which informed Egypt's careful approach to regional affairs in order not to inflame the already ignited public sphere. In addition, it is important to consider

that despite Arab nations warming up to Egypt again, the north African nation largely remained out of the Arab system, and commercial relations with Arab states froze. Nevertheless, the escalation of the Gulf War was Egypt's opportunity to finally re-enter the Arab-led institutions and to appease the United States. In fact, the Gulf War represented a threat to the territorial integrity of Arab states, especially in the Gulf. Egypt's support of the US-led coalition won Mubarak praise from the US and Saudi Arabia and the US's involvement in the Iraq War was increasingly accompanied by their demands for progress towards the normalization of relations between Israel and Arab states, with Egypt's enduring peace with Israel signaling that any peaceful resolution to the conflict in Palestine necessitated Egypt's active participation (2014 2008, 63). Mubarak's realistic and pragmatic conduct during the Gulf War enabled Egypt to emerge as a leading nation for regional affairs as the territorial threat posed by the Gulf War and an emerging Iranian power signaled a shift of opinions vis-à-vis Israel, with Egypt emerging as an essential nation for any progress towards normalization. These trends largely contributed to Egypt's re-entry into the Arab League in 1989, with all AL members reestablishing diplomatic ties with Cairo (2014 2008, 63).

Hosni Mubarak's careful, realist and pragmatic foreign policy conduct in the first two decades of his tenure largely marked a continuity with his predecessors' policies, albeit with a greater degree of attention dedicated to mending gaps left by Anwar El Sadat's foreign policy vis-à-vis the Soviet Union and Arab states. Mubarak's foreign policy post-Gulf War up until the fall of his regime in 2011 signals the continuation of the slightly adjusted *status quo* of the 1980s. A substantial part of Mubarak's foreign policy in the 1990s mirrored the foreign policy of the 1980s. Egypt continued to play an important role in the resolution of the Israeli-Palestinian conflict. In fact, after the Madrid peace conference of 1991 attended by Israel, Palestine, and various Arab states, Egypt took advantage of its momentum to promote direct negotiations between Israelis and Palestinians (Shama 2014, 64). Nevertheless, despite not being directly involved in the Oslo negotiations, it is safe to assume that Egypt's underlaying efforts to bridge the gaps between Israelis and Palestinians played an important part in the lead-up to the Oslo conference. This was evidently highlighted as Egypt hosted peace conferences in Cairo and Sharm El-Sheikh after the Palestinian-

Israeli Declaration of Principles of 1993 and the Jordan-Israel Peace Treaty of 1994 to rescue the "faltering peace" when later negations stumbled (2014 2008, 65). In addition, Egypt's increased involvement in Israeli-Palestinian affairs under Mubarak was influenced by both foreign and domestic considerations. Peace with Israel nurtured the conditions for badly needed domestic economic development as it augmented Egyptian American relations, ensuring a steady supply of financial and military aid, especially within the backdrop of the Soviet Union's demise in the 1990s, and it started to become the last arena where Egypt could play a leading role given its broader diminishing regional role (Shama 2014, 61).

On the other hand, the 2000s were characterized by a less incisive and perhaps successful foreign policy strategy. Domestically, Egypt in the 2000s was grappling with increasing economic woes, peaking in 2009 after the Global Financial Crisis exacerbated poverty levels. In the realm of international affairs, Egypt's regional clout was hindered by its diminishing ability to influence the outcome of regional events. Firstly, Egypt's relationship with the US was put to test after the events of September 11th, as the Bush administration considered a reformation of the Middle East's dictatorial landscape by pressuring Arab-allied states to democratize (Shama 2008, 61). Secondly, the eruption of the second *Intifada* in Palestine dealt a severe blow to Egypt's peace efforts and signaled the collapse of the peace process (Shama 2014, 66). As previously mentioned, the increasing domestic instability brought forth by the socio-economic climate influences the general availability of resources for Mubarak's Egypt, directly impacting its foreign policy efforts. Mubarak's foreign policy was marked by a pragmatic and realist approach throughout his tenure, seeking to balance domestic, regional, and international interests. The successes of Mubarak's foreign policy enabled Egypt to navigate regional complexities post-Camp David Accords, largely enabling Egypt to maintain the s*tatus quo* and re-introduce itself into Arab regional institutional systems. Despite growing economic challenges diminishing Egypt's regional influence throughout the 2000s, Mubarak's foreign policy legacy remains an attestation of his efforts to keep Egypt in a position of relevancy despite changing geopolitical scenarios, acting on the delicate balance between international and regional commitments while prioritizing Egypt's domestic and national interests, similarly to Anwar El Sadat.

**3.5 Final Remarks:**

*3.5.2 The Political and Economic Angles of the Military post-Mubarak*

This final section aims to shed light on the evolving landscape of Egypt following the era of President Hosni Mubarak, focusing on the pivotal moments from the 2011 revolution to the 2013 *coup d'état* by General Abdel Fatah Al-Sisi. This section will include a brief historical analysis and a comprehensive discussion of the military's economic interests and implications of Al-Sisi's presidency. The purpose of this analysis is to explore a series of perspectives that identify the dynamic shifts and persistent continuity patterns in the overall governance of the country, adopting a nuanced approach to Al-Sisi's leadership amidst a sparse body of literature on the subject due to his relatively recent ascendency to power. Thus, through the analysis of the historical sequence of events and an overview of the military' interests in the economy, this final section seeks to highlight the post Mubarak's transition strictly from the military's viewpoint regarding its political and economic interests.

The 2011 Egyptian Revolution, part of the wider Arab Spring, was significantly influenced by the Jasmine Revolution in Tunisia in mid-January 2011. The Revolution in Tunisia demonstrated that "sustained broad-based popular mobilization can lead to political change" (Shehata 2011,26). Therefore, the Tunisian Revolution undoubtedly ignited similar aspirations in Egypt and across the Arab World, with protests in Egypt being particularly fueled by economic grievances. In fact, the increased corruption, economic exclusion, alienation of the youth, and divisions among Egyptians over the question of succession by Gamal Mubarak culminated in the general aversion towards the Mubarak Regime (Shehata 2011,26). The economic situation was ripe for revolution, as Egypt's considerable economic growth in the 1990s had widened the gap between the rich and the poor. More specifically, the economic boom culminated in the lifting of constraints on the private sector by Prime Minister Ahmed Nazif, which caused the rise of a class of *nouveux riches* led by a small number of oligarchs. While inflation had reached 13 percent, the minimum wage had remained the same since 1984,

44 percent of Egyptians lived on less than two dollars a day, and 90 percent of the country's jobless constituted Egypt's "youth bulge" of about 20 million people between the ages of 18 and 29 (Ottaway 2015). The economic grievances along with the Tunisian Revolution's momentum inspired Egyptians across societal strata and political affiliations to challenges the *status quo* and demand Mubarak's removal from power (Shehata 2011,26). From January 25th to February 11th, 2011, millions of Egyptians mobilized into mass protests to show their dissent with Mubarak's leadership.

The millions of Egyptians that chanted *isqat al-nizam* (the fall of the regime) were met with an initial surge in violence, but as the protests intensified, the vast security apparatus crumbled (Shehata 2011, 26). Indeed, the collapse of the Central Security Forces, numbering nearly 325,000 men, was one of the successes of the uprisings leading to the so-called "Day of Rage" culminating in the burning of NDP headquarters across the country, assaults on policy stations, besieging of the Interior Ministry, and the freeing of 23,000 prisoners from *Wadi El-Natroun* prison (Ottaway 2015). Despite Mubarak's readiness to make concessions, the escalating death toll from the protests and potential damage to the military's legitimacy prompted the armed forces to sever ties with Mubarak all together (Shehata 2011,26). More specifically, on February 10th, the Supreme Council of the Armed Forces (SCAF) issued a *communiqué* supporting the people's demands, leading to the military's ousting of Mubarak from power and the SCAF's assumption of control, thereby suspending the constitution and dissolving the parliament a week later (Shehata 2011, 31). Therefore, the 2011 revolution did not lead to a full regime change. The military and the state bureaucracy remained in control and in a position to dictate the country's political transition in the post-2011 period (Shehata 2011, 31). The interim period under the SCAF's leadership marks a pivotal juncture in Egypt's political history, characterized by an unprecedented, although limited, regime change. The SCAF, under Field Marshal Mohamed Hussein Tantawi,

lead Egypt from February 2011 to June 2012, with protests and violence characterizing this interim period, as it became evident in the eyes of Egyptians that the military was reluctant to give up its powers and enact overhaling reforms (Ottaway 2015). During the SCAF's leadership of the country, Egypt witnessed a series of complex political discussions between the SCAF and the legal opposition over the future of Egypt's democratic transition. While there was no formalized agreement over the sequencing of

the steps that would characterize the transition, the SCAF's removal of controversial articles from the Constitution was generally applauded, with all contesting forces agreeing on the re-establishment of political due process (Ottaway 2015). It is safe to assume that the military's interests in this case primary lied in ensuring the victory of a civilian government that would enable the military to 'retreat to the shadows' and continue to influence the government undisturbed. Concerns over the date of the elections were mostly expressed by the secular opposition, fearing that a well-mobilized Muslim Brotherhood had a serious advantage should elections take place soon, and differences over the nature of the state—whether civil or Islamic—dominated the political landscape, prompting the SCAF to propose a compromised solution where all political parties would need to agree on a set of irrevocable supra-constitutional principles (Ottaway 2015). These supraconstitutional principles implied that whoever wrote a new constitution was still bound by a few indissoluble principles reflecting the character of the Egyptian state. While the compromise was generally accepted, contradictory debates over the secular status of the country continued to dominate the public sphere until Deputy Prime Minister Ali Al-Silmi's proposal in November 2011 stipulating that the military and its budget were to remain outside of any civilian oversight inflamed the public sphere (Ottaway 2015). Despite tensions over the debate over Egypt's supraconstitutional principles, the transition process under the SCAF continued relatively undisturbed. In fact, in late 2011, parliamentary elections were held, despite the mainstream parties' attempts to postpone the elections due to their failure in generating public support, resulting in the Islamist political block securing nearly 75 percent of the People's Assembly seats (Ottaway 2015). The outcome of the parliamentary election continued to obstruct Egypt's democratic transition as the secular opposition began to challenge the Islamist dominate People's Assembly. The challenge to the Islamist-dominated parliament was primarily waged by the Supreme Constitutional Court, resulting in the dissolution of the parliament and prompting the Muslim Brotherhood to present a candidate for the presidential elections of June 2012 (Ottaway 2015). The dissolution of the parliament by the Supreme Constitutional Court further highlights the political earthquakes caused by the unprecedented Islamist faction's victory, which geared the establishment to diminish their ruling capacity. This was evident on the eve of the second round of voting as the SCAF issued an amended

Constitutional Declaration, stipulating that all legislative powers would be under the control of the SCAF until a new parliament was elected, limiting the president's power (Ottaway 2015). Therefore, Mohammed Morsi's victory over Ahmed Shafiq in the 2012 presidential elections happened within the context of a reluctant relinquishing of power by the military establishment. The SCAF arguably played a balancing act by accommodating democratic change through free presidential elections, enabling the Muslim Brotherhood leader to win the Egyptian presidency while still retaining legislative control.

Despite the institutional limits imposed by the SCAF, the election of Mohammed Morsi marks a monumental juncture in Egypt's political history being the country's first democratically elected president. Nevertheless, it is safe to assume that Morsi's limited political victories were largely due to the difficulties of ruling over a regime that had been shaped for 30 years by Hosni Mubarak. A potential comprehensive re-shuffling of the regime did not seem to be a realistic possibility. Nevertheless, Morsi did have a few political victories under the watchful eye of the SCAF. More specifically, Morsi successfully repealed the Constitutional Declaration that transferred all legislative powers to the SCAF and ensured his political continuation by playing by the rules as developments towards a new constitution materialized within a constituent assembly that had been negotiated between the ruling party, the military, and the old elite (Ottaway 2015). Nevertheless, any real progress was still hindered by the military's influence over the bureaucracy and institutional apparatus, and while the Muslim Brotherhood theoretically retained control of the legislative functions of the nations, this reality turned out to be flimsy at best. The SCAF never properly relinquished their hold on the establishment, and a series of mistakes made by Mohammed Morsi would quickly reverse the SCAF's concessions. In fact, in August 2012. Morsi fired Minister of Defense and SCAF Chairman Mohammed Hussain Tantawi, as well as Army Chief of Staff Sami Anan, and replaced them with General Abdel Fattah El-Sisi and General Sidki Sobhi in a move that appeared to be a brief victory for Morsi, which would ultimately reveal itself as a fatal political mistake ((Anani 2015, 538).Nevertheless, Morsi's political strategy of reshuffling key figures in the military establishment was not necessarily flawed. In part, it may have signaled the shift in allegiance and balance of power by appointing a general who could have

accepted the civilian authority of the President, thus bringing the military closer to his side. However, this re-shuffling was not a shift in the balance of power as the removal of Tantawy had been negotiated between Morsi and Al-Sisi, and while it gave Morsi the confidence to exercise his prerogatives as commander-in-chief of the armed forces, this confidence made matters worse with the military ((Anani 2015, 533).). More specifically, based on this claim, Morsi made a series of fatal mistakes that angered the military in the months of October and November 2012. Firstly, Morsi invited Islamist leaders to the annual military parade celebrating the October 6th, 1973, Suez Canal, creating a rift between them, which was unacceptable as Islamist leaders had been involved in the assassination of President Sadat (Ottaway 2015).  Secondly, in November, Morsi put himself and the constituent assembly working on the constitution above the courts, banning the judicial intervention that had been limiting progress over the formulation of a new constitution, eroding the Muslim Brotherhood's legitimacy, and greatly angering the public (Ottaway 2015). While Morsi's gesture during the October parade angered the military, his attempts to limit judicial intervention over the drafting of a new constitution demonstrated a break with the SCAF's 'rules.' Morsi's miscalculation, likely deriving from his perception of having obtained a greater degree of compliance from the military after having personally appointed Al-Sisi and Sobhi to their new posts, would worsen the already flimsy political stability. As a result, a new revolutionary movement composed of revolutionary youth groups emerged in April 2013 called *Tamarod* (Rebellion), aiming to collect signatures on a petition to remove Morsi (Anani 2015, 540).Whether this movement was organically initiated by youth groups is yet to be properly revealed, but what was clear anyhow is that *Tamarod* had re-ignited the revolutionary fervor of the 2011 period. The movement was rapidly taken over by state security, with well-organized and orchestrated protests spreading in all governorates and engaging millions of Egyptians (Ottaway 2015). Massive protests, as a result, erupted in June 2013 prompting the military to intervene. On July 3rd, 2013, the military led by Abdel Fattah Al-Sisi toppled Morsi, suspended the constitution, outlawed the Muslim Brotherhood, and designated it as a terrorist group, leading to a violent crackdown on its supporters, including the Rabaa August 2013 massacre (Anani 2015, 533). The political interests of the military establishment in the post-Mubarak era centered around the SCAF's efforts to secure as much power as possible from any
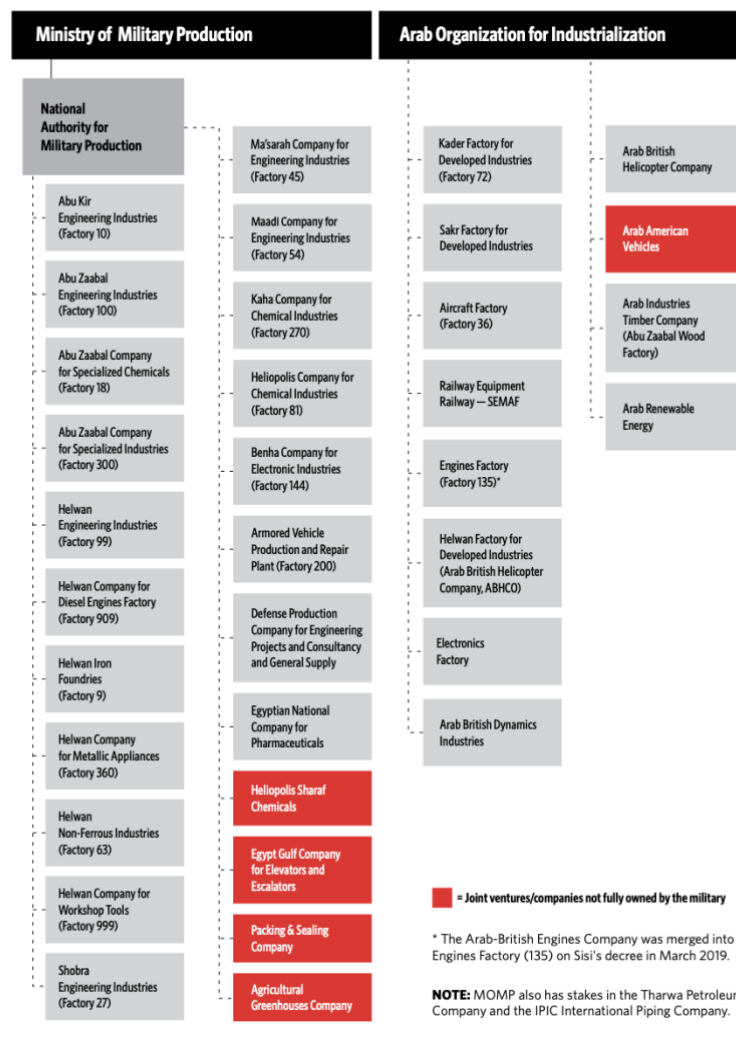
emerging political order. Evidently, the SCAF had steadily remained reluctant to fully relinquish power and its independence from civilian oversight. The clash of interests that surfaced in 2012 between the Muslim Brotherhood and the military led to the inevitable clashes between the two. The standoff between the two was not based on "their views over democracy, achieving the revolution's objective or meeting the demands of the people; rather, it was over each side's share of power and political privileges" (Anani 2015, 533).

*The Economic Angle: The Military's vested interests in the Egyptian Economy*
Undoubtedly, the Muslim Brotherhood's efforts to limit the powers and independence of the military substantiated the SCAF's impetus for ousting and imprisoning President Mohammed Morsi. The political privileges the military had enjoyed under Nasser, Sadat, and Mubarak brought about the autonomous and unchecked ability on behalf of the military to continue its off-budget activities and reap the benefits of Egypt's economic development. The discussion of the economic angle of the military's vested interests seeks identify how the SCAF reacted from an economic standpoint to the fall of the Mubarak's regime and its state after the 2013 *coup d'état*. In fact, the Egyptian Armed Forces (EAF) gained unprecedented power by overseeing the exit of Hosni Mubarak and Mohammed Morsi. By 2014, General-turned-President Al-Sisi had managed to sideline major political rivals, enjoyed widespread domestic support, and accrued more than $20 billion in Gulf aid, enabling him to restart the military's nearly defunct industrial operations, secure control over massive infrastructure projects, and insert generals at virtually all levels of government (Marshall 2015, 1). The evolution of the military's vested interests in the Egyptian economy can be divided into two spheres. The first sphere concerned the state-owned defense industry as part of the wider military establishment. The second sphere concerns the development of military-owned enterprises within the Egyptian public and private sectors.

While the first sphere traces its origins back to Mohammed Ali, its immediate legacy can be credited to Nasser's programs of the 1950s, which reflected the government's adoption of an import-substituting industrialization strategy by launching iron and steel plants along with car assembly lines and military aircraft factories (Sayigh 2019, 49). The defense industry established by Nasser continued to exist throughout the tenures of Sadat and Mubarak, albeit with shortcomings, leading much of the industrial

complex to close down. In addition, Egypt's state-owned industry did not generate hard currency from exports and did not enjoy earnings from rents up until the 1970s when Anwar El Sadat sought to reduce the shortages of capital for Egypt's industry. In fact, while Nasser established the original framework, which was heavily reliant on Soviet imports and was constantly plagued by inadequate funding, its present form is perhaps more attributable to Sadat's policies to expand the reach and economic autonomy of the military complex. Sadat's policies as a result enabled the military to develop vested interests within the public and private sectors of the Egyptian economy, blurring the lines between what this research refers two as the 'two spheres' of military economic interests. In fact, Sadat's policies had enabled the wider sector to evolve into two main clusters, comprising industries and enterprises under the Ministry of Military Production (MOMP) and the Arab Organization for Industrialization (AOI): (Sayigh 2019, 48). (Table 11).

**Ministry of Military Production**

National Authority for Military Production

- Abu Kir Engineering Industries (Factory 10)
- Abu Zaabal Engineering Industries (Factory 100)
- Abu Zaabal Company for Specialized Chemicals (Factory 18)
- Abu Zaabal Company for Specialized Industries (Factory 300)
- Helwan Engineering Industries (Factory 99)
- Helwan Company for Diesel Engines Factory (Factory 909)
- Helwan Iron Foundries (Factory 9)
- Helwan Company for Metallic Appliances (Factory 360)
- Helwan Non-Ferrous Industries (Factory 63)
- Helwan Company for Workshop Tools (Factory 999)
- Shobra Engineering Industries (Factory 27)

- Ma'sarah Company for Engineering Industries (Factory 45)
- Maadi Company for Engineering Industries (Factory 54)
- Kaha Company for Chemical Industries (Factory 270)
- Heliopolis Company for Chemical Industries (Factory 81)
- Benha Company for Electronic Industries (Factory 144)
- Armored Vehicle Production and Repair Plant (Factory 200)
- Defense Production Company for Engineering Projects and Consultancy and General Supply
- Egyptian National Company for Pharmaceuticals
- **Heliopolis Sharaf Chemicals**
- **Egypt Gulf Company for Elevators and Escalators**
- **Packing & Sealing Company**
- **Agricultural Greenhouses Company**

**Arab Organization for Industrialization**

- Kader Factory for Developed Industries (Factory 72)
- Sakr Factory for Developed Industries
- Aircraft Factory (Factory 36)
- Railway Equipment Railway — SEMAF
- Engines Factory (Factory 135)*
- Helwan Factory for Developed Industries (Arab British Helicopter Company, ABHCO)
- Electronics Factory
- Arab British Dynamics Industries

- Arab British Helicopter Company
- **Arab American Vehicles**
- Arab Industries Timber Company (Abu Zaabal Wood Factory)
- Arab Renewable Energy

■ = Joint ventures/companies not fully owned by the military

\* The Arab-British Engines Company was merged into the Engines Factory (135) on Sisi's decree in March 2019.

**NOTE:** MOMP also has stakes in the Tharwa Petroleum Company and the IPIC International Piping Company.

Sayigh, Yezid. "Mapping the Formal Military Economy Part 1: A 'Citadel' of Egyptian Industry." *Owners of the Republic: An Anatomy of Egypt's Military* Economy. Endowment for International Peace, 2019. http://www.jstor.org/stable/resrep26922.10.

The MOMP, despite its long history, had been plagued with chronic economic issues that had severely limited its wider production capacities for decades. For instance, the ambitious expansion and low-cost effectiveness led to the MOMP's shutdown in 1969, only to be resurrected in 1971 following an agreement with the Soviets, enabling Egypt to co-produce a range of low-technology military equipment (Sayigh 2019, 49). Nevertheless, despite reopening for production in 1971, many of the MOMP's chronic problems persist well into the 2000s and likely into the present. By the 1980s, given Egypt's increasing external debt approaching $50 billion and poor credit rating, the MOMP was in dire need of new investments, estimated at a range of $4-6 billion, leading to the cancellation of new ventures (Sayigh 2019, 49). While the dire economic situation connected with the lack of growth of the MOMP industries is undoubtedly a penetrating factor, the internal composition of the MOMP structure is reportedly one of the main causes of its inefficiency. In fact, the lack of a "coherent and centralized planning, programming and budgeting process; lack of marketing organization to target export markets; overstaffing; poor management; shortages of skills: overreliance on foreign technology" are additional factors that underscore its inefficiency (Sayigh 2019, 49). Numerous instances could potentially illustrate the inherent inefficiencies of the MOMP. While the most obvious instances refer to the lack of cost-effectiveness and marketing strategies, making the MOMP a highly unproductive sector of the Egyptian economy, inefficiencies in non-market-related initiatives further demonstrate the MOPS's deficiencies. For instance, the 'grand plan' to move the MOMP's industries outside of urban areas, undertaken under Mubarak, best exemplifies this claim. The relocation of all MOMP factories to a single site in the early 2000s was an effort from the Ministry of Defense to improve overall productivity and cut costs. The designated areas, today named Defense Industry Complex and previously Mubarak I and Mubarak II, were expected to accommodate 28 production factories between 2007 and 2012, with only one of the three factories successfully relocating in 2007 and the situation stagnating post-2011 before achieving success in 2017 (Sayigh 2019, 51). Nevertheless, this operation was generally very costly. The cost of the Shobra company's relocation in 2014 amounted to EP 269 million, with an additional EP 69 million paid in compensation for price differences

resulting from delays; the machinery belonging to the Abu Zaabal chemicals company worth EP 2.5 billion sat in crates for five years; the relocation of the Heliopolis Company for Chemical Industries cost EP 1 billion worth of buildings and EP226 million worth of equipment and machinery, besides EP 126.8 million in interest owed before it had resumed operations (Sayigh 2019, 49). The results and contribution of the MOMP are dubious at best. Under Mubarak, investments from the state's budget to the MOMP grew to EP 8 billion by 2009, adding a cumulative production worth of EP 30 billion, although with losses standing at 134 percent for the Benha Electronics Company, 104 for the Maadi Engineer Industries, 103 percent for the Helwan Diesel Engines Company, and 59 percent for the Helwan Machine Tools Company, calling into question the figures offered to the leaders of the MOMP (Sayigh 2019, 49). Nevertheless, the political weight of the MOMP underscores the state's continuous willingness to write off its debts. Law 32 of 1979 guarantees the military's financial and institutional independence, with its socialization functions playing a pivotal role as they proved training for 12.3 percent of young Egyptian males, coupled with the total defense industry employing more than 100,000 people (MOMP standing around 30,000) (Harb 2003, 285). While the political significance of the MOMP's large employment coverage is not to be underestimated, from an economic perspective, its inherent efficiencies, coupled with its vast working force, only exacerbate its deficiencies. In fact, hiring practices have been a major problem, costing the MOPM EP800 million in wages in 2010, increasing to EP 2 billion in 2015, resulting in a range of 56-200 percent in production costs for some factories (Sayigh 2019, 52). Nevertheless, despite the MOMP's shortcomings, sustained growth had been achieved in the years post-revolution. Total military and civilian product output increased from $236 million in 210 to around $665 million by 2018 (Sayigh 2019, 53).

On the other hand, the Arab Organization for Industrialization, although holding a smaller number of companies in comparison with the MOMP, displayed similar patterns. Historically established as a joint venture with Saudi Arabia, Qatar, and the United Arab Emirates in 1975 with a startup capital of $1 billion, the primary aim of the AOI was to provide the participating countries with a degree of self-sufficiency in conventional military equipment and to generate exports to Arab countries (Sayigh 2019, 58). The AOI largely demonstrates a continuation of the MOPM's deficiencies in regard to exports, despite being largely favored by the political establishment. Besides its inherent setbacks,

the AOI was penalized by the withdrawal of all participating countries in 1979, leaving Egypt the sole member of the industrial complex (Sayigh 2019, 58). Nevertheless, the AOI was arguably supplemented by a better normative environment, which favored its growth. Laws 43 and 111 of 1974 and 1975 respectively, allowed Arab investors to own real estate, enabling the military to offer land as equity, and laws 137 of 1981 and 89 of 1998 elevated the status of the AOI to that of the MOMP in their ability to award contracts on a no-bid basis to contractors of their own choosing (Sayigh 2019, 59). The AOI represents two things in essence. Firstly, it is a significantly better managed arm of the wider military-industrial complex, and secondly, it is an important channel through which the military has progressively secured a larger share of the domestic market. The AOI employed around 15,000-17,000 people in 2017, with overall profits growing from $631 million in 2010 to $965 million in 2016 (a mere $18.5 million in exports) thanks to the growing tendencies from public sector and private sector enterprises in securing businesses with the defense sector companies within the AOI (Sayigh 2019, 59). These trends solidified the general direction of the military industry vis-à-vis the public and private sectors, making it a major contractor domestically. This was evident in the 2015 establishment of the National Service Products Organization (NSPO), which operates in the same domains as the EAF, expanding its services to the medical, real estate, land reclamation, and tourism domains (Sayigh 2019, 57). Interestingly, the duplication of large military enterprises, namely the NSPO, AOI, and MOMP, while not a completely new phenomenon, signals the enormous growth and presence of military enterprises, which now compete and work with one another in a series of projects spanning the public and private sectors. A few instances include the MOPM's joint venture with the NSPO in planting 69,000 feddans with aromatic plants for exports and the religious endowment authority's joint venture with Emirati investors in the Delta discussion with the NSPO to plant 20 million date palms on 92,000 feddans (Sayigh 2019, 57). While the military's involvement in the Egyptian economy is not a necessarily new phenomenon, the rate and concentration of military enterprise post-2011 is undoubtedly unprecedented, with the military playing a much larger role in the economy than ever before. The broader intertwining of military enterprises within Egypt's economic landscape also underscores a few changing trends that may shed light on Al-Sisi's Egypt's future trajectory. Firstly, the military had changed its role once again. From the protector of the Revolution and

provider of social services under Nasser to the protector of stability and Egypt's domestic interests under Sadat and Mubarak to becoming a major player in the economy, further blurring the lines between the state and the economy,. In addition, the military sector, although intertwined with both public and private enterprises, is progressively emerging as the country's largest contractor, raising questions on the effects of the military's 'monopolistic' tendencies. Moreover, this complex interplay raises additional questions about Egypt's economic development in the post-2011 era. (Table 12).

## Establishment of Military Companies, 1949–2019
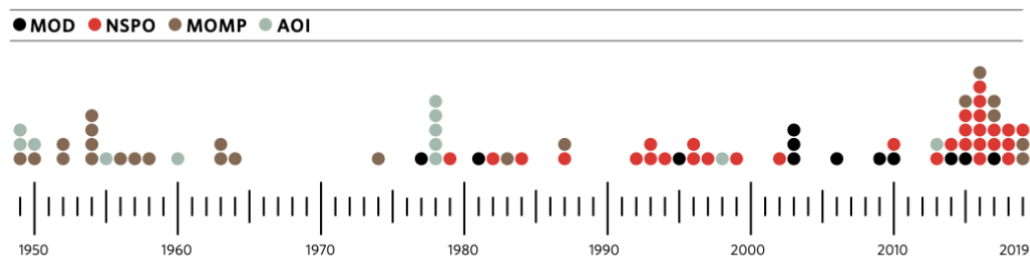
● MOD  ● NSPO  ● MOMP  ● AOI



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The table above, in addition, indicates the evolution of the military's vested interests in the economy. Under Nasser, the primary preoccupation centered around equipment production and procurement, while Sadat and Mubarak's approaches concerned the chronic inefficiencies of the wider military industry and the lack of generated income through exports. Nevertheless, since the 2011 Revolution and the 2013 *coup d'état*, this trend signals that the Egyptian military under the guidance of Al-Sisi had regained a lot of the ground lost under Al-Sisi's predecessors. The power resulting from the fall of Mubarak's regime left the military as the preeminent power broker in the country, increasing the military's perceived value as an investment partner. The SCAF-managed transition post-Mubarak enabled the EAF to signal to potential investors that the military was able to secure continued immunity from government oversight, that during periods of volatility the army provided added security for costly assets, and that the potential marginalization of Mubarak's business associations could open up new

spaces for investments, such as the resale of previously privatized assets (Marshall 2015, 6). Therefore, the 2010 Revolution largely proved to be a vested interest of the military, as it ensured the continuity of business activity by emerging as a solid partner able to exercise considerable influence on the political system, protect critical assets, and escape governmental oversight. Moreover, this implied a modernization of the previously enacted joint production schemes within the EAF, which generated limited exports and were consistently plagued by economic inefficiencies. In fact, according to a report by the US Embassy in Cairo in 2010, the Egyptian Armament Authority had increased technology transfer requests, reflecting the desire to export weapons containing US technology, including potential sales to Iraq, Saudi Arabia, Tunisia, and Turkey, with the military doubling down on their efforts to secure joint production agreements with foreign defense firms as Mubarak's power waned (Marshall 2015, 7). The political instability undergoing in Egypt did little to deter the SCAF's efforts to enter into co-production agreements and expand its share in the economy. In part, the fall of the Mubarak regime also translated to the uncertain position of Mubarak's elites, who could have been reasonably subjected to prosecution and confiscation of assets by the SCAF, thus ultimately leading the elites. In February 2011 for instance, before the SCAF's formal ousting of Mubarak, the Egyptian Navy had entered into a $13 million contract with the US firm Swifships; in July 2011, despite protests against the SCAF government, the US announced the eleventh installment of the $1.3 billion M1AI tank coproduction program; and in September 2011, amid continued demonstrations, the Turkish firm Yonca-Onuk JV signed an agreement to manufacture six armed patrol boats in Alexandria (Marshall 2015, 7). Nevertheless, the SCAF's interest and willingness to continue doing business amid the volatile political landscape were not enough to secure participation from foreign firms. Their ability to increase the confidence of investors despite the volatile climate domestically rested in the EFA's ability to ensure the physical protection of such assets. The EFA, for instance, took various steps to maintain order at all costs, including the violent breaking up of strikes and forced conscription for disobedience, buttressing the confidence of foreign investors, increasing its allure as a partner, and ensuring a guaranteed level of security and continuity in one of Egypt's most unstable periods in modern history (Marshall 2015, 8). The EFA's security approach was often successful in both restoring order and increasing partners' confidence. For example, the EFA deployed

troops to secure the assets of the Egyptian subsidiary of the Kuwait-based Kharafi Group, which has a number of joint ventures with the EAF, leading to the company's $80 million investment to expand its infrastructure in Egypt (Marshall 2015, 8). Nevertheless, the SCAF and EFA largely changed their strategy with the election of President Mohammed Morsi in 2012. The SCAF adopted an increasingly balanced approach to dealing with dissent and shifted its focus to less repressive methods of counterrevolutionary activities. The issue was complex because, as much as acts of civil disobedience directed at Morsi's government favored the military establishment, this made it increasingly hard for the SCAF to use repression methods to quell strikes and protests and re-assure its business partners. Perhaps the diminished propensity to intervene in quelling revolts was a strategic approach meant to highlight the economic failures of Morsi's government. This is visible in the SCAF's strategic investments to influence news coverage as the EFA's $58 million cash infusion for the Egyptian Radio and Television Union was widely considered a charitable action, although its purpose was to influence Nilesat through the AOI, which proved a reliable partner as it blocked the Al Jazeera news station from propagating the images of the 2013 crisis in Egypt (Marshall 2015, 9). Moreover, cooperation between the Muslim Brotherhood and the SCAF on economic affairs, although potentially mutually beneficial, did not amount to anything significant. The SCAF largely retreated from acting on a larger scale, and despite Egypt's economic woes during the post-revolutionary period, the military was largely unaffected as its budget and access to state resources lacked civilian oversight. Nevertheless, the official ousting of Mohammed Morsi by Al-Sisi greatly facilitated the EAF's ability to transfer financial resources to projects of interest. For instance, in 2014, a $20 million loan from the National Bank of Egypt was extended to a subsidiary of Tharwa Petroleum, in which the military had a direct stake (Marshall 2015, 8). In addition to the military's facilitated capacity to channel state funds in affiliated enterprises, the growing tendency of transferring shares of profitable companies under military ownership signals the steady and progressive military hold of the country's economy. Moreover, the Al-Sisi government has increasingly identified major development and urban projects as potential areas of cooperation. Projects such as the expansion of the Suez Canal in 2014 which raised nearly $9 billion domestically through certificates, Saudi company Kadco's multi-billion dollar investment in the Toshka's multi-decade land reclamation project, a $4.9

billion UAE stimulus package to fund major infrastructure projects; and a $40 billion project for low-income housing awarded to Arabtec Construction Dubai, Russia's interest in upgrading the Egyptian Iron and Steel factories in Helwan along with Egyptalum, China's interest in high-speed rail projects, the US's cumulative release of $1.3 billion worth of frozen military aid, France's $7 billion arms sales to Egypt, among others (Marshall 2015, 17). The institutional privileges enjoyed by the military during the tenure of Al-Sisi, along with the establishment of the military as the gatekeeper for foreign investments in new and badly needed public projects,. The government's bolstered position by enormous Gulf countries' investments, along with an expanded investment portfolio including the EU, Russia, the US, and China, gives Al-Sisi's regime the flexibility of filing orders for the military industry through a series of channel, shifting from Egypt's traditional reliance on one world power. With 17 of Egypt's 27 provincial governors being military generals, and a diminishing civilian presence in governmental structure, the military's grip on the political establishment is well solidified, with the resumption of major infrastructure initiatives such as the expansion of public transportation, manufacturing operations, and land reclamation projects, in addition to restarting defunct industrial operations, bolstering the economic grip of the Al-Sisi Regime (Marshall 2015, 18). Nevertheless, these dynamics point towards a double-edged sword, especially given the context of the current worsening of Egypt's economic conditions. On one hand, the military has undoubtedly consolidated power over the political and economic landscape of the country. On the other hand, the long-term sustainability of this governance model raises questions. While the military-led government's accumulation of as much economic and political power as swiftly as possible understandably safeguards the establishment against internal power disputes, should financial support from Gulf states diminish and economic woes increase, this would place the military in the difficult position of having to contain civil unrest. Initial widespread support for the removal of an unpopular leader is arguably a common outcome that follows *coup d'états*. Nevertheless, as the military then consolidates its power over the established system, it often becomes more entrenched in patterns of corruption and more authoritarian towards dissidents. Egypt's experience largely reflects this pattern, which raises questions about the sustainability of this military-led governance

style and the potential for internal conflict within the military should periods of volatile domestic unrest arise.

## 3.6 Conclusion

This research aimed to traverse the intricate landscape of Egypt's political terrain, from the era of Gamal Abdel Nasser to that of Hosni Mubarak, paying specific attention to the armed forces during the evolution of the state. Modern Egypt has undoubtedly been molded by the continuation and diverse approaches adopted by every president. Under Gamal Abdel Nasser, Egypt emerged as an aggressive and self-confident state, willing to forge its independent course through ambitious socioeconomic reforms and a non-aligned foreign policy stance. Nasserist Egypt's ideological affiliations largely lie in Nasser's Arab nationalism rhetoric, achieving limited successes in foreign policy and enabling Egypt to obtain a degree of self-sufficiency.

Anwar El Sadat's presidency catapulted Egypt into a completely renewed landscape. Sadat's *Infitah* policy dismantled large segments of the Nasserist economic establishment as the integration of Egypt into the global economy became a primary objective of Anwar El Sadat. Additionally, Sadat's tenure was marked by a mixture of continuity and change as the president navigated through domestic and international pressures, eventually cementing the history of the peace treaty with Israel.

Hosni Mubarak contributed to the entrenchment of the military's role in the economy during his tenure. Mubarak inherited the heightened socio-political context of Anwar El Sadat while grappling with a progressively more unstable and militant public sphere. Mubarak's leadership accentuated once again the intricate relationship between governance, economic development, and the quest for legitimacy.

Post-2011 witnessed a resurgence of the military's prominence in Egypt, signaling a period characterized by strong military influences within the government and the economy. Whether the tenure of Sisi's predecessors merely underscores what appears to be an entrenched historical cycle is a question that still awaits a definitive answer. Nonetheless, it is evident from the historical narrative that the experiences and lessons from past administrations are poised to significantly influence the trajectory of future relations within the domestic political establishment. As Egypt navigates the complexities of the 21st century, the enduring legacy of its military and political leadership will undoubtedly play a crucial role in shaping its path forward.

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