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Winning to Lose: The State's Unsustainable Counterrevolutionary Comeback in Egypt

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On the occasion of the Annual Conference "A Transforming Arab World: Between Continuity and Change", held in Paris on 3rd and 4th October 2013 and co-organised by the European Union Institute for Security Studies (EUISS) and the IEMed, distinguished analysts presented the results of their research on the new dynamics in the region following the Arab uprisings. Three major issues were explored: the role of the state in absorbing the shocks of change, the fragmentation or cohesion of the Mediterranean region, and the new actors and demands of Arab civil society. This series of Papers brings together the revised research works presented at the EuroMeSCo Annual Conference 2013.



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Introduction

Egypt's modern state, which came to exist in the early 19th century, successfully survived three revolutionary waves in 1881, 1919 and 1952. While each had caused partial change in its policies and structures, none was able to dismantle its fundamental features of elitism, authoritarian guardianship and systematic violence. However, the 2011 revolutionary upheaval and its aftermath posed novel challenges to this state with the ascent of the masses as an actor occupying public space, challenging the state's very mode of governance and paralyzing its "stick". In its earlier stages, the upheaval successfully ousted President Mubarak, partially liberated the public sphere from state domination, installed a more democratic multi-party system and crippled the state's ability to employ violence against the masses and rig elections, thus sending promising signals regarding the success of revolutionary change. Three years later, nonetheless, the situation looks less promising. The country's first civil, democratically-elected president was deposed only one year after being sworn in, assaults on human rights and crackdowns on activists have resumed on an unprecedented scale, and state institutions – most importantly the military – have regained their control over the public sphere, brutally silencing dissent. Many have therefore argued that the state had successfully absorbed the revolutionary shock and survived yet another attempt to dismantle its oppressive, authoritarian structures.

While a snapshot analysis of the state's comeback in the aftermath of 30th June 2013 suggests its triumph, a deeper scrutiny suggests otherwise. Recent developments including the drafting of constitutional amendments reveal the "death of state" with its institutions acting as disconnected, distinct, closed, and self-interested sects competing for power within a failing system. Social protest is on the rise, with larger segments of unions, notably those of doctors and pharmacists, opting for open strike due to the "state" failure in responding to their pressing demands, and the police's ability to contain social dissent – amidst deteriorating political and economic conditions – is significantly crippled. Economic woes and bureaucratic deficits are catalyzing the decay of state with recurrent energy shortages, electricity cuts and an ascending crime rate and terrorist threat, and ungovernability is on the rise with reports on villages in the Delta and Upper Egypt declaring their secession from their respective governorates. These and other symptoms mark the end of the applicability of the ruling formula employed under Mubarak and his predecessors, while the emergence of a replacement is yet to take place.

The Genesis of the State

The ascent of Muhammad Ali to power in 1805 marked the birth of a modern state in Egypt. Prior to this ascent, Egyptian society was managed through a network of interlinked social institutions, most importantly guilds, Sufi orders, the endowment institution and religious scholars. Scholars of Al-Azhar, Islam's oldest existing scholarly institution, were the intellectual elite, to which Ottoman and Mamluk rulers turned seeking legitimation.¹ Towards the end of the 18th century Al-Azhar became the country's intellectual and cultural center,² and its Grand Sheikh was the country's strongman, whose approval was crucial for important policies to be implemented.³ Sufi tariqas were widely viewed as Al-Azhar social manifestation, with scholars and students joining them, and all their sheikhs being scholars at Al-Azhar.⁴ These tariqas dominated the social order in Egypt, with the vast majority of Egyptian Muslims subscribing to at least one of them.⁵ They acted as a mediator between the scholarly religious institution and other social institutions, most importantly guilds, as orders were established to serve different professions, including butchers, craftsmen and merchants.⁶ Sixty-four guilds survived at the turn of the 19th century, each with a Sheikh responsible for its members, authorizing people to work in the profession, and mediating between the ruler and guild members.⁷ Both the scholarly and Sufi institutions relied heavily on the institution of endowments in funding their activities. At least one fifth of Egypt's agricultural land was endowed,⁸ and – in addition to supporting tariqas, guilds and Al-Azhar scholars – endowments provided funding for most social services, most importantly healthcare and education.⁹ Copts generously supported the Coptic Orthodox Church, which managed Copts and other Christians' personal status matters.¹⁰ It is through this network of institutions that Egyptians were mobilized during the first and second Cairo revolts to resist French occupation at the turn of the century.

Upon his ascent, Ali attempted to solidify his rule by consolidating power. He confiscated agricultural land from his Mamluk rivals, established new state-industries which allowed government revenues to increase 9.5 times between 1805 and 1847, and used this revenue to establish a modern army, with military spending eating up between 33 and 60 percent of government revenues.¹¹ He then walked the country down three simultaneous paths that irreversibly changed its structure and identity. First is the modernization path, manifested – in addition to the establishment of a modern army – in the establishment of the modern education system, aiming at creating a new modern

1. M. Hatina, "Historical Legacy and the Challenge of Modernity in the Middle East: The Case of al-Azhar in Egypt", *The Muslim World*, Vol. 93, January 2003, pp. 51-68.

2. A. Goldschmidt, *Modern Egypt: The Formation of a Nation-State*, Cairo, The American University in Cairo Press, 1990.

3. A. A. Hassan, *Political Upbringing of Sufi Orders in Egypt: The culture of democracy and the modernization path for a traditional religious movement*, Cairo, Dar Ain, 2009.

4. M. S. Youssef, *The Roles of Sufis in Ottoman Egypt, 1517-1798*, Sharqiya, Dar Al-Taqwa, 1994.

5. Ibid.

6. Ibid.

7. M. Hosny, *Labor Movement in Egypt till 1952*, Center for Socialist Studies, 2009.

8. M. M. Amin, *Endowments and Social Life in Egypt, 1250-1517*, Cairo, Dar Al-Nahda Al-Arabiyya, 1980.

9. I. El-Bayoumy Ghanem, *Endowments and Politics in Egypt*, Cairo, Dar Al-Shorouk, 1998.

10. T. El-Bishry, *Muslims and Copts in light of National Unity*, Dar Al-Shorouk, 2004.

11. J. Dunn, "Egypt's Nineteenth-Century Armaments Industry", *The Journal of Military History*, Vol. 61, No. 2, s.l., Society for Military History, 1997, p. 233 .

elite capable of managing the newly-established bureaucracy and state-owned industries.¹² Ali also established a modern irrigation system,¹³ and imported African slaves to participate in agricultural activities,¹⁴ the revenue of which was used to build the country's infrastructure in a manner that further strengthened the role of "foreign capital" in defining the development path, as Britain – for example – established the railways between Alexandria and Suez.¹⁵ Ali's grandson Ismail used revenues of agricultural exports to rebuild Cairo on "modern" lines, borrowing heavily from French architectural designs in what appeared to be an attempt to modernize not only the city but also its inhabitants. He changed the official calendar, official outfits, and lifestyles.¹⁶ The British occupation of 1882 resumed this modernization process, focusing primarily on the establishment of a strong, efficient bureaucracy, a modern, professional police and a road and railway network. Like elsewhere in the region, therefore, modernization has "by and large been a synthesis of both internal dynamics and colonial encounters."¹⁷

Simultaneously, the "Egyptianization" path was underway. The creation of a modern national identity distinctive from the pre-modern mixed identities was a necessary and integral component of the modernization. Like elsewhere in the modernizing world, law and state institutions, notably the military, played a central role in the remaking of identity.¹⁸ Egyptian nationalism was born in Ali's modern institutions: the military and the bureaucracy. Egyptianization started in 1822 with 4,000 Egyptian Muslims joining the military, formerly comprised of mercenaries.¹⁹ Ali's grandson Said later recruited Copts for the army in 1855.²⁰ The "Egyptianization" of courts took place in the same year, with judges being appointed by the Wali instead of the Ottoman Sultan.²¹ Tahtawi Arabized the formerly Turkish official papers, and Arabic became the official language in 1869,²² and Coptic judges were appointed for the first time under Ismail's rule, when the modern court system was established,²³ marking a supremacy of the new "Egyptian" identity.²⁴ The process of Egyptianization became more vivid after the 1919 revolution, with the ban of foreigners' land ownership,²⁵ the establishment of the first national bank – Bank Misr – in 1920 to fund national industries,²⁶ and the establishment of the Egyptian Industrialists' Association.²⁷

12. N. R. Farah, *Egypt's Political Economy: Power Relations in Development*, Cairo, The American University in Cairo Press, 2009.

13. Ibid.

14. K. M. Cuno, "African Slaves in 19th-Century Rural Egypt", *International Journal of Middle East Studies*, Vol. 41, 2009, pp 186-188.

15. L. M. Salem, *Social Forces in the Orabi Revolt*, Cairo, Dar El-Shorouk.

16. A. Gomaa, *Religion and Politics: The Egyptian Experience*, Cairo, Dar Nahdet Masr, 2008.

17. A. Bayat, *Life as Politics*, Cairo, The American University in Cairo Press, 2013, p. 243.

18. J. Masaad, *Colonial Effects: The Making of National Identity in Jordan*, New York, Columbia University Press, 2001.

19. T. El-Bishry, op. cit.

20. M. Afifi, "The State and the Church in Nineteenth Century Egypt", *Die Welt des Islams*, Vol. 39, No. 3, November 1999, pp. 273-288 and p. 282.

21. T. El-Bishry, op. cit.

22. Ibid.

23. N. R. Farah, op. cit.

24. T. El-Bishry, op. cit.

25. N. R. Farah, op. cit.

26. Ibid.

27. M. Hosny, op. cit.

Both modernization and Egyptianization facilitated the third process, namely the state take-over. Over the course of the 19th and first half of the 20th century, the newly-established state gradually co-opted previously independent social institutions through undermining their pillars of independence. A decree issued in 1835 established a central authority to oversee endowments. Initially with a limited administrative role, the decree was followed by several others broadening its scope and eventually – in 1957 – giving the state enough power to confiscate and reorient endowments in line with its defined public interest. Sufi tariqas went down a similar path, with nominal intervention from the state in the ratification of tariqas' selection of their grand sheikh. Laws regulating tariqas were adopted in 1895, followed by other sets of laws in 1903 and 1905, eventually giving the state the ultimate power over the establishment and defining the roles of the Sufi establishment. A new law in 1976 established a High Council of Sufi Tariqas, with 5 of its 10 members being ministers, and assigned the President with the task of appointing the Grand Sheikh of Sufi Tariqas. Guilds were also dismantled with the forced labor in military industries, and the government's takeover of all the guilds' authorities under Said.²⁸ Collectively, these processes facilitated the state's increasing intervention in Al-Azhar. Laws defining necessary qualifications for Al-Azhar scholars were issued in 1872 and 1885, and a high council for Al-Azhar was established in 1908. The intervention in Al-Azhar was coupled with the state taking over the education process, with the establishment of the modern education system under Ali, the establishment of Dar El-Oloum in 1872, and the establishment of Fouad I University (later known as Cairo University) in 1908. Al-Azhar Grand Sheikh's "job description" was defined by a decree issued in 1911, and its education system was modernized in 1930. In 1961, a decree was issued, transforming Al-Azhar into a public university, and its Grand Sheikh into a civil servant, hence announcing the dismantling social institutions operating at least partially independently from the state. Consequently, by the second half of the 20th century, the state had successfully dismantled "traditional social institutions, to replace them not by modern civil institutions, but rather by the central power of the modern state."²⁹ This newly-born state, therefore, monopolized public space and decision-making in Egypt, and repeatedly crushed all potential opponents. This signaled an important change in the nature of politics, for the modern state "not only enacts laws to regulate dissent... but also tends to become a target of contention by political forces."³⁰ The ascent of state therefore redirected political action and created the possibility of revolution. Unlike previous revolts (in 1881 and 1919), therefore, Egypt's 2011 revolutionary upheaval – preceded by this state ascent – has a rather transformative potential.

Parallel to this state-building process, Egypt was faced with the challenge of foreign occupation, further highlighting the importance of state. With the British troops arriving

28. Ibid.

29. T. El-Bishry, Preface of Ghanem's *Endowments and Politics in Egypt*.

30. A. Bayat, op. cit.

in 1882, and Egypt being announced a British protectorate in the early 20th century, the combat against the foreign presence contributed to the empowerment of nationalism, but also boosted the importance of the state – the battlefield between nationals, the King and the British. The 1952 military coup – which brought the monarchy to an end, and forced the evacuation of British troops – and the socialist policies pursued by the Nasser regime declared the state, with the military at its core, as the custodian/guardian of Egyptians; defining national interest, responsible for social justice, and enshrining its “identity” over its citizens. Three consecutive wars with Israel, in 1956, 1967 and 1973, further empowered the nationalists’ sentiment in which the state was not only the main focus, but also the sole representative of a supposedly unified, homogenous Egyptian society.

The Egyptian state emerging from this historical journey attained key defining characteristics; namely central elitism, authoritarian guardianship, and violence. Since its establishment under Ali, the state has been consolidating central power and limiting power sharing to a small segment of elites. It was the state’s elite that took responsibility for the modernization, and “landed aristocracy, commercial and industrial bourgeoisie and the business class (took turns in partnering) with the state elites in a marriage of convenience.”³¹ Over the course of the century, partners, economic policies, and political systems have all changed, but the state maintained its role as the predominant political actor in the country. While the “guardianship” role has been assumed by the state since its establishment, it became more evident, and more authoritarian, with the ascent of a national movement from within the ranks of the military. Since the Urabi Revolt of the 1880s, the military has been assuming the responsibility of safeguarding the Egyptian state and defending the Egyptian nation. Alongside other key conservative state institutions, notably the judiciary, it has – ever since – adopted a rather paradoxical position, whereby, on the one hand, it glorifies the Egyptian nation and takes responsibility for defending its well-being, while on the other it looks down on the society, questioning its members’ ability to understand and overcome the challenges of governing. State institutions therefore believe in the national duty of working for the Egyptian people, yet without people being involved in decision-making. This has required the maintenance of strong oppressive institutions, both for the purposes of law-enforcement, and extra-legal preservation of order. The police have therefore been constantly modernized in terms of training and equipment, but always kept safe from accountability so as to be freely used by the state to maintain order.

31. A. El-Sherif. *Egypt's Post Mubarak Predicament*, Carnegie Papers, January 2014.

State-Market Partnership

The October war of 1973 was the last major war fought by Egypt's army. It was followed by peace talks with Israel, eventually leading to the ratification of a peace agreement in 1979. Parallel to this shift from war to peace, Sadat "moved to open the domestic economy to foreign monopoly capital."³² In 1974, he announced his "open door" economic policy, and passed laws encouraging foreign investment "to signal Egypt's intention to reintegrate into the liberal international economic system."³³ Other decrees exempted the private sector from labor laws, further contributing to the diminishing of state control over the economy, and allowing more space for the influential market actors, namely the business class. The failure of this open door policy to attract funds, coupled with the bureaucratic failures and a history of authoritarianism that led to the erosion of accountability and transparency, caused serious economic hardships. By the early 1990s, "the Egyptian economy was clearly in crisis."³⁴ Long-term debt had risen from US\$1.7 billion in 1970 to US\$40.8 billion in 1990,³⁵ with inflation rates growing at an annual average of 25-30% for over a decade, foreign debt reaching US\$49 billion, budget deficit reaching 20% of GDP and debt to GDP ratio reaching 150%. The country was increasingly reliant on foreign aid, which reached US\$5.4 billion in 1990 and another US\$5 billion in 1991.³⁶ With Egypt's failure to service its foreign debt, a decision had to be made. Instead of reversing the trend, President Mubarak announced a 1000-day program for the liberalization of Egypt's economy.³⁷ A rigorous privatization program was implemented, and between 1993 and 2003, 197 state-owned enterprises were privatized, in different ways, including "sale to anchor investors (29 companies), sale of majority shares in stock market (28), sale of 50% of shares (6), sale of 40% of shares on the stock market (10), and sale of all shares to employee shareholder associations (33)."³⁸

Economic transformations of the late 1980s and 1990s were accompanied by a violent wave of Islamist insurgency, with both Al-Jamaa Al-Islameyya and Al-Jihad cells targeting tourists, state officials and ordinary citizens with explosives and gunfire. Capitalizing on this terrorist threat that justified the securitization of society, that state ensured that privatization did not allow for the ascent of an independent business elite. The process created an "industrial and rural elite dependent on the state for access to public economic resources," and "the top echelons of the bureaucratic elite joined forces with the new elite, their efforts centered on access to political power for the appropriation of state assets through privatization."³⁹ The state, therefore, successfully manipulated the loss of control associated with privatization by limiting the beneficiaries of the program to its inner circles, cronies and allies.

32. I. G. Aoude, "From national bourgeois development to Infitah: Egypt 1952-1992", *Arab Studies Quarterly*, Vol. 16, No. 1, s.l., 1994.

33. N. R. Farah, op. cit.

34. Ibid.

35. T. Parfitt, *The Politics of Adjustment in Africa with Special Reference to Egypt*, Cairo Papers in Social Science: The Economics and Politics of Structural Adjustments in Egypt, Cairo, The American University in Cairo Press, Fall 1993, V. 16, Monograph 3.

36. N. R. Farah, op. cit.

37. H. Lofgren, *Egypt's Program for Stabilization and Structural Adjustment: An Assessment*, Cairo Papers In Social Science, Cairo, The American University in Cairo Press, Fall 1993, Volume 16, Monograph 3.

38. N. R. Farah, op. cit.

39. Ibid.

The military economy, on the other hand – officially claimed to represent less than 10 percent of Egypt's GDP and estimated by news media and exports to have ranged from 5 to 40 percent⁴⁰–, remained immune to privatization. The ratification of the 1979 peace treaty with Israel has decreased the threat of war, yielding two important results. First is the decrease in military spending, with defense expenditure dropping from 19.47% of GDP in 1980 to 2.2% in 2010, conscripts largely demobilized, and dependence on US military aid deepened.⁴¹ Second is allowing heavier involvement of the military in economic activities, driven by both opportunities (with available human and technical resources surpassing military needs) and threats (to compensate for budget cuts). Several bodies, including the Arab Organization for Industrialization (AOI), and the National Services Project Organization (NSPO), and others were therefore established by the Minister of Defense, allowing for the emergence of an “economic empire that encompasses construction, tourism, maritime transport, and production of petrochemicals, household appliances, pharmaceuticals, and food products” with lucrative subsidies and tax and licensing exemptions, generating revenue to the military's own account,⁴² and ensuring both a wide social base of support, with around two million beneficiaries from these economic networks,⁴³ and lucrative post-retirement career paths for officers. The economic transformations of the 1980s and 1990s had therefore led to the empowerment of two particular groups: the military and business cronies.

The 1990s brought other major changes to the state, eventually leading to its demise. Attempting to contain the “democratizing” effects of economic liberalization and cripple any potential resistance from within its ranks to the reorientation of the economy, legal reforms were introduced to strengthen the political leadership's grip over the state. Public Owned Enterprises were consolidated in a Holding Company controlled by one ministry in 1991, police and military laws were amended to allow for favoring loyalty and obedience to leadership over professional conduct in 1994 and 1998, and the state reclaimed the right to appoint presidents, school deans and department heads at public universities in 1994.⁴⁴ Instead of consolidating power at the top, these changes led to system fragmentation, thanks to the heavy penetration of market interests and the emergence of clientalism in different state institutions. Different state institutions thus acted as power-brokers within the system. A “State of Taifas”⁴⁵ emerged, with each powerful institution acting as a distinct, closed, and self-interested sect.

While all state institutions were increasingly acting as fiefdoms, their commitment to “state rationale” varied significantly. The bureaucracy and police were heavily penetrated

40. D. Brumberg and S. Hesham, *The Politics of Security Sector Reform in Egypt*, USIP Special Report, October 2012.

41. H. Kandil, “Back on Horse? The Military between Two Revolutions”, in K. Bahgat and R. El-mahdi, *Arab Spring in Egypt: Revolution and Beyond*, Cairo, The American University in Cairo Press, 2012.

42. Brumberg and S. Hesham, op. cit.

43. R. El-mahdi, “Civil-Military Relations in Egypt”, *Shorouk Daily Newspaper*, 8th January 2012, <http://www.shorouknews.com/columns/view.aspx?id=248c55ca-a9c0-4978-96ed-872f5f179bdd>

44. T. El Bishry, *Egypt Between Disobedience and Dismantlement*, p. 68-74.

45. Taifa is the Arabic word for sect. Ashraf El-Sherif uses the term “Taifas state” to mark a “system in which state institutions act as distinct, closed, and self-interested sects rather than governing institutions of the national polity. This system was reminiscent of the politics of the Mamluk state in Egypt in the eighteenth century before Muhammad Ali founded the modern state.” See: A. El-Sherif, *Egypt's Post Mubarak Predicament*, Carnegie Papers, January 2014.

by market interests leading to the (almost) complete death of state rationale, while the military and judiciary responded differently to these reforms. With law and the military being the fundamental institutions upon which Egyptian nationalism was founded, these institutions perceived themselves as patrons of the state. Further, capitalizing on a conservative nature and an isolationist culture kept them exposed to lower levels of penetration of networks of interests. Consequently, each of these institutions developed two operating modes: the “stability mode” in which institutional interests are the main focus, and a “crisis mode” in which these interests are transcended and defending the state (which symbolizes national independence and embodies national identity) becomes the primary focus.

A second wave of privatization was initiated in the last decade of Mubarak's rule. Following the parliamentary elections of 2000 and the return of Mubarak's son, Gamal, some major reforms were introduced to the ruling National Democratic Party (NDP), leading to the establishment of the Policies Committee (headed by Mubarak Jr). Ahmed Nazif's first cabinet, appointed in 2004, included – for the first time – one businessman. Five other businessmen joined the cabinet two years down the road and, unsurprisingly, the cabinet took the privatization process a step further, selling 80 more companies in less than two years.⁴⁶ While the beneficiary profile hardly changed, the scale of privatization allowed for the empowerment of the business class like never before. They allied themselves to the police, and military sovereignty was gradually replaced with police sovereignty of stronger market biases and less social responsibility. Egypt was therefore swiftly shifting from being a militarized state to being a state of businessmen protected by the police. In fact, the ruling formulae had already changed with the appointment of businessmen to the cabinet, bringing an end to the longstanding monopoly of public affairs by the state.

But this new ruling formula also deepened Egypt's chronic illnesses. Responding to the country's deep economic problems, the neoliberal government sought a financial solution, speeding up the privatization and employing austerity measures. In order to facilitate privatization, it “resorted to multiple tactics to downsize the labor force,”⁴⁷ hence adding scores of previously-employed workers and employees to the lines of unemployment, which reached 24% in 2004.⁴⁸ Partial lifting of subsidies in 2006 led to rapid increases in the prices of transportation, communication and electricity,⁴⁹ while food price increases reached around 24%, leading around 75% of Egyptian households to spend more than half of their income on food.⁵⁰ Poverty was only the rise, with around 40% of Egyptians living below the poverty line, while inflation soared, reaching 20% in 2008.⁵¹ Economic hardships unequally hit different segments of the society, with the poorest fifth suffering

46. N. R. Farah, op. cit.

47. N. R. Farah, op. cit.

48. A. E. Elnaggar, *Report on Strategic Economic Orientations*, Ahram Center for Strategic Studies, 2004.

49. N. R. Farah, op. cit., p. 51.

50. S. Maher, “The Political Economy of Egypt's Uprising”, *Monthly Review*, Vol. 63, No. 6, 2011.

51. M. El-Agati, “Protest Movement in Egypt: Stages and Developments”, in A. Elshobaky (ed.), *Protest Movement in the Arab World*, Beirut, Center for Arab Unity Studies, 2011.

the most by losing 16.4% of their income.⁵² Income gaps were increasing, with the new investments directed at serving the needs of the more privileged classes.⁵³

Indicators that the roots of suffering are located more in misdistribution than in the scarcity of resources provoked various social groups. While on the margins of modern political economy “lies a great humanity that is excluded from its modern offerings, in terms of life chances, respect, equality and meaningful political participation,”⁵⁴ these margins were getting evidently thicker, with only a narrow minority enjoying the fruits of costly modernity. A massive wave of protest therefore erupted. Labor protest emerged from the industrial sector, and soon extended to almost all other economic sectors. 202 labor protests were recorded in 2005, 266 in 2006, 614 in 2007 and 609 in 2008,⁵⁵ mostly protesting price increases, low wages, and the state’s failure to provide basic services including transportation, schooling and healthcare. In many ways, therefore, “the neo-liberals of the Nazif cabinet are accelerating the process of liquidation of the populist alliance of the 1960-1980s.”⁵⁶

This labor protest movement was coupled to other signs of new politics in Egypt, appearing in the early 2000s. Initially manifested in “activities around the Popular Committee for Solidarity with the Palestinian and Iraqi People,” and later in the pro-democracy Kefaya movement, the movement heralded the “coming of postnational... postideological... and post-Islamist politics that culminated in the revolution of January 25.”⁵⁷ The new, young movement was largely comprised of young activists, disenchanted with formal politics and political actors, savvier in their utilization of technology, and less dogmatic in their combat against deprivation. A dramatic demographic shift was also occurring, with around 70% of the population being under the age of 35, and therefore less tied to the traditional state (with its shrinking networks of social service), and more inclined to join the new politics. Collectively, these factors paved the way for the 2011 revolutionary upheaval.

52. Ibid.

53. Ibid.

54. A. Bayat, *op. cit.*

55. M. El-Agati, *op. cit.*

56. N. R. Farah, *op. cit.*

57. A. Bayat, *op. cit.*

Revolution, Challenge and Opportunity

The 2011 revolutionary upheaval brought unprecedented challenges and opportunities to the failing Egyptian state. On the one hand, strong demands for social justice – evident in demonstrators' slogans – provided an opportunity to cripple the dominance of the emerging business elite and their allies in the Ministry of the Interior (MoI). This opportunity was swiftly seized. Businessmen, ministers and/or leaders of the then ruling National Democratic Party (NDP) Ezz, Garana and Elmaghraby were soon arrested, only to be followed by the arrest of Minister of the Interior Habib El-Adly and his senior aides, and the issuance of a decree dissolving the notorious State Security Apparatus (SSA). The military – with its more sensible social agenda, and self-proclaimed guardianship of Egyptianism and the Egyptian state – took the driving seat with the SCAF managing the transition. This was the “revolution” that some state institutions – most importantly the military – decided to support, at least by not oppressing protestors when called in by Mubarak: a “refolution” similar to the previous ones, aiming at changing an outdated political leadership and reorienting some state policies. The military was willing to accept this much change as long as it would not touch the core features of the state that have been in place at least since the 1952 revolution/coup, namely elitism, authoritarian guardianship and violence.⁵⁸

But this was not what Egyptians had opted for by taking to the streets. The unprecedented revolutionary upheaval – bringing millions of people to the political scene after long years of political apathy – and the regime's failure to contain it suggested that the state's “code” had already expired. Long years of bureaucratic failure had not only led to the material deterioration of the lives of most Egyptians, but had also disconnected the state from its citizens. The dominant narrative under Nasser – giving social justice and national independence priority over democracy, and using them to promote a discourse revolving around security – had already collapsed with the reorientation of economic and foreign policy since the 1970s and the failure of state institutions – notably the education and healthcare sectors – since the 1970s in a manner that broke all strong links between individuals and the state. Lack of representation at local levels – with local government being primarily appointed – alongside high levels of corruption and failure therein further contributed to this disconnect between the state and its citizens. Demonstrations therefore manifested the failure of a long existing code, and the need for redefining state-society relations in a more democratic manner. While state actors were willing to tolerate and respond positively to the “refolution”, their interests and *weltanschauung* were at clear opposites with the people's revolution.

The conflict between state institutions and peoples' understanding of the revolutionary upheaval was clearly demonstrated in the aftermath of Mubarak's fall. Eighteen days of

58. A. El-Sherif, *Egypt's Post Mubarak Predicament*, Carnegie Papers, January 2014.

clashes and demonstrations had further weakened the already failing state, particularly with the collapse of police forces after the clashes of 28th January, and the drop in crucial sectors of the economy, notably tourism. The military had pressured Mubarak to resign for various reasons, including the need to preserve the state to which he had become a burden. In the aftermath of his ousting, therefore, the military attempted to minimize change through reducing revolution to a process of democratic transition. It soon banned workers' protests, its leaders requested people to stop demonstrating, and it appointed a committee to amend the constitution and develop a roadmap for the transition. This conservative plan was faced with serious challenges in a revolutionary moment. The growing social protest, alongside the forced absence of a police force previously used to containing it, was threatening the very foundations of the system, while the legal ban on protest proved to be irrelevant. Military troops storming sit-ins proved to be rather costly, as it provoked widespread anger forcing the SCAF to issue an apology. A conservative actor in a revolutionary moment, the SCAF soon realized its need for a different strategy to contain the protest, and the popular but conservative Muslim Brotherhood (MB) was soon to step in. A new ruling troika was formed, with the MB and its Freedom and Justice Party (FJP) – as the partner presenting popular will – occupying the frontlines in parliament and presidency, the military maintaining its “sovereignty”, institutional interests, and the “state” with its position vis-à-vis society, and police escaping reform whilst going through yet another wave of modernization of equipment and armament.

It took the military and the police no more than a few weeks to step into this new ruling alliance. In March 2011, MB leader Sobhi Saleh was the only politician to join the committee of “independent” legal experts tasked with introducing necessary constitutional amendments. Newly-appointed Minister of the Interior Mansour Essawy announced the dismissal of dozens of officers of the notorious State Security Apparatus. Dismissals primarily targeted officers with anti-Islamist records, while others maintained their posts.⁵⁹ In their meetings with “revolutionary youth” representatives, SCAF officers repeatedly highlighted the “hazards” associated with introducing radical changes to the security sector.⁶⁰ That conservative approach was supported by the MB, which promoted a discourse focusing primarily on elections as the path for political change. Over the summer of 2011, the political debate shifted from the pressing questions of security sector reform, social justice, empowerment and democratization to the longstanding Islamist-secular divide, and the debate on whether elections should take place before drafting a new constitution or the opposite. In many ways, therefore, the revolution was contained, and was reduced to a rather lousy process of democratic transition. Protest continued on the streets, but was evidently failing to shape the political debate, despite

59. Author interview with Karim Ennarah, researcher at Egyptian Initiative for Personal Rights.

60. Author interview with Mostafa Elnaggar, former Parliamentarian and member of National Front for Change.

the lifting of oppressive barriers. Lack of organization was evidently impeding revolutionaries' ability to seize the moment, and allowing the counterrevolutionary state structures a few more breaths.

While the ruling troika was not exactly the outcome strong elements of the Egyptian state had been opting for (with the inclusion of Islamists into the ruling formula), it was still an outcome that helped maintain the foundational pillars of Egypt's state. Similar to the state, the MB maintained an unparticipatory structure, where decision-making is a highly centralized process with only limited (if any) room for accountability and questionability. Its understanding of democracy is both procedural and majoritarian. Its conservative nature and economic outlook means that only minimal changes will be added to the country's political and economic structure aiming at democratizing them, and, therefore, the mode of governance will be largely preserved.

The SCAF's poor performance during its 18 months in power significantly decreased its relative power within the ruling troika. Economic and security setbacks, alongside recurrent political crises, deadly clashes between security forces and demonstrators and activists' nationwide campaigns against military rule have tarnished the military's image, and its unity therefore required it to step back to minimize further friction with the masses. The persistent institutional deficit left the revolutionary movement incapable of stepping forward to fill in the vacuum caused by the SCAF's forced retreat. Instead, the MB seized the opportunity to increase its relative power within the troika. FJP's Muhammad Morsi ran in the presidential elections, capitalizing on a strict Islamist discourse and the MB's strong organizational power to make it to the run up against Ahmed Shafiq, Mubarak's last appointed Prime Minister. The MB's discourse then shifted from Islamist to revolutionary, and utilized the strong anti-establishment sentiment to see their candidate win the election. With minor concessions to different factions of civil opposition, the MB gained more power within the ruling troika, posing as the popular representative of a broad diverse constituency.

While the summer of 2012 provided Egypt's revolution with a good opportunity to dismantle the authoritarian centralized structures of the state, the absence of an organized revolutionary movement allowed the state yet another chance. Despite its growing power within the troika, the MB showed no interest in dismantling it. Unpopular austerity measures and economic liberalization amidst a revolutionary moment require the presence of a strong police force capable of silencing social protest, and the leadership's need for centralized power and narrow understanding of democratization (limiting it to the holding of regular unrigged elections) made such dismantling impossible.

Cosmetic reforms were nonetheless introduced, both to replace the existing leadership of state institutions with one more “cooperative” or loyal to the MB, and to avoid criticism from the group’s constituency for not pushing for any serious change. Minister of Defense Tantawi and Commander-in-Chief Annan, alongside several other senior military officers, were dismissed, and a new SCAF was formed. The number of former military officers in cabinet also decreased, as did the number of bureaucrats. The MB and its “civil” and “Islamist” allies filled this vacuum – previously filled by Mubarak’s business cronies – with new ministers and governors from “outside” state institutions. Minor changes were therefore taking place, without threatening the core of Egypt’s state. With this core untouched, the military was gradually moving back to its “stability” mode of action, allowing more space for civilians in ruling while holding on to its veto cards.

Political protest reemerged in December 2012, strongly shaking the ruling troika. Following the constitutional declaration of 22nd November, clashes erupted between Morsi’s supporters and opponents, leading to several deaths and dozens of injuries. Morsi was eventually forced to take back the declaration, yet no serious investigation of the clashes took place, and the political crisis intensified with the president’s insistence on moving on with a divisive constitution. With mounting polarization and violence rapidly spreading from the center to the periphery, “state stability” was once again threatened, gradually moving the military from the stability to the crisis mode of action, and the SCAF offered mediating between different political groups. The MB rejected not only the talks, but also the rapprochement with its political opponents. It capitalized on a broad “Islamist” alliance to replace its colorful “civil” alliance, hoping to maintain its relative power within the ruling troika. Upon the ratification of the new constitution, Morsi appointed Mohamed Ibrahim – known for his “obedience” to those in power – as Minister of the Interior, and increasingly relied on the police to silence its political opposition. Clashes between police and demonstrations peaked towards the end of January, with police cracking down on demonstrations marking the revolution’s anniversary, and brutal assault on demonstrators protesting a court verdict in Port Said. As clashes in Port Said became more violent, military forces interfered, and reportedly fired live ammunition at police forces. Heavy involvement of the police to silence political protest provoked wide dissent within the MOI, especially amongst younger officers not willing to pay the price for the leadership’s political alliances once again. Initially accusing the minister of being “too close to the MB”, protest escalated over the next weeks eventually leading to nationwide police strikes in February and March 2013. Alongside exponentially growing political violence and repeated signals of poor governance on national security issues (including Sinai, Syria and Ethiopia), these strikes were causing even more serious threats to state stability, hence shifting the SCAF almost completely into crisis mode.

The MB's relative power within the ruling troika was weakened with its alienation from its "civil" allies and the military's shift to crisis mode. This, in turn, created more resistance for the MB within state institutions, hence leading to recurrent failures in delivering goods and services. Creating a vicious circle, these failures intensified the military's concerns on the MB's ability to govern, and the SCAF was increasingly inclined to step in and "save" the state. Failing to realize this shift from stability to crisis mode, the MB – counting on providing the military with its "stability mode" demands – persistently walked down the same track with no serious efforts at political reconciliation or socioeconomic reform, leading to more violence and wider room for political protest, eventually leading to the mass protests of 30th June, and the military intervention and ousting of Morsi on 3rd July 2013.

A State Comeback

The 30th June movement initially included a wide array of actors opposed to the MB rule. Counterrevolutionary powers of the state, secular activists opposed to the MB's Islamism, pro-democracy activists opposed to its authoritarian tendencies, and revolutionary activists frustrated with its ultraconservative policies came together to depose Morsi, but the democratic non-state actors soon found no space in what is becoming an autocratic regime par excellence. Crackdowns on human rights and civil liberties, including at least 3 massacres leading to the death of over 3,000 civilians, left no room for groups concerned with human rights in government. The crackdown also triggered violent reactions from militant Islamists, leading to a deteriorating security situation in Sinai, and sporadic terrorist attacks – primarily targeting security personnel – elsewhere in Egypt.

This has led to the militarization of both the state and of public space under the pretext of a “war on terrorism”, contributing to a fascist moment that reached its peak between the summer of 2013 and winter of 2014. During these few months, the previously ruling MB was labelled “terrorist organization” by the interim government after being outlawed by an administrative court. After instating the state of emergency for three months, a restrictive protest law was issued by the interim government, allowing for a massive wave of arrests of both Islamist and secular activists and suppression of all forms of protest. University activism was contained through the use of excessive violence, abolishing previous decrees (issued after the ousting of Mubarak) allowing for university independence, and maintaining a heavy presence of security personnel on campus. Orchestrated defamation campaigns targeted revolutionary figures, incitement against all types of protest (including social protest) dominated the media, and xenophobic incitement against Palestinian and Syrian refugees for their alleged support for the MB⁶¹ reached new highs.

Militarization had other political and economic manifestations. The number of former military officers in cabinet was soon boosted as they held an absolute majority of seats in the council of governors. Railways and infrastructure projects, as well as other macro-projects, were handed to MoD-owned companies.

In this fascist, militarized context, constitutional amendments were ratified with a 98 percent majority in a referendum last January. Among other things, the amendments further restricted the parliament's (and president's) ability to monitor the military and hold it accountable. Former Minister of Defense Abdelfattah El-Sissi resigned from his position and announced his candidacy for president, and presidential elections devoid of either genuine competition or equal opportunities took place in May. With an unsurprising majority (of around 97%) yet a surprisingly low turnout (that forced the election committee to extend voting for an additional day) El-Sissi was elected president.

61. See, for example, <http://english.ahram.org/NewsContent/2/0/77330/World/0/Syrian-refugees-face-xenophobic-wave-in-Egypt,-Leb.aspx>

With a few months, therefore, pro-democracy activists and groups who had previously supported the military intervention were being pushed out of the decision-making circles and then left with no room for opposition from within the system. Many have therefore chosen to break ties with the regime. With political questism, ascending fascism and the rapid comeback of state, many have argued that the state had successfully absorbed the shock of change over the past three years, and has ensured a successful comeback.

Economic and Bureaucratic Challenges

While a snapshot of the current situation suggests the resilience of the state, and the success of its counterrevolutionary strategies, a deeper scrutiny suggests otherwise. The fierceness of the state in its crackdown on its opponents does not reflect its power nor can it be used as an indicator for its sustainability. At least two factors make this comeback temporary at best.

First is the deteriorating economic situation, which was one of the main triggers of the revolutionary upheaval in 2011. Since the 1950s, Nasser has been prioritizing socioeconomic over political rights, hence contributing to an overarching feature of Middle Eastern modernity: “a contradiction between social and economic development, and political underdevelopment.”⁶² The lack of accountability, growing inefficiencies and political clientalism have all contributed to the weakening of this system since the 1970s, hence leading to the aforementioned economic transformations of the 1980s and 1990s. Massive impoverishment caused by the neoliberal policies failed to force a rethinking of economic orientation. Instead, the regime capitalized on its strategic importance – both regionally and globally – to ensure strategic rent without revisiting the pillars of the economy. While wealth was massively accumulating from non-productive activity within limited circles, foreign assistance, alongside remittances Suez Canal revenues, as well as privatization revenues were used to sustain the clientalist networks, and maintain the long-lasting ruling formula of compromising political rights for minimal economic benefits. Towards the end of Mubarak’s presidency, however, very little of Egypt’s privatizable public sector was available. Moreover, a global capitalist crisis severely limits international donors’ capacity and hinders the much-needed economic growth. Inflows of funds for the Gulf are unlikely to overcome this crisis, for social demands – manifested by the growing social protest – are on the rise, stimulated by the emergent regime’s populist sentiment emphasizing the importance of developing “national capital while preserving the rights of the poor.” Furthermore, the infrastructures capable of providing services (hospitals, energy stations, etc.) have decayed.⁶³ Adding insult to injury, much needed FDI seems highly unlikely with the country’s low competitiveness and persistent political unrest, while the security unrest hinders the revitalization of tourism.

These grave economic challenges will prove lethal for several reasons. The boost in expectations accompanying the 2011 upheaval, and the social protest growing ever since, render the restoration of a pre-2011 neoliberal economic order with minor concessions rather unlikely. Persistent paralysis in key sectors – including tourism – leaves a significant percentage of Egypt’s restless youth unemployed, hence undermining the overall system stability.

62. A. Bayat, op. cit.

63. R. El-Mahdi, “Egypt’s Revolution: Where from here?”, *Assafir*, 24 June 2014, <http://arabi.assafir.com/article.asp?aid=1952&refsite=arabi&reftype=articles&refzone=articles>.

The incompetent, failing bureaucracy is the second threat to state sustainability. A sustainable comeback requires successfully communicating to the society through an understandable “code” to which citizens can relate. This is highly unlikely with the state’s retreat from people’s daily social lives and political lives, with the privatization of healthcare, education, transportation and media, and the occlusion of representation and communication between citizens and their representatives at local and national levels alike. The crackdown on Islamists’ philanthropic activities – partially compensating for the state’s failures – will further weaken them politically, but will also harm the state. The failure of its institutions will prevent it from filling this gap and reclaiming its position as guarantor of social justice and an adequate level of services. This will in turn lead to deteriorating social conditions for the vast majority of society, coupled with the persistently growing income gaps, and hence contribute to shaking the very foundations of the system.

Moreover, the current state is largely weak and fragmented, and highly incompetent. Its different institutions are hardly professional in their conduct, and are rather acting as fiefdoms, each competing for its closed interests. The constitution drafting process provides a rather illustrative example. Each powerful state institution (notably the military, police, judiciary, religious institutions and regulatory and oversight authorities) is labelled as “independent”. Most are immune not only from the intervention of the executive, but also from the oversight of the legislative. People’s representatives have no access to these institutions’ budgets, practices, appointments and/or policies. The weakest state institutions are, therefore, the ones based on popular will, namely the presidency and parliament. With competing interests, these state institutions will inevitably collide, further impeding their ability to provide services for the people. This collision is temporarily postponed due to the “war on terrorism” and the existence of a common enemy, namely the MB, but the expected deterioration of economic conditions and the inevitable reconciliation with the MB will force this clash.

While his limited tenure does not yet allow any authoritative conclusions, early signs suggest that President El-Sissy will not only fail in resolving these strategic challenges, but will also contribute to a rather rapid outbreak of protest. While probably realizing the grave consequences of both economic and bureaucratic deficits, the president is being increasingly contained by the status quo forces. Reports on his meeting with business tycoons during the presidential race revealed a profound conflict between the need for socioeconomic changes to sustain the system on the one hand and a business class fiercely battling for crony privileges on the other. Capitalizing on large-scale clientele networks and an influential media establishment, corrupt businessmen appear to have

fought their battle by demobilizing voters, distorting the new president's image of invincibility. Their message was straightforward: you owe your success to our networks, so maintain our interests. Other interest groups, including the military, judiciary, and other senior bureaucrats maintain powerful positions within the ruling formula, making a compromise on their interests seem unlikely. Instead of combatting these interests, the sworn-in president sought to coopt them, issuing early decrees cancelling the tax of the stock market, eliminating supervision and accountability for government bids and contracts, and reducing energy subsidies, leading to a rapid increase in prices while services (notably electricity and security) continue their rapid deterioration.

Conclusion: The Stability Paradox

Egypt's 2011 revolutionary upheaval has unequivocally divorced the notions of stability and stagnation. During his 30 years in power, President Mubarak has been promising no more than stability, and repeatedly using the stability promise and chaos threat to justify a notorious record of human rights violations, persistently anti-democratic policies, legislations and structures, and the (almost) complete absence of transparency and accountability. The revolutionary upheaval renders such ruling formula meaningless. Deep economic inequalities and serious bureaucratic and administrative deficits equate stagnation with collapse failure, and leave "change" as the only possible path to stability. To sustain its stability, therefore, the regime needs to embark on an overarching process of restructuring; one that alters the very foundations of the current system. Even if it takes a gradual path, the outcome of change has to be radical, for it would need to seriously revisit the state-society relations after 200 years of state-led modernization accompanied with authoritarianism. Revisiting these relations means, therefore, that the state's key characteristics of elitism, authoritarian guardianship and violence will no longer exist.

The magnitude of change required to "maintain" the Egyptian state therefore will lead to its transformation into a new state, while the 200-year-old will be gone for good. Ironically, therefore, the state guardians seem to be divided into two camps: a conservative one holding on to the current state, eventually leading to its demise, and a more reformist one, struggling – in what seems to be a lost battle – to "save" the state through setting it aside and allowing for the rise of a new one in a process akin to an open heart operation. Either way, the 200-year-old Egyptian state, which has led the country's modernization process, has been defeated by the very process of modernization.



IEMed.

The European Institute of the Mediterranean (IEMed), founded in 1989, is a consortium comprising the Government of Catalonia, the Spanish Ministry of Foreign Affairs and Cooperation and Barcelona City Council. It incorporates civil society through its Board of Trustees and its Advisory Council formed by Mediterranean universities, companies, organisations and personalities of renowned prestige.

In accordance with the principles of the Euro-Mediterranean Partnership's Barcelona Process, and today with the objectives of the Union for the Mediterranean the aim of the IEMed is to foster actions and projects which contribute to mutual understanding, exchange and cooperation between the different Mediterranean countries, societies and cultures as well as to promote the progressive construction of a space of peace and stability, shared prosperity and dialogue between cultures and civilisations in the Mediterranean.

Adopting a clear role as a think tank specialised in Mediterranean relations based on a multidisciplinary and networking approach, the IEMed encourages analysis, understanding and cooperation through the organisation of seminars, research projects, debates, conferences and publications, in addition to a broad cultural programme.

EuroMeSCo

Comprising 99 institutes from 32 European and South Mediterranean countries, the EuroMeSCo (Euro-Mediterranean Study Commission) network was created in 1996 for the joint and coordinated strengthening of research and debate on politics and security in the Mediterranean. These were considered essential aspects for the achievement of the objectives of the Euro-Mediterranean Partnership.

EuroMeSCo aims to be a leading forum for the study of Euro-Mediterranean affairs, functioning as a source of analytical expertise. The objectives of the network are to become an instrument for its members to facilitate exchanges, joint initiatives and research activities; to consolidate its influence in policy-making and Euro-Mediterranean policies; and to disseminate the research activities of its institutes amongst specialists on Euro-Mediterranean relations, governments and international organisations.

The EuroMeSCo work plan includes a research programme with three publication lines (EuroMeSCo Papers, EuroMeSCo Briefs and EuroMeSCo Reports), as well as a series of seminars and workshops on the changing political dynamics of the Mediterranean region. It also includes the organisation of an annual conference and the development of web-based resources to disseminate the work of its institutes and stimulate debate on Euro-Mediterranean affairs.