TRANSITION TO WHAT:

EGYPT'S UNCERTAIN DEPARTURE FROM NEO-AUTHORITARIANISM

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TRANSITION TO WHAT: EGYPT'S UNCERTAIN DEPARTURE FROM NEO-AUTHORITARIANISM

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Transition to What: Egypt's Uncertain Departure From Neo-Authoritarianism

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Egypt is a central country in the Arab World, not only for its demographic (more than 80 million inhabitants at the last estimate) and geopolitical importance, but also historically as a laboratory for the evolving regional political dynamics. In recent decades, Egypt's ruling elites have successfully embarked on a neo-authoritarian restructuring that did grant the country political stability but at the cost of a general decline in the country's economic and political influence in the region, and domestically, in an increase in social inequalities and an excessive reliance on coercion.[1]

President Hosni Mubarak's 30-year rule ended abruptly on February 11, 2011, after little more than two weeks of an extraordinary mass protest in the wake of the unrest in Tunisia that had led to the ousting of the Tunisian president, Zine El Abidine Ben Ali. Today, Egypt is being governed by the Supreme Council of the Armed Forces, which is supervising the country's political transition towards a still undecided future. The period since Mubarak resigned has been one of great uncertainty, but also great optimism. Regime opposition has been transformed into a democratic movement, in an Egypt now ruled by largely unknown generals. Parliament has been dissolved, whilst the Supreme Council has arrogated to itself the right to issue decrees citing legal sanction. After formally assuming power, the military has suspended the 1971 Constitution and appointed a constitutional committee to quickly address the most urgent amendments. The most significant of these amendments include those related to

presidential term limits, the necessity of appointing a vice-president, and provisions for drafting a new constitution by a commission chosen by the new parliament. Parliamentary and presidential elections will probably also be scheduled for September and November 2011, respectively.

The constitutional committee's proposed amendments were subjected to a popular referendum on March 19. Post-Mubarak, Egypt's first vote saw an unprecedented voter turn-out of 41 percent with 77 percent voting in favor. A majority in the popular protest movement has, however, denounced the amendments as inadequate. They have expressed concerns about an excessively fast transition that may not permit the largely spontaneous popular movement to organize and to acquire sufficient experience and resources to compete in elections against the former regime's clientele-based networks as well as against the main traditional opposition, the Muslim Brotherhood.

Since Mubarak's fall, observers and activists alike have debated whether the January-February events can best be described as a popular revolt (or even a revolution as Egyptians like to call it) or a military coup. Events in the coming months will provide an answer to that question. At this particular juncture, it can be affirmed that two related but separate processes had occurred in parallel: on one hand, sustained street protests, later joined by labor strikes, held their ground with remarkable courage in the face of regime repression and the authoritarian tactics of divide-and-rule; on the other hand, it was the military takeover that finally ousted Mubarak. Little is known of intra-regime bargaining — within the military, between the military and the president, between the military and

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[1] On the main features of neo-authoritarian regimes in the Arab World see Guazzone *et al.* (2009).

the loyalist Republican Guard, between the military and elements of the civilian leadership and, last but not least, between the military and foreign powers. To be precise, while it is correct to speak of a revolution in terms of people breaking former taboos to the point of significantly diminishing the regime's power of coercion, at least in the weeks following January 25 (al-Ghobashi 2011), a revolutionary outcome is far from guaranteed.

The bulk of the neo-authoritarian regime has survived the end of the Mubarak era, not only in terms of the military taking over but also as far as the ruling elites (with the exception of the Mubarak clan and the top echelons of the regime) and well-established old political dynamics are concerned. Also, the country today is obviously facing the same old problems, such as economic decline, rapid impoverishment of large sections of society, decline in the country's influence in foreign policy, a largely clientelistic and nonrepresentative political system and lack of an organized opposition.

This report provides an analysis of Egypt's current status by focusing more on structural and long–term dynamics than on everyday politics. As stated in this report's title, the authors still consider Egypt a neo-authoritarian state for all practical purposes, although they acknowledge that the end of the Mubarak era might lead to a political transition in terms of a ruling coalition reshuffle or adjustments in the domestic and international balance of power. Whether Egypt will become a more representative country, however, still remains to be seen. Part of the aim of this work is to highlight some of the possible obstacles to this desirable outcome.

A first draft of the present report was written in December 2010 and discussed at a seminar at the International Affairs Institute (IAI) in Rome on January 21, 2011. While the authors could not foresee the rapid unfolding of events and, most of all, the rise of a vibrant and spontaneous popular mobilization largely external to the traditional opposition structures, much of their analysis is not only valid, but also useful today, due precisely to the already mentioned structural approach of the research.

The report is made up of four papers. The first paper, by Maria Cristina Paciello, focuses on Egypt's socio-economic profile. In particular, the author develops the argument that, in spite of the positive macro-economic trends in the last decade, the hardships of a large number of Egyptians, particularly those belonging to the lower-middle classes have increased so that, rather than referring to Egypt as a "success story," it is more correct to speak of an emerging "social question" in the country.

In the second paper, Issandr El Amrani provides a perspective on the evolution of the National Democratic Party (NDP), the former ruling party of Egypt, focusing mainly on the decade before the ousting of Hosni Mubarak. Indeed, in order to grasp the real direction of the current political transition, it is important to understand how institutions like the NDP kept their hold on power and increasingly turned Egypt into a "mafia state."

In the third paper, Daniela Pioppi analyses the state of health of Egypt's main opposition force, the Muslim Brotherhood, after 40 years of co-existence with the regime. The author argues that not only the

regime's repression, but also the Brotherhood's overly compliant approach towards the ruling establishment, has diminished the Islamic Brotherhood's organizational strength and mass base as well as its capacity to produce an original political agenda. This state of affairs is confirmed by in the Brotherhood's late appearance and modest role in the popular mobilization of January-February 2011.

Finally, in the fourth paper, Philippe Droz-Vincent tackles the status of Egypt's foreign policy, demonstrating how the country has been progressively marginalized in the past decade, and how it has

found itself increasingly unable to act independently of its long-time partner and patron, the United States.

This report is one of several exploring the evolving perceptions and policies of Mediterranean actors. These studies were produced in the framework of the multi-year GMF-IAI strategic partnership, and co-published by IAI and GMF's Mediterranean Policy Program.

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Egypt's Last Decade: The Emergence of a Social Question

Maria Cristina Paciello

INTRODUCTION

On February 11, 2011, an unprecedented mass mobilization involving diverse social, religious, political, and generational constituencies, forced Hosni Mubarak to step down after 30 years in power. A combination of political and socio-economic factors lie at the root of the mass and spontaneous mobilization that led to the overthrow of Hosni Mubarak. Politically, Egypt has experienced a dramatic involution in recent years, which has contributed to frustrating any expectation for political change through the accepted channels.[2] Since 2005, the Egyptian regime increasingly restricted the political space and undermined the opposition (Sullivan, 2009; el-Ghobashy, 2010, Shehata, 2009; Dunne and Hamzawy, 2010; Ottaway, 2010). The murder of the young businessman, Khaled Saieed, in June 2010, revealed the brutality of the regime and led to the politicization of many Egyptians, particularly the youth.[3] The regime's politics of political exclusion culminated in the 2010 November elections that led to a parliament where no independent opposition was present. Insofar as only parties that won seats in parliament were eligible to nominate a presidential candidate for the next presidential elections, this definitely set the stage for a hereditary succession for Hosni Mubarak's son, Gamal, or any other candidate selected by Hosni Mubarak himself.

[2] See ICG (2011) and Ashraf Khalil, "Dispatches From Tahrir: Inside Egypt's revolution and the last days of Mubarak," March 3, 2011, http://www.rollingstoneme.com/index.php?option=com_content&view=article&id=94.

[3] *Ivi*. The "We Are All Khaled Saieed" Facebook page became one of the main gathering points for the organizers of the protests that forced Mubarak to step down.

Economically, over the 2003–04/2006–07 period, Egypt experienced strong economic growth, which peaked to 7.1 percent in 2006–07,[4] with a rapid increase in exports and foreign direct investment inflows.[5] These made Egypt one of the Middle East's fastest growing economies and prompted the International Monetary Fund to praise it as "an emerging success story" (Achcar, 2009). However, in spite of these positive macro-economic indicators, the hardships of a large number of Egyptians increased, particularly those belonging to lower-middle classes, suggesting that the benefits of rapid economic growth were not equally distributed. The global financial crisis, which spread to Egypt at the end of 2008-early 2009, further exacerbated the country's socio-economic situation. Reflecting the increased hardship of a large number of Egyptians since mid-2004, Egypt was experiencing an unprecedented wave of social protests and labor strikes,[6] which continued through 2010, extending

[4] Real gross domestic product (GDP) growth was 3.2 percent in 2002–03, 4.1 percent in 2003–04, 4.5 percent in 2004–05, and 6.8 percent in 2005–06 (IMF, 2006).

[5] FDI increased from US$ 400 million in 2000–01 to $ 13.2 billion in 2007–08. As a result, according to the *World Investment Report* 2008, Egypt was ranked as the top country in Africa, and the second in the MENA region (after Saudi Arabia) in attracting FDI. Exports of goods and services tripled from 2003 to 2008 (Radwan, 2009).

[6] These protests were important in preparing the ground for the January 25 revolution (Hossam el-Hamalawy, "Egypt's revolution has been 10 years in the making," *The Guardian*, February 2, 2011, http://www.guardian.co.uk/commentisfree/2011/mar/02/egypt-revolution-mubarak-wall-of-fear). However, although the labor protests were successful in attracting an unprecedented

to those private sector workers whose companies were affected by the financial crisis (Beinin, 2009; Clément, 2009; Beinin and el-Halamawy, 2007a, 2007b).[7]

Bearing in mind that the socio-economic realities and political dynamics are both important to explain Egypt's popular upheaval, a detailed analysis of the socio-economic reality that was at the heart of the Egyptian revolution is provided in this paper, to substantiate that over the last decade, behind the image of a "success story," Egypt has indeed been confronted with the emergence of a social question. The paper will conclude with a brief discussion of the socio-economic challenges facing the country in the post-Mubarak era.

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number of people, they failed to translate into a real political challenge to the regime, because, unlike the January-February 2011 protests, they remained focused on socio-economic problems and did not put forward political demands (El-Mahdi, 2010; Hamzawy, 2009; Ottaway and Hamzawy, 2011).

[7] "Labor unrest persists among private sector workers," *Al-Masry al-Yom*, August 6, 2010, http://www.almasryalyoum.com/en/news/labor-unrest-persists-among-private-sector-workers.

1 Decreasing Purchasing Power and Rising Income Poverty

A first indicator of the increasing social deterioration in Egypt over the past ten years is that income poverty has been steadily on the rise. After increasing in the first half of the 1990s, income poverty started to fall in the second half for the first time since the early 1980s, albeit not for the poorest region of Upper Egypt (Kheir-El-Din and El-Laithy, 2006; Harrigan and el-Said, 2009). However, from 2000 to 2005, there was a reversal in the gains made in previous years. All measures of absolute poverty were found to have increased:[8] the incidence of poverty increased from 16.7 to 19.6 percent, the depth of poverty from 3.0 to 3.6 percent, and the severity from 0.8 to 1 percent. Extreme poverty[9] increased as well, from 2.9 to 3.8 percent of Egypt's population. The only positive sign was that the percentage of the near-poor (or vulnerable people) to poverty[10] for the total population declined from 25.9 percent to 21.0 percent (World Bank, 2007). In recent years, according to estimates provided by UNICEF (2010), the proportion of people living in absolute poverty has continued to increase, reaching

23.4 percent in 2008–09, up from 19.6 percent in 2004–05. By 2008–09 the number of income poor people had reached 16.3 million persons, compared to 13.7 million persons in 2005.

Yet, the poverty estimates and trends presented above are likely to be highly underestimated for a number of reasons. As Sarah Sabry (2009) demonstrates in her interesting research on eight informal settlements (*ashwa'iyyat*) in Greater Cairo, conducted between November 2007 and November 2008, these poverty estimates do not reflect the real life of many Egyptians. For example, while informal settlements house a significant proportion of the urban poor, particularly in Greater Cairo, the household surveys that support the above poverty line studies continue to under-sample people living there, as data on the extent of slum populations is not available. Moreover, World Bank poverty lines, even the most generous ones, are set too low for an acceptable standard of living for residents of Greater Cairo's *ashwa'iyyat*.[11]

Related to this trend of increased income poverty, consumer purchasing power in Egypt has significantly declined over the last decade. While a significant reduction in the inflation rate was one of the main achievements of the stabilization program in the 1990s, the consumer price index (CPI) went up in the 2000s. After the Egyptian pound was devaluated in 2003, the CPI shot up in October

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[8] Absolute poverty is calculated using the total poverty line and therefore consists of spending less than needed to cover absolutely minimal food and non-food needs. Egyptians who in 2005 reported spending less than LE 1,423 are poor.

[9] Extreme poverty is defined using the food poverty line and therefore it means inability to provide even for basic food. Egyptians who in 2005 reported spending less than LE 995 on average per year are considered extreme poor.

[10] Near poverty is defined using upper poverty line and is equivalent to spending barely enough to meet basic food and slightly more than essential non-food needs. Egyptians who in 2005 spent on average between LE 1,424 and LE 1,854 per year are considered "near-poor."

[11] For example, Sabry (2009) found that poor people who live in informal areas, especially on the outskirts of Greater Cairo, sometimes paid much more for the same food items than those who live in some of the more well-off areas of Egypt.

2004, reaching a rate of 11.3 percent,[12] mainly driven by a rise in the prices of food, beverages, and tobacco (Alissa, 2007; World Bank, 2007). After dropping between mid-2004 and early 2006, the CPI started to rise again due to soaring global food prices, reaching its unprecedented peak at 23.6 percent in August 2008. Consumer prices for wheat flour, rice, and maize increased by more than 100 percent and those for vegetable oils increased by 70 percent (UNICEF, 2010). The rise in bread prices led to serious food riots in April 2008, which claimed 11 lives . In late 2010, although food inflation was lower compared to 2008, it remained quite high and volatile.[13] In October 2010, for example, vegetable prices shot up 51 percent, while meat and poultry increased by nearly 29 percent, so that people could not even afford to buy vegetables.[14]

The inflationary trend observed over the last decade has had a disproportionate effect on the Egyptian people, particularly on the middle and lower income groups, as a large share of their income gets spent on food (Klau, 2010). Much of the observed increase in income poverty can therefore be attributed to soaring food prices. Moreover, as several anecdotal accounts show,[15] as a result of recent rising food prices many Egyptian households are forced to change their diet to cheaper and less nutritious staples, with negative implications for their children's health.[16]

The Egyptian government under Hosni Mubarak did try to mitigate the negative impact of rising prices and growing dissatisfaction among the population by continuing to finance the country's expensive food subsidy system. In 2008, the government even expanded the coverage of the ration card subsidy system by an extra 22 million people

[12] Previously, in 2001–02, the CPI was 2.4 percent. Then, it increased to 3.2 percent in 2002–03 and further to 8.1 percent in 2003–04 (Kheir-El-Din and El-Laithy, 2006; UNICEF, 2010).

[13] Niveen, Wahish, "Of prices and interest rates," *Al-Ahram Weekly*, February 19-25, 2009 (http://weekly.ahram.org.eg/2009/935/ec2.htm); Ali Abdel Mohsen, "Meat market mystery," *Al-Masry al-Youm*, April 2, 2010, http://www.almasryalyoum.com/en/news/meat-market-mystery; "Egypt inflation steady in October, rates seen on hold," *Al-Masry al-Youm*, November 10, 2010, http://www.almasryalyoum.com/en/news/egypt-inflation-steady-october-rates-seen-on-hold; Ashraf Khalil, "Egypt's vegetable crisis: 'This is how revolutions start'," *Al-Masry al-Youm*, October 26, 2010, http://www.almasryalyoum.com/en/news/egypt's-vegetable-crisis-how-revolutions-start.

[14] Prices of tomatoes spiraled more than 600 percent. Ashraf Khalil, "Egypt's vegetable crisis: 'This is how revolutions start'," *Al-Masry al-Youm*, October 26, 2010, http://www.almasryalyoum.com/en/news/egypt's-vegetable-crisis-how-revolutions-start.

[15] Ulrike Putz, "The Daily Struggle for Food," http://www.spiegel.de/international/world/0,1518,548300,00.html; Ahraf Khalil, "Amid soaring beef prices, poor Egyptians brace for meat-less Eid," *Al-Masry al-Youm*, November 14, 2010, http://www.almasryalyoum.com/en/news/amid-soaring-beef-prices-poor-egyptians-brace-meat-less-eid.

[16] Results from the 2008 Egypt Demographic and Health Survey (EDHS) show that the nutritional status of young children worsened over 2005–08 (FAO, 2009).

and increased the quantities of already subsidized food items for all ration card holders (Klau, 2010). As a consequence, the food subsidy ratio to GDP increased from 1.5 percent in 2005–06 to 2.1 percent in 2008–09 (Aboulenein *et al.*, 2010). The government also raised the salaries of civil servants.[17] For example, the annual social bonus of civil servants rose steadily from 10 percent in 2006, to 15 percent in 2007 and to 30 percent in 2008 (Abdelhamid and el-Baradei, 2009).

However, the measures put in place by the Egyptian government to mitigate the negative impact of rising food prices have not been sufficient to strengthen the people's purchasing power. Consumer food subsidies in Egypt are poorly targeted so that, according to the World Bank (2007), between one-quarter and one-third of the poor do not benefit from them. Moreover, real wages in both the public and private sector have continued to decrease over the last decade (Abdelhamid and el-Baradei, 2009).[18] This means that wages of many Egyptians are inadequate due to the rising prices and cannot help sustain a decent

quality of life.[19] The increase in wages and in the annual social bonuses endorsed by the government were only directed toward the public sector workers, thus excluding informal sector workers. Yet, even for a majority of public sector workers, who are the target of the government's measures, salary increases have failed to keep pace with the rising inflation.[20] The unprecedented increase in the number of protests and labor strikes since mid-2004 reflects the growing dissatisfaction, especially among public sector employees, due to low wages and delays in payment of bonuses (Beinin, 2008). The recent and still ongoing debate on a minimum wage level is emblematic of the huge gap between the government's proposals and public employees' demands. For example, while in November 2010 the National Wage Council[21] raised the legal minimum

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[17] See Abdelhamid and el-Baradei (2009); Wael Gamal, "Remembering the poor?," *Al-Ahram Weekly*, July 7-13, 2005, http://weekly.ahram.org.eg/2005/750/ec1.htm; Mona el-Fiqi, "Not Even Minimum Wage," *Al-Ahram Weekly*, 20-30 July 2008, http://weekly.ahram.org.eg/2008/907/ec1.htm.

[18] Although, in another study by Mona Said (2007), a different trend is found, namely that in 2006, real wages actually recovered almost to their 1988 level, this improvement only happened from 1998 to 2000 (see UNDP, 2008). This, therefore, confirms the trend of decreasing real wages over the last decade.

[19] Author's interviews in Cairo, October 2010; "Workers, not voters, worry Egypt's government," *Al-Masry al-Youm*, November 23, 2010, http://www.almasryalyoum.com/en/news/workers-not-voters-worry-egypts-government; Mona el-Fiqi, "Not Even Minimum Wage," *Al-Ahram Weekly*, July 20-30, 2008, http://weekly.ahram.org.eg/2008/907/ec1.htm.

[20] In addition to the sources quoted above, see also Noha el-Hennawy, "School teachers form Egypt's and Independent Union," *Al-Masry Al-Youm*, July 20, 2010, http://www.almasryalyoum.com/en/news/school-teachers-form-egypts-2nd-independent-union; "Education Ministry employees continue sit-in," *Al-Masry Al-Youm*, June 27, 2010, http://www.almasryalyoum.com/en/news/education-ministry-employees-continue-sit.

[21] It was established by the government in 2003, with the mandate to ensure that salaries (for the government, nongovernment and private sectors) should be on a par with the cost of living.

wage to LE400 per month, teachers demanded a minimum wage of at least LE1200.[22]

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[22] Mohamed Azouz, "Investors' federation calls for upping minimum wage to LE600/month," *Al-Masry Al-Youm*, November 2, 2010, http://www.almasryalyoum.com/en/news/investors-federation-calls-upping-minimum-wage-le600month; Noha el-Hennawy, "School teachers form Egypt's and Independent Union," *Al-Masry Al-Youm*, July 20, 2010, http://www.almasryalyoum.com/en/news/school-teachers-form-egypts-2nd-independent-union.

2 DETERIORATING LABOR MARKET

In spite of robust economic growth, labor market challenges in Egypt have exacerbated in the last decade. Although, unlike to the 1988–98 period, unemployment in Egypt decreased from 1998 to 2006 (from 11.7 percent to 8.3 percent), this was associated with a deterioration in job quality (Assad, 2007). Continuing a trend already noticed in the 1990s, the majority of jobs created in the 1998–2006 period were in the informal economy, where workers are paid low wages, lack social security coverage, are hired without work contracts, and are therefore more exposed to the risk of poverty. As a result, informal employment increased from 57 percent in 1998 to 61 percent in 2006 (*Ivi*). Moreover, the labor market scenario for the youth has experienced a dramatic deterioration. While, as mentioned above, total unemployment improved, unemployment among graduates increased from 9.7 percent to 14.4 percent (*Ivi*). Also informal employment expanded primarily among the young with an intermediate or university education, suggesting that the majority of youth who entered the labor market did not have a legal contract and were therefore paid very low wages and lacked social insurance coverage (Wahba, 2010; Assad, 2007).

The global crisis has further exacerbated the labor market challenges in Egypt. In spite of the fiscal stimulus package announced by the government to cope with the crisis in early 2008 (Klau, 2010), employment growth has slowed down, lay-offs have increased, and the total unemployment rate has started to rise, albeit slightly (from 8.9 percent in 2007 to 9.4 percent in 2009).[23] These pressures on the labor market are likely to lead to a further increase in "informalization" (Radwan, 2009). The youth, again, appear to have been particularly affected by the global crisis.[24] For example, between the last quarter of the year 2007 and the last quarter of 2008, as a result of the crisis, unemployment went up for the age groups 15-20 and 20-25 (*Ivi*).

The above data clearly leads one to believe that the economic policies followed by the Egyptian government over the last decade have had a very limited impact on job creation. In spite of the acceleration of market-oriented reforms following the appointment of Prime Minister Ahmed Nazif in 2004, economic performance during this period continued to depend on a favorable external environment, which was the engine of much of its growth (Achcar, 2009). The country's economic boom during 2003–07 was largely due to the boom in the global oil market, which benefited Arab oil exporting countries and resulted in higher FDI and remittances from Gulf Cooperation Council (GCC) countries. With the global financial crisis and the consequent decline in the fortunes of GCC coun-

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[23] CBE (2010), CTUWS (2009), Abu Hatab (2009). See also "The War on Prices," *Al-Ahram Weekly*, March 26–April 1, 2009, http://weekly.ahram.org.eg/2009/940/ec54.htm; "Hard times ahead," *Al-Ahram Weekly*, March 12-18, 2009, http://weekly.ahram.org.eg/2009/938/ec3.htm; "Acting to save jobs," *Al-Ahram Weekly*, December 24-30, 2009, http://weekly.ahram.org.eg/2009/978/ec1.htm.

[24] "Forget unemployment," *Al-Ahram Weekly*, March 26–April 1, 2009, http://weekly.ahram.org.eg/2009/940/ec2.htm; "Acting to save jobs," *Al-Ahram Weekly*, December 24-30, 2009, http://weekly.ahram.org.eg/2009/978/ec1.htm.

tries, Egypt's economic growth slowed down with noticeable declines in the major drivers of its economic growth, namely exports, FDI, remittances, and tourism revenues (Paciello, 2010; Radwan, 2009; Abu Hatab, 2009).

In spite of the attempts to improve Egypt's competitiveness over the years, its export structure remained heavily dominated by natural resources and low-tech manufacturing exports, which provide very low quality jobs and limited opportunities to well-qualified young workers. In addition, FDI flowed to capital-intensive sectors that do not generate sufficient employment opportunities. The large increases in FDI in recent years reflects privatization rather than new investment opportunities that could have contributed to job creation (Alissa, 2007; El-Megharbel, 2007; ENCC, 2008). Yet, economic reforms did not bring about an increase in private investment as initially expected. Thus, while the prospects of public sector employment declined significantly due to government's measures aimed at reducing the budget deficit (Wahba, 2010), employment opportunities in the formal private sector remained limited (UNDP, 2010).

Although the government has launched numerous programs to address labor market problems over the last decade, it has lacked a comprehensive labor market strategy, because it has dealt with employment problems via piecemeal and scattered measures, and has made no attempt to link macro-economic choices to job creation (El-Megharbel, 2007; Wahba, 2010; author's interviews conducted in Cairo on November 2010). Last, with the retreat of the state as a welfare provider, in the wake of the market-oriented reform initiative, the quality of

public education, particularly higher education, has significantly deteriorated. This has contributed to creating a supply of unskilled, unqualified partly-educated graduates, who are not necessarily in demand in the labor market (see below).

3 THE ACCELERATING RESTRICTION OF STATE WELFARE

Over the last two decades, the social welfare system in Egypt has been through a serious crisis.[25] Although in the 1990s social expenditure was relatively protected, nonetheless, this was not sufficient to prevent a deterioration in the quality of health and education services. Social spending remained too low to compensate for increasing population growth and too much of it went into paying the salaries of a large number of public employees. As a result, although health care and education are free, private expenditure on those services is on the increase, in particular for the poor.

Over the last decade, the reduction of state welfare measures appears to be on the increase. Public expenditure on social services has been cut.[26] Public spending on education has declined, from 19.5 percent in 2002 to 11.5 percent in 2006, as a percentage of total expenditure, and from 5.2 percent to 4.0 percent, as a percentage of GDP (UNDP, 2008). In particular, public funding for university education has suffered a significant reduction in recent years.[27] Similarly, although total health expenditure as a percentage of public

spending increased from 1.2 percent in 2001–02 to 3.6 percent in 2008–09, its share has remained low relative to other countries with comparable incomes. Most of it goes to pay salaries, although these are insufficient to guarantee a dignified life for the health sector workers (EIPR, 2009a; 2009b). Considering that the Egyptian population increased over the years, public health expenditure per person actually declined in the last decade.[28] The financial crisis has worsened the problem of low public funding to social services, with cuts in public health expenditure observed for the year 2009–10 compared to the previous one.[29]

The quality of education and healthcare provisions have continued to deteriorate severely,[30] while

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[25] See Galal (2003), UNDP (1998), Bayat (2006), Paciello (2007), Tadros (2007), Harrigan and el-Said (2009).

[26] Between 2002 and 2006, the increase in total social spending (from 15 percent to 25 percent of government expenditure and from 4.5 percent to 7.6 percent of GDP) mostly reflects the expansion of the food subsidy system.

[27] See for example Abul Soud Mohamed and Mohamed Kamel, "University teachers criticize reduced funding for education and research," *Al-Masry al-Youm*, April 19, 2010, http://www.almasryalyoum.com/en/news/university-teachers-criticize-reduced-funding-education-and-research; Fahim and Sami, 2009.

[28] Author's Interviews in Cairo, November 2010.

[29] Doha Abdelhamid, "Mind the gap," *Al-Ahram Weekly*, May 14-20, 2009, http://weekly.ahram.org.eg/2009/947/ec1.htm.

[30] For education, see UNDP (2010); "Poor education squeezes Egypt's growth," *Al-Masry al-Youm*, October 6, 2010, http://www.almasryalyoum.com/en/news/poor-education-squeezes-egypt's-growth; Tareq Salah, "Muslim Brotherhood: Nazif government unable to develop country," *Al-Masry al-Youm*, October 25, 2010, http://www.almasryalyoum.com/en/news/muslim-brotherhood-nazif-government-unable-develop-country; http://www.almasryalyoum.com/en/news/school-teachers-form-egypts-2nd-independent-union; Noha el-Hennawy, "School teachers form Egypt's 2nd independent union," *Al-Masry al-Youm*, July 20, 2010, http://www.almasryalyoum.com/en/news/fixing-egypt's-schools-we-need-compete; For public university, Mohamed el-Sayed, "Educated guess," *Al-Ahram Weekly*, December 31, 2009-January 6, 2010, http://weekly.ahram.org.eg/2010/979/sc111.htm; Shaden Shehab, "Empty change," *Al-Ahram Weekly*, July 22-28, 2010,

families incur a wide range of private costs when they access public social services. For example, a majority of families are still forced to spend a large portion of their monthly budget on private tuition, despite the official schooling.[31] In 2008–09 these families' expenditure on private lessons accounted for LE13 billion, which is one-third of the budget allocated to education by the state.[32] Similarly, private out-of-pocket health spending has increased faster than public spending, from 63 percent of total health expenditure in 2002 to 70 percent in 2008

(EIPR, 2009a). Yet, the health insurance system remains highly unequal, with 46 percent of the population, including the unemployed and workers in the informal economy having no health insurance coverage, according to the most recent data (EIPR, 2009b; UNDP, 2008).[33]

While reducing the resources devoted to education and health, in recent years, the Egyptian government has made explicit attempts toward the privatization of social services. Since 2007, with the aim of privatizing the public health system, the government has drafted several health insurance bills[34] that have led to protests, although no comprehensive reform has so far been introduced.[35] While there is no doubt that the health system is inequitable and needs a serious reform, the privatization of the health insurance system, as proposed by the government, could further disadvantage many people. It is unclear who among those who could not afford to pay for a private health insurance would have benefited from the

http://weekly.ahram.org.eg/2010/1008/eg5.htm; Mohamed Aboulghar, "Egyptian educational decline: is there a way out?," *Al-Ahram Weekly*, February 2-8, 2006, http://weekly.ahram.org.eg/2006/780/sc7.htm. For the health system, Sabry (2009); Mohamed Abdel Khaleq Mesahel, "Egyptian doctors demand better conditions," *Al-Masry al-Youm*, April 9, 2010, http://www.almasryalyoum.com/en/news/egyptian-doctors-demand-better-conditions; "Protests erupt against poor medical coverage," *Al-Masry al-Youm*, February 2, 2010, http://www.almasryalyoum.com/en/news/protests-erupt-against-poor-medical-coverage.

[31] In 2004, the number of families stating that their children use private tutoring was between 61 and 70 percent of all students, but we were unable to find data after 2004 (Noha el-Hennawy, "School teachers form Egypt's 2nd independent union," *Al-Masry al-Youm*, July 20, 2010, http://www.almasryalyoum.com/en/news/fixing-egypt's-schools-we-need-compete. See also Gamal Essam El-Din, "Education ministers face down critics," *Al-Ahram Weekly*, December 20-30, 2009, http://weekly.ahram.org.eg/2009/978/eg3.htm.

[32] Rania Al Malky, "Editorial: Egypt's online teenyboppers expose education fiasco," *Daily News*, August 29, 2008, http://www.dailystaregypt.com/article.aspx?ArticleID=16100.

[33] On the revitalization of religious charity as a means to compensate for deteriorating public welfare, see Daniela Pioppi's paper in this report.

[34] In 2007, through the prime minister's decree number 637, the government announced the creation of the Egyptian Holding Company for Healthcare. All assets of the public health system were to be transferred to this commercial organization to be run on a for-profit basis. In 2008, the Egyptian Administrative court suspended the decree for being unconstitutional in terms of the right to health, and, one year later, on October 2009, a new medical insurance draft law was prepared by the government.

[35] On the government attempts at privatizing social-services, see also Daniela Pioppi's paper in this report.

support of the state and how the state coverage would have been financed, given the lack of funds.[36] In fact, while the government attempted to reassure its opponents that the proposed health insurance law would have an enhanced coverage for all, on April 2010, the discussion on the new medical insurance bill in Parliament was postponed due to lack of funds, reflecting the repercussions of the global financial crisis on the Egyptian economy.[37]

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[36] See Mahmoud Gaweesh, "Pensioners, politicians protest new health insurance bill," *Al-Masry al-Youm*, December 6, 2009, http://www.almasryalyoum.com/en/news/pensioners-politicians-protest-new-health-insurance-bill-0; EIPR (2009b); Jano Charbel, "Health care… for some?," *Al-Masry al-Youm*, December 9, 2009, http://www.almasryalyoum.com/en/news/health-care…-some.

[37] Mohsen Abdel Razeq, "Med insurance bill delayed for lack of funds," *Al-Masry al-Youm*, April 15, 2010, http://www.almasryalyoum.com/en/news/med-insurance-bill-delayed-lack-funds.

4 Socio-economic Challenges in the Post-Mubarak Era

Over the last decade, Egypt has proceeded faster in promoting market-oriented reforms and it has registered significant economic success, according to international agencies. However, as shown above, this has been insufficient to address Egypt's main socio-economic problems, as these policies have failed to diversify Egypt's productive structure and to redistribute the benefits of economic growth to its population. Its macro-economic performance has been accompanied by a dramatic worsening in the living standards of most Egyptians. Combined with the deteriorating socio-economic conditions, the intensification of political repression and the lack of political voice has led to a sense of exasperation, particularly among the youth. In the absence of a large organized opposition or formal channels of political expression, people's anger and frustration against the regime coalesced into spontaneous street protests, which finally forced Mubarak to quit.

The economic and social problems described above were fundamentally rooted in the authoritarian nature of the regime. The capacity of the economy to deliver balanced development and create sufficient jobs has been severely hindered by authoritarianism, which has perpetuated economic inefficiencies and discouraged the emergence of an independent and competitive private sector. In fact, economic reforms were used by the Mubarak regime to redistribute privileges to its intimate associates and co-opt key segments of the business sector, thus allowing it to expand its social basis and consolidate authoritarianism (Alissa, 2007; Beinin, 2009; Wurzel, 2004, 2009; Heydemann, 2007; Richter, 2007). This, among others, prevented the emergence of an autonomous and competitive private sector, which is an essential pre-condition for any genuine and inclusive economic reform. It also led to widespread corruption and encouraged the concentration of wealth in fewer hands. Moreover, under Mubarak, opposition forces, small to medium businessmen and trade unions were very weak and unable to influence decision-making, particularly in socio-economic matters (Alissa, 2007; al-Din Arafat, 2009). This was because political parties and other civil society groups were harassed or co-opted by the regime, while the parliament was deprived of any authority. Also owing to their limited influence on decision-making in the parliament, political parties had no interest in developing a clear and well-structured economic and social platform, to counteract the regime's agenda.[38]

The departure of Mubarak is an important step towards political change and, given that the country's socio-economic failures mostly stem from the authoritarian nature of his regime, the changing political context could offer an opportunity to implement a more effective and inclusive economic agenda. Having said this, the fate of Egypt's democratic transition continues to remain uncertain insofar as the old system of power continues to coexist along side the emerging new one, permeating all state institutions (e.g., security, administration, media, justice and so on) (Paciello, 2011). The Military Council, which took over the

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[38] Author's interviews in Cairo, October 2010. The only political party having a clear platform with regard to socio-economic issues appeared to be Tagammu' party. On the Muslim Brotherhood's social agenda see Daniela Pioppi's paper in this report.

interim rule of Egypt after Mubarak stepped down, has made no effort so far to discard the previous system of power, thereby giving credibility to the belief that the military was an integral component of the previous regime. Only very limited and hesitant political concessions have been made to the revolution, and this early phase of transition has been managed with a top-down approach (*Ivi*).

Egypt's economy now faces a double challenge: coping with the negative effects of the current economic crisis resulting from the political upheaval[39] and addressing the structural socio-economic problems that were inherited by the Mubarak regime and had contributed to its fall. Growth projections for 2011 have been revised from 5 percent to 3 percent,[40] while the employment downside of the current economic crisis is likely to be dramatic, considering the fact that the tourism

industry — which employs more than 2.5 million Egyptians,[41] and which saw all tour reservations for February cancelled — has still not recovered from the impact. The dramatic events in Libya have also magnified Egypt's economic troubles, owing to the loss of remittances and the flood of thousands of returnees who will add to the pressures on the labor market. As a result of the difficult economic situation, workers' strikes and labor protests have been ongoing,[42] despite the military council having approved a draft law that punishes anyone organizing, inciting, or participating in protests that damage the economy with imprisonment or/and paying of a fine[43] and despite the growing use of

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[39] For a brief account, see the following articles: "Revolution cost tourism, real estate, industry sectors over LE10 billion," *Al-Masry al-Youm*, February 17, 2011, http://www.almasryalyoum.com/en/node/321811. "Reopening of Egypt's stock exchange may be postponed for third time," *Al-Masry al-Youm*, March 4, 2011, http://www.almasryalyoum.com/en/node/338787. Salma El-Wardani, "Market report: Egypt's stocks end week lower as market eyes corruption cases," *Ahram online*, April 7, 2011, www.english.ahram.org.eg. Mohamed El Dahshan "The economic revolution is yet to happen," *Al-Masry al-Youm*, March 5, 2011 http://www.almasryalyoum.com/en/node/340023. For a review of main-socio-economic challenges, also see Paciello (2011).

[40] Mohamed El Dahshan "The economic revolution is yet to happen," *Al-Masry al-Youm*, March 5, 2011, http://www.almasryalyoum.com/en/node/340023.

[41] Early estimates say that tourist facilities dismissed temporary staff and decreased salaries for permanent workers for a total loss in income of LE70 million, ("Revolution cost tourism, real estate, industry sectors over LE10 billion," *Al-Masry al-Youm*, February 17, 2011, http://www.almasryalyoum.com/en/node/321811.

[42] See "Labor protests continue in Cairo and other governorates," *Al-Masry al-Youm*, April 12, 2011, http://www.almasryalyoum.com/en/node/397535; "Egypt's army should bring opposition to manage workforce's expectations, say experts," *Al-Masry al-Youm*, February 20, 2011, http://www.almasryalyoum.com/en/node/324523; "Thursday's papers: Interim constitution and shake-up of state media," *Al-Masry al-Youm*, March 31, 2011, http://www.almasryalyoum.com/en/node/381350.

[43] See "Labor protests continue in Cairo and other governorates," *Al-Masry al-Youm*, April 12, 2011, http://www.almasryalyoum.com/en/node/397535; "The 3rd meeting of the Cabinet of Ministers," March 23, 2011, http://cabinet.gov.eg/Media/NewsDetails.aspx?id=2260; "Egypt's army should bring opposition to manage workforce's expectations, say experts," *Al-Masry al-Youm*, February 20, 2011, http://www.almasryalyoum.com/en/node/324523;

force and arrests of protesters by the army (Paciello, 2011).

Egypt needs to radically revise its economic and social reform agenda: prioritizing structural reforms that diversify its productive structure; mainstreaming a "youth perspective" in its economic and social strategies. This means, among others, implementing economic policies that explicitly target job creation for the young or assessing the specific impact of economic reforms on youth; making the social welfare system more inclusive and progressive; and coping with the problem of high food inflation through policies that raise agricultural productivity. Unless the social and economic policies are reoriented toward a more redistributive and youth-centered agenda, the socio-economic deterioration is expected to continue.

Coping with Egypt's main socio-economic challenges requires, above all, a profound restructuring of its political economy so as to deal with widespread corruption. A new independent business sector also needs to be formed. Even though a deep reconfiguration of the country's political economy will take a long time, it will very much depend on whether and how political transition takes place. If the political transition takes the direction of an authoritarian involution or an unfinished political transformation, which keeps the old system of power intact, the country is unlikely to succeed in addressing its main long-term socio-economic challenges. Indeed, a political transition backed by

regime loyalists or forces linked to the previous regime, such as the military, will not lead to tackling crony capitalism and/or the pervasive corruption. In this regard, the composition of the upcoming parliament will be important in influencing the trajectory of Egypt's political transition and its future economic policies. If, as expected, parliamentary elections are held in September 2011, followed by presidential elections at the end of the year, most political forces, especially those that emerged during the protests, are unlikely to organize and mobilize support given the tight timeframe and their lack of internal cohesion. As a result, the next parliament is likely to include only a narrow spectrum of political forces, namely the Muslim Brothers and regime loyalists. Egypt's future economic agenda might therefore be drafted by a restricted group in line with its specific interests, which is likely to opt for support to the status quo. Unless a broad consensus is reached on the social and economic agenda to be pursued in the coming years, and a more active involvement of civil society groups in decision-making is allowed, there will be no hope for genuine and effective economic and social reforms. In the absence of adequate policies that ease the crisis and respond to Egypt's structural socio-economic problems, popular discontent, particularly among the young, is expected to mount.

Fiscal problems may curb the capacity of current and future Egyptian governments to seriously cope with the country's socio-economic challenges. Despite some improvements in the last decade, Egypt suffers from a high budget deficit and large public debt ratios, which have worsened as a result

"Thursday's papers: Interim constitution and shake-up of state media," *Al-Masry al-Youm*, March 31, 2011, http://www.almasryalyoum.com/en/node/381350.

of the global crisis.[44] The current economic crisis has further aggravated fiscal problems as government revenues have dropped owing to the collapse in tourism and foreign investment. Due to its weak fiscal position, the new government may not be in the financial position to meet workers' demands. For example, raising the minimum wage to acceptable levels, as demanded by public sector employees, would require the government to find extraordinary funds to cover the budget deficit. Labor protests could also become more forceful and vocal, and social tensions could also re-emerge with more force.

Egypt may be able to partially cope with these problems by taking recourse to external aid, but this will imply that it will have limited leverage in shaping its own economic policies. For example, under a possible intervention by the International Monetary Fund and the World Bank, Egypt would be forced to restrain its expansionary policies, by cutting public expenditure, eliminating food subsidies, privatizing the health insurance system, and withdrawing the wage bill. If implemented, these measures could further damage Egypt's socio-economic conditions and provoke strong opposition from the population.

In a scenario as described above, the EU and the United States will need to fundamentally rethink their policies vis-à-vis Egypt, keeping in view that political and economic reforms have to be pursued jointly in order to sustain Egypt's transition to a democratic system. To contain the risk of an autho-

ritarian involution, the EU and the United States should unequivocally condemn the interim and future authorities in case of violations of human rights or evidence of political regression. Also, the EU and the United States should engage in discussions with the broad spectrum of existing political and social actors in the country, from new trade unions to moderate Islamist parties, and consult them to detail the policies for political transition, including the economic measures to be taken. With regard to economic cooperation, the EU and the United States themselves are called upon to fundamentally revise their policies toward Egypt, by prioritizing job creation and introducing a youth perspective in the economic reforms supported by them. With a view to reconfiguring the equilibrium of the country's political economy and favoring the emergence of a new private sector, there is also need to establish adequate mechanisms to monitor those who benefit from foreign financial assistance, in order to ensure that these resources are not channeled to businessmen tied to the previous regime (Cassarino and Tocci, 2011).

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[44] As a result of the stimulus package adopted to face the global crisis, the deficit to GDP ratio further increased from 6.8 percent in 2008 to 8.4 percent in 2009 (ENCC, 2008).

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THE NATIONAL DEMOCRATIC PARTY: THE BATTLEGROUND

Issandr El Amrani

INTRODUCTION

On January 28, 2011, many Egyptian cities saw the biggest uprising in the country's history. Inspired by the toppling of Tunisian President Zine al-Abideen Ben Ali on January 14, Egyptians fought the ministry of interior's security forces, who used rubber bullets, pellet guns, tear gas, and at times live ammunition to attempt to control the protesters. By late afternoon, it was clear that the state was losing the battle. Across the country, protestors set fire to police stations and to the offices of the National Democratic Party (NDP), the two most prominent symbols of the nexus of power between an authoritarian state and a corrupt political elite — the institutions through which the Mubarak regime had imposed its matrix of control.

By the evening of that momentous day in central Cairo, protesters had taken control of Tahrir Square. On its northern edge, facing the River Nile was the imposing headquarters of the NDP, an ugly 1970s structure that overshadowed the pretty Italianate building of the Egyptian Museum that stood next to it. Around midnight, with street fighting still raging, protesters began to loot the NDP building. A group stopped cars on the Nile Corniche to siphon off their fuel. For the next three days, the building burned, while piles of office equipment taken from the building were stacked next to the Egyptian Museum, with a citizens' watch guarding it, insisting that it belonged to the people and must be returned to them.

Over the following 13 days, the entire first rung of the party's leadership disappeared from public view and a new secretary-general, Hossam Badrawy — a polished businessman who had been close to Gamal Mubarak — was appointed. But, after a last-ditch attempt at rescuing the regime, Badrawy resigned on February 11 only a few hours before it was announced that President Hosni Mubarak was no longer president and the military was assuming power. A caretaker administration made up of mid-ranking party leaders then assumed power, led by Muhammad Ragab, an organizational boss less tainted by his association with the presidential family.

Finally, on April 16, the Supreme Administrative Court ruled that the party should be dissolved. However, caught up in the debate on what to do with the NDP, one loses sight of the need for an accountability from the NDP on its role in maintaining the Mubarak regime, its close relationship with the state's repressive apparatus, and its use of the state as an instrument to implement a hereditary succession scheme that served to preserve the interests of multiple elements within the regime by proposing Gamal Mubarak's name to replace his father. This is symptomatic of the lack of interest the Supreme Council of the Armed Forces — which is ruling Egypt in the interim period before a new parliament and president are elected — has in transitional justice. There has been no systematic attempt to understand how institutions like the state security, the presidency, or the NDP kept their hold on power and increasingly turned Egypt into a mafia state.

1 THE BEGINNING OF THE END

The NDP played a part in the downfall of the Mubarak regime in at least three key respects. First, it came to be viewed as a vehicle for the rise of Gamal Mubarak. Second, it was perceived as being as hopelessly corrupt, as the location "where power meets money," as the Egyptian analyst Emad Gad described it. Finally, its conduct in elections has gradually come to be seen as beyond the pale, with its candidates engaging in the last decade in obvious and flagrant fraud and vote-buying.

The last poll the NDP participated in before the revolution is a case in point. In a two-round election in late November and early December 2010, Egypt's National Democratic Party won 84 percent of the seats in the People's Assembly (Egypt's lower house of parliament), with an additional 9 percent going to NDP members who stood as independent candidates. The conduct of the elections — which according to civil society observers were marred by widespread harassment of opposition candidates at the hands of the security services, ballot-stuffing, and other forms of electoral fraud — dumbfounded political commentators. Why did a party, whose political dominance was guaranteed, feel it necessary to discredit its own claims to electoral honesty as well as belie the regime's supposed commitment to gradual democratic reforms by staging such an obviously rigged election?

After all, the NDP's ability to legislate had not been hindered when it only controlled 73 percent of the seats in the previous parliament, even if the presence of a sizable opposition dominated by Islamists from the Muslim Brotherhood had given it a few headaches. Nor did the regime's pronounced desire to reduce the size of the Muslim Brothers' parliamentary bloc explain the fierce competitiveness toward parties from the legal, secular opposition — which had expected to gain ground from the crackdown on the Brotherhood — or indeed within the NDP itself. For many analysts, the elections were either a mis-step of the security services who "over-rigged" ahead of a looming presidential transition, or a sign of zero tolerance for the boisterous opposition that has been present, formally and informally in Egyptian politics since 2005.

Another explanation, however, has to do with the changes in regime politics over the last decade and the opening of the NDP to new recruits after two decades of stagnation and unchanging leadership. Since it began its transformation in 2002 with the rise of Gamal Mubarak, President Hosni Mubarak's second son, the NDP became a battleground for influence over government policy, for economic clout and access to the state apparatus. In the context of a dispirited polity, and widespread voter disinterest in elections that are increasingly flagrantly rigged, as well as the deep uncertainty about the future of the regime once the president had been removed, the NDP became the vehicle of individual political ambitions and the main tool for legitimizing an eventual Gamal Mubarak presidency. It became the backdoor for influencing government policy, long dominated by state technocrats, and an arena where disparate interests and clientelist networks vied for positions, ahead of an impending political transition.

The question of what exactly the NDP stands for — its detractors frequently joke that it is neither national, nor democratic, nor even a real party — illustrates a long-standing dilemma of republican Egypt. The July 1952 Free Officers' coup banned

political parties and then created a succession of single parties — the Liberation Rally and the Arab Socialist Union (ASU) — as it sought to manage politics and cultivate national elites beyond the military. When Egypt returned to multi-party politics under President Anwar al-Sadat in 1976, the regime had wanted a political landscape roughly divided between left, right, and center to represent the various strands of the ASU. Yet, only two years later — perhaps spurred by the 1977 bread riots and widespread discontent with his overtures to Israel — Sadat created the NDP as his own party, leading to a mass exodus from the other parties as politicians sought to rally behind the president. Largely stagnant under the Mubarak era, with leadership positions held by the same small group for over two decades, the NDP was reinvigorated in the 2000s both as a political party with wider appeal and a major influence on government policy, notably in the economic realm.

It also became the site of political and policy battles and a major actor in the fragmentation of the Egyptian regime that has characterized the late Mubarak period, in tandem with elements of the state (the armed forces, the security services, the civil service bureaucracy) that have dominated Egypt for 60 long years. Yet the NDP was neither a single party centered around a charismatic leader like the ASU, nor a hegemonic party that renews state leadership like the Chinese Communist Party, nor a simple administrative party that acts as an extension of the state. Much of the party dynamism of the last decade was a result of its role as a vehicle for Gamal Mubarak and his supporters, and their ambition, to legitimize an "inheritance of power" scenario for the post-Hosni Mubarak era.

2 REFORMING THE NDP:
THE RISE OF GAMAL MUBARAK

Gamal Mubarak was formally anointed as a key member of the NDP in September 2002, during the eighth general congress of the party — the first such congress the NDP had held in a decade. Although he had joined the party in 1999, reportedly after considering the launch of a new political party based on his Future Generation NGO, he had played no role in the management of the party nor in its electoral campaigns till 2002. The transformation of the NDP over the 2000s was thus closely associated with him and his supporters, who drafted a project to revitalize the party and make it a force for reform — a project made potent, but also problematic, by the general perception that it was just another gambit for survival of the Mubarak presidency.

Until the People's Assembly elections in 2000, it was clearly an old guard triumvirate of Deputy Prime Minister and Minister of Agriculture Youssef Wali (at the time the NDP's Secretary General), Minister of Information Safwat al-Sherif (Deputy Secretary-General), and Minister for Parliamentary Affairs Kamal al-Shazli (also Deputy Secretary-General) who had run the campaign, backed by a party secretariat largely comprising loyalists, many of whom had held the same positions for a long period. All three men — alongside many other party and government officials — were products of the early 1960s, at a time when the Gamal Abdel Nasser regime had sought to recruit a new generation of political operatives to consolidate the regime brought in by the Free Officers's 1952 coup. Aside from a military career, the best route to social and political advancement for ambitious young men at the time was to be selected as members of the Tanzim Tali'i, a vanguard group that successively became a major recruiting ground for both political managers of the al-Shazli mold and security officers. What had been created to provide future leadership for the Arab Socialist Union would eventually provide the NDP's lasting leadership, which came to power with Hosni Mubarak and remained largely unchanged until the last decade of the 20th century.

The NDP's 2002 Congress was the platform for the launch of New Thinking (Fikr Gedid), the reform program led by Gamal to overhaul the internal structure of the party and transform it into a major policy machine. The first of these aims nominally sought to address some of the widely perceived problems that the NDP had in attracting new talent beyond local-level political bosses, and most notably in appealing to the wider Egyptian elite — particularly young professionals — generally little interested in politics. It also sought to overhaul the internal structure of the party to render it more democratic and representative.

Some efforts had indeed in part started prior to the 2002 Congress, such as the creation of an internal electoral college to select candidates for the 2001 Shura Council elections. That move, spearheaded by party whip Kamal al-Shazli, sought to answer criticism stemming from the 2000 elections, when the NDP only won 38 percent of the seats, with the remainder of its 86 percent majority coming from dissident party members who had failed to win the official nomination and ran as independents (as we shall see below, the problem of "NDP independents" would be a recurring one until the 2010 elections, in which the party's decision to allow for multiple official candidates in many electoral districts partly resolved the problem of NDP

dissenters.) The 2002 Congress, however, addressed a far wider range of issues than electoral performance. Its first priority was a reorganization of the way in which the party was run, giving its internal institutions — notably the 33-member General Secretariat that runs its daily affairs — greater prominence. This "institutionalization" of the party, as stressed by Gamal Mubarak, had the advantage of changing the way the party had been run for decades, by a handful of now aging apparatchiks in power for decades.

3   CONTROLLING THE OLD GUARD

A first move was the removal of Youssef Wali (party secretary-general since 1985) by kicking him upstairs to the largely honorific position of deputy chairman. Although Wali remained on the 12-member Political Bureau (which had little executive power), he had control over the party and was to be removed from his position as agriculture minister in 2004, after 22 years in the post. Wali's removal was accompanied by an indirect attack on him only weeks prior to the 2002 Congress: his undersecretary at the ministry of agriculture, Youssef Abdel Rahman, was arrested on corruption charges. Similarly, a few months earlier, Muhammad al-Wakeel, the director of news at Egyptian national television — personally appointed by Safwat al-Sherif — had been arrested for a procurement scandal, while a member of parliament known to be close to Kamal al-Shazli was arrested for loan fraud only a week before the Congress.

If Wali was an early victim of Gamal's rise in the NDP, the other two parts of the NDP's "old guard" triumvirate survived longer, but were weakened. In the July 2004 cabinet shuffle that brought many of Gamal's associates into the ministries, al-Shazli lost his portfolio as minister of parliamentary affairs (held since 1996) and al-Sherif lost the important portfolio of minister of information (which he had held since 1982). Al-Shazli remained an important party electoral strategist in the 2005 elections — his knowledge of Egypt's local politics was widely said to be unparalleled, helped by the fact that he was, until his death in November 2010, one of the longest-serving parliamentarians in the world. He was first elected to the People's Assembly in 1964. Even though he lost the key post of NDP secretary for organization (effectively, the party whip, held

since the NDP's creation in 1978) in February 2006, making way for a key Gamal acolyte, Ahmed Ezz,' al-Shazli was still considered a powerful kingmaker in the 2010 People's Assembly elections, with some candidates complaining of his "comeback" up to his unexpected death on the campaign trail in his fiefdom of Bagour in late November 2010.[45]

At the end of 2010, al-Sherif — whose early career, rooted in the intelligence services, distinguished him from his colleagues — was the only "old guard" leader still in place, wielding considerable power both due to his position in the NDP and as president of the upper house of parliament, the Shura Council. The latter position allowed him to head the Political Parties Committee, the body that grants (or, more often, refuses) new parties their licenses and regulates partisan life, and the Higher Press Committee, which grants newspaper licenses. The erosion of the power of the "old guard" was to be a long process, and indeed after 2006 — once key Gamal acolytes were in place — it became more accurate to talk of a power-sharing arrangement within a fragmented party rather than all-out rivalry between old and new guards. Indeed, al-Sherif maneuvered himself into being seen as an enthusiastic supporter of party reform. He was reported to have told party members in 2007 that "the party is still riddled with senior officials who resist change and contrive to occupy their positions for life."[46]

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[45] Author's interview with NDP candidate, November 2010.

[46] Gamal Essam Eddin, "Full Steam Ahead," *Al Ahram Weekly*, August 2, 2007, http://weekly.ahram.org.eg/2007/856/eg7.htm.

4 RESTRUCTURING THE NDP

The case against an "old guard" in power for so long would have been relatively easy to make for Gamal Mubarak and his acolytes, but naturally met with resistance from many members of the party who owed their political careers to the Wali, al-Sherif, and al-Shazli political networks. The 2002 party Congress was also significant as it had launched the first review of the NDP's internal bylaws and organizational structure in its history It introduced direct elections to the General Secretariat for the first time (previously members were appointed by the president) and paving the way for a multi-year recruitment drive to infuse an aging party with new blood. President Hosni Mubarak, addressing the Congress, gave his own imprimatur to an initiative spearheaded by Gamal, calling for a "new intellectual and organization groundwork that will govern the party's performance in the future." Mubarak added: "For the first time since the rise of the NDP, you will discuss and endorse new formulas for the party's basic principles and statues, thus making use of our past experience to give momentum to our future work." This gradualist approach was marrying "experience" and "youth," two keywords that would regularly crop up in party discourse.

The 2002 restructuring would not be fully implemented until five years later, by the time of the NDP's ninth general congress in November 2007. Early moves were designed to shake off control of provincial NDP structures by long-established MPs, by banning elected officials from holding the post of governorate-level secretary-general, and gradually instituting local-level elections for governorate-level posts and then party-wide elections for national-level posts. Previously, party candidates at all levels were appointed by the party leadership. In 2005,

ahead of that year's parliamentary elections, elections for district and governorate levels were also held to encourage better representation and a younger makeup for local-level NDP offices. The party also introduced specific rules to ensure that younger members would be represented at various levels of the party: the position of secretary for youth was reserved for someone under 40, while local districts were imposed a quota of at least two under-40-year-old members for the NDP's local councils.

For the architects of these reforms — most notably Gamal and a few key aides — these moves had a dual intent. On the one hand, they opened positions in the party that might have otherwise been monopolized by the long-serving apparatchiks whose loyalties were with the old guard, which had put them in these positions in the first place. Creating vacancies, therefore, allowed for fresh recruitment of a new (and generally younger) political class that would owe, at least partly, positions to the rising new guard, thus consolidating its hold on the party more generally. On the other hand, the stress on opening the party to youth was a genuine attempt to reinvigorate a party widely seen as sclerotic. This dovetailed into the signature theme of the NDP since 2002 — increasing youth involvement in politics — a theme now closely associated with Gamal Mubarak, who in 2008 began to hold regular televised Q&A sessions with young Egyptians under the name Sharek (Participate), but that naturally has been echoed by opposition politicians (notably al-Ghad party founder Ayman Nour) in a country where at least 50 percent of the population is under 35. On the other hand, this "makeover" of the party's image also helped in

recruiting professionals whose competence would be needed to carry out some of the technocratic ideas of the new guard.

As such, the 2002–06 period saw a number of prominent Egyptian businessmen, intellectuals, and politicians — as well as many lesser-known personalities from think-tanks, international institutions, academia and the private sector — join the Policies Committee created in 2002 and headed by Gamal Mubarak. At one point, when it had over 300 members, the Policies Committee was presented as an answer to the lack of intellectual credibility of the NDP as well as an effort to renew the party's ties to the wider political elite. This was in part in response to the economic crisis and political paralysis that struck Egypt between 1999 and 2003, a time during which attempts to maintain the Egyptian pound's value against the dollar led to the creation of a large currency black market while the banking system was struck with a liquidity crisis that made it virtually impossible to obtain credit. Debates in 1999 and 2000 over the NDP's relationship to this phenomenon, notably over the "loan deputies" scandal in which four NDP members were accused of having obtained loans from public banks without adequate collateral, had centered on cronyism in the party. But the government — and by extension, the NDP — under the cabinet of Prime Minister Atef Ebeid was known for its reluctance to implement reforms and its poor economic management. The economic crisis of 1999-2003 (by the end of which GDP growth was close to nil, unemployment was rising, and thousands of businesses were closing) brought to the fore both a real problem to solve and an opportunity for pro-market individuals in

politics and business to gain a foothold in the NDP through Gamal.

5 GIVING NDP A POLICY-ORIENTED IMAGE

The Policies Committee recruited extensively, leading many of its new members to hope that it could provide a new avenue to influence government policy. Some were disappointed early: the political scientist Osama al-Ghazali Harb, for instance, would abandon the NDP by 2006, complaining that Gamal was not interested in genuine political reform. He would go on to found his own party, the Democratic Front.[47] Another liberal political scientist, Hala Mustafa, also expressed disappointment with the manner in which the Policies Committee was run, notably what she described as a "takeover" of the body by security services.[48] Even among individuals chiefly interested in promoting economic reforms, the domination by a few personalities of the Policies Committee was frustrating: a World Bank economist who had joined the Policies Committee in 2004 reported that, by 2006, efforts to institute new policies to address the crisis of Egypt's banking sector were blocked by prominent businessmen who had been among the main beneficiaries of loose lending policies in the 1990s and continued to be under considerable debt to failed public banks such as Banque du Caire.[49] Indeed, for some businessmen, joining the Policies Committee and investing in the development of the NDP (notably through financial largesse) may have been an insurance against repaying (or rescheduling) bad loans to public sector banks — while businessmen affiliated with the opposition received the reverse treatment.

The creation of the Policies Committee and the shake-up within the NDP's internal structure allowed a new group of business people and advocates of neo-liberal policies to gain influence on government policy, by drawing on the resources and influence of business groups such as the American Chamber of Commerce in Egypt (AmCham Egypt), a long-time leading advocate of market reforms.[50] Taher Helmi, AmCham Egypt's president in the mid-2000s, for instance, was a leading member of the NDP's Economic Affairs committee who brought his experience as a corporate lawyer and his advocacy for a flat tax rate system to the NDP, influencing the slashing of corporate and income tax to a flat 20 percent in 2004. Helmi also co-wrote a competition law passed in 2005, whose impact on the business of NDP whip and secretary for organization, Ahmed Ezz — who controls nearly 70 percent of Egypt's steel production — would be limited. An economic think-tank partly funded by Helmi and Gamal Mubarak, the Egyptian Center for Economic Studies, also influenced policy formation.[51] Mahmoud Mohieldin, a professor of finance from a prominent family, headed the NDP's Economic Affairs committee — often using his position as a pulpit from which to criticize the policies of the Atef Ebeid government and advocate market reforms — until he was appointed minister of investment in 2004.

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[47] Interview with the author, January 2008.

[48] Interview with the author, February 2009.

[49] Interview with the author, March 2006.

[50] For an appraisal of the socio-economic effects of neo-liberal reform in Egypt see M. Cristina Paciello's paper in this report.

[51] For a wider range of the economic policy influence on the NDP and Egyptian government see B. Rutherford (2008), *Egypt After Mubarak: Liberalism, Islam, and Democracy in the Arab World*, Princeton University Press (Princeton).

Another former AmCham Egypt president, Muhammad Mansour, would become minister of transport in 2005, as would other businessmen, notably tourism mogul Ahmad Maghrabi (appointed in 2004 as minister of transport and later minister of housing) and former Unilever Egypt CEO Rachid Mohamed Rachid (who became minister of trade and industry in 2004). The families of Mansour and Maghrabi, who are related, co-own an investment fund with important stakes in leading residential development companies, and were thus in an ideal position to benefit from the increased sale of state land that took place after 2004, in part fuelling a real estate boom.

Another real estate tycoon alleged to have benefited from the NDP's opening to business leaders is Hisham Talaat Mustafa, a prominent Policies Committee member who owns the Medinaty luxury housing development near Cairo and who was convicted of the murder of Lebanese pop diva Susan Tamim in 2010. The Mustafa family retains close ties to the NDP — Hisham Talaat Mustafa's brother Tarek was a successful candidate in the 2010 People's Assembly elections in Alexandria, and became head of the housing committee in the new parliament. According to a dissident NDP member from Alexandria who was not selected as the party's official candidate in the 2010 elections, real estate dealings benefitting from the five-year speculative real estate bubble are a major attraction for an aspiring MP, with membership of parliament granting preferential access to public administration and early knowledge of available terrain.[52]

In addition to the domestic business community, the changes in the NDP after 2002 had also received backing from abroad. The United States, in particular, was excited to find a reform-minded leadership in the party, and — ahead of the July 2004 cabinet change — engaged with party leaders including Gamal Mubarak. In a 2004 Memorandum of Understanding with the Egyptian government, in part negotiated through the NDP's rising new guard, Washington guaranteed funding in exchange for the implementation of market reforms that had long been postponed by the Ebeid government. These would become the blueprint for the government of Prime Minister Ahmed Nazif for its first two years. As a Bush administration official involved in the negotiations put it, "We had found allies within the Egyptian regime who wanted to implement what we wanted, against those in the regime who were resisting change."[53] At a time when the United States was growing increasingly frustrated with Egypt's start-stop implementation of the Structural Adjustment Program signed in 1992, the NDP "reformists" became useful allies against that part of the regime that had opposed market reforms — and vice-versa. When Bush administration officials tried to extend their success in extracting economic reforms to the political arena, however, the NDP's "reformists" were not so keen.

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[52] Interview with the author, November 2010.

[53] Interview with the author, June 2009.

6 CUSTOMIZING THE CONSTITUTION

The NDP "reformists" had their own plan for political reform. In 2007, the NDP presented parliament with 34 amendments to the Egyptian constitution. Ignoring long-standing demands of the opposition — such as the abrogation of the Emergency Law in place since 1981, the cancellation of the Political Parties Committee, instituting term limits on the presidency, and an overhaul of the electoral legislation — it drove through the most significant change to the constitution in 36 years. In some cases, the amendments simply adjusted the constitution to the policies favored by the NDP, for instance removing all references to socialism. But for many observers, the amendments appeared to be tailor-made to engineer a legitimate election of Gamal Mubarak as president should his father step down or die in office.

The amendment to Article 76 — which had already been amended in 2005 to allow for Egypt's first contested presidential election that year — allowed any legal party that controls at least three percent of seats in both houses of parliament to nominate a candidate. This effectively ensured that the NDP will face an opponent from the "controlled opposition" in the next presidential election, but stronger opponents such as the Muslim Brothers or a prominent independent personality with support across the political spectrum would be barred from competing.

Likewise, the amendment of Article 88 to remove judicial supervision from elections — an unusual but cherished Egyptian practice since the 1920s — was perceived as impeding potential judges from reporting on electoral fraud and thereby reducing the legitimacy of future polls. The endgame, in this thinking, was that reformist judges — who had rebelled against electoral fraud in 2005 and staged popular anti-regime protests in 2006 — must be sidelined in order to ensure that a future presidential election to bring Gamal Mubarak to power appeared legitimate and was not contested by anyone with any real moral or legal authority. As the 2010 Shura and People's Assembly elections would show, the electoral commission meant to replace judicial supervision was deeply flawed, endorsing the election's results despite widely publicized fraud. As a prominent human rights activist put it in the aftermath of the poll, "the biggest fraud in this election is the electoral commission itself."[54]

The constitutional amendments, passed by a national referendum in May, were followed by changes to NDP by-laws that completed the picture for a pseudo-legitimate election of Gamal Mubarak. Another change that came in 2007 was the election of its chairman, for the first time in the history of the party. Previously, the president of the republic had automatically been appointed party chairman. While Hosni Mubarak predictably ran unopposed for the post, this change in the regulations opened the way for the eventual election of a chairman, who in turn would be the logical choice as the party's candidate in presidential elections. Regulations for the nomination of the party's presidential candidate were also changed, with the party's General Secretariat and its Politburo being merged to create a 45-member Supreme Council from which candidates

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[54] President of the Egyptian Organization for Human Rights, Hafez Abou Seada, speaking at a press conference of election monitors, December 2010.

could be drawn. The Supreme Council (see attached chart, p. 83), while still made up of "old guard" members who were notably present in the six-person steering committee that ran much of the party's affairs, was largely composed of individuals who owed their position to the internal reforms conducted by the "reformists" in the past decade. Under this scenario, the NDP would have nominated Gamal as its candidate in any presidential elections — which the ruling party would easily have won against leaders from the weak legal opposition — and thus Gamal would have been legitimately elected, a major asset against any domestic adventurism and a shield from any criticism over the succession process by Egypt's Western allies.

CONCLUSION

The 2010 People's Assembly elections, aside from demonstrating the hegemonic position of the NDP in parliament, also highlighted a perennial problem faced by the party over the last decade: too much internal competition and not enough discipline. In the 2000 and 2005 People's Assembly elections, after all, the NDP had officially won less than half of the vote, with its majority made up by "NDP independents" rejoining the fold. The result of the 2010 election can be seen as the party leadership's solution to this problem: by allowing multiple official party candidates to run against each other in over 40 districts, it had insured it would have a much smaller proportion of rebel candidates, and these would not have to be allowed back into the party. Competition for seats in Parliament — over 5,800 candidates (mostly from the NDP, whether officially or as independents) vied for only 508 seats — also suggests that the party was seen as an effective vehicle for individual political careers and financial interests. Furthermore, this also suggests that the party's membership beyond the General Secretariat may not have been particularly attached to a single potential presidential candidate and casts doubt on the idea that — at least beyond the General Secretariat — Gamal Mubarak had a particularly strong lobby in his favor.

While an important transformation did take place within Egypt's ruling party between 2000 and 2011, one fundamental problem was that it remained dominated by opportunists rather than apparatchiks and loyalists and was not particularly ideologically coherent. Parliamentary debate in recent years, after all, has seen NDP MPs argue vociferously against government policy, including party bigwigs such as presidential chief-of-staff

Zakariya Azmi. It also has seen the NDP's parliamentary group increasingly infiltrated by retired members of the security services. Like the Mubarak regime as a whole, the NDP was, on the eve of the January 25 revolution, post-ideological and fragmented, suggesting that any person hoping to use it as a vehicle to the presidency would have had to both indulge its members and do battle with them. Crucially, it was also hated by large parts of the population, as the looting and burning of NDP offices across the country on January 28 showed. Unlike its predecessor, the ASU, the NDP was ultimately unable to fulfill its basic function as a ruling party: that of an intermediary for the ordinary citizens.

The NDP's legitimacy as a political force is now in tatters. On April 16, the Supreme Administrative Court ruled that the party should be dissolved and its assets — a considerable amount of real estate and bank accounts — be seized by the state. Just a few days prior to this, the party began a makeover by drafting a former independent politician and a nephew of former president Anwar al-Sadat, Talaat al-Sadat, as head of the party. It also changed its name to the "New National Party." Mohammed Ragab and Magdi Allam, mid-level party bosses who have turned into leaders of its remnant members (as most of its first-tier leaders are now in jail awaiting trial on charges of corruption or for organizing attacks on anti-Mubarak protesters in early February) had recruited Sadat for the makeover, and boasted that the New National Party would perform well in the parliamentary elections scheduled for September, because its members were well-implanted, particularly in the countryside, and it would compete on providing services rather than

ideology positioning, like the new parties emerging on Egypt's political scene.

What this inheritor of the NDP stand for remains unclear, but opposition forces, facing new parliamentary elections, fear that the NDP's networks present a serious counter-revolutionary challenge. Others are beginning to voice the opinion that the NDP's national network of partisans and election strategists should be drafted into the new parties, making a distinction between the party's leadership and its rank-and-file. This, they argue, would give the secular opposition the best chance of facing off the only other organized political force in the country, the Muslim Brothers.

At the time of writing, the direction that Egypt's military-led transition process is headed in remains uncertain. The military, particularly if it decides to back a specific presidential candidate, could try to create a new NDP-like party around which notables and apparatchiks will rally much like they did around al-Sadat in 1978. Or, a real democratic breakthrough could take place, in which case the political scene is likely to be fragmented for some time and dominated by shifting alliances. Electoral politics, hopefully less fraudulent, will then tend to be dominated by ideological issues in more urban areas, while the families and tribes that often dominate rural politics will migrate from the now defunct NDP to whatever party they believe offers them the most. Such a development would represent not only the end of the NDP and its successor, but also the end of six decades of single party mode of political management in Egypt, and perhaps provide a chance for a stable form of

political pluralism that eluded the country in the monarchy era.

WHO'S AFRAID OF THE ISLAMISTS? AN APPRAISAL OF THE MUSLIM BROTHERHOODS' HEALTH AFTER 40 YEARS OF CO-EXISTENCE WITH AN AUTHORITARIAN REGIME

Daniela Pioppi

INTRODUCTION

It is common knowledge in Egypt that the Muslim Brotherhood (*jama'a al-ikhwan al-muslimin*) is — after its re-emergence on the political scene back in the 1970s — the main (if not the only) real, organized and mass-based opposition force in the country. Events in Egypt in January–February 2011 have refocused attention on this issue. While the illegal status of the Brotherhood and Egypt's authoritarian setting have not allowed for accurate quantitative analyses in the past decades, the above assertion almost certainly holds true today. Yet, it probably tells more about the weakness of Egypt's organized opposition in general than about the strength of the Brotherhood itself.

This paper aims to evaluate, to the extent possible, the state of health of the Muslim Brotherhood (MB) after 40 years of co-existence with the Egyptian authoritarian regime, which was long characterized by "deepening authoritarian rule masked by limited and reversible liberalization" and by "political demobilization enforced by varying degrees of naked coercion" (Beinin, 2009: 21).

Has the Muslim Brotherhood represented a real alternative to the Mubarak regime? Or is it more correct to speak in terms of an almost "functional" opposition, tamed by recurring political repression and limited freedom of action? To what extent has the Muslim Brotherhood been able to shape or at least to influence the Egyptian political and social agenda, both in relation to the regime and to other opposition forces? What would possibly be the MB's role in the post-Mubarak era?

To answer these and similar questions, we will analyze the recent evolution (1990–March 2011) of this Islamist organization focusing on:

1. The Muslim Brotherhood's relationship to the regime and its role in Egypt's "25th of January revolution" and its immediate aftermath.

The MB has long been the main opposition force in Egypt, but it has generally maintained a moderate approach towards the political establishment. This "accommodating" strategy has, on one hand, allowed the Islamist organization to survive and even flourish in certain periods but, on the other, it has exposed it to accusations of undue compromise with the regime and lack of political initiative. The Brotherhood's relationship to the regime becomes particularly relevant today in view of the transition set in motion in the country in January 2011.

2. The nature and extent of the Muslim Brotherhood's social program and activities.

The Muslim Brotherhood is well known for its widespread and efficient social activities, which are considered to be the key to the Islamists' success in popular mobilization, in contrast with the regime's lack of legitimacy due to the unfulfilled promises of the post-independence social pact, let alone of the neo-liberal era. Today, increasing poverty and social inequalities are emerging as one of the most challenging issues of Egyptian politics and the MB may — at least in theory — be better placed than other political actors to capitalize on social discontent. However, socio-economic conservatism, cyclical repression, and political stagnation seem to have also affected the Brotherhood's social action and its ability to formulate a clear social project.

1 THE MUSLIM BROTHERHOOD AND THE EGYPTIAN REGIME

The traditional position of the Muslim Brotherhood towards the regime has always been one of no direct confrontation. Following the *jama'a*'s founding principles, the achievement of political power should be postponed until the time is ripe, that is to say until society has been truly Islamized and prepared for an Islamic government. The search for power would otherwise not lead to an Islamic state and could also negatively affect the internal functioning of the organization and its public image. This general principle was briefly contested in the second half of the 1940s when the Egyptian liberal regime was coming to an end. However, it was reinforced again in the 1970s and 1980s. The "new" Muslim Brotherhood, which emerged from the ashes of Nasserism, kept a moderate and, at times, even compliant approach towards the regime, whose policies had never been questioned seriously until today. The regime conversely never allowed the Islamist organization to be legalized and periodically limited its political and social activities, but cleverly capitalized on the Brotherhood's willingness to compromise and on its conservative social program, both to increase its own popular legitimacy, by allowing for some kind of mass opposition, and at the same time to marginalize secular opposition.

In the first decade of his presidency (1981–90), Mubarak allowed the Brotherhood to flourish and reach what is probably the peak of the *jama'a* presence in society after the golden age of the 1930s and 1940s. The MB consolidated its presence in student organizations, participated in parliamentary elections in 1984 and 1987, and won elections in the main professional associations (doctors, scientists, engineers, lawyers, etc.) (al-Awadi, 2004; Wickham,

2002). Also, as we will illustrate in more detail in the next section, it consolidated its social presence through the establishment of an efficient network of charities linked to private (*ahly*) mosques.

It was in the early 1990s that the honeymoon with the regime ended, to be only partially and briefly re-established between 2000 and 2005. By the mid-1990s, the Brotherhood was effectively ousted, or at least its presence seriously limited in all significant professional syndicates and in Parliament and thousands of its members were imprisoned (Kienle, 2001: 131-70). However, the MB was not completely erased from the political scene as happened during the Nasser years and it continued to perform its role of the main opposition force. The regime's aim was, in fact, to reduce and keep the Brotherhood's public space and political/social impact under control, not to get rid of it once and for all.

This was the status of the Brotherhood when Egypt entered the decade of "Arab reformism," initiated mainly due to U.S. pressure after 9/11 and facilitated by a sudden awakening of Arab public opinion in reaction to the deterioration of the Israeli-Palestinian conflict (2000 onwards) and to the Iraq war (2003). In Egypt, the reformist debate acted as a catalyst for the opposition's mobilization on the issue of succession to the old and probably sick Hosni Mubarak.

A first wave of mobilization took place in 2004–05, facilitated by presidential and parliamentary elections scheduled for 2005. In 2004, the opposition started, in an unprecedented move, to directly criticize the Mubarak family and ask for an end to the emergency law (in place since 1981), for procedures for the legalization of political parties, and,

above all, for multi-candidate presidential elections, thus marking an important shift from the regime-friendly demonstrations focusing on specific foreign policy issues (Palestine, Iraq) that took place in 2002–03.

The democratic reform euphoria also influenced the MB, which brought out a more explicit reformist political program in a document released in March 2004.[55] The Brothers actively participated in the many opposition demonstrations and events until the summer of 2005, often determining their success at least in terms of popular participation. However, the political initiative of that period was not in the hands of Islamists. Rather it was the game of new entries on the Egyptian political scene, such as the well-known Egyptian Movement for Change or the newly legalized Tomorrow Party (al-Ghad) of Ayman Nour, which managed to compensate for lack of a meaningful mass support with effective slogans and efficient media campaigns both domestically and at the international level. The political slogan that hit the newspaper headlines at that time was not "Islam is the solution" or any other "*ikhwani*" *mot d'ordre*, but "*kefaya*!" ("Enough!"), the slogan by which the Egyptian Movement for Change came to be known in Egypt and abroad. Indeed, the Kefaya Manifesto became the common platform for the so-called intifada *al-islah* or the reform protest of all opposition forces.

In February 2005, Mubarak reacted to the opposition's requests by announcing the amendment of Article 76 of the Constitution, introducing presi-

dential multi-candidate elections for the first time in Egyptian history.[56] The Muslim Brotherhood, together with other opposition forces, denounced the constitutional amendments as cosmetic and called for a boycott of the May referendum convened to approve the new norms (Arafat, 2009: 173; El Amrani, 2005). Yet, they carefully skirted the issue of presidential elections to be held only a few months later in September 2005, publicly encouraging their members to vote as their consciences dictated, a move that has been interpreted as a not-so-tacit support for Mubarak. A similar lack of coherence was demonstrated by other important opposition parties, such as the Wafd and al-Ghad, which filed their no-chance-to-win candidates for the presidential elections immediately after having boycotted the May referendum.

Some observers argued that the Brotherhood's success at the parliamentary elections later that year (the MB obtained 88 seats or 20 percent, a record not only for Islamists, but for the opposition in general) was the regime's reward for not boycotting the presidential elections and, in fact, the Muslim Brotherhood had organized their electoral campaign in a particularly tolerant atmosphere that lasted till the first day of elections.[57] Only after the

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[55] *The Muslim Brotherhood Initiative for Reform, Declared in Syndicate of Journalists*, March 3, 2004. For an Italian translation of the Arabic text, see Guazzone (2005: 407-421).

[56] The amended Article 76 lays out two paths to presidential candidacy: the first through membership in a party, provided that the party has been in existence for at least five consecutive years and has at least 3 percent of the seats in parliament. The second is for "independents," who must obtain the signatures of at least 250 elected officials from the parliament and municipal councils, which are completely controlled by the National Democratic Party.

[57] In 2000 and 2005, parliamentary elections were organized over a span of three weeks to allow for judicial supervision.

Islamists' positive results in the first provinces that voted became clear did the regime unleash the repression machine, which became even harsher after the elections (El Amrani, 2005; ICG, 2008). The Muslim Brotherhood's electoral success had probably gone too far.

In the following years, the *jama'a* suffered from what has been labeled the worst repression since the Nasser years. Thousands of militants were arrested and the Brotherhood was not allowed to participate in municipal elections in 2008, while the regime launched a smear campaign portraying the Brotherhood to domestic elites and foreign partners as an organization of Nazis and Talibans. To foreign partners, the message was clear: if liberalization is too fast, you won't get a more democratic Egypt, but an Islamic one. More importantly, the Islamist organization's financial base was also hit by the arrest of businessmen and financiers whose combined investment was estimated at around US$4 billion (al-Anani, 2007). From 2006 to 2010, the regime managed successfully to curb the Islamists' political influence, thus demonstrating once again that it was perfectly able to control the space allowed the Brotherhood.

In 2007, the MB declared — for the first time since its establishment in 1928 — its intention to form a full-fledged political party, the program of which was leaked to the media by the independent news-paper *Al-Masry al-Youm*. The program, though not officially recognized by the Brotherhood's leader-ship, was much criticized for being a step back with respect to the March 2004 Reform Initiative (Brown *et al.*, 2008). Observers and the academia saw the 2007 party platform as the end of the Brotherhood "reformist" experiment, with more so-called "grey

areas" or points of ambiguity in the Brothers' democratic "conversion." This was probably to be ascribed to the old guard of *salafis* inside the organization, thus reinforcing the position of those advocating the theoretical incompatibility between Islamism (or even Islam) and liberal democracy.

However, the ambiguities in the Muslim Brotherhood's political program point more to the organization's unwillingness or inability to build a real and solid alternative to the current regime, leaving — as already stated — the initiative to much weaker (in terms of social basis and organizational capacity) opposition forces, such as Kefaya or, since 2010, Muhammad al-Baradei, etc.

Two main factors have undermined the Brotherhood's credibility and efficacy or its capacity to dictate the terms of the political debate without always being on the defensive. First of all, the authoritarian environment, implying cyclical repression and limitations on the freedom of action, has had the effect of ossifying internal debate and potential disagreement between different factions. These factions defy easy categorization, but can be classified in three major groups. The first is sometimes called the *da'wa* group, ideologically conservative and well-represented in the new (Janu-ary 2010) Guidance Bureau and local branch offices, particularly in rural areas. The second, comprising pragmatic conservatives combining religious conservatism with a belief in the value of political participation, is probably the mainstream wing of the Brotherhood and is well represented between activists with legislative experience.[58] The final

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[58] For example, well experienced parlamentarians such as Saad al-Katatni and Muhammad al-Mursi.

faction is the group of reformers, such as Abd al-Moneim Abu al-Futuh, advocating a progressive interpretation of Islam and not well represented in the new Guidance bureau, nor within the rank and file of the organization.

Hence, the MB — not dissimilarly from the ruling National Democratic Party — is not a coherent political organization, but rather a sum of different political trends that in a more open political context might split into different political organizations or parties. Under Mubarak's presidency, for instance, there was no reason to have a split over the question of forming a political party, if that party was not going to be allowed to run for elections anyway.[59] The authoritarian environment has thus had the paradoxical effect of preserving both the ruling National Democratic Party and the main opposition representative, the Muslim Brotherhood, as organizations united by their lack of serious alternative venues and external competitors in their respective spheres.[60] This state of affairs might, of course, change in the post-Mubarak political transition and many observers are already pointing to the emergence of autonomous and even competitive Islamist trends.[61]

A second and probably more central factor is the inherent contradiction of the Brotherhood's program since the time it was founded: should the regime be considered legitimate or illegitimate? Considering it illegitimate would of course have implied direct confrontation and the risk of being completely erased from the political arena. Accepting the regime as legitimate, however, could not be without consequences. Could the Brotherhood accept the rules of the game imposed by the regime for 40 years without losing credibility and political coherence in the eyes of its constituency? This dilemma — faced by all opposition forces when operating in an authoritarian setting — reappeared in 2009–10 when the issue of succession was at its peak, in the new round of parliamentary elections in November–December 2010, and even more force-fully, as we will see shortly, in the Brotherhood's hesitant stance towards the January 25 "revolution." In 2009–10, numerous declarations made by the MB leadership pointed to the fact that the Brotherhood was not willing to engage the regime on presidential succession, for instance by directly opposing the candidature of Gamal Mubarak or by presenting, at least symbolically, its own candidate for presidential elections.[62]

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[59] This is the case of the already mentioned reformer, Abd el-Moneim Abu al-Futuh, who until the events in February 2011 was fully convinced of the futility of splitting up the mother organization after the *al-wasat* experience in the 1990s. Author's interviews with Abd al-Moneim Abu al-Futuh, Abu Ela Madi (al-Wasat), Hussam Tammam (independent analyst), Cairo, November 2010.

[60] On the NDP, see Issandr El Amrani's paper in this report.

[61] Ashraf El Sherif, "The Brotherhood on the Edge of Reform," *Al-Masry al-Youm*, April 4, 2011,

http://www.almasryalyoum.com/en/node/385618 or more tacitly, Khalil Anani, "Brother-tarianism," *Al-Masry al-Youm*, 06/04/201, http://www.almasryalyoum.com/en/node/388620.

[62] Author's interviews, with MB members, February and November 2010, Cairo. See, for instance, the general guide Muhammad al-Badi' interview with al-Jazira, January 22, 2010: "We don't oppose Gamal Mubarak's candidacy as long as he will be considered as a normal citizen and the presidential elections will be free and fair," full text in Arabic on Ana Ikhwan blog http://ana-

As for the parliamentary elections of November 2010, the regime made it perfectly clear after five years of heavy repression that it would not allow the Muslim Brotherhood to repeat the electoral success of 2005. Still the Brotherhood did not budge from its traditional position of participation, ignoring the fact that any form of participation in elections that are held in an unfair environment is tantamount to an endorsement of the regime.[63] Together with the legal and regime-loyal opposition (the liberal Wafd and the leftist Tagammu'), the MB did not adhere to Muhammad al-Baradei's call for a boycott of parliamentary elections. In the case of the MB and even more so of the Wafd, participation was seen as an attempt to appease the regime, as well as a reflection of the fact that despite its limitations, Parliament can serve opposition groups as a plat-

form from which to reach out to the media and claim some leadership roles. However, the secular and regime-loyal opposition represented by the Wafd and the Tagammu' had more reason, at least in theory, to participate as the prospects of getting a few seats were much better than those of their Islamist rivals. As it turned out, participation did not pay off as the election results were even worse than the Brotherhood (or perhaps even the regime[64]) predicted. The Muslim Brotherhood got no seat in the first round and finally decided for a late boycott of the December 5 run-off election together with the Wafd.

From the foregoing, the Muslim Brotherhood emerges as a moderate reformist force willing to compromise with but not fundamentally challenge the regime. The result has been a loss of initiative among the Brotherhood, which remained the main opposition force in the country but at the price of losing credibility as an alternative to the regime, suffering from the same diseases as the other regime-loyal opposition forces.

The lack of political initiative is well demonstrated by the fact that the Brotherhood not only did not lead, but also was taken by surprise by the mass mobilization of January 25, 2011. The MB's very

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ikhwan.blogspot.com/2010/01/blog-post_22.html. The only sign of mobilization in the prospect of a 2011 presidential elections has been the Brotherhood adherence to the initiative of Muhammad al-Baradei, former International Atomic Energy Agency head and now in-charge of the National Association for Change, whom the Islamists helped in collecting signatures in support of constitutional amendments allowing for cleaner presidential elections.

[63] See, for instance, Essam El-Erian interview with Michel Dunne, May 31, 2010, http://egyptelections.carnegieendowment.org/2010/10/01/interview-with-essam-al-arian. There was of course some internal disagreement, but the Brotherhood remained firm on the position expressed by its spokesperson. Author's interviews with MB activists, November 2010, Cairo. See also Amr Hamzawy, "The Brotherhood enters elections in a weakened state," *Al-Masry al-Youm*, November 17, 2010, http://www.almasryalyoum.com/en/opinion/brotherhood-enters-elections-weakened-state.

[64] The paradox underlined by various observers of the Egyptian political scene at the time was that the election results were not completely positive for the NDP as they had too little opposition to legitimize the planned presidential election of 2011. Michelle Dunne, "From Too Much Egyptian Opposition, to too little," *Al-Masry al-Youm*, December 15, 2010, http://www.almasryalyoum.com/en/opinion/too-much-egyptian-opposition-too-little. See also Issandr El Amrani's paper in this report.

first reaction was that of distancing itself from the demonstrations for fear of regime repression. It was only after three days, when the extent of the revolt could no longer be ignored, that it decided to join the protest with caution. The MB's leadership was well aware of the certainty of harsh repression if it had participated and the revolt had failed; but they also knew the risk of being left behind if the revolt succeeded. After the demonstration of Friday, January 28, there was no turning back: in the event of a restoration of the old order, repression would have been extreme. As an analyst put it, the Brothers became "accidental revolutionaries."[65]

In general, during the protests, the MB played down the religious discourse and focused instead on issues of democracy and social justice. On various occasions the MB leadership repeated that the Brotherhood's intention was not to establish an Islamic state, nor was it that of seeking authority, the presidency, or a majority in parliament, but rather that of bringing in comprehensive reforms in the political, economic, social, and other aspects of

citizens lives and that it was representing all Egyptians and not a single organization or a faction.[66]

The MB's cautious approach was, of course, meant to appease both domestic public opinion and international actors fearful of an Islamic takeover, a concern also encouraged to some extent by the regime's rhetoric. But it was also an expression of the MB's apprehensions of a "revolutionary" process that they had not contributed to igniting and over which they did not have any control.

When the regime sought to split the opposition on February 6, inviting a variety of groups for "dialogue" with the newly appointed Vice President Omar Suleiman, the Muslim Brotherhood agreed to participate along with representative of the NPD, the official opposition (including the Wafd, Tagammu' and two smaller parties, the Democratic Generation Party and the Democratic Unionist Party), independent figures, and six self-appointed representatives of the protesters. It was only when the dialogue was vigorously rejected by the protesters – and also by the MB youth – that the MB leadership was forced to take heed and reject the regime's proposal for mediation.

The events that followed confirmed the MB leadership's moderate approach and preference for the "orderly transition" envisaged by the military. After formally assuming power on February 11, the military suspended the 1971 Constitution and appointed an eight-member constitutional committee (among them a Muslim Brother, two professors of law, and a respected judge). Despite

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[65] ICG interview with Patrick Haenni. The first MB members to be involved were the younger members well connected to secular opposition and human rights activists through the internet and facebook. They participated spontaneously, without necessarily consulting with their leadership. There appear to have been a substantial difference between the MB young activists participation in Tahrir square and the MB participation elsewhere as in the Delta zone. Apparently, the MB presence is stronger in rural area (another result of regime repression for an historically urban movement) and outside Cairo mobilization was organized on more conventional basis through the traditional leadership (ICG, 2011).

[66] See for instance Essam El-Erian op-ed on the *New York Times*, "What the Muslim Brothers Want," February 9, 2011.

pressure by activists for a complete overhaul of the constitution, however, the commission's recommendations were far narrower: on February 26, the military announced only nine proposed amendments, to be voted on three weeks later.

Egyptian public opinion was split between those favoring a No vote and those for a Yes vote. The reasons for the No campaign were based on the question of readiness. None of the opposition coalitions and movements had secured the resources or organization to mobilize large numbers in an effective way, and their supporters worried that the victory of those voting for Yes would result in a parliament divided between the Muslim Brotherhood and members of Mubarak's old patronage network. Moreover, such a parliament would then be free to redraft the constitution to its liking.

But the limited Cairo and Alexandria-based campaigns of those voting against had little chance of winning over the broader public. The Muslim Brotherhood and groups affiliated with the former party of Mubarak, the NDP, were in favor of the amendments. The Muslim Brotherhood initially distributed flyers urging the Yes vote as a religious obligation, but almost immediately it adopted the more acceptable slogan, "Yes is a vote for stability."

In the week leading up to the referendum, pro-democracy activists and supporters had accused the military of coming to a power-sharing deal with the Brotherhood to preserve its hold on power. The armed forces had not explicitly taken a position on the amendments, but many activists reported that while they left Brotherhood members to freely campaign for Yes, they harassed youth activists who were calling on people to reject the proposed amendments, arresting several of them a day before the vote.[67]

With parliamentary elections to be held in probably just a few months time, many political individuals or groups are talking about forming new parties, but just how easy that will be remains unclear. The Brotherhood announced on February 21 that it will form a party "Freedom and Justice" (*hurriyya wa 'adala*), which could broaden its base by allowing sympathizers to vote for it without joining the movement.[68] On April 30, the Shura Council, the MB main legislative body, appointed Mohammad al-Mursy as president of the party, Essam al-Erian as vice president, and Saad al-Katatny as secretary general, all representatives of the so called main-stream "pragmatic conservative" trend inside the Brotherhood. The appointees affirmed that the party is independent from the mother organization and that membership would be open to all Egyptians. They also declared that they will run for a maximum of 50 percent of the parliamentary contested seats in the September poll. This decision contradicts earlier statements made by several group leaders affirming that the organization would not contest more than 30 percent of the People's Assembly seats.

However, it is still unclear whether the party will be legalized, since the constitutional amendments left

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[67] El Rashidi, Yasmine, "Egypt's First Vote," *The New York Review of Books*, Blog, March 24, 2011.

[68] "Press release on the proclamation of the name of the political party of the Muslim Brotherhood," Muslim Brotherhood, February 21, 2011

the controversial Article 5, which bars any political activity "with a religious frame of reference," untouched. In general, it is likely that the Islamist political field would become more diversified. Some observers speculate that the Brotherhood might lose votes to other Islamic parties — including those that emerge out of its own ranks. Indeed, it faces competition from the Wasat Party, formed by erstwhile members who broke off to pursue a more liberal agenda.

As the transition unfolds, the tensions and fault lines inside the Brotherhood undoubtedly will play themselves out — between an older and younger generation of Brothers; between traditional hierarchical structures and modern forms of mobilization; between a more conservative and a more reformist outlook; between Cairo and other major cities and rural areas.

The future of the Brotherhood and the role it could possibly play in the post-Mubarak Egypt would depend on whether the current transition would actually lead to a more participatory and democratic political space and if that is the case, whether the Brotherhood would be capable of rapidly adapting to act in a more competitive environment.

2 THE MUSLIM BROTHERHOOD AND SOCIAL ACTION

Quite differently from other opposition forces, the MB is not just a political organization but also has an important or even preponderantly social component. Some observers argued that, due to political repression, the Brotherhood has recently started refocusing its attention on its *da'wa* activities, that is to say proselytism and social work. The election of Muhammad al-Badie', a conservative, as the new general guide in January 2010 was widely interpreted as a sign of this "retreat from politics" (Hamzawy *et al.*, 2010). But what are the Brotherhood's social activities and social project? Has the political repression of the last 15 years or so affected also the social (charitable) side of the organization?

Considering the importance of social action for Islamist mass movements of which the Egyptian Muslim Brotherhood is the prototype or mother organization, it is surprising to note that there is no updated study on the state of the Brotherhood's social activities in Egypt. Most of the studies on the MB take for granted that a) the organization has a large social base, and b) that this social base mainly originates from its efficient network of charities providing services in health and education to the people. Additionally, it is assumed that precisely this social charities' network was the most important challenge the Islamists have posed to the state-regime in Egypt, as elsewhere. According to this view, Islamists could "easily" decide to abandon their strictly political activities to concentrate on social work and *da'wa*.

Indeed, social action linked to a project of social justice was a central feature of the Brotherhood until the 1940s (Lia, 1998). The MB was established as a social movement and only later devoted its

attention to politics in the strict sense. However, the relationship between social and political work was reversed when the Brotherhood was allowed to re-organize after Nasser's repression and when its new leadership started to give priority to political participation and activities (al-Awadi, 2004; Elshobaki, 2005). Experience in the professional associations was of paramount importance for the training of a new generation of activists, given the know-how it provided on the working of the public administration, and also about the organization of social services at the national level. The oft-quoted episode of the Brothers' efficient intervention after the Cairo earthquake of 1992 was precisely an example of a rescue operation organized by the professional associations, mainly doctors and engineers.

The 1980s and 1990s were also the decades of the revitalization of religious charities, partly spontaneous and partly encouraged by the regime. Starting with the 1970s, the regime authorized the building of private mosques and the private and local collection of *zakat* (alms giving) funds which could be used to finance charitable associations (*al-jam'iyya al-khayriyya*) providing basic social services to the population in health and education (Ben Nefissa *et al.*, 1995; Sullivan *et al.*, 1999). The regime was starting to search for a palliative for the otherwise potentially explosive socio-economic situation caused by the state's increasing difficulty in providing social services (Pioppi, 2007).[69] What could be better for this purpose than a revalued religious charity, provided it was kept under state

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[69] On the welfare state retrenchment see M. Cristina Paciello's paper in this report.

control and not politicized? The Muslim Brotherhood, of course, participated in the charity boom even though, compared to the entire Islamic sector, the MB-controlled charities remained a minority.[70]

When the new cycle of repression started in the mid-1990s, the social activities of the MB were also heavily limited. Not only were the activities of the Brothers in the professional syndicates effectively reduced, but mosques and related charitable associations started to be "(re)-nationalized."[71]

It is difficult to provide a detailed reconstruction of the MB's social activities after the mid-1990s. Due to the tense relationship with the regime and the organization's illegal status, no formal list is available to the public. Also, there is no central organization coordinating the Brotherhood's social activities today, as was the case in the 1930s and 1940s. The charity section (*Qism al-Birr*) is mainly responsible for small-scale charitable activities, such as the distribution of food and other goods during Ramadan.[72] All MB social activities are organized in the form of independent charitable associations (*jam'iyya khayriyya*) founded by individual members of the Brotherhood (often businessmen or well-off individuals) on a private basis. They have a

"spiritual" link with the *jama'a* and use the Brotherhood's informal network, but are both financially and administratively independent.[73]

A charitable association is usually financed by an initial donation by the founder or a group of benefactors. But once the association starts functioning, it becomes self-financing through a system of fees applied to the offered services, not unlike the private commercial sector. Furthermore, associations do not rely on volunteer work, but have waged employees who do not necessarily have to be members of the Brotherhood. The same thing goes for the users, who can be of any religion, sex, and political affiliation. All charitable associations are under the supervision of the Ministry of Social Affairs, which also grants the initial permission to operate, together with the Ministry of Health or Education, depending on the service provided.

This somewhat "decentralized" or rather, fragmented nature of the system, with no formal organization coordinating the different charities established and administered by the Brothers, has apparently been reinforced after the repression cycle of the 1990s in parallel with a general reduction in social activities linked to the Muslim Brotherhood.[74]

Today, in the field of health care, there is only one Brotherhood-linked charity: the Islamic Medical Association (IMA, *al-jam'iyya al-tibbiyya al-*

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[70] Sullivan *et al.*, 1999; Author's interviews Cairo, November 2010.

[71] Kienle, 2001; al-Awadi, 2004. Author's interviews, Cairo, November 2010.

[72] Author's interview with Medhat 'Asem, Director of Islamic Medical Association and member of the Muslim Brotherhood, Cairo, February 2010, and with Abdel Rahman al-Barr, Responsible of the *Qism al-Birr*, Cairo, November 2010.

[73] Author's interview with Hussam Tammam, Cairo, February and November 2010.

[74] Author's interview with Abdel Moneim Mahmud, journalist and author of the Ana Ikhwan blog, Cairo, February 2010.

islamiyya[75]), which controls 23 health units throughout Egypt and is currently building a central hospital in Madinat el-Nasser, Cairo.[76] In the education sector, there is no comparable association, but there are about 30 independent schools scattered around the country.[77] In general, these social activities are located in the bigger cities and in middle to upper class neighborhoods, that is, in the areas in which the potential donors and users live. Consequently, their target is not the most disadvantaged social strata, but the middle classes who do not want to use public services due to their low quality, but cannot afford the most expensive private services in health and education.[78]

From this brief analysis, it could be argued that Brotherhood-related social activities are extremely reduced today and certainly not enough to play a relevant role in mobilization. This is confirmed by the lack of an explicit political or social project linked to these associations. Of course, the regime has imposed specific limits on the possibility of political expression inside the charitable associations: associations cannot host political meetings or any other event or sign of politicization (banners), especially if Brotherhood-related. Yet, the result is that there is no way of distinguishing a Brotherhood-linked charitable association from a non-Brotherhood one, unless the names and political affiliation of the members of the administrative board are known.

The Muslim Brotherhood's documents and political statements in recent years regarding health and education in Egypt reveal a program that is not very detailed and lacking a clear distinction from the welfare policies and reforms presented by the regime. The Brotherhood is in favor of greater reliance on private providers of social services and partnership between the public administration and private entrepreneurs, both in terms of private investments and private charities to compensate the deficiencies of the welfare state. Even the wording of the programs is very similar to those of the National Democratic Party.[79]

In addition, the Brotherhood's parliamentary activities on social issues are concentrated on general questions such as the fight against corruption or public inefficiency without, for instance, entering into the specifics of the reforms that are being carried out in the country and will have a great

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[75] The IMA was established in 1977 by Ahmad al-Malt, a doctor and vice general leader of the Muslim Brotherhood, http://www.imaegypt.net/p02.htm.

[76] The IMA has 10 medical units in greater Cairo, the largest of which — the Faruq Hospital in Maadi — has a 50-bed capacity. Author's interviews with Medhat 'Asem, director of IMA, Cairo, February and November 2010 and with the director and vice-director of the Faruq Hospital, Cairo, November 2010.

[77] An example is the Madaris al-Rodwan in Madinat el-Nasser, Cairo. Author's interview with the director, Cairo, February 2010.

[78] Author's interviews, Cairo, February and November 2010.

[79] See, for example, the Brotherhood campaign platform for the 2008 municipal, http://www.ikhwanweb.com/article.php?id=16257, or for the 2010 parliamentary elections, http://egyptelections.carnegieendowment.org/wp-content/uploads/2010/11/brotherhood-platform.pdf, on health, and compare with the NDP "Health and population policies," http://www.ndp.org.eg/ar/Policies/_1.aspx.

impact on Egypt's future welfare system.[80] This is even more striking given that there is a relatively large debate on health and education reforms as well as an opposition bloc in the country against them. In the last five years, the opposition bloc has managed to inform Egyptian public opinion through events, media campaigns, publications, and so on and to legally engage the government by denouncing the unconstitutional nature of the most extreme privatization measures, thus effectively reducing the regime's freedom of action. The activists of the Committee for the Defence of the Right to Health[81] lament the absence of the main opposition force, the Muslim Brotherhood, in this important battle and accuse it of being 100 percent in favor of the regime's policies.[82]

On another front, the Brotherhood has been visibly absent from the workers' protest movement in the last years.[83] Besides some timid attempts to be represented in the workers' trade unions in 1998, 2002, and again in 2006, there is no sign of an active role by the Brotherhood in organizing workers' strikes and demonstrations. In this respect, the

Brotherhood has kept its traditional paternalist and corporatist approach aimed at reconciling labor and capital in the attempt to appease social conflicts. The mainstream Sunni Islamist view, represented by the Brotherhood, is deeply hostile to class conflict. The ideal society is a harmonious one in which labor is productive and capitalists generous through charity (Beinin *et al.*, 1998; Heanni *et al.*, 2009).

To sum up, the Muslim Brotherhood's social activities after the Nasser parenthesis have never reached the levels of diffusion and organization of the 1930s and 1940s. Furthermore, they are generally aimed at the middle to upper classes rather than the most disadvantaged social strata. Since the repression cycle that started in the 1990s, the Muslim Brotherhood's social activities have been drastically reduced and do not seem to play a significant role in popular mobilization, not least for lack of a clear political and social project.

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[80] On health and education reforms, see M. Cristina Paciello's paper in this report.

[81] This is a network of NGOs working on health and sustainable development, http://www.ahedegypt.org/.

[82] Author's interview with Muhammad Khalil, activist for the Committee for the Defence of the Right to Health, Cairo, Fenruary 2010.

[83] Al-Hamalawy, Hossam (2007), "Comrades and Brothers," *Middle East Report*, n. 242, Spring, http://www.merip.org/mer/mer242/hamalawy.html and author's interview with Hossam Hamalawy, Cairo, November 2010.

CONCLUSION

The 40 years of co-existence with a (neo-)authoritarian regime have not left the Muslim Brotherhood in a good state of health. Apart from the internal lack of coherence and unity, the Brotherhood lacks a clear and original agenda. It has also not been able to significantly influence the national political arena. In the last decade or so, most of the time the *jama'a* has reacted to the initiatives of the regime or other (weaker but more active) opposition forces. In terms of social activities too, the Brotherhood's reach has been severely reduced, to the extent that some argue that the only real links to popular constituencies till November 2010 were the members of parliament and their local offices, which were the only visible signs of the *jama'a* in many popular districts around the country.[84] While this provides a further explanation for the MB's unwillingness to boycott the November 2010 parliamentary elections, it also casts an even grimmer light on the current state of the organization. Certainly, the main explanation for the current state of affairs should be sought in the regime's repressive policies, but perhaps also in the excessive moderation of the Brotherhood, which, not unlike the other official opposition forces in Egypt, paid the price of survival in an authoritarian context. This state of affairs is confirmed by the Brotherhood's late and modest role in the events of January–February 2011.

With this negative picture, we do not mean that Islamism is becoming anachronistic in post-Mubarak Egypt. What one wants to underline is that one of the early victims of the popular move-

ment of January-February 2011 might be the MB's hegemonic role as opposition, a role that had been granted more due to political stagnation and authoritarian clout than due to the almost mythical organizational strength and mass base of the historic Islamist movement. The future role of the Brotherhood would depend as much on its ability to reform itself and take advantage of the new situation. Conservatives in control of the group's Guidance Bureau are likely to support the army in the hope that an "orderly transition" will grant the MB an inflated status in the forthcoming elections. But this will certainly attract criticism not only from the wider Egyptian public, but also from factions within the Brotherhood's own ranks. Long-awaited new political organizations — more representative of the middle-class youth who spearheaded the protest movement and of the long-marginalized Egyptian lower social sectors — might be in the making. In that case, the Brotherhood might lose ground and find itself competing with equals on a more level playing field. That is, of course if the political space opened up by recent events does not get closed again due to an authoritarian restoration of the regime.

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[84] Author's interview with Abdel Moneim Mahmud, journalist and author of Ana Ikhwan blog, Cairo, November 2010.

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THE SAD STATE OF EGYPT'S REGIONAL AND FOREIGN POLICY

Philippe Droz-Vincent[1]

INTRODUCTION

In the 1980–90s, although Egypt's flamboyant regional and international profile linked to the Nasser years had become a thing of the past, Egypt remained a heavyweight in the Middle East and a key checkmate on the regional chessboard, especially in Washington's eyes. In successive years, however, Egyptian foreign policy became increasingly marginalized, a fact deeply resented by Arab and Egyptian observers nostalgic about the country's active role during the Nasser years (*Al-Hayat*, June 14, 2010). This was neither a simple side-effect nor a revamping of Arab nationalist leanings critical of Egypt's official stance. The fundamentals of Egyptian foreign policy have remained the same, as Egypt remains intrinsically located in a triangular relationship with the United States and Israel. Yet Egyptian foreign policy has been subjected to jolts, even shocks in the fast-changing new context, finding itself increasingly unable to act autonomously, unlike in the past.

In recent years, Egypt's role in the Middle East seems to have been overshadowed by the rise of new regional actors such as Turkey and (from a different angle) Iran, especially in traditional Egyptian preserves such as the Palestinian-Israeli question, where Egypt now only plays the role of a follower without much capacity for initiative. The same is true for other "Arab national questions" (*qidayat arabiyya*, as the Arab nationalist discourse puts it): Saudi Arabia and Qatar, along with Iran, have been very active in calming the political situation in Lebanon after the 2006 summer war, which had side-effects on the entire Near East. Even in the Horn of Africa — where Egypt's location defines some vital interests, prime among these being the flow of water from the Nile — Egypt has been conspicuously absent. In May 2010, Ethiopia, Rwanda, Tanzania, and Uganda signed a separate deal that questioned the 1959 agreement on the sharing of the waters of the Nile. The same holds true of conferences relating to the reconstruction of Somalia. Furthermore, the current weakening of Egyptian foreign policy is not just related to international or regional factors. A key factor that aggravates the enduring trends of the 1990s is that Egypt is also currently weakened by its domestic difficulties, with all eyes initially being turned on President Mubarak's succession and now on the consequences of his ousting in 2011. The entire state apparatus has become ossified and paralyzed due to this transitional period, which has had direct effects on the state's capacity to define foreign policy. However, the basics of Egyptian foreign and regional policy still hold.

1 THE (INTER)DEPENDENCY OF EGYPTIAN FOREIGN POLICY

The 1979 peace treaty with Israel had signaled a strategic shift as compared to the preceding years and this has remained the fundamental context for Egyptian foreign policy (Quandt, 1988 and 1990). Egypt has since then forsaken war with Israel and has located itself in a triangular relationship with Israel and the United States.[85] Its policy is not dictated from abroad, as rapid-fire opinions would imply; its security policy has for quite some time now had an essential dependency component. With Camp David (1978–79), Egypt gave up some of its freedom to define its security (in the larger sense of the term) autonomously. Peace with Israel has remained a "cold peace," a step back from normalization, yet Egypt has kept to the letter of the treaty. Hence its foreign policy has become "dependent," not in the traditional sense of dependency on a sole imperial center (*viz.*, the dependency theory with roots in Latin America), but in a reformulated sense, namely, its acceptance of a constraining strategic relationship, in which the United States plays a pivotal role. Some may prefer the term "close interdependence" (a term used for instance to summarize Mexico's relations with its bigger northern neighbor), to account for the way Egypt has cast its lot with the United States without falling too closely in line with it.

A caveat should immediately be added here. The Egyptian stance has also been a kind of "gamble" on the part of Egyptian elites to save their system, a move initiated by President Sadat after the October war (1973). Therefore, it would not be correct to view Egyptian foreign policy as exclusively driven by U.S. and Israeli interests. Peace with Israel was not merely a goal in itself, but also a means to achieve other Egyptian objectives. Since 1979, Egypt has been the second largest recipient, after Israel, of U.S. foreign assistance — the United States has provided Egypt with an annual average of over \$2 billion in economic and military foreign assistance since 1979.

Egypt's foreign policy dependency has a security component as well, as U.S. aid has helped the "modernization" of the Egyptian military, a euphemism for help given to sustain an essential mainstay of the regime. No surprise then that support for the peace treaty with Israel is greater in the officer's corps than in Egyptian society (Alterman, 1998). This dependency also has an inherent economic component, as tens of billions of dollars have been injected in the form of American aid to uphold the Egyptian state's redistributive role (i.e., maintaining subsidies on consumer goods, on government employment and on plummeting budget deficits). Even controversial deals with Israel (like the Qualified Industrial Zones, whose products enjoy tariff-free entry into the U.S. markets) are related to Egypt's interests as they are meant to boost the national economy: the positive effects may not trickle down to all strata of Egyptian society, but they are part of a genuine and paternalistic way of thinking of the country's high profile decision-makers, who are convinced that they are doing their best to upgrade the Egyptian economy in the region and in the world.

As a corollary to its close strategic relations with the United States, Egypt has gained a critical role in the Middle East, first of all as a partner in the resolution of the Israeli-Palestinian conflict. This has proved

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[85] See the hearings of the U.S. House of Representatives, "The U.S.-Israel-Egypt Triangular Relationship," May 21, 2008.

vital for many other delicate strategic, diplomatic, and military issues in the region related to peace and stability in the Middle East (Barnett, 1998). Egypt has also been an active partner of the United States in maintaining regional security, especially in the Gulf. Hence Egypt has become a key component of U.S. power in the Middle East. Conversely, it has exploited its role as a bridge to the Arab world in order to enhance its value in the eyes of the United States. All this is linked to national interest as seen from the perspective of the Egyptian elite surrounding former President Mubarak — partial recognition of Israel and a cold peace with it, limited liberalization and political openings inside Egypt, capitalist development benefiting those close to the regime, security guarantees from the United States and a continuing leading role in the Arab world.[86]

Foreign policy is fundamentally a means of navigating amidst constraints as well as defining an independent path for a given state. This is exemplified by Egypt's behavior, in the context of "(inter)dependent security," that has become much more asymmetric when the United States found itself in an unprecedented position of dominance in the region after the end of the Cold War. Though Egypt's behavior was derivative rather than intrinsic, due to its ability to manipulate more powerful states (first of all the United States), Egypt was able to define its own way in the Middle East. The Mubarak regime deftly managed to navigate through the tumultuous Arab concert and was able

to pursue a pragmatic foreign policy designed to further Egyptian national interests and power.

In the 1980s, Egypt had bolstered its credentials as a vital power in the Middle East and returned back into the Arab concert in 1989, after having been isolated by the Arabs in 1980 in view of the Camp David accord. Egypt's contribution to the Gulf war in 1991 had also been substantial and Cairo had acquired some say in subsequent discussions on security in the Gulf. In the 1990s, Egypt was a critical partner in the peace process promoted by the Clinton administration. Though "(inter)dependent security" — namely, security relations in cooperation with the United States or in the ambit of a triangular relationship with the United States and Israel — is the main subtext of Egyptian foreign policy, Egypt was able to define for itself an autonomous way. Egypt's preserve had been the Palestinian-Israeli question, first with Egypt's essential role as an efficient go-between Israel and the Palestinians, and, more recently, as a mediator between Palestinian factions. Moreover, on the regional plane, Egypt coordinated with Jordan, kept contact with Saudi Arabia, and always kept an open channel with Syria, a difficult partner. Egypt also coordinated on a regular basis with the Gulf countries. It realized the importance of having stronger relations with Iran, although it struggled against excessive Iranian interference in Arab affairs (as for example in Iraq, in Lebanon with Hezbollah, and in Syria) and even in the Israeli-Palestinian conflict (as a result of Iran's support to Hamas).

More broadly, Egypt has fostered the idea of fighting extremism in the region and has opened other channels for peaceful solutions. Egypt would like to contain Hamas (because of its links with the

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[86] On the Egyptian system see Waterbury (1983) and Kerr *et al.* (1982).

Egyptian Muslim Brothers) because the country is opposed to Islamists wielding real political power. It has been actively campaigning for a Middle East free from weapons of mass destruction during the Nuclear Non-Proliferation Treaty discussions.

Egypt also played a part in containing the Turkish-Syrian dispute in 1998. It was active in getting the water ministers of the Nile Basin countries to approve a new initiative for cooperation. It played a role in numerous initiatives aimed at buttressing the stability of Sudan and Ethiopia. It was a founding member of the Euro-Mediterranean Partnership in 1995 and an active member of the NATO Mediterranean dialogue. This flurry of Egyptian diplomatic activity exemplifies Egypt's ability to define its own way within the context of "(inter)dependent security."

2 JOLTS, SHOCKS, AND DIFFICULTIES IN EGYPTIAN FOREIGN POLICY

Although the basics of Egyptian regional and foreign policy still hold, they are no longer able to give shape to an Egyptian role, as other factors have been added to the equation. Two pivotal factors that weigh on Egypt's diplomatic capability are the increased American involvement in the Palestinian-Israeli issue and the heightened pressures on the Egyptian economy.

First, although Egypt's importance has increased in American eyes as the United States has taken a greater interest in the resolution of the Israeli-Palestinian conflict, an increased American involvement has weakened Egypt's margin for maneuverability and has associated it too closely with American projects. In the second half of the 1990s, America's increased interest in the Palestinian-Israeli question first brought these contradictions to the fore. Egypt was indeed seen as a critical partner by the Clinton administration at a time when the latter was taking a strong interest in Palestinian-Israeli negotiations, and Egypt's support helped legitimize America's role and presence in the Middle East. Egypt also played a crucial role in unifying Palestinian ranks in support for the peace process, after the establishment of the Palestinian Authority (PA) in the 1990s. Yet, because of the disparity in power between Egypt and the United States and, also, because of the U.S. ignorance of the complexity of the Palestinian-Israeli file, any American involvement was bound not to reflect the complexity on the ground. It would also have put Egyptian diplomacy in a tight corner, having to follow American lines and at the same time having to alleviate the consequences of such choices on the ground. As a result, increasingly in the 1990s, Egypt came to be seen by Washington as a crucial partner

that acquiesced privately but failed to demonstrate any concrete support for a given deal — a trend that culminated in President Clinton trying to force a final deal on both parties in the Camp David II summit in 2000, following the collapse of the so-called Oslo process. This was clear proof of an Egyptian diplomacy trapped by an excessive American involvement in the peace process.

Second, in the 1990s Egypt found itself severely weakened by the progressive reach of globalization in international economic relations and its inroads into the Middle East economies. The Egyptian economy was transformed due to the reorientation of activities induced by massive external financial resources. It had to adjust to new economic trends. Despite that, the Egyptian economy has not been integrated into world markets and has "de-globalized" while simultaneously under threat of losing domestic markets to foreign competitors (Henry *et al.*, 2010). The economy is far from competitive, and therefore does not meet an essential standard in the world of globalization of a country yearning for a regional role: it is much more of an inward-looking crony capitalism controlled by a nexus of state enterprises managers, former officers, crony capitalists linked to power holders, and uncompetitive privatized enterprises with no say in what is going on. This is exemplified by the sinking into quicksand of the "Gore-Mubarak partnership" (for economic growth), a high-level initiative taken by Vice President Al-Gore in 1994 to get President Mubarak to reform, privatize, and deregulate the Egyptian economic system.

Today, the economy has become a liability for Egypt in international circles where rentierism is no longer the best strategy for a country yearning for

an international role. As a corollary, economic issues and U.S. aid have become essential concerns for the Egyptian diplomacy in its dealings with the United States. Aid has increasingly not been taken for granted by Egyptian officials whenever talks surface in the United States, especially in Congress, about the utility of a large package aid or the possibility of linking economic aid with the promotion of democracy. Periodically, the Egyptian government has launched intense behind-the-scene lobbying efforts and sent many spokespersons to Capitol Hill. Undoubtedly, Egypt has been weakened by increasing external economic pressures.

The end-result of all this is that rather than just benefiting from its strategic posture to get some leeway for itself, Egyptian foreign policy has increasingly been put in a corner. The result is the declining power of Egypt exemplified, in American eyes, by M. Indyk's assessment of the Mubarak regime (borrowing the phrase from Shakespeare) as "weary, stale, flat, and un-profitable — except for those lucky enough to be associated with it" (Indyk, 2002). This kind of harsh criticism is symptomatic of the United States' concerns about Egypt, but with no direct consequence, insofar as there is also the converse view that too much of a push for change might be detrimental to U.S. vital interests and might disrupt the efforts to promote peace. Egyptian officials, on their part, have not hesitated to raise the bogey of the Algerian precedent of Islamists coming to power to frighten the United States. This has helped them to retain a free hand in domestic matters in exchange for helping the United States carry out its policies on peace. U.S.-Egyptian relations, however, have been overshadowed by increasing recriminations, from both

sides, with the Egyptians being convinced that they have done too much for the United States, and conversely the United States feeling that the Egyptians have done too little.

3 Difficult Times: September 11, Gaza, and the Security Threat

The existing unstable equilibrium posed a challenge of some gravity for Egyptian diplomacy after September 11, 2001. That day's attacks acted as a brutal shock (quite different from the recurring jolts of the past) at a difficult juncture, as Egypt found itself in a defensive position, with the United States flirting with ideas such as "drying up" the Egyptian swamp (the same holds true for another U.S. close ally in the region, Saudi Arabia), followed by the shocking revelation that the terrorists had come mainly from countries considered close allies of the United States (Egypt and Saudi Arabia). The Egyptian regime was accused of letting an anti-American consensus reign in Egypt, as a convenient means of channeling criticism toward the United States and Israel rather than the former's own shortcomings, and was accused of breeding extremism which fuelled Al-Qaeda. The new American discourse on democratization ("a forward strategy of freedom" to borrow the George W. Bush administration's catch phrase) weakened Egypt's status. At least from 2002 until 2006, Egypt found itself with its back to the wall due to the shift in American foreign policy, from the former emphasis on regional stability based on U.S. reliance on authoritarian Arab regimes to an aggressive push towards rapid reforms and democratization. Egypt was criticized for resisting economic reforms, for maintaining a slow pace in the normalization (the so-called "cold peace") with Israel, and for being an archaic social and political system said to be conducive to breeding extremism and terrorism. As a result, Egyptian diplomacy disappeared from the region, and was left with a defensive reactive stance (Droz-Vincent, 2007).

Furthermore, the new American way of thinking about the Palestinian-Israeli project — a pivotal project for sustaining Egypt's diplomatic profile — reflected directly on Egypt's diplomatic stance, as its ability to sustain an autonomous diplomacy is directly related to the importance of the peace process (although too much of an American involvement can stifle any Egyptian space for maneuver, as explained above). This leads one to assume that whenever the Palestinian-Israeli peace process was considered a strategic asset by American decision-makers, Egypt's role was regarded as crucial. Yet the G .W. Bush administration first neglected this difficult portfolio (in the first half of 2001) and then did not place a high enough priority on the resolution of the Palestinian-Israeli conflict (2002–08), focusing instead on what it saw as more efficient strategic keys, such as reshaping the Middle East according to a democratic rationale, exemplified first and foremost by "regime change" in Iraq. This decline in U.S. peace activity led to the undermining of Egypt's centrality. And the United States came to look at the Palestinian-Israeli conflict through the narrow prism of violence/terrorism (e.g., through the Road Map, the Quartet's conditions on Hamas). It insisted on Palestinians putting an end to violence, hence vouchsafing Prime Minister Sharon's security solutions. Egypt found itself isolated, left to save the remnants of the Oslo accords and to maintain a few back channels open between Palestinians and Israelis.

Egypt even lost its ability to play an autonomous role in what were strictly considered "Arab affairs" (*qidayat arabiya*). It sponsored a conference on Iraq in November 2004, but it turned out to be a short-

cut solution under strict guidance from Washington with Egypt being seen only as a venue, without room for maneuver, and without the support of the Americans in its efforts to reinstall Iraq within Arab dynamics. As it happened, this meeting was not fruitful as Iraq descended into the chaos of civil war in 2006–07.

Turkey has begun to position itself to fill the leadership vacuum in the Middle East, its leaders being driven by a clear vision aimed at muscling the country's way in the region and becoming a lead actor. It has engaged in all kinds of efforts in the Middle East (the so-called "zero-problems" policy with its neighbors, introduced by foreign policy advisor and then minister of foreign affairs, Ahmet Davutoğlu). It orchestrated indirect Syrian-Israeli talks. It has transformed itself into a critically important country for Iraq because of its relations with the central government as well as the Kurdish Regional Government. It has begun to take a role in the Palestinian question after the Israeli offensive in Gaza in 2009 that culminated in the flotilla incident in 2010. In May 2010, Turkey (along with Brazil, as non-permanent members of the UN Security Council) offered a package deal for negotiations on the Iranian nuclear question. Making use of regional opportunities, Turkey has proved much more efficient than Egypt in positioning itself in the Middle East, and has lost no effort in using its role in the Palestinian conflict to its advantage.

Iran has also been able to enter more deeply into the regional Arab concert, playing on other sensitive issues in a much more efficient way than it had done in the 1980s, at the heydays of the so-called "exportation of the Islamic revolution." Egypt's role as a trailblazer in the Middle East has been taken up

by other countries, which have displayed the ability to project themselves in the context of economic globalization and American interventionism in the region. Turkey is using its fast-growing and globalizing economy and its diplomatic stance as parallel or alternative (but not opposed to U.S.) facilitators on numerous issues. Iran is playing the "resistance" card vis-à-vis American hegemony. Both countries have been the most "successful" actors in the Middle East in the 2000s. In contrast, Egypt has been unable to catch up and reinstate its centrality, despite its recognition by a George W. Bush administration in disarray (according to Wikileaks cables) as a valuable ally in its role as mediator, in its support to Iraq's fledging government, and in its backing the United States in the latter's confrontation with Iran.

As a consequence, Egypt has been sidelined to a secondary position. It remains active, but in a defensive way. It reacts to outside pressures rather than taking the initiative or parting in setting the agenda. And its foreign policy has been refocused on a few specific topics, first among these being the issue of Gaza. It has concentrated not on starting new peace negotiations or at least playing the role of facilitator, but on managing perceived threats to Egyptian national interests: Egyptian officials harbor fears that Israel may "outsource" the management of Gaza to Egypt, that the Palestinian conflict might spill into Egypt, or in the Sinai (where relations are tense) or even in Egyptian cities, that Palestinian groups may play the strategy of tension and resort to mobilizing the "Egyptian street," and that Gaza may become a base for extremist groups in Egypt. All these concerns have been encompassed within a new discourse on

"national security."[87] Hence there has been a "securitization" of Egyptian foreign policy, with an increasing role being played in foreign policy by *mukhabarat* (intelligence) chief Omar Soleiman and his aides. That stance may be seen as useful by the United States, which is experiencing difficulties in restarting negotiations and therefore in managing the situation on the ground. Egypt has been instrumental, following Israeli Prime Minister Sharon's unilateral "disengagement" from Gaza in 2005, in the management of the Rafah crossing between Gaza and Egypt (as negotiated by Secretary of State Rice). It has also played an essential role in the rebuilding of the PA's security forces under the Quartet's guidance. This strategy, however, failed when, in January 2006, Palestinians voted a majority of Hamas representatives to the Palestinian Legislative Council. Egypt's inability to advance other ideas and its reluctant (and occasionally anguished) pursuit of American positions has put its diplomacy in a Catch-22 situation — for instance, in 2007 when Egypt was said to have participated in the failed U.S.-Israeli covert actions aimed at ousting Hamas from power in Gaza (according to a report in Vanity Fair, April 2008) or in 2008 when Israel assaulted Gaza. In reality, Egypt did not have a role in these initiatives, except that of a reluctant follower of American wishful thinking and simplistic ideas on how to "solve" (in other words "contain") Hamas after its election in January 2006. Egypt did not have the ability to forge an alternative and it found itself in a conundrum — it did not want Hamas to "succeed," but at the same time it knew that it would not benefit from the destruction of Gaza or by an eventual escalation of hostilities in the region. Egypt therefore participated in the management of Gaza with Hamas, Israel, and the Quartet in the midst of heightened fears that the situation might escalate.

The securitization of Egyptian foreign policy has a further dimension: the heightened concern among Egyptian officials regarding the fight against radical groups. There have been genuine concerns about religious extremism and state security, especially after the war waged in the 1990s between Egyptian security forces and thousands of "Egyptian Afghans" who had brought jihad back to Egypt. But this experience did not result in any decisive diplomatic leverage in favor of a counter-terrorism agenda in international forums and institutions, and was more of a flag brandished at external backers (especially the United States) to ensure a free hand in domestic matters – a card Hosni Mubarak continued to play until the end of his regime in February 2011, no doubt with some degree of cynicism. Egypt has been enlisted in the "war on terror" and has been part of the CIA's clandestine Extraordinary Rendition program, which explains why repressive sections of the Mubarak regime cast their lot with the most criticized programs of the United States.

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[87] T. Aklimendos, *La guerre de Gaza vue d'Egypte*, unpublished text kindly forwarded by the author.

4 AMERICA'S REFORMULATED STANCE IN THE FACE OF A WEAKENING EGYPT

After two terms of George W. Bush's administration, the Obama administration has tried to restore the credibility of the United States in the Middle East. In 2009, the incoming Obama administration wanted to improve relations with a number of Arab and Muslim countries after the deleterious effects of the outgoing administration's "global war on terror." In June 2009, President Obama, significantly, chose Cairo as the venue for his famous speech, a very symbolic move to reach out to the Muslim world at the beginning of his administration. These symbolic gestures of prime importance were accompanied by a flurry of diplomatic exchanges, culminating in President Obama's visit to Egypt in June 2009 and President Mubarak's trip to Washington in August 2009 — his first visit to the United States since 2004. He was accompanied by his whole cabinet, including intelligence chief O. Suleiman and his own son, Gamal. Coincidentally, President Obama had come around to viewing Egypt as a peace partner on the Palestinian-Israeli question. The continuing tensions with Iran and Hamas had bolstered Egypt's position as a moderate force, or at least boosted its utility in American eyes. In April 2009, the revelation of an alleged Hezbollah military cell operating in Egypt had heightened tensions with Iran. Egypt also expressed concerns about Iran's support for Hamas, its influence in Iraq, and its nuclear program. All these had all been issues of heightened concern for the United States since 2002.

The Obama administration elevated Egypt's importance for U.S. foreign policy in the region — a measure deeply appreciated by Egyptian officials — but without giving Egypt the real means to restore its declining diplomatic profile. Egypt found itself relegated to a humble role, with no great capacity to alter the course of events, despite the Obama administration re-engaging forcefully on the Palestinian-Israeli question. Egypt has secured ceasefire agreements, has mediated numerous negotiations between Hamas and Israel over prisoner exchanges and other issues, and was instrumental in reaching a six-month Israel-Hamas ceasefire in June 2008, through the mediation of O. Suleiman.

Egypt strove to make Palestinians attain unity and to moderate the conduct of Hamas; it conducted multiple rounds of talks and engaged in shuttle diplomacy. These are the modest goals Egypt has been working toward, but it has not positioned itself to be any more than an effective and last minute go-between. And all Egypt-mediated talks have stalled. The blockade on Gaza, the problem of the delivery of humanitarian aid to Gaza, the underground tunnel economy, and the risk of seeing hungry Palestinians breaching the fence in a Gaza under siege and pouring through into Egyptian territory (as in January 2008) have created headaches for Egyptian officials, who have no real ability to offer an alternative to Israeli pressures and American demands. Egypt was regarded as central when U.S. Secretary of State Hilary Clinton was trying to revive the moribund peace talks between Israel and the Palestinians in 2009. The very ability of Egypt to act, however, is handicapped by the U.S. failure to jump-start the Israeli-Palestinian peace process, as exemplified by the end of the ten months Israeli moratorium on settlement construction in October 2010.

Additionally, recurring doubts remain in the United States about the value of Egypt in the region. For a

while there has been a strong conviction in the State Department that a healthy opening in the otherwise ossified Egyptian regime is needed, without which the regime would have risked becoming a threat to itself and to American interests in the Middle East. This type of thinking is not typical in Congress however, whose reasoning is more simplistic — either seeing Egypt as a close ally or as country to be forcefully democratized, by linking American aid to democratization benchmarks. In May 2010, the Obama administration protested when Egypt renewed the state of emergency law in place since 1981. These publicly issued statements put enormous pressure on Egypt, and Egyptian diplomats spend precious energy and time trying to repair their country's diplomatic weaknesses. The American balancing of private pressures or cautious (and very calibrated) public pressures along with strong public support for Egypt was increasingly substituted by more open criticism along with strong overall support for the centrality of Egypt, a move that enraged Egyptian officials who have equated these actions with outright interference in internal Egyptian matters (as revealed by Wikileaks cables).

Another key factor is that in recent years, the enduring regional weakening of Egypt can be directly related to the weakening of the Egyptian state apparatus due to uncertainties at the top. There has been a looming succession crisis that has weighed on Egypt's ability to deploy itself regionally. Republican Egypt's two first presidents built a powerful state apparatus despite domestic and international constraints and they used many stratagems, first of all in foreign and regional policy, to buttress their power base and reaffirm themselves

at the helm of the Egyptian state apparatus. President Mubarak managed the inherited system deftly (until February 2011), namely by surviving in power despite rising domestic and international pressures, the most challenging being the rise of internal contestation in Egypt, especially of the Islamist type. But the end of Hosni Mubarak's tenure due to biological factors (he was born in 1928) proved to be a difficult time for Egypt, with ensuing consequences on its ability to play its role in the Middle East.

Decades of authoritarian rule might not have extinguished societal protests, but the complex web of interests sustaining the regime (the authoritarian equilibrium) stifled any change outside state channels. A new public space let its weight be felt, but it was not able to build an alternative. After some openings in the 1980s, the Egyptian regime severely limited the opportunities for political expression (Springborg, 1988; Kienle, 2001). Having exhausted alternatives outside the system, the regime was able to direct change. Inside the regime, the same technique of exhaustion of alternatives was at work. None of the other power centers commanded the necessary resources to push for decisive change: each was concentrated in a particular sector or institution (even the army); there were competing institutions with overlapping domains. Political life was largely moribund and the configuration of power was tilted towards a tiny elite, among which Gamal, the son of the president, was pre-eminent.

This dearth of potential candidates was best illustrated by the political sensation M. El Baradei caused when he returned to Cairo in 2010 after a 12-year tenure in Vienna at the helm of the International Atomic Energy Agency. The rigged November 2010 legislative elections were a clear

signal that the regime was paving the way in 2011 for a Mubarak candidacy, either father or son. In such a political system, succession was a daunting challenge. As a corollary, at the time of succession, the Egyptian system had become ossified, in line with a model well known in the Middle East, exemplified by the last years of King Hassan II, King Hussein, King Fahd, or Hafez al-Asad. This created ripple effects on Egypt's ability to project itself in foreign policy. Of late, the entire Egyptian apparatus focused on the issue of President Mubarak's succession. Therefore, the ability to act in foreign policy was deeply affected by these constraints.

In February 2011, this equation was reformulated with the ousting of President Mubarak. Pent up rage and frustration at the repression, corruption, and economic hardships that had become the hallmark of authoritarian rule crystallized into a social movement that removed President Mubarak from power. In the transitional process, the army was the only remaining functioning institution, and when chaos began to loom on the streets of Cairo, Alexandria, and Suez (among others), it stepped into politics and acted as a midwife for the transition process.

These developments reinforce the extreme enfeeblement of the country's foreign policy. All energies are focused on the rebuilding of an Egyptian political system, on the transition from the Mubarak regime to another system, and the consolidation of that transition. It takes place with societal mobilizations having gained a "voice" in the process — every sector of Egyptian society is taking to the streets, grasping the opportunity afforded by the change of regime, with the army (the Supreme Council of Armed Forces) at the helm, trying to

reinstate some sense of normalcy. This is the fundamental challenge facing Egypt at the time of writing (end February 2011). It follows that Egyptian foreign policy will remain static for a while.

In such a context, the short-term perspectives are the most important. A foreign policy statement (statement number 4 of February 12, 2011) by the Supreme Council of the Armed Forces has made clear that "the Arab Republic of Egypt is committed to all regional and international obligations and treaties," a direct reference to the Camp David agreement between Egypt and Israel. The Muslim Brothers, too, have been cautious on this topic. It is too early to try to offer analyses as the scenario is still unfolding. In this moment of transition, in which the obstacles are enormous, a search for future prospects seems premature.

Two opposing trends seem to be gaining strength and will be instrumental to future reorientations in Egyptian foreign policy. On the one hand, the army is at the head of the state and is trying to go back to the barracks as soon as possible to save its cohesion, even though it is looking for a system that preserves its interests. The army, if left alone, will reinstate a status quo that will not be so different from that of the Mubarak regime, or at least will be very much path-dependent on it. On the other hand, with the Egyptian populace having gained a "voice" in politics and wanting to keep this voice, an Egyptian system that will be more representative of its society will undoubtedly be more assertive in backing the Palestinians. And Israel is deeply worried about this, having appealed to the United States to back Mubarak until the end. A more representative Egyptian system will also be less enthusiastic about strategic cooperation with the United States than

the Mubarak regime, if not on global lines, surely on specific Middle Eastern issues, taking a cue from Turkey's more independent foreign policy in the 2000s. A first litmus test may take place with the handling of the border issue between Egypt and Gaza: whereby the former regime's extreme securitization of the Gaza issue (under Omar Suleiman's guidance) may well be seriously revised in the future Egyptian foreign policy.

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Conclusion: Could Post-Mubarak Egypt Represent a Departure From Neo-Authoritarianism?

The events of January-February 2011 have opened a new era in Egyptian contemporary history, not least because they put an end to the 30-year long presidency of Hosni Mubarak. However, it should be kept in mind that while the new regime will likely be more populist and allow some political space, at least in the short term, the temptation to employ the old and deeply rooted formulas of power might be hard to break, especially because finding new ways to govern would imply a radical change in the internal and external balance of power and in the distribution of resources between the rulers and the ruled. Despite that, the mark left on the Egyptian people by the experience of a large and, at least in the short term, successful popular mobilization should not be underestimated. Even in the likely event of a restoration of the regime under the watchful eyes of the military, people's empowerment may play out in the years to come in unexpected ways.

Whatever the future power arrangement, the new rulers will have to govern a country that is facing numerous and pressing problems. From the socio-economic point of view, as argued in the paper by M. Cristina Paciello, over the 2003-07 period, Egypt experienced strong economic growth, and a rapid increase in exports and foreign direct investment inflows. However, the hardships of a large number of Egyptians, particularly those belonging to the lower middle classes, had increased, implying that the benefits of the rapid economic growth had not been equitably distributed. The deteriorating socio-economic situation is fuelling widespread discontent, particularly among the youth, as the long-sustained workers protests and the recent popular upheavals suggest. In order to face Egypt's emerging social question, the new rulers would have to radically revise the country economic and social reform agenda: prioritizing structural reforms that diversify the country's productive structure; mainstreaming a "youth perspective" in economic and social strategies, which means, among others, implementing economic policies that explicitly target job creation for the young or assessing the specific impact of economic reforms on the youth; making the social welfare system more inclusive and progressive; and coping with the problem of high food inflation through policies that raise agricultural productivity.

However, coping with socio-economic challenges requires, above all, a profound restructuring of the country's political economy so as to deal with wide-spread corruption and allow a new and independent business sector to develop. The reconfiguration of Egypt's political economy will very much depend on whether and how political transition proceeds.

Also, fiscal problems may curb the capacity of current and future Egyptian governments to cope seriously with the country's socio-economic challenges. Despite some improvements in the last decade, Egypt suffers from a high budget deficit and a large public debt ratio, which worsened as a result of the global crisis and the current domestic political situation, which in turn fuelled the collapse of tourism and a decline in foreign investment. Egypt can partially cope with these problems by taking recourse to external aid, but this will imply that it will have limited leverage in shaping its future economic policies. For example, under a possible intervention by the IMF and the World Bank, Egypt would be forced to restrain its expansionary policies, by cutting public expenditure

and specifically in eliminating food subsidies, privatizing the health insurance system, and abandoning the wage bill. If implemented, these measures could further damage Egypt socio-economically and provoke strong opposition from the population.

From a political point of view, Mubarak's Egypt was an apt representation of the neo-authoritarian configuration of power prevailing in many less-developed countries, not only in the Arab World: a post-ideological regime with no consensus, reigning by coercion and clientelism over a largely disen-franchised population and fragmented elites (military, intelligence, civil services, the bureaucracy, technocrats, crony businessmen, clans) exchanging internal and geo-political stability for foreign patronage in the form of international acceptance and economic and military aid. The ruling National Democratic Party reflected the regime's neo-authoritarian nature, as has been well illustrated by Issandr El Amrani's paper. During the Mubarak presidency, the party was transformed into a clientelist machine with no coherent ideology. The NDP functioned as a sum of different and competing networks of opportunists — rather than apparatchiks or loyalists as was the case with its forerunner, the Arab Socialist Union of Nasser — but ultimately it was unable to conduct its prime function as a ruling party: that of being an intermediary between the state and the ordinary citizen.

On April 16, the Supreme Administrative Court ruled that the party should be dissolved and its assets should be seized by the state. But opposition forces facing new parliamentary elections rightly fear that the NDP's networks still constitute a serious counter-revolutionary challenge. The military, particularly if it decides to back a particular presidential candidate, can try to create a new NDP-like party around which notables and apparatchiks will rally. In the best possible scenario, the political scene is likely to be fragmented for some time and dominated by shifting alliances. Electoral politics, hopefully less fraudulent than in the past, will then tend to be dominated by ideo-logical issues in more urban areas, while the families and tribes that often dominate rural politics will migrate from the now defunct NDP to whatever party they believe offers them the most.

In general, the possibility of an alternative and more representative way of governing would depend on the capacity of the opposition to significantly alter the power base of the regime and the authoritarian techniques of control and repression deeply rooted in Egyptian society, both at the micro and macro levels since the time of British rule. Mubarak, like his predecessors, was particularly efficient in repressing the emergence of an organized, pluralist, and mass-based opposition, thus preventing the appearance of a credible alternative to his rule.

The Muslim Brotherhood for long held a hege-monic oppositional role, but — as highlighted in this author's paper above — that was more an outcome of the general political stagnation and regime repression of other opposition forces rather than the Brotherhood's almost mythical organizational strength and unbeatable power base.

The MB today, while it is certainly the most orga-nized of all the opposition forces, suffers from the same malaise characterizing the loyalist opposition parties such as the Wafd or the leftist Tagammu':

lack of political initiative, lack of well-defined political programs, ossified internal debates and dynamics, and, relatively speaking, difficulties in organizing a pro-active and fully representative mass base.

After the popular upheaval of the past months, the question now is: would the current transition allow enough time and political space for the largely spontaneous popular movement to form representative political organizations and parties that can compete in elections and bring a balance in the political space? It remains to be seen, but the balance of power to date is certainly in favor of the former ruling elites and political actors, however they might disguise or camouflage themselves through membership in new organizations.

Finally, as well explained in Philippe Droz-Vincent's paper, Egypt's international and regional role has been on the decline over the last decade, increasingly showing signs of passivity and difficulty in pursuing national interests. The fundamentals of Egyptian foreign policy have remained the same since the late 1970s, as Egypt remains firmly entrenched in its triangular relationship with the United States and Israel. Yet Egypt has been increasingly unable to act autonomously and effectively both for its own and its partners' sake. Current difficulties relate to Egypt's declining economy and the emergence of new regional actors such as Turkey and Iran, but also to the rulers lack of initiative and capacity, such as in the Horn of Africa, where Egypt has vital interests in the flow of water from the Nile and from which arena it has been conspicuously absent. Also, Egypt has been weakened by its domestic difficulties, with all eyes initially being turned on President Mubarak's

succession and now on the consequences of his ousting. The entire state apparatus has long been paralyzed due to this transitional period, which has had a direct effect on the state's capacity to define its foreign policy.

Starting from these premises, what could Egypt's Western partners do to help a significant Egyptian transition and not just a simple regime recomposition in new clothing?

In the last decades, the United States and, generally, the Western countries have been prioritizing stability and status quo maintenance in the Arab region, through their economic, military, and political support for authoritarian regimes. At best, the Western powers give timid support to gradual political reforms, which are implemented top-down through the medium of the ruling elites. As well illustrated in El Amrani's paper, for instance, the Bush administration was enthusiastic about engaging the new technocratic and reform-oriented leadership of the NDP around the persona of Gamal Mubarak. This strategy clearly ignored the fact that factions of the ruling elites might be interested in modernizing their system of rule, but not to the point of altering the authoritarian status quo that grants them their elite privileges. Obviously, cosmetic political reform implemented through the ruling elites has the advantage of granting political continuity, and Western priority up to now has been to sustain Western-friendly, "moderate" regimes, even if at the cost of democracy.

Arab regimes are in fact defined as "moderate" and "radical" not for their domestic performance, but for their foreign policy and, most of all, for their

approach toward the conflict in the Middle East and toward other Western interests in the region.

The long debated fear of an Islamist take-over in Egypt as elsewhere should be read in this light: the problem is not so much the Islamists' social or religious conservatism — as demonstrated by the long U.S. alliance with ultra conservative Islamist regimes such as Saudi Arabia — but precisely their supposedly more radical stance on many regional issues.

No doubt, as stated by Droz-Vincent in this report — a more representative Egyptian political system will probably be less enthusiastic about blind strategic cooperation with the United States and Israel, if not on global lines, surely on specific Middle East issues, taking a cue from Turkey's more independent foreign policy in the 2000s.

However, the so-called "Arab Spring" has brought to the fore the alarming failure of "moderate" regimes such as Egypt to implement sustainable political and economic development for their people. This represents a chance for Western policymakers to at least partially re-think their policies, and to acknowledge that in the long run "stability" cannot be secured by blindly providing economic, military, and political support to autocratic and ineffective regimes.

The first steps in a general policy reappraisal could be to use conditionality in aid (especially military aid) and trade policies to buttress the creation of more impartial rules of the game in terms of political and civil liberties and respect for human rights, and support for substantial legal and constitutional reforms alongside. The focus should be on the legal and constitutional framework and not on

attempting to artificially mould the political landscape by financing — for instance through programs of "political party development" — or opposing specific political groups. Egypt has a long tradition of political parties and trade unions and with a lasting, more open, and fair political environment, much of the distortions in its political system — such as the long-feared dominance of the opposition by an opaque and conservative Islamist organization and the lack of secular credible alternatives — will naturally give way to more pluralist, dynamic, and representative systems, if not in months, then certainly in the years to come.

Also, as discussed by Paciello and El Amrani in this report, the Egyptian experience in the last decade demonstrates that political reforms are a pre-requisite for equitable and sustainable economic reforms. Foreign actors need to admit that, at least in strongly inegalitarian societies such as that of Egypt, neo-liberal policies become the vehicles of corruption and tools for the advancement of personal interests while simultaneously contributing to the marginalization of large sections of society.

In all future strategies, therefore, more attention should be paid to issues of equality and re-distribution. Moreover, the EU and the United States should fundamentally rethink their economic cooperation policies vis-à-vis Egypt, by prioritizing job creation and a youth perspective in the economic reforms they support.

National Democratic Party - Organigram

NATIONAL DEMOCRATIC PARTY
ORGANIGRAM

Chairman
Hosni Mubarak

STEERING COMMITTEE (6)
COMMITTEE SECRETARIES (15)
POLITICAL BUREAU (12)
GENERAL SECRETARIAT (33)

} SUPREME COUNCIL (45)
Nominates presidential candidate

VACANT

VACANT

Youssef Wali
(Deputy Chairman)

Fathi Surour
(Speaker of PA)

Ahmed Nazif
(Prime Minister)

Amal Othman
(MP, Chair of the PA Legislative Affairs Committee)

Edward Ghali
El-Dahabi (MP)

Farkhonda Hassan
(Shura Council)

Zeinab Radwan
(MP, Deputy Speaker of People's Assembly)

Tharwat Bassili
(Businessman)

Secretary-General
Safwat al-Sherif
(Pres. of Shura Council)

Moufid Shehab
Asst. Sec-Gen
(Min. of Parliamentary Affairs)

Gamal Mubarak
Asst. Sec-Gen
(Secretary for Policies)

Zakariya Azmi
Asst. Sec-Gen
(MP, Zeitoun.
Pres. Chief of Staff)

Alieddin Hilal
Secretary for Media Affairs
(Prof. Law)

Mohamed El-Hefnawy
Secretary for Professionals' Affairs

Ahmed Ezz
Secretary for Organizational Affairs
(MP, Menouf, industrialist)

Mohamed Abdel-Halim
Secretary for Workers' Affairs

Ahmed Moses
Secretary for Peasants' Affairs

Parliamentary Committee

Party media

Governorate committees (29)

District Committees (222)

Supreme Policies Council

Specialized Policy Committees

Hossam Badrawy
Secretary for Business
(Businessman)

Maged El-Sherbini
Secretary for Membership

Mohamed El-Dakrouri
Secretary for Legal and Ethics Affairs
(Lawyer)

Mohamed Abdallah
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